Amalgamation of POP Banks'

CAPITAL ADEQUACY REPORT

2019

POP Bank

PILLAR III CAPITAL ADEQUACY DISCLOSURES

The amalgamation of POP Banks is formed by the central institution (POP Bank Alliance Coop), the member credit institutions of the central institution, the companies included in the consolidation groups of the member credit institutions and those credit institutions, financial institutions and service companies in which entities included in the amalgamation jointly hold over 50% of the votes. More detailed information about the entities included in the consolidation group is presented in Note 1 of the POP Bank Group's consolidated financial statements.

Information pursuant to Part Eight of the EU's Capital Requirements Regulation No 575/2013 regarding capital adequacy of the amalgamation of POP Banks is presented in this report (Pillar III disclosures). The information is based on the capital adequacy of the amalgamation of POP Banks. Consequently, the information presented in this report is not directly comparable with the figures presented in the financial statements of the POP Bank Group. This report is unaudited.

Pillar III disclosure requirements regarding governance and management systems and risk and capital adequacy management are presented in Notes 3 and 4 of the POP Bank Group's consolidated financial statements, respectively. The remuneration disclosure requirements are in part presented in Note 3 on governance and management systems and Note 11 on personnel expenses of the Group's financial statements in addition to this report.

The amalgamation of POP Banks does not publish information regarding counterparty risk and countercyclical capital buffer requirements pursuant to articles 439 and 440 of the EU's Capital Requirements Regulation, respectively. The Board of Directors of the central institution has considered in its materiality assessment that information concerning counterparty risk and countercyclical capital buffer requirements is not material as their share of the risk-weighted assets is very small.

The capital requirement to credit risk of the amalgamation of POP Banks is calculated using the standardised approach and capital requirement to operational risk using the basic indicator approach. The capital requirement for market risk is calculated for the foreign exchange exposure using the basic indicator approach.

The amalgamation of POP Banks has decided to not apply the IFRS 9-related transitional arrangements laid down in article 473 a of the Capital Requirements Regulation. As a result, reported own funds, capital and leverage ratio all reflect the full, phased-in impact of IFRS 9.

Board declaration of risk management arrangements' adequacy

Risk management systems are based on the risk appetite framework, risk-area specific strategies and limits approved by the board of the central institution. Information on the risks, their levels and trends is regularly reported to the Board of Directors of the central institution. With this statement, the Board of Directors of the central institution assures that the risk management systems put in place are adequate with regard to the amalgamation of POP Banks' risk profile and strategy.

Risk profile of the amalgamation of POP Banks

The primary mission of POP Banks is to provide retail banking services to private customers, small companies and agricultural and forestry companies. In addition to healthy and profitable business,the objectives of the POP Banks emphasise the development of the customer experience.

Credit risk arising from retail banking constitutes the amalgamation's most significant risk exposure, in addition to which the amalgamation's business involves market, liquidity and operational risks and other qualitative risks such as business risk. Risks are mitigated through risk-area specific strategies and risk limits approved by the Board of the central institution.

Credit risk is managed through a credit risk strategy approved by the Board of the central institution. The strategy contains qualitative and quantitative limits for the loan portfolio, limiting e.g. counterparty, collateral and concentration risks. Majority of the amalgamation's loan portfolio is comprised of exposures secured by immovable property for corporate or retail exposures. At the end of 2019, the amalgamation's loan portfolio stood at EUR 3,635 million, with associated expected credit losses of EUR 33.8 million (0.93 % of the loan portfolio).

Liquidity risk is managed by ensuring a sufficient amount of liquidity reserves and by constantly monitoring funding structure and future funding needs. The amalgamation's liquidity coverage ratio (LCR) was at 114.7 (151) per cent on 31 December 2019. At the end of 2019, the amalgamation's LCR-eligible assets before haircuts totalled EUR 305.4 (364.1) million. The amalgamation's central credit institution, Bonum Bank Plc, has a long-term credit rating of BBB from S&P Global Ratings.

The amalgamation's most significant market risk arises from the interest rate risk in the banking book, which is monitored and limited via both the Net Present Value and Net Interest Income models. Market risks associated with the investment and liquidity portfolio is monitored and limited by asset class and counterparty. Member credit institutions of the amalgamation do not, by default, engage in trading activities. Use of derivatives is limited to hedging purposes only.

Operational risk is mitigated through guidelines approved by the Board of the central institution in every member credit institution of the amalgamation. The guidelines define central methods and tools for monitoring and managing operational risks.

At the end of 2019 the amalgamation's CET1 Capital ratio was 19.8 per cent, Total Capital ratio was 19.9 per cent and Leverage ratio was 11.0 per cent. The amalgamation's own funds comfortably exceeded the combined capital requirements.

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Note 1 SUMMARY OF CAPITAL ADEQUACY

(EUR 1,000)	31/12/2019	31/12/2018
Own funds		
Common Equity Tier 1 capital before deductions	520 317	512 130
Deductions from Common Equity Tier 1 capital	-19 363	-11 358
Total Common Equity Tier 1 capital (CET1)	**500 954**	**500 772**
Additional Tier 1 capital before deductions	2 163	3 952
Deductions from Additional Tier 1 capital	-	-
Additional Tier 1 capital (AT1)	**2 163**	**3 952**
Tier 1 capital (T1 = CET1 + AT1)	**503 117**	**504 724**
Tier 2 capital before deductions	1 514	2 371
Deductions from Tier 2 capital	-	-
Total Tier 2 capital (T2)	**1 514**	**2 371**
Total capital (TC = T1 + T2)	**504 632**	**507 096**
Total risk weighted assets	**2 531 685**	**2 443 632**
of which credit risk	2 300 929	2 213 845
of which credit valutaion adjustment risk (CVA)	0	1
of which market risk (foreign exchange risk)	24 633	24 470
of which operational risk	206 123	205 315
CET1 Capital ratio (CET1-%)	**19.8 %**	**20.5 %**
T1 Capital ratio (T1- %)	**19.9 %**	**20.7 %**
Total capital ratio (TC-%)	**19.9 %**	**20.8 %**
Capital Requirement		
Total capital	504 632	507 096
Capital requirement *	323 558	256 960
Capital buffer	181 074	250 136
Leverage ratio		
Tier 1 capital (T1)	503 117	504 724
Leverage ratio exposure	4 588 442	4 471 092
Leverage ratio, %	11.0 %	11.3 %

* The capital requirement comprises of the minimum requirement of 8.0 %, the additional Pillar 2 requirement of 1.25 %, the capital conservation buffer of 2.5 %, the systemic risk buffer requirement of 1.0 % and country-specific countercyclical capital requirements for foreign exposures.

Note 2 OWN FUNDS BY CLASS

	Own funds disclosure template (EUR 1,000)		Regulation (EU) n:o 575/2013 article reference
	Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	64 123	26 (1), 27, 28, 29
	of which: cooperative capital	9 175	
	of which: POP Shares	54 949	
2	Retained earnings	292 738	26 (1) (c)
3	Accumulated other comprehensive income (and other reserves)	160 366	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	3 090	486 (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	Common Equity Tier 1 capital (CET1) before regulatory adjustments	520 317	
	Common Equity Tier 1 capital (CET1): statutory adjustments		
7	Additional value adjustments (negative amount)	-554	34, 105
8	Intangible assets (net of tax liability) (negative amount)	-12 494	36 (1) (b), 37
10	Deferred tax assets that rely on future profitability, excluding those arising from temporary differences (net of related tax liability where the conditions of 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, 159
13	Any increase in equity that results from securitised assets (negative amount)	-	32 (1)
14	Gains or losses on liabilities that are 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 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
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)	-6 315	36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79
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)
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	-	36 (1) (j)
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	-19 363	
29	Common Equity Tier 1 (CET1) capital	500 954	

Note 2 OWN FUNDS BY CLASS

	Additional Tier 1 (AT1) capital: instruments		
30	Capital instruments and the related share premium accounts	-	51, 52
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	-	
33	Amount of qualified items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	2 163	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	Additional Tier 1 (AT1) capital before regulatory adjustments	2 163	
	Additional Tier 1 (AT1) capital: regulatory adjustments		
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	-	52 (1) (b), 56 (a), 57
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, 60, 79
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	-	56 (e)
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-	
44	Additional Tier 1 (AT1) capital	2 163	
45	Tier 1 capital (T1 = CET1 + AT1)	503 117	
	Tier 2 (T2) capital: instruments and provisions		
46	Capital instruments and the related share premium accounts	-	62, 63
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	1 514	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	-	87, 88
49	of which: instruments issued by subsidiaries subject to phase out	-	486 (4)
50	Credit risk adjustments	-	62 (c) & (d)
51	Tier 2 (T2) capital before regulatory adjustments	1 514	

