

# Additional Pillar 3 Disclosure

NEDERLANDSE WATERSCHAPSBANK N.V.

2018



# CONTENTS

|  |    |
|--|----|
| Introduction   | 3  |
| Leverage Ratio   | 3  |
| ANNEX I Summary reconciliation of accounting assets and leverage ratio exposures | 3  |
| Leverage ratio common disclosure   | 4  |
| Split-up of on balance sheet exposures (excl. derivatives and SFTs)              | 5  |
| Encumbered assets  | 6  |
| C-Sources of encumbrance   | 7  |
| Definitions for accounting purposes of “past due” and “impaired”                 | 7  |
| ANNEX II Capital instruments’ main features template                             | 8  |
| ANNEX VI Transitional own funds disclosure template                              | 12 |
| Risk exposure amount and Own funds requirement                                   | 18 |

# ADDITIONAL PILLAR 3 INFORMATION

## Introduction

This section provides additional information related to Pillar 3 disclosure. Most of the required information has already been provided elsewhere in the Annual Report (e.g. Risk Management section) and or on the website. The information in this section has not been audited by NWB Bank's external auditor.

## Leverage Ratio

Since January 2014 the CRR/CRD IV requires credit institutions to report their leverage ratios, defined as tier 1 capital as a percentage of total exposure. The concrete details of the leverage ratio obligation are part of the Capital Requirements Regulation (CRR) that recently has been amended. On 16 April 2019 the European Parliament has adopted the amendments to the capital requirement directive and regulation. On 2 May 2019, the European Council announced that it had adopted the EC's banking package reforms (relating to the CRRII/CRDV, BRRDII and SRMRII). On 7 June 2019, the banking package reforms were published in the Official Journal of the European Union which means for CRRII that it enters into force on 27 June 2019 (20 days following publication) and applies from 28 June 2021.

| ANNEX I Summary reconciliation of accounting assets and leverage ratio exposures |   |                    |
|--|---|--------------------|
| 31 December 2018 (in million of euros)   |   | Applicable Amounts |
| 1  | Total assets as per published financial statements  | 83.715             |
| 2  | Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation  |                    |
| 3  | (Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013 "CRR") |                    |
| 4  | Adjustments for derivative financial instruments  | -7.062             |
| 5  | Adjustments for securities financing transactions "SFTs"  |                    |
| 6  | Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)  | 1.611              |
| EU-6a  | (Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013)   |                    |
| EU-6b  | (Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013)   |                    |
| 7  | Other adjustments   | -7                 |
| 8  | Total leverage ratio exposure   | 78.257             |

## Leverage ratio common disclosure

| 31 December 2018 (in million of euros) |  | CRR leverage ratio exposures |
|--|--|------------------------------|
|  | <b>On-balance sheet exposures (excluding derivatives and SFTs)</b>   |                              |
| 1                                      | On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)  | 79.545                       |
| 2                                      | (Asset amounts deducted in determining Tier 1 capital)   | 0                            |
| 3                                      | Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)                                   | 79.545                       |
|  | <b>Derivative exposures</b>  |                              |
| 4                                      | Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)                                     | 513                          |
| 5                                      | Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)  | 919                          |
| EU-5a                                  | Exposure determined under Original Exposure Method   |                              |
| 6                                      | Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework    |                              |
| 7                                      | (Deductions of receivables assets for cash variation margin provided in derivatives transactions)  | -4.331                       |
| 8                                      | (Exempted CCP leg of client-cleared trade exposures)   |                              |
| 9                                      | Adjusted effective notional amount of written credit derivatives   |                              |
| 10                                     | (Adjusted effective notional offsets and add-on deductions for written credit derivatives)   |                              |
| 11                                     | <b>Total derivative exposures (sum of lines 4 to 10)</b>   | -2.899                       |
|  | <b>Securities financing transaction exposures</b>  |                              |
| 12                                     | Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions   |                              |
| 13                                     | (Netted amounts of cash payables and cash receivables of gross SFT assets)   |                              |
| 14                                     | Counterparty credit risk exposure for SFT assets   |                              |
| EU-14a                                 | Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013            |                              |
| 15                                     | Agent transaction exposures  |                              |
| EU-15a                                 | (Exempted CCP leg of client-cleared SFT exposure)  |                              |
| 16                                     | <b>Total securities financing transaction exposures (sum of lines 12 to 15a)</b>   |                              |
|  | <b>Other off-balance sheet exposures</b>   |                              |
| 17                                     | Off-balance sheet exposures at gross notional amount   | 1.611                        |
| 18                                     | (Adjustments for conversion to credit equivalent amounts)  |                              |
| 19                                     | <b>Other off-balance sheet exposures (sum of lines 17 to 18)</b>   | 1.611                        |
|  | <b>Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)</b>   |                              |
| EU-19a                                 | (Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet)) |                              |
| EU-19b                                 | (Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))                           |                              |
|  | <b>Capital and total exposures</b>   |                              |
| 20                                     | <b>Tier 1 capital</b>  | 1.938                        |
| 21                                     | <b>Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)</b>  | 78.257                       |
|  | <b>Leverage ratio</b>  |                              |
| 22                                     | <b>Leverage ratio</b>  | 2,5%                         |
|  | <b>Choice on transitional arrangements and amount of derecognised fiduciary items</b>  |                              |
| EU-23                                  | Choice on transitional arrangements for the definition of the capital measure  | Fully phased in              |
| EU-24                                  | Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013                                     |                              |

