



Own Funds Disclosures 2015

The following table illustrate a reconciliation between the balance sheet in the audited financial statements and the regulatory capital items; in addition to information provided in the “Report and Consolidated Financial Statements for 2015” of RCB Bank Ltd and in accordance with the CRR Article 437 requirements.

	Financial Statements EUR000	Pillar III Disclosures EUR000	Variance EUR000
Own Funds Reconciliation			
Share Capital	18,471	18,471	-
Share Premium	120,600	120,600	-
Retained Earnings	388,721	249,306	(139,415)
Accumulated Other Comprehensive Income	84,816	75,346	(9,470)
Intangible Assets	(2,884)	(2,884)	-
Prudential Filters	-	(572)	(572)
Subordinated Loan	92,304	63,013	(29,291)
Total Own Funds	702,028	523,280	(178,748)

Variances in the reconciliation arise from retained earnings, which for regulatory purposes are not yet included in the Tier 1 capital, and from subordinated loan for which the eligible amount that can be included in the Tier 2 should be amortized according to CRR Article 64. Other differences come from the prudential filters according to CRR Article 34 and the accumulated other comprehensive income, which for regulatory purposes is created due to the translation of the capital instruments to the reporting currency.

The Transitional Own Funds Disclosures Template illustrated to the following table.

Transitional Own Funds Disclosure Template

	Amount EUR000
Common Equity Tier 1 (CET1) capital: instruments and reserves	
1 Capital instruments and the related share premium accounts	139.071
- of which: Instrument type 1 - Share Capital	18.471
- of which: Instrument type 2 - Share Premium	120.600
- of which: Instrument type 3	-
2 Retained earnings	249.306
3 Accumulated other comprehensive income (and other reserves)	75.346
3a Funds for general banking risk	-
4 Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	-
Public sector capital injections grandfathered until 1 January 2018	-
5 Minority interests (amount allowed in consolidated CET1)	-
5a Independently reviewed interim profits net of any foreseeable charge or dividend	-
6 Common Equity Tier 1 (CET1) capital before regulatory adjustments	463.723
Common Equity Tier 1 (CET1) capital: regulatory adjustments	
7 Additional value adjustments (negative amount)	-572
8 Intangible assets (net of related tax liability) (negative amount)	-2.884

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	Amount EUR000	
9	Empty set in the EU	-
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-
11	Fair value reserves related to gains or losses on cash flow hedges	-
12	Negative amounts resulting from the calculation of expected loss amounts	-
13	Any increase in equity that results from securitised assets (negative amount)	-
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-
15	Defined-benefit pension fund assets (negative amount)	-
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	-
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-
20	Empty set in the EU	-
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-
20b	- of which: qualifying holdings outside the financial sector (negative amount)	-
20c	- of which: securitisation positions (negative amount)	-
20d	- of which: free deliveries (negative amount)	-
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-
22	Amount exceeding the 15% threshold (negative amount)	-
23	- of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-
24	Empty set in the EU	-
25	- of which: deferred tax assets arising from temporary differences	-
25a	Losses for the current financial year (negative amount)	-
25b	Foreseeable tax charges relating to CET1 items (negative amount)	-
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment	-
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468	-
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required preCRR	-
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	-
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	- 3,456
29	Common Equity Tier 1 (CET1) capital	460.267
30-36	Additional Tier 1 (AT1) capital: instruments	-
37-42	Additional Tier 1 (AT1) capital: regulatory adjustments	-
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	-
44	Additional Tier 1(AT1) capital	-
45	Tier 1 capital (T1 = CET1 + AT1)	460.267
Tier 2 (T2) capital: instruments and provisions		
46	Capital instruments and the related share premium accounts	63.013
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	-
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-
49	- of which: instruments issued by subsidiaries subject to phase out	-
50	Credit risk adjustments	-
51	Tier 2 (T2) capital before regulatory adjustments	63.013

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Tier 2 (T2) capital: regulatory adjustments

