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About the Pillar 3 report

This Pillar 3 Report contains most of the quantitative information as required in the Capital Requirement Regulation. The remainder can be found in the Annual Accounts section of Triodos Bank's annual report.

A reference overview for all requirements, quantitative and qualitative, is available in the "Appendix - Reference Overview Disclosures Related to the Capital Requirement Regulation" in the Annual report.

There are no differences between accounting and regulatory scopes of consolidation.

Triodos Bank does not omit the disclosure of any required information for proprietary or confidentiality reasons. Small differences are possible due to rounding.

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Key prudential regulatory metrics

amounts in thousands of EUR	30.06.2019	31.12.2018	31.12.2017
Available capital (amounts)			
Common Equity Tier 1 (CET1)	1,061,344	1,003,155	924,425
Tier 1	1,061,344	1,003,155	924,425
Total capital	1,061,344	1,003,155	924,425
Risk-weighted assets (amounts)			
Total risk-weighted assets (RWA)	6,348,031	5,736,717	4,866,812
Risk-based capital ratio's as a percentage of RWA			
Common Equity Tier 1 ratio	16.7%	17.5%	19.0%
Tier 1 ratio	16.7%	17.5%	19.0%
Total capital ratio	16.7%	17.5%	19.0%
Additional CET1 buffer requirements as a percentage op RWA			
Capital conservation buffer requirement (2,5% from 2019)	2.5%	1.9%	1.3%
Countercyclical buffer requirement	0.120000%	0.091691%	0.000072%
Total of bank CET1 specific buffer requirements	2.6%	2.0%	1.3%
CET1 available after meeting the bank's minimum capital requirements	6.1%	7.5%	9.7%
Leverage ratio			
Total leverage ratio exposure measure	12,413,086	11,671,422	10,458,927
Leverage ratio (%)	8.6%	8.6%	8.8%
Liquidity Coverage Ratio			
Total High Quality Liquid Assets	2,832,100	2,531,410	2,162,159
Total net cash outflow	1,306,370	1,108,847	962,502
Liquidity Coverage Ratio (%)	217%	228%	225%
Net Stable Funding Ratio			
Total available stable funding	9,573,338	8,993,846	8,213,283
Total required stable funding	6,536,163	6,175,598	5,736,168
Net Stable Funding Ratio (%)	146%	146%	143%

Prior year amounts have been adjusted, for comparative purposes, regarding a change in accounting principles. For further explanation see the general accounting principles within the half year report 2019.

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Own funds

The calculation of the Common Equity Tier 1 ratio and the total capital ratio is based on the reporting requirement under the Capital Requirement Directive (CRD) and Capital Requirement Regulation (CRR).

in thousands of EUR	30.06.2019	31.12.2018
	Amount at disclosure date	Amount at disclosure date
	Residual amount not deducted from capital	Residual amount not deducted from capital
The tier 1 capital, tier 2 capital and total capital can be specified as follows:		
Capital instruments and the related share premium accounts of which: ordinary shares	893,335	865,059
Retained earnings ¹	206,685	178,455
Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	33,794	33,844
Independently reviewed interim profits net of any foreseeable charge or dividend ¹	–	–
Common Equity Tier 1 (CET1) capital before regulatory adjustments	1,133,814	1,077,358
Additional value adjustments	–1,229	–4,067
Intangible assets (net of related tax liability)	–34,437	–33,335
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in CRR Article 38 (3) are met)	–8,604	–8,601
Direct and indirect holdings of own CET1 instruments (incl actual or contingent obligations to purchase own CET1 instruments)	–28,200	–28,200
Regulatory adjustments relating to unrealised gains and losses pursuant to CRR Articles 467 and 468	–	–
Of which: adjustment for unrealised gains on participating interests	–	–
Of which: adjustment for unrealised gains on property	–	–
Total regulatory adjustments to Common Equity Tier 1 (CET1)	–72,470	–74,203
Common Equity Tier 1 (CET1) capital	1,061,344	1,003,155
Additional Tier 1 (AT1) capital	–	–
Tier 1 capital (T1 = CET1 + AT1)	1,061,344	1,003,155
Capital instruments and the related share premium accounts	–	–
Tier 2 (T2) capital before regulatory adjustments	–	–
Tier 2 (T2) capital	–	–
Total capital (TC = T1 + T2)	1,061,344	1,003,155
Total risk weighted assets	6,348,031	5,736,717
Capital ratios and buffers		
Common Equity Tier 1 (as a percentage of risk exposure amount)	16.7%	17.5%
Tier 1 (as a percentage of risk exposure amount)	16.7%	17.5%
Total capital (as a percentage of risk exposure amount)	16.7%	17.5%
Institution specific buffer requirement (CET1 requirement in accordance with CRR 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)	2.6%	2.0%
of which: capital conservation buffer requirement	2.5%	1.9%
of which: countercyclical buffer requirement	0.1%	0.1%
Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	8.7%	9.5%

Amounts below the thresholds for deduction (before risk weighting)		
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)	14,200	16,325
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)	-	-
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)	9,596	2,195

¹ Retained earnings are only recognised in the Tier 1 capital after the formal decision of the share holder confirming the final profit or loss of the institution for the year.

Prior year amounts have been adjusted, for comparative purposes, regarding a change in accounting principles. For further explanation see the general accounting principles within the half year report 2019.

Overview of Risk Weighted Assets

in thousands of EUR	Risk Weighted Assets		Minimum capital requirements
	30.06.2019	31.12.2018	30.06.2019
Credit risk (excluding Counterparty Credit Risk)	5,852,852	5,269,126	468,228
Of which the standardised approach	5,852,852	5,269,126	468,228
Counterparty Credit Risk	17,878	15,367	1,430
Of which mark to market	12,804	10,395	1,024
Of which CVA	5,074	4,972	406
Market risk	24,723	0	0
Operational risk	452,578	452,224	36,206
Of which the basic indicator approach	452,578	452,224	36,206
Credit risk of which amounts below the thresholds for deduction (subject to 100% or 250% risk weight)	-	21,813	-
Total	6,348,031	5,736,717	505,865

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Liquidity coverage ratio, quantitative information

2019 in thousands of EUR	Total adjusted value	
	30.06.2019	31.03.2019
Liquidity buffer	2,832,100	2,755,072
Total net cash outflows	1,306,370	1,281,486
Liquidity coverage ratio (%)	217%	215%

2018 in thousands of EUR	Total adjusted value			
	31.12.2018	30.09.2018	30.06.2018	31.03.2018
Liquidity buffer	2,531,410	2,339,908	2,208,325	2,126,680
Total net cash outflows	1,108,847	1,035,188	970,890	953,285
Liquidity coverage ratio (%)	228%	226%	227%	223%

Net stable funding ratio, quantitative information

2019 in thousands of EUR	Unweighted value by residual maturity			Weighted value
	< 6 months	6 months to < 1 year	>= 1 year	
Available stable funding	9,487,017	337,201	1,595,798	9,573,338
Required stable funding	4,925,639	557,132	7,821,251	6,536,163
Net stable funding ratio				146%

2018 in thousands of EUR	Unweighted value by residual maturity			Weighted value
	< 6 months	6 months to < 1 year	>= 1 year	
Available stable funding	8,865,749	327,798	1,584,821	8,993,846
Required stable funding	4,665,223	549,796	7,254,789	6,175,598
Net stable funding ratio				146%