European Merchant Bank UAB

Risk Management and Capital Adequacy Disclosure Report 2020

Contents

I. INTRODUCTION

European Merchant Bank (further – the Bank) is a specialized Bank established in Lithuania that is focusing on innovative international financial services. Bank's mission is to provide its customers with payment-related products and the knowledge that fulfils their wants and needs at the right price and to allow underfunded SMEs to access the real mid-market interest rates any time they need on a customer-friendly platform. The priority crediting targets of the Bank included the development of micro, small and medium sized business entities, and in the future – private individuals.

Risk Management and Capital Adequacy Disclosure report is prepared according to EU regulation no 575/2013 (further – CRR) Part Eight, European Commission implementing regulations as well as European Banking Authorities guidelines No EBA/GL/2016/11. This report is part of capital adequacy framework requiring to disclose comprehensive information about European Merchant Bank's risks, risk management policies and associated capital.

II. GENERAL INFORMATION OF RISK MANAGEMENT, OBJECTIVES AND POLICIES

Management of risk is essential element of the Bank's day-to-day operation and strategic management process. All staff members of the Bank are directly involved in general risk management system of the Bank.

Risk management process involves risk assessment, on-going monitoring of risks factors and implementation of preventive measures for risk mitigation. Exposure to risk is limited by applying internal limit system, monitoring key risk indicators; risk management is based on the principle of independence within the Bank's structural units/employees where there is a clear segregation of functions and definition of responsibilities for each employee.

The effectiveness of risk management system is reviewed at least once a year by assessing the operation experience based on the best practice and analyzing potential impact of market changes on performance, also internal and external auditor's insights, and recommendations.

Following Bank Risk Management Strategy and based on Bank's business plan, initial risk assessment, the Bank distinguishes the following significant risks:

- Money laundering and terrorist financing (AML and CTF) risk
- Credit risk
  - Settlement risk
  - Concentration risk
  - Counterparty risk
- Market risk
  - Interest rate risk
  - Trading risk
  - Currency risk
- Liquidity risk
  - Refinancing risk
  - Concentration risk

- Operational risk
    - Fraud risk
    - IT, IS security risks
    - Reputational risk
- Compliance risk;
    - Compliance risk

Bank evaluates these categories of risks to be the main focus of the Bank.

- Money Laundering and Terrorist Financing risk is defined as the likelihood or probability that the business will unwittingly engage in money laundering or financing of terrorism.
- Credit risk is defined as the risk that a counterparty, the borrower, fails to meet contractual obligations to the Bank and the risk that collateral will not cover the claim. Credit risk also includes counterparty risk, concentration risk and settlement risk. Credit exposures arise principally in lending activities and it is considered as the most significant risk in the Bank's activities. Settlement risk is a risk of loss when the Bank pays, but the underlined financial instruments or the funds are not delivered to the Bank by the counterparty in time. Settlement failures can arise from counterparty default, operational problems, market liquidity constraints and other factors.
- Market risk is defined as the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables, such as interest rates, foreign exchange rates and equity prices.
- Liquidity risk is defined as the risk that the Bank is unable to meet its financial obligations in time or that it will not manage to receive financial resources during a short time by borrowing or selling the assets.
- Operational risk is defined as the risk of losses resulting from inadequate or failed internal processes or procedures, human error, system failure or external events. The definition includes legal risk, and information security risk.
- Compliance risk is defined as is the threat posed to a company's financial, organizational, or reputational standing resulting from violations of laws, regulations, codes of conduct, or organizational standards of practice.

III. MONEY LAUNDERING AND TERRORIST FINANCING RISK MANAGEMENT

The Bank has implemented money laundering and terrorist financing prevention policy to comply with the legislation of the Republic of Lithuania and international legislation.

Bank does not accept any business relationship with a designated person, group, and entity subject to financial sanctions, other restrictions are described in Anti-money Laundering, Counter Terrorist Financing, and International Sanctions Risk Appetite Statement.

In order to comply with financial sanctions regulations, Bank verifies the identity the customers. Bank strives for strict control environment with low error rates for due diligence after applying internal controls.

Bank will take all relevant steps to reduce the provision of products and services to natural persons and/or legal entities when there is a reason to suspect that the natural person and/or the legal entity may use the Bank's products and/or services for Money Laundering and/or Terrorist Financing.

