# Supplementary information to AB DNB Bankas Capital and Risk Profile

**Contents**



## Introduction

This document is the Pillar 3 disclosure made in accordance with the Regulation (EU) No 575/2013 Part Eight, Disclosure by Institutions. AB DNB Bankas (hereafter the Bank) annual report contains an extensive amount of relevant information about risk and its management as well as the Bank capital. Thus this document provides only additional information to the annual report (this disclosure is published in conjunction with the date of publication of the annual financial report).

This disclosure provides a detailed breakdown of AB DNB Bankas own funds, internal capital figures, capital instruments' main features, proving adequacy of risk management and describing the institutions overall risk profile in relation with business strategy.

According to the regulations, this disclosure includes the information only if institution believes that the information is material, not proprietary or confidential.

This disclosure on solo and consolidated basis has been prepared as of reporting date 31 December, 2014. There are three main consolidation levels in the institution:

- The Bank stand alone.
- AB DNB Bankas' Financial group includes the Bank and subsidiaries engaged in financial service activities, that is AB DNB Lizingas, UAB DNB Investicijų Valdymas, UAB Intractus, UAB Gėlužės projektai and UAB Industrius.
- AB DNB Bankas' Group consists the Bank and its subsidiaries, that is AB DNB Lizingas, UAB DNB Investicijų Valdymas, UAB Intractus, UAB Gėlužės projektai, UAB Industrius and UAB DNB Būstas.

## Chief Risk Officer's comment

The Group is well capitalised in the context of the increasing regulatory requirements towards capitalisation. As well the Group's capital level is adequate to absorb large additional potential losses stemming from risks it is exposed to or to which it may be exposed in the future. This has been proven during Asset Quality Review (AQR) and ECB stress-testing processes, which took part in 2014. Positive result of the stress test shows Group's solid capitalisation and resistance to adverse development of the economy.

Quality of the credit portfolio improved significantly during 2014. It can be seen from various risk indicators. This has been achieved through consistent work of all DNB organization towards improvement of portfolio quality.

The Group has been and will continue to be tightly linked to the International DNB Group in terms of best practices, competence sharing and active communication. Major currently ongoing projects in the risk area are implemented in close cooperation with colleagues in other Baltic countries as well as the International DNB Group. Risk organisation of DNB in Lithuania is part of International DNB Group's risk organisation. In addition to strong capital base of its own the Group has strong backing from the shareholders, which was proved during the most difficult years of the recent economic crisis. The Capitalisation Guidelines set the minimum capital level and the target capital ratio together with the measures to be taken to restore capitalisation in case any of these are not met. This reflects the Group's commitment to maintain higher capital levels than regulatory minimum in order to be prepared for unexpected developments.

Taking into account the achieved improvements in risk management and risk control areas and solid capitalisation – the Group is well prepared to meet the challenges that the future may pose.

## Overview of internal capital adequacy assessment

The regulatory capital requirement of the Bank and the Financial Group is calculated using Basel III Standardised Approach for all risks – credit risk, credit value adjustment risk, market risk and operational risk. The minimum capital requirement of 8 per cent is currently applied. The Group takes into consideration upcoming capitalisation requirements according to CRD IV / CRR when setting the minimum capital level and the target capital ratio in its Capitalisation Guidelines.

## The Group's Capitalisation Guidelines

The Capitalisation Guidelines set the minimum capital level and the target capital level for the Bank and for the Financial Group. The minimum capital level has to be maintained at all times. If there is a breach of the minimum capital level, the management has to prepare a capital conservation plan that will restore capitalisation to levels above minimum within a reasonably short time frame.

Target capital ratio is the target capitalisation level. If at some point in time the actual capital adequacy ratio is below target capital level, the management should secure that the financial and business plan takes capitalisation back to the target level over medium term of 1-3 years. The target capital ratio is equal to 13.0-13.5 per cent and minimum capital ratio is set at 11.5 per cent.

The capital shall be adequate to ensure effective and optimal use relative to the scope and risk profile of operations and shall enable to:

- comply with minimum capital adequacy and regulatory buffer requirements in a way that is consistent with the Group's risk profile and risk tolerance,
- exploit growth opportunities in the market,
- achieve a competitive return on equity.

