

Financial information and information about management and control

Updated per March 2020

1 Introduction

Financial business activities generate a need for risk management. Being authorised to provide portfolio management, the alternative fund manager Pareto Alternative Investments (“PAI” or the “Company”) is also subject to the Pillar 3 disclosure obligations of the Capital Adequacy Regulations. As part of such disclosures, PAI will in this document disclose information on risk management objectives and policies, financial information concerning capital adequacy as well as on the Company’s remuneration policy. This report is intended to complement the financial information and capital adequacy information found in the annual report available on the website www.paretoai.no. Furthermore the report includes information about the Company’s Internal Capital Adequacy Assessment Process (Pillar 2).

This document is updated annually based on data per year end. The information contained in the document has not been audited by the Company’s auditor, as this is not a requirement, and does not constitute any form of financial statement. Note that the disclosures are limited to matters considered material. Information is considered material if its omission or misstatement could change or influence the assessment or decision of a user relying on that information for the purpose of making economic decisions

2 Overview of the capital adequacy requirements for PAI

As an AIFM also authorised to provide portfolio management, PAI must adhere to both the minimum capital requirements required by the Norwegian Act on Management of Alternative Funds (based on EU Directive 2011/61), as well as Norwegian regulation on capital adequacy (No: Kapitalkravforskriften).

2.1 Pillar 1 and AIFM specific requirements

The Pillar 1 requirements covers the calculation of risk weighted assets for credit- and counterparty risk, market risk and operational risk, capital buffers and minimum requirements as to own funds.

PAI shall have own funds at least equivalent to the highest of

- a) The sum of the requirement on initial capital of at least EUR 125,000 and an additional amount of own funds equivalent to 0.02 % of the AIFM’s total AUM above EUR 250 million (limited to a maximum amount in NOK equivalent to EUR 10 million), or
- b) 8 % of the basis for calculation of credit risk and market risk, or
- c) 25 % of the AIFM’s fixed costs in the preceding year.

With the addition of a capital buffer equivalent to 0.01 % of AUM for AIFs managed by PAI. This additional capital buffer is considered appropriate to cover potential liability risks arising from professional negligence.

2.2 Pillar 2

Pillar 2 is the Company’s own internal capital adequacy process which covers the consideration of whether addition capital is required in addition to the Pillar I risk calculations. This requires the Company to analyse the risks to the business and then consider whether the risks are mitigated to an appropriate standard. Where the Company considers the risks are not adequately mitigated then

capital should be allocated against those risks. Stress and scenario tests are conducted to ensure that the processes, strategies and systems are comprehensive and robust and that the allocation of capital is sufficient.

3 Group structure and services

PAI is an alternative investment fund manager under the supervision of the Financial Supervisory Authority of Norway. PAI is 100 % owned by Pareto AS, which in turn is 100 % owned (directly and indirectly) by Svein Støle (Norwegian natural person). Pareto AS owns several entities providing a wide range of financial services in ten countries.

PAI is authorised to

- manage alternative investments funds
- provide active portfolio management

and may provide the non-core services of

- reception and transmission of orders on behalf of clients in relation to one or more financial instruments
- investment advice
- safe-keeping and administration in relation to shares or units.

PAI focuses on illiquid investments in real assets across industries including real estate, infrastructure, shipping, offshore/oil services and renewables. The products offered by PAI comprises either equity or debt investments. The Company manages NOK 18.6 billion in assets on behalf of Norwegian and international institutions, as well as private investors. Currently PAI manages nine funds/mandates within real estate, shipping, offshore/oil services and private debt. PAI has established a branch office in Stockholm. PAI has 10 employees.

4 Internal control and risk management – an overview

The management of the Company falls under the auspices of the Board of Directors. The Board of Directors shall ensure that the activities of the Company are organised in a prudent manner, including all day-to-day management and internal control. Consequently, it is the responsibility of the Board of Directors to make sure that the internal controls of the Company provide adequate and systematic safeguards against material risks.

The Board of Directors has, against this background, prepared a set of instructions and procedures to ensure prudent operation and adequate control of the Company. All employees are obliged to understand and comply with the applicable internal instructions and procedures.

By internal controls are meant a process, initiated by the Board of Directors, and executed by the management and employees, to provide reasonable assurance that objectives will be met within the following areas:

- compliance with laws and regulations
- ensure updated and reliable internal and external reporting
- effective and efficient use of the Company's resources, hereunder prevent material loss
- ensure management of AIFs in compliance with prospectus/fund documents/mandate and applicable regulation.

