

Introduction to the Comprehensive Assessment disclosure templates

This document contains final disclosure of the results of the Comprehensive Assessment for First Investment Bank AD. The template contains the bank's overall Comprehensive Assessment outcome, as well as further detail on Asset Quality Review (AQR) results.

This page provides detail on how to read the templates, and contains important caveats to consider within the context of final results

Bank-specific notes

Bank-specific note for field A6

According to First Investment Bank, additional provisions amounting to EUR 38 million have been booked in relation to exposures affected by AQR adjustments as part of a restatement of 2018 financial accounts in April 2019. These additional provisions are reflected in the CET1 starting point of the comprehensive assessment (see field A6), but were not taken into account in the AQR results given that the restatement occurred late in the AQR process. Upon exposure-specific verification by the competent authority as part of the capital planning process, the relevant provisions may be taken into account as potential mitigating measures for the identified capital shortfall (i.e. they would reduce the shortfall amounts displayed in fields B8-B11).

Bank-specific note for fields E10-E18

Negative changes in coverage ratio displayed here are used to offset potential provisioning shortfalls identified during collective provisioning assessment for remaining exposures within the same portfolio. Total stock of provisions per portfolio does not decrease as per AQR methodology.

Sheet descriptions

Main Results and Overview

- A. Key information on the bank before the Comprehensive Assessment (end-2018)
- B. The main results of the Comprehensive Assessment
- C. Major capital measures impacting Tier 1 eligible capital, from 1 January 2019 to 30 June 2019

Detailed AQR Results

- D. Matrix Breakdown of AQR Result
- E. Matrix Breakdown of Asset Quality Indicators
- F. Leverage ratio impact of the Comprehensive Assessment

Approved Restructuring Results

This is a repetition of Section B, main results of the Comprehensive Assessment, for those banks that have an agreed restructuring plan

Section descriptions

| Section | Contents | Key fields | Notes |
|---|---|--|---|
| A. Main information on the bank before the Comprehensive Assessment (end-2018) | This section contains information on the size, performance and starting point capital holding of the bank as at year-end 2018 | A6 Starting point CET1% - bank provided starting point for any adjustments following the Comprehensive Assessment | Numbers in this section are provided primarily for transparency purposes and should not be used for comparisons to other sections/sheets. As an example, the NPE ratio exhibited in this section applies across all segments and all bank portfolios, and as such does not provide a like for like comparison with the NPE ratio data displayed in section E (which relates only to portfolios selected in Phase 1 of the AQR) |
| B. Main results of the Comprehensive Assessment | This key section of the disclosure template contains the main results of the Comprehensive Assessment | Key fields discussed in more detail below | |
| C. Major capital measures impacting Tier 1 eligible capital, from 1 January 2019 to 30 June 2019 | This section displays major capital market activity affecting Tier 1 eligible capital | | Section C should be read as informational only. Figures here do not feed into the final CET1% results as detailed in section B, nor do they mitigate the bank's disclosed capital shortfall (B11) - For banks with a capital shortfall, this information will be taken into account during the capital planning phase that follows disclosure of Comprehensive Assessment results |
| D. Matrix Breakdown of AQR Result | This section gives workblock specific AQR results | D.A - D.F provides AQR results broken down by asset segment, and by AQR workblock D.G - D.I provides the results of the non-derivative exposures review D20 is the gross impact of the AQR before offsetting D24 is the net total impact of the AQR | The selection of asset classes for portfolio review was based on an approach aimed at identifying those portfolios with the highest risk of misclassification and misvaluation. Therefore, extrapolation of results to the non-selected portfolios would be incorrect from a statistical stand-point - In the AQR exercise the resulting increase in provisions (from a supervisory perspective) are translated into a change in CET1 - Items D1 to D20 are before offsetting impacts such as asset protection and taxes |
| E. Matrix Breakdown of Asset Quality Indicators | The section provides asset quality indicators (NPE levels and coverage ratio), broken down by asset segment | - E1 shows the evolution of NPE levels for portfolios selected in Phase 1 - E10 shows the evolution of coverage ratios for portfolios selected in Phase 1 | Information reported only for portfolios subject to detailed review in AQR, i.e. those selected in Phase 1 of the AQR Figures presented should not be interpreted as accounting figures |
| F. Leverage ratio impact of the Comprehensive Assessment | This shows the change in the leverage ratio from the AQR | | Leverage ratios are not binding based on the current regulatory framework, are displayed for information purposes only and have no impact on the capital shortfall - Due to the 'static balance sheet' assumption used as part of the Stress Test, the leverage ratio might be misleading for the Stress Test and is therefore displayed for AQR only |