The International DNB Group will support the Group to ensure adequate capitalisation. The capabilities and willingness to support the Financial Group was proven by the International DNB Group during the period of the severe economic downturn of 2009-2010.

Results of stress testing, which are integrated into ICAAP, prove strong capitalisation and resilience to the adverse developments for the Bank and for the Financial Group leaving significant buffer to cover additional losses and develop the Financial Group's operations.

Capital planning is based on development plan for risk weighted assets and profit (loss) for years 2015-2017. Capital growth from retained earnings will be sufficient to cover moderate growth of loans in the later years. Regulatory capital ratio will remain significantly above the level of target capital ratio determined by the Capitalisation Guidelines during the following three years.

The Bank reports all risks (i.e. credit, operational, market) according to the Standardised approach. Breakdown of Original exposure (exposure prior to value adjustments and provisions, credit risk mitigation techniques and credit conversion factors), RWA and Capital requirements according to the exposure classes and different risks is presented in the table below.

| million LTL | Bank | | | Financial Group | | | Group | | |
|---|---|---|---|---|---|---|---|---|---|
| Breakdown of risk - weighted assets and capital requirements | Original exposure | RWA | Capital require ments | Original exposure | RWA | Capital require ments | Original exposure | RWA | Capital require ments |
| Credit, counterparty credit and dilution risks and free deliveries | 15,053 | 7,829 | 626 | 14,514 | 7,353 | 588 | 14,512 | 7,350 | 588 |
| Central governments or central banks | 1,080 | 0 | 0 | 1,080 | 0 | 0 | 1,080 | 0 | 0 |
| Regional governments or local authorities | 821 | 0 | 0 | 822 | 0 | 0 | 822 | 0 | 0 |
| Public sector entities | 370 | 44 | 4 | 381 | 54 | 4 | 381 | 54 | 4 |
| Institutions | 542 | 106 | 9 | 542 | 106 | 9 | 542 | 106 | 9 |
| Corporates | 5,112 | 4,128 | 330 | 4,130 | 3,340 | 267 | 4,130 | 3,340 | 267 |
| of which subject to SME | 1,812 | 1,596 | 128 | 1,870 | 1,589 | 127 | 1,870 | 1,589 | 127 |
| Retail | 1,868 | 1,013 | 81 | 2,151 | 1,179 | 94 | 2,151 | 1,179 | 94 |
| of which subject to SME | 1,040 | 475 | 38 | 1,279 | 608 | 49 | 1,279 | 608 | 49 |
| Secured by mortgages on immovable property | 3,304 | 1,151 | 92 | 3,304 | 1,152 | 92 | 3,304 | 1,152 | 92 |
| of which subject to SME | 31 | 8 | 1 | 31 | 8 | 1 | 31 | 8 | 1 |
| Exposures in default | 1,286 | 969 | 78 | 1,336 | 1,006 | 80 | 1,336 | 1,006 | 80 |
| of which subject to SME | 775 | 592 | 47 | 824 | 662 | 53 | 824 | 662 | 53 |
| Equity | 244 | 244 | 20 | 5 | 5 | 0 | 2 | 2 | 0 |
| Other items | 426 | 172 | 14 | 765 | 511 | 41 | 765 | 511 | 41 |
| Position, foreign exchange and commodities risks | 0 | 454 | 36 | 0 | 420 | 34 | 0 | 420 | 34 |
| Traded debt instruments | | 146 | 12 | | 147 | 12 | | 147 | 12 |
| Equity | | 2 | 0 | | 2 | 0 | | 2 | 0 |
| Foreign Exchange | | 306 | 25 | | 271 | 22 | | 271 | 22 |
| Operational risk | | 672 | 54 | | 692 | 55 | | 695 | 56 |
| Credit valuation adjustment | | 2 | 0 | | 2 | 0 | | 2 | 0 |
| Total amount | 15,053 | 8,957 | 717 | 14,514 | 8,466 | 677 | 14,512 | 8,467 | 677 |

## Internal Capital Adequacy Assessment Process (ICAAP)

The Financial Group uses ICAAP, which is a process for assessment of risk profile and internal capital adequacy for the Bank and for the Financial Group, for assurance that the Bank and the Financial Group are appropriately capitalised with respect to all material risks that arise within current and future operations.