The Chief Executive Officer is responsible for implementing risk management measures that contribute to achieving the objectives defined by the Board of Directors, including efficient management systems and internal control. Based on assessments of relevant risks, the Chief Executive Officer has established such control arrangements. The responsibility for risk management resides at all levels of the Company, from the Board and the Chief Executive Officer down through the organisation to each employee.

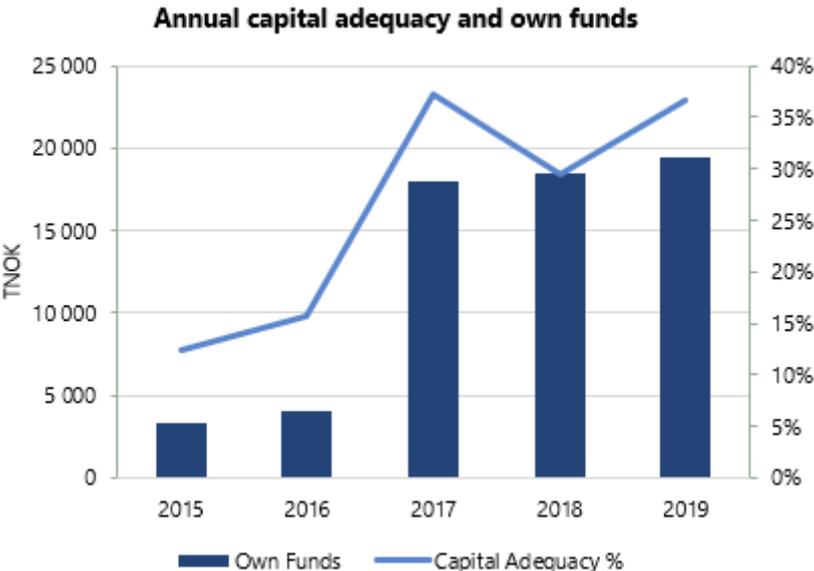
In PAI, the same person covers both the risk manager and the compliance function. This is considered sufficient taking into consideration the nature and complexity of PAI’s business. Both the risk/compliance function and the Chief Executive Officer report to the board of directors on a quarterly basis or whenever they deem it appropriate.

At least once annually, the Company undertake a review of all major risks for all business areas to assess whether the Company’s risks are handled in a prudent manner. The self-assessments of risks, risk management and internal control are conducted in order to identify the operational risks of the company by way of an identification of key risks, a risk assessment, and an evaluation of whether established control measures are adequate and work as intended or whether there is a need for establishing additional risk-reducing measures. The result of the self-assessment is reported to the Board of Directors. The report, which is subject to audit by internal audit, provides an overall assessment of the risk situation and the internal control in the Company.

The distribution of responsibilities for risk management and internal controls are based on the principles of the three lines of defence. The distribution of responsibilities is made operational through the business concept, objectives and strategies of the Company, the risk culture, authorisations, job descriptions, as well as internal instructions and procedures.

5 Own funds and capital adequacy – Pillar 1

The chart below shows development in own funds and capital adequacy for the period 2015-2019. The figures use filed reports per year end for each individual year.



5.1 Specification of own funds and capital adequacy

Below follows a specification of own funds and capital adequacy at Pillar 1 level for the Company as per 31 December 2019. The figures are as reported to the Financial Supervisory Authority of Norway. Amounts in thousands NOK.

Paid-up share capital	60
Share premium account	3 422
Other reserves	16 518
Deferred tax benefit	0
Intangible assets	-500
Tier one Capital	19 500
<hr/>	
Additional capital	0
Total capital	19 500
<hr/>	
Total risk weighted assets	53 092
<hr/>	
Capital Adequacy - Ratios	
CET1 Capital ratio	36,73 %
T1 Capital ratio	36,73 %
Total Capital ratio	36,73 %

Total capital disclosures are given in appendix 1 Own funds disclosure. Note that disclosure of contract terms for capital instruments is not applicable to PAI as the Company's total capital does not contain such instruments.

5.2 Pillar 1 requirements

PAI shall have own funds at least equivalent to the highest of

- The sum of the requirement on initial capital of at least EUR 125,000 (TNOK 1,480) and an additional amount of own funds equivalent to 0.02 % of the AIFM's total AUM above EUR 250 million (limited to a maximum amount in NOK equivalent to EUR 10 million) (TNOK 2,573), or
- 8 % of the basis for calculation of credit risk and market risk (TNOK 4,368), or
- 25 % of the AIFM's fixed costs in the preceding year (TNOK 3,535) (14,138,000 *0,25).

With the addition of a capital buffer equivalent to 0.01 % (TNOK 720) of AUM for AIFs managed by PAI. This additional capital buffer is considered appropriate to cover potential liability risks arising from professional negligence.

