



## **Pillar 3 Disclosure Report 2017**



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## 1. Introduction

The Bank's Pillar III Disclosure report provides detailed disclosures about the approaches the Bank takes to managing risk and assessing capital adequacy. The report is prepared in accordance with the CRD IV/CRR package on public disclosure and related Pillar 3 disclosure requirements. Additional relevant information may be found in the Bank 2017 Financial Report, which includes the bank statutory financial statements under EU Accounting Directives and IFRS.

The report has the following structure. Chapter 2 provides a summary of the Banks's risk governance and management. It includes the main features of the Banks's operational plan, risk management organization, risk appetite framework, and risk management operational guidelines. It also describes the Internal Capital Adequacy Assessment Process ("ICAAP") at the bank, which includes the following components: a risk appetite statement, a risk identification process, economic capital allocation, internal limit system and internal risk reporting. Chapter 3 contains the core information of the report: the Banks's capital adequacy and risk-weighted assets (RWA) break-down. The subsequent chapters cover respectively credit, market, operational and interest rate risk on positions not included in the trading book. Chapter 8 summarizes data about the amount of unencumbered assets of the bank and Chapter 9 and 10 provide information on the measurement of liquidity risk and leverage at the Bank, respectively.

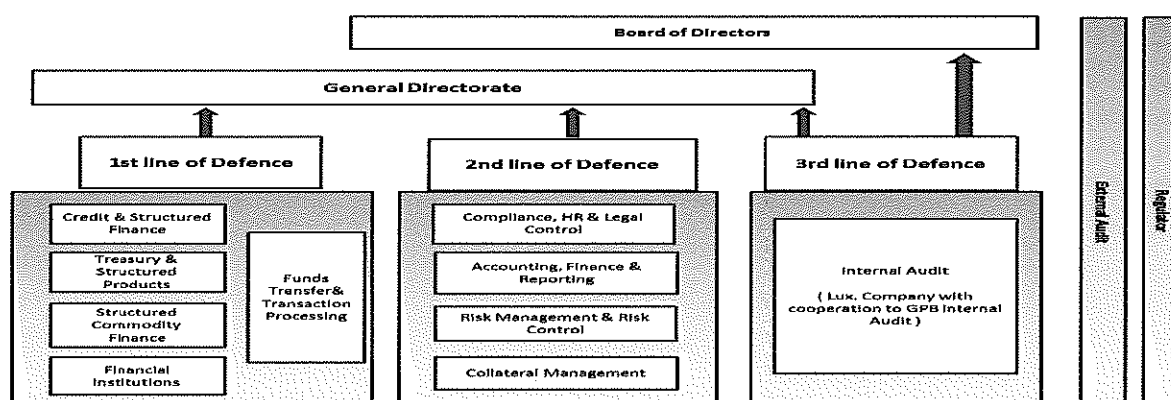


## 2. General Risk Management Framework

### 2.1. Risk management objectives and policies

Taking into account the requirements of the Risk Management Circular, the Bank applies a 'three lines of defence' model in order to implement risk management across various departments and divisions. The three lines of defence model distinguish among three groups (or lines) involved in effective risk management:

- functions that take or acquire risks under a predefined policy and limits and carry out operational controls (referred to herein as risk owners or first line of defence);
- support functions, including the financial and accounting function, the IT function, and the compliance and risk control functions, that contribute to the independent risk control;
- the internal audit function that provides independent, objective and critical review of the first two lines.



First operational controls are carried out by the risk owners as the first line of defence. The risk control and compliance oversight functions established by the General Directorate are the second line with the internal audit - with its independent review – as the third line of defence. In the three-line concept the Board of Directors and the General Directorate are the stakeholders which are responsible to ensure that the risk management model is reflected in the organization's processes. In doing so, the following elements of the model have to be implemented in the Bank:

- internal control system has to be structured in accordance with the three-line of defence model;
- each line of defence has to be supported by clear appropriate policies and definitions of their roles and responsibilities;



- there shall be proper coordination and communication among the separate lines of defence to foster efficiency and effectiveness and to minimize the duplication of efforts;
- lines of defence should not be combined or coordinated in a manner that compromises their effectiveness and the application of the segregation of duties principle."

As a distinguished part of its Pillar II risk management framework, GBP established an Internal Capital Adequacy Assessment Process ("ICAAP"). The ICAAP includes the following components: a risk appetite statement, a risk identification process, economic capital allocation, internal limit system and internal risk reporting.

The ICAAP is adequately documented in the bank's internal policy document "Own Funds and Liquidity Policy". The ICAAP is a system allowing the Bank to assess and maintain, on an ongoing basis, the amounts, types and distribution of internal capital that it considers adequate to cover the nature and level of risks to which it is or might be exposed. The Bank's ICAAP is designed in accordance with the requirements set out in the CSSF Circular Letters 06/273, 07/301 and 09/403. The following general principles apply to the Bank's ICAAP:

- The ICAAP is essentially an internal process adapted to the Bank's organisation and its specific operational needs
- The ICAAP is integrated to the Bank's decision and management processes
- The ICAAP fully reflects all the risks (including liquidity risk) to which the Bank is or could be exposed (current and forward looking ICAAP)
- The ICAAP ensures that the Bank maintains, on an ongoing basis, an amount/type/distribution of internal capital appropriate in relation to risks incurred;
- The ICAAP strategy (general principles and objectives regarding risk taking and internal capital management), methodology, internal processes as well as results and related decisions are duly documented;
- The Risk Management & Risk Control Department (the "**Risk Management & Risk Control Department**") assesses and monitors the state of risks to which the Bank is exposed. The Risk Management & Risk Control Department includes this aspect in its annual summary report to be provided to the CSSF. It assists the General Directorate in the ICAAP process by providing to the latter its own conclusions and recommendations on the risk assessment pursuant to the ICAAP

The Existence of ICAAP is subject to a periodic review at least once a year to be performed by the internal audit ("**Internal Audit**") and compliance department (the "**Compliance Department**").

Capital Adequacy Assessment Process is closely linked to the strategy of the bank for the further development and is based on the budgeting process of the Bank. The ICAAP is integrated in the Bank's decision and management process and reflects all the risks to which the Bank is or could be exposed. The ICAAP is subject to a periodic review in order to ensure that:



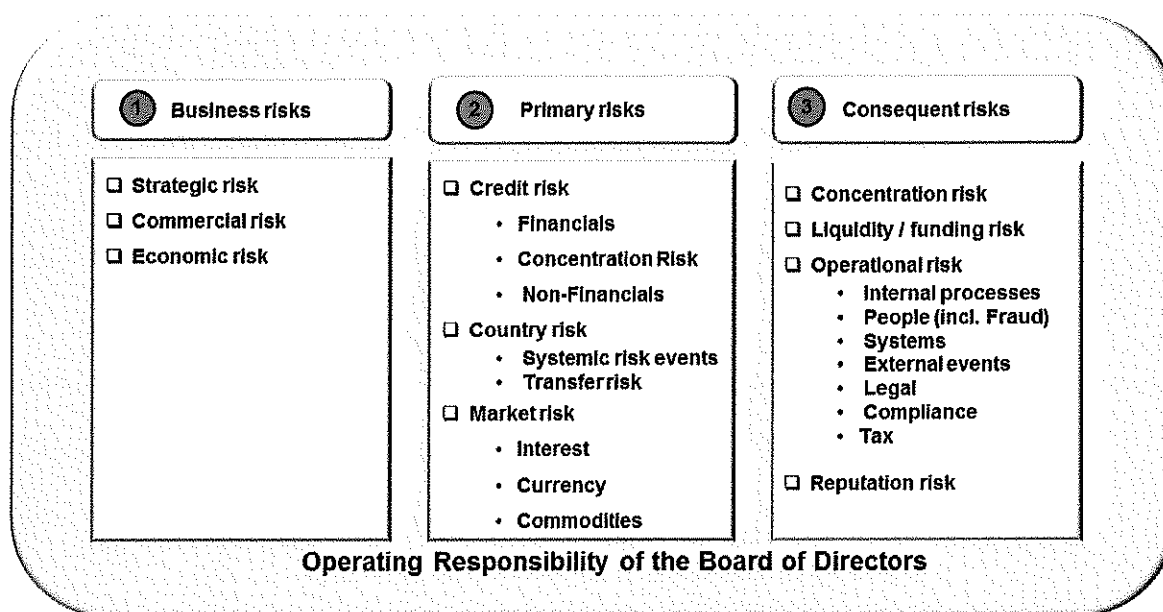
- The coverage of risks remains comprehensive and adapted to the scale, diversity & complexity of Bank's activities.
- And that the amount and the distribution of internal capital are appropriate in relation to the business activities and risks incurred.