Source of key figures / drivers of key results

MAIN RESULTS OF THE COMPREHENSIVE ASSESSMENT (CA)

| | | |
|---|---------------------|--------|
| CET1 Ratio at year end 2018, including retained earnings / losses of 2018 31 = A6 | % | 10.00% |
| Aggregated adjustments due to the outcome of the AQR | Basis Points Change | -100 |
| AQR adjusted CET1 Ratio 33 = B1 + B2 | % | 9.00% |
| Aggregate adjustments due to the outcome of the baseline scenario of the Stress Test o lowest capital level over the 3-year period | Basis Points Change | -200 |
| Adjusted CET1 Ratio after Baseline Scenario 35 = B3 + B4 | % | 7.00% |
| Aggregate adjustments due to the outcome of the adverse scenario of the Stress Test o lowest capital level over the 3-year period | Basis Points Change | -400 |
| Adjusted CET1 Ratio after Adverse Scenario 37 = B3 + B6 | % | 5.00% |

For illustrative purposes only

B1: The CET1 ratio starting point against which the Comprehensive Assessment impact is measured, as of 31 December 2018

Note: CET1 is defined in accordance with CRDIV/CRR

B2: Net AQR impact in basis points (after tax, risk protection and IFRS9 transitional arrangement netting effects)

Note: Sourced from D24

B3: Adjusted CET1 ratio based on the AQR outcome

Note: Calculated as B1 + B2

B4: The delta between the AQR adjusted CET1% and the Baseline scenario CET1%, in the year where capital level vs threshold (8%) is the lowest

B5: Adjusted CET1 ratio based on the AQR outcome and Baseline Stress Test scenario

Note: Calculated as B3 + B4

B6: The delta between the AQR adjusted CET1% and the Adverse scenario CET1%, in the year where capital level vs threshold (5.5%) is the lowest

B7: Adjusted CET1 ratio based on the AQR outcome and Adverse Stress Test scenario

Note: Calculated as B3 + B6

2019 COMPREHENSIVE ASSESSMENT OUTCOME

ECB PUBLIC

NAME OF THE ENTITY

BGFIRS

First Investment Bank AD

1 Main Results and Overview

A MAIN INFORMATION ON THE BANK BEFORE THE COMPREHENSIVE ASSESSMENT (31.12.2018)

| | | END 2018 |
|-----|--|--------------------|
| A1 | Total Assets (based on prudential scope of consolidation) | Mill. EUR 4,901.59 |
| A2 | Net (+) Profit/ (-) Loss of 2018 (based on prudential scope of consolidation) | Mill. EUR 84.26 |
| A3 | Common Equity Tier 1 Capital according to CRDIV/CRR definition, transitional arrangements as of 31.12.2018 | Mill. EUR 552.02 |
| A4 | Total risk exposure according to CRDIV/CRR definition, transitional arrangements as of 31.12.2018 | Mill. EUR 3,508.82 |
| A5 | Total exposure measure according to Article 429 CRR "Leverage exposure" | Mill. EUR 5,112.31 |
| A6 | CET1 ratio according to CRDIV/CRR definition, transitional arrangements as of 31.12.2018 A6 = A3 / A4 | % 15.7% |
| A9 | Leverage ratio | % 12.8% |
| A10 | Non-performing exposure ¹ ratio | % 12.6% |
| A11 | Coverage ratio for non-performing exposure ¹ | % 44.8% |
| A12 | Level 3 instruments on total assets | % 0.0% |

B MAIN RESULTS OF THE COMPREHENSIVE ASSESSMENT (CA)

| | | | |
|----|--|---------------------|--------|
| B1 | CET1 Ratio at year-end 2018, including retained earnings / losses of 2018 B1 = A6 | % | 15.7% |
| B2 | Aggregated adjustments due to the outcome of the AQR | Basis Points Change | -1,128 |
| B3 | AQR adjusted CET1 Ratio B3 = B1 + B2 | % | 4.5% |
| B4 | Aggregate adjustments due to the outcome of the baseline scenario of the Stress Test to lowest capital level over the 3-year period | Basis Points Change | -31 |
| B5 | Adjusted CET1 Ratio after Baseline Scenario B5 = B3 + B4 | % | 4.1% |
| B6 | Aggregate adjustments due to the outcome of the adverse scenario of the Stress Test to lowest capital level over the 3-year period | Basis Points Change | -644 |
| B7 | Adjusted CET1 Ratio after Adverse Scenario B7 = B3 + B6 | % | -2.0% |