The minimum requirement to own funds equals TNOK 4,986 (4,266 + 720).

6 Pillar 2

6.1 Overview of the regulatory framework and assessment of internal capital under Pillar 2

Pillar 2 imposes requirements as to the self-assessment of the Company's risks and internal capital needs beyond those implied by Pillar 1, under the designation Internal Capital Adequacy Assessment Process ("ICAAP").

The purpose of the ICAAP is to ensure that the total own funds of the Company are commensurate with its business, risk profile and the strategy for maintaining sufficient own funds in the future. The ICAAP also provides a description of methods and controls used by the Company to manage risk. A

further objective is to describe long-term strategy, market factors and stress tests, including severe economic downturn lasting at least three years, that may influence future capital needs. The ICAAP is deliberated by senior management and audited by internal audit before it is adopted by the Board of Directors. The processes with regard to risk and capital management is carried out on an ongoing basis, and improvements and the development of risk management approaches take place continuously.

Under Pillar 2, the company calculates capital for all main types of risk assumed by the company through its activities, by way of a two-stage procedure:

- First, the minimum capital requirement is calculated by using the approaches adopted for the calculation of Pillar 1 requirements;
- next, capital is calculated for Pillar 2 by assessing (based on the business strategy, scenario analyses, stress tests etc.) the various types of risk to which the company is or may be exposed to, the costs or earnings effects that may be suffered on the basis thereof, and how much capital these might lay claim to that is not already sufficiently covered by the Pillar 1 capital requirements.

The Company's own funds shall be at a level that ensures that the Company maintains the necessary capital adequacy also in the event of revenue shortfall and/or unexpected loss followed by a long and severe economic downturn. The capital supplement under Pillar 2 is principally assessed on the basis of the Company's risk appetite of various specific risks, scenario-based analysis and stress tests and other events which may influence the earnings and capital base of the Company.

6.2 Risk categories, management and control

The Company analyses and evaluates the risk and calculates additional Pillar 2 capital requirement (if deemed necessary) for the following risk categories:

- credit and counterparty risk
- market risk
- operational risk
- liquidity- and financing risk
- concentration risk
- business risk, including reputational risk and ownership risk
- other risk.

6.2.1 General observations concerning the Company

The Company rely on a sound risk culture throughout the organisation. Risk culture is the set of objectives and practices, shared across the organisation, that drive and govern risk management. The main elements of risk culture at the Company are broadly aligned with the Financial Stability Board's guidance regarding risk culture:

- Tone from the top: our purpose, value and behaviours, the Company's code of conduct, and induction processes all support the embedding of risk culture and values by setting a consistently clear, shared message to all colleagues.
- Accountability: key risk frameworks set out clear responsibilities, employees have the necessary competence to perform well in their roles, are aware that they are held responsible for their actions and the consequences for not adhering to the desired behaviours towards risk.
- Effective communications and challenge: clearly defined and independent control functions (second line of defence) and internal audit (third line of defence), and channels

for escalation and whistle blowing enable the effective control of risks at all levels. In decision-making processes employees views are encouraged. A positive critical attitude amongst employees and open and constructive engagement is promoted.

- Incentives: the partnership program, and the risk and controls perspective within the annual review of performance and in variable consideration considerations help to align incentives with a sound risk culture.

The Company shall at all times hold the necessary permits from government authorities in Norway and abroad. Further, the Company and its employees shall at all times be in compliance with applicable statutes, regulations and rules.

The Company has low fixed costs and has always been profitable. Its operations are not depleting the own funds of the Company through operating losses. Surplus liquidity relating to the ongoing operating profits of the company is deposited with large Nordic banks.

The Company has in general a conservative risk appetite.

The Company is not involved with traditional banking business such as deposits, lending or granting of credit to clients. The Company does not engage in own-account trading in financial instruments as part of its own asset management or to make profits based on market price movements. The Company's exposure and capital requirement is therefore primarily related to operational risk.

Operational risk is curtailed through well-functioning internal instructions and procedures, employee training and high compliance consciousness. Internal controls and self-assessment are key measures and are used deliberately to limit the operational risk associated with business activities.

The Company is owned by one external owner (100 %) with a strong financial position. The Company is ungeared and has no external borrowings. An impact on the wider economy/ financial system in the event that the Company was to fail is considered negligible.

Below you find a short summary of the evaluation of the different risks and additional Pillar 2 capital requirement, where considered necessary.

6.2.2 Credit- and counterparty risk

Credit- and counterparty risk is the risk of loss due to the counterparty's lacking ability to fulfill its obligations towards the Company. The Company does not grant credit or provide loans. Counterparty risk is mainly related to clients not honoring the payment obligations under the management agreements. In general, PAIs clients have a sound economy and will normally have access to substantial values. PAI also have counterparty risk towards the banks in which surplus liquidity is placed. Such deposits are placed with several solid Nordic banks. The Company has no history of loss related to credit- and counterparty risk. Total credit- and counterparty risk is considered low.