Note 2 OWN FUNDS BY CLASS

	Tier 2 (T2) capital: regulatory adjustments		
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	63 (b) (i), 66 (a), 67
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 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)	-	66 (d), 69, 79
57	Total regulatory adjustments to Tier 2 (T2) capital	-	
58	Tier 2 (T2) capital	1 514	
59	Total Capital (TC = T1 + T2)	504 632	
60	Total risk weighted assets	2 531 685	
	Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of the total risk exposure amount)	19.8 %	92 (2) (a)
62	Tier 1 (as a percentage of the total risk exposure amount)	19.9 %	92 (2) (b)
63	Total Capital (as a percentage of the total risk exposure amount)	19.9 %	92 (2) (c)
	Amounts below the thresholds for deduction (before risk weighting)		
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10 % threshold and net of eligible short positions)	2 133	36 (1) (h), 45, 46, 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)	-6 315	36 (1) (i), 45, 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
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)		
80	- Current cap on CET1 instruments subject to phase out arrangements	10 301	484 (3), 486 (2) & (5)
81	- Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-7 211	484 (3), 486 (2) & (5)
82	- Current cap on AT1 instruments subject to phase out arrangements	7 211	484 (4), 486 (3) & (5)
83	- Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-5 047	484 (4), 486 (3) & (5)
84	- Current cap on T2 instruments subject to phase out arrangements	5 047	484 (5), 486 (4) & (5)
85	- Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-3 533	484 (5), 486 (4) & (5)

Note 3 CAPITAL INSTRUMENTS' MAIN FEATURES

Commission implementing regulation (EU) No 1423/2013

		Supplementary cooperative capital	Cooperative capital	POP Shares
1	Issuer	Member cooperative banks	Member cooperative banks	Member cooperative banks
2	Unique identifier	Not applicable	Not applicable	Not applicable
3	Governing law(s) of the instrument	Finnish legislation	Finnish legislation	Finnish legislation
4	Transitional CRR rules	Common Equity Tier 1 capital (CET1), Additional Tier 1 capital (AT1), Tier 2 capital (T2)	Common Equity Tier 1 capital (CET1)	Common Equity Tier 1 capital (CET1)
5	Post-transitional CRR rules	Not applicable	Common Equity Tier 1 capital (CET1)	Common Equity Tier 1 capital (CET1)
6	Eligible at solo/(sub-)consolidated/solo &(sub-) consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated
7	Instrument type	Regulation (EU) No 575/2013 article 484	Regulation (EU) No 575/2013 article 29	Regulation (EU) No 575/2013 article 29
8	Amount recognised in regulatory capital (currency in millions on the latest reporting date)	6.8	9.2	54.9
9	Nominal amount of the instrument (currency in millions)	18.0	9.4	57.3
9a	Issue price	100 %	100 %	100 %
9b	Redemption price	100 %	100 %	100 %
10	Accounting classification	Cooperative's share	Cooperative's share	Cooperative's share
11	Original date of issuance	Continuous	Continuous	Bank specific
12	Perpetual or dated	Perpetual	Perpetual	Perpetual
13	Original maturity date	No maturity	No maturity	No maturity
14	Issuer call subject to prior supervisory approval	Yes	Yes	Yes

Note 3 CAPITAL INSTRUMENTS' MAIN FEATURES

15	Optional call date, contingent call dates and redemption amount	Cooperative banks refund unit holders their supplementary cooperative contributions upon termination of membership or when the unit holder has resigned the contribution. The supplementary contribution is refunded within six 6 months of the end of the financial year based on which the refund can be for the first time. If the refund cannot be made in full, the refund may take place subsequently if it is possible based on the next three financial statements.	The member contribution is refunded after the expiry of membership in accordance with the Co-operatives Act and the Act on Co-operative Banks and Other Credit Institutions in the Form of a Co-operative on conditions laid down in the abovementioned Acts. However, the cooperative bank has the right to refuse to refund the contributions while the bank is operating. If a cooperative bank has not refused to refund the contribution, this may take place within 12 months after the end of the financial year when membership terminated. If the refund cannot be made in full in any given year, the balance will be refunded from disposable cooperative capital based on subsequent financial statements. However, this entitlement to the refund for the balance will terminate after the fifth financial statements. No interest is paid on the unpaid portion.	The cooperative bank refunds POP Share subscription price upon termination of membership or when the when the unit holder has resigned the POP Share. However, the co-operative bank has the right to refuse to refund payments made for POP Shares while the bank is operating. If a cooperative bank has not refused to refund POP Share, this may take place within 12 months after the end of the financial year when the holder of the POP Share resigned the contribution. The payments made for POP Shares are refunded on the conditions laid down in the Co-operatives Act and the Act on Co-operative Banks and Other Credit Institutions in the Form of a Cooperative and these rules. If the refund cannot be made in full in any given year, the balance will be refunded from disposable cooperative capital based on subsequent financial statements. However, this entitlement to the refund for the balance will terminate after the fifth financial statements. No interest is paid on the unpaid portion.
16	Any subsequent redemption dates	See item 15	See item 15	See item 15
17	Fixed or variable dividend/ coupon	Variable	Variable	Variable
18	Coupon interest rate and the related indices	Decision by the cooperative	Decision by the cooperative	Decision by the cooperative
19	Existence of a dividend stopper clause	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary	Fully discretionary
20b	Fully discretionary, partly discretionary or mandatory (with regard to amount)	Fully discretionary	Fully discretionary	Fully discretionary
21	Existence of a step-up condition or other redemption incentive	No	No	No
22	Non-cumulative or cumulative	Non-cumulative	Non-cumulative	Non-cumulative
23	Negotiable or restricted	Restricted	Restricted	Restricted
24	If the instrument is negotiable, which factors affect the condition?	Not applicable	Not applicable	Not applicable
25	If the instrument is negotiable, is it negotiable in its entirety or partly?	Not applicable	Not applicable	Not applicable

Note 3 CAPITAL INSTRUMENTS' MAIN FEATURES

26	If the instrument is negotiable, what is the exchange rate?	Not applicable	Not applicable	Not applicable
27	If the instrument is negotiable, is the exchange mandatory or optional?	Not applicable	Not applicable	Not applicable
28	If the instrument is negotiable, specify which kind of an instrument it can be exchanged for.	Not applicable	Not applicable	Not applicable
29	If the instrument is negotiable, specify which issuer's instrument it can be exchanged for.	Not applicable	Not applicable	Not applicable
30	Properties of a write-down of book value	Yes	Yes	Yes
31	If it is possible to write down the book value, which factors trigger it?	Accrual of losses	Accrual of losses	Accrual of losses
32	If it is possible to write down the book value, is it performed completely or partly?	Completely or partly	Completely or partly	Completely or partly
33	If it is possible to write down the book value, is it permanent or temporary?	Temporary	Temporary	Temporary
34	If the write down of the book value is temporary, describe the mechanism of an increase in book value.	Through increase in cooperative capital	Through increase in cooperative capital	Through increase in cooperative capital
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	If a cooperative bank is dissolved either through liquidation or bankruptcy, any supplementary cooperative capital is refunded other cooperative capital or, if the funds are insufficient, that part of supplementary cooperative capital that is proportional to the supplementary cooperative capital paid.	If a cooperative bank is dissolved, supplementary cooperative capital is first refunded and thereafter member cooperative capital and payments made for POP Shares with equal priority.	If a cooperative bank is dissolved, supplementary cooperative capital is first refunded and thereafter member cooperative capital and payments made for POP Shares with equal priority.
36	Non-compliant properties	No	No	No
37	Specify any non-compliant properties	Not applicable	Not applicable	Not applicable

Note 4 MINIMUM CAPITAL REQUIREMENT AND RISK WEIGHTED ASSETS

	Capital requirement		Risk weighted assets	
(EUR 1,000)	**2019**	**2018**	**2019**	**2018**
Credit and counterparty risk by exposure class				
Exposures to central governments or central banks	313	379	3 907	4 737
Exposures to regional governments or local authorities	74	63	928	783
Exposures to public sector entities	9	13	107	160
Exposures to institutions	1 084	1 547	13 555	19 336
Exposures to corporates	51 666	48 598	645 826	607 481
Retail exposures	25 788	24 602	322 346	307 525
Exposures secured by mortgages on immovable property	69 087	66 383	863 584	829 784
Exposures in default	2 838	2 982	35 477	37 273
Exposures associated with particularly high risk	483	444	6 037	5 553
Exposures in the form of covered bonds	158	225	1 978	2 817
Exposures in the form of units or shares in collective investment undertakings (CIUs)	15 481	14 765	193 509	184 567
Equity exposures	10 775	10 965	134 694	137 061
Other items	6 319	6 141	78 983	76 768
Total credit risk exposures	**184 074**	**177 108**	**2 300 929**	**2 213 845**
Credit valuation adjustment risk (CVA)	-	0	-	1
Market risk (exchange rate risk)	1 971	1 958	24 633	24 470
Operational risk	16 490	16 425	206 123	205 315
Total	**202 535**	**195 491**	**2 531 685**	**2 443 632**