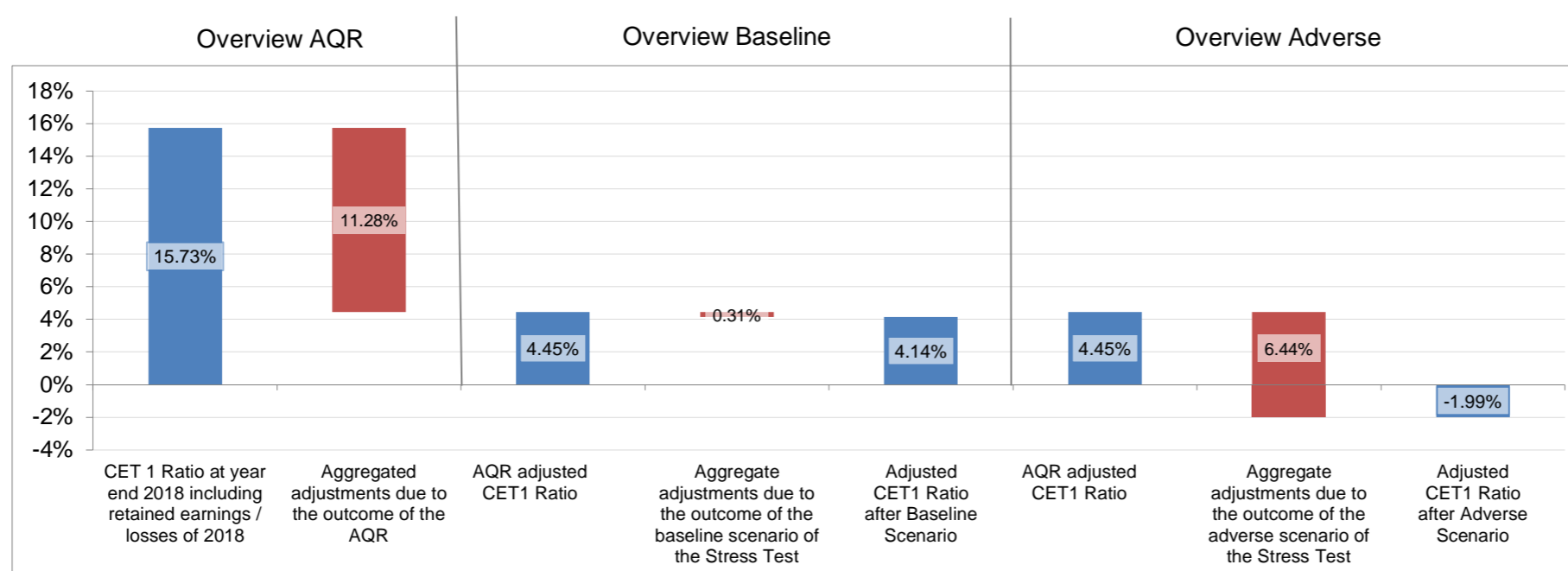
Capital Shortfall

| | | Basis Points ² | Mill. EUR |
|-----|--|---------------------------|-----------|
| B8 | to threshold of 8% for AQR adjusted CET1 Ratio | 355 | 124.51 |
| B9 | to threshold of 8% in Baseline Scenario | 386 | 135.55 |
| B10 | to threshold of 5.5% in Adverse Scenario | 749 | 262.88 |
| B11 | Aggregated Capital Shortfall of the Comprehensive Assessment B11 = max (B8, B9, B10) | 749 | 262.88 |

Footnotes

1. NPE definition in line with the EBA definition set forth in the EBA final draft ITS on supervisory reporting on forbearance and non-performing exposures under Article 99(4) of Regulation (EU) No 575/2013. Note that all exposures classified as 'Stage 3' under the IFRS 9 impairment model are considered NPE for the purposes of CA following the above definition.

2. RWA used corresponds to relevant scenario in worst case year of the stress test horizon



C MAJOR CAPITAL MEASURES IMPACTING TIER 1 ELIGIBLE CAPITAL FROM 1 JANUARY 2019 TO 30 JUNE 2019 ¹

| Issuance of CET1 Instruments | | Impact on Common Equity Tier 1 Million EUR |
|---|---|---|
| C1 | Raising of capital instruments eligible as CET1 capital | n/a |
| C2 | Repayment of CET1 capital, buybacks | n/a |
| C3 | Conversion to CET1 of hybrid instruments becoming effective between January and June 2019 | n/a |
| Net issuance of Additional Tier 1 Instruments | | Impact on Additional Tier 1 Million EUR |
| C4 | with a trigger at or above 5.5% and below 6% | n/a |
| C5 | with a trigger at or above 6% and below 7% | n/a |
| C6 | with a trigger at or above 7% | n/a |
| Fines/Litigation costs | | Million EUR |
| C7 | Incurred fines/litigation costs from January to June 2019 (net of provisions) | 0.092 million EUR |

1. Excludes any of the below capital measures already reflected in the CET1 starting point (A6)

NAME OF THE ENTITY

BGFIRS

First Investment Bank AD

2. Detailed AQR Results

D. Matrix Breakdown of AQR Result (B2)

Note:

