Pillar III Disclosures

For the year ended 31 December 2019

Dell Bank International Designated Activity Company (d.a.c)

1 Overview

1.1 Principal Activities

Dell Bank International d.a.c. (“Dell Bank”, “the Bank”) was incorporated on 15 August 2011. The Bank’s immediate parent undertaking is DFS BV, a Company incorporated in the Netherlands and the Bank’s ultimate parent undertaking is Dell Technologies Inc. a public company incorporated in the United States of America. On 28 December 2018, Dell Technologies returned to being publicly traded on the New York Stock Exchange (NYSE) under trading symbol “DELL” by completing an exchange of all outstanding shares of its Class V Common Stock for a combination of cash and shares of Class C Common Stock..

The principal activity of the Bank has been the provision of financing solutions to end users of products and services sold by Dell/EMC entities in Europe. This includes leases and loan arrangements, rentals and asset management facilities to all Dell business segments and with third party providers.

The Bank is regulated by the Central Bank of Ireland (“CBI”) and has an Irish banking licence under the Central Bank of Ireland Act 1971 (as amended). The Bank is subject to the CBI’s Corporate Governance Code for Credit Institutions and Insurance Undertakings 2015 which imposes minimum core standards on all credit institutions licensed by the CBI. The Bank is not required to comply with the additional Corporate Governance Code requirements for High Impact designated institutions.

A special purpose vehicle, Dell Receivables Financing 2016 Designated Activity Company (d.a.c.) (the “SPV”), was incorporated on 9 September 2016 as part of a securitisation structure. The Bank and its controlled SPV are collectively referred to as (the “Group”). The SPV is a “qualifying company” as defined in Section 110 of the Taxes Consolidation Act 1997. The Bank began selling eligible receivables to the SPV from the 1 January 2017 and will continue to do so on a revolving basis. The SPV is funded by a senior loan facility provided by a number of external banks and by a junior loan facility provided by the Bank. Operationally the Bank remains responsible for the credit management, servicing, collection, and administration of these assets (including receivables) under a Servicing Agreement between the Bank and the SPV. The Bank retains the credit risk associated with the receivables.

In May 2019, Moody’s assigned the Bank an investment grade credit rating for the first time. The rating reflects the Bank's strong capital adequacy due to its profitability and solid capital base.

The Bank completed a number of syndicated receivable transactions during the year further reflecting the strong credit quality of the portfolio

On 17 October 2019, the Bank issued €500 million Senior Unsecured 0.625% Notes (Eurobond) maturing on 16 October 2022. The notes bear interest on the outstanding nominal amount, payable annually in arrears on 16 October each year. The notes are listed on the Global Exchange Market of Euronext Dublin.

We continue to monitor the impact of the coronavirus (COVID-19) virus in Europe and globally. It is too early to assess the impact on the Group’s business performance in 2020. We have measures in place to mitigate the potential operational and economic impacts with a particular focus on ensuring the well-being of our team members and our customers.

We continue to monitor any impacts arising from the UK’s decision to withdraw from the EU (“Brexit”) that may affect the UK economy and the wider European economy. This may have an adverse down-stream impact on our customers and on the Bank's financial performance.

1.2 Capital Requirements Regulation & European Directives

The Capital Requirements Directive (CRD) and the Capital Requirements Regulation (CRR) were published by the European Banking Authority (EBA) on 27 June 2013 (Collectively known as “CRD IV”). The CRR has direct effect in EU member states and CRD was required to be implemented through national legislation in EU member states by 31 December 2013. The CRD IV legislation is being implemented on a phased basis from 1 January 2014. While the majority of transitional provisions will be fully implemented from 1 January 2019, the provisions in relation to the grandfathering of capital items and the deduction of deferred tax assets will not be fully implemented until 1 January 2022, and 1 January 2024 respectively.

Since their publication, CRR and CRD IV have been subject to numerous amendments including by CRR2 and CRDV which were published in the Official Journal of the EU on 7 June 2019 and with a phased approach to implementation. CRD and CRR in the context of this document describes the package CRR as amended, CRD IV as amended, and regulatory including technical standards.

CRD and CRR effectively transposed the Basel III accord into law. The Basel III accord is made up of three Pillars.

Pillar I (“minimum capital requirements”) sets out the regulatory prescribed rules for calculating the minimum capital requirements covering credit risk, operational risk and market risk along with set criteria for calculating the minimum Liquid Assets and Stable Funding requirements based on inflow/outflows and maturity mismatches.

Pillar II (“supervisory review”) requires banks to have in place an Internal Capital Adequacy Assessment Process (“ICAAP”), under which banks calculate their own estimate of the capital requirements to cover all material risks and an Internal Liquidity Adequacy Assessment Process (“ILAAP”), under which banks calculate their own estimate of short term liquidity requirements and longer term funding requirements to achieve strategic objectives. ICAAP and ILAAP are forward looking and assess capital and liquidity adequacy under base and stress scenarios. The institution’s ICAAP and ILAAP are subject to the Supervisory Review and Evaluation Process (SREP).

Pillar III (“market discipline”) requires disclosure to the market of certain qualitative and quantitative information relating to an institution’s risk profile and risk management processes.

This document presents the Bank’s Pillar III disclosures as at 31 December 2019 as required by Article 13 of the Capital Requirements Regulation (“CRR”).

1.3 Distinction between IFRS and Pillar III Quantitative Disclosures

It should be noted that there are fundamental differences in the basis of calculation between financial statement information based on IFRS accounting standards and Basel Pillar I information based on regulatory capital adequacy concepts and rules. While some of the Pillar III quantitative disclosures based on Basel methodologies may be comparable with quantitative disclosures in the Annual Report 31 December 2019 in terms of disclosure topic covered, any comparison should bear the differences relating to the scope of application and calculations in mind.

The disclosures contained in this document have not been subject to external audit.

1.4 Scope of Application

The Bank's regulatory banking licence requires both Dell Bank International d.a.c (individual basis[1]) and the Parent Company, DFS BV, (consolidated basis) to file regulatory returns with the Central Bank for the purpose of assessing, inter alia, their capital adequacy and balance sheets. In line with CRR requirements under Article 13(2), the risk based figures provided in the tables contained within the document are derived from the year end consolidated COREP returns that were submitted to the Central Bank of Ireland.

The audited consolidated Financial Statements are presented for Dell Bank International d.a.c (individual basis) and therefore the scope of application differs to the Pillar III requirements.

DFS B.V.'s sole purpose is to act as a holding company for the Bank. Therefore to reflect the risk profile of the Bank the qualitative information below has been presented on a solo basis.

On 14 December 2016, EBA published Guidelines on disclosure requirements under Part Eight of Regulation (EU) No 575/2013. These guidelines have set out prescriptive requirements for disclosing both qualitative and quantitative data. While these guidelines apply to all Global Systemically Important Institutions (G-SII's) and Other Systemically Important Institutions (O-SII's), the Central Bank of Ireland has requested that all Less Significant Institutions also comply in full with the requirements. The EBA prescriptive templates for quantitative data can be found in the Appendices while the pertinent data is contained within the body of the document. Where possible, comparatives to 2018 have also been included.

[1] For regulatory purposes, the Individual basis includes Dell Receivables Financing 2016 d.a.c.

2 Own funds and capital management

2 Own funds and capital management

2.1 Capital Resources

During 2019 the Bank was predominantly funded by capital, a collateralised loan facility, a securitised senior loan facility, unsecured senior bonds and an intercompany loan from Dell Global BV (DGBV) a fellow subsidiary of Dell Technologies Inc. Dell Technologies Inc. has provided and will continue to provide, funding to the Bank (subject to any legal or regulatory requirements), to the extent that the Bank:

- Is not otherwise able to comply with the capital and/or liquidity requirements of CRD IV or the requirements set out by the Central Bank of Ireland; or,
- Requires funding to meet any business or lending commitment as and when they fall due.

The Group received two capital contributions from Dell Technologies Inc. during 2019; one for €65 million in April 2019 and the other for €75 million in June 2019.

During the year the Group repaid the Subordinated Note in full.

The following table sets out the Own Funds of the Bank (see Appendix 1 for EBA disclosure templates including nature and amounts of the prudential filters[2] and Appendix 3 for a reconciliation of the own funds).

Regulatory Capital

In thousands of Euro	2019	2018
Tier 1 Capital		
Share Capital	50,018	50,018
Capital Contribution	557,500	417,500
Goodwill	(13,226)	(13,226)
Intangible Assets	(5,252)	(7,669)
Deferred Taxation Assets[3]	(3,299)	(4,518)
Reserves	(41,254)	(51,602)
Adjustments to CET1 due to prudential filters	299	-
Common Equity Tier 1	544,784	390,503
Additional Tier 1	-	-
Total Tier 1 Capital	**544,784**	390,503
Tier 2		
Subordinated Debt	-	57,418
IBNR Provisions	-	-
Total Tier 2 Capital	-	57,418
Total Own Funds	**544,784**	447,921
Risk Weighted Assets	**2,101,918**	1,677,862
Total Capital Ratio	**25.92%**	26.70%

[2] Prudential Filters under article 36 of the CRR are; intangible assets and goodwill.
[3] Under the CBI 'Implementation of Competent Authority Discretions and Options in CRD IV and CRR', Section 2 Transitional Arrangements, Deferred Taxation Assets that do not rely on temporary differences are being phased in as deductions from Own Funds.

2.2 Capital Instruments

2.3 Minimum Capital Requirements

The Bank uses the Standardised Approach for the calculation of its Pillar I capital requirements for credit risk. The capital requirements for market risk are calculated in accordance with the Standardised Measurement Method. Operational Risk capital is determined using the Basic Indicator Approach. The following table sets out the minimum capital required of the Bank under CRD IV.

Own Funds Requirement - Risk Capital Held as at 31 December 2019

In thousands of Euro	**Pillar I 2019**	**Pillar I 2018**
Credit Risk Exposure Classes		
Central Governments and Central Banks	61	7
Regional Governments	1,059	398
Institutions	6,385	2,941
Corporates	132,623	96,715
Default	10,136	15,659
Other Items	7,937	8,900
Market Risk		
Foreign Exchange Risk	468	23
Operational Risk	9,094	9,211
Credit Valuation Adjustment	390	375
Total Pillar I Capital Requirements	**168,153**	**134,229**

The Bank assesses its capital adequacy on a Pillar I basis through the COREP[4] process. The Bank also has in place an Internal Capital Adequacy Assessment Process (ICAAP) to assess the adequacy of the Bank's capital in light of supporting current and future activities. The Bank's Asset and Liability Committee ("ALCO") is the primary management committee responsible for the ICAAP which is reviewed by the Risk Committee and approved by the Board[5]. The Risk Committee and the Board review and assess the capital needs of the Bank on a regular basis. A key objective of the Bank's Risk Appetite Framework is to meet its minimum regulatory requirements at all times.

Capital Buffers

As per Article 440 of the CRR, the Bank began reporting on additional CRD IV capital buffers[6] from January 2016. The capital conservation buffer is set at 2.5% of CET 1 capital and is a requirement for all banks. This requirement is under transition and being phased in from 1 January 2016 to 1 January 2019. The requirement as at 31 December 2019 is 2.5% (as at 31 December 2018 it was 1.875%).

The CRD IV countercyclical capital buffer is calculated as the weighted average of the buffers in effect in the jurisdictions to which banks have a credit exposure. It is calculated based on risk weighted assets excluding those for Covered Bonds, Central Governments or Central Banks, Regional Governments and Institutions and is implemented as an extension of the capital conservation buffer.

Systemic buffer requirements under CRD IV currently do not apply to the Bank due to its relative small size, non-complexity, and low risk profile.

[4] Common Reporting (COREP) is a standardised reporting framework issued by the European Banking Authority for Capital Requirements Regulation reporting.
[5] The Board or Board of Directors refers to the Management Body as defined in Article 3 (7) of the Capital Requirements Directive 2013/36/EU
[6] Article 128 of CRDIV

Countercyclical Capital Buffers

Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer

		2019				2018			
		General Credit Exposure	Own Fund Requirements	Own funds requirement weights	Countercyclical capital buffer rate	General Credit Exposure	Own Fund Requirements	Own funds requirement weights	Countercyclical capital buffer rate
		Exposure Value for SA	of which: General credit exposures			Exposure Value for SA	of which: General credit exposures		
		010	070	110	120	010	070	110	120
010	Breakdown by country								
	Sweden	105,642,437	6,366,175	4.22%	2.50%	93,656,941	7,603,105	6.27%	2.00%
	Norway	22,937,897	1,187,385	0.79%	2.50%	13,619,720	960,567	0.79%	2.00%
	Iceland	635,114	50,809	0.03%	1.75%	1,102,079	88,320	0.07%	1.25%
	Czech Republic	5,601,755	0	0.00%	1.50%	3,558,194	-	0.00%	1.25%
	United Kingdom	565,986,049	30,664,686	20.35%	1.00%	424,612,542	24,491,484	20.20%	1.00%
	Ireland	158,164,129	5,904,684	3.91%	1.00%	157,299,726	6,337,417	5.23%	0.00%
	Denmark	17,927,932	1,268,610	0.84%	1.00%	9,564,378	688,603	0.57%	0.00%
	France	374,499,912	21,256,915	14.10%	0.25%	293,767,894	19,290,873	15.91%	0.00%
	Other	1,177,365,700	84,005,941	55.76%	0.00%	891,138,347	61,814,570	50.96%	0.00%
020	***Total***	2,428,760,925	150,705,204	100.00%		1,888,319,822	121,274,939	100.00%	

Amount of institution-specific countercyclical capital buffer

		2019	2018
		010	010
010	Total Risk Exposure Amount	2,101,917,812	1,677,861,989
020	Institution specific countercyclical capital buffer rate	0.412%	0.344%
030	Institution specific countercyclical capital buffer requirement	8,664,082	5,773,318

2.4 Capital Management

The Bank's key objectives with regard to managing capital are:

- to comply with the capital requirements set by the Central Bank of Ireland;
- to safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits for other stakeholders;
- to maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored weekly by the Bank's Regulatory function. The Bank holds own funds in the form of capital which will always be more than or equal to the higher of capital requirements calculated under Pillar I or Pillar II (ICAAP).