Note 5 AVERAGE VALUE OF TOTAL EXPOSURES DURING THE FINANCIAL PERIOD BY EXPOSURE CLASS

Credit and counterparty risk

Exposure class (EUR 1,000)	2019	2018
Exposures to central governments or central banks	144 617	110 169
Exposures to regional governments or local authorities	187 124	222 166
Exposures to public sector entities	-	-
Exposures to multilateral development banks	631	597
Exposures to institutions	66 438	72 456
Exposures to corporates	735 735	702 909
Retail exposures	712 208	689 010
Exposures secured by mortgages on immovable property	2 489 311	2 382 016
Exposures in default	34 779	46 162
Exposures associated with particularly high risk	3 815	3 614
Exposures in the form of covered bonds	22 492	15 515
Exposures in the form of units or shares in collective investment undertakings (CIUs)	195 750	203 682
Equity exposures	59 557	62 258
Other items	93 681	94 391
Total	**4 746 140**	**4 604 945**

Note 6 ORIGINAL EXPOSURE BY RISK WEIGHT

Credit and counterparty risk

Risk weight (%) (EUR 1,000)	2019	2018
0	311 511	349 569
10	20 520	24 825
20	72 093	102 446
35	2 487 180	2 394 579
50	49 651	39 906
75	740 113	696 118
100	1 039 417	977 822
150	33 356	31 657
250	52 290	52 535
350	-	-
1250	6	-
Total	**4 806 137**	**4 669 456**

Note 7 DISTRIBUTION OF MATURITIES OF TOTAL EXPOSURE BY EXPOSURE CLASS

Credit and counterparty risk 31 December 2019

Exposure class (EUR 1,000)	Total	less than 3 months	3-12 months
Exposures to central governments or central banks	238 608	192 772	3 535
Exposures to regional governments or local authorities	62 986	3 004	18 924
Exposures to public sector entities	-	-	-
Exposures to multilateral development banks	629	-	-
Exposures to institutions	61 310	-	16 578
Exposures to corporates	751 976	25 501	32 517
Retail exposures	740 113	11 868	21 413
Exposures secured by mortgages on immovable property	2 525 052	21 127	30 648
Exposures in default	45 235	19 617	1 276
Exposures associated with particularly high risk	4 024	744	-
Exposures in the form of covered bonds	19 781	3 046	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	205 890	-	-
Equity exposures	58 603	-	-
Other items	91 929	26 136	-
Total	**4 806 137**	**303 815**	**124 892**

Exposure class (EUR 1,000)	1-5 years	5-10 years	over 10 years
Exposures to central governments or central banks	24 906	17 395	-
Exposures to regional governments or local authorities	35 958	62	5 039
Exposures to public sector entities	-	-	-
Exposures to multilateral development banks	-	629	-
Exposures to institutions	29 440	10 940	4 352
Exposures to corporates	173 893	171 200	348 864
Retail exposures	90 985	119 600	496 247
Exposures secured by mortgages on immovable property	217 700	437 279	1 818 299
Exposures in default	4 398	5 939	14 005
Exposures associated with particularly high risk	-	-	3 280
Exposures in the form of covered bonds	9 697	7 038	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	205 890
Equity exposures	-	-	58 603
Other items	106	-	65 687
Total	**587 083**	**770 082**	**3 020 265**

Note 7 DISTRIBUTION OF MATURITIES OF TOTAL EXPOSURE BY EXPOSURE CLASS

Credit and counterparty risk 31 December 2018

Exposure class (EUR 1,000)	Total	less than 3 months	3-12 months
Exposures to central governments or central banks	117 386	72 130	5 462
Exposures to regional governments or local authorities	220 648	1 500	119 511
Exposures to public sector entities	-	-	-
Exposures to multilateral development banks	603	-	-
Exposures to institutions	90 356	1 423	15 562
Exposures to corporates	698 301	26 098	35 242
Retail exposures	696 118	10 195	26 399
Exposures secured by mortgages on immovable property	2 425 028	19 460	28 438
Exposures in default	43 599	21 219	665
Exposures associated with particularly high risk	3 702	-	-
Exposures in the form of covered bonds	23 689	-	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	197 750	-	-
Equity exposures	60 995	-	-
Other items	91 281	22 570	-
Total	**4 669 456**	**174 596**	**231 279**

Exposure class (EUR 1,000)	1-5 years	5-10 years	over 10 years
Exposures to central governments or central banks	17 013	22 781	-
Exposures to regional governments or local authorities	99 567	70	-
Exposures to public sector entities	-	-	-
Exposures to multilateral development banks	-	603	-
Exposures to institutions	16 830	-	56 541
Exposures to corporates	144 916	147 987	344 059
Retail exposures	90 902	116 087	452 535
Exposures secured by mortgages on immovable property	212 994	427 380	1 736 756
Exposures in default	6 201	5 043	10 470
Exposures associated with particularly high risk	-	-	3 702
Exposures in the form of covered bonds	8 147	15 542	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	-	197 750
Equity exposures	-	-	60 995
Other items	236	-	68 475
Total	**596 807**	**735 493**	**2 931 282**

Note 8 TOTAL EXPOSURE BY EXPOSURE CLASS AND COUNTERPARTY

Credit and counterparty risk 31 December 2019

Exposure class (EUR 1,000)	Total	Private	Corporate	- of which SME exposures
Exposures to central governments or central banks	238 608	-	-	-
Exposures to regional governments or local authorities	62 986	-	-	-
Exposures to public sector entities	-	-	-	-
Exposures to multilateral development banks	629	-	-	-
Exposures to institutions	61 310	-	-	-
Exposures to corporates	751 976	98 219	323 719	169 574
Retail exposures	740 113	522 444	94 885	102 755
Exposures secured by mortgages on immovable property	2 525 052	2 175 683	169 370	171 504
Exposures in default	45 235	22 698	16 168	-
Exposures associated with particularly high risk	4 024	-	-	-
Exposures in the form of covered bonds	19 781	-	-	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	205 890	-	-	-
Equity exposures	58 603	-	7 482	-
Other items	91 929	-	-	-
Total	**4 806 137**	**2 819 044**	**611 624**	**443 833**

Exposure class (EUR 1,000)	Agriculture	Other
Exposures to central governments or central banks	-	238 608
Exposures to regional governments or local authorities	-	62 986
Exposures to public sector entities	-	-
Exposures to multilateral development banks	-	629
Exposures to institutions	-	61 310
Exposures to corporates	293 587	36 451
Retail exposures	122 359	425
Exposures secured by mortgages on immovable property	175 319	4 681
Exposures in default	5 399	971
Exposures associated with particularly high risk	-	4 024
Exposures in the form of covered bonds	-	19 781
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	205 890
Equity exposures	39	51 082
Other items	-	91 929
Total	**596 703**	**778 767**

Note 8 TOTAL EXPOSURE BY EXPOSURE CLASS AND COUNTERPARTY

Credit and counterparty risk 31 December 2018

Exposure class (EUR 1,000)	Total	Private	Corporate	- of which SME exposures
Exposures to central governments or central banks	117 386	-	-	-
Exposures to regional governments or local authorities	220 648	-	-	-
Exposures to public sector entities	-	-	-	-
Exposures to multilateral development banks	603	-	-	-
Exposures to institutions	90 356	-	-	-
Exposures to corporates	698 301	92 813	303 368	120 170
Retail exposures	696 118	464 624	90 632	83 842
Exposures secured by mortgages on immovable property	2 425 028	2 081 818	154 941	119 386
Exposures in default	43 599	20 765	16 449	-
Exposures associated with particularly high risk	3 702	-	-	-
Exposures in the form of covered bonds	23 689	-	-	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	197 750	-	-	-
Equity exposures	60 995	-	12 731	-
Other items	91 281	-	-	-
Total	**4 669 456**	**2 660 019**	**578 120**	**323 397**

Exposure class (EUR 1,000)	Agriculture	Other
Exposures to central governments or central banks	-	117 386
Exposures to regional governments or local authorities	-	220 648
Exposures to public sector entities	-	-
Exposures to multilateral development banks	-	603
Exposures to institutions	-	90 356
Exposures to corporates	275 443	26 677
Retail exposures	120 748	20 114
Exposures secured by mortgages on immovable property	183 996	4 274
Exposures in default	6 120	266
Exposures associated with particularly high risk	-	3 702
Exposures in the form of covered bonds	-	23 689
Exposures in the form of units or shares in collective investment undertakings (CIUs)	-	197 750
Equity exposures	39	48 225
Other items	-	91 281
Total	**586 346**	**844 971**