Compared with 31 December 2017 the Bank's leverage ratio increased from 2.3% by 0.2 percentage point to 2.5%. The increase is mainly due to the profit accumulation.

The presented Tier 1 capital (fully loaded) is excluding net profit 2018 (€100 million), including net profit 2018 (excluding dividend) Tier 1 capital and leverage ratio would rise to €2,018 million and 2.6% respectively.

### Split-up of on balance sheet exposures (excl. derivatives and SFTs)

| 31 December 2018 (in million of euros) |   | CRR leverage ratio exposures |
|--|---|------------------------------|
| EU-1                                   | Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:     | 79.545                       |
| EU-2                                   | Trading book exposures  |                              |
| EU-3                                   | Banking book exposures, of which:   |                              |
| EU-4                                   | Covered bonds   | 551                          |
| EU-5                                   | Exposures treated as sovereigns   | 72.730                       |
| EU-6                                   | Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns | 9                            |
| EU-7                                   | Institutions  | 4.788                        |
| EU-8                                   | Secured by mortgages of immovable properties  |                              |
| EU-9                                   | Retail exposures  |                              |
| EU-10                                  | Corporate   | 688                          |
| EU-11                                  | Exposures in default  |                              |
| EU-12                                  | Other exposures (eg equity, securitisations, and other non-credit obligation assets)                  | 780                          |

## Encumbered assets

Encumbered assets represent the on-balance sheet assets that are used as collateral for NWB Bank's liabilities. Presented figures based on 2018 median values.

Disclosure according to Articles 2 and 3 of the Commission Delegated Regulation (EU) 2017/2295.

| Template A — Encumbered and unencumbered assets |   |                                      |   |                                 |   |  |                         |                                   |                         |
|---|---|--------------------------------------|---|---------------------------------|---|--|-------------------------|-----------------------------------|-------------------------|
| 2018 median<br>(in million euros)               |   | Carrying amount of encumbered assets |   | Fair value of encumbered assets |   | Carrying amount of unencumbered assets |                         | Fair value of unencumbered assets |                         |
|   |   | 010                                  | of which notionally eligible EHQLA and HQLA | 040                             | of which notionally eligible EHQLA and HQLA | 060                                    | of which EHQLA and HQLA | 090                               | of which EHQLA and HQLA |
|   |   |                                      | 030   |                                 | 050   |  | 080                     |                                   | 100                     |
| <b>010</b>                                      | <b>Assets of the reporting institution</b>    | 7.113                                | 798   |                                 |   | 83.119                                 | 60.897                  |                                   |                         |
| 020   | Loans on demand                               |                                      |   |                                 |   | 14.163                                 |                         |                                   |                         |
| 030   | Equity instruments                            |                                      |   |                                 |   |  |                         |                                   |                         |
| 040   | Debt securities                               | 798                                  | 798   | 798                             | 798   | 2.321                                  | 1.490                   | 2.361                             | 1.496                   |
| 060   | of which: asset-backed securities             | 798                                  | 798   | 273                             | 273   | 533                                    | 533                     | 538                               | 538                     |
| 100   | Loans and advances other than loans on demand | 6.156                                | 0   |                                 |   | 61.871                                 | 59.406                  |                                   |                         |
| 120   | Other assets                                  |                                      |   |                                 |   | 4.072                                  |                         |                                   |                         |

| Template B — Collateral received  |   |  |   |   |                         |
|-----------------------------------|---|--|---|---|-------------------------|
| 2018 median<br>(in million euros) |   | Fair value of encumbered collateral received or own debt securities issued |   | Unencumbered  |                         |
|                                   |   |  |   | Fair value of collateral received or own debt securities issued available for encumbrance |                         |
|                                   |   | 010  | of which notionally eligible EHQLA and HQLA | 040   | of which EHQLA and HQLA |
|                                   |   | 030  |   | 060   |                         |
| <b>250</b>                        | <b>TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED</b> | 7.113  | 798   |   |                         |

## C-Sources of encumbrance

The Carrying amount of the collateralized derivatives of the reporting institution that are financial liabilities are compared with collateral paid and received.

| Template C — Sources of encumbrance |  |   |   |
|-------------------------------------|--|---|---|
| 2018 median<br>(in million euros)   |  | Matching liabilities, contingent liabilities or securities lent | Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered |
|                                     |  | 010   | 030   |
| <b>010</b>                          | <b>Carrying amount of selected financial liabilities</b> | 6.055   | 7.113   |
| 020                                 | Derivatives  | 6.055   | 7.113   |

## Definitions for accounting purposes of “past due” and “impaired”

Past due is a loan payment that has not been made as of its due date. A borrower who is past due may be subject to late fees.