At least once a year, as well as following any significant change in the risk profile or business plan, the General Directorate prepares a report (the "ICAAP Report") on:

- The adequacy of the ICAAP to the Bank's needs and organisation;
- The Bank's current and expected future risk profile and the adequacy of the risk management policy established by the General Directorate;
- The internal capital planning and adequacy, as well as the adequacy of this Policy;
- The impact of the internal capital management on prudential own funds adequacy.

The ICAAP Report is prepared by the General Directorate in cooperation with the Risk Management & Risk Control Department. The Risk Management & Risk Control Department prepares in particular the risk descriptions and analyses contained in the ICAAP Report and, where applicable, it makes necessary recommendations. If the Risk Management & Risk Control Department does not share the aforementioned descriptions and analyses of the ICAAP Report, it shall explicitly mention it in its annual summary report in which it includes its own assessments. The Board of Directors validates the ICAAP Report.

An integral part of GBP's ICAAP is the risk identification and assessment process. The business activities of the Bank are inevitably linked to the acceptance of risks. The business policy of the Bank is conservative in its orientation. Subsequently, the Bank main principle is to manage risks responsible. The formulated risk strategy is thus aligned with the business strategy, and reviewed at least once a year. The risk strategy consist of risk policy principles, the organisation of risk management, the overall risk profile of the bank and the risks sub-strategies regarding the main Bank-specific risk types as specified below. As of 31.12.2017 the Bank has identified the following categories of risks:



To evaluate the risk strategy of the Bank, the Risk Management function of the Bank is presenting to the Board of Directors on an annual basis its Risk Assessment which takes into account all risks the Bank is exposed or might be exposed to. The annual risk assessment takes into account the current risk positioning of the Bank, in comparison with the previous year and has also a forward looking element.

### Risk Appetite

The Risk appetite expresses the maximum level of risks the Bank is prepared to accept to reach its business and strategic objectives. The main element of the Risk appetite framework is the strategic business plan of the bank, which consist of a medium term business plan and the annual business plan. The financial and regulatory ratios applying to the annual business plan are constantly reported and approved by the Board of Directors.

The medium term business plan defines in detail the planned business volumes, the transformation of the business volumes into risk-weighted –assets and the required capital in relation to the eligible capital of the bank. The resulting capital ratios are constantly monitored and a stress testing is performed to demonstrate that the total eligible capital is sufficient to cover the required capital even under stress.

The Bank is also planning in detail its funding base and the structure of the required funding to comply with the LCR and NSFR ratio. Additional planning is exercised for the required derivate volumes which are required for Asset –Liability-Management and the transformation into required capital. In addition the Bank is planning in detail income and expenses and is using a funding cost structure to derive the net interest margin as a key component of the profit and loss calculate pre-provisions.

For the calculation of the collective impairment on risk weighted assets, the Bank has used a , PD and LGD system based on a rating allowing a more precise calculation of the provisions.



As a further instrument to develop and control the risk appetite framework the Bank has developed a set of key risk indicators and key performance indicators. The key risks and performance indicators are meant to provide an early warning system for the Bank on a monthly basis. The indicators are measured against internal benchmarks and trigger events and demonstrate the development of the indicators over time. The trigger events are annually reviewed by Risk Management, which is also responsible for the issuance of the report. The key risks and performance report is presented and discussed with the Board of Directors in every board meeting.

Management believes that the risk management system in place and the risk profile associated with the business strategy of the Bank are adequate.

The following responsibilities are identified:

#### ***Board of Directors***

The Board of Directors is responsible for:

- Setting the risk strategy, the risk capacity and the risk appetite
- Approval of internal risk limits
- Approving on an annual basis the risk and capital management processes of the Bank

#### ***General Directorate***

The General Directorate is responsible for:

- Implementing the GBPL management strategy , by setting a management structure, internal controls, organizations and systems
- Overseeing and managing the risk profile and capital management of GPBL
- Approving standards, concepts and methodologies for controlling risks and managing capital within the principles approved by the Board of Directors
- Approving the Risk Guidelines (Risk Charter) and the Own Funds & Liquidity policy
- Communicating the Risk Guidelines & Own Funds & Liquidity Policy within the Bank
- Periodically reviewing the Adequacy and implementation of the Risk Policy and Capital Policy as well as underlying processes & controls
- Reporting to the Board of Directors on the adequacy of the risk and capital management framework

#### ***Risk management & Risk Control***

Risk Management & Risk control, which is a function independent from business lines, is responsible for:

- The development, implementation and monitoring of Bank's risk control principles, frameworks, limits and processes



- The coordination and compilation of the key risk reports
- Acting as a single point of entry for any new initiatives (new products / new business lines)
- Compilation and reviewing of the ICAAP documentation
- The review of the risk appetite and the assessment of stress scenarios together with respective departments
- Ensuring that a formal update of the reviewed ICAAP with the subsequent ICAAP report occurs on an annual basis at the beginning of each calendar year prior to the first Board of Directors Meeting. The formal update shall be performed in Risk Management & Risk Control Department, shall be supported by the Accounting Department and by the Compliance department; the subsequent approval shall be provided by General directorate before being submitted to the Board of Directors.
- Management of the Bank also ensures that the Risk Management & Risk Control function remains proportionate to the scale diversity and complexity of the activities of the Bank and the organization and has in its disposal the tools and resources in order to perform its duties in an effective and efficient manner.

### **Periodical reporting**

General Directorate implemented periodical monitoring and reporting structures in order to assure the compliance of the Bank with the above defined policies and directives:

#### *Daily monitoring:*

- Daily Credit Limits (regulatory)
- Daily Credit Limits (non-regulatory)
- Daily Securities Limit
- Daily FX Limit
- Daily Interest Rate Risk
- Daily P&L
- Daily Cash Position
- Daily Liquidity report and LCR control
- Daily Portfolio limits/utilization report
- Daily Margin calls calculation
- Daily FX-Position calculation

#### *Weekly monitoring:*

- Monitoring of CLD`s

#### *Monthly monitoring:*

- Monthly Country Risk Reporting



- Monthly Key Risk Indicators report
- Monthly Report Operations & IT

*Quarterly Reports:*

- Report on Audit Findings & Recommendations

*Semi Annual Reports:*

- Interest Rate Risk Report (regulatory)

*Annually monitoring:*

- Annual Risk Assessment
- Annual Summary of the Risk Control Function
- Annual ICAAP Report
- Recovery Plan
- Supporting Short Term and Long Term Report

Disclosure report presented in accordance with applicable CSSF regulation

***Compliance***

The Compliance Function is in charge with the management and mitigation of the compliance risks, and provides support to the Risk Function in the global risk assessment of the institution.

Compliance function reviews the ICAAP Report before it being presented to the General Directorate and to the Board of Directors and ensures that the ICAAP Process is operated effectively.

***Business Lines***

The heads of business departments are responsible for the identification, management & monitoring of the arising risks in their dedicated business areas. Even if the function could not always be properly segregated, it shall be clearly specialized and assigned.

***Accounting department***

Accounting is responsible for the monitoring of minimum capital requirements and capital adequacy ratio. Accounting regularly assesses the necessary level of capital, monitors that the regulatory minimum levels are fulfilled at all time and regularly reports the capital situation to other departments and to General Directorate.

## 2.2. Governance

The composition of the Board of Directors and General Directorate can be found on the Bank's website. Mr. Thomas Kiefer is also a director of GPB Asset Management S.A.

### Selection criteria

The policy on "Appointment of Specific Functions and assessment of suitability of members of Management Body and Key Functions Holders" regulates the appointment of specific function holders and the assessment of the suitability of members of the Management Body and Key Function Holders. It defines the fundamental principles of the Bank for the appointment and succession of Key Function Holders. It also requires the yearly evaluation of all relevant persons, in order to ensure that the Bank is staffed with knowledgeable and experienced personnel.

## 2.3. Use of stress tests

In February 2008, the CSSF issued the Circular 08/338 requiring that banks stress their non-trading book activities to interest-rate risk. Stress tests are used to analyse the impact of catastrophic events on the capital of the Bank over a time horizon of one year. The objective of this assessment is to ensure that the Bank's risk mitigation controls, capital and the capital contingency plan can withstand the consequences of a high-impact low-likelihood event.

Within the ICAAP process and in line with the Bank's stress testing programme, three stress tests have been performed in relation to the risk categories the Bank regards as the most relevant based on its current and envisaged business model. The first two stress tests relate to capital, whereas the third stress test related to liquidity, admitting that capital is not always the best way to cope with liquidity shortages.