Note 9 GEOGRAPHICAL BREAKDOWN OF SIGNIFICANT CREDIT EXPOSURES

Credit and counterparty risk 31 December 2019

Exposure class (EUR 1,000)	Total	Finland	Other
Exposures to central governments or central banks	238 608	196 302	42 306
Exposures to regional governments or local authorities	62 986	62 986	-
Exposures to public sector entities	-	-	-
Exposures to multilateral development banks	629	-	629
Exposures to institutions	61 310	54 216	7 094
Exposures to corporates	751 976	716 167	35 809
Retail exposures	740 113	737 261	2 852
Exposures secured by mortgages on immovable property	2 525 052	2 520 848	4 204
Exposures in default	45 235	45 230	5
Exposures associated with particularly high risk	4 024	4 024	-
Exposures in the form of covered bonds	19 781	2 466	17 315
Exposures in the form of units or shares in collective investment undertakings (CIUs)	205 890	194 254	11 636
Equity exposures	58 603	54 499	4 104
Other items	91 929	91 929	-
Total	**4 806 137**	**4 680 184**	**125 953**

Credit and counterparty risk 31 December 2018

Exposure class (EUR 1,000)	Total	Finland	Other
Exposures to central governments or central banks	117 386	75 900	41 486
Exposures to regional governments or local authorities	220 648	220 648	-
Exposures to public sector entities	-	-	-
Exposures to multilateral development banks	603	-	603
Exposures to institutions	90 356	84 280	6 076
Exposures to corporates	698 301	670 903	27 399
Retail exposures	696 118	693 451	2 668
Exposures secured by mortgages on immovable property	2 425 028	2 421 372	3 656
Exposures in default	43 599	43 590	9
Exposures associated with particularly high risk	3 702	3 702	-
Exposures in the form of covered bonds	23 689	2 016	21 672
Exposures in the form of units or shares in collective investment undertakings (CIUs)	197 750	185 868	11 881
Equity exposures	60 995	55 751	5 244
Other items	91 281	91 281	-
Total	**4 669 456**	**4 548 762**	**120 695**

Note 10 TOTAL EXPOSURES BY EXPOSURE CLASS BY COLLATERAL

Credit and counterparty risk 31 December 2019

Exposure class (EUR 1,000)	Total	Financial collateral	Secured by real estate	Guarantees	Other
Exposures to central governments or central banks	238 608	-	-	-	-
Exposures to regional governments or local authorities	62 986	-	-	-	-
Exposures to public sector entities	-	-	-	-	-
Exposures to multilateral development banks	629	-	-	-	-
Exposures to institutions	61 310	-	-	-	-
Exposures to corporates	751 976	3 723	-	29 546	123
Retail exposures	740 113	8 284	-	147 752	685
Exposures secured by mortgages on immovable property	2 525 052	-	2 525 052	-	-
Exposures in default	45 235	147	21 480	982	34
Exposures associated with particularly high risk	4 024	-	-	-	-
Exposures in the form of covered bonds	19 781	-	-	-	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	205 890	-	-	-	-
Equity exposures	58 603	-	-	-	-
Other items	91 929	-	-	-	-
Total	**4 806 137**	**12 153**	**2 546 532**	**178 280**	**843**

Credit and counterparty risk 31 December 2018

Exposure class (EUR 1,000)	Total	Financial collateral	Secured by real estate	Guarantees	Other
Exposures to central governments or central banks	117 386	-	-	-	-
Exposures to regional governments or local authorities	220 648	-	-	-	-
Exposures to public sector entities	-	-	-	-	-
Exposures to multilateral development banks	603	-	-	-	-
Exposures to institutions	90 356	-	-	-	-
Exposures to corporates	698 301	4 000	-	24 436	131
Retail exposures	696 118	8 726	-	132 321	586
Exposures secured by mortgages on immovable property	2 425 028	-	2 425 028	-	-
Exposures in default	43 599	202	21 341	1 236	10
Exposures associated with particularly high risk	3 702	-	-	-	-
Exposures in the form of covered bonds	23 689	-	-	-	-
Exposures in the form of units or shares in collective investment undertakings (CIUs)	197 750	-	-	-	-
Equity exposures	60 995	-	-	-	-
Other items	91 281	-	-	-	-
Total	**4 669 456**	**12 928**	**2 446 370**	**157 993**	**728**

Collateral used in capital adequacy

The following collateral specified in the EU Capital Requirements Regulation No 575/2013 are utilised in capital adequacy calculations: residential real estates and shares entitling their holders to the possession of an apartment, deposits and securities. Deposits and securities are financial collateral, as referred to in the regulatory framework. Financial collateral has been treated using the comprehensive method and volatility adjustments specified by the supervisor.

In addition, approved guarantors specified in the EU's Capital Requirements Regulation are used in the standardised approach for credit risk. The Finnish State is the most significant individual guarantor. Credit derivatives have not been used in the calculation. Offsetting balance-sheet or off-balance-sheet items has not been applied in capital adequacy measurement.

Note 11 DEGREE OF ASSET ENCUMBRANCE

Assets 31 Dec 2019

(EUR 1,000)	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
Assets of the institution	**21 751**		**4 480 030**	
Equity instruments			64 288	64 290
Debt securities	21 751	21 751	601 132	601 134
Other assets			3 811 811	

Collateral received 31 Dec 2019

The bank did not have encumbered collateral received or own debt securities issued as of 31 December 2019. The bank did neither have collateral received or own securities issued that would have been available for encumbrance.

Encumbered assets/collateral received and debts relating to them 31 Dec 2019

(EUR 1.000)	Financing obtained against encumbered asset items (liabilities), contingent liabilities or borrowed securities	Assets, collateral received and debt securities other than covered bonds and asset-backed securities encumbered
Carrying amount of selected financial liabilities	-	**21 751**

Information about the importance of asset encumbrance
The Bank has used collateral of securities in the balance with a carrying amount of EUR 21 751 thousand.
Information is as of 31 December 2019.

Assets 31 Dec 2018

(EUR 1,000)	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
Assets of the institution	**19 411**		**4 325 797**	
Equity instruments			67 814	67 834
Debt securities	19 411	19 411	610 891	611 047
Other assets			3 650 940	

Collateral received 31 Dec 2018
The bank did not have encumbered collateral received or own debt securities issued as of 31 December 2018. The bank did neither have collateral received or own securities issued that would have been available for encumbrance.

Encumbered assets/collateral received and debts relating to them 31 Dec 2018

(EUR 1.000)	Financing obtained against encumbered asset items (liabilities), contingent liabilities or borrowed securities	Assets, collateral received and debt securities other than covered bonds and asset-backed securities encumbered
Carrying amount of selected financial liabilities	**-**	**19 392**

Information about the importance of asset encumbrance
The Bank has used collateral of securities in the balance with a carrying amount of EUR 19 392 thousand.
Information is as of 31 December 2018.

Note 12 OPERATIONAL RISK STATEMENT

Operational risk capital requirement 31 Dec 2019

(EUR 1,000)	2019	2018	2017	Capital require-ment
Gross income total	118 916	101 834	109 046	
Profit indicator	17 837	15 275	16 357	16 490

Operational risk capital requirement 31 Dec 2018

(EUR 1,000)	2018	2017	2016	Capital require-ment
Gross income total	101 834	109 046	117 625	
Profit indicator	15 275	16 357	17 644	16 425

Profit indicator is calculated according to the basic indicator approach described in the EU:s Capital Requirements Regulation No 575/2013.

Minimum capital requirement = sum of yearly positive profit indicators / sum of the years the profit indicator has been positive.

Operational risks refer to the risk of loss that banks may incur as a result of inadequate or incomplete internal processes, personnel, systems or external factors.

Note 13 LEVERAGE RATIO

31 Dec 2019

Reconciliation of leverage ratio and balance sheet		(EUR 1,000)
1	Total assets as per published financial statements	4 528 086
4	Adjustments for derivative financial instruments	-
6	Adjustment for off-balance sheet items	79 163
7	Other adjustments	-18 807
8	**Total leverage ratio exposures**	4 588 442

Disclosure of leverage ratio		
		CRR leverage ratio exposures
Balance sheet exposures (excluding derivative contracts, SFTs)		
1	On-balance sheet items (excluding derivative contracts, SFTs and fiduciary assets, but including collateral)	4 528 088
3	**Total on-balance sheet exposures (excluding derivative contracts, SFTs and fiduciary assets)**	4 528 088
Derivative contracts		
4	Derivative contracts: market value	-
5	Derivative contracts: mark-to-market method	-
11	**Total derivative contracts**	-
Other off-balance-sheet exposures		
17	Off-balance sheet exposures at gross notional amount	249 400
18	(Adjustments for conversion to credit equivalent amounts)	-170 237
19	**Other off-balance-sheet exposures**	79 163
Capital and total exposures		
20	**Tier 1 capital**	503 117
21	**Total leverage ratio exposures**	4 588 442
Leverage ratio		
22	**Leverage ratio**	11.0 %
Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	5 253

Balance sheet exposures total (excluding derivative contracts, SFTs and exempted exposures)		
		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivative contracts, SFTs and exempted exposures), of which:	4 528 088
EU-3	Banking book exposures, of which:	4 528 088
EU-4	Covered bonds	19 781
EU-5	Exposures treated as sovereigns	450 425
EU-6	Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns	4 725
EU-7	Institutions	61 989
EU-8	Secured by mortgages of immovable properties	2 466 107
EU-9	Retail exposures	444 418
EU-10	Exposures to corporates	670 460
EU-11	Exposures in default	30 926
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	379 256