In the assessment of a financial asset or group of assets, impairment losses are incurred only if:

- There is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a loss event), and,
- This loss event has an impact on the estimated future cash flows of the financial asset or group of assets that can be reliably estimated.

Expected losses as a result of future events, no matter how likely, are not recognized.

## Geographic distribution of the exposures

The Geographic distribution of the exposures are broken down in significant areas by material exposure classes, and further detailed in our annual report on page 164.

## ANNEX II Capital instruments' main features template

Disclosure according to Article 3 in Commission implementing regulation (EU) No 1423/2013

### Capital instruments' main features template (1)

|                             |   |                                  |                                  |
|-----------------------------|---|----------------------------------|----------------------------------|
| 1                           | Issuer  | Nederlandse Waterschapsbank N.V. | Nederlandse Waterschapsbank N.V. |
| 2                           | Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)                | No unique identifier             | No unique identifier             |
| 3                           | Governing law(s) of the instrument  | Dutch                            | Dutch                            |
| <b>Regulatory treatment</b> |   |                                  |                                  |
| 4                           | Transitional CRR rules  | CET1                             | CET1                             |
| 5                           | Post-transitional CRR rules   | CET1                             | CET1                             |
| 6                           | Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated                                   | Solo                             | Solo                             |
| 7                           | Instrument type (types to be specified by each jurisdiction)                                    | Share Capital (A shares)         | Share Capital (B shares)         |
| 8                           | Amount recognised in regulatory capital (currency in million, as of most recent reporting date) | EUR 5.805 mln                    | EUR 1.019 mln                    |
| 9                           | Nominal amount of instrument  | EUR 115                          | EUR 460                          |
| 9a                          | Issue price   | EUR 115                          | EUR 460                          |
| 9b                          | Redemption price  | N/A                              | N/A                              |
| 10                          | Accounting classification   | Shareholders' equity             | Shareholders' equity             |
| 11                          | Original date of issuance   | May 5, 1954                      | January 1, 1961                  |
| 12                          | Perpetual or dated  | Perpetual                        | Perpetual                        |
| 13                          | Original maturity date  | No maturity                      | No maturity                      |
| 14                          | Issuer call subject to prior supervisory approval   | N/A                              | N/A                              |
| 15                          | Optional call date, contingent call dates, and redemption amount                                | N/A                              | N/A                              |
| 16                          | Subsequent call dates, if applicable  | N/A                              | N/A                              |



|   |   |   |   |
|---|---|---|---|
| Nederlandse Waterschapsbank N.V.  | Nederlandse Waterschapsbank N.V.  | Nederlandse Waterschapsbank N.V.  | Nederlandse Waterschapsbank N.V.  |
| No unique identifier  | No unique identifier  | No unique identifier  | No unique identifier  |
| Dutch   | Dutch   | Dutch   | Dutch   |
| Additional Tier 1   | Additional Tier 1   | Additional Tier 1   | Additional Tier 1   |
| Additional Tier 1   | Additional Tier 1   | Additional Tier 1   | Additional Tier 1   |
| Solo  | Solo  | Solo  | Solo  |
| Additional Tier 1   | Additional Tier 1   | Additional Tier 1   | Additional Tier 1   |
| EUR 200 mln   | EUR 20.5 mln  | EUR 50 mln  | EUR 50 mln  |
| EUR 200 mln   | EUR 20.5 mln  | EUR 50 mln  | EUR 50 mln  |
| 100 per cent  | 100 per cent  | 100 per cent  | 100 per cent  |
| 100 per cent of Nominal amount  | 100 per cent of Nominal amount  | 100 per cent of Nominal amount  | 100 per cent of Nominal amount  |
| Liability - amortised cost  | Liability - amortised cost  | Liability - amortised cost  | Liability - amortised cost  |
| September 1, 2015   | "May 3, 2016<br>"   | "August 12, 2016<br>"   | August 15, 2016   |
| Perpetual   | Perpetual   | Perpetual   | Perpetual   |
| No maturity   | No maturity   | No maturity   | No maturity   |
| Yes   | Yes   | Yes   | Yes   |
| "01-09-25<br>100 per cent of Nominal amount<br>In addition Tax/Regulatory call" | "03-05-31<br>100 per cent of Nominal amount<br>In addition Tax/Regulatory call" | "12-08-26<br>100 per cent of Nominal amount<br>In addition Tax/Regulatory call" | "15-01-24<br>100 per cent of Nominal amount<br>In addition Tax/Regulatory call" |
| "01-Sep of each year<br>after first call date"                                  | "3-May of each year<br>after first call date"                                   | "12-Aug of each year<br>after first call date"                                  | "15-Jan of each year<br>after first call date"                                  |

