

Amalgamation of POP Banks'

# **CAPITAL ADEQUACY REPORT**

30 June 2021

**POP Bank** 

## PILLAR III CAPITAL ADEQUACY DISCLOSURES

The amalgamation of POP Banks is formed by the central institution (POP Bank Centre 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 (Pillar III disclosures) yearly. The EU Solvency Regulation was reformed with the update of the Solvency Regulation 2019/876 (CRR II), which entered into force on 28 June 2021. In its guidelines, the European Banking Authority clarified the disclosure requirements and harmonized the table templates. The renewed regulation determines the disclosure requirements depending on the significance of the institution (large /

other / small). As an other institution, the amalgamation of POP Banks complies with its reporting obligation by publishing key indicators in tabular form every six months. The table presents the data where applicable and only the rows containing the reportable are presented. Data for previous periods is not presented because data is disclosed for the first time. The POP Bank Group's half-year financial report contains comparative information regarding the solvency and liquidity risk of the amalgamation of POP Banks. 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 report of the POP Bank Group. This report is unaudited.

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.

<b>(EUR 1,000)</b>		<b>30 Jun 2021</b>
<b>Available own funds (amounts)</b>		
1	Common Equity Tier 1 (CET1) capital	527,837
2	Tier 1 capital	527,837
3	Total capital	527,837
<b>Risk-weighted exposure amounts</b>		
4	Total risk-weighted exposure amount	2,662,016
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>		
5	Common Equity Tier 1 ratio (%)	19.8285 %
6	Tier 1 ratio (%)	19.8285 %
7	Total capital ratio (%)	19.8285 %
<b>Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)</b>		
EU 7a	Additional CET1 SREP requirements (%)	1.2500 %
EU 7b	Additional AT1 SREP requirements (%)	1.2500 %
EU 7d	Total SREP own funds requirements (%)	9.2500 %
<b>Combined buffer requirement (as a percentage of risk-weighted exposure amount)</b>		
8	Capital conservation buffer (%)	2.5000 %
9	Institution specific countercyclical capital buffer (%)	0.0057 %
11	Combined buffer requirement (%)	2.5057 %
EU 11a	Overall capital requirements (%)	11.7557 %
12	CET1 available after meeting the total SREP own funds requirements (%) <sup>1)</sup>	281.600
<b>Leverage ratio</b>		
13	Leverage ratio total exposure measure	5,357,666
14	Leverage ratio	9.8520 %
<b>Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)</b>		
EU 14d	Total SREP leverage ratio requirements (%)	3.0000 %
EU 14f	Overall leverage ratio requirements (%)	3.0000 %
<b>Liquidity Coverage Ratio</b>		
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	560,330
EU 16a	Cash outflows - Total weighted value	336,254
EU 16b	Cash inflows - Total weighted value	39,659
16	Total net cash outflows (adjusted value)	296,511
17	Liquidity coverage ratio (%)	189.0408 %
<b>Net Stable Funding Ratio</b>		
18	Total available stable funding	4,595,790
19	Total required stable funding	3,454,850
20	NSFR ratio (%)	133.0200 %

Rows EU 7c, EU 8a, EU 9a, 10, EU 10a, EU 14a, 14b, 14c and 14e are not presented in the template as they do not have a reportable. Data for previous periods (columns b-e) is not presented because data is disclosed for the first time.

<sup>1)</sup> The own funds of the amalgamation consist only CET1 capital, thus it has to cover the total SREP own funds requirements (%).

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