

Amalgamation of POP Banks'

CAPITAL ADEQUACY REPORT

30 June 2022

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. The POP Bank Group's half-year financial report contains comparative information regarding the solvency and liquidity risk of the amalgamation of POP Banks.

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 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. 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.

TEMPLATE EU KM1 - KEY METRICS TEMPLATE

(EUR 1,000)		^a 30 Jun 2022	^c 31 Dec 2021	^e 30 Jun 2021
Available own funds (amounts)				
1	Common Equity Tier 1 (CET1) capital	555,823	529,733	527,837
2	Tier 1 capital	555,823	529,733	527,837
3	Total capital	555,823	529,733	527,837
Risk-weighted exposure amounts				
4	Total risk-weighted exposure amount	2,837,645	2,766,096	2,662,016
Capital ratios (as a percentage of risk-weighted exposure amount)				
5	Common Equity Tier 1 ratio (%)	19.5875 %	19.1509 %	19.8285 %
6	Tier 1 ratio (%)	19.5875 %	19.1509 %	19.8285 %
7	Total capital ratio (%)	19.5875 %	19.1509 %	19.8285 %
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)				
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.2500 %	1.2500 %	1.2500 %
EU 7b	of which: to be made up of CET1 capital (percentage points)	0.7031 %	0.7031 %	0.7031 %
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	0.9375 %	0.9375 %	0.9375 %
EU 7d	Total SREP own funds requirements (%)	9.2500 %	9.2500 %	9.2500 %
Combined buffer requirement (as a percentage of risk-weighted exposure amount)				
8	Capital conservation buffer (%)	2.5000 %	2.5000 %	2.5000 %
9	Institution specific countercyclical capital buffer (%)	0.0088 %	0.0053 %	0.0057 %
11	Combined buffer requirement (%)	2.5088 %	2.5053 %	2.5057 %
EU 11a	Overall capital requirements (%)	11.7588 %	11.7553 %	11.7557 %
12	CET1 available after meeting the total SREP own funds requirements (%) ¹⁾	10.3375 %	9.9009 %	10.5785 %
Leverage ratio				
13	Leverage ratio total exposure measure	5,721,979	5,445,616	5,357,666
14	Leverage ratio	9.7138 %	9.7277 %	9.8520 %
Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)				
EU 14c	Total SREP leverage ratio requirements (%)	3.0000 %	3.0000 %	3.0000 %
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)				
EU 14e	Overall leverage ratio requirements (%)	3.0000 %	3.0000 %	3.0000 %
Liquidity Coverage Ratio				
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	566,973	443,260	560,330
EU 16a	Cash outflows - Total weighted value	369,034	357,856	336,254
EU 16b	Cash inflows - Total weighted value	22,307	44,249	39,659
16	Total net cash outflows (adjusted value)	346,728	313,607	296,511
17	Liquidity coverage ratio (%)	163.5200 %	141.3426 %	189.0408 %
Net Stable Funding Ratio				
18	Total available stable funding	4,835,129	4,652,061	4,595,790
19	Total required stable funding	3,681,604	3,578,037	3,454,850
20	NSFR ratio (%)	131.3321 %	130.0200 %	133.0200 %

Rows EU 8a, EU 9a, 10, EU 10a, EU 14a, EU 14b, EU 14d and columns b and d are not presented in the template as they do not have a reportable.

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

