

Vanguard

Vanguard Asset Services, Ltd. and subsidiaries
(together the “Vanguard UK consolidated group”)

Pillar 3 disclosures based on Vanguard UK’s
audited and consolidated financial statements
as at 31st December 2020

1) **Overview**

a) Introduction

The Vanguard UK consolidated group (**'VCG'**) last published its Pillar 3 disclosures in 2020, based on the audited consolidated financial statements of VCG as at 31 December 2019. This document updates VCG's required disclosures now that the audited consolidated financial statements of VCG as at 31 December 2020 are available.

VCG is, as at the date of publication of this document, comprised:

| Name of Company | Country of incorporation | Regulation | Principal activity |
|--|---------------------------------|----------------------|--|
| Vanguard Asset Services, Ltd. ('VAS') | England & Wales | Non-regulated entity | Provision of administration and other services to companies within VCG |
| Vanguard Asset Management, Ltd. ('VAM') | England & Wales | FCA | Portfolio management and distribution |
| Vanguard Investments UK, Limited ('VIUK') | England & Wales | FCA | UCITS Manco |
| Vanguard Investments Switzerland, GmbH ('VISG') | Switzerland | FINMA | Fund distribution |
| Vanguard UK Nominees Limited ('VUN') | England & Wales | Non-regulated entity | Dormant |
| Vanguard Pension Trustee UK Limited ('VPTUK') | England & Wales | Non-regulated entity | Dormant |

This document sets out the Pillar 3 disclosures for VCG and is based on VCG's current Internal Capital Adequacy Assessment Process document (the **'ICAAP'**) formally adopted by the Boards of VAS, VAM, VIUK VUN and VPTUK.

b) Basis of consolidation

The consolidation of VCG's financial statements is based upon the inclusion of all entities controlled by VAS to 31 December each year. A list of all subsidiary undertakings controlled by VAS can be found in section 1(a) in this document. All subsidiaries are fully consolidated in the financial statements.

The consolidation for regulatory purposes is on the same basis as above.

There are no subsidiaries where actual own funds are less than the capital requirements as at 31st December 2020.

c) Purpose of disclosure

The Basel Committee on Banking Supervision published its set of rules on 16 December 2010, referred to as Basel III. Basel III includes the Basel II agreement as of 2004, which consists of 3 supplemental Pillars:

- **Pillar 1:** establishes the Capital Resources Requirement (the minimum capital requirement)
- **Pillar 2:** the process for assessing capital adequacy in relation to the actual risk profile and determining whether additional capital is required to cover these risks by the

firm's Board of Directors through the ICAAP and the subsequent regulator's Supervisory Review and Evaluation Process ('SREP').

- **Pillar 3:** Rules for the disclosure of risk and capital management, including capital adequacy. The purpose of Pillar 3 is to encourage market discipline by developing a set of disclosure requirements which will allow market participants to assess key pieces of information on a firm's capital, risk exposures and risk assessment process. The disclosures to be made public are for the benefit of the market.

The transposition of the Basel III framework into European law was done in two parts: publication of the Capital Requirements Directive IV ('CRD IV'/Directive 2013/36/EU) and the Capital Requirements Regulation ('CRR'/Regulation [EU] Nr. 575/2013). It was published in the Official Journal of the European Union on 27 June 2013.

Pillar 3 was further implemented via a Prudential Sourcebook for Investment Firms ('IFPRU') designed to sit alongside the existing Prudential Sourcebook Banks, Building Societies and Investment Firms ('BIPRU') Sourcebook. In addition, CRR, Part Eight (Disclosure by Institutions) also applies to firms governed by CRD IV / CRR.