Bank's AML and terrorist financing prevention policy includes the following:

- Know Your Customer procedures
- customer identification and verification
- monitoring of the financial transactions performed by customers
- identification of suspicious transactions and termination hereof
- keeping of information about transactions performed by customers and register handling
- providing timely information to the Bank staff and training
- internal control

During the customer identification process, Bank applies a risk-based approach towards the collection, registration, and monitoring of information in relation to the nature and intent of the customer relationship. The data gathering, which is conducted to meet the abovementioned requirements, forms the baseline for transaction monitoring and constitutes a foundation of the AML, CTF and financial sanctions risk scoring model.

The Bank is following strict ethical and moral norms and to work with those clients whose funds and assets are reasonable and whose legitimacy is not doubtful. AML and Compliance officers bear responsibility for the establishment and compliance with the AML related regulations.

IV. CREDIT RISK MANAGEMENT

The management of the credit risk is generally regulated by the Credit Risk Management Strategy, Credit Risk Management Policy, Credit Risk Management Appetite and Credit Decisions Making and Authorization Policy. These documents specify the principles allowing the Bank to reduce the incurred credit risk to acceptable level. The documents set guidelines for the following:

- lending strategy and policy: sound, clear and well-defined credit granting criteria are established, setting out who is eligible for credit and for how much, what types of credit are available, and under what terms and conditions the credits should be granted
- credit risk evaluation process
- credit risk limit control
- credit administration controls operations with adequate segregation of duties, including monitoring and documentation, supervising of contractual requirements, legal covenants, collateral
- credit decisions making and authorization process including the functioning of Credit Committee
- expectation for regular reporting on credit risk management; internal control and internal audit of credit risk management; and
- other credit risk mitigation measures

The assessment of credit risk of the counterparty is based on the Bank's consideration of a customer's capability to fulfil his obligations, primarily whether the customer's cash flows will be sufficient to cover his credit liabilities to the Bank.

Collateral and other credit enhancement measures are deemed measures designated to reduce the Bank's losses in case of default of its customers. The amount and type of collateral required depends on an assessment of the credit risk of the counterparty.

Additionally, the Bank carries out regular credit risk management procedures and for that purpose uses an internal customer assessment system, based on which the Bank assigns ratings to its customers.

Risk concentration is managed by way of establishing acceptable risk management limits by maximum exposure amount to a single borrower and industry sectors.

Settlement exposures are subject to an adequate credit control process, including credit evaluation and review and determination of the maximum exposure the Bank is willing to take with a counterparty. Settlement risk appetite in the form of limits is set in Risk Management Limits document.

V. MARKET RISK MANAGEMENT

Interest rate risk management: banking book

An interest rate risk can arise because of the mismatch of re-evaluation possibility between the Bank's assets and liabilities. Bank determines interest rate risks arising from new products or activities and makes sure that the Bank implements procedures and control systems before launching new product, hedging or position strategy.

Cash flow interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. The Bank will take on exposure to the effects of fluctuations in the prevailing levels of market interest rates on both its fair value and cash flow risks.

The Bank's interest rate risk measurement system incorporates interest rate risk exposures arising from the full scope of a bank's activities, including both trading and non-trading sources, and assesses all material interest rate risk associated with a Bank's assets, liabilities, and off-balance-sheet positions.

The risk management is regulated by the Interest Rate Risk Management Policy which establish methods of and set up measures for risk management. This Policy defines that:

- the Bank observes the principle to avoid the speculation with future interest rates
- the risk size is evaluated applying a pattern of interest rate gap (GAP) and compliance with relative gap limits is monitored.

The impact of an increase / decrease of interest rates of 200 bps has been calculated and determined to have a minimal effect on equity of the Bank.

As a part of the regular ICAAP process, Bank periodically (at least yearly) performs assessments of the amount of the capital that should be adequate to hold against the level of the interest rate risk, as well as the stress testing exercise.

Interest rate risk management: liquidity book

The Bank pursues a conservative investment strategy and are to either keep deposited funds in correspondent account or aims to invest in short-term, safe, and highly liquid investment securities.

Interest rate risk is considered as the risk of loss or reduction of future net income following changes in interest rates, including price risk in connection with the sale of assets or closing of positions.

The impact of an increase / decrease of interest rates of 200 bps has been calculated in terms of:

- sensitivity of the assets to the interest rate changes in different buckets
- weighted-average time to maturity of assets

Currency risk management

The Bank does not engage in any speculative transactions through which it could expect to earn profit from the open currency positions after changes in currency rate.