| Coupons / dividends |   |                     |                     |
|---------------------|---|---------------------|---------------------|
| 17                  | Fixed or floating dividend/coupon   | Floating            | Floating            |
| 18                  | Coupon rate and any related index   | N/A                 | N/A                 |
| 19                  | Existence of a dividend stopper   | No                  | No                  |
| 20a                 | Fully discretionary, partially discretionary or mandatory (in terms of timing)                                | Fully discretionary | Fully discretionary |
| 20b                 | Fully discretionary, partially discretionary or mandatory (in terms of amount)                                | Fully discretionary | Fully discretionary |
| 21                  | Existence of step up or other incentive to redeem   | No                  | No                  |
| 22                  | Noncumulative or cumulative   | N/A                 | N/A                 |
| 23                  | Convertible or non-convertible  | N/A                 | N/A                 |
| 24                  | If convertible, conversion trigger (s)  | N/A                 | N/A                 |
| 25                  | If convertible, fully or partially  | N/A                 | N/A                 |
| 26                  | If convertible, conversion rate   | N/A                 | N/A                 |
| 27                  | If convertible, mandatory or optional conversion  | N/A                 | N/A                 |
| 28                  | If convertible, specify instrument type convertible into  | N/A                 | N/A                 |
| 29                  | If convertible, specify issuer of instrument it converts into   | N/A                 | N/A                 |
| 30                  | Write-down features   | N/A                 | N/A                 |
| 31                  | If write-down, write-down trigger (s)   | N/A                 | N/A                 |
| 32                  | If write-down, full or partial  | N/A                 | N/A                 |
| 33                  | If write-down, permanent or temporary   | N/A                 | N/A                 |
| 34                  | If temporary write-down, description of write-up mechanism  | N/A                 | N/A                 |
| 35                  | Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument) | Additional Tier 1   | Additional Tier 1   |
| 36                  | Non-compliant transitioned features   | No                  | No                  |
| 37                  | If yes, specify non-compliant features  | N/A                 | N/A                 |

(1) 'N/A' inserted if the question is not applicable

|  |  |   |   |
|--|--|---|---|
| Fixed to floating  | Fixed to floating  | Fixed to floating   | Fixed to floating   |
| Fixed 3.1 per cent per annum, until first call date, thereafter 1 year swaprate with Euribor 6-months +2.00 per cent per annum | Fixed 4.025 per cent per annum, until first call date, thereafter 1 year swaprate with Euribor 6-months +2.25 per cent per annum | Fixed 2.34 per cent per annum, until first call date, thereafter 1 year swaprate with Euribor 6-months +2.00 per cent per annum | Fixed 2.41 per cent per annum, until first call date, thereafter 1 year swaprate with Euribor 6-months +2.00 per cent per annum |
| No   | No   | No  | No  |
| Fully discretionary  | Fully discretionary  | Fully discretionary   | Fully discretionary   |
| Fully discretionary  | Fully discretionary  | Fully discretionary   | Fully discretionary   |
| No   | No   | No  | No  |
| Non-cumulative   | Non-cumulative   | Non-cumulative  | Non-cumulative  |
| Non-convertible  | Non-convertible  | Non-convertible   | Non-convertible   |
| N/A  | N/A  | N/A   | N/A   |
| N/A  | N/A  | N/A   | N/A   |
| N/A  | N/A  | N/A   | N/A   |
| N/A  | N/A  | N/A   | N/A   |
| N/A  | N/A  | N/A   | N/A   |
| N/A  | N/A  | N/A   | N/A   |
| Yes  | Yes  | Yes   | Yes   |
| Common Equity Tier1 (CET1) below 5.125 per cent  | Common Equity Tier1 (CET1) below 5.125 per cent  | Common Equity Tier1 (CET1) below 5.125 per cent   | Common Equity Tier1 (CET1) below 5.125 per cent   |
| Full or Partially  | Full or Partially  | Full or Partially   | Full or Partially   |
| Temporary  | Temporary  | Temporary   | Temporary   |
| Under conditions write-up takes place in steps when CET1 is above 5.125 per cent   | Under conditions write-up takes place in steps when CET1 is above 5.125 per cent   | Under conditions write-up takes place in steps when CET1 is above 5.125 per cent  | Under conditions write-up takes place in steps when CET1 is above 5.125 per cent  |
| Other creditors  | Other creditors  | Other creditors   | Other creditors   |
| No   | No   | No  | No  |
| N/A  | N/A  | N/A   | N/A   |