The capital requirement related to credit- and counterparty risk is considered to be in line with the schematic assessment under Pillar 1. Taking into consideration the budgeted result for 2020 being deposited in banks, the capital requirement is in the Pillar 2 assessment increased with NOK 320.000.

6.2.3 Market risk

Market risk is the risk of loss due to negative changes in the market price for unsecured positions on or off the balance sheet, or indirectly through a counterparty's positions.

The Company is to some extent indirectly exposed to market risk through the fact that revenue from the management of funds is based on net asset value or the value of the assets in the portfolio.

These values may be exposed to general market fluctuations. Valuations are performed bi-annually or annually, and the Company will thus have a relatively long horizon to adjust to fluctuations in income. The risk is considered low.

Pareto Alternative Investments AS does not engage in own account trading. The currency risk of the company is low. Being primarily equity financed, the Company is not exposed to structural interest risk of any relevant size.

Total market risk is considered low. Taking into consideration investments in financial instruments to be made in 2020 (reducing bank deposits), the capital requirement in the Pillar 2 assessment is increased with NOK 109.000.

6.2.4 Operational risk

Operational risk is the risk of loss due to inadequate or failed internal processes, systems, staff or external events, including legal risk and regulatory risk.

Operational risk is the most material risk the Company is exposed to, while at the same time it is challenging to quantify. The Company mitigates operational risk through governance, instructions and procedures, employee-training management, internal reporting, annual self-assessment and appropriate control routines. Distribution of responsibilities makes both managers and employees responsible for identifying, quantifying and preventing operational risk in the day-to-day business. Incidents are reported on an ongoing basis, analysed and if necessary, new measures are implemented in internal controls, instructions and/or procedures. The follow-up and control of operational risk falls under the auspices of the risk function and compliance function which in turn are controlled by internal audit.

Internal control and the annual self-assessment have not uncovered any significant operational risk where the Company has an unacceptably high risk exposure, or measures that have not been implemented. The primary risks in the Company are exercising good capital management, follow-up of the portfolio investments, as well as correct handling of conflicts of interests.

The Company has up to date not experienced loss related to operational risk or client complaints that affect the capital requirements. PAI has a liability insurance.

Operational risk is considered to be moderate.

The Company considers an allocation of additional capital requirement of NOK 1,500,000 to cover operational risk as sufficient in their Pillar 2 assessment.

6.2.5 Liquidity- and financing risk

Liquidity risk is the risk of loss should the Company not be able to fulfill its ongoing payment obligations and/or lack access to financing which in turn entails considerable extra costs, whether due to unusually expensive financing or loss of value of assets that must be realised.

The Company funds itself through operations. Through the management agreements PAI has considerable long-term income. PAI has no debt, is not dependent on external financing and has low fixed costs. The Board of Directors has low risk tolerance, and its requirements on liquidity reflects the same. Liquidity is carefully monitored through the year, both for PAI and the AIFs it manages. Prognoses and stress tests demonstrate satisfactory liquidity.

Surplus liquidity is deposited in banks, have fluctuating interest and is to little extent affected by changes in the interest level, a risk that in this relation is considered minimal.

Liquidity- and financing risk is considered low. The Pillar 2 assessment does not entail any additional capital requirements.

6.2.6 Concentration risk

Concentration risk is the risk of loss due to exposures within the same risk class or across different risk classes.

There is a certain concentration risk relating to the management of funds/portfolios within the same sector. See also description under business risk. There is also a certain concentration risk towards the bank sector through bank deposits, however not to such extent that a capital need arises. See also description under credit risk.

The Company has not identified any material concentration risk that require allocation of additional capital.

6.2.7 Business risk, including reputational risk and ownership risk

Business risk is the risk of loss due to unexpected reduction of revenue or increase in costs that reduce the own funds, as the result of changes in external factors like the business cycle or client behavior, i.e. other factors than credit risk, market risk and operational risk. Business risk includes strategic risk, reputational risk and ownership risk.

It can be caused by increase in competition entailing reduction of assets under management or pressure on prices, loss of key personnel, severe economic downturn in important markets, public regulation or negative media coverage. The Company's own funds may be reduced if the firm does not adept its costs to compensate for any shortfall in revenues or unexpected costs. Strategic planning, continuous follow up on revenues, results in funds/mandates and cost control are important tools to reduce commercial risk. The Company has a flexible cost structure with low fixed costs and relatively low fixed salary.