2.5 Capital Planning

A number of different modelling tools are used in the financial and capital planning process. Modifications may be made to models based upon the requirements of the relevant planning or forecast cycle including new regulatory requirements. Refinements in forecasting methodologies as well as changing business dynamics may also result in adjustments to existing and/or creation of new planning models. Once all the inputs have been finalised a financial plan is reviewed and approved by senior management, ALCO and the Board. Updated forecasts are produced during the year taking account of latest developments and up to date outlook.

The capital plan is based on the Bank's approved financial plan which is sufficiently detailed in terms of asset class, industry sectors, currency breakdowns, and impairments and provisioning to enable a comprehensive view of the capital requirements projections. All key components of the Bank's Pillar I capital adequacy ratio are included in the plan. The Bank's Pillar I capital adequacy position is monitored on a continuous basis and reported to management weekly.

The ICAAP is aligned with the financial planning process. ALCO reviews the Internal Capital Adequacy Assessment Report (ICAAP Report) and recommends it to the Risk Committee who in turn review and recommend it to the Board. The Board review and approve the ICAAP Report.

3 Risk management

3 Risk management

3.1 Introduction

The Bank's operations involve the evaluation, acceptance and management of risk in accordance with its risk appetite. The Bank has in place an appropriate Risk Management Framework to identify, assess, manage, monitor, mitigate and report on the risks it faces. The Risk Management Framework establishes the high level principles, culture, appetite and approach to risk management in the Bank including roles & responsibilities, governance arrangements, and reporting requirements. The Risk Management Framework is reviewed and approved by the Board on an annual basis or as required.

Senior management are responsible for the management of risk on a day-to-day basis, under the oversight of the Board. The Bank has implemented a risk culture which promotes transparency and has established a risk governance structure that is supported by an appropriate Risk Management Framework, Risk Appetite Framework, and other policies, which reflect the size, complexity, and risk profile of the Bank.

3.2 Risk Framework

The Board and Senior Management have designed the Bank's Risk Management Framework and the Internal Control Framework to ensure the Bank manages risks appropriately in pursuit of its strategic objectives. All key Bank policies have appropriate regard to risk as an essential part of successfully operating the Bank. Senior Management continually review the operations of the Bank and assess the level of risk in line with the Bank's Risk Appetite, its policies and procedures, changes in its products and services, and changes in the market place in which it operates.

The Bank has in place a Risk Appetite Framework which sets out the Bank's approach to all material risks expressed in both qualitative and quantitative terms. Material risks are deemed to be those risks which may impact the Bank's ability to deliver on its business plan, service its customers, operate in a legal and compliant manner, impact the Bank's brand and reputation or cause financial loss exceeding Risk Appetite tolerances. Non-material risks are deemed to be those risks which do not impact the Bank's ability to deliver on its business plan, service its customers, operate in a legal and compliant manner, impact the Bank's reputation and brand, and do not cause financial loss exceeding Risk Appetite tolerances.

The Board, as supported by Senior Management, is responsible for setting the Bank's Risk Appetite and risk tolerance at a level which is commensurate with its business plan, the expectations and requirements of its parent and the CBI. The key material risks that have been identified are as follows:

- Credit Risk (including Credit Concentration Risk)
- Market Risk
- Funding & Liquidity Risk
- Operational Risk
- Residual Asset Value Risk
- Capital Adequacy Risk
- Regulatory Compliance Risk
- Reputational Risk
- Business & Strategy Risk
- Group Risk

For each material risk the Bank has defined risk tolerance levels, monitoring and reporting metrics and a comprehensive Framework for managing each risk which includes policies, internal controls and management information. The Bank also monitors other risks which have been determined to be non-material.

The stress testing programme, as part of a range of risk management tools, supports different business decisions and processes including strategic decisions. The results of stress tests are considered in the process of setting and reviewing the Bank's Risk Appetite and fixing exposure limits as well as a planning tool to determine the effectiveness of new and existing business strategies and their impact on capital utilisation. Stress testing is an integral part of the ICAAP, ILAAP and Recovery Plan. The Bank's ICAAP, ILAAPand Recovery PLan are forward-looking and takes into account the impact of severe scenarios that could impact the institution. Stress testing reports provide the Board and senior management with a thorough understanding of the material risks to which the institution may be exposed.

Three lines of defence model

The Bank utilises a 'three lines of defence' approach to ensure that appropriate responsibility is allocated for monitoring, management, reporting and escalation where appropriate.

A key aspect of implementing a strong Internal Control Framework is the allocation of primary responsibility for identifying and managing risks to the Bank's first line of defence which comprises of the functional business areas and management who are responsible for day-to-day management of the Bank's material risks. The Board and Senior Management of the Bank recognise the responsibility of the first line of defence in identifying and managing the risks inherent in the Bank's products, services, activities, processes and systems for which it is accountable. In accordance with the Bank's Risk and Control Self-Assessment Framework, functional business areas have primary responsibility for assessing and testing the operational effectiveness of the Bank's controls applicable to the risks inherent in their processes. The second line of defence comprises the Risk Management Function and the Compliance Function.

The Bank's second line of defence comprises of the Risk Management and Compliance Functions. The second line of defence provides independent oversight of the appropriateness and effectiveness of the risk management systems, processes and controls in the first line of defence; prudent conduct of business; reliability of financial and non-financial information reported or disclosed (both internally and externally); and compliance with laws, regulations, supervisory requirements and the Bank's internal policies and procedures. It is also responsible for formulating these policies and procedures and communicating them to the first line of defence. The Bank's second line of defence covers the whole organisation and the activities of all business areas, support and control units, including any outsourced activities. The Risk Management Framework and Compliance Framework underpin the second line of defence oversight processes.

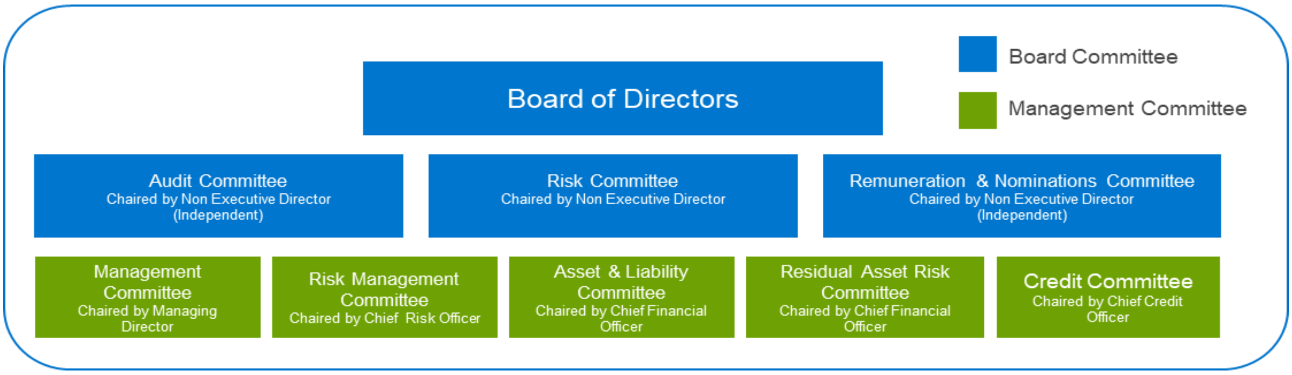
The third line of defence is the Internal Audit function, which provides independent assurance to management, the Audit Committee, the Board and external stakeholders. It ensures that controls are in place for identified risks, that the controls are appropriately designed and operating effectively, and that the risks are being managed in accordance with applicable laws and regulations, including compliance with internal policies and procedures. The third line of defence reviews the effectiveness of the first and second lines of defence and makes recommendations for improvement as required

3.3 Risk Governance

The Bank's organisational structure is designed to promote prudent and effective risk management of the Bank's activities. The mechanisms through which this is achieved include:

- a documented Board Charter which sets out the matters reserved for the Board and through a Delegated Authority Matrix, matters it has delegated to Board Sub Committees and to Management;
- terms of references for all Board Committees* which set out the decision-making authorities and responsibilities of each committee;
- Management Committee Terms of References which set out the responsibilities and reporting lines for each of the Management Committees;
- The Risk Committee, a Board Sub Committee met four times during 2019.

Diagram: Oversight– Management Committees



* The Board Sub Committees are: Audit Committee, Risk Committee, Remuneration and Nominations Committee as shown in the diagram above

Board Committees

The Audit Committee has been delegated responsibility by the Board to provide oversight in respect of the financial reporting process; the quality and integrity of the Bank's financial statements and Pillar III disclosures; internal control Framework of the Bank; and oversight of the Bank's external auditors. The Internal Audit Function reports to the Audit Committee.

The Risk Committee of the Group is responsible for oversight and advice to the Board on the significant risk exposures of the Group and future risk strategy. The Risk Committee advises and makes recommendations to the Board on risk matters, including risk appetite, financial performance, capital adequacy, liquidity adequacy, recovery plans and policy. The Risk Committee also oversees the Group's Risk Management Function. The Group's Risk Management Function supports the Risk Committee in carrying out its duties and responsibilities by providing appropriate reporting of the risks in the business. Responsibility for risk management policies and risk tolerances lies with the Board of Directors. The Board of Directors has delegated day to day authority to the Risk Committee to take all actions necessary to perform its duties and responsibilities in overseeing risk.

The Remuneration and Nomination Committee is responsible for determining the remuneration policy and Framework in compliance with CBI and European Banking Authority requirements. This includes identifying categories of staff with material risk-taking responsibilities and ensuring that fully compliant variable remuneration structures are in place. The Remuneration and Nomination Committee has oversight for recruitment of suitable candidates to fill the Board and Senior Management vacancies. The Remuneration and Nomination Committee is also responsible for reviewing and approving performance-based remuneration in accordance with regulatory requirements.

Management Committees

The Management Committee is responsible for the overall day to day management of the Bank in accordance with the Board Charter and its Terms of Reference. The Management Committee is charged with the development management and monitoring of strategy, change agenda and policies as appropriate, including approving changes to operational processes, procedures and internal controls and ensuring that any relevant documentation is updated to reflect such changes. It also reviews key management information in relation to the performance of the Bank, including financial performance, adherence to budgets and compliance with regulatory requirements. In accordance with the Recovery Plan, the Management Committee will act as the crisis management team throughout the recovery period.

The Risk Management Committee ("RMC") is responsible for the monitoring and implementation of the Bank's Risk Management Framework. The RMC provides support to the Risk function and the Board Risk Committee in promoting and overseeing ongoing development of risk management across the Bank. In addition, the RMC is supported by a number of Forums and Committees such the Compliance Forum and Outsourcing and Referral Committee.

The Asset and Liability Committee ("ALCO") is responsible for the management of the balance sheet of the Bank, including capital adequacy in accordance with the risk appetite approved by the Board, the Bank's Internal Capital Adequacy Assessment Process ("ICAAP") and the Bank's Internal Liquidity Adequacy Assessment Process ("ILAAP"). ALCO is also responsible for leading the development of the Bank's Recovery Plan. ALCO oversees the establishment and maintenance of appropriate procedures for the management of liquidity risk, market risk and contingency funding that are consistent with the strategy and policy approved by the Board.

The Credit Committee has been delegated responsibility by the Board to implement the credit policies and ensure procedures are in place, to oversee the Credit Function and associated credit risk management. The responsibilities of the Credit Committee include approval of credit proposals within its delegated authority, credit portfolio performance monitoring, and considering reviews of the internal credit controls. The Credit Committee is responsible for the overall management of credit exposures of the Bank. Credit exposures include both transactional (for example: derivatives) and commercial credit. The responsibilities of the Credit Committee include establishing and developing the Credit Policy and recommending it to the Risk Committee for approval; implementing the credit authorities' matrix, manual grading/rating methodologies and automated scoring thresholds.