## ANNEX VI Transitional own funds disclosure template

### Disclosure according to Article 5 in Commission implementing regulation (EU) No 1423/2013

| Common Equity Tier 1 capital: instruments and reserves (1)<br>(in million of euros) |   | 31 December<br>2018 | (B)<br>REGULATION (EU) No 575/2013<br>ARTICLE REFERENCE | (C)<br>AMOUNTS SUBJECT TO<br>PRE-REGULATION (EU) No<br>575/2013 TREATMENT OR<br>PRESCRIBED RESIDUAL<br>AMOUNT OF REGULATION<br>(EU) 575/2013 |
|---|---|---------------------|---|--|
| 1   | Capital instruments and the related share premium accounts  | 7                   | 26 (1), 27, 28, 29, EBA list 26 (3)                     | N/A  |
|   | of which: Instrument type 1   | N/A                 | EBA list 26 (3)   | N/A  |
|   | of which: Instrument type 2   | N/A                 | EBA list 26 (3)   | N/A  |
|   | of which: Instrument type 3   | N/A                 | EBA list 26 (3)   | N/A  |
| 2   | Retained earnings   | 1.617               | 26 (1) (c)  | N/A  |
| 3   | Accumulated other comprehensive income (and any other reserves)   | 2                   | 26 (1)  | N/A  |
| 3a  | Funds for general banking risk  | N/A                 | 26 (1) (f)  | N/A  |
| 4   | Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1   | N/A                 | 486 (2)   | N/A  |
|   | Public sector capital injections grandfathered until 1 January 2018   | N/A                 | 483 (2)   | N/A  |
| 5   | Minority interests (amount allowed in consolidated CET1)  | N/A                 | 84, 479, 480  | N/A  |
| 5a  | Independently reviewed interim profits net of any foreseeable charge or dividend  | 0                   | 26 (2)  | N/A  |
| 6   | <b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>  | 1.626               |   | N/A  |
| <b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>                  |   |                     |   |  |
| 7   | Additional value adjustments (negative amount)  | -5                  | 34, 105   | N/A  |
| 8   | Intangible assets (net of related tax liability) (negative amount)  | -3                  | 36 (1) (b), 37, 472 (4)                                 | N/A  |
| 9   | Empty set in the EU   | 0                   |   | N/A  |
| 10  | Deferred tax assets that rely on future profitability excluding those arising from temporary difference (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount) | 0                   | 36 (1) (c), 38, 472 (5)                                 | N/A  |
| 11  | Fair value reserves related to gains or losses on cash flow hedges  | 0                   | 33 (a)  | N/A  |
| 12  | Negative amounts resulting from the calculation of expected loss amounts  | 0                   | 36 (1) (d), 40, 159, 472 (6)                            | N/A  |
| 13  | Any increase in equity that results from securitised assets (negative amount)   | 0                   | 32 (1)  | N/A  |
| 14  | Gains or losses on liabilities valued at fair value resulting from changes in own credit standing   | 0                   | 33 (1) (b) (c)  | N/A  |
| 15  | Defined-benefit pension fund assets (negative amount)   | 0                   | 36 (1) (e), 41, 472 (7)                                 | N/A  |
| 16  | Direct and indirect holdings by an institution of own CET1 instruments (negative amount)  | N/A                 | 36 (1) (f), 42, 472 (8)                                 | N/A  |