All disclosures in this document are based upon data and the rules in existence from 1 January 2014. As such they are made in accordance with BIPRU, IFPRU and CRR in combination as appropriate.

d) Basis of disclosure

The Pillar 3 disclosure process meets the Pillar 3 disclosure requirements contained in Articles 431 to 455 of CRR as well as FCA requirements set out in BIPRU and IFPRU. The disclosures included in this document relate to the VCG on a consolidated basis based on the consolidated statutory financial statements of the capital position of the group at a key point in time (usually the year-end), the risk management arrangements and approach as applied to the key risks identified. In terms of regulatory requirements and credit exposures these are backward not forward looking. All information in this report is disclosed in thousands of Pounds Sterling (GBP), unless otherwise specified.

e) Materiality

In accordance with Article 432 CRR and EBA/GL/2014/14, the Pillar 3 disclosure requirements permit a firm to omit required disclosures (other than stated in section 1(c) above) if it believes the information is immaterial. A disclosure is deemed to be material if the omission or misstatement of that information could change or influence the assessment or decision of a user relying on the information for the purposes of making economic decisions. This disclosure states where VCG has decided something meets this criterion it can therefore be omitted.

f) Publication

These disclosures will be made at least on an annual basis in accordance with Article 433 CRR. Publication is made available according to Article 434 CRR on Vanguard's website (<https://global.vanguard.com/documents/pillar3-disclosures.pdf>).

g) Other issues

Other than restrictions due to regulatory capital requirements on regulated entities, there is no current or foreseen material practical or legal impediments to the prompt transfer of capital resources or repayment of liabilities when due among VCG.

2) **Risk Management objectives and policies**

a) Governance

VCG is committed to implementing a good practice firm-wide governance and risk management framework appropriate to the size, nature and complexity of the business.

Under the Risk Management Framework, the Board of Directors of the companies in VCG (along with the Managing Officer of VISG) have the ultimate responsibility for managing and controlling risk within that entity and within the risk appetite of VCG as a whole.

To assist VCG in fulfilling its responsibilities, an organisational structure has been set up which reflects the nature of the risks across the business.

Responsibilities for managing risks are allocated according to the “three lines of defence” model as follows:

- Primary responsibility for managing risk rests with the business functions;
- The efforts of Vanguard’s business are supported by the 2nd line of defence’s provision of framework, policies and independent challenge and advice from the risk management and control functions (Legal & Compliance, European Risk and Risk Management Group); and
- The Internal Audit function has responsibility for providing the Boards of VAM, VIUK and VAS and the Managing Officer of VISG with assurance that the business operates effectively in managing its risks.

b) Risk Objectives and Risk Framework

VCG’s risk management objective is to safeguard client assets and those of VCG. VCG is committed to maintaining a strong risk management, control and compliance environment and so an appropriate risk management framework is in place to deliver this.

Risk in VCG is managed according to common principles and policies approved by the Board of Directors of each of VAS, VAM, VIUK and the Managing Officer of VISG. The following key principles are central to VCG’s risk management strategy:

- Align business strategy, critical objectives, capital management and risk management;
- Help Vanguard achieve its corporate mission and fulfil its pledge to clients; and
- Help secure its reputation as a reliable and trustworthy organisation.

VCG uses risk management tools and techniques to help employees identify situations where risks need to be managed. By employing the appropriate level of controls, VCG believes it can minimise the possibilities of the risk occurring in the first place.

Regular reports are made to the Board of each VCG entity so that the risk assessments continue to reflect the business undertaken by that entity and of VCG as a whole on an on-going basis.

c) Key Control Monitoring

VCG believes that an effective system of internal control is an essential element of good management and it has put in place procedures to appropriately control key risks within each entity’s risk appetite and the risk appetite of VCG as a whole. Independent and objective assessment and monitoring of key controls is an enterprise approach supported by areas such as Internal Audit (both locally and via a function supplied by The Vanguard Group Inc (**VGI**)), Legal & Compliance, and Risk Management (and where necessary, with additional support from VGI).

d) Risk Reporting

Regular risk reporting, both quarterly and annual where applicable, through various different regular individual and consolidated reports are presented to the Board of Directors of VAS, VAM and VIUK (along with the Managing Officer of VISG) so that the risk assessments continue to accurately reflect the business undertaken by VCG on an on-going basis.

e) Policy

VCG has a Risk Framework with respect to key areas of risk to the firm. It also has a Code of Ethics (“**Code**”) and a Conduct Risk Policy which have been approved and adopted by the Board of Directors of VAS, VAM and VIUK and the Managing Officer of VISG. The Code applies to all personnel of VCG.