- The selection of asset classes for portfolio review was based on an approach aimed at identifying portfolios with the highest risk of misclassification. Therefore, extrapolation of results to the non-selected portfolios would not be appropriate.
- The columns D.C to D.F include (but are not limited to) any impacts on provisioning associated with the reclassification (from a supervisory perspective) of exposures across stages of the IFRS 9 impairment model.
- In the AQR exercise the resulting increase in provisions (from a supervisory perspective) are translated into a change in CET1 capital.
- Items D1 to D20 are before offsetting impacts such as asset protection, taxes and IFRS9 transitional arrangements.
- Basis points are calculated using total risk exposure from Section A4.
- For the interpretation of the detailed results the interested reader may refer to the AQR manual outlining the methodology: <https://www.bankingsupervision.europa.eu/ecb/pub/pdf/ssm.assetqualityreviewmanual201806.en.pdf>

| | D.A Credit Risk RWA Q3 2018 | D.B Portfolio selected in Phase 1 | D.C Adjustments to provisions on sampled files | | D.D Adjustments to provisions due to projection of findings | | D.E Adjustments to provisions due to collective provisioning review | | D.F Impact on CET1 capital before any offsetting effects | | |
|----|---|---|--|-----------|--|-----------|--|-----------|---|-----------|---------|
| | | | Basis Points | Mill. EUR | Basis Points | Mill. EUR | Basis Points | Mill. EUR | Basis Points | Mill. EUR | |
| | Units of Measurement | % of RWA selected in Phase 1 | | | | | | | | | |
| D1 | Total credit exposure | 2,488.81 | 78.1% | 1,081 | 379.20 | 26 | 9.15 | 65 | 22.79 | -1,172 | -411.13 |
| D2 | Sovereigns and Supranational non-governmental organisations | 124.78 | 0.0% | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| D3 | Institutions | 118.48 | 0.0% | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| D4 | Retail | 664.51 | 67.4% | | | | | 9 | 3.00 | -9 | -3.00 |
| D5 | <i>thereof SME</i> | 166.90 | 75.5% | | | | | 9 | 3.00 | -9 | -3.00 |
| D6 | <i>thereof Residential Real Estate (RRE)</i> | 170.00 | 0.0% | | | | | 0 | 0.00 | 0 | 0.00 |
| D7 | <i>thereof Other Retail</i> | 327.61 | 98.3% | | | | | 0 | 0.00 | 0 | 0.00 |
| D8 | Corporates | 1,572.80 | 95.1% | 1,081 | 379.20 | 26 | 9.15 | 56 | 19.79 | -1,163 | -408.13 |
| D9 | Other Assets | 8.24 | 0.0% | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |

D10 Additional information on portfolios with largest adjustments accounting for (at least) 30% of total banking book AQR adjustment:

| Asset Class | Geography | | | | | | | | | | |
|-----------------------------|-----------|--------|--|-----|--------|----|------|----|-------|------|---------|
| Large SME (non real estate) | BULGARIA | 538.00 | | 413 | 145.04 | 24 | 8.44 | 30 | 10.51 | -467 | -163.99 |
| | | 0.00 | | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |
| | | 0.00 | | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 | 0 | 0.00 |

NB: In some cases the total credit RWA reported in field D.A1 may not equal the sum of the components below. These cases are driven by inclusion of specialised assets types which lie outside the categories given above.

| | D.G Portfolio size Carrying Amount | D.H Portfolio selection | D.I Impact on CET1 before any offsetting effects | | |
|-----|---|----------------------------|--|-----------|--------|
| | | | Basis points | Mill. EUR | |
| | Units of Measurement | % selected in Phase 1 | | | |
| D11 | CVA | | 0 | 0.00 | |
| D12 | Fair Value review | | -117 | -41.13 | |
| D13 | Non derivative exposures review | 689 | 64.4% | -117 | -41.13 |
| D14 | <i>Bonds</i> | 50 | 0.0% | 0 | 0.00 |
| D15 | <i>Securitisations</i> | 0 | - | 0 | 0.00 |
| D16 | <i>Loans</i> | 0 | - | 0 | 0.00 |
| D17 | <i>Equity (Investment in PE and Participations)</i> | 8 | 0.0% | 0 | 0.00 |
| D18 | <i>Investment Properties / Real Estate / Other</i> | 630 | 99.0% | -117 | -41.13 |
| D19 | Derivatives Model Review | 0 | 0.0% | 0 | 0.00 |

- D20 Gross impact on capital
D21 Offsetting impact due to risk protection
D22 Offsetting tax impact
D23 Offsetting IFRS9 transitional arrangement impact