Note 13 LEVERAGE RATIO

31 Dec 2018

Reconciliation of leverage ratio and balance sheet		(EUR 1,000)
1	Total assets as per published financial statements	4 411 342
4	Adjustments for derivative financial instruments	-
6	Adjustment for off-balance sheet items	83 372
7	Other adjustments	-23 622
8	**Total leverage ratio exposures**	4 471 092

Disclosure of leverage ratio		
		CRR leverage ratio exposures
Balance sheet exposures (excluding derivative contracts, SFTs)		
1	On-balance sheet items (excluding derivative contracts, SFTs and fiduciary assets, but including collateral)	4 399 353
3	**Total on-balance sheet exposures (excluding derivative contracts, SFTs and fiduciary assets)**	4 399 353
Derivative contracts		
4	Derivative contracts: market value	420
5	Derivative contracts: mark-to-market method	-
11	**Total derivative contracts**	420
Other off-balance-sheet exposures		
17	Off-balance sheet exposures at gross notional amount	238 884
18	(Adjustments for conversion to credit equivalent amounts)	-155 512
19	**Other off-balance-sheet exposures**	83 372
Capital and total exposures		
20	**Tier 1 capital**	504 724
21	**Total leverage ratio exposures**	4 471 092
Leverage ratio		
22	**Leverage ratio**	11.3 %
Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	10 539

Balance sheet exposures total (excluding derivative contracts, SFTs and exempted exposures)		
		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivative contracts, SFTs and exempted exposures), of which:	4 399 353
EU-3	Banking book exposures, of which:	4 399 353
EU-4	Covered bonds	23 689
EU-5	Exposures treated as sovereigns	468 483
EU-6	Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns	4 717
EU-7	Institutions	90 325
EU-8	Secured by mortgages of immovable properties	2 370 286
EU-9	Retail exposures	425 476
EU-10	Exposures to corporates	630 515
EU-11	Exposures in default	32 135
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	353 727

Note 13 LEVERAGE RATIO

Disclosure of qualitative aspects of leverage ratio		
1	Description of the processes used to manage the risk of excessive leverage	The risk of excessive leverage of the amalgamation is assessed by frequent monitoring of the leverage ratio. No target level has been set for the leverage ratio in the amalgamation.
2	Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers	The leverage ratio decreased by 0.3 percentage points compared to the previous financial period. The decrease was driven by growth of the amalgamation's total exposures, primarily due to growth of exposures secured by immovable real estate and corporate exposures.

Note 14 SHAREHOLDINGS NOT INCLUDED IN THE TRADING BOOK

31 Dec 2019

Share breakdown (EUR 1,000)	Market value	Balance sheet value
Listed shares	3 227	3 227
Unlisted shares	61 576	61 574
Total	**64 803**	**64 802**

Diversified distribution of shares (EUR 1,000)	
Listed shares	3 227
Strategic shares	59 052
Other unlisted shares	2 523
Total	**64 802**

Capital gains and losses (EUR 1,000)	Gains	Losses	Total
Share/fund unit	29	-1 138	**-1 108**

Fair value reserve (EUR 1,000)	EUR	EUR
Fair value reserve balance on 1 January 2019 (gross)		345
Fair value increases	849	
Fair value decreases	-1 529	
Transferred from fair value reserve to the income statement	1 116	
Total changes in fair value reserve 1 January - 31 December 2019		436
Fair value reserve balance on 31 December 2019 (gross)		**781**

31 Dec 2018

Share breakdown (EUR 1,000)	Market value	Balance sheet value
Listed shares	3 872	3 872
Unlisted shares	63 308	63 288
Total	**67 180**	**67 160**

Diversified distribution of shares (EUR 1,000)	
Listed shares	3 872
Strategic shares	60 793
Other unlisted shares	2 495
Total	**67 160**

Capital gains and losses (EUR 1,000)	Gains	Losses	Total
Share/fund unit	235	-462	**-227**

Fair value reserve (EUR 1,000)	EUR	EUR
Fair value reserve balance on 1 January 2018 (gross)		8 242
IFRS 9 related transitional effects on 1 January 2018 (net)		-8 028
Adjusted fair value reserve balance on 1 January 2018 (gross)		214
Fair value increases	384	
Fair value decreases	-253	
Transferred from fair value reserve to the income statement	-	
Total changes in fair value reserve 1 January - 31 December 2018		131
Fair value reserve balance on 31 December 2018 (gross)		**345**

Note 15 REMUNERATION OF PERSONNEL

31 Dec 2019

Fixed and variable remuneration (EUR 1,000)

Employee group	Number of personnel		Fixed wages and salaries		Variable remuneration	
	2019	2018	2019	2018	2019	2018
Management	7	7	1 010	912	65	0
Risk-takers	98	94	8 125	9 958	149	364
Other personnel	516	497	19 222	16 760	497	111
Total	**621**	**598**	**28 357**	**27 631**	**711**	**475**

The amalgamation of POP Banks did not pay signing bonuses or redundancy payments to risk-takers in 2019. No redundancy payments have been defined to risk-takers in the amalgamation of POP Banks in 2019. The amalgamation of POP Banks has not paid compensation of over EUR 1 million in 2019 or such variable remunerations that should be delayed.

Other information regarding remuneration and remuneration to related parties is presented in Notes 3 and 38 of the consolidated financial statements.

Note 16 LIQUIDITY COVERAGE RATIO

31 Dec 2019

Consolidated (EUR 1,000) 31 Dec 2018	Total weighted adjusted value (average)			
	31/03/2019	30/06/2019	30/09/2019	31/12/2019
Number of data points used in the calculation	12	12	12	12
21 LIQUIDITY BUFFER	323 046	347 204	353 482	348 763
22 TOTAL NET CASH OUTFLOWS	243 385	251 891	252 600	257 330
23 LIQUIDITY COVERAGE RATIO (%)	**133 %**	**139 %**	**141 %**	**136 %**

Consolidated (EUR 1,000) 31 Dec 2018	Total weighted adjusted value (average)			
	31/03/2018	30/06/2018	30/09/2018	31/12/2018
Number of data points used in the calculation	12	12	12	12
21 LIQUIDITY BUFFER	346 400	322 917	302 087	301 046
22 TOTAL NET CASH OUTFLOWS	225 581	231 586	235 404	237 442
23 LIQUIDITY COVERAGE RATIO (%)	**154 %**	**140 %**	**129 %**	**127 %**

Note 16 LIQUIDITY COVERAGE RATIO

Table on qualitative/quantitative information of liquidity risk in accordance with Article 435(1) of Regulation (EU) 575/2013

Strategies and processes in the management of the liquidity risk	The liquidity management of the amalgamation follows the principles set out in the liquidity strategy, which aims to manage risk by a well-diversified funding structure. The most important means of maintaining a good liquidity position are to maintain a sufficiently large liquidity reserve buffer and to diversify sources of funding. Intra-day liquidity, liquidity reserve and liquidity coverage ratio are the central ways to limit and measure the liquidity risk of the amalgamation. The internal limits and controls of the amalgamation limit the liquidity risk of the amalgamation and its member credit institutions. They also ensure that regulatory requirements related to liquidity risk are met. To improve liquidity management in the amalgamation the credit institutions and the central credit institution have signed a transfer of title agreement on the transfer of credit institutions' liquid assets to the credit institution that ensures the credit institution's treasury has no legal or practical impediments in using them.
Structure and organisation of the liquidity risk management function (authority, statute, other arrangements)	The executive management of the central institution prepares the amalgamation's strategy and principles of liquidity management, which are determined based on the member credit institutions' liquidity needs and amalgamation-level risk appetite. The central institution's Board of Directors approves the liquidity strategy, the principles of liquidity management, the funding plan and the liquidity contingency plan made by the central credit institution. The risk control function plans, develops and tests methods used in liquidity risk management. The central credit institution and its executive management assist the risk control function in this process. The central institution's executive management approves the liquidity strategy and the methods used in implementing the principles of liquidity management. The executive management of the central credit institution is responsible for coordinating the implementation of the liquidity strategy at the amalgamation level, and it monitors and supervises the liquidity strategy implemented by the member credit institutions. The central credit institution coordinates the payment transactions of the member credit institutions and the acquisition and balancing of liquidity in the amalgamation. The task of the amalgamation's independent risk control function is to supervise and monitor the liquidity risk. The member credit institutions are responsible for implementing the liquidity strategy. The central credit institution reports on the liquidity situation to the Board of Directors of the central credit institution. The Board of Directors of the central credit institution is responsible for monitoring the implementation of the liquidity strategy at the central credit institution and plan the liquidity coverage of the central credit institution in accordance with the amalgamation's liquidity strategy. The Board of Directors of the central institution takes the required measures based on the reporting it receives.
Scope and nature of liquidity risk reporting and measurement systems	The amalgamation's central credit institution supervises the intra-day liquidity coverage by monitoring the balances of the payment accounts of the member credit institutions. The member credit institutions follow continuously their intra-day liquidity position. The measuring and monitoring of liquidity risk is based on the central credit institution's and the member credit institutions' portfolio, balance sheet, accounting and customer information. The system collects data on a contractual level from the loan and deposit core systems as well as data from the investment portfolio. The system has the portfolio, organizational and limit structures necessary for the measurement of market, interest and liquidity risk.
A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy	The central institution's Board of Directors assures that the liquidity risk management systems put in place are adequate with regard to the amalgamation's profile and strategy.
A concise liquidity risk statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy	The member credit institutions shall not be exposed to such a high level of risk as to materially endanger the liquidity of the amalgamation or individual credit institution. The amalgamation's level of liquidity risk appetite is moderate. The aim is to limit liquidity risk in all activities. The moderate level of risk appetite is reflected in the size of the amalgamation's liquidity reserve and the amalgamation's Liquidity Requirement (LCR) control and response limits. Liquidity risk is managed by ensuring a sufficient amount of the liquidity reserve buffer, by continuously forecasting funding needs and monitoring the funding structure.