3) **Capital Resources**

VCG’s capital resources on a consolidated basis only comprise Common Equity Tier 1 capital, which is the highest ranking form of capital and includes permanent share capital, retained profits and reserves.

The own funds of VCG from the audited consolidated financial statements as at 31 December 2020 are listed below:

| Current Distribution of Capital | VCG (£’000) |
|--|--------------------|
| Share capital, share premium and capital contribution | 65,733 |
| Retained earnings and accumulated other comprehensive income | 71,256 |
| Own funds: | 136,989 |

A full reconciliation of own funds items to audited financial statements in accordance with Article 437(1) (a), at 31 December 2020 is disclosed in Appendix 1. The reconciliation includes all items that are included within or deducted from own funds.

Article 437(1) (b) requires disclosure of the main features of Common Equity Tier 1 instruments. The capital instruments’ main features template is attached in Appendix 3.

4) **Capital Adequacy**

VCG, and the entities which comprise VCG at an unconsolidated level, maintain sufficient eligible capital to meet UK regulatory requirements. In line with these requirements, VCG maintains the higher of Pillar 1 and Pillar 2 (ICAAP) capital requirements. The adequacy of the capital held by VCG, and the entities which comprise VCG at the unconsolidated level, is assessed on an ongoing basis as part of the ICAAP and is subject to formal approval by the Board of Directors of each of VAS, VAM and VIUK and the Managing Officer of VISG.

a) Basis Pillar 1 Capital Resources Requirement¹

VCG falls within the scope of CRD IV and is therefore required to hold own funds in excess of 8% of their total risk exposure amount (“TREA”). As a ‘limited licence’ firm, the TREA is the higher of the sum of credit and market risk, or fixed overhead

¹ Terms defined in the Glossary of the FCA’s Handbook of Rules and Guidance are capitalised

requirement ('FOR'). As VCG is categorised as a "limited licence" group, it is not required to calculate operational risk under Pillar 1.

b) Calculation of capital requirements

| Vanguard UK Consolidation Group | |
|--|----------------|
| Summary of Consolidated Capital Resources Requirement | £'000's |
| Total Base Requirement | Not Applicable |
| Consolidated Credit Risk | 135,145 |
| Consolidated Market Risk | 6,977 |
| Consolidated Total Credit/Market Risk Requirement (A) | 142,122 |
| Consolidated Fixed Overhead Requirement (£'000) (B) | 509,386 |
| TREA (Higher of A and B) | 509,386 |

In addition to the 8% requirement discussed above, VCG has an internal capital target set by the Board. In advance of any significant decisions being made, the impact these will have on the capital of VCG is fully assessed to ensure a suitable capital surplus is maintained.

The Board assesses the adequacy of its internal capital through its ICAAP. The ICAAP provides an on-going assessment of VCG's risk, how VCG intends to mitigate those risks and how much current and future capital is required.

c) Credit Risk

The components of this requirement in respect of credit risk are as follows:

| Consolidated Credit Risk by Exposure Class | £'000 |
|---|----------------|
| Institutions | 57,967 |
| Central governments or central banks | 12,450 |
| Collective investment undertakings | 5,709 |
| Corporates | 8,757 |
| Other items | 50,262 |
| Total Consolidated Credit Risk Capital Component | 135,145 |

d) Counterparty Credit Risk

VIUK has assessed a low counterparty credit risk. Counterparty settlement risk is calculated using the mark to market approach. When acting as agent (counterparty) for client transactions, as VIUK does when acting as Authorised Corporate Director for certain UK domiciled funds, the firm is exposed to counterparty settlement risk if settlement is delayed for 3 business days or more after the settlement date ('SD') which is T+2. Counterparty credit risk is calculated as the exposure multiplied by the % factor.

e) Market Risk

Market risk is defined as the risk of loss arising from fluctuation in the values of, or income from, assets or arising from fluctuations in market factors.