The CSSF proposes in its Circular 08/338 to have a scenario of a shift of the interest yield curve of 200 bps. Due to the fact, that the market risk is very low, because GPBL is not engaged in trading activities for its own account and because the Bank has no significant positions in derivatives, the Bank considers the proposed scenario by CSSF as adequate for the Bank. The stress test is performed on all interest rate risk positions. A regulatory market risk reporting is sent to CSSF on a semi-annual basis. The effects on the capital are as follows: -3.024 TEUR in case of the increase of interest yield curve (+200 bps) and 3.198 TEUR in case of decrease of interest rate curve (-200 bps).

The Bank pursues a conservative approach performs the Pillar1 Plus approach by adding the stressed capital impact in full to the Pillar II capital requirements, without deducting Pillar I capital requirements for the respective exposures/situations.



## 2.4. Remuneration policy

### **Proportional Application**

Based on the internal assessment preceding the elaboration and adoption of the Remuneration Policy, given the size of GPBL, its internal organisation, the nature and the scope of its activities, the low level of risk profile and risk appetite of the Bank, GPBL intends to rely on a proportional application of the applicable regulatory requirements at the level of the institution.

Based on the proportionality principle and in light of the regulatory guidance provided, GPBL is thus not required to set up a remuneration committee and the Policy will not further provide for requirements as regards the pay-out process of Variable Remuneration of Material Risk Takers in relation to Variable Remuneration in non-cash instruments, retention and deferral nor as regards ex post incorporation of risk for Variable Remuneration.

### **Remuneration of the staff and the management**

Remuneration of Staff shall be in line with the conservative business strategy and the long-term interests and the underlying values of wealth preservation and sustainable growth.

GPBL's overall remuneration structure therefore emphasises paying Fixed Remuneration determined on an annual basis. In addition, GPBL may grant on a purely discretionary basis, an amount of Variable Remuneration to be paid at the end of the year to each member of Staff in relation to his or her professional activity for GPBL and taking into account a performance assessment as set out below.

Fixed Remuneration shall be the major part of Total Annual Remuneration and sufficient not to create any kind of dependency of Staff on Variable Remuneration. Variable Remuneration must not limit GPBL's ability to sustainably maintain or recover an appropriate capital base.

Guaranteed Variable Remuneration shall be exceptional, may only be allowed in connection with the hiring of Staff and shall be limited to a maximum period of one year. Furthermore, there shall be no contractual severance entitlements which do not reflect actual performance achieved by the relevant Staff before leaving GPBL.

### **Fixed remuneration**

#### ***Base salary***

The base salary is a fixed amount of cash paid through monthly payments for each of the twelve months of the relevant calendar year or for the corresponding number of months if employment of the relevant member of Staff started or ceased during the relevant calendar year.

The base salary reflects each individual Staff member's particular set of skills, function and experience. The base salary is reviewed annually comparing it with internal and external



benchmarks so as to ensure that it is in line with the market and industry standards and practices.

Specific adjustments may be made to the base salary during a business year in case of a change of function, promotion or the granting of additional responsibilities.

The individual base salary paid will be in line with the requirements of the classification as per the official convention (Convention Collective Bancaire, "CCB") for the Staff covered by such convention. For the Staff not covered by such convention, the base salary will be determined by the Management or the Board, depending on the case.

### ***Contractually agreed benefits***

In specific cases, GPBL may offer benefits to Staff to be hired or relocated. Such benefits may take the form of relocation allowances as well as health insurance, housing, education allowances for children of Staff members, defrayal of transport, or a company car.

Such benefits are granted as an individually determined package.

### **Variable Remuneration**

Variable Remuneration shall take the form of a cash bonus and shall be paid out in the following calendar year. GPBL does not reward its staff individually with Variable Remuneration based on individual financial performance, profitability, nor any other forms that may encourage risk-taking behaviour.

The possible individual bonus is based on an annual assessment of performance for each Staff member, determined in light of the perception of the efforts it has put in discharging of his/her responsibilities, the dedication to the fulfilment of the business strategy at the level of his/her responsibilities and success in carrying out specific assignments in the course of the year.

In case of a positive assessment, an individual bonus may, on a discretionary basis, be proposed by the Management to the members of the Board. This additional payment is not a contractual right. The gross amount allocated to each individual Staff member may represent between 0 % and 150 % of its Fixed Remuneration.

### **Remuneration of the members of the Board**

The members of the Board receive in this capacity Remuneration determined by the Shareholder, excluding any form of Variable Remuneration, so as to preserve their independence of judgement. This Remuneration takes the form of an annual base fee.

### **Identification and Remuneration of the material risk takers**

Based on the internal assessment preceding the elaboration and adoption of the Policy, GPBL has concluded that only the Management makes decisions regarding the investments and



acceptable risk structure of the balance sheet of GPBL. The activity of the Management may thus in practice have a material impact on GPBL's risk profile. Consequently, the members of the Management have been considered as Material Risk Takers for the purposes of the Policy.

**Quantitative information (on accrual basis)**

	Senior Management and Management
	For the year 2017
	EUR thousand
Members (average headcount)	14 employees
Total fixed remuneration (in TEUR)	4 154 669 EUR
<i>of which: fixed in cash</i>	3 675 309 EUR
Total variable remuneration (in TEUR)	1 640 900 EUR
<b>Additional information regarding the amount of total variable remuneration</b>	
Article 450 h(iii) CRR – total amount of outstanding deferred variable remuneration awarded in previous periods and not in year 2015 (in TEUR)	NA
Number of beneficiaries of guaranteed variable remuneration (new sign-on payments)	NA
Total amount of guaranteed variable remuneration (new sign-on payments) (in TEUR)	NA
Number of beneficiaries of severance payments	NA
Total amount of severance payments paid in year 2016 (in EUR)	NA
Article 450 h(vi) – Highest severance payment to a single person (in EUR)	NA



The amounts of remuneration for the financial year and the number of beneficiaries are also disclosed in Note 29 b of the Annual Accounts

The Board of Directors met four times in 2017. The remuneration has been discussed when required.

## 2.5. Scope of application

The Bank holds no participating interest and is not obliged to establish consolidated accounts.

# 3. Regulatory Capital

## 3.1. Own funds

In accordance with its obligations under the European Directive on Capital Adequacy, the Bank is required to maintain sufficient own funds to cover the risks as it is or could be exposed to while ensuring compliance with its commitments and continuity of its services. The own funds of GPBL are based on the recent figures and are composed of the Tier 1 capital only, which consists of Eligible Capital. GPBL does not hold any Tier 2 capital as per 31 December 2017. Sole shareholder of the Bank is Gazprombank (JSC)

The Bank's general management of own funds and liquidity is governed by the "Own Funds and Liquidity Policy" document.

The following table shows the composition of own funds and required funds as per year-end 2017 in comparison to year-end 2016.

<i>EUR million</i>	<b>31.12.2017</b>	<b>31.12.2016</b>
<b>Paid up capital</b>	130,0	130,0
<b>Reserves</b>	(13,0)	(13,7)
<b>Intangible assets</b>	(1,6)	(1,0)
<b>Net profit / loss of the current year</b>	10,2	0,7
<b>Total own funds</b>	<b>125,6</b>	<b>116,0</b>



### 3.2. Capital requirements

The total risk exposure amounts and Pillar I capital requirements by risk category as per 31 December 2017, compared to the year before, are given in the following table:

<i>EUR million</i>	31 December 2017		31 December 2016	
	Risk exposure amount	Capital requirement	Risk exposure amount	Capital requirement
<b>Credit risk</b>	738.9	85.0	373.7	29.9
<b>Market risk</b>	-	-	-	-
<b>Operational risk</b>	29.8	4.5	12.3	1.0
<b>Credit valuation adjustment</b>	2,4	2,4	0.5	0.04
<b>Total Pillar I</b>	<b>771.1</b>	<b>91.9</b>	<b>386.5</b>	<b>30.9</b>

In December 2017 the CSSF increased the requirement for the TSCR from 8% to 9% bringing the minimum regulatory capital requirement to 11,5 % for Bank GPB International S.A..

Putting the total Pillar I risk exposure amount in relation to the Bank's own funds as per 31 December 2017, the Bank has a CET1 ratio of 16,19 % which is well above the regulatory minimum 11.5%.