Note 16 LIQUIDITY COVERAGE RATIO

Template on qualitative information on LCR, which complements the LCR disclosure template

Concentration of funding and liquidity sources	The most significant source of funding for the amalgamation is retail deposits. The central bank of the amalgamation acquires whosale funding by issuing bonds and certificates of deposits.
Derivative exposures and potential collateral calls	No derivative contracts have been entered into at the end of the year 2019. Thus there are no outflows from derivatives or additional collateral needs in LCR.
Currency mismatch in the LCR	The amalgamation's business is conducted in euros and there is no currency mismatch in LCR.
A description of the degree of centralisation of liquidity management and interaction between the group's units	The central bank of the amalgamation is responsible for the amalgamation's intraday and daily liquidity management and monitoring. The member credit institutions are responsible for implementing the liquidity strategy. The member credit institutions are mainly responsible for the control and monitoring its payment accounts, fulfilling its minimum reserve requirement and monitoring and fulfilling its LCR Net cash Flow. The central credit institution monitors and supervises the activities of the member credit institutions, in particular from the point of view of ensuring liquidity, and intervenes, where appropriate, in the liquidity position of the member credit institutions in accordance with the principles agreed in the amalgamation's liquidity strategy. In addition the central credit institution coordinates the payment transactions of the member credit institutions and the acquisition and balancing of liquidity in the amalgamation. The central credit institution acts as an issuer in the wholesale market and maintains the amalgamation's liquidity buffer.
Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile	POP Bank Alliance Coop, the central institution of POP Banks' Amalgamation, applies a permission by the Finnish Financial Supervisory Authority to decide that the requirements laid down in the sixth part of the European Union's Capital Requirements Regulation (EU 575/2013) and EU's statutory orders set in the Regulation are not applied to its member credit institutions.

Note 17 CREDIT QUALITY OF FORBORNE EXPOSURES

31 Dec 2019

	(EUR 1,000)	a	b	c	d
		Gross carrying amount/nominal amount of exposures with forbearance measures			
		Performing forborne	Non-performing forborne		
				Of which defaulted	Of which impaired
1	**Loans and advances**	**117 180**	**43 356**	**21 918**	**43 354**
2	Central banks				
3	General governments				
4	Credit institutions				
5	Other financial corporations				
6	Non-financial corporations	20 462	12 812	11 120	12 811
7	Households	96 718	30 544	10 798	30 543
8	**Debt Securities**				
9	**Loan commitments given**	**97**	**31**	**20**	**31**
10	**Total**	**117 277**	**43 387**	**21 938**	**43 385**

	(EUR 1,000)	e	f	g	h
		Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
1	**Loans and advances**	**-1 094**	**-8 653**	**144 960**	**32 926**
2	Central banks				
3	General governments				
4	Credit institutions				
5	Other financial corporations				
6	Non-financial corporations	-313	-4 488	27 008	8 036
7	Households	-781	-4 165	117 952	24 890
8	**Debt Securities**				
9	**Loan commitments given**	**0**	**0**	**121**	**31**
10	**Total**	**-1 094**	**-8 652**	**145 081**	**32 958**

Note 18 CREDIT QUALITY OF PERFORMING AND NON-PERFORMING EXPOSURES BY PAST DUE DAYS

31 Dec 2019

	(EUR 1,000)	a	b	c	d	e	f
		Gross carrying amount/nominal amount					
		Performing exposures			Non-performing exposures		
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days
1	**Loans and advances**	**3 772 190**	**3 767 081**	**5 110**	**130 027**	**88 455**	**6 789**
2	Central banks	189 354	189 354				
3	General governments	411	411				
4	Credit institutions	36 966	36 966				
5	Other financial corporations	13 283	13 283		121		
6	Non-financial corporations	467 146	466 533	613	34 589	20 308	1 727
7	Of which SMEs	393 749	393 135	613	33 750	19 505	1 727
8	Households	3 065 030	3 060 534	4 496	95 317	68 147	5 062
9	**Debt securities**	**489 820**	**489 820**		**400**	**400**	
10	*Central banks*						
11	*General governments*	103 179	103 179				
12	*Credit institutions*	45 724	45 724				
13	*Other financial corporations*	219 185	219 185				
14	*Non-financial corporations*	121 731	121 731		400	400	
15	**Off-balance-sheet exposures**	**261 795**			**1 369**		
16	*Central banks*						
17	*General governments*	690					
18	*Credit institutions*	109					
19	*Other financial corporations*	381					
20	*Non-financial corporations*	70 023			801		
21	*Households*	190 592			567		
22	**Total**	**4 523 805**	**4 256 900**	**5 110**	**131 796**	**88 855**	**6 789**

Note 18 CREDIT QUALITY OF PERFORMING AND NON-PERFORMING EXPOSURES BY PAST DUE DAYS

31 Dec 2019

	(EUR 1,000)	g	h	i	j	k	l
		Gross carrying amount/nominal amount					
		Non-performing exposures					
		Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
1	**Loans and advances**	**11 357**	**10 767**	**8 819**	**2 112**	**1 727**	**55 645**
2	Central banks						
3	General governments						
4	Credit institutions						
5	Other financial corporations				121		121
6	Non-financial corporations	5 396	3 534	1 875	878	871	24 054
7	Of which SMEs	5 375	3 534	1 860	878	871	24 007
8	Households	5 962	7 233	6 944	1 113	856	31 470
9	**Debt securities**						
10	*Central banks*						
11	*General governments*						
12	*Credit institutions*						
13	*Other financial corporations*						
14	*Non-financial corporations*						
15	**Off-balance-sheet exposures**						981
16	*Central banks*						
17	*General governments*						
18	*Credit institutions*						
19	*Other financial corporations*						
20	*Non-financial corporations*						637
21	*Households*						344
22	**Total**	**11 357**	**10 767**	**8 819**	**2 112**	**1 727**	**56 626**

Note 19 PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS

31 Dec 2019

		a	b	c	d	e	f
		Gross carrying amount/nominal amount					
		Performing exposures			Non-performing exposures		
	(EUR 1,000)		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3
1	**Loans and advances**	**3 772 190**	**3 523 315**	**248 875**	**130 027**	**639**	**129 169**
2	*Central banks*	189 354	189 354				
3	*General governments*	411	411				
4	*Credit institutions*	36 966	36 966				
5	*Other financial corporations*	13 283	12 847	435	121		121
6	*Non-financial corporations*	467 146	390 976	76 171	34 589	611	33 875
7	*Of which SMEs*	393 749	322 310	71 438	33 750	599	33 049
8	*Households*	3 065 030	2 892 761	172 269	95 317	28	95 173
9	**Debt securities**	**489 820**	**231 173**	**36 900**	**400**		**400**
10	*Central banks*						
11	*General governments*	103 179	100 813	2 366			
12	*Credit institutions*	45 724	44 309				
13	*Other financial corporations*	219 185	3 240	1 865			
14	*Non-financial corporations*	121 731	82 811	32 669	400		400
15	**Off-balance-sheet exposures**	**261 795**	**249 400**	**12 396**	**1 369**		**1 368**
16	*Central banks*						
17	*General governments*	690	690				
18	*Credit institutions*	109	109				
19	*Other financial corporations*	381	381				
20	*Non-financial corporations*	70 023	64 017	6 006	801		801
21	*Households*	190 592	184 202	6 390	567		567
22	**Total**	**4 523 805**	**4 003 888**	**298 171**	**131 796**	**639**	**130 938**