|     |  |       |  |     |
|-----|--|-------|--|-----|
| 17  | Direct, indirect and synthetic 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)      | N/A   | 36 (1) (g), 44, 472 (9)  | N/A |
| 18  | Direct, indirect and synthetic holdings of the CET1 instruments 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) | N/A   | 36 (1) (h), 43, 45, 46, 49 (2) (3), 79, 472 (10)                     | N/A |
| 19  | Direct, indirect and synthetic holdings 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)           | N/A   | 36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79, 470, 472 (11) | N/A |
| 20  | Empty set in the EU  | N/A   |  | N/A |
| 20a | Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative   | 0     | 36 (1) (k)   | N/A |
| 20b | of which: qualifying holdings outside the financial sector (negative amount)   | 0     | 36 (1) (k) (i), 89 to 91   | N/A |
| 20c | of which: securitisation positions (negative amount)   | 0     | "36 (1) (k) (ii)<br>243 (1) (b)<br>244 (1) (b)<br>258"               | N/A |
| 20d | of which: free deliveries (negative amount)  | 0     | 36 (1) (k) (iii), 379 (3)  | N/A |
| 21  | Deferred tax assets arising from temporary difference (amount above 10 % threshold , net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)  | 0     | 36 (1) (c), 38, 48 (1) (a), 470, 472 (5)                             | N/A |
| 22  | Amount exceeding the 15% threshold (negative amount)   | 0     | 48 (1)   | N/A |
| 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  | 0     | 36 (1) (i), 48 (1) (b), 470, 472 (11)                                | N/A |
| 24  | Empty set in the EU  | 0     |  | N/A |
| 25  | of which: deferred tax assets arising from temporary difference  | 0     | 36 (1) (c), 38, 48 (1) (a), 470, 472 (5)                             | N/A |
| 25a | Losses for the current financial year (negative amount)  | 0     | 36 (1) (a), 472 (3)  | N/A |
| 25b | Foreseeable tax charges relating to CET1 items (negative amount)   | 0     | 36 (1) (l)   | N/A |
| 26  | Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment  | 0     |  | N/A |
| 26a | Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468  | N/A   |  | N/A |
| 26b | Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR  | N/A   | 481  | N/A |
| 27  | Qualifying AT1 deductions that exceeds the AT1 capital of the institution (negative amount)  | 0     | 36 (1) (j)   | N/A |
| 28  | <b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>   | -8    |  | N/A |
| 29  | <b>Common Equity Tier 1 (CET1) capital</b>   | 1.618 |  | N/A |

| <b>Additional Tier 1 (AT1) capital: instruments</b>            |   |       |  |     |
|--|---|-------|--|-----|
| 30   | Capital instruments and the related share premium accounts  | 321   | 51, 52   | N/A |
| 31   | of which: classified as equity under applicable accounting standards  | 0     |  | N/A |
| 32   | of which: classified as liabilities under applicable accounting standards   | 321   |  | N/A |
| 33   | Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1  | 0     | 486 (3)  | N/A |
|  | Public sector capital injections grandfathered until 1 January 2018   | 0     | 483 (3)  | N/A |
| 34   | Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interest not included in row 5) issued by subsidiaries and held by third parties   | 0     | 85, 86, 480  | N/A |
| 35   | of which: instruments issued by subsidiaries subject to phase-out   | 0     | 486 (3)  | N/A |
| 36   | <b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>  | 321   |  | N/A |
| <b>Additional Tier 1 (AT1) capital: regulatory adjustments</b> |   |       |  |     |
| 37   | Direct and indirect holdings by an institution of own AT1 instruments (negative amount)   | 0     | 52 (1) (b), 56 (a), 57, 475 (2)  | N/A |
| 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)                                     | 0     | 56 (b), 58, 475 (3)  | N/A |
| 39   | Direct, indirect and synthetic holdings of the AT1 instruments 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) | 0     | 56 (c), 59, 60, 79, 475 (4)  | N/A |
| 40   | Direct, indirect and synthetic holdings of the AT1 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)           | 0     | 56 (d), 59, 79, 475 (4)  | N/A |
| 41   | Regulatory adjustments applied to Additional Tier 1 capital in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase-out as prescribed in Regulation (EU) No 585/2013 (ie. CRR residual amounts)                       | N/A   |  | N/A |
| 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   | N/A   | 472, 473(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a) | N/A |
| 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   | N/A   | 477, 477 (3), 477 (4) (a)  | N/A |
| 41c  | Amounts to be deducted from added to Additional Tier 1 capital with regard to additional filters and deductions required pre- CRR   | N/A   | 467, 468, 481  | N/A |
| 42   | Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)  | 0     | 56 (e)   | N/A |
| 43   | <b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>  | 0     |  | N/A |
| 44   | <b>Additional Tier 1 (AT1) capital</b>  | 321   |  | N/A |
| 45   | <b>Tier 1 capital (T1 = CET1 + AT1)</b>   | 1.938 |  | N/A |