Combining Pillar I and Pillar II capital planning, the Bank's total internal capital requirements as per 31 December 2017 are as follows:

<i>EUR million</i>	31 December 2017
<b>Pillar I capital requirement</b>	<b>91.9</b>
- of which credit risk	85.0
- of which market risk	-
- of which operational risk	4,5
- of which credit valuation adjustment	2.4
<b>Pillar II capital requirement</b>	<b>28.9</b>
- of which 200bp interest rate stress test	3.0
- of which credit risk stress test	25.6
- of which business risk stress test	0.3



<b>Total internal capital requirement</b>	<b>120.8</b>
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Relating this to the Bank's available own funds, the following picture emerges:

<i>EUR million</i>	31 December 2017
<b>Available capital</b>	
<b>Total own funds</b>	125,6
<b>Required capital</b>	
<b>Pillar I</b>	91.9
<b>Pillar II</b>	28.9
<b>Excess capital</b>	4.8

Hence the Bank is sufficiently capitalised to cope with the material sources of risk it faces, both in a business as usual as well as in a severe stress situation. Even when deducting the capital impact of the stress events from the available own funds, the (stressed) CET1 ratio remains well above the regulatory minimum of 11.5% and amounts to an excess capital of EUR 4,8 Mil.

## 4. Credit risk

Credit risk arises from all transactions that create actual, contingent or potential claims against counterparties. The credit risk is the most important risk for the Bank and is divided into the three categories of default risk, country risk and settlement risk. The default risk is the risk that counterparties may fail to meet their contractual payment obligations, whereas country risk defines the risk that a loss may arise for the following reasons in any country: deterioration of economic situation, nationalisation and expropriation of assets, foreign exchange controls as well as transfer risk. The settlement risk is the risk that the settlement or clearing of transactions in form of exchange of cash, securities or other assets may fail.

The main business of the Bank dealing with counterparty risk is the lending business. The authorisation of loans is governed by detailed guidelines and directives stating the condition, including comprehensive credit analyses, for any loan to be made. These directives and guidelines also cover the monitoring of outstanding loans. The Bank is using a rating system and classifies all loan transactions into six categories. For third party banks and to assess the Issuer risk, the Bank is applying the ratings issued by internationally recognised rating agencies. The Board of Directors receives a regular overview of the ratings of all counterparties. The Bank also uses a system of country limits that are regularly set and monitored by the Board of Directors. To limit credit risks in respect of loans, the Bank has defined lending norms in its business regulations. The granting of loans is covered by authorisation regulations. These cover the credit items, which are allocated to four credit categories, and also govern the limit amounts.



The control measures implemented by the Bank, in order to monitor and limit the counterparty and credit risk, focus on analysis of the financial standing and reputation of the borrowers, the existence and sufficiency of collateral pledged as security for loan facilities, and periodic reviews of the creditworthiness of borrowers.

### Wrong-way risk

Wrong-way risk is defined as the risk that occurs when "exposure to a counterparty is adversely correlated with the credit quality of that counterparty".

The Bank uses FX Swaps to manage the FX position. A potential correlation between the underlying of the derivatives and the debtor is considered low.

## 4.1. Exposure to credit and counterparty risk

### Loans and deposits to credit institutions

Loans and deposits (including Nostro) to credit institutions are analysed by rating risk concentration as follows:

	31.12.2017 EUR'000	31.12.2016 EUR'000
Cash on hand	-	-
Nostro accounts with BCL	696,970	257,780
Nostro accounts with other banks		
- rated AAA	-	-
- rated AA- to AA+	11,298	628
- rated A- to A+	846	145
- rated BBB- to BBB+	22,527	8,000
- rated from BB- to BB+	376,717	159,330
- rated below B+	-	-
- not rated	-	-
Total nostro accounts with other banks	1,108,358	425,883



## Loans and advances to customers

Loans and advances to customers are analysed as follows:

	31.12.2017 EUR'000	31.12.2016 EUR'000
<b>Loans to corporate customers</b>		
Direct loans	225,989	101,924
Loans participated by the Bank	8,588	9,489
Mortgage loans	25,039	-
<b>Total loans to corporate customers</b>	<b>259,616</b>	<b>111,413</b>
<b>Loans to private customers</b>		
Loans to private customers	17	16
Other	-	-
<b>Total loans to retail customers</b>	<b>17</b>	<b>16</b>
<b>Total loans to customers</b>	<b>259,633</b>	<b>111,429</b>
Impairment allowance	(905)	(1,180)
<b>Net loans to customers</b>	<b>258,728</b>	<b>110,249</b>

## Bonds invested in Held-to-maturity

Held-to-maturity investments are analysed by rating risk concentration as follows:

	31.12.2017 EUR'000	31.12.2016 EUR'000
<b>Corporate bonds</b>		
rated from BBB- to BBB+	118,278	81,143
rated from BB- to BB+	76,887	67,646
rated below B+	-	-
not rated	-	-
<b>Total corporate bonds</b>	<b>195,165</b>	<b>148,789</b>
Impairment allowance	(583)	(560)
<b>Total net corporate bonds</b>	<b>194,582</b>	<b>148,229</b>



	31.12.2017 EUR'000	31.12.2016 EUR'000
Impairment allowance	(583)	(560)
<b>Total net promissory notes</b>	<b>194,582</b>	<b>148,229</b>

The Bank uses the Mark-to-Market method for measuring exposure value.

The credit exposure and the corresponding counterparty risk of the Bank towards customers was EUR 259.6 million (2016: 111.4 million), of which EUR 93.7 million with a lifetime over one year to five years and EUR 79.4 million over five years. For all loans and advances to customers the Bank applies a risk weighting of 100%.

The loans and advances to credit institutions amounted to EUR 411 million (2016: 168 million) with a lifetime of less than three month. The Bank applies a rating based approach for calculating the risk weighting of its exposure towards its banking counterparties. The bank also applies strict quality criteria for accepting banks as counterparty risk.

For all accepted banking counterparties, the Bank has a limit system in place which takes individual exposures for different form of counterparty risk into account as well as an overall limit on a counterparty or a counterparty group. The limit system is at least once a year reviewed and approved by the Board of Directors.

In 2017 the Bank kept bonds for EUR 369.3 million (2016: 293.8 million) Bonds and other fixed-income transferable securities. The Bank acquired these securities as underlying in conjunction with performance linked deposits (EUR 174,1 million) and to build up an own securities portfolio (EUR 195.2 million). The credit risk, as well as the market risks, related to these securities, was entirely transferred to holders of corresponding deposits. The Bank applies equally strict rules when dealing with the risk of default or decline of creditworthiness of issuers of securities bought by the Bank for its own portfolio.

The gross positive fair value of contracts, collateral amount and net risk exposure are disclosed in the Annual Accounts. The Bank had no netting benefit, netted current credit exposure and net derivative credit exposure as at the reporting date. The distribution of exposures by counterparty type, broken down by exposure classes, is also disclosed in the Annual Accounts.

The total amount of exposures after accounting offsets and without taking into account the effects of credit risk mitigation and the residual maturity breakdown of all the exposures, broken down by exposure classes are disclosed in the Annual Accounts.



Required funds for credit risk as per 31.12.2017

<i>EUR million</i>	<b>Risk-weighted exposure amount</b>	
	31.12.2017	31.12.2016
<b>Central Governments or Central Banks</b>	-	-
<b>Institutions</b>	104,9	82,1
<b>Corporates<sup>1</sup></b>	633,9	291,6
<b>Retail</b>	0,1	0,07
<b>Other items</b>		
<b>Total credit risk</b>	<b>738,9</b>	<b>373,7</b>
<b>Credit valuation adjustment</b>	<b>2,5</b>	<b>0,5</b>

The control measures implemented by the Bank, in order to monitor and limit credit risk, focus on analysis of the financial standing and reputation of the borrowers, the existence and sufficiency of collateral pledged as security for loan facilities, and periodic reviews of the creditworthiness of borrowers.

The Credit Committee of the Bank consists of four members of the Board of Directors of Bank GPB International S.A. and met four times in 2017. In addition credit decisions are also taken by circular resolutions of the Credit Committee.

Based on the methods, how credit risk is managed at GPBL, for the time being it has been decided not to develop any specific internal methodology for the allocation of capital to credit risk. Thus, the Bank has conservatively decided to use the result of the Standardized Approach for its quantification of the credit risk. The standardized risk approach increases the risk sensitivity of the capital framework by recognizing that different counterparties within the same loan category present different risks to the lending institution. Thus, instead of placing all commercial loans in the 100% risk weighting basket, the standardized approach takes into account the credit rating of the borrower and additional risk mitigating collaterals.