D24 Net total impact of AQR results on CET1 ratio
Please refer to Definitions and Explanations sheet
D24 = D20 + (D21 + D22 + D23)

| D.J Total impact on CET1 based on adjustments outlined in D.A-D.I | |
|---|-----------|
| Basis points ¹ | Mill. EUR |
| -1289 | -452.25 |
| 0 | 0.00 |
| 129 | 45.23 |
| 32 | 11.20 |
| -1128 | -395.82 |

¹ Basis point impact due to CET1 capital adjustments

E. Matrix Breakdown of Asset Quality Indicators

Note:

- The selection of asset classes for portfolio review was based on an approach aimed at identifying those portfolios with the highest risk of misclassification. Therefore, extrapolation of results to the non-selected portfolios would not be appropriate.
- Changes in non-performing exposure as a result of the AQR reflect reclassification of exposures (from a supervisory perspective) into stage 3 of the IFRS 9 impairment model (see Section 4.5.2, Asset Quality Review Phase 2 Manual).

Information reported only for portfolios subject to detailed review in AQR

Asset quality indicators

Non-Performing Exposure Ratio

| | |
|----|---|
| E1 | Total credit exposure |
| E2 | Sovereigns and Supranational non-governmental organisations |
| E3 | Institutions |
| E4 | Retail |
| E5 | thereof SME |
| E6 | thereof Residential Real Estate (RRE) |
| E7 | thereof Other Retail |
| E8 | Corporates |
| E9 | Other Assets |

| | E.A | E.B | E.C | E.D |
|----------------------|------------------------------------|---------------------------------------|---|------------------------|
| | Unadjusted NPE Level year end 2018 | Changes due to the credit file review | Changes due to the projection of findings | AQR-adjusted NPE Level |
| Units of Measurement | % | Basis Points | Basis Points | % |
| | 19.1% | 2425 | 83 | 44.1% |
| | - | - | - | - |
| | - | - | - | - |
| | 14.6% | 0 | 0 | 14.6% |
| | 8.2% | | | 8.2% |
| | - | - | - | - |
| | 27.5% | | | 27.5% |
| | 20.9% | 3417 | 116 | 56.2% |
| | - | - | - | - |

Coverage Ratio

NB: Coverage ratios displayed in E.E - E.I cover only the exposure that was marked as non-performing pre-AQR. Therefore exposures that were newly reclassified to NPE during the AQR are NOT included in the calculation for E.E - E.I

| | |
|-----|--|
| E10 | Total credit exposure |
| E11 | Sovereigns and Supranational non-governmental organisation |
| E12 | Institutions |
| E13 | Retail |
| E14 | thereof SME |
| E15 | thereof Residential Real Estate (RRE) |
| E16 | thereof Other Retail |
| E17 | Corporates |
| E18 | Other Assets |

| | E.E | E.F | E.G | E.H | E.I | E.J |
|----------------------|---|---|---|---|--|---|
| | Unadjusted coverage ratio of non-performing exposure, year end 2018 | Changes due to the credit file review on non-performing exposures | Changes due to the projection of findings on non-performing exposures | Changes due to the collective provisioning review on non-performing exposures | AQR-adjusted ratio of provisions on NPE to NPE | Coverage ratio for exposures newly classified as NPE during the AQR |
| Units of Measurement | % | %-points | %-points | %-points | % | % |
| | 46.2% | 21.9% | 0.1% | -0.4% | 67.8% | 36.2% |
| | - | - | - | - | - | - |
| | - | - | - | - | - | - |
| | 50.8% | | | -1.7% | 49.2% | - |
| | 72.9% | | | -4.5% | 68.4% | - |
| | - | - | - | - | - | - |
| | 37.6% | | | 0.0% | 37.6% | - |
| | 44.8% | 28.2% | 0.1% | | 73.1% | 36.2% |
| | - | - | - | - | - | - |

For information purposes only

F. LEVERAGE RATIO IMPACT OF THE COMPREHENSIVE ASSESSMENT

Note:

- Note that the leverage ratio is calculated based on the COMMISSION DELEGATED REGULATION (EU) 2015/62 of 10 October 2014 amending Regulation (EU) No 575/2013 of the European Parliament and of the Council
- It is not binding based on the current regulatory framework, is displayed for information purposes only and has no impact on the capital shortfall (B11).
- As the constant balance sheet assumption, which is applied in the Stress Test, might be misleading for the leverage ratio, the ratio is displayed for AQR only.