| Tier 2 (T2) capital: instruments and provisions |  |       |  |     |
|---|--|-------|--|-----|
| 46  | Capital instruments and the related share premium accounts   | 0     | 62, 63   | N/A |
| 47  | Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2  | 0     | 486 (4)  | N/A |
|   | Public sector capital injections grandfathered until 1 January 2018  | 0     | 483 (4)  | N/A |
| 48  | Qualifying own funds instruments included in consolidated T2 capital (including minority interest and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third party   | 0     | 87, 88, 480  | N/A |
| 49  | of which: instruments issued by subsidiaries subject to phase-out  | 0     | 486 (4)  | N/A |
| 50  | Credit risk adjustments  | 0     | 62 (c) & (d)   | N/A |
| 51  | <b>Tier 2 (T2) capital before regulatory adjustment</b>  | 0     |  | N/A |
| Tier 2 (T2) capital: regulatory adjustments     |  |       |  |     |
| 52  | Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)  | 0     | 63 (b) (i), 66 (a), 67, 477 (2)  | N/A |
| 53  | Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institutions designed to inflate artificially the own funds of the institution (negative amount)                                     | 0     | 66 (b), 68, 477 (3)  | N/A |
| 54  | Direct, indirect and synthetic 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) | 0     | 66 (c), 69, 70, 79, 477 (4)  | N/A |
| 54a   | Of which new holdings not subject to transitional arrangements   | 0     |  | N/A |
| 54b   | Of which holdings existing before 1 January 2013 and subject to transitional arrangements  | 0     |  | N/A |
| 55  | Direct, indirect and synthetic holdings 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 amounts)  | 0     | 66 (d), 69, 79, 477 (4)  | N/A |
| 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)  | N/A   |  | N/A |
| 56a   | Residual amounts deducted from Tier 2 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   | N/A   | 472, 472(3)(a), 472 (4), 472 (6), 472 (8), 472 (9), 472 (10) (a), 472 (11) (a) | N/A |
| 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  | N/A   | 475, 475 (2) (a), 475 (3), 475 (4) (a)   | N/A |
| 56c   | Amounts to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre- CRR  | N/A   | 467, 468, 481  | N/A |
| 57  | <b>Total regulatory adjustments to Tier 2 (T2) capital</b>   | 0     |  | N/A |
| 58  | <b>Tier 2 (T2) capital</b>   | 0     |  | N/A |
| 59  | <b>Total capital (TC = T1 + T2)</b>  | 1.938 |  | N/A |

|   |   |       |   |     |
|---|---|-------|---|-----|
| 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 amount)  | N/A   |   | N/A |
|   | Of which:... items not deducted from CET1 (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc)   | N/A   | 472, 472 (5), 472 (8) (b), 472 (10) (b), 472 (11) (b)                           | N/A |
|   | Of which:...items not deducted from AT1 items (Regulation (EU) No 575/2013 residual 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.)  | N/A   | 475, 475 (2) (b), 475 (2) ©, 475 (4) (b)  | N/A |
|   | Items not deducted from T2 items (Regulation (EU) No 575/2013 residual 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) | N/A   | 477, 477 (2) (b), 477 (2) (c), 477 (4) (b)                                      | N/A |
| 60  | <b>Total risk-weighted assets</b>   | 2.627 |   | N/A |
| <b>Capital ratios and buffers</b>   |   |       |   |     |
| 61  | Common Equity Tier 1 (as a percentage of total risk exposure amount)  | 61,6% | 92 (2) (a), 465   | N/A |
| 62  | Tier 1 (as a percentage of total risk exposure amount)  | 73,8% | 92 (2) (b), 465   | N/A |
| 63  | Total capital (as a percentage of total risk exposure amount)   | 73,8% | 92 (2) (c)  | N/A |
| 64  | Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements plus a systemic risk buffer, plus systemically important institution buffer expressed as a percentage of total risk exposure amount) 1)   | 5,8%  | CRD 128, 129, 140   | N/A |
| 65  | of which: capital conservation buffer requirement   | 1,3%  |   | N/A |
| 66  | of which: countercyclical buffer requirement  | 0     |   | N/A |
| 67  | of which: systemic risk buffer requirement  | N/A   |   | N/A |
| 67a   | of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer  | N/A   | CRD 131   | N/A |
| 68  | Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount) 2)   | 57,1% | CRD 128   | N/A |
| 69  | [non-relevant in EU regulation]   | N/A   |   | N/A |
| 70  | [non-relevant in EU regulation]   | N/A   |   | N/A |
| 71  | [non-relevant in EU regulation]   | N/A   |   | N/A |
| <b>Amounts below the thresholds for deduction (before risk-weighting)</b> |   |       |   |     |
| 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)  | N/A   | "36 (1) (h), 45, 46, 472 (10) 56 (c), 59, 60, 475 (4), 66 (c), 69, 70, 477 (4)" | N/A |



|    |   |     |                                   |     |
|----|---|-----|-----------------------------------|-----|
| 73 | Direct and indirect holdings of the CET1 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) | N/A | 36 (1) (i), 45, 48, 470, 472 (11) | N/A |
| 74 | Empty set in the EU   | N/A |                                   | N/A |
| 75 | Deferred tax assets arising from temporary difference (amount below 10 % threshold , net of related tax liability where the conditions in Article 38 (3) are met)   | N/A | 36 (1) (c), 38, 48, 470, 472 (5)  | N/A |