52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-
54a	- of which new holdings not subject to transitional arrangements	-
54b	- of which holdings existing before 1 January 2013 and subject to transitional arrangements	-
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-
56	Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	-
56a	Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013	-
	- Of which items to be detailed line by line, e.g. Material net interim losses, intangibles, shortfall of provisions to expected losses etc	-
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013	-
	- Of which items to be detailed line by line, e.g. reciprocal cross holdings in at 1 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc	-
56c	Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre CRR	-
	- Of which: possible filter for unrealised losses	-
57	Total regulatory adjustments to Tier 2 (T2) capital	-
58	Tier 2 (T2) capital	63.013
59	Total capital (TC = T1 + T2)	523.280
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013(i.e. CRR residual amounts)	-
	- Of which: Items not deducted from CET1 (Regulation (EU) No 575/2013residual amounts) (items to be detailed line by line, e.g. Deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc)	-
	- Of which: Items not deducted from AT1 items (Regulation (EU) No 575/2013residual amounts) (items to be detailed line by line, e.g. Reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc)	-
	Items not deducted from T2 items (Regulation (EU) No 575/2013residual amounts) (items to be detailed line by line, e.g. Indirect holdings of own t2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc)	-
60	Total risk weighted assets	2.096.461

Capital ratios and buffers

61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	22.0%
62	Tier 1 (as a percentage of total risk exposure amount)	22.0%
63	Total capital (as a percentage of total risk exposure amount)	25.0%
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)	0.00%
65	- of which: capital conservation buffer requirement	-
66	- of which: countercyclical buffer requirement	-
67	- of which: systemic risk buffer requirement	-

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	Amount EUR000
67a	-
- of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	
68	0.00%
69	-
70	-
71	-
Amounts below the thresholds for deduction (before risk weighting)	
72	-
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 and net of eligible short positions)	
73	-
Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	
74	-
Empty set in the EU	
75	-
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)	
Applicable caps on the inclusion of provisions in Tier 2	
76	-
Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	
77	-
Cap on inclusion of credit risk adjustments in T2 under standardised approach	
78	-
Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	
79	-
Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)	
80	-
Current cap on CET1 instruments subject to phase out arrangements	
81	-
Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	
82	-
Current cap on AT1 instruments subject to phase out arrangements	
83	-
Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	
84	-
Current cap on T2 instruments subject to phase out arrangements	
85	-
Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	

The following table contains a description of the main features of the Common Equity Tier 1.

Capital Instruments main features template		Tier 1
1	Issuer	RCB Bank Ltd
2	Unique identifier	N/A
3	Governing law(s) of the instrument	Law of Cyprus
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	Consolidated and Solo
7	Instrument type	Ordinary Shares
8	Amount recognised in regulatory capital	€139 million
9	Nominal amount of instrument	€18.471 thousand
9a	Issue price	€1,71 nominal share
9b	Redemption price	N/A
10	Accounting classification	Shareholder's Equity
11	Original date of issuance	Multiple
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N/A

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		Tier 1
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	N/A
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	N/A
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	N/A
21	Existence of step up or other incentive to redeem	N/A
22	Noncumulative or cumulative	N/A
23 Convertible or 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, specify issuer of instrument it converts into	N/A
30 Write-down features		
31	If write-down, write-down trigger(s)	N/A
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)	N/A
36	Non-compliant transitioned features	N/A

The following table contains a description of the main features of the Tier 2 instrument.

Capital Instruments main features Template		Tier 2
1	Issuer	RCB Bank Ltd
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
3	Governing law(s) of the instrument	Cyprus Legislation
Regulatory treatment		
4	Transitional CRR rules	N/A
5	Post-transitional CRR rules	N/A
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Consolidated and Solo
7	Instrument type (types to be specified by each jurisdiction)	Tier 2 Capital
8	Amount recognised in regulatory capital (Currency in million, as of most recent reporting date)	US\$ 63 million
9	Nominal amount of instrument	US\$ 100 million
9a	Issue price	US\$ 100 million
9b	Redemption price	0
10	Accounting classification	Liabilities
11	Original date of issuance	06/06/2012
12	Perpetual or dated	Dated
13	Original maturity date	05/06/2019
14	Issuer call subject to prior supervisory approval	N/A
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	Fixed Interest
18	Coupon rate and any related index	7,07%
19	Existence of a dividend stopper	N/A
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory
21	Existence of step up or other incentive to redeem	N/A

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		Tier 2
22	Noncumulative or cumulative	N/A
23	Convertible or 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, specify issuer of instrument it converts into	N/A
30	Write-down features	N/A
31	If write-down, write-down trigger(s)	N/A
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)	N/A
36	Non-compliant transitioned features	N/A