The principal area of market risk that applies to firms such as those that form VCG is foreign exchange risk. Market risk for VCG is largely limited to fluctuations in foreign currencies as certain assets and liabilities are denominated in non-sterling currencies.

f) Other Key Risks

Reputation Risk

Reputation damage most often arises as an ancillary (but often the most potent) effect of the crystallisation of other risks. As Vanguard is a global brand, reputational risk is particularly important.

Business Risk

Business risk encompasses the exposure to uncertainty in the wider economic and competitive environment and the impact of that environment on VCG's ability to carry out its stated business plan. This risk is managed with a long-term focus, assisted by appropriate management oversight and a strong corporate governance framework.

Operational Risk

Operational risk is defined as the loss resulting from inadequate or failed internal processes, people, and systems or from external influences. Examples of significant operational incidents which could arise are: financial crime and fraud, systems outage, financial and tax reporting, operational processing errors, crew litigation, physical damage and loss of premises, outsourcing provider failure, product and performance or fund valuation errors.

VCG's exposure to operational risk has been assessed using a number of approaches including the consideration of both internal incident history and publically available data on operational risk at other similar firms.

VCG also has a programme of insurance designed to reduce exposures to liabilities and to protect assets.

5) **Remuneration Disclosure**

In terms of primary legislation, VCG's remuneration policies and practices are governed by Articles 75 and 92-95 of the CRR; whilst VCG's remuneration disclosure is made in accordance with the requirements of Article 450 of CRD IV. This disclosure provides information regarding the remuneration policies and practices for staff identified in accordance with Commission Delegated Regulation (EU) No 604/2014 which establishes qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on the firm's risk profile.

Institutions are required to disclose certain information, regarding the remuneration policy and practices of the institution for those categories of staff whose professional activities have a material impact on its risk profile.

Article 450(2) requires firms to comply with CRR's remuneration disclosure rules in a manner that is proportionate to their size, internal organisation and the nature, scope and complexity of their activities ("the Proportionality Principle").

The FCA's General Guidance on Proportionality: The remuneration code (SYSC19A) clarifies that, as an IFPRU limited license group VCG should fall within Proportionality Level 3 and thus be able to avail itself fully of CRR's Proportionality Principle.

The PRA's Supervisory Statement LSS8/13, Remuneration Standards: The Application of Proportionality, outlines the precise disclosure obligation for firms that fall within Proportionality Level 3 – namely, compliance with CRR Article 450(1) (a), (b), (g) and

(h). All disclosures in this document are made on the basis of compliance with these elements of CRR Article 450.

An annual review of the firm's risk profile is conducted in order to determine the IFPRU Remuneration Code Staff population and a record is kept by VAM's Human Resources department.

The European Leadership Team ("ELT") oversees the remuneration of all European employees and this committee has provided recommendations as regards the European Remuneration Policy.

An evaluation is made of enterprise-wide performance of the VCG business on an annual basis and from a long-term perspective. This analysis: (i) takes into account the performance of each division based upon its success in meeting key initiatives and service excellence measures; and (ii) considers the degree to which divisional performance has resulted in client loyalty, profitable and balanced growth and superior fund performance. These results are then ultimately implemented by the ERC and the ERC oversees the amount of compensation paid to the employees of VCG in accordance with VCG's total rewards philosophy, which is to pay for performance.

VAM and VCG retain external third party consultants, as appropriate, to provide independent advice and guidance with remuneration.

The group is required to disclose quantitative remuneration information for its Code Staff population in a manner that is appropriate to its size, internal organisation and the nature, scope and complexity of its activities. The aggregate remuneration awarded for the 2020 performance year for the firm's Code Staff population as at 31 December 2020 was £11.7m, of which £7.0m was awarded to the firm's management body. The remuneration comprised base salary, variable remuneration in the form of monetary awards, long term incentive plans, pension contributions and benefits in kind in accordance with the rules.