The Bank considers only risk mitigations as defined under CRR. For the counterparty risk related to banks, GPBL takes external ratings into account. The Bank is also using netting agreements to mitigate credit risks. GPBL has legally enforceable netting agreements for on balance sheet exposures (loans and deposits) and off-balance sheet exposures (derivatives) for which the Bank may calculate capital requirements on the basis of net credit exposures, subject



to specific regulatory conditions. The Bank monitors encumbered assets, which consist of assets pledged as collateral against an existing liability and other assets which are otherwise explicitly restricted such that they cannot be used to secure funding.

The establishment of loan allowances requires objective evidence of impairment and a reliable estimation about the future cash flows of the financial asset(s) concerned. In addition a formal decision needs to be taken by the respective Business owner and the Risk Control department and approved by the competence owner. During 2017 no specific loan allowances have been established. Instead a general collective impairment has been deducted. The Bank has defined and described in its directives the notion of forbearance. The granting of a forbearance measure could constitute an impairment trigger, meaning that the loan would be assessed for impairment.

Loans are non-performing (past due) if at least one of the following payments has not been fully executed or re-negotiated more than 90 days after due date:

- Interest payments;
- Commission payments;
- Amortizations (partial principle repayments or full principal repayment).

If the payments for interest, commissions and/or administration are overdue, the face value of the loan is also to be considered as non-performing. Loans to the borrowers in liquidation are always considered non-performing. Loans with special conditions based on the (lack of) creditworthiness (e.g. material reductions in interest rates with interest being below the banks refinancing cost) are also considered non-performing.

Non-performing loans are to be considered on an individual basis. Interests and commissions for irrecoverable loans are stopped being accrued.

The main indicators of an impaired loan are:

- Considerable financial difficulties of the borrower;
- Effectively occurred breach of the contract (e.g. failure or delay of interest or face value settlement);
- Loan conditions to the favor of the client in connection with his financial difficulties that would not be granted under normal circumstances;
- High probability of bankruptcy or need for restructuring of the borrower;
- Recording of value adjustments with profit and loss impact for the particular assets in a prior reporting period;
- Disappearance of an active market for the particular financial asset based on financial difficulties;
- Prior experiences in connection with debt collection which lead to a conclusion that the total face values of the loan will not be collectible;



- Foreign currency restrictions imposed by the national authorities of the country of the borrower in case where loans are denominated in currencies other than the local currency of the borrower.

Loans are classified as impaired if the borrower will unlikely be able to fulfill his obligations. Individual loan loss provision should be created for the supposable unrecovered part of loan as well as for the outstanding interests.

The existing individual loan provisions are to reassess at each reporting date, based on the annual review of the impaired loans. The recovery amount of the loan and the corresponding loan loss provision are to be adjusted in connection with possible collateral at the liquidation value and with consideration to the credit standing of the debtor. Should any circumstances indicate that the recovery amount of the loan changes significantly, the provision should be reassessed immediately.

If no uncertainty remains about the timing and amount of the outstanding loan recoverability, the provision shall be:

- Released in case of the repayment;
- Written off in case of the certainty that no repayment will occur.

The Bank recognizes the impairment of assets held to maturity in the investment portfolio on an individual basis, if there is objective evidence of impairment as a result of one or more events occurring after initial recognition. The need for impairment is analyzed based on an impairment test.

The approaches and methods of credit risk adjustments are also described in the Annual Accounts.

The tables below analyse the level of primary financial instruments of the Bank with respect to their remaining maturities. Financial instruments excluded from the trading portfolio are disclosed at the carrying amount.

The distribution of the exposures by industry or counterparty type is provided in the Annual Accounts



Financial assets and liabilities shown at face value (in EUR'000) as per 31. 12.2017

	less than 3 months	> 3 months to 1 year	> 1 year to 5 years	more than 5 years	no maturity	Total
Balances with central banks	696,970	-	-	-	-	696,970
Loans and advances to credit institutions	411,388	-	-	-	-	411,388
Loans and advances to customers	54,551	20,201	93,738	79,365	-	247,855
Bonds and other fixed-income transferable securities	42,974	30,685	231,223	44,724	-	349,606
<b>Total financial assets</b>	<b>1,205,883</b>	<b>50,886</b>	<b>324,961</b>	<b>124,089</b>	<b>-</b>	<b>1,705,819</b>
Amounts owed to credit institutions	142,190	26,682	-	-	-	168,872
Amounts owed to customers	1,147,422	63,414	169,391	38,406	-	1,418,633
<b>Total financial liabilities</b>	<b>1,289,612</b>	<b>90,096</b>	<b>169,391</b>	<b>38,406</b>	<b>-</b>	<b>1,587,505</b>
<b>Total</b>	<b>-83,729</b>	<b>-39,210</b>	<b>155,570</b>	<b>85,683</b>	<b>-</b>	<b>118,314</b>



## Country Risk 31.12.2017

Country	Total Limit	Total Utilisation	thereof open committed lines / Guarantees	thereof with risk mitigation
31 December 2017	EUR million	1'999.893	67.538	374.562
Austria	100.0	44.9	15.4	-
Belgium	200.0	0.0	-	-
Cyprus	100.0	48.1	27.0	4.4
Ecuador	12.0	2.8	-	-
Estonia	20.0	1.8	-	-
France	200.0	45.0	-	-
Guernsey	350.0	8.3	-	-
Germany	500.0	14.7	-	-
Ireland	300.0	214.0	-	90.1
Kazakhstan	20.0	2.7	-	2.7
Luxembourg	Free Limit	805.4	-	63.0
Netherlands	200.0	47.1	15.2	1.8
Russian Federation	585.0	252.2	-	-
Switzerland	400.0	237.4	10.0	-
United Kingdom	200.0	52.1	-	4.1
United States	50.0	14.9	-	-
Uzbekistan	235.0	208.5	-	208.5



## Country Risk Framework

<b>Credit Quality Step</b>	<b>Fitch's assessments</b>	<b>Moody's assessments</b>	<b>S&amp;P assessments</b>	<b>Risk taking capacity</b>
<b>1</b>	AAA to AA-	Aaa to Aa3	AAA to AA-	30 times regulatory capital
<b>2</b>	A+ to A-	A1 to A3	A+ to A-	20 times regulatory capital
<b>3</b>	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	10 times regulatory capital
<b>4</b>	BB+ to BB-	Ba1 to Ba3	BB+ to BB-	5 times regulatory capital
<b>5</b>	B+ to B-	B1 to B3	B+ to B-	½ of regulatory capital
<b>6</b>	CCC+ and Below	Caa1 and below	CCC+ and below	Subject to individual approval of BoD



## 4.2. Use of ECAIs

The institute employs ratings of the following three international rating agencies: Standard & Poors, Moody, Fitch. The institution applies ratings for credit institutions, central banks and corporates for internal credit and risk management purposes.

The following table shows the credit quality steps for the exposure value and the fully adjusted exposure value after CRM:

<i>EUR million</i>		<b>31-Dec-17</b>	
	Credit Quality Step	Exposure Value	Fully adjusted Exposure Value after CRM
Central Governments or Central Banks	1	697.0	697.0
Institutions	2-3	41.5	41.5
	4	193.1	193.1
Total institutions		234.6	234.6
Corporates	Other	1,204.9	843.3
Others	Other	25.1	25.1
<b>Total</b>		<b>2,161.7</b>	<b>1,800.1</b>

## 5. Market risk

The bank has a limited interest risk exposure which is thoroughly controlled. The interest rate risk is managed by VaR, interest rate gaps limit and sensitivity incl. development of stress scenarios.

The Bank has limited exposure to FX risks managed and monitored through maximum possible internal FX-limits. The Bank did not enter into proprietary trading activities and did not acquire securities for an own investment portfolio. The securities bought in 2017 were either used as underlying assets linked to clients deposits or for the development of the HTM portfolio. The credit risks as well as the market risks related to securities bought as underlying assets were entirely transferred to the holder of the corresponding deposits. The main task of the trading desk was to handle execution of client orders in accordance with the Bank's Order & Best Execution policy.



## 6. Operational risk

Operational risk is the potential loss resulting from inadequate or failed internal processes, people or systems, or from external causes, whether deliberate, accidental or natural. It includes risks related to legal, compliance and tax matters.

The Bank has an “Operational Risk Policy” in place, which sets up the principles of the operational risk management in the Bank.

To comply with applicable rules on outsourcing and the risk related to the outsourcing of clearly defined services the Bank has an “outsourcing policy” in place.

Operational risk is measured using the Basic Indicator Approach (BIA). The calculation is based on the arithmetic average of the last three year’s sum of revenues, multiplied by 15%. The calculation of the simple arithmetic average shall be based on the positive amounts. If, for any given reason, the sum of revenues is equal to zero or negative, this figure shall not be taken into account in the calculation of the average for the determination of the Basic indicator. The calculation performed by GPBL is based on financial figures from the financial regulatory reporting based on local regulatory reporting standards (FINREP).