The Credit Provision Committee is a subcommittee of the Credit Committee and is responsible for the overall management of the Bank's provisions. The responsibilities include monitoring adherence to the Bank's impairment policy, approval of the provisions and approval & monitoring of Expected Credit Loss (ECL) model components.

The Residual Asset Risk Committee of the Bank is responsible for the setting, validating and monitoring of residual asset risk in the Bank. The responsibilities include monitoring adherence to residual asset risk appetite and reviewing strategies and policies regarding setting of Residual Values.

3.4 Board of Directors

Appointments to the Board

In assessing a candidate for a Board position with Dell Bank International d.a.c., the Board will bear in mind the predefined criteria which illustrate the skills and attributes desired of candidates for the Board per the various regulatory requirements. This information will also be considered in light of the criteria to assess the knowledge, skills and experience of potential candidates as part of the process for considering whether the candidate is suitable for the role in question in a pan- European, regulated credit institution.

Composition of the Board

Daniel Twomey was appointed to the Board on 25 February 2019. At close of business on 31 December 2019, the Board was comprised of eight Directors.

William Wavro

William Wavro joined Dell in 2005 and is currently the President of Dell Financial Services ("DFS"). Prior to DFS, William served as CFO for the Global Commercial Business and also led the finance teams for the CSMB and SMB business units. William spent 3 years based in Singapore and was CFO for Dell's APJ business. He joined Dell as Vice President of Product Group Finance where he provided financial support to Dell's R&D, product marketing, and operations organizations.

After graduating from The University of Texas with a degree in Accounting, William started his career with Price Waterhouse Coopers in September of 1985. He planned and executed worldwide external and internal audit plans for Fortune 500 clients in a variety of industries with a particular emphasis in Technology. William also spent 4 years in Europe with PwC servicing the needs of international clients on US GAAP accounting, statutory reporting, and international tax planning along with audit and consulting services. William joined Compaq in 1997 as a controller to help start up and lead Compaq Financial services to what would eventually become a $2B Financial Services organization. Through a progression of finance roles within Compaq and then HP, he took over the role as CFO of the Personal Systems division of HP in 2003 before joining Dell in 2005. William is a Certified Public Accountant in the State of Texas.

William holds six other directorship positions within the Dell Technologies Group.

Daniel Twomey

Daniel Twomey joined Dell in 1997 from PWC. He was appointed Managing Director for Dell Bank International d.a.c on 25 February 2019 and at the same time was appointed to the Board. In this role he is responsible for all functions of the Bank including finance, operations, asset management, credit and compliance.

Prior to joining Dell Bank, Daniel progressed through a number of finance leadership roles in Dell covering manufacturing, operations, financial controller, financial planning, and most recently serving as Senior Vice President, EMEA Commercial Finance. Daniel graduated from the University of Limerick with a Bachelor of Business Studies (First Class Honours) and is a Chartered Accountant.

Daniel holds no other directorships.

Hugh O'Donnell

Hugh O'Donnell serves as Chief Financial Officer ("CFO") of the Bank. Hugh joined the Bank in July 2017 and was appointed to the Board on 13 September 2017. In his current capacity, he has responsibility for all financial functions of the Bank including accounting, financial planning, pricing, treasury, tax, and regulatory reporting.

Before joining the Bank, Hugh held the position of Executive Director and CFO for Allied Irish Bank plc's (AIB) UK Division, a UK regulated Retail and Business Bank. Over his 20 year career, Hugh's experience centred on finance leadership roles in the Capital Markets, UK and Group Divisions of AIB and prior to that in corporate finance and auditing with Price Waterhouse Coopers. Hugh is a Chartered Accountant and a member of the Institute of Chartered Accountants in Ireland and also holds a Master's Degree in Accounting from the Smurfit Business School and a Bachelor of Commerce degree from UCD.

Hugh holds one other directorship position.

Tyler Johnson

Tyler Johnson is currently Senior Vice President and Treasurer of Dell Technologies where his global responsibilities include debt financing and interest rate risk management, capital markets, insurance, liquidity management, cash and investment management, and customer and supplier financing solutions. Tyler worked at Dell from 1995 to 2008 and re-joined in 2013 where he assumed his current role. Prior to Dell, Tyler served as Vice President and Treasurer for Cooper Industries, a global manufacturer of electrical products headquartered in Dublin. Tyler's previous roles have included Treasury, Financial Reporting and Analysis, and Internal Audit. After graduating from The University of Texas with a degree in Economics, Tyler started his career with Bank of America as a currency options trader, firstly in Los Angeles and later relocating to New York City with short term assignments in Hong Kong and Japan. Tyler is a CFA Charter holder since 2006.

Tyler holds nine additional internal directorship positions within the Dell Technologies Group and one external directorship.

Frank O'Riordan

Frank O' Riordan serves as Senior Independent Director of the Company. Frank qualified as a solicitor in 1976 having previously obtained a BCL and a LLM from UCD. In 1977, he joined A&L Goodbody Solicitors and practiced in Company Law. In 1981, Frank was appointed an equity Partner and ran the New York office for two years. His remit was to develop business in the areas of inward investment in Ireland and M&A activity involving Ireland.

In 1983, he returned to A&L in Dublin as Practice Development Partner. In 1993, he was appointed Managing Partner, A&L Goodbody Solicitors, responsible for managing a practice of approximately 500 staff and maintaining client responsibilities. In 2001, Frank stepped down as Managing Partner. He worked as a consultant for a number of years which included the set-up of Goodbody Consultancy to deal with non-legal consultancy clients from 2001 to 2004. Frank has 39 years of experience in the legal, banking and financial services sectors in Ireland. Since stepping down from A&L Goodbody in 2001, Frank has joined a number of Boards as a Non-Executive Director particularly in financial services.

Frank currently holds an additional four directorships.

Donal Courtney

Donal Courtney qualified with an Honours Bachelor of Business Studies degree from Trinity College in 1985 and started his career as a trainee Chartered Accountant with Arthur Andersen qualifying with the Institute of Chartered Accountants in Ireland in 1989. In 1990 he was promoted to General Practice Manager in Arthur Andersen. During his time in Arthur Andersen Donal worked primarily with Financial Services clients including banking, leasing and asset financing clients. In 1992, Donal joined Orix Corporation's Irish operations as Financial Director. Orix were principally involved in financial services and aircraft leasing operations. In 1996, he joined Airbus Industries' Irish operations as Chief Financial officer. Airbus had set up an Irish operation to raise finance for aircraft development and also to acquire and lease second hand aircraft. In 2001, he joined GMAC Commercial Mortgage Bank Europe ("GMAC CM") as Senior Vice President & Chief Financial Officer for Europe. GMAC CM at this time set up a Bank in Ireland and were involved in financing real estate across Europe by way of loan and securitisation products.

Donal has 30 years' experience in financial services, commercial banking, asset financing and aircraft leasing industries in Ireland and Europe. Since 2009, he has served as a Non-Executive Director of UniCredit Bank Ireland where he is Chairman of the Audit committee. In April 2016 he was appointed as a Director of IPUT PLC, the Irish regulated Commercial property investment company where he also chairs the audit and risk committee. In 2009 he was awarded a Certificate in Directors Duties and Responsibilities from the Institute of Chartered Accountants in Ireland.

Donal holds an additional four directorships.

Don Berman

Don was President and GM of Dell Financial Services from 2007 until 2012. He retired from Dell in 2013. Prior to that, he was SVP and Chief Credit Officer for Discover Card, a division of Morgan Stanley at that time. From 1982 to 2001, he held various leadership positions at Associates First Capital (acquired by Citigroup in 2000), including EVP and GM for the bankcard and private label businesses, Chief Credit Officer for the credit card group and business CFO for the consumer division.

Don holds MBA and BBA degrees from the University of Texas at Austin. He does not hold any other directorships.

Roisin Brennan

Roisin Brennan joined the Board in July 2016 as an Independent Director. Roisin is a former Chief Executive of IBI Corporate Finance Limited where she worked for over 20 years advising companies on a variety of transactions including IPOs and Mergers & Acquisitions. Roisin is a non-executive director of Ryanair plc, Hibernia REIT plc, and Musgrave Group plc. Roisin was a non-executive director of DCC plc from 2005 until 2016.

Roisin graduated with a First-Class Honours Degree from University College Dublin and qualified as a Chartered Accountant with Arthur Andersen.

Roisin holds an additional three directorships.

3.5 Diversity and Inclusion

Diversity and Inclusion is an important business imperative at the Bank. The Bank is committed to achieving a diverse Board of Directors in terms of the required skills, experience, residency requirements, independence, regulatory requirements and Dell Group experience. The Bank has a Board Diversity Policy, which in line with Article 435 CRR has been disclosed at the location; Dell Bank Diversity Policy[7]. The Bank aims to have a minimum of twenty five (25%) percent females on the Board of Directors. In 2016 Roisin Brennan was appointed to the Board. The Bank will continue to review the composition as opportunities arise to change composition of the Board. As per the CRR[8] the Bank must disclose the extent to which objectives and targets with regards to diversity are achieved. Progress on achieving the target set out in the Board Diversity Policy is monitored as changes in membership occur.

For the purposes of complying with Regulation 76(5) SI No. 158 of 2014 European Union (Capital Requirements) Regulations 2014, this information is made public on the website of the Bank and the "management body" is the Board of Directors of the Bank.

[7] http://i.dell.com/sites/doccontent/shared-content/solutions/en/Documents/Dell-Bank-International-Limited-Diversity-Policy-2015.pdf
[8] Article 435 (c) of the CRR

4 Key Risks

4 Key Risks

4.1 Credit Risk

Introduction

Credit risk represents a significant risk at the Bank. Credit risk refers to the risk that the Bank's customers fail to meet their scheduled payments for operating leases, finance leases and loans approved by the Bank's credit function in addition to credit risk arising from Treasury activities with other credit institutions such as placing of deposits with counterparties and from the purchase of interest rate and foreign exchange derivatives for economic hedging purposes.

The core values and main procedures governing the provision of credit are laid down in credit policy documents; these have been approved by the Board of Directors and are reviewed regularly.

Credit Risk Measurement

The Bank measures credit risk on an individual counterparty basis, utilising either an automated or manual credit underwriting process.

Automated credit decisions are based primarily on customer information obtained from 3rd party credit reporting agencies (Credit Bureau and Fraud databases) and are subject to automated credit-granting rules that utilise mathematically derived and statistically based credit scorecards. An integral part of the credit-granting process is a comprehensive set of management tools and controls that dictate acceptable credit score cut-offs and risk grades.

Management recognise that system generated scores cannot take into consideration all circumstances and information available to make automated credit decisions. The purpose of the manual adjudication is to reasonably estimate the likelihood associated with a customer's probability of default ("PD"). All manual credit decisions are on a case by case basis using a range of quantitative and qualitative factors that are suitable and applicable to the assessment. This methodology is used in both the original underwriting decisions and as part of the on-going risk management of the portfolio.

The Bank requires all customers to be graded under the internal grading system, including all new business, renewals of existing credit facilities and periodic reviews of liquidating exposures. Any change in a condition of a customer or a credit facility may have its risk grades reviewed and adjusted accordingly.

The Bank uses a sixteen point scale in assigning PD grades of customers. This PD grade scale is referenced to externally available customer ratings. The grades provide an estimate of a customer's Probability of Default within a 12 month horizon. Quantitative and qualitative measures are used to develop a PD grade. The probability of default will increase proportionally as the grade increases. The Bank uses a Loss Given Default ("LGD") which expresses the loss on a facility as a proportion of exposure. Quantitative and qualitative measures are used to inform the LGD grade. The percentage of exposure lost given a default scenario increases as the LGD grade increases.

Credit Risk Mitigation

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary.

Some other specific control and mitigation measures undertaken by the Bank to mitigate credit risk include the taking of corporate guarantees, personal guarantees, Letters of Credit, Insurance & customer own insurance. In respect of all lease contracts, the Bank retains the title of underlying assets as collateral. In the event of a default the Bank reserves the right to recover the leased assets.

During 2019 the Group executed a transaction to transfer the credit risk on €46m of the Group's lease portfolio. This transaction reduces the Group's credit risk exposure through a risk transfer structure whereby the facing counterparty assumes the risk for any potential credit loss on the referenced portfolio of leases and loans. No assets were derecognised from the Balance Sheet as a result of this transaction.

Regulatory Credit Risk Exposures

Management of credit risk is in accordance with the Capital Requirements Regulation & Capital Requirements Directive collectively known as CRD IV. The Bank applies the standardised approach for calculating credit risk weighted assets and this is embedded in the Bank's daily operational management.

An analysis of the Bank's Credit Risk by Exposure Class is set out in the table below. Further analysis by geography, industry, maturity and risk weight can be found in Appendix 4 - Credit Risk Analysis.