The Bank monitors the foreign currency risk by calculating open currency position. Open currency position (OCP) will be equal to assets in the balance sheet and off-balance sheet less balance sheet and off-balance sheet liabilities in a single currency.

The Supervisory Board of the Bank approves and reviews on a regular basis the maximum limits set to the open currency positions at the level of the Bank. Risk Manager bears responsibility for the Bank's compliance with the Currency Exchange Risk Management Policy.

VI. LIQUIDITY RISK MANAGEMENT

The management of the liquidity risk is regulated by the Liquidity Risk Management Policy which specifies the principles allowing the Bank to reduce the incurred liquidity risk to acceptable level.

Liquidity risk is categorized into two risk types:

- Funding liquidity risk appears when the Bank cannot fulfil its payment obligations because of an inability to obtain new funding
- Market liquidity risk appears when the Bank is unable to sell or transform its Liquidity Buffer into available for disposal funds without significant losses.

For liquidity risk management, the Bank has established possible risk management scenarios, defined aforethought preventive measures for an adverse period, correctly assessed the risk level of the counterparty, ensure availability of reliable short-term financial resources for the Bank.

Liquidity risk management is treated as a field of great importance by the Bank's management. Day-to-day liquidity is ensured by monitoring changes in financial flows and making immediate decisions on balancing cash flows. Dynamics of liquidity ratios, long-term liquidity ratio forecasts based on probable scenarios are presented to Bank's Management Board at established time intervals.

The primary funding resources for the Bank are the shareholders capital or customers' deposits. Liquidity management involves setting the cost of funds for lending transactions. Planning deposit needs and loan disbursements is part of the liquidity management, too. The Bank carefully monitors and mitigates concentration of funding by diversifying customer deposits.

Treasury function ensures that liquidity risk is efficiently managed, and liquidity risk management framework corresponds to the level of liquidity risk acceptable for the Bank as set in the Liquidity Risk Appetite Statement, considering current and expected Bank's activities. Treasury is responsible for the intraday monitoring of liquidity and payment activity and for rebalancing the NOSTRO and Central Bank balances so that the Bank can meet all intraday liquidity needs, considering the time required for interbank transfers and respective cut-off times with counterparties and payment systems.

Applied LCR methodology allows to assess Bank's exposure to contingent liquidity events. Bank's activities are designed in such way, that in case of adverse shock, entity would be able to fill funding gaps between cash inflows and outflows at any time during the 30-day stress period with no restriction on the use of the liquidity generated. Internal standard requires the value of the ratio to be no lower than 150%.

VII. OPERATIONAL RISK MANAGEMENT

The management of the operational risk is regulated by the Operational Risk Management Policy which specifies the principles allowing the Bank to reduce the incurred operational risk to acceptable level.

The objective of operational risk is to achieve that operations of the Bank are organized in a way that is secure and able to guarantee a sustained process of services to the customers, effectively minimize possible future operational losses using appropriate means, and focus on operational risk prevention.

The Bank has developed the database of operational risk events registration, which accumulates historical data and allow forecasting sources of operational risk and preventing potential losses on a timely basis.

The Bank has zero tolerance for fraud and employee misconduct risks. It is managed by identifying, assessing, and managing these risks from all sources and supporting risk management initiatives by establishing anti-fraud culture and promoting full awareness throughout organization. Bank has implemented a defense-in-depth approach by instituting multi-layered controls covering people, processes, and technology, with each layer serving as a safety net for preceding layers. Possibility exist that fraud or employee misconduct cases are suspected, despite the anti-fraud culture and risk management initiatives. In these cases, investigation takes place that may lead to disciplinary actions.

New product risk assessment is part of the Bank's Operational risk management framework. It is one of the tools that Bank utilizes to mitigate the Strategy risk.

Risk Manager bears responsibility for the submission of the operational risk reports to the Managing Board. The reports include an overview of the operational risk cases identified during the quarter, efficiency of operational risk management measures.

Bank continually assess the existing policies, procedures, controls, and IT system and make necessary changes to be most effective in accordance with the risk-based approach. Bank applies risk identification, analysis, monitoring, and reporting.

At least once per year, the Bank performs an internal self-assessment relating to operational risk, which involves identification of risks inherent to operations of the Bank, definition of risk management measures and assessment of effectiveness of the measures implemented.