VCG's remuneration programs emphasise enterprise-wide results, notwithstanding that it operates with distinct business areas/units. As a result of the limited number of Code Staff within VCG, VCG considers it appropriate to provide the aggregate quantitative information required across all Code Staff in order not to prejudice individuals with regard to the processing of personal data.

Balance sheet reconciliation as at 31 December 2020

Appendix 1

**VCG Balance Sheet in the Audited
Financial Statements** **VCG Own Funds Items** **Cross reference to Appendix 2**

| Non-current assets | £'000s | £'000s | |
|--|----------------|---------------|---|
| Property and equipment | 6,847 | | |
| Trade and other receivables | 155 | | |
| Prepayments | 140 | | |
| Right Of Use Asset | 39,574 | | |
| Deferred tax asset | 4,980 | | |
| | 51,696 | | |
| Current assets | | | |
| Trade and other receivables | 145,476 | | |
| Prepayments | 4,566 | | |
| Cash and cash equivalents | 138,098 | | |
| | 288,140 | | |
| Total assets | 339,836 | | |
| Equity and liabilities | | | |
| Owners' equity | | | |
| Share capital | - | - | a |
| Capital contribution | 5,200 | 5,200 | b |
| Share premium | 60,533 | 60,533 | c |
| Retained earnings | 70,813 | 70,813 | d |
| Accumulated other comprehensive income | 443 | 443 | e |
| Total equity | 136,989 | | |
| Liabilities | | | |
| Non-current liability | | | |
| Trade and other payables | 9,219 | | |
| Provisions | 2,780 | | |
| Lease Liability | 40,498 | | |
| | 52,497 | | |
| Current liabilities | | | |
| Trade and other payables | 106,486 | | |
| Borrowings | 33,362 | | |
| Income tax payable | 4,192 | | |
| Lease Liability | 6,310 | | |
| | 150,350 | | |
| Total liabilities | 202,847 | | |
| Total equity and liabilities | 339,836 | | |