An analysis of the Bank's Credit Risk Assets is set out in the tables below:

Credit Risk Assets by Asset Class				
In thousands of Euro	**Pillar I EAD 2019**[9]	**Average EAD during 2019**	**Pillar I EAD 2018**	**Average EAD during 2018**
Central Governments and Central Banks	**267,379**	**261,741**	**228,112**	**216,869**
Regional Governments	**67,754**	**41,271**	**24,890**	**8,016**
Institutions	**250,856**	**174,953**	**142,762**	**130,540**
Corporates	**1,746,022**	**1,576,980**	**1,330,416**	**1,189,509**
Default	**84,676**	**130,817**	**130,504**	**131,078**
Other Items	**96,755**	**131,897**	**107,731**	**150,250**
Total	**2,513,442**	**2,317,658**	**1,964,415**	**1,826,262**
Of which Counterparty Credit Risk (MTM approach as per CRR Article 274)	11,912		*12,006*	

Use of External Credit Assessment Institutions ("ECAI's")

For Credit monitoring and decision making the Bank uses an internal ratings scale based on probabilities of default and ultimate loss to derive its own rating. These ratings may be supplemented by ratings from Moody's Investor Service and /or Standard and Poor's Ratings Agency ratings assessments.

In respect to COREP capital calculation purposes, where a counterparty is classed as a credit institution and it is rated by an ECAI, the Bank obtains the rating to calculate the required Risk Weighting. The Bank uses the Moody's Investor Service and Standard and Poor's Rating Group as its nominated ECAIs for its rated exposures. In line with the provisions of Article 120 and 136 of the CRR, the ratings are mapped to a Pillar 1 credit quality step, which in turn is mapped to a risk weight. As per Article 121 (3), where the Bank has exposures to unrated institutions with an original effective maturity of three months or less, the risk weight shall be 20%.

As at 31 December 2019 the exposure classes for which ECAIs are used by the Bank in calculating its Pillar 1 minimum capital requirements are as follows:

- Credit and Counterparty Risks and free deliverables – Institutions

The following tables detail the ECAI's association with the Credit Quality Steps and the related Exposure at Default

[9] Exposure at Default ("EAD") is defined as Exposure Value less provisions and Credit Risk Mitigation Adjustments

ECAI's 2019

Short Term Exposures (Under 3 months' residual maturity)

In thousands of Euro						
Credit Rating	A+	A	A-	BBB+	BBB	BBB-
Credit Quality Steps for Short Term Exposures	2	2	2	3	3	3
Exposure At Default (EAD)	5,305	2,519	1,399	237	2,451	-

Long Term Exposures (over 3 months' residual maturity)

In thousands of Euro						
Credit Rating	AA-	A+	A	A-	BBB+	BBB
Credit Quality Steps for Long Term Exposures	2	2	2	2	2	3
Exposure At Default (EAD)	-	55,599	612	46,377	100,947	28,086

ECAI's 2018

Short Term Exposures (Under 3 months' residual maturity)

In thousands of Euro						
Credit Rating	A+	A	A-	BBB+	BBB	BBB-
Credit Quality Steps for Short Term Exposures	2	2	2	3	3	3
Exposure At Default (EAD)	2,530	32,462	788	78,762	2,241	-

Long Term Exposures (over 3 months' residual maturity)

In thousands of Euro						
Credit Rating	AA-	A+	A	A-	BBB+	BBB
Credit Quality Steps for Long Term Exposures	2	2	2	2	3	3
Exposure At Default (EAD)	1,954	1,778	299	698	8,341	57

Credit Risk Impairment and Provisioning Policies

Under IFRS 9 all credit exposures are subject to recognition of an impairment loss allowance for expected credit loss ("ECL").ECLs are calculated through the impairment model which allocates financial instruments to stage 1, 2, 3 and POCI (Purchased or Originated Credit- impaired) and measure the appropriate 12 month or lifetime ECL.

- Stage 1 (not credit-impaired): Exposures which have not experienced a significant increase in credit risk since initial recognition and are not credit-impaired. An impairment loss allowance equal to 12-month ECL is recognised.
- Stage 2 (not credit-impaired): Exposures which have experienced a 'significant increase in credit risk since initial recognition' and are not credit-impaired. An impairment loss allowance equal to lifetime ECL is recognised.
- Stage 3 (credit-impaired): Credit-impaired exposures. An impairment loss allowance equal to lifetime ECL is recognised. The Group's identification of credit-impaired exposures results in its population of credit-impaired exposures being consistent with its population of defaulted financial assets (in accordance with Article 178 of the Capital Requirements Regulation (CRR) in scope for the impairment requirements of IFRS 9. This encompasses loans where: (i) the borrower is considered unlikely to pay; and / or (ii) the borrower is greater than 90 days past due and the arrears amount is material.
- POCI: Exposures that were credit-impaired at initial recognition. A POCI is not subject to any initial impairment loss allowance but an impairment loss allowance is subsequently recognised for the cumulative changes in lifetime ECL since initial recognition. A POCI remains classified as such until it is derecognised, even if assessed as no longer credit-impaired at a subsequent reporting date.

ECLs are calculated as the sum of the marginal losses for each time period from the balance sheet date. The key components of the ECL calculation are Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

A financial asset is credit-impaired “when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred”. It is the policy of the Bank to adopt a definition of default consistent with the European Banking Authority (EBA) guidelines. Obligors that are deemed to be unlikely to pay or that have material delinquencies of 90 days past due or more are considered defaulted. The Bank considers certain events as resulting in mandatory credit-impaired classification without further assessment regardless of delinquency status where appropriate.

An analysis of impairments can be found in Appendix 5 - Credit Quality.Template 16: EU CR2-A – Changes in the stock of general and specific credit risk adjustments

		2019		2018	
		a	b	a	b
		Accumulated specific credit risk adjustment	Accumulated general credit risk adjustment	Accumulated specific credit risk adjustment	Accumulated general credit risk adjustment
1	**Opening balance**	6,039,534		5,869,284	
2	Increases due to amounts set aside for estimated loan losses during the period	773,740		1,122,513	
3	Decreases due to amounts reversed for estimated loan losses during the period	(1,146,602)		(1,431,673)	
4	Decreases due to amounts taken against accumulated credit risk adjustments	2,045,613		484,242	
8	Other adjustments	212,235		(4,832)	
9	**Closing balance**	7,924,520		6,039,534	
10	Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	0		6,575	
11	Specific credit risk adjustments directly recorded to the statement of profit or loss	(45,887)		(12,137)	

The movement in the Gross Carrying Value of impairments for 2019 are shown in the table below:

Template 17: EU CR2-B - Changes in the stock of defaulted and impaired loans and debt securities

		2019	2018
		a	
		Gross carrying value defaulted exposures	Gross carrying value defaulted exposures
1	**Opening balance**	135,515,341	27,723,703
2	Loans and debt securities that have defaulted or impaired since the last reporting period	72,067,149	186,863,502
3	Returned to non-defaulted status	(90,702,294)	(116,043,437)
4	Amounts written off	(3,605,180)	
5	Other changes	(25,175,867)	36,971,573
6	**Closing balance**	88,099,149	135,515,341

Non-performing exposures

These are

(i) credit-impaired loans (IFRS Stage 3) which includes loans where the borrower is considered unlikely to pay in full without recourse by the Group to actions such as realising security, and loans where the borrower is greater than 90 days past due and the arrears amount is material; and

(ii) other / probationary loans that have yet to satisfy exit criteria in line with EBA guidance to return to performing.

An analysis of NPEs can be found in Appendix 3.

4.2 Counterparty credit risks

Counterparty credit risk is the risk that counterparties to derivative contracts will fail to meet their contractual obligations causing replacement losses to the other party. Counterparty credit risk arises from Treasury activities with other credit institutions including the execution of interest rate and foreign exchange derivatives for economic hedging purposes. The Bank uses the Mark-to-Market Method for measuring counterparty credit risk as outlined in Article 274 of the CRR. Under this method the positive replacement cost of a contract is added to the potential future credit exposure of a contract. The potential future credit exposure of a contract is determined by multiplying the notional value by an add-on factor. The add-on factor is determined by reference to the contract type and residual maturity.

The Bank mitigates counterparty credit risk by implementing netting techniques and exchanging collateral. Netting as outlined in Article 298 of the CRR, is employed where there are contractual netting agreements in place with counterparties. Netting can reduce the potential future credit exposure. The combination of the positive replacement cost, potential future credit exposure less netting benefits provides the Exposure at default (EAD). The Bank has the ability to call on collateral for in scope derivatives, as defined under the European Market Infrastructure Regulation.

Limits are set for specific tenors on the basis of product type. For the avoidance of doubt, the Bank cannot transact with a Treasury counterparty in the absence of an approved credit limit. The Treasury counterparty exposure is monitored on a daily basis. The Credit function reports the level of exposure for each Treasury counterparty to the Credit Committee. Based on recommendations from the Credit function, the Credit Committee may change the internal rating of a Treasury counterparty if it's financial health deteriorates or market conditions change. It is the responsibility of the Bank's Credit function to establish and maintain the Treasury counterparty Credit Limits in the Bank's systems following the credit approval process. The Credit function reports any material breach of a Treasury counterparty Credit Limit to the Credit Committee.

The volatility of the credit spread of counterparties is captured through the application of CRD IV Standardised Credit Value Adjustment (CVA) Capital Charge.

Template 26: EU CCR2 - CVA Capital Charge

		2019		2018	
		a	b	a	b
		Exposure value	RWAs	Exposure value	RWAs
4	All portfolios subject to the standardised method	11,127,542	4,876,669	11,266,795	4,681,694
5	Total subject to the CVA capital charge	11,127,542	4,876,669	11,266,795	4,681,694

4.3 Market risk - foreign exchange risk

Foreign exchange risk is a financial risk caused by an exposure to changes in the exchange rates between two currencies. The Bank is a Euro denominated entity that engages in leasing business throughout the European Economic Area ("EEA") in the following currencies: GBP, CHF, USD, DKK, SEK, NOK and PLN. The Bank has transaction exposure as it has contractual non-Euro cash flows whose values are subject to changes in exchange rates. To manage the Euro value of the Bank's foreign currency denominated cash flows, the Bank runs an FX hedging program using foreign exchange derivatives. The Bank does not assume any discretionary risk taking in the form of trading book risk.

FX forwards converting non-Euro cash-flows to Euro are utilised to minimise the Bank's FX risk exposure. The risk Framework in place is the same as that for IRRBB where the residual un-hedged exposure is measured against the prescribed targets, triggers and limits which are based on a percentage of the Bank's own funds with performance reported to ALCo. The Bank may choose to obtain funding in Non-Euro currencies and will hedge these drawings accordingly with Foreign Exchange derivatives or through natural hedging with non-euro assets.

Template 34: EU MR1 - Market Risk under the Standardised Approach

		2019		2018	
		a	b	a	b
		RWAs	Capital requirements	RWAs	Capital requirements
3	Foreign exchange risk	5,844,536	467,563	281,548	22,524
9	Total	5,844,536	467,563	281,548	22,524

4.4 Interest rate risk in the banking book (IRRBB)

Interest rate risk is the risk that the Bank will experience deterioration in its financial position as interest rates move over time. This risk arises naturally through the conduct of business.

The Bank manages this risk be entering into interest rate related derivatives to manage the interest rate risk arising in its Banking Book. The Bank's portfolio of non-traded financial instruments principally comprises of commercial finance and operating leases, external loan facilities, and hedging instruments.

The main source of this interest rate risk is re-pricing risk, which reflects the maturity and interest rate bases mismatches that arise from the Bank's normal business. This is the risk that the interest earned on assets and paid on liabilities will change by different amounts if interest rates fluctuate owing to differences in the re-pricing characteristics of those assets and liabilities. The extent of the risk depends on the scale of the re-pricing maturity mismatches on the Bank's balance sheet.

Interest rate risk in the banking book is calculated on the basis of establishing the re-pricing risk ladder. The majority of asset and liability balances are profiled out by contractual maturity or re-pricing date. Non-financial assets and liabilities (mainly comprised of operating leases) are spread evenly across the risk ladder over medium and longer term maturities.

The Bank applies a range of stress scenarios to this profile to measure the overall level of interest rate risk and ensure that the exposure is optimally managed. One scenario applied is the Committee of European Banking Authority ("EBA") "outlier" test based on a 200bps upward yield curve shock, others are designed to test exposure to the shape and slope of the yield curve. The EBA guidelines provide the maturity bucket percentage weightings and the residual un-hedged risk position is then measured against prescribed risk limits.

The Non-Traded Interest Rate Risk (EVE) position during the course of the reporting period was:

	2019	2018
	€'000	€'000
200bps upward shock stress scenario as at 31 December	1,020	637
Average 200bps upward shock stress scenario for the reporting period 1 January – 31 December	915	751
Maximum 200bps upward shock stress scenario during the reporting period 1 January – 31 December	3,230	2,540

In line with the EBA final report on guidelines on the management of interest rate risk arising from non-trading book activities (July 2018) the Bank assess the impacts of a 200bps ramped shock to its projected net interest over a one year period.