VIII. COMPLIANCE RISK MANAGEMENT

Bank has implemented Compliance Risk Management Policy according to the legislation of the Republic of Lithuania and international legislation.

Compliance risk is managed by:

- Regular review of Key Risk Indicators

- Risk Control Self-Assessment
- Data analysis
- Risk research on material and insights prepared by internal or external parties
- Identification of the areas of high risk, consolidation of compliance and creation of a common risk registry and map from this common registry to the applicable compliance requirements and policies (mapping of regulations)
- Making regulatory alerts and updates
- Involvement in the decision-making processes should ensure risk considerations are considered appropriately. However, accountability for the decisions taken should remain with the business and support units and ultimately the management body
- New product development should be aligned with Compliance Officer
- Regular training for all employees
- Control monitoring of operations
- When preparing or delegating a decision four eyes principle should be followed.

Bank does not tolerate any breach of the legal requirements that could threaten the reputation of company or damage the public trust and confidence in the financial system.

Bank maintains a zero tolerance for regulatory compliance risk. It aims to comply with all regulatory requirements and thus avoid all penalties and reputational loss. The Bank must ensure that it adopts all regulatory, legal and compliance requirements in a proportionate way that satisfies the requirements of the regimes in a pragmatic, cost effective fashion.

IX. QUANTITATIVE TABLES

Quantitative tables disclosed below are disclosed in accordance with EBA/GL/2016/11 and should be read in conjunction with Annual Financial Report for Y2020.

1	Issuer	European Merchant Bank, UAB 304559043
2	Unique identifier	
3	Governing law(s) of the instrument	Lithuanian Republic law
	Regulatory treatment	
4	Transitional CRR rules	Common Equity Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo
7	Instrument type (types to be specified by each jurisdiction	Ordinary shares
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	10,3 million EUR
9	Nominal amount of instrument	10,3 million EUR
9a	Issue price	The nominal value of a share is 1 euro
9b	Redemption price	N/A
10	Accounting classification	Shareholders' Equity
11	Original date of issuance	Year 2017
12	Perpeptual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons / dividends	
17	Fixed or floating dividend/coupon	N/A
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Discretionary
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Noncumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specifiy issuer of inctrument it converts into	N/A
30	Write-down future	No
31	If write-down, write-down triger(s)	N/A

1	Issuer	European Merchant Bank, UAB 304559043
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	No
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A

ARTICLE 437(1), No 1423/2013 - OWN FUNDS

		Amount, EUR
1	Capital instruments and the related share premium accounts	10 300 000
	of which: Instrument type 1	10 300 000
	of which: Instrument type 2	
	of which: Instrument type 3	
2	Retained earnings	-4 824 327
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	5 476 673
8	Intangible assets (net of related tax liability) (negative amount)	-818 165
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	-818 165
29	**Common Equity Tier 1 (CET1) capital**	4 657 508
58	**Tier 1 capital (T1 = CET1 + AT1)**	4 657 508
59	**Total capital (TC = T1 + T2)**	4 657 508
60	**Total risk weighted assets**	20 339 946
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	22,9%
62	Tier 1 (as a percentage of total risk exposure amount)	22,9%
63	Total capital (as a percentage of total risk exposure amount)	22,9%
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus systemically important institution buffer expressed as a percentage of risk exposure amount)	10,5%
65	of which: capital conservation buffer requirement	2,5%
66	of which: countercyclical buffer requirement	0,0%
67	of which: systemic risk buffer requirement	0,0%
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0,0%
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	12,4%

EU OV1 – Overview of RWAs

		RWAs		Minimum capital requirements
		2020.12.31	2020.09.30	2020.12.31
1	Credit risk (excluding CCR)	18 611 529	14 188 639	1 488 922
2	*of which the standardised approach*	18 611 529	14 188 639	1 488 922
3	*of which the foundation IRB (FIRB) approach*			
4	*of which the advanced IRB (AIRB) approach*			
5	*of which equity IRB under the simple risk-weighted approach or the IMA*			
6	CCR			
7	*of which mark to market*			
8	*of which original exposure*			
9	*of which the standardised approach*			
10	*of which internal modem method (IMM)*			
11	*of which risk exposure amount for contributions to the default fund of a CCP*			
12	*of which CVA*			
13	Settlement risk			
14	Securitisation exposures in the banking book (after the cap)			
15	*of which IRB approach*			
16	*of which IRB supervisory formula approach (SFA)*			
17	*of which internal assessment approach (IAA)*			
18	*of which the standardised approach*			
19	Market risk	101 742		8 139
20	*of which the standardised approach*	101 742		8 139
21	*of which IMA*			
22	Large exposures			
23	Operational risk	1 626 675	1 626 675	130 134
24	*of which basic indicator approach*	1 626 675	1 626 675	130 134
25	*of which standardised approach*			
26	*of which advanced measurement approach*			
27	Amounts below the thresholds for deduction (subject to 250% risk weight)			
28	Floor adjustment			
29	Total	20 339 946	15 815 314	1 627 195