Required funds for operational risk as per 31.12.2017

	31.12.2017	31.12.2016
<b>Operational Risk (basic indicator approach)</b>	4,465,250	984,953

Mitigation of risk is performed through the set-up of an operational risk framework in order to ensure that all risks are properly managed and controlled. All identified risks are tracked and monitored in the Risk Inventory and reported via the Key Risk Indicators framework. Mitigation of operational risks is also achieved through:

- Segregation of duties and elimination of conflicts of interests
- Adapting appropriate operations and administrative systems to the Bank’s activities
- Maintaining an adequate internal control environment
- Maintaining an effective Compliance Function
- Maintaining an effective Risk Management & Risk Control Function

The separate reporting of compliance function as well as risk management function also form a part of operational risk management.

### Current status and outlook:

With the increase of eligible capital in 2016, the Bank is increasing its activities in the business lines prescribed by the new business strategy. This leads to an increased operational risk in the business lines and the processing, booking, accounting and disclosure afterwards. Concerning operational risk the following topics have to be considered:



- The business strategy leads to the point that increasing business requirements have to be met.
- The internal processes & controls of the Bank are designed and implemented. The efficiency / quality of the processes are in line with the increased quality of transactions / business activities.

. In line with the business expansion the hiring of qualified required personnel and the adaption of the organizational structure is one of the top priorities of the Bank. In order to mitigate the risk of external events, the Business Continuity Concept is implemented and was tested.

The numerous audits / reviews that are performed by the internal / external audit functions as well as the necessity to comply with the Group requirements form an additional stimulation to the Bank to have a proper operational / organizational set up.

To cope with the regulatory requirements and the above described growth in conjunction with the business strategy the implementation of an incident reporting framework has been implemented, indicating inter alia the number, the amounts and the types of incidents. This tool aims to control, measure and manage the risks resulting from the operational side of the business.

For operational risk management and mitigation purposes a risk and control self-assessment framework had been set up together with remedial actions to take or being available.

### **Mitigating measures**

As described above, management of operational risks will become more important, because of new products and businesses. The increasing complexity of products and processes will require additional staff with solid know how and experience in their functions; IT to be improved and additional functionalities are required to meet the business requirements; compliance, risk management and ICS need to be developed in parallel with business growth.

The “Key Risk Indicator Report” is published monthly by Risk Management & Risk Control. Here the predefined and BoD-approved key risk indicators concerning operational risk of the Bank (internal) and operational risk group (internal & group) are shown for the last three months.

### **Key factors impacting legal, compliance, and tax risk:**

The “Key Risk Indicator Report” as per 31 December 2017 shows a high number of clients within compliance risk category 3 and PEP clients which is closely related to the on boarding of private clients. This topic is mitigated by the clearly defined and implemented KYC requirements & compliance review procedures.

The same report also shows a substantial number of alerts created in compliance filter related to payments; this fact is driven by the sanctions and embargos against some Russian companies, the Parent Bank and the Bank itself.



Although the number of overdue audit/regulatory recommendations has been triggered in the above mentioned report, they refer to minor issues to clarify, verify or finally approve the outstanding item.

The Bank expects no tax issues in current as well as in future year due to the low complexity of the provided services and subsequent simplicity of the tax reporting

## 7. Exposure to interest rate risk on positions not included in the trading book

As the considered funding source was mainly denominated in EUR while the most part of the budgeted loan portfolio and HTM portfolio was in USD, the Bank started to diversify its funding base and attracted a substantial volume of short term and term deposits in USD from corporate and private clients. The Bank also increased its FX swap portfolio to match the currency structure of asset and liability sides of the balance sheet. This may result in increase of the overall exposure to both interest and liquidity risks. The Bank monitors and targets its balance sheet structure in a way optimizing its interest rate exposure as well as incorporate respective stress tests to assess respective impact on its financial result and capital base. Potential liquidity outflows resulting from exchange of variation margin on such FX swap transactions have been properly addressed in relevant limits applied to liquidity profile of the Bank under stress conditions.

In order to meet the expected complexity of asset and liability structure as well as ensure compliance with applicable regulatory requirements the Bank introduced and further develops ALM Function.

In the calculation of the Interest Rate Risk position, the Bank measures the interest rate gap as per the contractual maturity dates. The loan portfolio is taken into account into interest rate risk up to re-pricing date. The Bank does not take yet into account loan prepayments, which means that all loans are considered to mature as per the contractual date. On-call liquidity is considered to mature overnight. The Interest Rate Gap is measured at the beginning of each day for the end of previous business day. The interest rate risk is mainly constituted from the mismatch between on the liability side, the on-call liquidity, and on the asset side: the loan portfolio to corporates, the HTM portfolio composed of Russian euro-bonds (excluding the CLD linked bonds).

To manage interest rate risk in an adequate manner the Bank started a new product process for Interest Rate Swaps. A number of ISDA's had been signed with international banks and limits are in place.



## 8. Unencumbered assets

The figures shown in the tables below correspond to the 2017 median values. The table below shows the unencumbered and encumbered assets.

<i>EUR million</i>				
	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
<b>Assets of the reporting institution</b>	<b>11.4</b>		<b>1740.3</b>	
Loans on demand	11.4		997.0	
Equity instruments				
Debt securities			369.3	
Loans and advances other than loans on demand			359.6	
Other assets			14.4	

The table below shows the collateral received by the Bank related to the unencumbered and encumbered assets.

<i>EUR million</i>		Unencumbered
	Fair value of encumbered collateral received or own debt securities issued	Fair value of collateral received or own debt securities issued available for encumbrance
<b>Collateral received by the reporting institution</b>	<b>0.6</b>	<b>144.7</b>
Loans on demand		
Equity instruments		
Debt securities		144.7
Loans and advances other than loans on demand		
Other collateral received	0.6	

## 9. Liquidity risk

Liquidity risk appetite of the Bank is defined at Board of Directors level and is developed in line with the Group liquidity requirements. It takes into account the Bank's valid business strategy and assumes the level of liquidity risk that the Bank is willing to take, with a view to ensure survival over a defined period of stress on a standalone basis.



The Bank develops and maintains sound frameworks, systems and processes to support the management of liquidity according to the liquidity risk appetite. All processes are specified with clearly delineated roles and responsibilities to ensure smooth implementation.

The Bank measures liquidity risk based on analysis of its liquidity profile under potential stress-scenarios. It regularly conducts liquidity stress test to understand the likely impact of potential developments in the Bank's business, and external market conditions on its liquidity profile, to assess whether current exposures still remain within the liquidity risk appetite. The outcomes of such analysis serve as an input to liquidity contingency planning.

The Bank defines the following types of stress test scenarios:

- BCBS-required tests where specifications are provided by BCBS recommendations and eventually by the local regulation;
- ALM-defined stress tests agreed with Risk Management and Control and approved by ALCO;
- Ad hoc stress tests at the discretion of ALM team, which includes sensitivity analyses and testing of potential new scenarios.

The stress scenarios are approved and reviewed at least annually or more frequently when a situation requires so. Based on the outcomes of liquidity stress tests the Bank creates and maintains Liquidity Buffer to ensure that it can sustain stress events on a predetermined Survival Period and keeps applicable prudential liquidity ratios on acceptable level.

The Liquidity Buffer is formed from highly liquid assets that are clearly segregated from all other assets and securities in terms of MIS accounting systems as well as liquidity representation and is split into three layers. The Bank regularly analyses assets kept in the Liquidity Buffer in terms of their potential refinancing under stress conditions as well as estimates amount of required Liquidity Buffer with available eligible assets. Respective corrective measures are made, when necessary.

In order to manage its exposure to liquidity risk the Bank sets up a set of liquidity risk limits as well as EWIs ensuring compliance with applicable liquidity prudential limits. To ensure compliance with the LCR the Bank has implemented:

- A "Daily ALM Report" containing inter alia a dynamic view of the LCR as well as
- A "Treasury Scenario Daily LCR Impact Calculator" to be able to calculate the influence of relevant transactions on the LCR.

The Bank develops and reviews a Liquidity contingency plan in order to define a set of measures and instruments that shall be applied to ensure its solvency under stress conditions. For this purpose the Bank elaborates a system of EWIs, thresholds linking it to the overall level of liquidity emergency for the Bank and a set of standard actions to consider.