| | | | |
|----|---|--------------|-------|
| F1 | Leverage Ratio at year end 2018 <i>Please refer to Definitions and Explanations sheet</i> F1 = A9 | % | 12.8% |
| F2 | Aggregated adjustments to Leverage Ratio due to the outcome of the AQR F2 = (D20+D21+D22+D23)/A5 | Basis Points | -774 |
| F3 | AQR adjusted Leverage Ratio F3 = F1 + F2 | % | 5.0% |

| DEFINITIONS & EXPLANATIONS | | |
|---|---|--|
| Reference | Name | Definition or further explanation |
| A. MAIN INFORMATION ON THE BANK BEFORE THE COMPREHENSIVE ASSESSMENT (end 2018) | | |
| A1 | Total Assets (based on prudential scope of consolidation) | Sum of on balance positions. Note that for this and all following positions the scope of consolidation follows Article 18 CRR (therefore direct comparison with financial accounts based on accounting scope of consolidation will result in differences). Year-end 2018. |
| A2 | Net (+) Profit/ (-) Loss of 2018 (based on prudential scope of consolidation) | Net profits (positive number) or net losses (negative number) in the year 2018. After taxes. Excludes Other Comprehensive Income. The scope of consolidation follows Article 18 CRR (therefore direct comparison with financial accounts based on accounting scope of consolidation will result in differences). |
| A3 | Common Equity Tier 1 Capital | At year-end 2018, according to CRD IV/CRR definition (Article 50 CRR) including transitional arrangements as of 31.12.2018. |
| A4 | Total risk exposure | According to CRD IV/CRR definition (Article 92.3 CRR), "total RWA", as of year-end 2018 including transitional arrangements as of 31.12.2018. |
| A5 | Total exposure measure used in leverage ratio | Denominator of leverage ratio (A9), "leverage exposure", according to COMMISSION DELEGATED REGULATION (EU) 2015/62 of 10 October 2014 amending Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to the leverage ratio. |
| A6 | CET1 ratio | A6=A3/A4, Article 92.2a CRR, figures as of year-end 2018. |
| A9 | Leverage ratio at year end 2018 | Leverage ratio at year-end 2018 according to COMMISSION DELEGATED REGULATION (EU) 2015/62 of 10 October 2014 amending Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to the leverage ratio |
| A10 | Non-performing exposures ratio | Numerator: Exposure that is non-performing according to NPE definition set forth in the EBA final draft ITS on supervisory reporting on forbearance and non-performing exposures under Article 99(4) of Regulation (EU) No 575/2013. Note that all exposures classified as 'Stage 3' under the IFRS 9 impairment model are considered NPE for the purposes of CA following the above definition. Denominator: Total exposure (performing and non-performing), book value plus off-balance exposure weighted by Credit Conversion Factor. As of year-end 2018 and total of consolidated bank. |
| A11 | Coverage ratio for non-performing exposure | Numerator: Loss allowances for expected credit losses as per IFRS9(5.5) Denominator: Non-performing exposure (numerator of A10) As of year-end 2018 and total of consolidated bank. |
| A12 | Level 3 instruments on total assets | Level 3 assets according to IFRS 13, para. 88-90 Not defined for banks using nGAAP. Total assets = A1 |
| B. MAIN RESULTS OF THE COMPREHENSIVE ASSESSMENT (CA) | | |
| B1 | CET1 Ratio | B1=A6 |
| B2 | Aggregated adjustments due to the outcome of the AQR | Sum of all AQR results impacting the CET1 ratio. A breakdown is provided in the sheet "Detailed AQR Results". In basis points, marginal effect. |
| B3 | AQR adjusted CET1 Ratio | B3 = B1 + B2 based on year-end 2018 figures and CRD IV/CRR definition including transitional arrangements as of 31.12.2018. |
| B4 | Aggregate adjustments due to the outcome of the baseline scenario of the Stress Test | Additional adjustments due to Baseline Scenario to lowest capital level over the 3-year period. |
| B5 | Adjusted CET1 Ratio after Baseline Scenario | B5= B4 + B3 Note that this is an estimate of the outcome of a hypothetical scenario and refers to a future point in time. It should not be confused with the bank's forecast or multi-year plan. |
| B6 | Aggregate adjustments due to the outcome of the adverse scenario of the Stress Test | Additional adjustments due to Adverse Scenario to lowest capital level over the 3-year period, i.e. the one resulting in the lowest hypothetical CET1 ratio in the three year-ends (YE2016, YE2017, YE2018) considered. |
| B7 | Adjusted CET1 Ratio after Adverse Scenario | B7 = B5 + B6 Note that this is an estimate of the outcome of an adverse hypothetical scenario and refers to a future point in time. It should not be confused with the bank's forecast or multi-year plan. |
| B8 | Shortfall to threshold of 8% for AQR adjusted CET1 Ratio | B8 = (B - B3) * 100 (if B3>8, otherwise 0) |
| B9 | Shortfall to threshold of 8% in Baseline Scenario | B9 = (B - B5) * 100 (if B5<8, otherwise 0) |
| B10 | Shortfall to threshold of 5.5% in Adverse Scenario | B10 = (5.5 - B7) * 100 (if B7<5.5, otherwise 0) |
| B11 | Aggregated Capital Shortfall of the Comprehensive Assessment | B11 = max (B8, B9, B10) |