Estimated sensitivity of net interest income (1-year horizon) was:

	2019	2018
	€'000	€'000
200bps upward shock stress scenario as at 31 December	1,837	134

IRRBB (EVE and NII sensitivities) is monitored on a daily basis and the positions are reported regularly to ALCO.

4.5 Funding & Liquidity risk

Effective liquidity risk management is central to the building of a strong and solid balance sheet and is a key pillar in the Bank's core strategy.

Liquidity risk is the risk that the Bank is unable to meet its on and off balance sheet obligations when they fall due without incurring significant costs. Liquidity risk is highly dependent on the Bank's balance sheet characteristics such as the maturity profile of the assets and liabilities, the quality of its liquidity buffer, broader market conditions and access to sufficient market funding.

Funding risk can occur where there is an over-reliance on a particular type of funding, a funding gap or a concentration of funding maturities.

Outflows include payments made to affiliates and Value Added Resellers; those resellers that add features or services to existing offerings, on the origination of lease contracts, cash requirements from contractual commitments, inter-bank deposits being withdrawn or other cash outflows, such as significant operating expenditure or debt maturities.

The Bank's assets are comprised primarily of lease and loan obligations. These loans have short to medium term contractual repayment profiles, typically three year amortisation schedules. In aggregate, such a pool of assets will have a reasonably predictable repayment profile, though one that is still variable and that may vary systematically based on a variety of market and macroeconomic factors.

The Bank has a comprehensive policy for assessing, measuring and managing liquidity risk. The ALCO is responsible for defining and approving the Bank's liquidity policy in accordance with the broader Risk Policies established by the Risk Committee.

The Liquidity Risk Framework is subject to internal oversight, challenge and governance. The ALCO has primary responsibility and reports to the Board Risk Committee. Liquidity risk is also monitored by the control functions as appropriate.

a) Liquidity Stress Testing

The strength of the Bank's liquidity risk management is evaluated based on its ability to survive under stress. Effective management of liquidity involves assessing this potential mismatch under a variety of stress scenarios. Stress testing is used to help inform a broader understanding of liquidity risk as well as to model specific liquidity risk events.

The Bank actively monitors a range of market and firm specific indicators on an on-going basis which are designed to act as early warning indicators that liquidity stresses are emerging. The stresses apply to a range of behavioural assumptions to the performance of the asset and liability products. Scenarios include assumptions about significant changes in key funding sources, credit ratings, contingent sources of funds and political and economic conditions. The Bank is expected to be able to withstand these stressed conditions through its own resources. Simulated liquidity stress testing is carried out regularly and reflects the impact of firm specific and market related scenarios on the adequacy of the Bank's liquid resources.

The ILAAP enables the Board to assess the adequacy of the Group's funding and liquidity risk management, to assess the key liquidity and funding risks to which it is exposed; and determine the level of contingent liquidity that is required to be maintained under both normal and stress scenarios.

b) Liquidity Monitoring

The Treasury function is responsible for the daily management of the liquidity buffer, monitoring and reporting of the Bank's liquidity position in accordance with the Liquidity Policy. The Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR") are modelled and monitored by the Bank against Board approved Target, Trigger and Limit parameters set out in Risk Appetite.

The Treasury function reports the results of the ILAAP Idiosyncratic Scenario to the ALCO members on a weekly basis. The liquidity position, compliance and policy are further monitored by the Risk Management function.

Any breach or material deterioration of these metrics would set in motion a series of actions and escalations.

The Bank sources funds from five principal sources:

- Initial contributed equity, capital contributions and retained earnings
- Affiliate borrowings
- External Loan facilities
- Secured funding
- Unsecured funding

The mix of the above sources provides the Group with a diversified and stable funding base.

On 17 October 2019, the Bank issued €500 million Senior Unsecured 0.625% Notes (Eurobond) maturing on 16 October 2022. The notes bear interest on the outstanding nominal amount, payable annually in arrears on 16 October each year. The notes are listed on the Global Exchange Market of Euronext Dublin.

The ALMM return provides regulatory supervisors (ECB) with additional metrics/monitoring tools beyond the LCR and Net Stable Funding Ratio (NSFR) to help assess a bank's overall liquidity risk and facilitate the Internal Liquidity Adequacy Assessment Process (ILAAP) review process. Dell Bank International d.a.c. report the following ALMM metrics:

Concentration of funding by counterparty or product type which allows the identification of the Bank's sources of funding of such significance that their withdrawal could trigger liquidity problems.

Prices of various lengths of funding which measures the Bank's average transaction volume and prices paid for the Bank's new sources of funding in the previous 30 days.

Rollover of funding captures the Bank's volume of funds maturing, rolling over and any new funding obtained on a daily basis over a monthly time horizon.

Concentration of counterbalancing capacity by counterparty captures the Bank's concentration of counterbalancing capacity, undrawn committed funding lines granted to the Bank

The Bank use the ALMM monitoring tools to further strengthen the Bank's liquidity risk management with ongoing monitoring of the liquidity risk exposures of the Bank.

c) Assets held for Managing Liquidity Risk

The Bank holds a portfolio of cash and money market placements to manage its liquidity profile. Liquid assets are assets which can be quickly and easily converted into cash without incurring significant loss. The Bank's assets held for managing liquidity risk comprise of:

- cash
- short term bank placements

These assets in aggregate are permitted to comprise up to 100% of the Bank's liquid asset holdings.

d) Derivatives

Where relevant, the Bank enters into Credit Support Annexes ("CSAs") with its derivative counterparties for European Market Infrastructure Regulation ("EMIR") purposes. A CSA forms part of the ISDA Master Agreement and defines the terms under which collateral is posted or transferred between swap counterparties to mitigate the credit risk arising from derivative positions. The Bank's CSAs require collateral to be posted in euro cash.

e) Liquidity Risk – Off Balance sheet items

The following items are listed as off-balance sheet items at the financial year end:

- Residual value guarantees
- Lease and loan commitments to extend credit

f) Internal Liquidity Adequacy Assessment Process (ILAAP)

The ILAAP process forms one of the four core components of the Supervisory Review & Evaluation Process (SREP) methodology.

The Bank's ILAAP is formulated as required to facilitate senior management and supervisors in determining overall liquidity risk/adequacy within the Bank.

The key components addressed are disclosed below:

- Liquidity & Funding Strategy: The Bank have in place a detailed Board approved Liquidity and Funding Plan which considers the impacts of short term (liquidity) and longer term (funding) risks.
- Liquidity Adequacy: In supporting the assessment of the Bank's Liquidity and Funding strategies the Bank separately identifies short term and longer-term risk factors. These factors are subject to regular monitoring and internal stress testing with the objective of ensuring regulatory compliance is maintained at all times.
- Liquidity Buffer & Contingency Funding Plan (CFP) Effectiveness: The effectiveness of the Bank in addressing the impacts of stress events is determined by the strength of its Liquidity Buffer and actions contained within its CFP. The Liquidity Buffer effectiveness is reviewed over short term acute stresses with the CFP effectiveness reviewed over longer term stress events.

The Board and Senior Management are ultimately responsible for the Bank's Internal Liquidity Adequacy Assessment Process (ILAAP).

4.6 Operational risk

The Group faces operational risks in the regular conduct of its day to day business objectives. Operational risk is the risk that actual losses resulting from inadequate or failed internal processes, people and systems or from external events differ from the expected losses. The Group's Operational Risk Management Framework exists to mitigate against such risks. It is structured in a three tier approach comprising; identification and assessment, monitoring and reporting; and control and mitigation.

Operational risk specifically arises in the areas of:

- Business continuity
- Change management
- People
- Internal controls
- Information technology, cybercrime risk
- New product development
- Outsourcing

The Bank uses the Basic Indicator Approach (BIA) to calculate operational risk capital requirements under Pillar I. Under the BIA the capital requirement for operational risk is 15% of the three year average of gross income as defined by Article 315 of the CRR.

4.7 Residual asset value risk

Residual value risk is the risk that the realisation based residual value set at the start of a lease is not achieved at the end of the lease. This may be due to a number of factors, including lower than expected equipment resale value, changes in customer behaviour or higher fulfilment costs and/ or end of lease operating expenses. The Bank seeks to minimise potential losses arising from residual value risk by understanding the equipment leased, identifying long-term customer behaviour and applying expert judgement when applying residual values in order to provide a balanced view of expected realisation.

The Bank's Asset Management End of Lease ("EOL") function utilises analysis of historic remarketing, renewal and extension data to determine the average end of lease recovery. The function utilises knowledge and the global experience of Management to apply expert judgement to the historically achieved remarketing values to derive Recovery Based Residuals ("RBR").

The Residual Asset Risk Committee is responsible for the setting, validation and monitoring of the residual risk for the Bank. The Bank has established internal controls, with defined limits and regular reporting for residual value risk exposures within and across its portfolios.

4.8 Other risks

a) Capital Adequacy Risk

Capital adequacy is assessed under the Bank's ICAAP Framework. The Treasury function manages the Bank's capital strategy under the guidance of the Board. The Bank is committed to maintaining its sound capitalisation. The Bank has equity share capital of €50m and capital contributions received of €557.5m at 31 December 2019. The Bank's objectives when managing capital are:

- To comply with Pillar I and Pillar II capital requirements set by the CBI;
- To safeguard the Bank's ability to continue as a going concern so that it can provide returns to shareholders and benefits for other stakeholders;
- To maintain a strong capital base to support the development of its business;

Capital adequacy and the use of regulatory capital are monitored on an ongoing basis by the Bank's Regulatory Reporting function. The Bank has considered the capital and other related requirements which will apply to it through the following key legislation and requirements:

- CRR/CRD
- Relevant EBA guidelines and technical standards
- The CBI's Pillar II assessment
- Central Bank's Licensing and Supervision Standards and Requirements

The Bank holds own funds in excess of the higher of capital charges calculated under Pillar I or Pillar II.

The Bank monitors a range of balance sheet metrics and limits in accordance with the Bank's risk appetite. The ratios provide a mechanism to monitor compliance and include early warning triggers to allow management to take appropriate timely action should the Bank approach a limit. The Bank did not breach any regulatory capital ratio requirements during the current or prior year.

The Bank must comply with the Banking Recovery and Resolution Directive , its amending directives, and any supplementary regulation, associated EBA guidelines and standards that are issued as part of its implementation (collectivelly "the BRRD"). The purpose of the BRRD is to establish a framework for the recovery and resolution of institutions which are failing or likely to fail. Under the BRRD the Bank must prepare and submit a Board approved Recovery Plan to the CBI as required. The Bank must also provide all necessary information to enable the CBI to prepare a Resolution plan for the Bank.

b) Regulatory Compliance Risk

Regulatory risk is the risk to earnings, capital and / or reputation arising from non-compliance with banking regulations, anti-money laundering, data protection, and other associated requirements. Upstream risk is the risk arising from a new regulatory measure that the Bank is currently unaware of or from regulations becoming applicable due to a change in the nature or scope of the Bank's activities. The Bank has zero appetite for censure from regulatory, political, statutory or legislative bodies.

c) Reputational Risk

Reputational Risk is the risk to the DFS brand, Dell brand, or goodwill exhibited towards these brands, by the Bank's customers and wider market. Reputational risk can include social, ethical and environmental.

The Bank will not enter into activities that will knowingly give rise to reputational risk issues with the potential to materially damage the DFS or Dell brands. The Bank seeks to ensure that outsourced activities meet the Bank's reputational risk standards, including the treatment and disposal of hardware.

d) Business & Strategy Risk

Business & Strategic Risk arises from adverse and unexpected changes in income, costs or profitability that are due to the Bank's business model, its strategy, and decisions made by Board and senior management.

The Bank considers effective governance to be the most appropriate mitigation against this risk category. Business & Strategic Risk is included in the ICAAP assessment.

We continue to monitor the impact of the coronavirus (COVID-19) virus in Europe and globally. It is too early to assess the impact on the Group's business performance in 2020. We have measures in place to mitigate the potential operational and economic impacts with a particular focus on ensuring the well-being of our team members and our customers.

Business and Strategy Risk also includes Brexit risks (risks and uncertainties arising from the UK's withdrawal from the EU). With the transition period due to end on 31 December 2020 uncertainties regarding the final outcome of Brexit remain heightened. The Group continues to closely monitor any impacts arising from Brexit that may affect the UK economy and the wider European economy. This may have an adverse down-stream impact on our customers and on the Bank's financial performance. The UK is a significant market for the Bank and the Bank intends to continue to provide the same products to the same categories of customers in the UK post-Brexit.

e) Group Risk

Group Risk arises from reliance on Dell Technologies Inc. for financial and operational support, including certain funding facilities and outsourced services. Group risk includes the risk of negative impact on the Bank from other Group entities or third parties which may disrupt outsourced activities of the Bank or may impact the Bank's ability to operate effectively. The Bank considers effective governance to be the most appropriate mitigation against this risk category. Group Risk is included in the ICAAP assessment.