All ICAAP results including annual ICAAP Report, stress testing results, internal risks self-assessment results are provided to the Bank's Management Board for approval annually and submitted to the regulator in the first quarter of the year. Additional full scope ICAAP might be needed when there are recalculations run based on unpredicted events having very high impact on capitalisation level.

In addition, calculations of internal capital requirement are updated quarterly taking into account Pillar 1 results as well as in the case of significant changes of the Financial Group's risk profile.

Regular updates of internal capital requirement calculations together with full scope ICAAP ensure that developments in capital adequacy are tracked and provide a valuable input into capital planning.

Internal capital adequacy assessment is integrated with strategic and financial planning processes, where relations are both ways. Strategic and financial plans are important inputs into ICAAP, while capitalisation level serves as input into strategic and financial planning. This makes ICAAP an important tool for efficient capital allocation and for identification of capital needs.

As well the Financial Group's ICAAP is an integral part of the whole International DNB Group's ICAAP. The Financial Group submits ICAAP Report to the International DNB Group. This report is used as annex to the International DNB Group's ICAAP Report, which is submitted to the Norwegian FSA.

The Bank's and the Financial Group's regulatory capital adequacy ratios under Pillar 1 are 16.1 per cent and 16.7 per cent respectively by the end of 2014. The ICAAP results show that the Financial Group and the Bank both need to set aside the additional 2.0 per cent of capital in order to cover Pillar 2 potential losses.

The ICAAP results are summarized in the table below:

thousand LTL

| Capital adequacy summary | Bank | | | Financial Group | | |
|---|---|---|---|---|---|---|
| Own funds | 1,440,951 | | | 1,415,640 | | |
| Risk weighted exposure amount | 8,957,291 | | | 8,466,499 | | |
| Regulatory capital requirement (Pillar 1) | 716,583 | | | 677,320 | | |
| Capital adequacy ratio | 16.1% | | | 16.7% | | |
| Internal capital add-on as percentage points of capital adequacy ratio | 2.0% | | | 2.0% | | |
| Risks | Regulatory capital requirement | Internal capital | Add-on | Regulatory capital requirement | Internal capital | Add-on |
| Credit | 626,460 | 765,497 | 139,036 | 588,370 | 723,871 | 135,501 |
| Market | 36,355 | 43,539 | 7,184 | 33,570 | 39,933 | 6,363 |
| Operational | 53,768 | 64,156 | 10,388 | 55,380 | 65,768 | 10,388 |
| Other | - | 21,497 | 21,497 | - | 20,320 | 20,320 |
| Total | 716,583 | 894,690 | 178,106 | 677,320 | 849,892 | 172,573 |

## Risk measurement

ICAAP in the Financial Group is aligned with the uniform guidelines of the International DNB Group, which coordinates structuring of the process, selection of approaches for risk measurement and prescribes the content for ICAAP Report.

The internal capital requirement under Pillar 2 is calculated as the sum of regulatory capital requirement and additional capital needs for the material risks that were not or were not fully captured by regulatory capital requirement.

The material risks, for which additional capital needs are assessed in ICAAP, are identified in internal risks self-assessment process with involvement of different structural units of the institution so that all material risks are captured.

## Contingency planning

The Group has prepared and approved the Plan for Increase of Capital under Threat of Extreme Decrease in Capital Adequacy Ratio. It covers definition of extreme capital shortage situation, specifies actions to be taken in such situation and responsible parties.

If capital adequacy ratio falls below the minimum capital level set by the Capitalisation Guidelines, this situation would not necessarily qualify as extreme capital shortage situation. Still the management will have to prepare a capital conservation plan that will restore capitalization to levels above minimum within a reasonably short time frame.

In the case of critical liquidity situation the Group is acting in accordance with Contingency Funding Plan.