Appendix 2

| | Common Equity Tier 1 capital: instruments and reserves | (A) Amount at disclosure date £000s | (B) Regulation (EU) No 575/2013 Article Reference | (C) Amounts subject to pre-regulation (EU) No 575/2013 treatment or prescribed residual amount of regulation (EU) No 575/2013 £000s | Cross-reference to Appendix 1 |
|-----|--|--|--|---|-------------------------------|
| 1 | Common Equity Tier 1 capital: instruments and reserves | | 26 (1), 27, 28, 29, EBA list 26 (3) | | |
| | of which: Ordinary shares | 60,533 | EBA list 26 (3) | | a+c |
| | of which: Instrument type 2 | | EBA list 26 (3) | | |
| | of which: Instrument type 3 | | EBA list 26 (3) | | |
| 2 | Retained earnings | 70,813 | 26 (1) (c) | | d |
| 3 | Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards) | 5,643 | 26 (1) | | b+e |
| 3a | Funds for general banking risk | | 26 (1) (f) | | |
| 4 | Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1 | | 486 (2) | | |
| | Public sector capital injections grandfathered until 1 Jan 2018 | | 483 (2) | | |
| 5 | Minority Interests (amount allowed in consolidated CET1) | | 84, 479, 480 | | |
| 5a | Independently reviewed interim profits net of any foreseeable charge or dividend | | 26 (2) | | |
| 6 | Common Equity Tier 1 (CET1) capital before regulatory adjustments | 136,989 | | | |
| | Common Equity Tier 1 (CET1) capital: regulatory adjustments | | | | |
| 7 | Additional value adjustments (negative amount) | | 34, 105 | | |
| 8 | Intangible assets (net of related tax liability) | | 36 (1) (b), 37, 472 (4) | | |
| 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) | | 36 (1) (c), 38, 472 (5) | | |
| 11 | Fair value reserves related to gains or losses on cash flow hedges | | 33 (a) | | |
| 12 | Negative amounts resulting from the calculation of expected loss amounts | | 36 (1) (d), 40, 159, 472 (6) | | |
| 13 | Any increase in equity that results from securitised assets (negative amount) | | 32 (1) | | |
| 14 | Gains or losses on liabilities valued at fair value resulting from changes in own credit standing | | 33 (b) | | |
| 15 | Defined-benefit pension fund assets (negative amount) | | 36 (1) (e), 41, 472 (7) | | |
| 16 | Direct and indirect holdings by an institution of own CET1 instruments (negative amount) | | 36 (1) (f), 42, 472 (8) | | |
| 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) | | 36 (1) (g), 44, 472 (9) | | |
| 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) | | 36 (1) (h), 43, 45, 46, 49 (2) (3), 79, 472 (10) | | |
| 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) | | 36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79, 470, 472 (11) | | |
| 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 | | 36 (1) (k) | | |
| 20b | of which: qualifying holdings outside the financial sector (negative amount) | | 36 (1) (k) (i), 89 to 91 | | |
| 20c | of which: securitisation positions (negative amount) | | 36 (1) (k) (ii), 243 (1) (b), 244 (1) (b), 258 | | |
| 20d | of which: free deliveries | | 36 (1) (k) (iii), 379 (3) | | |
| 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) | | 36 (1) (c), 38, 48 (1) (a), 470, 472 (5) | | |
| 22 | Amount exceeding the 15% threshold (negative amount) | | 48 (1) | | |
| 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 | | 36 (1) (i), 48 (1) (b), 470, 472 (11) | | |
| 24 | Empty set in the EU | | | | |
| 25 | of which deferred tax assets arising from temporary differences | | 36 (1) (c), 38, 48 (1) (a), 470, 472 (5) | | |
| 25a | Losses for the current financial year (negative amount) | | 36 (1) (a), 472 (3) | | |
| 25b | Forseeable tax charges relating to CET1 items (negative amount) | - | 36 (1) (l) | | |
| 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 | | 467 | | |
| | Of which: ...filter for unrealised loss 2 | | 467 | | |
| | Of which: ...filter for unrealised gain 1 | | 468 | | |

| | | | | | |
|-----|---|---------|--|--|--|
| | Of which: ...filter for unrealised gain 2 | | 468 | | |
| 26b | Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR | | 481 | | |
| | Of which... | | 481 | | |
| 27 | Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount) | | 36 (1) (j) | | |
| 28 | Total regulatory adjustments to Common equity Tier 1 (CET1) | | | | |
| 29 | Common Equity Tier 1 (CET1) capital | 136,989 | | | |
| | Additional Tier 1 (AT1) capital: instruments | | | | |
| 30 | Capital instruments and the related share premium accounts | | 51, 52 | | |
| 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 | | 486 (3) | | |
| | Public sector capital injections grandfathered until 1 January 2018 | | 486 (3) | | |
| 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 | | 85, 86, 480 | | |
| 35 | of which: instruments issued by subsidiaries subject to phase out | | 486 (3) | | |
| 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) | | 52 (1) (b), 56 (a), 57, 475 (2) | | |
| 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) | | 56 (b), 58, 475 (3) | | |
| 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) | | 56 (c), 59, 60, 79, 475 (4) | | |
| 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) | | 56 (d), 59, 79, 475 (4) | | |
| 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 | | 472, 472(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a) | | |
| | 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 | | 477, 477 (3), 477 (4) (a) | | |
| | 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 | | 467, 468, 481 | | |
| | Of which: ...possible filter for unrealised losses | | 467 | | |
| | Of which: ...possible filter for unrealised gains | | 468 | | |
| | Of which: ... | | 481 | | |
| 42 | Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount) | | 56 (e) | | |
| 43 | Total regulatory adjustments to Additional Tier 1 (AT1) capital | - | | | |
| 44 | Additional Tier 1 (AT1) capital | - | | | |
| 45 | Tier 1 capital (T1 = CET1 + AT1) | 136,989 | | | |
| | Tier 2 (T2) capital: instruments and provisions | | | | |
| 46 | Capital instruments and the related share premium accounts | | 62, 63 | | |
| 47 | Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 | | 486 (4) | | |
| | Public sector capital injections grandfathered until 1 January 2018 | | 483 (4) | | |
| 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 | | 87, 88, 480 | | |
| 49 | of which: instruments issued by subsidiaries subject to phase out | | 486 (4) | | |
| 50 | Credit risk adjustments | | 62(c) & (d) | | |
| 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) | | 63 (b) (i), 66 (a), 67, 477 (2) | | |
| 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) | | 66 (b), 68, 477 (3) | | |