Note 19 PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS

31 Dec 2019

		g	h	i	j	k	l
		Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
		Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
	(EUR 1,000)		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3
1	**Loans and advances**	**-8 025**	**-4 701**	**-3 324**	**-25 724**	**-25**	**-25 693**
2	*Central banks*						
3	*General governments*	-0	-0				
4	*Credit institutions*						
5	*Other financial corporations*	-41	-7	-34	-109		-109
6	*Non-financial corporations*	-1 806	-722	-1 084	-11 963	-25	-11 938
7	*Of which SMEs*	-1 623	-620	-1 004	-11 799	-25	-11 774
8	*Households*	-6 177	-3 972	-2 205	-13 652	-0	-13 646
9	**Debt securities**	**-1 178**	**-101**	**-1 077**	**-360**		**-360**
10	*Central banks*						
11	*General governments*	-52	-38	-14			
12	*Credit institutions*	-10	-10				
13	*Other financial corporations*	-49	-2	-47			
14	*Non-financial corporations*	-1 067	-51	-1 016	-360		-360
15	**Off-balance-sheet exposures**	**450**	**375**	**75**	**238**		**238**
16	*Central banks*						
17	*General governments*	0	0				
18	*Credit institutions*	4	4				
19	*Other financial corporations*	1	1				
20	*Non-financial corporations*	211	174	37	181		181
21	*Households*	234	196	38	58		58
22	**Total**	**-8 753**	**-4 428**	**-4 325**	**-25 845**	**-25**	**-25 814**

Note 19 PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS

31 Dec 2019

		m		n		o	
		Accumulated partial write-off		Collateral and financial guarantees received			
	(EUR 1,000)			On performing exposures		On non-performing exposures	
1	**Loans and advances**	**-16 566**		**3 383 466**		**95 023**	
2	*Central banks*						
3	*General governments*			20			
4	*Credit institutions*						
5	*Other financial corporations*	-100		12 992			
6	*Non-financial corporations*	-7 864		445 233		20 365	
7	*Of which SMEs*	-7 814		373 799		19 747	
8	*Households*	-8 602		2 925 221		74 657	
9	**Debt securities**						
10	*Central banks*						
11	*General governments*						
12	*Credit institutions*						
13	*Other financial corporations*						
14	*Non-financial corporations*						
15	**Off-balance-sheet exposures**			**117 652**		514	
16	*Central banks*						
17	*General governments*			672			
18	*Credit institutions*						
19	*Other financial corporations*			50			
20	*Non-financial corporations*			38 080		272	
21	*Households*			78 850		242	
22	**Total**	**-16 566**		**3 501 118**		**95 537**	

Note 20 COLLATERAL OBTAINED BY TAKING POSSESSION AND EXECUTION PROCESSES

31 Dec 2019

	(EUR 1,000)	a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
1	**Property, plant and equipment (PP&E)**		
2	**Other than PP&E**	**1 800**	**-230**
3	*Residential immovable property*	266	-220
4	*Commercial Immovable property*	1 534	-10
5	*Movable property (auto, shipping, etc.)*		
6	*Equity and debt instruments*		
7	*Other*		
8	**Total**	**1 800**	**-230**

Note 21 READER'S GUIDE

Regulation (EU) No 575/2013 of the European parliament and of the Council of 26 June 2013
(Title 2: Technical Criteria on Transparency and Disclosure)

Regulation	Disclosure requirement	Reference to publication
Article 435	**Risk management objectives and policies**	
1 a)	The strategies and processes to manage those risks	Financial statements: Note 4
1 b)	The structure and organisation of the relevant risk management function including information on its authority and statute, or other appropriate arrangements	Financial statements: Note 4
1 c)	The scope and nature of risk reporting and measurement systems	Financial statements: Note 4
1 d)	The policies for hedging and mitigating risk, and the strategies and processes for monitoring the continuing effectiveness of hedges and mitigants	Financial statements: Note 4
1 e)	A declaration approved by the management body on the adequacy of risk management arrangements of the institution providing assurance that the risk management systems put in place are adequate with regard to the institution's profile and strategy	Pillar III Report
1 f)	A concise risk statement approved by the management body succinctly describing the institution's overall risk profile associated with the business strategy	Pillar III Report
2 a)	The number of directorships held by members of the management body	Financial statements: Note 3
2 b)	The recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise	Financial statements: Note 3
2 c)	The policy on diversity with regard to selection of members of the management body, its objectives and any relevant targets set out in that policy, and the extent to which these objectives and targets have been achieved	Financial statements: Note 3
2 d)	Whether or not the institution has set up a separate risk committee and the number of times the risk committee has met	Financial statements: Note 4
2 e)	The description of the information flow on risk to the management body	Financial statements: Note 4
Article 436	**Scope of application**	
a)	The name of the institution to which the requirements of this Regulation apply	Pillar III Report
b)	An outline of the differences in the basis of consolidation for accounting and prudential purposes, with a brief description of the entities therein, explaining whether they are (i) fully consolidated; (ii) proportionally consolidated; (iii) deducted from own funds; (iv) neither consolidated nor deducted;	Financial statements: Note 1
c)	Any current or foreseen material practical or legal impediment to the prompt transfer of own funds or repayment of liabilities among the parent undertaking and its subsidiaries	Not applicable
d)	The aggregate amount by which the actual own funds are less than required in all subsidiaries not included in the consolidation, and the name or names of such subsidiaries	Not applicable
e)	If applicable, the circumstance of making use of the provisions laid down in Articles 7 and 9	Not applicable
Article 437	**Own funds**	
1 a)	A full reconciliation of Common Equity Tier 1 items, Additional Tier 1 items, Tier 2 items and filters and deductions applied pursuant to Articles 32 to 35, 36, 56, 66 and 79 to own funds of the institution and the balance sheet in the audited financial statements of the institution	Pillar III Report
1 b)	A description of the main features of the Common Equity Tier 1 and Additional Tier 1 instruments and Tier 2 instruments issued by the institution	Pillar III Report
1 c)	The full terms and conditions of all Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments	Pillar III Report

1 d)	Separate disclosure of the nature and amounts of the following (i) each prudential filter applied pursuant to Articles 32 to 35; (ii) each deduction made pursuant to Articles 36, 56 and 66; (iii) items not deducted in accordance with Articles 47, 48, 56, 66 and 79;	Pillar III Report
1 e)	A description of all restrictions applied to the calculation of own funds in accordance with this Regulation and the instruments, prudential filters and deductions to which those restrictions apply	Not applicable
1 f)	Where institutions disclose capital ratios calculated using elements of own funds determined on a basis other than that laid down in this Regulation, a comprehensive explanation of the basis on which those capital ratios are calculated	Not applicable
Article 438	**Capital requirements**	
a)	A summary of the institution's approach to assessing the adequacy of its internal capital to support current and future activities	Financial statements: Note 4
b)	Upon demand from the relevant competent authority, the result of the institution's internal capital adequacy assessment process including the composition of the additional own funds requirements based on the supervisory review process as referred to in point (a) of Article 104(1) of Directive 2013/36/EU	Not applicable
c)	For institutions calculating the risk-weighted exposure amounts in accordance with Chapter 2 of Part Three, Title II, 8 % of the risk-weighted exposure amounts for each of the exposure classes specified in Article 112	Pillar III Report
d)	For institutions calculating risk-weighted exposure amounts in accordance with Chapter 3 of Part Three, Title II, 8 % of the risk-weighted exposure amounts for each of the exposure classes specified in Article 147. For the retail exposure class, this requirement applies to each of the categories of exposures to which the different correlations in Article 154(1) to (4) correspond. For the equity exposure class, this requirement applies to (i) each of the approaches provided in Article 155; (ii) exchange traded exposures, private equity exposures in sufficiently diversified portfolios, and other exposures; (iii) exposures subject to supervisory transition regarding own funds requirements; (iv) exposures subject to grandfathering provisions regarding own funds requirements;	Not applicable
e)	Own funds requirements calculated in accordance with points (b) and (c) of Article 92(3)	Pillar III Report
f)	Own funds requirements calculated in accordance with Part Three, Title III, Chapters 2, 3 and 4 and disclosed separately	Pillar III Report
Article 439	**Exposure to counterparty credit risk**	
	Not significant. The amalgamation of POP Banks has no derivative contracts outstanding as of 31 December 2019.	Not significant
Article 440	**Capital buffers**	
1 a)	The geographical distribution of its credit exposures relevant for the calculation of its countercyclical capital buffer	Not significant
1 b)	The amount of its institution specific countercyclical capital buffer	Not significant
Article 441	**Indicators of global systemic importance**	
	Institutions identified as G-SIIs in accordance with Article 131 of Directive 2013/36/EU shall disclose, on an annual basis, the values of the indicators used for determining the score of the institutions in accordance with the identification methodology referred to in that Article	Not applicable
Article 442	**Credit risk adjustments**	
a)	The definitions for accounting purposes of ‘past due’ and ‘impaired’	Financial statements: Note 2
b)	A description of the approaches and methods adopted for determining specific and general credit risk adjustments	Financial statements: Note 2
c)	The total amount of exposures after accounting offsets and without taking into account the effects of credit risk mitigation, and the average amount of the exposures over the period broken down by different types of exposure classes	Pillar III Report
d)	The geographic distribution of the exposures, broken down in significant areas by material exposure classes, and further detailed if appropriate	Pillar III Report
e)	The distribution of the exposures by industry or counterparty type, broken down by exposure classes, including specifying exposure to SMEs, and further detailed if appropriate	Pillar III Report

