

CAPITAL ADEQUACY

Capital Management

"The bank's objectives when managing capital, which is a broader concept than the 'equity' on statement of financial position, are to:

- Comply with the capital requirements set by the regulators of the banking markets the entity operates;
- Safeguard the bank's ability to continue as a going concern so that it can continue to provide returns for the shareholders and benefits for other stakeholders; and
- Maintain a strong capital base to support the development of its business.

Other reserves and portion of general provisions relating to Instalment loans were excluded from capital adequacy ratio calculation."

Common Equity Tier I capital: instruments and reserves			
Directly issued qualifying common share (and equivalent for non-joint stock companies) capital plus related stock surplus.	230,000.00	Significant investments in the capital banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions).	-
Retained earnings	76,362	National specific regulatory adjustments	-
Accumulated other comprehensive income (and other reserves)	-	Total regulatory adjustments to Tier II capital	-
Directly issued capital subject to phase out from CET1 CAPITAL (only applicable to non-joint stock companies)	-	Tier II capital (T2)	185,779
Common share capital issued by subsidiaries and held by third parties (amount allowed in group CET1 CAPITAL)	-	Total capital (TC = T1 + T2)	492,141
Common Equity Tier I capital before regulatory adjustments	306,362	Total risk-weighted assets	3,055,353
Common Equity Tier I capital: regulatory adjustments		Capital ratios and buffers	
Prudential valuation adjustments	-	Common Equity Tier I (as a percentage of risk weighted assets)	10.2%
Goodwill (net of related tax liability)	-	Tier I (as a percentage of risk-weighted assets)	10.2%
Other intangibles other than mortgage-servicing rights (net of related tax liability)	-	Total capital (as a percentage of risk weighted assets)	16.1%
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability)	-	Institution specific buffer requirement (minimum CET1 CAPITAL requirement plus capital conservation buffer plus countercyclical buffer requirements plus G-SIB buffer requirement, expressed as a percentage of risk weighted assets)	
Cash-flow hedge reserve	-	of which: capital conservation buffer requirement	2.5%
Shortfall of provisions to expected losses	-	of which: bank specific countercyclical buffer requirement	
Securitisation gain on sale (as set out in paragraph 562 of Basel II framework)	-	of which: G-SIB buffer requirement	
Gains and losses due to changes in own credit risk on fair valued liabilities	-	Common Equity Tier I available to meet buffers (as a percentage of risk weighted assets)	
Defined-benefit pension fund net assets	-	National Common Equity Tier I minimum ratio (if different from Basel III minimum)	10.0%
Investments in own shares (if not already netted off paid-in capital on reported balance sheet)	-	National Tier I minimum ratio (if different from Basel III minimum)	10.0%
Reciprocal cross-holdings in common equity	-	National total capital minimum ratio (if different from Basel III minimum)	15.0%
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued share capital (amount above 10% threshold)	-	Amounts below the thresholds for deduction (before risk-weighting)	
Significant investments in the common stock of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions (amount above 10% threshold)	-	Non-significant investments in the capital of other financials	-
Mortgage servicing rights (amount above 10% threshold)	-	Significant investments in the common stock of financials	-
Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability)	-	Mortgage servicing rights (net of related tax liability)	-
Amount exceeding the 15% threshold	-	Deferred tax assets arising from temporary differences (net of related tax liability)	-
of which: significant investments in the common stock of financials	-	Applicable caps on the inclusion of provisions in Tier II	
of which: mortgage servicing rights	-	Provisions eligible for inclusion in Tier II in respect of exposures subject to standardised approach (prior to application of cap)	28,178.00
of which: deferred tax assets arising from temporary differences	-	Cap on inclusion of provisions in Tier II under standardised approach	-
National specific regulatory adjustments	-	Provisions eligible for inclusion in Tier II in respect of exposures subject to internal ratings-based approach (prior to application of cap)	-
Regulatory adjustments applied to Common Equity Tier I due to insufficient Additional Tier I and Tier II to cover deductions	-	Cap for inclusion of provisions in Tier II under internal ratings-based approach	-
Total regulatory adjustments to Common equity Tier I	-	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2015 and 1 Jan 2020)	
Common Equity Tier I capital (CET1 CAPITAL)	306,362	Current cap on CET1 CAPITAL instruments subject to phase out arrangements	30,000.00
		Amount excluded from CET1 CAPITAL due to cap (excess over cap after redemptions and maturities)	-
		Current cap on AT1 instruments subject to phase out arrangements	-
		Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-
		Current cap on T2 instruments subject to phase out arrangements	-
		Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-
Additional Tier I capital: instruments		Qualitative Disclosures	Capital Management
Directly issued qualifying Additional Tier I instruments plus related stock surplus	-	Capital Management	
of which: classified as equity under applicable accounting standards	-	The bank's objectives when managing capital, which is a broader concept than the 'equity' on statement of financial position, are to:	
of which: classified as liabilities under applicable accounting standards	-	<ul style="list-style-type: none"> • comply with the capital requirements set by the regulators of the banking markets the entity operates; • Safeguard the bank's ability to continue as a going concern so that it can continue to provide returns for the shareholders and benefits for other stakeholders; and • Maintain a strong capital base to support the development of its business. 	
Directly issued capital instruments subject to phase out from Additional Tier I	-	Other reserves and portion of general provisions relating to Instalment loans were excluded from capital adequacy ratio calculation.	
Additional Tier I instruments (and CET1 CAPITAL instruments not included in row 5) issued by subsidiaries and held by third parties (amount allowed in group AT1)	-	Quantitative Disclosures	Capital Requirements for credit risk
of which: instruments issued by subsidiaries subject to phase out	-	Risk weighted assets	2,894,068
Additional Tier I capital before regulatory adjustments	-	Capital required	434,110.20
Additional Tier I capital: regulatory adjustments		Capital Requirements for market risk	
Investments in own Additional Tier I instruments	-	Risk weighted assets	5,063
Reciprocal cross-holdings in Additional Tier I instruments	-	Capital required	759.45
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above 10% threshold)	-	Capital Requirements for operational risk	
Significant investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation (net of eligible short positions)	-	Risk weighted assets	156,222
National specific regulatory adjustments	-	Capital required	23,433.30
Regulatory adjustments applied to Additional Tier I due to insufficient Tier II to cover deductions	-	Total Capital Ratio	
Total regulatory adjustments to Additional Tier I capital	-	Tier I capital	306,362
Additional Tier I capital (AT1)	-	Tier II capital	185,779
Tier I capital (T1 = CET1 CAPITAL + AT1)	306,362	Total Capital	492,141
Tier II capital: instruments and provisions		Total Risk weighted assets	3,055,353
Directly issued qualifying Tier II instruments plus related stock surplus	100,000	Total Capital Ratio	16.1%
Directly issued capital instruments subject to phase out from Tier II	30,000	Tier 1 capital Ratio	
Tier II instruments (and CET1 CAPITAL and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties (amount allowed in group Tier II)	-	Tier I capital	306,362
of which: instruments issued by subsidiaries subject to phase out	-	Total Risk weighted assets	3,055,353
Unpublished profits	27,601	Tier I Capital Ratio	10.0%
Provisions	28,178		
Tier II capital before regulatory adjustments	185,779		
Tier II capital: regulatory adjustments			
Investments in own Tier II instruments	-		
Reciprocal cross-holdings in Tier II instruments	-		
Investments in the capital of banking, financial and insurance entities that are outside the scope of regulatory consolidation, net of eligible short positions, where the bank does not own more than 10% of the issued common share capital of the entity (amount above the 10% threshold).	-		


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