In addition to existing risk management frameworks, the Recovery Planning document is being developed in the Group. The framework together with several other measures have been implemented by European Commission in Recovery and Resolution Directive which set out one more tool for crisis prevention and management. The directive requires credit institutions to develop and follow-up recovery plans providing framework necessary for the restoration of their financial strength in case of severe stress.

Although International DNB Group has already prepared the Recovery Plan on the level of the group, according to its mandate, the European Central Bank will require Lithuanian DNB subsidiary to submit separate recovery plan. Recovery plan project team has been established and has started work on preparation of individual recovery plan of the Group.

# Capital Reconciliation

Annual accounting financial statements combine the consolidated financial statements for the Group and stand-alone financial statements of the Bank. However, the financial information in accordance with the requirements of the Bank of Lithuania (for prudential purposes) is consolidated on Financial Group level. As the scope of consolidation for accounting purposes and for prudential purposes is different, there are three levels of consolidation presented in the table below:

| thousand LTL | Bank | Financial Group | Group |
|---|---|---|---|
| Ordinary shares | 656,665 | 656,665 | 656,665 |
| Share premium | 282,929 | 282,929 | 282,929 |
| Retained earnings | 159,107 | 172,820 | 172,264 |
| Reserves | 377,129 | 377,329 | 377,349 |
| Total equity | 1,475,830 | 1,489,743 | 1,489,207 |
| Deductions | (35,544) | (74,768) | (75,548) |
| Net profit (loss) for the year | (21,735) | (55,764) | (56,523) |
| Intangible assets | (12,978) | (18,173) | (18,194) |
| Fixed assets revaluation reserves | (831) | (831) | (831) |
| Common equity Tier 1 capital | 1,440,286 | 1,414,975 | 1,413,659 |
| Tier 1 capital | 1,440,286 | 1,414,975 | 1,413,659 |
| Tier 2 capital | 665 | 665 | 665 |
| Total own funds | 1,440,951 | 1,415,640 | 1,414,324 |

# Risk appetite

The Risk Appetite concept has emerged as an industry best practice enabling organisations to include risk as a holistic part of the planning and strategy processes and thus react more swiftly to changing environment. The Risk Appetite framework is based on existing risk reporting and processes for the International DNB Group and locally. The Risk Appetite statements aim to control local risks in DNB Lithuania and are developed in coordination with the strategy and financial planning processes, while at the same time fit into the broader Risk Appetite framework set by the International DNB Group.

To support the framework a set of governance principles and operational procedures and responsibilities are defined. These are vital to ensure Risk Appetite contributes to risk being managed and integrated with other key steering processes in the organisation, while still maintaining the required independence to function as a reference point for risk consequences of the organisation's strategic and financial planning.

Ownership of Risk Appetite statements rests with the Supervisory Council for DNB Lithuania and all its changes to the framework and governance principles are to be approved by the Supervisory Council. The Risk Appetite framework is to be reviewed at least once a year in a process initiated by Financial Group Risk Management and led by the CRO in DNB Lithuania. A set of seven Risk Appetite statements has been chosen to express the main risks in DNB Lithuania. Boundaries on each statement limit the amount of risk which the organisation is willing to accept. Risk Appetite reporting will be integrated with existing quarterly risk reporting in DNB Lithuania and will be represented in the form of a “traffic light”.

## Capital instrument’s main features

Disclosure of the main features of Common Equity Tier 1.