EU CRB-B – Total and average net amount of exposures

		Net value of exposures at the end of the period	Average net exposures over the period
1	Central governments or central banks		
2	Institutions		
3	Corporates		
4	*of which: Specialised lending*		
5	*of which: SMEs*		
6	Retail		
7	*Secured by real estate property*		
8	*SMEs*		
9	*Non-SMEs*		
10	*Qualifying revolving*		
11	*Other retail*		
12	*SMEs*		
13	*Non-SMEs*		
14	*Equity*		
15	**Total IRB approach**	0	0
16	Central governments or central banks	21 896 720	7 806 980
17	Regional governments or local authorities		
18	Public sector entities		
19	Multilateral development banks		
20	International organisations		
21	Institutions	24 624 904	11 059 709
22	Corporates	3 613 076	2 178 470
23	*of which: SMEs*		
24	Retail		
25	*of which: SMEs*		
26	Secured by mortgages on immovable property		
27	*of which: SMEs*		
28	Exposures in default		
29	Items associated with particularly high risk		
30	Covered bonds		
31	Claims on institutions and corporates with a short-term credit assessment		
32	Collective investments undertaking		
33	Equity exposures		
34	Other exposures	663 360	707 945
35	**Total standardised approach**	**50 798 060**	**21 753 104**
36	**Total**	**50 798 060**	**21 753 104**

EU CRB-C – Geographical breakdown of exposures

		Lithuania	Turkey	Uzbekistan	Spain	United Kingdom	Denmark	Russia	**Total**
1	Central governments or central banks								
2	Institutions								
3	Corporates								
4	Retail								
5	Equity								
6	**Total IRB approach**	0	0	0	0	0	0	0	0
7	Central governments or central banks	21 896 720							**21 896 720**
8	Regional governments or local authorities								
9	Public sector entities								
10	Multilateral development banks								
11	International organisations								
12	Institutions	1 552 024	10 919 272	4 521 368	3 936 627	2 168 219	974 458	552 936	**24 624 904**
13	Corporates	2 613 076	1 000 000						**3 613 076**
14	Retail								
15	Secured by mortgages on immovable property								
16	Exposures in default								
17	Items associated with particularly high risk								
18	Covered bonds								

		Lithuania	Turkey	Uzbekistan	Spain	United Kingdom	Denmark	Russia	**Total**
19	Claims on institutions and corporates with a short-term credit assessment								
20	Collective investments undertaking								
21	Equity exposures								
22	Other exposures	663 360							663 360
23	**Total standardised approach**	**26 725 180**	**11 919 272**	**4 521 368**	**3 936 627**	**2 168 219**	**974 458**	**552 936**	**50 798 060**
24	**Total**	**26 725 180**	**11 919 272**	**4 521 368**	**3 936 627**	**2 168 219**	**974 458**	**552 936**	**50 798 060**

EU CRB-D – Concentration of exposures by industry or counterparty types

		Manufacturing	Construction	Transport and storage	Wholesale and retail trade	Financial services	Central Bank	Other Services	Other exposures	**Total**
1	Central governments or central banks									
2	Institutions									
3	Corporates									
4	Retail									
5	Equity									
6	**Total IRB approach**	0	0	0	0	0	0	0	0	0
7	Central governments or central banks									0
8	Regional governments or local authorities									0
9	Public sector entities									0
10	Multilateral development banks									0
11	International organisations									0
12	Institutions					24 624 904	21 896 720			**46 521 623**
13	Corporates	625 742	719 452	1 000 000	1 000 000			267 882		**3 613 076**
14	Retail									0
15	Secured by mortgages on immovable property									0
16	Exposures in default									0
17	Items associated with particularly high risk									0