The Company believes that one of the greatest risks it faces comes from the potential loss of its reputation. Therefore, the Company strives to maintain a good relationship with its clients by long term thinking, practicing good capital management, demonstrating a high level of integrity in all of its activities, adhering to laws and regulations as well as exercising good business practice in general.

Management agreements with funds/portfolio management agreements run up to 10 years, with the major agreements have a life span of approx. 10 years. Results in the funds/mandates considerably below expectation or other negative matters such as violation of regulation will have a negative influence on the Company's income.

The Company's income is related to a relatively low number of funds within the maritime and real estate sectors which represent a business risk. The maritime funds are considered a higher risk due to the sector being «distressed» with high volatility both with respect to level of activity and asset pricing. The maritime sector's influence on the Company's income is substantially reduced over the past years.

Business risk is considered to be moderate.

Risk and capital requirement have been considered in a stress scenario with substantial reduction of income. The Company holds no Pillar 2 capital for business risk.

6.2.8 Other risk

No other risk is considered to affect the Company's capital, risk or give rise to a capital need.

6.3 Summary Pillar 2

Based on the above, the Pillar 2 capital requirement are TNOK 1,929. Additionally, a capital management buffer is discretionary set at 10 % of the capital requirement (TNOK 630), to ensure the maintenance of the capital requirement.

Total capital requirement (Pillar 1 and Pillar 2), including the internally set capital management buffer, is TNOK 7,647.

7 Remuneration

PAI has established and practices a remuneration policy that promotes sound management and control of PAI's risk, and does not encourage excessive risk-taking. The remuneration policy includes senior management and employees whose tasks are of material significance for the risk exposure of PAI or the AIFs PAI manages and employees with control functions.

The Company's remuneration arrangements are also intended to attract and retain skilled and highly qualified personnel, as well as provide incentive arrangements focused on promoting a long-term perspective, responsibility and effective and sound risk management, not encouraging excessive risk taking and obtaining a sound balance between fixed and variable remuneration.

The Company does not have a separate remuneration committee. The Board of Directors decides (i) the total amount to be paid in variable remuneration in respect of each financial year, (ii) the remuneration of senior executives and executives with overall responsibility for control functions, as well as (iii) measures to follow up the implementation of the remuneration arrangements.

All employees receive a fixed remuneration at a reasonable level and may in addition receive a discretionary remuneration. The discretionary remuneration is determined in view of the earnings of the Company as a whole and the earnings of the relevant business unit, as well as the complexity of the work of the individual, effort demonstrated, ability to innovate, contribution to the implementation of ESG in the fund management, contribution to fund raising and acquisition of new clients, performance (hereunder results for clients and their level of satisfaction), will and ability to contribute to capacity building of other employees, complaints related to the individual or its business unit, as well as respect for and compliance with internal and external regulation.

The remuneration arrangements differ between employees who are assumed to influence company risk ("risk takers" and other "special employees") and employees who are expected to have no or little potential impact on company risk. Of the bonus awarded the risk takers, a minimum of 40% will be withheld and distributed over a three year time period. Assessments are conducted to identify which employees can be considered «risk takers» or «special employees».

Chief Executive Officer and Head of Maritime Investments are identified as senior executives and significant risk takers. The Risk Manager and Compliance officer is identified as senior employee with control duties. No other «risk takers» or other «special employees» have been identified.

Paid remuneration to the Chief Executive Officer in 2019 was TNOK 5,660, consisting of fixed remuneration for 2019, 60 % of variable remuneration for the year 2018 and paid out contingent remuneration from 2017, 2016 and 2015. For 2019, special employees have received fixed remuneration in the total amount of TNOK 3,200, with TNOK 2,000 being paid to senior executives and TNOK 1,200 being paid to employees with control duties.

Variable remuneration for special employees is determined by the Board of Directors and is divided into a cash portion of maximum 60 % and a contingent capital portion of minimum 40%. The contingent capital is retained by the company in the form of a subordinated loan bearing market interest rate. The contingent capital is risk-adjusted annually and paid out over a three-year period. The contingent capital shall be reduced if thus merited by either the subsequent earnings of the Company or subsequent performance. The aggregated variable remuneration paid out in 2019 (including paid out contingent remuneration) to the «risk takers» or «special employees» amounted to TNOK 6,846. Variable remuneration was TNOK 6,846 for senior executives and TNOK 0 for senior employees with control duties.

These disclosures on remuneration should be read in conjunction with information on the Company's remuneration policy in the annual accounts for 2019 published on our website www.paretoai.no.