5 Encumbered Assets

5 Encumbered Assets

An asset should be treated as encumbered if it has been pledged or if it is subject to any form of arrangement to secure, collateralise or credit-enhance any on-balance-sheet or off-balance-sheet transaction from which it cannot be freely withdrawn (for instance, to be pledged for funding purposes).

The Bank has a third party Collateralised Loan Agreement (CLA) in place since 2014 and a securitisation facility (SPV) was put in place in January 2017. At 31 December 2019 the CLA facility was €600 million of which €468 million was drawn and the SPV facility was €800 million of which €659 million was drawn. The following table splits the Bank's balance sheet by asset type and encumbered and unencumbered assets.

Encumbered and unencumbered assets

	2019		2018	
In thousands of Euro	Carrying amount of encumbered assets	Carrying amount of unencumbered assets	Carrying amount of encumbered assets	Carrying amount of unencumbered assets
Assets of the reporting institution	1,428,686	913,405	1,019,091	798,722
Other assets	1,428,686	913,405	1,019,091	798,722

Liabilities associated with encumbered assets

	2019		2018	
In thousands of Euro	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
Carrying amount of selected financial liabilities	1,127,877[10]	1,428,686	826,545	1,019,091

[10] Carrying amount of matching liabilities refers to the amount drawn by DBID on the collateralised loan & securitised loan.

6 Leverage

6 Leverage

The CRR establishes a leverage ratio that is designed to restrict the build-up of leverage in the Banking sector. It is a simple, non-risk-weighted measure. Under CRR II the leverage ratio will become a binding legal requirement from June 2021.

The leverage ratio is calculated as Tier One Capital/Total Exposures. As at December 2019 total Exposures of the Bank consist of;

- On-balance sheet exposures
- Derivatives exposures at replacement cost plus an add-on for potential future exposure;
- Off-balance sheet items (Committed Facilities and Guarantees).

The Leverage Ratio as at December 2019 was 22.46% compared to a target of 3% (this is the binding minimum requirement from June 2021).

Process used to manage the risk of excessive leverage

The Bank does not engage in proprietary trading and only engages in derivatives for the purpose of hedging interest rate and foreign exchange risk. The Bank is well capitalised and has a capital surplus in excess of the regulatory minimum as at December 2019. The Bank's Risk function ensures that all activities in the Bank are within the ranges specified in the Bank's risk appetite statement. The Leverage Ratio is one of the suite of key internal risk indicators and is monitored on a monthly basis by the Bank's Risk function. The Bank's primary business is leasing. The Bank borrows funds with the sole intention of facilitating growth in its business. The Bank's funding base primarily consists of private secured funding and intergroup borrowing. Liquidity in the Bank is managed with a focus on maturity transformation of cash flows.

Factors that had an impact on the leverage ratio during 2019

The Bank's balance sheet grew by 29% during 2019. This represents a growth of €527 million in Assets. The other primary factor that impacted the Leverage Ratio during the year was capital contributions totalling €140 million which the Bank received from Dell Technologies Inc.

7 Remuneration disclosures

7 Remuneration disclosures

The Bank's strategy with regards to remuneration of employees and members of the Board of Directors is to attract, retain and motivate the talent needed to drive the growth of the business. The Bank executes this strategy by providing market-competitive base and incentive pay, by motivating performance toward key company objectives and supporting and enhancing our strong meritocracy. The Bank values accountability and seeks to reward teams and individual team members who continually improve their capabilities and increase their contribution.

The Bank's approach to remuneration includes the following factors: the Bank's business strategy and business plan performance; the performance of the Dell Group; market factors; Dell Group governance and standards, including group remuneration policies and standards; and all applicable regulatory requirements.

7.1 Proportionality

The Bank's remuneration policy is commensurate with the small size, non-complexity and relatively low risk profile of the institution. The CBI has granted Dell Bank derogations from the requirement to defer at least 40% of variable remuneration over a 3-5 year period and the requirement for at least 50% of variable pay to be payable in instruments. Dell Bank has adopted these derogations which are reflected in the remuneration disclosures set out in this section.

7.2 Remuneration components

The Bank's remuneration components are derived from the individual job role, including responsibility and job complexity, performance and benchmarking to relevant market data, pay and conditions. The key remuneration components include: base pay remuneration; performance-based remuneration; pension scheme; other benefits (including death-in-service); and severance schemes.

Base pay remuneration

Base pay or "fixed" remuneration is determined primarily by the job role definition, employee individual performance and external market benchmarking.

Performance-based remuneration

Performance-based or "variable" remuneration is awarded in a manner which promotes sound risk management and does not induce excessive risk-taking while maintaining an appropriate balance of fixed and variable remuneration. Variable remuneration takes account of individual performance, the performance of the Bank and the performance of Dell Group.

The Bank also makes use of Dell Group's long-term incentive programme (LTI) for the purposes of staff retention. LTI awards vest over a deferral period. It is to be noted that variable remuneration may not be payable in full or in part on the basis of unsustainable results.

In order to achieve risk alignment, variable remuneration is performance-based and subject to risk-adjustments as deemed appropriate, including malus and clawback provisions.

7.3 Identified Staff

Identified Staff are defined as those individuals whose professional activities have a material impact on the Bank's risk profile. The Remuneration and Nominations Committee shall be responsible for determining those groups, categories of employees or individuals that fall within the definition of Identified Staff. In determining those individuals to be included as Identified Staff the Remuneration and Nominations Committee will at a minimum consider the following staff members;

- Executive members of the Bank's corporate bodies;
- Senior management with responsibility for day-to-day management;
- Staff with responsibility for independent control functions;
- Other risk takers;

- Staff whose total remuneration is in the same bracket as senior managers and risk-takers.

The following roles were deemed Identified Staff as at December 2019:

- Non-Executive Directors of the Bank
- Managing Director
- Chief Financial Officer
- Chief Risk Officer
- Chief Credit Officer
- Head of Compliance
- Legal Director
- Head of Treasury
- Head of Internal Audit
- Chief Information Officer
- Chief Operating Officer
- Spanish Branch Manager

There are eleven employees of the Bank (excluding non-executive directors) included in the Identified Staff. The process for determining the identification of staff who have a material impact on the institution's risk profile is carried out on an annual basis, or as required. It takes into account the qualitative and quantitative identification criteria set out in the EBA Regulatory Technical Standard on Identified Staff. The Chief Risk Officer is responsible for carrying out the Identified Staff assessment. The results are presented to the Remuneration and Nominations Committee for their review and recommendation to the Board for approval.

Aggregate quantitative data as at 31 December 2019 is detailed in the table below:

	Non-Executive Directors	Finance & Management	Control Functions	Operations and Other	Total
Total Fixed Remuneration	280,884	984,445	769,145	365,647	2,400,121
Total Variable Remuneration	-	1,125,351	483,276	225,067	1,833,694
Ratio between variable and fixed remuneration	0.0%	114.3%	62.8%	61.6%	76.4%

The Bank is compliant with the remuneration ratio requirements as set by CRR and CRD. In accordance with article 94 (1) (g) (i) of the CRD, the variable component shall not exceed 100% of the fixed component of the total remuneration for each individual. The Bank has adhered to the conditions set out in article 94 (1) (g) (ii) of the CRD which allows for the ratio to be increased to 200% for certain individuals.

	Non-Executive Directors	Senior Management	Other material risk takers
Number of Identified Staff	6	10	1
Total value of remuneration awards for performance in 2019			
Fixed Remuneration	**280,884**	**1,962,678**	**156,558**
Cash-based (paid out)	*280,884*	*1,962,678*	*156,558*
Variable Remuneration	**-**	**1,807,669**	**26,026**
Cash-based (paid out)[(1)]	-	*614,884*	*26,026*
Deferred:			
Cash-based (unvested)	-	-	-
Shares & share-linked instruments (unvested)	-	*1.192,784*	-

(1) Up to 31 March 2020

	Non-Executive Directors	Senior Management	Other material risk takers
Number of Identified Staff	6	10	1
Deferred variable remuneration awards from prior year performance (2016 - 2018)			
Vested (paid out) of which:			
Cash-based[(1)]	-	*128,486*	-
Shares & share-linked Instruments	-	*81,910*	-
Unvested (remaining deferred) of which:			
Cash-based	-	*198,287*	-
Shares & share-linked Instruments	-	*163,432*	-

(1) Up to 31 March 2020

Remuneration over €1 million

During 2019, one individual received remuneration that was between the €1 million – €1.5 million category.

Sign-On Bonuses

During 2019, one sign-on bonus of €20,000 was paid to an individual designated as Identified Staff.

Severance Payment

During 2019 no severance payment was made to an individual designated as Identified Staff.

Changes regarding the Head of Compliance and Head of Internal Audit roles.

A new Head of Internal Audit was appointed during 2019. The previous Head of Internal Audit took up the position of Head of Compliance.

7.4 Remuneration Governance

The Board of Directors is the ultimate decision making body for the Bank. It has delegated certain responsibilities to the Bank's Remuneration and Nominations Committee. The Remuneration and Nominations Committee meets at the same frequency as the Board. In general the Bank implements the remuneration policies and practices of Dell Group with appropriate oversight of the Remuneration Committee and the Board of Directors. Non Executive Board directors that are not part of Dell Group receive a fixed annual fee. Non Executive Directors employed by Dell Group receive no fee for Board membership.

The Bank's Remuneration Policy is reviewed by the Remuneration & Nominations Committee and recommended to the Board for approval on an annual basis. The Risk Committee also review the Remuneration Policy to ensure it is appropriately aligned with risk appetite and does not promote excessive risk taking.

8 Appendices

8 Appendices

Appendix 1 – Own Funds Disclosure

Ref	Own funds disclosure template	2019 (a) Amount at disclosure date	(b) Regulation (EU) no 575/2013 article reference	2018 (a) Amount at disclosure date
Common Equity Tier 1 capital: instruments and reserves				
1	Capital instruments and the related share premium accounts	50,018,000	26 (1), 27, 28, 29	50,018,000
2	Retained earnings	(41,254,497)	26 (1) (c)	(51,602,074)
3	Accumulated other comprehensive income (and other reserves)	557,500,000	26 (1)	417,500,000
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	566,263,503	Sum of rows 1 to 5a	415,915,926
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount)	298,937	34, 105	(267)
8	Intangible assets (net of related tax liability) (negative amount)	(18,478,598)	36 (1) (b), 37	(20,895,202)
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)	(3,299,663)	36 (1) (c), 38,	(4,517,618)
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(21,479,324)	Sum of rows 7 to 20a, 21, 22 and 25a to 27	(25,413,087)
29	Common Equity Tier 1 (CET1) capital	544,784,179	Row 6 minus Row 28	390,502,839
Additional Tier 1 (AT1) capital: regulatory adjustments				
44	Additional Tier 1 (AT1) capital		Row 36 minus row 43	
45	Tier 1 capital (T1 = CET1 + AT1)	544,784,179	Sum of row 29 and row 44	390,502,839

Ref	Own funds disclosure template	2019 (a) Amount at disclosure date	(b) Regulation (EU) no 575/2013 article reference	2018 (a) Amount at disclosure date
	Tier 2 (T2) capital: instruments and provisions			
46	Capital instruments and the related share premium accounts	-	62, 63	57,417,853
50	Credit risk adjustments		62 (c) & (d)	
51	Tier 2 (T2) capital before regulatory adjustments	-		57,417,853
	Tier 2 (T2) capital: regulatory adjustments			
58	Tier 2 (T2) capital	-	Row 51 minus row 57	57,417,853
59	Total capital (TC = T1 + T2)	544,784,179	Sum of row 45 and row 58	447,920,692
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)		472, 472 (5), 472 (8) (b), 472 (10) (b), 472 (11) (b)	

Ref	Own funds disclosure template	2019 (a) Amount at disclosure date	(b) Regulation (EU) no 575/2013 article reference	2018 (a) Amount at disclosure date
60	Total risk weighted assets	2,101,917,812		1,677,861,989
Capital ratios and buffers				
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	25.92%	92 (2) (a)	23.27%
62	Tier 1 (as a percentage of total risk exposure amount)	25.92%	92 (2) (b)	23.27%
63	Total capital (as a percentage of total risk exposure amount)	25.92%	92 (2) (c)	26.70%
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)	7.412%	CRD 128, 129, 130, 131, 133	6.719%
65	of which: capital conservation buffer requirement	2.500%		1.875%
66	of which: countercyclical buffer requirement	0.412%		0.344%
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)	1,645,127	36 (1) (c), 38, 48	2,353,808

Appendix 2 – Own Funds and Audit Financial Statements Reconciliation

	Audited Financial Statements 31 December 2019	Regulatory Own Funds 31 December 2019	Variance	Comments
Share Premium	-	-	-	
Paid in Capital	50,000,001	50,018,000	(17,999)	Variance relates to additional capital held at the consolidated level. Financial Statements are audited at solo level (DBID)
Reserves	515,921,008	516,245,503	(327,495)	Difference in reserves at consolidated level.
Intangible Assets	(18,479,598)	(18,479,598)	-	
Year End Losses	-	-	-	
Additional value adjustments	-	298,937	(298,937)	Variance due to Regulatory adjustment for AVA
Deferred Tax Assets	(5,624,391)	(3,299,663)	(2,324,728)	Variance due to treatment of DTA for capital purposes
Core Equity Tier 1	**541,817,020**	**544,783,179**	**(2,969,159)**	**Total of above**
Total Capital	**541,817,020**	**544,783,179**	**(2,969,159)**	**Total of above**

Appendix 3 – Credit Risk Analysis

Template 7: EU CRB-B - Total and average net amount of exposures

		a Net value of exposures at the end of the period	b Average net exposures over the period
16	Central governments or central banks	**267,378,535**	261,740,702
17	Regional governments or local authorities	**67,754,456**	41,271,065
21	Institutions	**250,855,875**	174,952,745
22	Corporates	**1,746,022,369**	1,576,980,195
23	Of which: SMEs	**28,490,471**	190,396,361
28	Exposures in default	**84,675,992**	130,816,786
34	Other exposures	**96,754,230**	131,897,000
35	***Total standardised approach***	**2,513,441,458**	2,317,658,493
36	**Total**	**2,513,441,458**	2,317,658,493

Movement in Exposure values and RWA's during the period align with the reported growth of the Bank's balance sheet.