| | | | | | |
|---|---|----------------|---|--|--|
| 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) | | 66 (c), 69, 70, 79, 477 (4) | | |
| 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) | | 66 (d), 69, 79, 477 (4) | | |
| 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 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 | | 472, 472(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a) | | |
| | 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 | | 475, 475 (2) (a), 475 (3), 475 (4) (a) | | |
| | 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 | | 467, 468, 481 | | |
| | Of which: ...possible filter for unrealised losses | | 467 | | |
| | Of which: ...possible filter for unrealised gains | | 468 | | |
| | Of which: ... | | 481 | | |
| 57 | Total regulatory adjustments to Tier 2 (T2) capital | | - | | |
| 58 | Tier 2 (T2) capital | | - | | |
| 59 | Total capital (TC = T1 + T2) | 136,989 | | | |
| 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 575/2013 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) | | 472, 472 (5), 472 (8) (b), 472 (10) (b), 472 (11) (b) | | |
| | 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) | | 475, 475 (2) (b), 475 (2) (c), 475 (4) (b) | | |
| | 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) | | 477, 477 (2) (b), 477 (2) (c), 477 (4) (b) | | |
| 60 | Total risk weighted assets | 509,386 | | | |
| Capital ratios and buffers | | | | | |
| 61 | Common Equity Tier 1 (as a percentage of risk exposure amount) | 26.89% | 92 (2) (a), 465 | | |
| 62 | Tier 1 (as a percentage of risk exposure amount) | 26.89% | 92 (2) (b), 465 | | |
| 63 | Total capital (as a percentage of risk exposure amount) | 26.89% | 92 (2) (c) | | |
| 64 | Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buff er requirements, plus systemic risk buff er, plus the systemically important institution buff er (G-SII or O-SII buff er), expressed as a percentage of risk exposure amount) | N/A | CRD 128, 129, 130 | | |
| 68 | Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount) | N/A | CRD 128 | | |
| 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) | | 36 (1) (h), 45, 46, 472 (10) 56 (c), 59, 60, 475 (4) 66 (c), 69, 70, 477 (4) | | |
| 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) | | 36 (1) (i), 45, 48, 470, 472 (11) | | |
| 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) | | 36 (1) (c), 38, 48, 470, 472 (5) 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) | | 62 | | |
| 77 | Cap on inclusion of credit risk adjustments in T2 under standardised approach | | 62 | | |

| | | | | | |
|----|---|--|------------------------|--|--|
| 78 | Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap) | | 62 | | |
| 79 | Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach | | 62 | | |
| | 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 | | 484 (3), 486 (2) & (5) | | |
| 81 | Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | | 484 (3), 486 (2) & (5) | | |
| 82 | Current cap on AT1 instruments subject to phase out arrangements | | 484 (4), 486 (3) & (5) | | |
| 83 | excluded from AT1 due to cap (excess over cap after redemptions and maturities) | | 484 (4), 486 (3) & (5) | | |
| 84 | Current cap on T2 instruments subject to phase out arrangements | | 484 (5), 486 (4) & (5) | | |
| 85 | Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) | | 484 (5), 486 (4) & (5) | | |