## 10. Leverage

The Basel III leverage ratio is defined as the capital measure (the numerator) divided by the exposure measure (the denominator), with this ratio expressed as a percentage:

$$\text{Leverage Ratio} = \frac{\text{Capital Measure}}{\text{Exposure Measure}}$$

The final proposal and report from the European Commission is still pending, with a possible binding introduction at the end of 2018. The Bank discloses the information on the leverage ratio based on the definition of the capital measure specified in point (a) of paragraph 1 of Article 499 CRR. Currently the Bank already takes into account the leverage ratio to ensure that all commercial activities based on the agreed business plan are in line with the leverage ratio requirements, especially in terms of managing the risk of excessive leverage:

Following the CRR “risk of excessive leverage” means the risk resulting from an institution's vulnerability due to leverage or contingent leverage that may require unintended corrective measures to its business plan, including distressed selling of assets which might result in losses or in valuation adjustments to its remaining assets.

The Bank has included the Leverage Ratio as a strategic key performance indicator in the section “Sound risk management and prudential supervision”. The capital planning and the related stress testing contain the leverage ratio to avoid excessive leverage.

## 11. Qualifying Requirements for the use of particular instruments or methodologies

### 11.1. Use of credit risk mitigation techniques

The Bank considers only cash pledged under Luxembourg Law and guarantees provided as eligible credit risk mitigating assets. The Bank is also using netting agreements to mitigate credit risks. GPBL has legally enforceable netting agreements for on balance sheet exposures (loans and deposits) and off-balance sheet exposures (derivatives) for which the Bank may calculate capital requirements on the basis of net credit exposures, subject to specific regulatory conditions. The Bank monitors encumbered assets, which consist of assets pledged as collateral against an existing liability and other assets which are otherwise explicitly restricted such that they cannot be used to secure funding. From a regulatory point of view, the Bank mainly accepts the pledging of financial assets (particularly client deposits) as collateral as well as personal guarantees and first demand guarantees. The Bank has no credit derivative exposures.

As at 31 December 2017 the Bank used the following credit risk mitigation techniques:



- Time deposits of clients, which are linked to the performance of an underlying asset acquired by the Bank for such purposes (“credit-linked deposit” or “CLD”). The credit risks, as well as the market risks related to these securities were entirely transferred to the holder of the corresponding deposits.
- The participation of other banks in syndicated loan commitments is shown as a financial guarantee received.

<i>EUR million</i>		31-Dec-17
Credit Quality Step	Credit Quality Step - Rating Translation	CRM exposure
1-3	AAA to BBB-	0
4	BB+ to BB-	187.5
5-6	B+ to below B-	0
No Credit Quality Step	Not applicable	174.1
<b>Total</b>		<b>361.6</b>



## 12. Appendix

### 12.1. List of Disclosure Requirements Part Eight of CRR

#### **CRR Article      Disclosed Medium: Primary location Pillar 3 report**

##### **Title II              Technical Criteria on Transparency and Disclosure**

Article 435	Risk management objectives and policies
Article 436	Scope of application
Article 437	Own funds
Article 438	Capital requirements
Article 439	Exposure to counterparty credit risk
Article 440	Capital buffers
Article 441	Indicators of global systemic importance
Article 442	Credit risk adjustments
Article 443	Unencumbered assets
Article 444	Use of ECAs
Article 445	Exposure to market risk
Article 446	Operational risk
Article 447	Exposures in equities not included in the trading book
Article 448	Exposure to interest rate risk on positions not included in the trading book
Article 449	Exposure to securitisation positions
Article 450	Remuneration policy
Article 451	Leverage

##### **Title III              Qualifying requirements for the use of particular instruments or methodologies**

Article 452	Use of the IRB Approach to credit risk
Article 453	Use of credit risk mitigation techniques
Article 454	Use of the Advanced Measurement Approaches to operational risk
Article 455	Use of Internal Market Risk Models



## 12.2. COMMISSION IMPLEMENTING REGULATION (EU) No 1423/2013

of 20 December 2013

laying down implementing technical standards with regard to disclosure of own funds requirements for institutions according to Regulation (EU) No 575/2013 of the European Parliament and of the Council

### ANNEX II

#### Capital instruments' main features template

Capital instruments main features template <sup>(1)</sup>		
1	Issuer	
2	Unique identifier (eg CUSIP, ISIN or Bloomberg Identifier for private placement)	
3	Governing law(s) of the instrument	
	<i>Regulatory treatment</i>	
4	Transitional CRR rules	
5	Post-transitional CRR rules	
6	Eligible at solo/(sub-)consolidated/ solo & (sub-)consolidated	
7	Instrument type (types to be specified by each jurisdiction)	
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	
9	Nominal amount of instrument	
9a	Issue price	
9b	Redemption price	
10	Accounting classification	
11	Original date of issuance	
12	Perpetual or dated	
13	Original maturity date	
14	Issuer call subject to prior supervisory approval	
15	Optional call date, contingent call dates and redemption amount	
16	Subsequent call dates, if applicable	
	<i>Coupons / dividends</i>	
17	Fixed or floating dividend/coupon	
18	Coupon rate and any related index	
19	Existence of a dividend stopper	
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	
21	Existence of step up or other incentive to redeem	
22	Noncumulative or cumulative	
23	Convertible or non-convertible	
24	If convertible, conversion trigger(s)	
25	If convertible, fully or partially	
26	If convertible, conversion rate	
27	If convertible, mandatory or optional conversion	



28	If convertible, specify instrument type convertible into	
29	If convertible, specify issuer of instrument it converts into	
30	Write-down features	
31	If write-down, write-down trigger(s)	
32	If write-down, full or partial	
33	If write-down, permanent or temporary	
34	If temporary write-down, description of write-up mechanism	
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	
36	Non-compliant transitioned features	
37	If yes, specify non-compliant features	
(1) Insert 'N/A' if the question is not applicable		



Own funds disclosure template

Own funds disclosure template			Regulation (EU) No 575/2013 Article Reference
<b>Common Equity Tier 1 (CET1) capital: instruments and reserves</b>			
1	Capital instruments and the related share premium accounts		26 (1), 27, 28, 29
	of which: instrument type 1		EBA list 26 (3)
	of which: instrument type 2		EBA list 26 (3)
	of which: instrument type 3		EBA list 26 (3)
2	Retained earnings		28 (1) (c)
3	Accumulated other comprehensive income (and other reserves)		26 (1)
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		485 (2)
5	Minority interests (amount allowed in consolidated CET1)		84
5a	Independently reviewed interim profits net of any foreseeable charge or dividend		26 (2)
6	<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>		<b>Sum of rows 1 to 5a</b>
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>			
7	Additional value adjustments (negative amount)		34, 105
8	Intangible assets (net of related tax liability) (negative amount)		36 (1) (b), 37
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
11	Fair value reserves related to gains or losses on cash flow hedges		33(1) (a)
12	Negative amounts resulting from the calculation of expected loss amounts		36 (1) (d), 40, 16B
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(1) (b)
15	Defined-benefit pension fund assets (negative amount)		36 (1) (e), 41
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)		36 (1) (f), 42
17	Direct, indirect and synthetic holdings of the CET 1 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



18	Direct, indirect and synthetic 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 10 % threshold and net of eligible short positions) (negative amount)	36 (1) (h), 43, 45, 46, 49 (2) (3), 79
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
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), 256
20d	of which: free deliveries (negative amount)	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 Article 38 (3) are met) (negative amount)	36 (1) (c), 38, 48 (1) (a)
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)
24	Empty set in the EU	
25	of which: deferred tax assets arising from temporary differences	36 (1) (c), 38, 48 (1) (a)
25a	Losses for the current financial year (negative amount)	36 (1) (a)
25b	Foreseeable tax charges relating to CET1 items (negative amount)	36 (1) (f)
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	36 (1) (j)
28	<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	Sum of rows 7 to 20a, 21, 22 and 25a to 27
29	<b>Common Equity Tier 1 (CET1) capital</b>	Row 6 minus row 28
<b>Additional Tier 1 (AT1) capital: Instruments</b>		
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)
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



35	of which: instruments issued by subsidiaries subject to phase out	486 (3)
36	<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	Sum of rows 30, 33 and 34
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>		
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	52 (1) (b), 56 (a), 67
38	Direct, indirect and synthetic 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
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)	56 (c), 59, 60, 79
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	56 (d), 59, 79
41	Empty set in the EU	
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	56 (e)
43	<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>	Sum of rows 37 to 42
44	<b>Additional Tier 1 (AT1) capital</b>	Row 36 minus row 43
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	Sum of row 29 and row 44
<b>Tier 2 (T2) capital: instruments and provisions</b>		
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)
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	67, 68
49	of which: instruments issued by subsidiaries subject to phase out	486 (4)
50	Credit risk adjustments	62 (c) & (d)
51	<b>Tier 2 (T2) capital before regulatory adjustments</b>	
<b>Tier 2 (T2) capital: regulatory adjustments</b>		
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	63 (b) (i), 66 (a), 67
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
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