Template 8: EU CRB-C - Geographical Breakdown of Exposures

		a	b	c	d	e	f	g	h	i	j	k	l
		Net Value[11]											
		EEA	**France**	**Germany**	**Ireland**	**Italy**	**Netherlands**	**Spain**	**Sweden**	**Switzerland**	**United Kingdom**	**Other countries**[12]	**Total**
7	Central governments or central banks	261,008,005	69,418,165	7,763,304	54,684,498	41,000,388	11,777,885	30,640,030	6,369,598	642,140	12,347,700	32,734,826	267,378,535
8	Regional governments or local authorities	65,362,421	22,730,223	1,050,069	163,945	-	-	-	-	-	41,416,246	2,393,973	67,754,456
12	Institutions	202,839,608	9,774,331	3,355,780	33,633,284	606,463	560,868	2,889,033	23,373,117	1,880,481	125,877,314	2,780,444	204,731,115
13	Corporates	1,704,299,788	262,129,725	428,994,350	52,043,565	169,719,540	137,741,778	90,508,573	66,529,269	57,993,790	350,674,566	162,227,008	1,778,562,164
16	Exposures in default	81,297,788	13,824,607	11,830,762	2,909,291	13,999,917	1,177,079	2,549,107	6,296,525	3,304,366	27,711,245	1,073,094	84,675,993
22	Other exposures	109,396,981	13,806,279	13,797,085	15,822,240	4,427,396	2,766,535	5,609,776	6,401,692	637,080	39,972,689	7,098,423	110,339,195
23	***Total standardised approach***	**2,424,204,591**	**391,683,331**	**466,791,350**	**159,256,823**	**229,753,704**	**154,024,145**	**132,196,519**	**108,970,201**	**64,457,858**	**597,999,760**	**208,307,767**	**2,513,441,458**
24	***Total***	**2,424,204,591**	**391,683,331**	**466,791,350**	**159,256,823**	**229,753,704**	**154,024,145**	**132,196,519**	**108,970,201**	**64,457,858**	**597,999,760**	**208,307,768**	**2,513,441,458**

[11] Significant geographical area disclosures based on 5% materiality threshold on total net exposure value.
[12] Other Countries include exposures to Austria, Belgium, Czech Republic, Denmark, Hungary, Luxembourg, Norway, Poland, Portugal and Iceland.

Template 9: EU CRB-D – Concentration of exposures by industry or counterparty types

		a	b	c	d	e	f	g	h	i	j	k	l	m
		Manufacturing	**Wholesale/Retail Trade & Repairs**	**Transportation and Storage**	**Information and Communication**	**Financial Intermediation (Excl. Monetary Financial Institutions)**	**Business and Administrative Services**	**Other Community, Social and Personal Services**	**Human Health and Social Work**	**Public Administration and Defence**	**Extra-Territorial and Organisations Bodies**	**Credit Institutions**	**Other**	**Total**
7	Central governments or central banks	0	0	0	0	0	0	0	0	210,924,299	5,950	0	56,448,286	267,378,535
8	Regional governments or local authorities	0	0	0	28,789,740	0	0	0	12,568,228	23,602,619	0	0	2,793,869	67,754,456
12	Institutions	0	0	0	0	0	0	0	0	0	0	250,855,875	0	250,855,875
13	Corporates	321,723,633	119,471,824	50,029,521	916,538,093	102,288,338	163,091,573	21,154,106	14,049,045	21,349,445	1,296	-62,461,802	78,787,297	1,746,022,369
16	Exposures in default	36,474,973	5,351,938	3,048,096	18,639,293	2,014,084	2,322,536	2,376,261	1,082,825	3,651,471	0	6,975,197	2,739,319	84,675,993
22	Other exposures	17,234,128	3,901,394	1,420,142	33,571,939	1,654,896	28,228,557	592,500	266,826	2,211,174	1,771	1,011,965	6,658,938	96,754,230
23	***Total standardised approach***	375,432,734	128,725,156	54,497,759	997,539,065	105,957,318	193,642,666	24,122,867	27,966,924	261,739,008	9,017	196,381,235	147,427,709	**2,513,441,458**
24	***Total***	375,432,734	128,725,156	54,497,759	997,539,065	105,957,318	193,642,666	24,122,867	27,966,924	261,739,008	9,017	196,381,235	147,427,709	**2,513,441,458**

Template 10: EU CRB-E - Maturity[13] of Exposures

The Bank's credit exposures can be categorized into the following time bands:

		a	b	c	d	e	f	g	h
		Net Exposure Value							
		Up to 3 months	3 to 6 months	6 months to 1 year	1-2 Years	2-5 Years	Greater than 5 years	No stated maturity	Total
7	Central governments or central banks	203,935,528	1,580,799	4,961,204	6,615,900	49,944,842	340,262		267,378,535
8	Regional governments or local authorities	46,454	26,694	78,678	1,306,720	62,330,653	821,629	3,143,628	67,754,456
12	Institutions	119,326,481	654,247	1,902,271	8,345,801	71,344,346	347,135	2,810,834	204,731,115
13	Corporates	13,219,539	15,173,230	82,166,431	377,425,618	1,112,953,395	10,686,088	166,937,863	1,778,562,164
16	Exposures in default	2,278,540	5,622,813	6,467,417	45,841,947	24,465,276	0		84,675,993
22	Other exposures	42,091,728	9,170,007	15,792,985	28,268,438	15,016,036	1		110,339,195
23	***Total standardised approach***	**380,898,270**	**32,227,790**	**111,368,986**	**467,804,424**	**1,336,054,548**	**12,195,115**	**172,892,325**	**2,513,441,458**
24	***Total***	**380,898,270**	**32,227,790**	**111,368,986**	**467,804,424**	**1,336,054,548**	**12,195,115**	**172,892,325**	**2,513,441,458**

[13] Residual Maturity

Template 20: EU CR5 - Standardised Approach[14]

	Exposure classes	Risk weight 0%	20%	50%	100%	150%	250%	Total	Of which: Unrated
1	Central governments or central banks	266,614,239			764,296			267,378,535	267,378,535
2	Regional government or local authorities		67,754,456					67,754,456	67,754,456
6	Institutions		156,718,781	90,894,456	3,242,638			250,855,875	1,204,450
7	Corporates				1,746,022,369			1,746,022,369	1,746,022,369
10	Exposures in default				621,798	84,054,195		84,675,993	84,675,993
16	Other items				95,109,103		1,645,127	96,754,230	96,754,230
17	**Total**	**266,614,239**	**224,473,237**	**90,894,456**	**1,845,760,204**	**84,054,195**	**1,645,127**	**2,513,441,458**	**2,263,790,033**

Template 25: EU CCR1 - Analysis of CCR exposure by approach

	a	b	c	d	e	f	g
	Notional	Replacement cost/current market value	Potential future credit exposure	EEPE	Multiplier	EAD post CRM	RWAs
Mark to market		5,570,275	6,345,268			11,915,543	5,858,720
Total		5,570,275	6,345,268			11,915,543	5,858,720

[14] Exposures are post conversion factor and post risk mitigation techniques

Template 28: EU CCR3 - Standardised Approach – CCR exposures by regulatory portfolio and risk

	Exposure classes	Risk weight			
		20%	50%	Total	Of which unrated
6	Institutions	64,702	5,794,018	5,858,720	-
17	**Total**	64,702	5,794,018	5,858,720	-

Template 31: EU CCR5-A – Impact of netting and collateral held on exposure values

	Instrument	Gross positive fair value or net carrying amount	Netting benefits	Netted current credit exposure	Collateral held	Net credit exposure
1	Derivatives	27,563,270	15,651,727	11,911,543		11,911,543
4	Total	**27,563,270**	**15,651,727**	**11,911,543**		**11,911,543**

Template 32: EU CCR5-B – Composition of collateral for exposures to CCR

	Instrument	Collateral used in derivative transactions			
		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated
1	Derivatives			13,840,001	
4	Total			**13,840,001**	

Template 3: Credit quality of performing and non-performing exposures by past due days

	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are pd ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
Loans and advances	1,925,067,885	1,888,805,002	36,262,883	96,826,051	69,099,212	19,186,699	5,240,194	3,299,946				88,099,149
Central banks	44,635,662	44,635,662	-	-	-	-	-	-				
General governments	55,230,198	52,726,830	2,503,368	1,574,853	1,526,594	19,567	13,687	15,005				1,574,853
Credit institutions	206,466,890	206,464,274	2,616	878,940	863,644	1,839	4,268	9,189				877,101
Other financial corporations	84,115,262	83,737,404	377,858	4,326,941	289,442	3,719,607	94,000	223,892				684,599
Non-financial corporations	1,534,619,873	1,501,240,831	33,379,042	90,045,317	66,419,533	15,445,686	5,128,238	3,051,860				84,962,596
Of which SMEs	81,679,658	81,087,428	592,230	2,179,827	513,375	552,650	540,484	573,318				573,318
Off-balance-sheet exposures	168,170,619			-								-
Credit institutions	1,776,039			-								-
Other financial corporations	978,193			-								-
Non-financial corporations	165,416,387			-								-
Total	2,093,238,503	1,888,805,002	36,262,883	96,826,051	69,099,212	19,186,699	5,240,194	3,299,946	-	-	-	88,099,149

Template 4: Performing and non-performing exposures and related provisions.

		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions					
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		On performing exposures	On non performing exposures
1	Loans and advances	1,751,621,882	1,567,959,293	183,662,588	88,099,149	-	88,099,149	-9,849,634	-7,924,519	-1,925,115	-13,644,197		-13,644,197	-3,578,488		-3,578,488
2	Central banks	-	-	-	-		-	-	-	-	-		-	-		-
3	General governments	55,230,198	49,435,389	5,794,808	1,574,853		1,574,853	-84,611	-56,734	-27,877	-35,382		-35,382	-		-
4	Credit institutions	68,931,486	68,463,962	467,524	877,101		877,101	-44,719	-44,041	-678	-19,716		-19,716	-		-
5	Other financial corporations	87,757,604	74,841,856	12,915,748	684,599		684,599	-313,606	-95,059	-218,547	-346,218		-346,218	-32,719		-32,719
6	Non-financial corporations	1,539,702,594	1,375,218,087	164,484,507	84,962,596		84,962,596	-9,406,698	-7,728,685	-1,678,013	-13,242,881		-13,242,881	-3,545,768		-3,545,768
22	**Total**	1,751,621,882	1,567,959,293	183,662,588	88,099,149	-	88,099,149	-9,849,634	-7,924,519	-1,925,115	-13,644,197	-	-13,644,197	-3,578,488	-	-3,578,488

Appendix 4 – Credit Quality

Template 11: EU1-A - Credit quality of exposures by exposure class

		a	b	c	d	e	f	G
		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					(a+b-c-d)*
16	Central governments or central banks		267,482,196	103,661				267,378,535
17	Regional governments or local authorities		67,789,265	34,808				67,754,456
21	Institutions		204,770,031	38,916				204,731,115
22	Corporates		1,788,471,817	9,909,653				1,778,562,164
28	Exposures in default	96,317,313		11,641,320				84,675,993
34	Other exposures		110,339,195					110,339,195
35	***Total standardised approach***	96,317,313	2,438,852,504	21,728,358				2,513,441,458
36	***Total***	96,317,313	2,438,852,504	21,728,358				2,513,441,458