| C. Memorandum Items | | |
| C1 | Raising of capital instruments eligible as CET1 capital (+) | Changes to CET1 due to new issuances of common equity |
| C2 | Repayment of CET1 capital, buybacks (-) | Changes to CET1 due to repayment or reduction of CET1 (i.e. buybacks). |
| C3 | Conversion to CET1 of existing hybrid instruments (+) | Changes to CET1 due to conversion of existing hybrid instruments into CET1 which took place between 1 January 2019 and 30 June 2019. |
| C4 | Net Issuance of Additional Tier 1 Instruments with a trigger at or above 5.5% and below 6% | Net issuance of AT1 Instruments (Article 52 CRR) with a trigger at or above 5.5% and below 6% between 1 January 2019 and 30 June 2019, expressed in terms of RWA. AT1 instruments which have been converted into CET1 are not to be accounted for in this cell to avoid double counting with C3. |
| C5 | Net Issuance of Additional Tier 1 Instruments with a trigger at or above 6% and below 7% | Net issuance of AT1 Instruments (Article 52 CRR) with a trigger at or above 6% and below 7% between 1 January 2019 and 30 June 2019, expressed in terms of RWA. AT1 instruments which have been converted into CET1 are not to be accounted for in this cell to avoid double counting with C3. |
| C6 | Net Issuance of Additional Tier 1 Instruments with a trigger at or above 7% | Net issuance of AT1 Instruments (Article 52 CRR) with a trigger at or above 7% CET1 between 1 January 2019 and 30 June 2019, expressed in terms of RWA. AT1 instruments which have been converted into CET1 are not to be accounted for in this cell to avoid double counting with C3. |
| C7 | Incurred fines/litigation costs from January to September 2016 (net of provisions) | Incurred fines/litigation costs from 1 January 2019 to 30 June 2019 (net of provisions). Only litigation costs with a realized loss > 1 Basis Point of CET1 (as of 1.1.2019) are in scope. |
| D. Matrix Breakdown of AQR Result | | |
| Asset class | Corporates | Asset class is an aggregated of the AQR sub-asset classes Project finance, Shipping, Aviation, Commercial real estate (CRE), Other real estate, Large corporates (non real estate) and Large SME (non real estate). |
| D.A | Credit Risk RWA year end 2018 | Total credit risk weighted assets including off balance sheet items. |
| D.B | Portfolio selected | Indication of the fraction of the overall RWA per asset class that was selected in Phase 1 of the AQR. |
| D.C | Adjustments to provisions on sampled files | Amount of adjustments to specific provisions on the credit file samples. This includes all files from the single credit file review. |
| D.D | Adjustments to provisions due to projection of findings | Amount of adjustments to specific provisions based on the projection of findings of the credit file review to the wider portfolio (negative numbers). |
| D.E | Adjustment to provisions due to collective provisioning review | Amount of adjustments to collective provisions as determined based on the challenger model in cases where the bank's collective provisioning model is found to be out of line with the standards expressed in the AQR Manual. |
| D.F | Adjustments on CET1 before offsetting impact | Gross amount of the aggregated adjustments disclosed in D.C - D.E before the offsetting impact of risk protection and tax (negative numbers). |
| D.G | Portfolio size Carrying Amount | Portfolio size - Carrying Amount |
| D.H | Portfolio selection | Indication of the carrying amount (gross mark-to-market as of year-end 2018, before AQR adjustment) of positions that have been reviewed by Bank Team divided by total carrying amount (gross mark-to-market as of year-end 2018, before AQR adjustment and before PP&A) for this asset class. |
| D.I | Adjustments on CET1 before offsetting impact | Amount of adjustments resulting from: - CVA Challenger model (D11), - the different components of the fair value exposures review (D13-D19), as well as the fair value review as a whole (D12). |
| D10 | Additional information on portfolios with largest adjustments accounting for (at least) 30% of total banking book AQR adjustment. | This breakdown is omitted where the overall AQR impact (B2) is less than 10 basis points CET1 and single rows are omitted where they have an impact of less than 1 basis point CET1. Note this adjustment is already reflected in the asset class break down of D1 to D9 and displayed here only on a more granular level. |
| D11 | CVA | Adjustments resulting from CVA challenger model. CVA see Article 383 CRR CVA, calculated as the market loss-given-default multiplied by the sum of expected losses at each point in time. The expected loss at each point in time i is calculated as the product of the PD factor at that point in time and the Exposure factor at that point in time. |
| D12 | Adjustments to fair value assets in the banking and trading book | Aggregated adjustment from the Fair Value Exposures Review, excluding the adjustment to CVA (D11) and AVA (D20). |
| D13 | Non derivative exposures review | This includes changes in scope of exposure following PP&A. Note that this includes fair valued real estate positions. |