| | | |
|---|---|---|
| 1 | Issuer | AB DNB Bankas |
| 2 | Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement | LT0000100174 |
| 3 | Governing law(s) of the instrument | Lithuania |
| | *Regulatory treatment* | |
| 4 | Transitional CRR rules | Common Equity Tier 1 |
| 5 | Post-transitional CRR rules | Common Equity Tier 1 |
| 6 | Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated | Solo and (Sub-) Consolidated |
| 7 | Instrument type (types to be specified by each jurisdiction) | Ordinary share |
| 8 | Amount recognised in regulatory capital (currency in million, as of most recent reporting date) | LTL 1.304 millions |
| 9 | Nominal amount of instrument | LTL 115 |
| 9a | Issue price | Various |
| 9b | Redemption price | N/A |
| 10 | Accounting classification | Shareholders’ equity |
| 11 | Original date of issuance | 2001 |
| 12 | Perpetual or dated | Perpetual |
| 13 | Original maturity date | No maturity |
| 14 | Issuer call subject to prior supervisory approval | No |
| 15 | Optional call date, contingent call dates, and redemption amount | N/A |
| 16 | Subsequent call dates, if applicable | N/A |
| | *Coupons / dividends* | |
| 17 | Fixed or floating dividend/coupon | Floating |
| 18 | Coupon rate and any related index | N/A |
| 19 | Existence of a dividend stopper | No |
| 20a | Fully discretionary, partially discretionary or mandatory (in terms of timing) | Fully discretionary |
| 20b | Fully discretionary, partially discretionary or mandatory (in terms of amount) | Fully discretionary |
| 21 | Existence of step up or other incentive to redeem | N/A |
| 22 | Noncumulative or cumulative | Non-cumulative |
| 23 | Convertible or non-convertible | Non-convertible |
| 24 | If convertible, conversion trigger (s) | N/A |
| 25 | If convertible, fully or partially | N/A |
| 26 | If convertible, conversion rate | N/A |
| 27 | If convertible, mandatory or optional conversion | N/A |
| 28 | If convertible, specify instrument type convertible into | N/A |
| 29 | If convertible, specify issuer of instrument it converts into | N/A |
| 30 | Write-down features | No |
| 31 | If write-down, write-down trigger (s) | N/A |
| 32 | If write-down, full or partial | N/A |
| 33 | If write-down, permanent or temporary | N/A |
| 34 | If temporary write-down, description of write-up mechanism | N/A |
| 35 | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | N/A |
| 36 | Non-compliant transitioned features | No |
| 37 | If yes, specify non-compliant features | N/A |
| | (1) 'N/A' inserted if the question is not applicable | |

# Own Funds Disclosure

There is a transitional own funds disclosure template filled in order to meet the requirements of disclosure of additional items of own funds as provided for in Article 492(3) of Regulation (EU) No 575/2013.

| | Common Equity Tier 1 capital: instruments and reserves | Amount at disclosure date, thousands LTL | | |
|---|---|---|---|---|
| | | Bank | Financial Group | Group |
| 1 | Capital instruments and the related share premium accounts | 939,594 | 939,594 | 939,594 |
| | of which: Instrument type 1 | | | |
| | of which: Instrument type 2 | | | |
| | of which: Instrument type 3 | | | |
| 2 | Retained earnings | 137,372 | 117,056 | 115,741 |
| 3 | Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards) | 364,270 | 364,270 | 364,270 |
| 3a | Funds for general banking risk | 12,028 | 12,228 | 12,248 |
| 4 | Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1 | | | |
| | Public sector capital injections grandfathered until 1 January 2018 | | | |
| 5 | Minority Interests (amount allowed in consolidated CET1) | | | |
| 5a | Independently reviewed interim profits net of any foreseeable charge or dividend | | | |
| 6 | Common Equity Tier 1 (CET1) capital before regulatory adjustments | 1,453,264 | 1,433,148 | 1,431,853 |
| **Common Equity Tier 1 (CET1) capital: regulatory adjustments** | | | | |
| 7 | Additional value adjustments (negative amount) | | | |
| 8 | Intangible assets (net of related tax liability) (negative amount) | (12,978) | (18,173) | (18,194) |
| 9 | Empty Set in the EU | | | |
| 10 | Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount) | | | |
| 11 | Fair value reserves related to gains or losses on cash flow hedges | | | |
| 12 | Negative amounts resulting from the calculation of expected loss amounts | | | |
| 13 | Any increase in equity that results from securitised assets (negative amount) | | | |
| 14 | Gains or losses on liabilities valued at fair value resulting from changes in own credit standing | | | |
| 15 | Defined-benefit pension fund assets (negative amount) | | | |
| 16 | Direct and indirect holdings by an institution of own CET1 instruments (negative amount) | | | |
| 17 | Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount) | | | |
| 18 | Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount) | | | |
| 19 | Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount) | | | |
| 20 | Empty Set in the EU | | | |
| 20a | Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative | | | |
| 20b | of which: qualifying holdings outside the financial sector (negative amount) | | | |
| 20c | of which: securitisation positions (negative amount) | | | |
| 20d | of which: free deliveries (negative amount) | | | |
| 21 | Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in 38 (3) are met) (negative amount) | | | |
| 22 | Amount exceeding the 15% threshold (negative amount) | | | |
| 23 | of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities | | | |
| 24 | Empty Set in the EU | | | |
| 25 | of which: deferred tax assets arising from temporary differences | | | |
| 25a | Losses for the current financial year (negative amount) | | | |
| 25b | Foreseeable tax charges relating to CET1 items (negative amount) | | | |
| 26 | Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment | | | |
| 26a | Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468 | | | |
| | Of which: …filter for unrealised loss 1 | | | |
| | Of which: …filter for unrealised loss 2 | | | |
| | Of which: …filter for unrealised gain 1 | | | |
| | Of which: …filter for unrealised gain 2 | | | |
| 26b | Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR | | | |
| | Of which: … | | | |
| 27 | Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount) | | | |
| 28 | **Total regulatory adjustments to Common equity Tier 1 (CET1)** | (12,978) | (18,173) | (18,194) |