Template 12: EU CR1-B – Credit Quality of Exposures by Industry or Counterparty Types

		a	b	c	d	e	f	g
		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges	Net values (a +b-c-d)
		Defaulted exposures	Non-defaulted exposures					
1	Primary Industry	208,769	15,584,658	69,793				15,863,220
2	Manufacturing	40,538,019	333,076,421	1,818,294				375,432,734
3	Electricity, Gas, Steam and Air Conditioning	1,334,797	15,198,694	7,101				16,540,592
4	Water Supply, Sewerage, Waste Management and Remediation Activities	3,511	1,089,203	10,619				1,103,333
5	Construction	1,451,232	-1,516,777	11,991,370				11,925,825
6	Wholesale/Retail Trade & Repairs	6,167,616	121,505,360	1,052,180				128,725,156
7	Transportation and Storage	3,390,063	50,860,729	246,967				54,497,759
8	Hotels and Restaurants	1,559	3,933,924	6,997				3,942,480
9	Information and Communication	21,585,253	971,927,494	4,026,318				997,539,065
10	Financial Intermediation (Excl. Monetary Financial Institutions)	2,385,939	102,954,831	578,224				105,918,994
11	Real Estate, Land and Development Activities	456,969	14,546,321	299,707				15,302,997
12	Business and Administrative Services	2,973,123	189,376,920	1,292,623				193,642,666
13	Other Community, Social and Personal Services	2,605,633	21,491,915	25,319				24,122,867
14	Education	388,680	22,692,334	152,818				23,233,832
15	Human Health and Social Work	1,195,356	26,722,913	48,655				27,966,924
16	Public Administration and Defence	4,003,935	257,681,212	53,861				261,739,008
17	Extra-Territorial Organisations and Bodies	0	9,010	7				9,017
18	Central Banks	0	59,547,267	6,487				59,553,754
19	Credit Institutions	7,626,859	188,713,358	41,018				196,381,235
20	***Total***	96,317,313	2,395,395,787	21,728,358				2,513,441,458

Template 13: EU CR1-C – Credit Quality of Exposures by Geography

		a	b	c	d	e	f	g
		Gross carrying values of		Specific credit risk adjustment	General credit risk adjustment	Accumulated write-offs	Credit risk adjustment charges	Net values
		Defaulted exposures	Non-defaulted exposures					(a+ b -c-d)*
1	Finland	267,847	27,227,236	53,047	-		-	27,442,036
2	France	15,575,538	378,592,998	2,485,205	-		-	391,683,331
3	Germany	15,473,172	455,433,881	4,115,703	-		-	466,791,350
4	Ireland	2,958,047	156,431,871	133,095	-		-	159,256,823
5	Italy	14,873,227	216,276,217	1,395,740	-		-	229,753,704
6	Netherlands	1,243,932	153,208,542	428,329	-		-	154,024,145
7	Spain	4,103,280	129,934,020	1,840,781	-		-	132,196,519
8	Sweden	6,365,304	102,761,649	156,752	-		-	108,970,201
9	Switzerland	3,376,476	61,239,289	157,907	-		-	64,457,858
10	United Kingdom	30,597,391	577,247,798	9,845,429	-		-	597,999,760
11	Other countries[15]	1,483,099	180,499,002	1,116,370	-		-	180,865,731
12	***Total***	96,317,313	2,438,852,503	21,728,358	-		-	2,513,441,458

[15] Other Countries include exposures to Austria, Belgium, Czech Republic, Denmark, Hungary, Luxembourg, Norway, Poland, Portugal and Iceland.

Appendix 5 – Leverage Ratio Disclosure Template

CRR Leverage Ratio - Disclosure Template

Reference date	31 December 2019
Entity name	Dell Bank International d.a.c.
Level of application	Consolidated

Table LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

		Applicable Amounts
1	Total assets as per published financial statements	2,312,967,650
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	
3	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013 "CRR")	
4	Adjustments for derivative financial instruments	6,378,684
5	Adjustments for securities financing transactions "SFTs"	
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	88,250,116
EU-6a	(Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013)	
EU-6b	(Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013)	
7	Other adjustments	17,786,283
8	Total leverage ratio exposure	2,425,382,733

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)	2,347,116,188
2	(Asset amounts deducted in determining Tier 1 capital)	(21,778,261)
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	2,325,337,927
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	1,477,059
5	Add-on amounts for PFE associated with all derivatives transactions (mark-to-market method)	10,434,484
11	Total derivative exposures (sum of lines 4 to 10)	11,911,543
Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	172,892,325
18	(Adjustments for conversion to credit equivalent amounts)	(84,642,209)
19	Other off-balance sheet exposures (sum of lines 17 to 18)	88,250,116
Capital and total exposures		
20	Tier 1 capital	544,784,179
21	Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	2,425,499,586
Leverage ratio		
22	Leverage ratio	22.46%

Table LRSpl: Split-up 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:	2,347,154,512
EU-3	Banking book exposures, of which:	2,347,154,512
EU-5	Exposures treated as sovereigns	267,378,535
EU-6	Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns	64,610,829
EU-7	Institutions	236,133,498
EU-10	Corporate	1,579,084,505
EU-11	Exposures in default	84,675,993
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	115,271,152

Appendix 6 – Liquidity Coverage Ratio

Scope of consolidation: Consolidated Currency and units: EURO actual		Total unweighted value (average)				Total weighted value (average)			
Quarter ending on:		**31-Mar**	**30-Jun**	**30-Sep**	**31-Dec**	**31-Mar**	**30-Jun**	**30-Sep**	**31-Dec**
Number of data points used in the calculation of averages		0	0	0	0	0	0	0	0
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					43,512,855	42,449,169	41,649,281	44,635,662
CASH-OUTFLOWS									
11	*Outflows related to derivative exposures and other collateral requirements*	809,435	1,278,766	2,249,047	2,357,647	809,435	1,278,766	2,249,047	2,357,647
12	*Outflows related to loss of funding on debt products*								
13	*Credit and liquidity facilities*								
14	Other contractual funding obligations	47,886,825	51,858,845	66,697,646	37,381,321	43,561,307	46,768,128	59,476,365	33,799,268
15	Other contingent funding obligations	1,955,719	1,605,295	1,601,914	1,578,079	1,955,719	1,605,295	1,601,914	1,578,079
16	**TOTAL CASH OUTFLOWS**					**46,326,461**	**49,652,190**	**63,327,327**	**37,734,995**
CASH-INFLOWS									
17	Secured lending (eg reverse repos)								
18	Inflows from fully performing exposures	79,459,867	72,935,582	69,720,085	107,324,263	32,786,851	29,345,199	26,258,603	38,474,426
19	Other cash inflows	29,450,322	34,208,866	33,698,601	75,976,760	29,450,322	34,208,866	33,698,601	75,976,760
20	**TOTAL CASH INFLOWS**	**108,910,189**	**107,144,448**	**103,418,686**	**183,301,023**	**62,237,173**	**63,554,065**	**59,957,204**	**114,451,186**
EU-20c	***Inflows Subject to 75% Cap***	**108,910,189**	**107,144,448**	**103,418,686**	**183,301,023**	**62,237,173**	**63,554,065**	**59,957,204**	**114,451,186**

		TOTAL ADJUSTED VALUE			
21	LIQUIDITY BUFFER	43,512,855	42,449,169	41,649,281	44,635,662
22	TOTAL NET CASH OUTFLOWS	11,581,615	12,413,047	15,831,832	9,433,749
23	**LIQUIDITY COVERAGE RATIO**	**375.71%**	**341.97%**	**263.07%**	**473.15%**

Appendix 7 – Asset Encumbrance Disclosure

Template A - Encumbered and unencumbered assets

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	050	060	080	090	100
010	**Assets of the reporting institution**	1,428,685,768				913,405,264	44,635,662		
100	Loans and advances other than loans on demand	1,204,308,375				611,918,825			
120	Other assets	182,908,354			-	160,782,573		-	-

Template B-Collateral received

		Fair value of encumbered collateral received or own debt securities issued		Unencumbered Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	060
250	**TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**	1,428,685,768			

Template C-Sources of encumbrance

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and ABSs encumbered
		010	030
010	**Carrying amount of selected financial liabilities**		
120	**Other sources of encumbrance**	1,127,877,228	1,414,845,767
160	Other	1,127,877,228	1,414,845,767
170	**TOTAL SOURCES OF ENCUMBRANCE**	1,127,877,228	1,414,845,767

Appendix 8 – Accounting & Regulatory consolidation

Template 1: EU LI1 – Differences between accounting and regulatory scopes of consolidation and the mapping of financial statement categories with regulatory risk categories

	a	b	c	d	e	f	g
			Carrying Values of items				
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash and balances at central banks	44,635,662	44,635,662	44,635,662			44,635,662	
Loans and advances to banks	179,524,680	179,524,680	179,524,680			179,524,680	
Loans and advances to customers	1,744,964,775	1,744,964,775	1,744,964,775			1,744,964,775	
Derivative financial instruments	4,927,145	4,927,145		4,927,145		4,927,145	
Intangible Assets and Goodwill	18,478,598	18,478,598				18,478,598	18,478,598
Property, Plant & Equipment	140,660,301	140,660,301	140,660,301			140,660,301	
Deferred Income Tax Assets	5,624,391	5,624,391				5,624,391	5,624,391
Current Tax Assets	113,879	113,879	113,879			113,879	
Other Assets	174,038,218	174,038,218	174,038,218			174,038,218	
Total assets	**2,312,967,649**	**2,312,967,649**	**2,283,937,515**	**4,927,145**		**2,312,967,649**	**24,102,989**
Liabilities							
Deposits from banks	473,112,960						473,112,960
Debt securities in issue	495,943,850						495,943,850
Other Liabilities	49,669,885						49,669,885
Derivative financial instruments	19,049,646						19,049,646
Amounts due to fellow subsidiaries	709,273,300						709,273,300
Total liabilities	**1,747,049,641**						**1,747,049,641**

Template 2: EU LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements

	a	b	c	d	e
	Total	Items subject to			
		Credit risk framework	CCR Framework	Securitisation framework	Market risk framework
Assets carrying value amount under the scope of regulatory consolidation (as per template EU LI1)	2,312,967,649				
Liabilities carrying value amount under the regulatory scope of consolidation (as per template EU LI1)	1,747,049,641				
Total net amount under the regulatory scope of consolidation	2,355,331,417	2,350,404,272	4,927,145		2,355,331,417
Off-balance-sheet amounts	172,892,325	172,892,325			
Differences due to different netting rules, other than those already included in row 2	6,984,398		6,984,398		
Exposure amounts considered for regulatory purposes	**2,535,208,140**	**2,523,296,597**	**11,911,543**	**-**	**2,355,331,417**

Template 3: EU LI3 – Outline of the differences between in the scopes of consolidation (entity by entity)

	a	b	c	d	e	f
Name of the entity	Method of accounting consolidation	Method of regulatory consolidation				Description of the entity
		Full consolidation	Proportional consolidation	Neither consolidated nor deducted	Deducted	
Dell Bank International d.a.c.	Full consolidation	✓				Credit institution
Dell Receivables Financing 2016 Designated Activity Company (d.a.c)	Full consolidation	✓				SPV
Dell Bank International d.a.c Sucursal en Espana	Full consolidation	✓				Branch
DFS BV	Neither consolidated nor deducted	✓				Hold Co

Appendix 9 – Risk-Weighted exposures

Template 4: EU OV1 - Overview of RWAs

			RWAs		Minimum capital requirements
			2019	2018	2019
	1	Credit risk (excluding CCR)	1,971,668,758	1,552,096,698	157,733,500
Article 438(c)(d)	2	Of which the standardised approach	1,971,668,758	1,552,096,698	157,733,500
Article 107 Article 438(c)(d)	6	CCR	10,735,389	10,350,314	858,831
Article 438(c)(d)	7	Of which mark to market	5,858,720	5,668,619	468,698
Article 438(c)(d)	12	Of which CVA	4,876,669	4,681,694	390,134
Article 438 (e)	19	Market risk	5,844,536	281,548	467,563
	20	Of which the standardised approach	5,844,536	281,548	467,563
Article 438(f)	23	Operational risk	113,669,129	115,133,429	9,093,530
	24	Of which basic indicator approach	113,669,129	115,133,429	9,093,530
	29	Total	**2,101,917,812**	**1,677,861,989**	**168,153,425**

Template 19: EU CR4 – Standardised Approach - Credit Risk Exposure and CRM effects

		a	b	c	d	e	f
		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	267,482,196		267,378,535		764,296	0.29%
2	Regional government or local authorities	64,645,637	3,143,628	64,610,829	1,571,813	13,236,529	20.00%
6	Institutions	190,047,654	2,810,834	236,133,498	2,012,325	79,807,413	33.51%
7	Corporates	1,621,533,954	166,937,863	1,579,084,505	84,665,978	1,657,794,231	99.64%
10	Exposures in default	96,317,313		84,675,993		126,703,090	149.63%
16	Other items	110,339,194		96,754,230		99,221,920	102.55%
17	**Total**	**2,350,365,948**	**172,892,325**	**2,328,637,590**	**88,250,116**	**1,977,527,479**	**81.82%**