INDEX – Triodos Bank – Half Year Report 2020 – 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.
Small differences are possible due to rounding.

Key prudential regulatory metrics

amounts in thousands of EUR	30.06.2020	31.12.2019 *	31.12.2018 *
Available capital (amounts)			
Common Equity Tier 1 (CET1)	1,103,036	1,085,457	1,002,645
Tier 1	1,103,036	1,085,457	1,002,645
Total capital	1,103,036	1,085,457	1,002,645
Risk-weighted assets (amounts)			
Total risk-weighted assets (RWA)	5,611,763	6,093,088	5,770,220
Risk-based capital ratio's as a percentage of RWA			
Common Equity Tier 1 ratio	19.7%	17.8%	17.4%
Tier 1 ratio	19.7%	17.8%	17.4%
Total capital ratio	19.7%	17.8%	17.4%
Additional CET1 buffer requirements as a percentage op RWA			
Capital conservation buffer requirement (2,5% from 2019)	2.5%	2.5%	1.9%
Countercyclical buffer requirement	0.000555%	0.190448%	0.121152%
Total of bank CET1 specific buffer requirements	2.5%	2.7%	2.0%
CET1 available after meeting the bank's minimum capital requirements	11.7%	9.8%	9.4%
Leverage ratio			
Total leverage ratio exposure measure	13,618,992	12,761,896	11,693,165
Leverage ratio (%)	8.1%	8.5%	8.6%
Liquidity Coverage Ratio			
Total High Quality Liquid Assets	3,242,068	2,786,116	2,531,410
Total net cash outflow	1,579,537	1,186,149	1,108,847
Liquidity Coverage Ratio (%)	205%	235%	228%
Net Stable Funding Ratio			
Total available stable funding	10,650,733	10,030,898	8,978,436
Total required stable funding	7,441,220	7,079,877	6,162,707
Net Stable Funding Ratio (%)	143%	142%	146%

* For comparative purposes regarding the adoption of IFRS, prior year amounts have been adjusted. For further explanation see the 2019 Pro forma IFRS consolidated financial statements.

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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 The tier 1 capital, tier 2 capital and total capital can be specified as follows:	30.06.2020 Amount at disclosure date	* 31.12.2019 Amount at disclosure date
Capital instruments and the related share premium accounts of which: ordinary shares	924,164	918,714
Retained earnings **	241,205	203,772
Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	34,071	38,464
Independently reviewed interim profits net of any foreseeable charge or dividend	–	–
Common Equity Tier 1 (CET1) capital before regulatory adjustments	**1,199,440**	**1,160,951**
Additional value adjustments	–16,139	–3,990
Intangible assets (net of related tax liability)	–36,169	–35,502
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)	–8,096	–7,802
Direct and indirect holdings of own CET1 instruments (incl actual or contingent obligations to purchase own CET1 instruments)	–36,000	–28,200
Regulatory adjustments relating to unrealised gains and losses pursuant to CRR Articles 467 and 468	-	-
Of which: adjustment for unrealised gains on participating interests	-	-
Of which: adjustment for unrealised gains on property	-	-
Total regulatory adjustments to Common Equity Tier 1 (CET1)	**–96,404**	**–75,494**
Common Equity Tier 1 (CET1) capital	**1,103,036**	**1,085,457**
Additional Tier 1 (AT1) capital	**–**	**-**
Tier 1 capital (T1 = CET1 + AT1)	**1,103,036**	**1,085,457**
Capital instruments and the related share premium accounts	-	-
Tier 2 (T2) capital before regulatory adjustments	**-**	**-**
Tier 2 (T2) capital	**-**	**-**
Total capital (TC = T1 + T2)	**1,103,036**	**1,085,457**
Total risk weighted assets	**5,611,763**	**6,093,088**
Capital ratios and buffers		
Common Equity Tier 1 (as a percentage of risk exposure amount)	19.7%	17.8%
Tier 1 (as a percentage of risk exposure amount)	19.7%	17.8%
Total capital (as a percentage of risk exposure amount)	19.7%	17.8%
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)	2.5%	2.7%
of which: capital conservation buffer requirement	2.5%	2.5%
of which: countercyclical buffer requirement	0.0%	0.2%
Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	11.7%	9.8%

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)	11,227	15,706
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)	-	-
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)	12,147	9,238

*) For comparative purposes regarding the adoption of IFRS, prior year amounts have been adjusted. For further explanation see the 2019 Pro forma IFRS consolidated financial statements.

**) 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 30.06.2020	31.12.2019	Minimum capital requirements 30.06.2020
Credit risk (excluding Counterparty Credit Risk)	5,114,262	5,561,383	409,141
Of which the standardised approach	5,114,262	5,561,383	409,141
Counterparty Credit Risk	10,549	13,771	844
Of which mark to market	7,751	10,445	620
Of which CVA	2,798	3,326	224
Market risk	-	30,981.70	-
Operational risk	486,952	486,952	38,956
Of which the basic indicator approach	486,952	486,952	38,956
Credit risk of which amounts below the thresholds for deduction (subject to 100% or 250% risk weight)	41,596	34,686	3,328
Total	5,611,763	6,093,088	448,941

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Liquidity coverage ratio, quantitative information

2020 in thousands of EUR	Total adjusted value 30.06.2020	 31.03.2020
Liquidity buffer	3,242,068	2,953,128
Total net cash outflows	1,579,537	1,342,932
Liquidity coverage ratio	205%	220%

2019 in thousands of EUR	Total adjusted value 31.12.2019	 30.09.2019	 30.06.2019	 31.03.2019
Liquidity buffer	2,786,116	2,643,903	2,832,100	2,755,072
Total net cash outflows	1,186,149	1,333,493	1,306,370	1,281,486
Liquidity coverage ratio	235%	198%	217%	215%

Net stable funding ratio, quantitative information

2020 in thousands of EUR	Unweighted value by residual maturity < 6 months	 6 months to < 1 year	 >= 1 year	Weighted value
Available stable funding	10,913,570	237,381	1,709,900	10,650,733
Required stable funding	5,011,457	560,336	8,836,530	7,441,220
Net stable funding ratio				143%

2019 in thousands of EUR	Unweighted value by residual maturity < 6 months	 6 months to < 1 year	 >= 1 year	Weighted value
Available stable funding	10,041,568	293,795	1,618,047	10,030,898
Required stable funding	4,904,899	536,081	8,115,669	7,079,877
Net stable funding ratio				142%