		Manufacturing	Construction	Transport and storage	Wholesale and retail trade	Financial services	Central Bank	Other Services	Other exposures	**Total**
18	Covered bonds									**0**
19	Claims on institutions and corporates with a short-term credit assessment									**0**
20	Collective investments undertaking									**0**
21	Equity exposures									**0**
22	Other exposures								663 360	**663 360**
23	**Total standardised approach**	**625 742**	**719 452**	**1 000 000**	**1 000 000**	**24 624 904**	**21 896 720**	**267 882**	**663 360**	**50 798 060**
24	**Total**	**625 742**	**719 452**	**1 000 000**	**1 000 000**	**24 624 904**	**21 896 720**	**267 882**	**663 360**	**50 798 060**

EU CRB-E – Maturity of exposures

		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Central governments or central banks						
2	Institutions						
3	Corporates						
4	Retail						
5	Equity						
6	**Total IRB approach**	0	0	0	0	0	0
7	Central governments or central banks	21 896 720					**21 896 720**
8	Regional governments or local authorities						-
9	Public sector entities						-
10	Multilateral development banks						-
11	International organisations						-
12	Institutions	7 006 331	17 618 573				**24 624 904**
13	Corporates		584 000	2 790 742	238 334	0	**3 613 076**
14	Retail						-
15	Secured by mortgages on immovable property						-
16	Exposures in default						-
17	Items associated with particularly high risk						-
18	Covered bonds						-

		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
19	Claims on institutions and corporates with a short-term credit assessment						-
20	Collective investments undertaking						-
21	Equity exposures						-
22	Other exposures	663 360					663 360
23	**Total standardised approach**	29 566 410	18 202 573	2 790 742	238 335	0	50 798 060
24	**Total**	29 566 410	18 202 573	2 790 742	238 335	0	50 798 060

EU CR1-A – Credit quality of exposures by exposure class and instrument

		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	**Net values**
		Defaulted exposures	Non-defaulted exposures					
1	Central governments or central banks							
2	Institutions							
3	Corporates							
4	*of which: Specialised lending*							
5	*of which: SMEs*							
6	Retail							
7	*Secured by real estate property*							
8	*SMEs*							
9	*Non-SMEs*							
10	*Qualifying revolving*							
11	*Other retail*							
12	*SMEs*							
13	*Non-SMEs*							
14	*Equity*							
15	**Total IRB approach**	0	0	0	0	0	0	0
16	Central governments or central banks		21 896 720					**21 896 720**

		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	**Net values**
		Defaulted exposures	Non-defaulted exposures					
17	Regional governments or local authorities							
18	Public sector entities							
19	Multilateral development banks							
20	International organisations							
21	Institutions		24 624 904					**24 624 904**
22	Corporates		3 613 076					**3 613 076**
23	*of which: SMEs*		3 613 076					**3 613 076**
24	Retail							
25	*of which: SMEs*							
26	Secured by mortgages on immovable property							
27	*of which: SMEs*							
28	Exposures in default							
29	Items associated with particularly high risk							
30	Covered bonds							
31	Claims on institutions and corporates with a short-term credit assessment							

		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	**Net values**
		Defaulted exposures	Non-defaulted exposures					
32	Collective investments undertaking							
33	Equity exposures							
34	Other exposures		663 360					**663 360**
35	**Total standardised approach**	0	50 798 060	0	0	0	0	50 798 060
36	**Total**	0	50 798 060	0	0	0	0	50 798 060
37	*of which: Loans*							
38	*of which: Debt securities*							
39	*of which: Off-balance-sheet exposures*		530 000					530 000

EU CR1-B – Credit quality of exposures by industry or counterparty types

		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	Net values
		Defaulted exposures	Non-defaulted exposures					
1	Manufacturing		625 742					625 742
2	Construction		719 452					719 452
3	Transport and storage		1 000 000					1 000 000
4	Wholesale and retail trade		1 000 000					1 000 000
5	Financial services		24 624 904					24 624 904
6	Central Bank		21 896 720					21 896 720
7	Other Services		267 882					267 882
8	Other exposures		663 360					663 360
5	**Total**	0	50 798 060	0	0	0	0	50 798 060

EU CR1-C – Credit quality of exposures by geography

		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges of the period	**Net values**
		Defaulted exposures	Non-defaulted exposures					
1	Lithuania		26 725 180					**26 725 180**
2	Turkey		11 919 272					**11 919 272**
3	Uzbekistan		4 521 368					**4 521 368**
4	Spain		3 936 627					**3 936 627**
5	United Kingdom		2 168 219					**2 168 219**
6	Denmark		974 458					**974 458**
7	Russia		552 936					**552 936**
8	**Total**	**0**	**50 798 060**	**0**	**0**	**0**	**0**	**50 798 060**