| D19 | Derivative Model Review | Adjustments to reserves resulting from the Derivative Pricing Model Review. |
| D20 | Gross impact on capital | Sum of D.F1, D.I.11, D.I.12 and D.I.20 Gross amount of the aggregated CET1 adjustment based on the AQR before offsetting impact of asset protection, insurance, tax (negative number) and IFRS9 transitional arrangements. |
| D21 | Offsetting impact due to risk protection | Aggregated estimated impact of asset protection schemes (e.g. portfolio guarantees) and insurance effects that may apply to applicable portfolios (positive number). |
| D22 | Offsetting tax impact | The offsetting tax impact includes the assumed creation of DTAs, which accounts for limitations imposed by accounting rules. Appropriate CRR IV DTA deductions are made for any tax offsets. |
| D23 | Offsetting IFRS9 transitional arrangement impact | Includes the offsetting impact of transitional arrangements for mitigating the impact of the introduction of IFRS 9 as per Regulation (EU) 2017/2395 of the European Parliament and of the Council of 12 December 2017. Calculated as per AQR Manual Chapter 9.5. |
| D24 | Net total impact of AQR results on CET1 | Net amount of the aggregated CET1 adjustment based on the AQR after offsetting impact of risk protection, tax and IFRS9 transitional arrangements. Same the impact from D20, D21, D22 and D23. |
| E. Matrix Breakdown of Asset Quality Indicators | | |
| The asset quality indicators are based on NPE according to EBA definition (see Section 2.4.4. of the AQR Phase 2 manual): - NPE definition in line with the EBA definition set forth in the EBA final draft ITS on supervisory reporting on forbearance and non-performing exposures under Article 99(4) of Regulation (EU) No 575/2013. - According to paragraph 145 of Annex V of the EBA ITS on supervisory reporting, NPEs are those that satisfy either or both of the following criteria: - material exposures which are more than 90 days past due; - the debtor is assessed as unlikely to pay its credit obligations in full without realisation of collateral, regardless of the existence of any past-due amount or of the number of days past due. The definition of NPEs is therefore based on the "past due" criterion and the "unlikely to pay" criterion. Note that all debtors classified as Stage 3 by the bank are also considered NPE following the above definition. The figures presented should not be understood as accounting figures. | | |
| E.A | Unadjusted NPE Level year end 2018 | Total NPE for all portfolios in-scope for detailed review during the AQR. Expressed as a percentage of Total Exposure for these portfolios. |
| E.B | Changes due to the single credit file review | Exposure re-classified from performing to non-performing according to the CFR classification review. |
| E.C | Changes due to the projection of findings | Exposure re-classified from performing to non-performing according to the projection of findings. |
| E.D | AQR - adjusted NPE level | Numerator: Exposure reported by the bank as non-performing according to the EBA NPE definition (see AQR Phase 2 Manual Section 2.4.4. and explanation for A10 above) at year end 2018 + Exposure re-classified from performing to non-performing according to the CFR classification review and projection of findings. Denominator: Total exposure (performing and non-performing). Same exposure definition as above. |
| E.E | Unadjusted coverage ratio of non-performing exposure, year end 2018 | Specific provisions divided by non-performing exposure for portfolios in-scope for detailed review in the AQR. NPE used is that set of exposures which were originally marked as NPE pre-AQR. |
| E.F | Changes due to the single credit file review | Amount of adjustments to provisions based on single credit file review. |
| E.G | Changes due to the projection of findings | Amount of adjustments to provisions based on the projection of findings of the credit file review to the wider portfolio. |
| E.H | Changes due to the collective provisioning review on non-performing exposures | Amount of adjustments to collective provisions as determined based on the challenger model in cases where the bank's collective provisioning model is found to be out of line with the standards expressed in the AQR manual. |
| E.I | AQR - adjusted ratio of provisions on NPE to NPE | Coverage ratio adjusted for AQR findings. |
| E.J | Coverage ratio for exposures newly classified as NPE during the AQR | Additional provisions specified for exposure newly classified as non-performing during the AQR. |
| F. LEVERAGE RATIO IMPACT OF THE COMPREHENSIVE ASSESSMENT | | |
| F1 | Leverage Ratio at year end 2018 | See A9 above |
| F2 | Aggregated adjustments due to the outcome of the AQR | Adjustments to the leverage ratio based on all quantitative AQR adjustments affecting its components. |
| F3 | AQR adjusted Leverage Ratio | Leverage ratio as at December 2018, incorporating all quantitative AQR adjustments to capital. Leverage ratio definition based on CRR Article 429 as of September 2014. |