INDEX – Triodos Bank – Half Year Report 2018 – Pillar 3 disclosures

About the Pillar 3 report

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

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

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

Triodos Bank does not omit the disclosure of any required information for proprietary or confidentiality reasons.

Materiality boundaries are used in the geographical and sector reports, where only the largest countries and sectors are reported.

Small differences are possible due to rounding.

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Key prudential regulatory metrics

amounts in thousands of EUR	Q2 2018	Q4 2017	Q4 2016
Available capital (amounts)			
Common Equity Tier 1 (CET1)	974,954	937,068	839,428
Tier 1	974,954	937,068	839,428
Total capital	974,954	937,068	839,428
Risk-weighted assets (amounts)			
Total risk-weighted assets (RWA)	5,340,462	4,880,465	4,368,513
Risk-based capital ratio's as a percentage of RWA			
Common Equity Tier 1 ratio	18.3%	19.2%	19.2%
Tier 1 ratio	18.3%	19.2%	19.2%
Total capital ratio	18.3%	19.2%	19.2%
Additional CET1 buffer requirements as a percentage op RWA			
Capital conservation buffer requirement (2,5% from 2019)	1.9%	1.3%	0.6%
Countercyclical buffer requirement	0.000065%	0.000072%	0.000065%
Total of bank CET1 specific buffer requirements	1.9%	1.3%	0.6%
CET1 available after meeting the bank's minimum capital requirements	8.4%	10.0%	10.6%
Liquidity Coverage Ratio			
Total High Quality Liquid Assets	2,208,325	2,162,159	1,886,573
Total net cash outflow	970,890	962,502	589,855
Liquidity Coverage Ratio (%)	227%	225%	320%
Net Stable Funding Ratio			
Total available stable funding	8,556,472	8,213,283	7,501,340
Total required stable funding	5,965,087	5,736,168	5,027,274
Net Stable Funding Ratio (%)	143%	143%	149%

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Own funds

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

in thousands of EUR	Q2 2018		2017	
The tier 1 capital, tier 2 capital and total capital can be specified as follows:	Amount at disclosure date	Residual amount not deducted from capital	Amount at disclosure date	Residual amount not deducted from capital
Capital instruments and the related share premium accounts of which: ordinary shares	820,967		782,208	
Contingent facility to purchase own CET1 instruments	–28,199		–	
Retained earnings[1]	196,087		–	
Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	28,935		193,292	
Independently reviewed interim profits net of any foreseeable charge or dividend[1]	–		–	
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**1,017,790**		**975,500**	
Additional value adjustments	–1,110		–1,887	
Intangible assets (net of related tax liability)	–32,549		–28,929	
Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in CRR Article 38 (3) are met)	–9,177	-	–7,380	–1,845
Regulatory adjustments relating to unrealised gains and losses pursuant to CRR Articles 467 and 468	-		–237	
Of which: adjustment for unrealised gains on participating interests	-		–237	
Of which: adjustment for unrealised gains on property	-		-	
Total regulatory adjustments to Common Equity Tier 1 (CET1)	**–42,836**		**–38,433**	
Common Equity Tier 1 (CET1) capital	**974,954**		**937,068**	
Additional Tier 1 (AT1) capital	**–**		**–**	
Tier 1 capital (T1 = CET1 + AT1)	**974,954**		**937,068**	
Capital instruments and the related share premium accounts[2]	-		-	
Tier 2 (T2) capital before regulatory adjustments	**-**		**-**	
Tier 2 (T2) capital	**-**		**-**	
Total capital (TC = T1 + T2)	**974,954**		**937,068**	
Total risk weighted assets	**5,340,462**		**4,880,465**	
Capital ratios and buffers				
Common Equity Tier 1 (as a percentage of risk exposure amount)	18.3%		19.2%	
Tier 1 (as a percentage of risk exposure amount)	18.3%		19.2%	
Total capital (as a percentage of risk exposure amount)	18.3%		19.2%	
Institution specific buffer requirement (CET1 requirement in accordance with CRR article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	1.9%		1.3%	
of which: capital conservation buffer requirement	1.9%		1.3%	
of which: countercyclical buffer requirement	0.000065%		0.000072%	
Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	8.4%		10.0%	

Amounts below the thresholds for deduction (before risk weighting)		
Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold)	12,587	3,295
Direct and indirect holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold)	-	7,278
Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	1,907	1,829

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

Overview of Risk Weighted Assets

in thousands of EUR	Risk Weighted Assets Q2 2018	Risk Weighted Assets Q4 2017	Minimum capital requirements Q2 2018
Credit risk (excluding Counterparty Credit Risk)	4,917,209	4,454,363	486,810
Of which the standardised approach	4,917,209	4,454,363	486,810
Counterparty Credit Risk	4,823	7,671	386
Of which CVA	4,823	7,671	386
Market risk	–	–	–
Operational risk	418,431	418,431	41,425
Of which the basic indicator approach	418,431	418,431	41,425
Amounts below the thresholds for deduction (subject to 250% risk weight)	–	–	–
Total	**5,340,462**	**4,880,465**	**528,621**

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Liquidity coverage ratio, quantitative information

Q2 2018 in thousands of EUR	Total adjusted value 31.03.2018	30.06.2018
Liquidity buffer	2,126,680	2,208,325
Total net cash outflows	953,285	970,890
Liquidity coverage ratio (%)	223%	227%

2017 **in thousands of EUR**	Total adjusted value 31.03.2017	30.06.2017	30.09.2017	31.12.2017
Liquidity buffer	1,988,356	1,941,938	1,827,503	2,162,159
Total net cash outflows	656,350	756,320	913,062	962,502
Liquidity coverage ratio (%)	303%	257%	200%	225%

Net stable funding ratio, quantitative information

Q2 2018 **in thousands of EUR**	Unweighted value by residual maturity < 6 months	6 months to < 1 year	>= 1 year	Weighted value
Available stable funding	8,446,909	323,945	1,542,703	8,556,472
Required stable funding	5,616,973	712,578	9,425,460	5,965,087
Net stable funding ratio				**143%**

2017 in thousands of EUR	Unweighted value by residual maturity < 6 months	6 months to < 1 year	>= 1 year	Weighted value
Available stable funding	7,983,173	323,447	1,529,969	8,213,283
Required stable funding	4,008,224	527,191	6,585,512	5,736,168
Net stable funding ratio				**143%**