f)	The residual maturity breakdown of all the exposures, broken down by exposure classes, and further detailed if appropriate	Pillar III Report
g)	By significant industry or counterparty type, the amount of (i) impaired exposures and past due exposures, provided separately; (ii) specific and general credit risk adjustments; (iii) charges for specific and general credit risk adjustments during the reporting period;	Pillar III Report
h)	The amount of the impaired exposures and past due exposures, provided separately, broken down by significant geographical areas including, if practical, the amounts of specific and general credit risk adjustments related to each geographical area	Not significant
i)	The reconciliation of changes in the specific and general credit risk adjustments for impaired exposures, shown separately. The information shall comprise (i) a description of the type of specific and general credit risk adjustments; (ii) the opening balances; (iii) the amounts taken against the credit risk adjustments during the reporting period; (iv) the amounts set aside or reversed for estimated probable losses on exposures during the reporting period, any other adjustments including those determined by exchange rate differences, business combinations, acquisitions and disposals of subsidiaries, and transfers between credit risk adjustments; (v) the closing balances	Financial statements: Note 18
Article 443	**Unencumbered assets**	
	Disclosure requirements as specified by Comission delegated regulation (EU) 2017/2295	Pillar III Report
Article 444	**Use of ECAIs**	
a)	The names of the nominated ECAIs and ECAs and the reasons for any changes	Not applicable
b)	The exposure classes for which each ECAI or ECA is used	Not applicable
c)	A description of the process used to transfer the issuer and issue credit assessments onto items not included in the trading book	Not applicable
d)	The association of the external rating of each nominated ECAI or ECA with the credit quality steps prescribed in Part Three, Title II, Chapter 2, taking into account that this information needs not be disclosed if the institution complies with the standard association published by EBA	Not applicable
e)	The exposure values and the exposure values after credit risk mitigation associated with each credit quality step prescribed in Part Three, Title II, Chapter 2 as well as those deducted from own funds	Not applicable
Article 445	**Exposure to market risk**	
	The institutions calculating their own funds requirements in accordance with points (b) and (c) of Article 92(3) shall disclose those requirements separately for each risk referred to in those provisions. In addition, the own funds requirement for specific interest rate risk of securitisation positions shall be disclosed separately	Pillar III Report
Article 446	**Operational risk**	
	Institutions shall disclose the approaches for the assessment of own funds requirements for operational risk that the institution qualifies for; a description of the methodology set out in Article 312(2), if used by the institution, including a discussion of relevant internal and external factors considered in the institution's measurement approach, and in the case of partial use, the scope and coverage of the different methodologies used	Pillar III Report
Article 447	**Exposures in equities not included in the trading book**	
a)	The differentiation between exposures based on their objectives, including for capital gains relationship and strategic reasons, and an overview of the accounting techniques and valuation methodologies used, including key assumptions and practices affecting valuation and any significant changes in these practices	Financial statements: Note 2
b)	The balance sheet value, the fair value and, for those exchange-traded, a comparison to the market price where it is materially different from the fair value	Financial statements: Note 4, Pillar III Report
c)	The types, nature and amounts of exchange-traded exposures, private equity exposures in sufficiently diversified portfolios, and other exposures	Pillar III Report, Financial statements: Note 21

d)	The cumulative realised gains or losses arising from sales and liquidations in the period	Pillar III Report
e)	the total unrealised gains or losses, the total latent revaluation gains or losses, and any of these amounts included in the original or additional own funds	Pillar III Report
Article 448	**Exposure to interest rate risk on positions not included in the trading book**	
a)	The nature of the interest rate risk and the key assumptions (including assumptions regarding loan prepayments and behaviour of non-maturity deposits), and frequency of measurement of the interest rate risk	Financial statements: Note 4
b)	The variation in earnings, economic value or other relevant measure used by the management for upward and downward rate shocks according to management's method for measuring the interest rate risk, broken down by currency	Financial statements: Note 4
Article 449	**Exposure to securitisation positions**	
	Not applicable. The amalgamation of POP Banks does not carry securitisation positions.	Not applicable
Article 450	**Remuneration policy**	
1 a)	Information concerning the decision-making process used for determining the remuneration policy, as well as the number of meetings held by the main body overseeing remuneration during the financial year, including, if applicable, information about the composition and the mandate of a remuneration committee, the external consultant whose services have been used for the determination of the remuneration policy and the role of the relevant stakeholders	Financial statements: Note 3
1 b)	Information on link between pay and performance	Financial statements: Note 3
1 c)	The most important design characteristics of the remuneration system, including information on the criteria used for performance measurement and risk adjustment, deferral policy and vesting criteria	Financial statements: Note 3
1 d)	The ratios between fixed and variable remuneration set in accordance with Article 94(1)(g) of Directive 2013/36/EU	Pillar III Report
1 e)	Information on the performance criteria on which the entitlement to shares, options or variable components of remuneration is based	Financial statements: Note 3
1 f)	The main parameters and rationale for any variable component scheme and any other non-cash benefits	Financial statements: Note 3
1 g)	Aggregate quantitative information on remuneration, broken down by business area	Financial statements: Note 1
1 h)	Aggregate quantitative information on remuneration, broken down by senior management and members of staff whose actions have a material impact on the risk profile of the institution, indicating the following (i) the amounts of remuneration for the financial year, split into fixed and variable remuneration, and the number of beneficiaries; (ii) the amounts and forms of variable remuneration, split into cash, shares, share-linked instruments and other types; (iii) the amounts of outstanding deferred remuneration, split into vested and unvested portions; (iv) the amounts of deferred remuneration awarded during the financial year, paid out and reduced through performance adjustments; (v) new sign-on and severance payments made during the financial year, and the number of beneficiaries of such payments; (vi) the amounts of severance payments awarded during the financial year, number of beneficiaries and highest such award to a single person	Pillar III Report
1 i)	The number of individuals being remunerated EUR 1 million or more per financial year, for remuneration between EUR 1 million and EUR 5 million broken down into pay bands of EUR 500 000 and for remuneration of EUR 5 million and above broken down into pay bands of EUR 1 million	Pillar III Report
1 j)	Upon demand from the Member State or competent authority, the total remuneration for each member of the management body or senior management	Not applicable
2	For institutions that are significant in terms of their size, internal organisation and the nature, scope and the complexity of their activities, the quantitative information referred to in this Article shall also be made available to the public at the level of members of the management body of the institution	Not applicable

Article 451	**Leverage**	
1 a)	The leverage ratio and how the institution applies Article 499(2) and (3)	Pillar III Report
1 b)	A breakdown of the total exposure measure as well as a reconciliation of the total exposure measure with the relevant information disclosed in published financial statements	Pillar III Report
1 c)	Where applicable, the amount of derecognised fiduciary items in accordance with Article 429(11)	Pillar III Report
1 d)	A description of the processes used to manage the risk of excessive leverage	Pillar III Report
1 e)	A description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers	Pillar III Report
Article 452	**Use of the IRB Approach to credit risk**	
	Not applicable. The amalgamation of POP Banks does not use the IRB approach to credit risk.	Not applicable
Article 453	**Use of credit risk mitigation techniques**	
a)	The policies and processes for, and an indication of the extent to which the entity makes use of, on- and off-balance sheet netting	Financial statements: Note 2
b)	The policies and processes for collateral valuation and management	Financial statements: Note 4
c)	A description of the main types of collateral taken by the institution	Financial statements: Note 4, Pillar III Report
d)	The main types of guarantor and credit derivative counterparty and their creditworthiness	Pillar III Report
e)	Information about market or credit risk concentrations within the credit mitigation taken	Pillar III Report
f)	For institutions calculating risk-weighted exposure amounts under the Standardised Approach or the IRB Approach, but not providing own estimates of LGDs or conversion factors in respect of the exposure class, separately for each exposure class, the total exposure value (after, where applicable, on- or off-balance sheet netting) that is covered — after the application of volatility adjustments — by eligible financial collateral, and other eligible collateral	Pillar III Report
g)	For institutions calculating risk-weighted exposure amounts under the Standardised Approach or the IRB Approach, separately for each exposure class, the total exposure (after, where applicable, on- or off-balance sheet netting) that is covered by guarantees or credit derivatives. For the equity exposure class, this requirement applies to each of the approaches provided in Article 155	Pillar III Report
Article 454	**Use of the Advanced Measurement Approaches to operational risk**	
	Not applicable. The amalgamation of POP Banks does not use advanced measurement approaches for operational risk capital requirement.	Not applicable
Article 455	**Use of Internal Market Risk Models**	
	Not applicable. The amalgamation of POP Banks does not use internal market risk models.	Not applicable