#### Applicable caps on the inclusion of provisions in Tier 2

|    |  |     |    |     |
|----|--|-----|----|-----|
| 76 | Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)          | N/A | 62 | N/A |
| 77 | Cap on inclusion of credit risk adjustments in T2 under standardised approach  | N/A | 62 | N/A |
| 78 | Credit risk adjustments included in T2 in respect of exposures subject to internal rating-based approach (prior to the application of the cap) | N/A | 62 | N/A |
| 79 | Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach   | N/A | 62 | N/A |

#### Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)

|    |   |     |                        |     |
|----|---|-----|------------------------|-----|
| 80 | - Current cap on CET1 instruments subject to phase-out arrangements                       | N/A | 484 (3), 486 (2) & (5) | N/A |
| 81 | - Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | N/A | 484 (3), 486 (2) & (5) | N/A |
| 82 | - Current cap on AT1 instruments subject to phase-out arrangements                        | N/A | 484 (4), 486 (3) & (5) | N/A |
| 83 | - Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)  | N/A | 484 (4), 486 (3) & (5) | N/A |
| 84 | - Current cap on T2 instruments subject to phase-out arrangements                         | N/A | 484 (5), 486 (4) & (5) | N/A |
| 85 | - Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)   | N/A | 484 (5), 486 (4) & (5) | N/A |

(1) 'N/A' inserted if the question is not applicable

1) CET1 capital requirement including buffer requirements

2) CET1 capital ratio as reported, less minimum requirement of 4.5% (excluding buffer requirements) and less any CET1 items used to meet the Tier 1 and total capital requirements.

## Risk exposure amount and Own funds requirement

| 31 December 2018<br>(in million of euros)   | Risk Weighted Exposure<br>Amount | Minimum capital<br>requirement | Average amount of Risk<br>Weighted Exposure<br>Amount in the period<br>under review |
|---|----------------------------------|--------------------------------|---|
| <b>Credit risks, STD</b>  | 1.551                            | 124                            | 1.507   |
| Central government or central banks exposures                                     | -                                | -                              | 2   |
| Regional governments or local authorities exposures                               | -                                | -                              | -   |
| Public sector entities exposures  | 2                                | 0                              | 2   |
| Multilateral development banks exposures  | -                                | -                              | -   |
| International organisation exposures  | -                                | -                              | -   |
| Institutional exposures   | 403                              | 32                             | 450   |
| Corporate exposures   | 923                              | 74                             | 820   |
| Retail exposures  | -                                | -                              | -   |
| Exposures secured by mortgages on immovable<br>property                           | -                                | -                              | -   |
| Exposures in default  | -                                | -                              | -   |
| Exposures associated with particularly high risk                                  | -                                | -                              | -   |
| Exposures in the form of covered bonds  | 55                               | 4                              | 53  |
| Items representing securitisation positions                                       | 153                              | 12                             | 161   |
| Exposures to institutions and corporates with a short-<br>term credit assessment  | -                                | -                              | -   |
| Exposures in the form of units or shares in collective<br>investment undertakings | -                                | -                              | -   |
| Equity exposures  | -                                | -                              | -   |
| Other items   | 14                               | 1                              | 20  |
| <b>Credit risks, IRB</b>  | N/A                              | N/A                            | N/A   |
| Institutional exposures   | N/A                              | N/A                            | N/A   |
| Corporate exposures   | N/A                              | N/A                            | N/A   |
| of which specialized lending in category 1  | N/A                              | N/A                            | N/A   |
| of which specialized lending in category 2  | N/A                              | N/A                            | N/A   |

|  |       |     |       |
|--|-------|-----|-------|
| of which specialized lending in category 3     | N/A   | N/A | N/A   |
| of which specialized lending in category 4     | N/A   | N/A | N/A   |
| of which specialized lending in category 5     | N/A   | N/A | N/A   |
| Retail exposures                               | N/A   | N/A | N/A   |
| of which mortgage lending                      | N/A   | N/A | N/A   |
| of which other lending                         | N/A   | N/A | N/A   |
| Securitisation                                 | N/A   | N/A | N/A   |
| Non-credit obligation                          | N/A   | N/A | N/A   |
| <b>Credit risks, Default fund contribution</b> | -     | -   | -     |
| <b>Settlement risks</b>                        | -     | -   | -     |
| <b>Market risks</b>                            | -     | -   | -     |
| Trading book                                   | -     | -   | -     |
| of which VaR and SVaR                          | -     | -   | -     |
| of which risks outside VaR and SVaR            | -     | -   | -     |
| FX risk other operations                       | -     | -   | -     |
| <b>Credit value adjustment</b>                 | 713   | 57  | 761   |
| <b>Operational risks</b>                       | 364   | 29  | 364   |
| of which Basic indicator approach              |       |     |       |
| of which Standardised approach                 | 364   | 29  | 364   |
| <b>TOTAL</b>                                   | 2.627 | 210 | 2.631 |