		Regulation (EU) No 575/2013 Article Reference
Ren kjernekapital: Instrumenter og opptjent kapital		Referanser til artikler i forordningen (CRR)
1	Kapitalinstrumenter og tilhørende overkursfond	26 (1), 27, 28 og 29
	herav: instrumenttype 1	
	herav: instrumenttype 2	
	herav: instrumenttype 3	
2	Opptjent egenkapital i form av tidligere års tilbakeholdte resultater	26 (1) (c)
3	Akkumulerte andre inntekter og kostnader og andre fond o.l.	26 (1) (d) og (e)
3a	Avsetning for generell bankrisiko	26 (1) (f)
4	Rene kjernekapitalinstrumenter omfattet av overgangsbestemmelser	
5	Minoritetsinteresser	84
5a	Revidert delårsoverskudd fratrukket påregnelig skatt mv. og utbytte	26 (2)
6	Ren kjernekapital før regulatoriske justeringer	Sum rad 1 t.o.m. 5a
Ren kjernekapital: Regulatoriske justeringer		
7	Verdijusteringer som følge av kravene om forsvarlig verdsettelse (negativt beløp)	34 og 105
8	Immaterielle eiendeler redusert med utsatt skatt (negativt beløp)	36 (1) (b) og 37
9	Tomt felt i EØS	
10	Utsatt skattefordel som ikke skyldes midlertidige forskjeller redusert med utsatt skatt som kan motregnes (negativt beløp)	36 (1) (c) og 38
11	Verdiendringer på sikringsinstrumenter ved kontantstrømsikring	33 (1) (a)
12	Positive verdier av justert forventet tap etter kapitalkravforskriften § 15-7 (tas inn som negativt beløp)	36 (1) (d), 40 og 159
13	Økning i egenkapitalen knyttet til fremtidig inntekt grunnet verdipapiriserte eiendeler (negativt beløp)	32 (1)
14	Gevinster eller tap på gjeld målt til virkelig verdi som skyldes endringer i egen kredittverdighet	33 (1) (b) og (c)
15	Overfinansiering av pensjonsforpliktelser (negativt beløp)	36 (1) (e) og 41
16	Direkte, indirekte og syntetiske beholdninger av egne rene kjernekapitalinstrumenter (negativt beløp)	36 (1) (f) og 42
17	Beholdning av ren kjernekapital i annet selskap i finansiell sektor som har en gjensidig investering av ansvarlig kapital (negativt beløp)	36 (1) (g) og 44
18	Direkte, indirekte og syntetiske beholdninger av ren kjernekapital i andre selskaper i finansiell sektor der institusjonen ikke har en vesentlig investering. Beløp som overstiger grensen på 10 %, regnet etter fradrag som er tillatt for korte posisjoner (negativt beløp)	36 (1) (h), 43, 45, 46, 49 (2), 79, 469 (1) (a), 472 (1) og 478 (1)
19	Direkte, indirekte og syntetiske beholdninger av ren kjernekapital i andre selskaper i finansiell sektor der institusjonen har vesentlige investeringer som samlet overstiger grensen på 10 %. Beløp regnet etter fradrag som er tillatt for korte posisjoner (negativt beløp)	36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) til (3) og 79
20	Tomt felt i EØS	
20a	Poster som alternativt kan få 1250 % risikovekt (negativt beløp)	36 (1) (k)
20b	herav: kvalifiserte eiendeler i selskap utenfor finansiell sektor (negativt beløp)	36 (1) (k) (i) og 89 til 91
20c	herav: verdipapiriseringsposisjoner (negativt beløp)	36 (1) (k) (ii), 243 (1) (b), 244 (1) (b) og 258
20d	herav: motpartsrisiko for transaksjoner som ikke er avsluttet (negativt beløp)	36 (1) (k) (iii) og 379 (3)
21	Utsatt skattefordel som skyldes midlertidige forskjeller og som overstiger unntaksgrensen på 10 %, redusert med utsatt skatt som kan motregnes (negativt beløp)	36 (1) (c), 38 og 48 (1) (a)
22	Beløp som overstiger unntaksgrensen på 17,65 % (negativt beløp)	48 (1)
23	herav: direkte, indirekte og syntetiske beholdninger av ren kjernekapital i andre selskaper i finansiell sektor der institusjonen har en vesentlig investering (negativt beløp)	36 (1) (i) og 48 (1) (b)
24	Tomt felt i EØS	
25	herav: utsatt skattefordel som skyldes midlertidige forskjeller (negativt beløp)	36 (1) (c), 38 og 48 (1) (a)
25a	Akkumulert underskudd i inneværende regnskapsår (negativt beløp)	36 (1) (a)
25b	Påregnelig skatt relatert til rene kjernekapitalposter (negativt beløp)	36 (1) (l)
27	Overskytende fradrag i annen godkjent kjernekapital (negativt beløp)	36 (1) (j)
28	Sum regulatoriske justeringer i ren kjernekapital	Sum rad 7 t.o.m. 20a, 21, 22, 25a, 25b, 26 og 27
29	Ren kjernekapital	Rad 6 pluss rad 28 hvis beløpet i rad 28 er negativt, ellers minus
Annent godkjent kjernekapital: Instrumenter		
30	Kapitalinstrumenter og tilhørende overkursfond	51 og 52
31	herav: klassifisert som egenkapital etter gjeldende regnskapsstandard	
32	herav: klassifisert som gjeld etter gjeldende regnskapsstandard	