EU CR3 – CRM techniques – Overview

		Exposures unsecured – Carrying amount	Exposures secured – Carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Total loans	3 613 076				
2	Total debt securities					
3	Other exposures	47 184 984				
4	**Total exposures**	**50 798 060**	0	0	0	0
5	Of which defaulted					

EU CR4 – Standardised approach – Credit risk exposure and CRM effects

		Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
	Exposure classes	On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWAs	RWA density
1	Central governments or central banks	21 896 720		21 896 720		0	0
2	Regional governments or local authorities						
3	Public sector entities						
4	Multilateral development banks						
5	International organisations						
6	Institutions	24 094 904	530 000	24 094 904	10 600	14 671 684	61%
7	Corporates	1 989 850	1 623 226	2 489 850	1 623 226	3 276 486	80%
8	Retail						
9	Secured by mortgages on immovable property						
10	Exposures in default						
11	Exposures associated with particularly high risk						
12	Covered bonds						
13	Claims on institutions and corporates with a short-term credit assessment						
14	Collective investments undertaking						
15	Equity						
16	Other items	663 360		663 360		663 360	100%
17	**Total**	**48 644 834**	**2 153 226**	**48 481 474**	**1 633 826**	**18 611 529**	**100%**

EU CR5 – Standardised approach

		Risk weight						Total
	Exposure classes	0%	2%	20%	50%	100%	150%	
1	Central governments or central banks	21 896 720						**21 896 720**
2	Regional governments or local authorities							**0**
3	Public sector entities							**0**
4	Multilateral development banks							**0**
5	International organisations							**0**
6	Institutions		530 000	15 748 096	1 000 267		7 346 541	**24 624 904**
7	Corporates				1 539 968	1 073 108	1 000 000	**3 613 076**
8	Retail							**0**
9	Secured by mortgages on immovable property							**0**
10	Exposures in default							**0**
11	Exposures associated with particularly high risk							**0**
12	Covered bonds							**0**
13	Claims on institutions and corporates with a short-term credit assessment							**0**
14	Collective investments undertaking							**0**
15	Equity							**0**
16	Other items					663 360		**663 360**
17	**Total**	**21 896 720**	**530 000**	**15 748 096**	**2 540 235**	**1 736 468**	**8 346 541**	**50 798 060**

REGULATION No. 2016/200

Table LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures
On balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	48 644 833
2	(Asset amounts deducted in determining Tier 1 capital)	-818 165
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)**	**47 826 668**
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin)	
5	Add-on amounts for PFE associated with all derivatives transactions (mark- to-market method)	
EU-5a	Exposure determined under Original Exposure Method	
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	
8	(Exempted CCP leg of client-cleared trade exposures)	
9	Adjusted effective notional amount of written credit derivatives	
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	
11	**Total derivatives exposures (sum of lines 4 to 10)**	

		CRR leverage ratio exposures
SFT exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	
14	Counterparty credit risk exposure for SFT assets	
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429b(4) and 222 of Regulation (EU) No 575/2013	
15	Agent transaction exposures	
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)	
16	Total securities financing transaction exposures (sum of lines 12 to 15a)	
Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	1 633 826
18	(Adjustments for conversion to credit equivalent amounts)	
19	**Other off-balance sheet exposures (sum of lines 17 and 18)**	1 633 826
Exempted exposures in accordance with Article 429(7) and (14) of Regulation (EU) No 575/2013 (on and off-balance sheet)		
EU-19a	(Intragroup exposures (solo basis) exempted in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off-balance sheet))	
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off-balance sheet))	
Capital and total exposure mesure		
20	Tier 1 capital	4 657 507
21	Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	49 460 494
Leverage ratio		
22	Leverage ratio	9,42%

		CRR leverage ratio exposures
Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) No 575/2013	

Table LRSpl: Splitup of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	48 644 833
EU-2	Trading book exposures	
EU-3	Banking book exposures, of which:	
EU-4	Covered bonds	
EU-5	Exposures treated as sovereigns	21 896 720
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	
EU-7	Institutions	24 094 903
EU-8	Secured by mortgages of immovable properties	
EU-9	Retail exposures	
EU-10	Corporate	1 989 850
EU-11	Exposures in default	
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	663 360