| | | | | |
|---|---|---|---|---|
| 29 | **Common Equity Tier 1 (CET1) capital** | 1,440,286 | 1,414,975 | 1,413,659 |
| **Additional Tier 1 (AT1) capital: instruments** | | | | |
| 30 | Capital instruments and the related share premium accounts | | | |
| 31 | of which: classified as equity under applicable accounting standards | | | |
| 32 | of which: classified as liabilities under applicable accounting standards | | | |
| 33 | Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1 | | | |
| | Public sector capital injections grandfathered until 1 January 2018 | | | |
| 34 | Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties | | | |
| 35 | of which: instruments issued by subsidiaries subject to phase out | | | |
| 36 | **Additional Tier 1 (AT1) capital before regulatory adjustments** | | | |
| **Additional Tier 1 (AT1) capital: regulatory adjustments** | | | | |
| 37 | Direct and indirect holdings by an institution of own AT1 Instruments (negative amount) | | | |
| 38 | Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount) | | | |
| 39 | Direct and indirect holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount) | | | |
| 40 | Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10% threshold net of eligible short positions) (negative amount) | | | |
| 41 | Regulatory adjustments applied to additional tier 1 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts) | | | |
| 41a | Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013 | | | |
| | Of which items to be detailed line by line, e.g. Material net interim losses, intangibles, shortfall of provisions to expected losses etc | | | |
| 41b | Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013 | | | |
| | Of which items to be detailed line by line, e.g. Reciprocal cross holdings in Tier 2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc | | | |
| 41c | Amount to be deducted from or added to Additional Tier 1 capital with regard to additional filters and deductions required pre- CRR | | | |
| | Of which: …possible filter for unrealised losses | | | |
| | Of which: …possible filter for unrealised gains | | | |
| | Of which: … | | | |
| 42 | Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount) | | | |
| 43 | **Total regulatory adjustments to Additional Tier 1 (AT1) capital** | | | |
| 44 | **Additional Tier 1 (AT1) capital** | | | |
| 45 | **Tier 1 capital (T1 = CET1 + AT1)** | 1,440,286 | 1,414,975 | 1,413,659 |
| **Tier 2 (T2) capital: instruments and provisions** | | | | |
| 46 | Capital instruments and the related share premium accounts | | | |
| 47 | Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 | | | |
| | Public sector capital injections grandfathered until 1 January 2018 | | | |
| 48 | Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties | | | |
| 49 | of which: instruments issued by subsidiaries subject to phase out | | | |
| 50 | Credit risk adjustments | | | |
| 51 | **Tier 2 (T2) capital before regulatory adjustments** | | | |
| **Tier 2 (T2) capital: regulatory adjustments** | | | | |
| 52 | Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount) | | | |
| 53 | Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount) | | | |
| 54 | Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount) | | | |
| 54a | Of which new holdings not subject to transitional arrangements | | | |
| 54b | Of which holdings existing before 1 January 2013 and subject to transitional arrangements | | | |
| 55 | Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount) | | | |
| 56 | Regulatory adjustments applied to tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts) | | | |
| 56a | Residual amounts deducted from Tier 2capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013 | | | |
| | Of which items to be detailed line by line, e.g. Material net interim losses, intangibles, shortfall of provisions | | | |