Own funds disclosure template		Regulation (EU) No 575/2013 Article Reference
Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	26 (1), 27, 28, 29
	of which: Instrument type 1	
	of which: Instrument type 2	
	of which: Instrument type 3	
2	Retained earnings	26 (1) (c)
3	Accumulated other comprehensive income (and other reserves)	26 (1)
3a	Fund for general banking risk	26 (1) (f)
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium account subject to phase out from CET1	486 (2)
5	Minority interests (amount allowed in consolidated CET 1)	84
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	26 (2)
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	Sum of rows 1 to 5a
Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	36 (1) (b), 37
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)	36 (1) (c), 38,
11	Fair value reserves related to gains or losses on cash flow hedges	33 (1) (a)
12	Negative amounts resulting from the calculation of expected loss amounts	36 (1) (d), 40, 159
13	Any increase in equity that results from securitised assets (negative amount)	32 (1)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	33 (1) (b)
15	Defined-benefit pension fund assets (negative amount)	36 (1) (e), 41
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	36 (1) (f), 42
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)	36 (1) (g), 44
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)	36 (1) (h), 43, 45, 46, 49 (2) (3), 79
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)	36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79
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,	36 (1) (k)
20b	of which: qualifying holding outside the financial sector (negative amount)	36 (1) (k) (i), 89 to 91
20c	of which: securitisation positions (negative amount)	36 (1) (k) (ii), 243 (1) (b), 244 (1) (b) 258
20d	of which: free deliveries (negative amount)	36 (1) (k) (iii), 379 (3)
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)	36 (1) (c), 38, 48 (1) (a)
22	Amount exceeding the 15 % threshold (negative amount)	48 (1)
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	36 (1) (i), 48 (1) (b)
24	Empty set in the EU	
25	of which: deferred tax assets arising from temporary differences	36 (1) (c), 38, 48 (1) (a)
25a	Losses for the current financial year (negative amount)	36 (1) (a)
25b	Foreseeable tax charges relating to CET1 items (negative amount)	36 (1) (l)
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	36 (1) (j)
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	Sum of rows 7 to 20a, 21, 22 and 25a to 27
29	Common Equity Tier 1 (CET1) capital	Row 6 minus row 28
Additional Tier 1 (AT1) capital: Instruments		
30	Capital instruments and the related share premium accounts	51, 52
31	of which: classified as equity under applicable accounting standards	
32	of which: classifies as equity under applicable accounting standards	