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)		06 (d), 69, 79
56	Empty set in the EU		
57	Total regulatory adjustments to Tier 2 (T2) capital		Sum of rows 52 to 56
58	Tier 2 (T2) capital		Row 51 minus row 57
59	Total capital (TC = T1 + T2)		Sum of row 45 and row 58
60	Total risk weighted assets		
<b>Capital ratios and buffers</b>			
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)		92 (2) (a)
62	Tier 1 (as a percentage of total risk exposure amount)		92 (2) (b)
63	Total capital (as a percentage of total risk exposure amount)		92 (2) (c)
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 systemically important institution buffer expressed as a percentage of risk exposure amount)		CRD 128, 129, 130, 131, 133
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)		CRD 128
69	(non relevant in EU regulation)		
70	(non relevant in EU regulation)		
71	(non relevant in EU regulation)		
<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)		36 (1) (h), 46, 45 56 (c), 59, 60 66 (c), 69, 70
73	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 (amount below 10% threshold and net of eligible short positions)		36 (1) (i), 45, 46
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) (e), 38, 48



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)		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 on 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 2014 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	— Amount 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)



Transitional own funds disclosure template

Common Equity Tier 1 capital instruments and reserves		(A) AMOUNT AT DISCLOSURE DATE	(B) REGULATION (EU) No 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGU- LATION (EU) No 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) No 575/ 2013
1	Capital instruments and the related share premium accounts		26 (1), 27, 28, 29, EBA list 26 (3)	
	of which: Instrument type 1		EBA list 26 (3)	
	of which: Instrument type 2		EBA list 26 (3)	
	of which: Instrument type 3		EBA list 26 (3)	
2	Retained earnings		28 (1) (c)	
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)		28 (1)	
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 January 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			
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount)		34, 105	
8	Intangible assets (net of related tax liability) (negative amount)		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 (negative amount)		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) (l), 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	Foreseeable 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	<b>Total regulatory adjustments to Common equity Tier 1 (CET1)</b>			
29	<b>Common Equity Tier 1 (CET1) capital</b>			
<b>Additional Tier 1 (AT1) capital: Instruments</b>				
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		483 (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		86, 86, 480	
35	of which: instruments issued by subsidiaries subject to phase out		486 (3)	
36	<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>			
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>				
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)		52 (1) (b), 56 (a), 57, 475 (2)	
39	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), 59, 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 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	<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>			
44	<b>Additional Tier 1 (AT1) capital</b>			
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>			
<b>Tier 2 (T2) capital: instruments and provisions</b>				
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	<b>Tier 2 (T2) capital before regulatory adjustments</b>			
<b>Tier 2 (T2) capital: regulatory adjustments</b>				
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)	
58	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 675/2013 (i.e. CRR residual amounts)			
58a	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			
58b	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 675/2013		475, 475 (2) (a), 475 (3), 475 (4) (a)	
	Of which items to be detailed line by line, e.g. reciprocal cross holdings in all instruments, direct holdings of non significant investments in the capital of other financial sector entities, etc			
58c	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	<b>Total regulatory adjustments to Tier 2 (T2) capital</b>			



58	<b>Tier 2 (T2) capital</b>			
59	<b>Total capital (TC = T1 + T2)</b>			
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	<b>Total risk weighted assets</b>			
<b>Capital ratios and buffers</b>				
61	<b>Common Equity Tier 1 (as a percentage of risk exposure amount)</b>		92 (2) (a), 465	
62	<b>Tier 1 (as a percentage of risk exposure amount)</b>		92 (2) (b), 465	
63	<b>Total capital (as a percentage of risk exposure amount)</b>		92 (2) (c)	
64	<b>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)</b>		CRD 128, 129, 130	
65	<b>of which: capital conservation buffer requirement</b>			
66	<b>of which: countercyclical buffer requirement</b>			
67	<b>of which: systemic risk buffer requirement</b>			



67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer		CRD 131	
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)		CRD 128	
69	[non relevant in EU regulation]			
70	[non relevant in EU regulation]			
71	[non relevant in EU regulation]			
<b>Capital ratios and buffers</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)		38 (1) (h), 45, 46, 472 (10) 58 (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)		38 (1) (c), 38, 48, 470, 472 (5)	
<b>Applicable caps on the inclusion of provisions in Tier 2</b>				
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	
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)</b>				
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	Amount 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)	



### 12.3. COMMISSION DELEGATED REGULATION (EU) 2015/1555

28 May 2015

Supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for the disclosure of information in relation to the compliance of institutions with the requirement for a countercyclical capital buffer in accordance with Article 440

Row		General credit exposures		Trading book exposure		Securitisation exposure		Own funds requirements				Own funds requirement weights	Countercyclical capital buffer rate
		Exposure value for SA	Exposure value IRB	Sum of long and short position of trading book	Value of trading book for internal models exposure	Exposure value for SA	Exposure value for IRB	Of which: General credit exposures	Of which: Trading book exposures	Of which: Securitisation exposures	Total		
		10	20	30	40	50	60	70	80	90	100	110	120
10	Breakdown by country												
	Uzbekistan	153.8						0			0		0%



	United States	14.9						4.5			4.5		0%
	Russia	253.3						232.4			232.4		0%
	Netherlands	47.3						43.8			43.8		0%
	Luxembourg	834.1						51.8			51.8		0%
	Kazakhstan	2.9						0			0		0%
	Jersey	2.6						0			0		0%
	Ireland	219.1						123.9			123.9		0%
	Guernsey	32.8						8.3			8.3		0%
	United Kingdom	53.3						46.6			46.6		0%
	France	45.3						29.1			29.1		0%
	Estonia	5.0						1.8			1.8		0%
	Ecuador	2.9						2.9			2.9		0%
	Germany	15.1						13.5			13.5		0%
	Cyprus	49.8						22.1			22.1		0%
	Switzerland	329.9						130.8			130.8		0%
	Austria	57.8						27.3			27.3		0%
	United Arab Emirates	41.7						0			0		0%
	Others	0.1						0.1			0.1		0%
	TOTAL	2,161.7						738.9			738.9		



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## 12.4. COMMISSION IMPLEMENTING REGULATION (EU) 2016/200

15 February 2016

Laying down implementing technical standards with regard to disclosure of the leverage ratio for institutions, according to Regulation (EU) No 575/2013 of the European Parliament and of the Council

### ANNEX I

#### CRR Leverage Ratio — Disclosure Template

		Reference date
<b>Table LRCom: Leverage ratio common disclosure</b>		
		<b>CRR leverage ratio exposures</b>
<b>On-balance sheet exposures (excluding derivatives and SFTs)</b>		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	1,936.6
2	(Asset amounts deducted in determining Tier 1 capital)	(3.6)
3	<b>Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)</b>	1,933.0
		<b>CRR leverage ratio exposures</b>
<b>Derivative exposures</b>		
4	Replacement cost associated with <i>all</i> derivatives transactions (ie net of eligi ble cash variation margin)	1.8



5	Add-on amounts for PFE associated with <i>all</i> derivatives transactions (mark- to-market method)	8.7
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)	-
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 derivatives exposures (sum of lines 4 to 10)</b>	10.5
<b>SFT exposures</b>		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales and 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 Articles 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	411.1
		<b>CRR leverage ratio</b>



		exposures
18	(Adjustments for conversion to credit equivalent amounts)	-218.1
19	<b>Other off-balance sheet exposures (sum of lines 17 and 18)</b>	214.6
<b>Exempted exposures in accordance with Article 429(7) and (14) of Regulation (EU) No 575/2013 (on and off balance sheet)</b>		
EU-19a	(Intragroup exposures (solo basis) exempted 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 exposure measure</b>		
20	<b>Tier 1 capital</b>	124.9
21	<b>Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)</b>	1'936.6
<b>Leverage ratio</b>		
22	<b>Leverage ratio</b>	5.79%
<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	-
<b>Table LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)</b>		
		<b>CRR leverage ratio exposures</b>
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	830.8
EU-2	Trading book exposures	-



EU-3	Banking book exposures, of which:	1,737.3
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	697.0
EU-6	Exposures to regional governments, MDB, international organisations and PSE <b>not</b> treated as sovereigns	-
		<b>CRR leverage ratio exposures</b>
EU-7	Institutions	228.0
EU-8	Secured by mortgages of immovable properties	25.0
EU-9	Retail exposures	-
EU-10	Corporate	787.2
EU-11	Exposures in default	-
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	-