| | | | | |
|---|---|---|---|---|
| | to expected losses etc | | | |
| 56b | Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013 | | | |
| | Of which items to be detailed line by line, e.g. reciprocal cross holdings in at1 instruments, direct holdings of non significant investments in the capital of other financial sector entities, etc | | | |
| 56c | Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre CRR | 665 | 665 | 665 |
| | which: …possible filter for unrealised losses | | | |
| | Of which: …possible filter for unrealised gains | | | |
| | Of which: … | 665 | 665 | 665 |
| 57 | **Total regulatory adjustments to Tier 2 (T2) capital** | 665 | 665 | 665 |
| 58 | **Tier 2 (T2) capital** | 665 | 665 | 665 |
| 59 | **Total capital (TC = T1 + T2)** | 1,440,951 | 1,415,640 | 1,414,324 |
| 59a | Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013(i.e. CRR residual amounts) | | | |
| | Of which: …items not deducted from CET1 (Regulation (EU) No 575/2013residual amounts) | | | |
| | (items to be detailed line by line, e.g. Deferred tax assets that rely on future profitability net of related tax liablity, indirect holdings of own CET1, etc) | | | |
| | Of which: …items not deducted from AT1 items (Regulation (EU) No 575/2013residual amounts) | | | |
| | (items to be detailed line by line, e.g. Reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc) | | | |
| | Items not deducted from T2 items (Regulation (EU) No 575/2013residual amounts) | | | |
| | (items to be detailed line by line, e.g. Indirect holdings of own t2 instruments, indirect holdings of non significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc) | | | |
| 60 | **Total risk weighted assets** | 8,957,291 | 8,466,499 | 8,466,592 |
| **Capital ratios and buffers** | | | | |
| 61 | Common Equity Tier 1 (as a percentage of risk exposure amount) | 16.1% | 16.7% | 16.7% |
| 62 | Tier 1 (as a percentage of risk exposure amount) | 16.1% | 16.7% | 16.7% |
| 63 | Total capital (as a percentage of risk exposure amount) | 16.1% | 16.7% | 16.7% |
| 64 | Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount) | 4.5% | 4.5% | 4.5% |
| 65 | of which: capital conservation buffer requirement | | | |
| 66 | of which: countercyclical buffer requirement | | | |
| 67 | of which: systemic risk buffer requirement | | | |
| 67a | of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer | | | |
| 68 | Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount) | 11.6% | 12.2% | 12.2% |
| 69 | [non relevant in EU regulation] | | | |
| 70 | [non relevant in EU regulation] | | | |
| 71 | [non relevant in EU regulation] | | | |
| **Amounts below the thresholds for deduction (before risk weighting)** | | | | |
| 72 | Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions) | | | |
| 73 | Direct and indirect holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions) | | | |
| 74 | Empty Set in the EU | | | |
| 75 | Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) | 18,104 | 18,104 | 18,104 |
| **Applicable caps on the inclusion of provisions in Tier 2** | | | | |
| 76 | Credit risk adjustments included in T2 in respect of exposures subject to standardized approach (prior to the application of the cap) | | | |
| 77 | Cap on inclusion of credit risk adjustments in T2 under standardised approach | 7,829,040 | 7,352,911 | 7,350,191 |
| 78 | Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap) | | | |
| 79 | Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach | | | |
| **Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)** | | | | |
| 80 | Current cap on CET1 instruments subject to phase out arrangements | | | |
| 81 | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | | | |
| 82 | Current cap on AT1 instruments subject to phase out arrangements | | | |
| 83 | Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) | | | |
| 84 | Current cap on T2 instruments subject to phase out arrangements | | | |
| 85 | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) | | | |