33	Fondsobligasjonskapital omfattet av overgangsbestemmelser		486 (3) og (5)
34	Fondsobligasjonskapital utstedt av datterselskaper til tredjeparter som kan medregnes i annen godkjent kjernekapital		85 og 86
35	herav: instrumenter omfattet overgangsbestemmelser		
36	Annen godkjent kjernekapital før regulatoriske justeringer	-	Sum rad 30, 33 og 34
Annent godkjent kjernekapital: Regulatoriske justeringer			
37	Direkte, indirekte og syntetiske beholdninger av egen fondsobligasjonskapital (negativt beløp)		52 (1) (b), 56 (a) og 57
38	Beholdning av annen godkjent kjernekapital i selskap i finansiell sektor som har en gjensidig investering av ansvarlig kapital (negativt beløp)		56 (b) og 58
39	Direkte, indirekte og syntetiske beholdninger av fondsobligasjonskapital i andre selskaper i finansiell sektor der institusjonen ikke har en vesentlig investering. Beløp som overstiger grensen på 10 %, regnet etter fradrag som er tillatt for korte posisjoner (negativt beløp)		56 (c), 59, 60 og 79
40	Direkte, indirekte og syntetiske beholdninger av fondsobligasjonskapital i andre selskaper i finansiell sektor der institusjonen har en vesentlig investering. Beløp regnet etter fradrag som er tillatt for korte posisjoner (negativt beløp)		56 (d), 59 og 79
		-	Sum rad 41a, 41b og 41c
			469 (1) (b) og 472 (10) (a)
		26 751 200	
42	Overskytende fradrag i tilleggskapital (negativt beløp)		56 (e)
43	Sum regulatoriske justeringer i annen godkjent kjernekapital	-	Sum rad 37 t.o.m. 41 og rad 42
44	Annen godkjent kjernekapital		Rad 36 pluss rad 43. Gir fradrag fordi beløpet i rad 43 er negativt
45	kjernekapital	-	Sum rad 29 og rad 44
		26 751 200	
Tilleggskapital: instrumenter og avsetninger			
46	Kapitalinstrumenter og tilhørende overkursfond		62 og 63
47	Tilleggskapital omfattet av overgangsbestemmelser		486 (4) og (5)
48	Ansvarlig lånekapital utstedt av datterselskaper til tredjeparter som kan medregnes i tilleggskapitalen		87 og 88
49	herav: instrumenter omfattet av overgangsbestemmelser		
50	Fallverdien av negative verdier av justert forventet tap		62 (c) og (d)
51	Tilleggskapital før regulatoriske justeringer	-	Sum rad 46 t.o.m. 48 og rad 50
Tilleggskapital: Regulatoriske justeringer			
52	Direkte, indirekte og syntetiske beholdninger av egen ansvarlig lånekapital (negativt beløp)		63 (b) (i), 66 (a) og 67
53	Beholdning av tilleggskapital i annet selskap i finansiell sektor som har en gjensidig investering av ansvarlig kapital (negativt beløp)		66 (b) og 68
54	Direkte, indirekte og syntetiske beholdninger av ansvarlig lånekapital i andre selskaper i finansiell sektor der institusjonen ikke har en vesentlig investering. Beløp som overstiger grensen på 10 %, regnet etter fradrag som er tillatt for korte posisjoner (negativt beløp)		66 (c), 69, 70 og 79
55	Direkte, indirekte og syntetiske beholdninger av ansvarlig lånekapital i andre selskaper i finansiell sektor der institusjonen har en vesentlig investering. Beløp regnet etter fradrag som er tillatt for korte posisjoner (negativt beløp)		66 (d), 69 og 79
56	Justeringer i tilleggskapital som følge av overgangsbestemmelser (negativt beløp)	-	Sum rad 56a, 56b og 56c

33	Amount of qualifying items referred to in Article 484 (4) and the related share premium account subject to phase out from AT1		486 (3)
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interest not included in row 5) issued by subsidiaries and held by third parties		85, 86
35	of which: instruments issued by subsidiaries subject to phase out		486 (3)
36	Additional Tier 1 (AT1) capital before regulatory adjustments	-	Sum of rows 30, 33 and 34
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)		52 (1) (b), 56 (a), 57
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution (negative amount)		56 (b), 58
39	Direct, indirect and synthetic holdings by the institution of the AT1 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)		56 (c), 59, 60, 79
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		56 (d), 59, 79
41	Empty set in the EU		
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)		56 (e)
43	Total Regulatory adjustments to Additional Tier 1 (AT1) capital	-	Sum of rows 37 to 42
44	Additional Tier 1 (AT1) capital		Row 36 minus row 43
45	Tier 1 capital (T1 = CET1 + AT1)	26 751 200	Sum of row 29 and row 44
Tier 2 (T2) capital: instruments and provisions			
46	Capital instruments and the related share premium accounts		62 og 63
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium account subject to phase out from T2		486 (4)
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		87, 88
49	of which: instruments issued by subsidiaries subject to phase out		486 (4)
50	Credit risk adjustments		62 (c) & (d)
51	Tier 2 (T2) capital before regulatory adjustments	-	
Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments (negative amount)		63 (b) (i), 66 (a), 67
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)		66 (b), 68
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)		66 (c), 69, 70, 79
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)		66 (d), 69, 79
56	Empty set in the EU		
57	Total regulatory adjustments to Tier 2 (T2) capital	-	Sum of rows 52 to 56
58	Tier 2 (T2) capital		Row 51 minus row 57
59	Total capital (TC = T1 + T2)	26 751 200	Sum of row 45 and row 58
60	Total risk weighted assets	53 091 617	
Capital ratios and buffers			
61	Common Equity Tier 1 (as a percentage of risk exposure amount)		92 (2) (a)
		50 %	
62	Tier 1 (as a percentage of risk exposure amount)		92 (2) (b)
		50 %	
63	Total capital (as a percentage of risk exposure amount)		92 (2) (c)
		50 %	
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systematic risk buffer, plus the systemically important institution buffer expressed as a percentage of risk exposure amount)	N/A	CRD 128, 129, 130, 131, 133
65	of which: capital conservation buffer requirement	N/A	

