

Appendix to the Pillar 3 disclosures 2019



VAN LANSCHOT
KEMPEN

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Introduction

Our Pillar 3 disclosures take the form of a main document and an appendix. The appendix provides additional information about the risks we incur and the way we manage these risks. The tables included in the appendix do not align well with the tabular approach taken in the main document. The Pillar 3 disclosures are intended as an additional source of information to the annual report.

Portfolio composition disclosures

Table 1 Composition of loan portfolio at 31/12/2019

Item	Amount (€ million)	%
Agriculture		
Crop and animal production, hunting and related service activities	93	7
Other	0	0
Manufacturing		
Other, including rubber and plastic products	14	1
Construction of buildings	15	1
Wholesale and retail trade		
Wholesale trade, except of motor vehicles and motorcycles	27	2
Retail trade, except of motor vehicles and motorcycles	37	3
Other	0	0
Transport and storage		
Other, including warehousing and support activities for transportation	0	0
Accommodation and food service activities		
Other, including accommodation	7	0
Information and communication		
Other, including computer programming, consultancy and related activities	6	0
Real estate activities		
Real estate activities	202	15
Professional, scientific and technical activities		
Legal and accounting activities	95	7
Activities of head offices, management consultancy activities	167	12
Other, including other professional, scientific and technical activities	4	0
Administrative and support service activities		
Other, including rental and leasing activities	8	1
Education		
Other	1	0
Human health services and social work activities		
Human health activities	51	4
Other, including residential care activities	7	1
Arts, entertainment and recreation		
Other, including libraries, archives, museums and other cultural activities	5	0
Other services		
Other, including activities of membership organisations	9	1
Financial and insurance activities		
Trusts, funds and similar financial entities	110	8
Other credit granting	149	11
Activities auxiliary to financial services and insurance activities	382	27
Other	5	0
Total	1,395	100

Table 2 Composition of loan portfolio at 31/12/2018

Item	Amount (€ million)	%
Agriculture		
Crop and animal production, hunting and related service activities	93	6
Other	0	0
Manufacturing		
Other, including rubber and plastic products	19	1
Construction of buildings	17	1
Wholesale and retail trade		
Wholesale trade, except of motor vehicles and motorcycles	38	3
Retail trade, except of motor vehicles and motorcycles	30	2
Other	0	0
Transport and storage		
Other, including warehousing and support activities for transportation	1	0
Accommodation and food service activities		
Other, including accommodation	10	1
Information and communication		
Other, including computer programming, consultancy and related activities	3	0
Real estate activities		
Real estate activities	227	15
Professional, scientific and technical activities		
Legal and accounting activities	103	7
Activities of head offices, management consultancy activities	93	6
Other, including other professional, scientific and technical activities	4	0
Administrative and support service activities		
Other, including rental and leasing activities	11	1
Education		
Other	2	0
Human health services and social work activities		
Human health activities	48	3
Other, including residential care activities	9	1
Arts, entertainment and recreation		
Other, including libraries, archives, museums and other cultural activities	2	0
Other services		
Other, including activities of membership organisations	10	1
Financial and insurance activities		
Trusts, funds and similar financial entities	147	10
Other credit granting	166	11
Activities auxiliary to financial services and insurance activities	449	30
Other	5	0
Total	1,487	100

Article 437 – Own funds

Table 3 provides information about the features of the instruments comprising the own funds of Van Lanschot Kempen (Annex II Commission Implementing Regulation 1423/2014).

Table 3 Capital instruments main features template according to Annex II Commission Implementing Regulation 1423/2014 at 31/12/2019		CET1	Additional Tier 1	Tier 2	Tier 2	Tier 2	Tier 2
Capital instruments main features template ¹							
1	Issuer	Van Lanschot Kempen N.V.	Van Lanschot Kempen Wealth Management N.V.	Van Lanschot Kempen Wealth Management N.V.	Van Lanschot Kempen Wealth Management N.V.	Van Lanschot Kempen Wealth Management N.V.	Van Lanschot Kempen Wealth Management N.V.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)		XS1892756682	XS1508351514	XS1739254255	XS1739253950	XS1739253794
3	Governing law(s) of instrument	Dutch law	Dutch law	Dutch law	Dutch law	Dutch law	Dutch law
Regulatory treatment							
4	Transitional CRR rules	Common Equity Tier 1	Additional Tier 1	Tier 2	Tier 2	Tier 2	Tier 2
5	Post-transitional CRR rules	Common Equity Tier 1	Additional Tier 1	Tier 2	Tier 2	Tier 2	Tier 2
6	Eligible at solo or (sub-)consolidated / solo & (sub-)consolidated	Solo & (sub-)consolidated	Solo & (sub-)consolidated	Solo & (sub-)consolidated	Solo & (sub-)consolidated	Solo & (sub-)consolidated	Solo & (sub-)consolidated
7	Instrument type (types to be specified by each jurisdiction)	Shareholders' equity	Additional Tier 1	Tier 2	Tier 2	Tier 2	Tier 2
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	€475m	€51m	€27m	€13m	€13m	€27m
9	Nominal amount of instrument	€41m	€100m	€50m	€25m	€25m	€50m
9a	Issue price	n/a	100 per cent of the aggregate nominal amount	100 per cent of the aggregate nominal amount	100 per cent of the aggregate nominal amount	100 per cent of the aggregate nominal amount	100 per cent of the aggregate nominal amount
9b	Redemption price	n/a	Redemption at par	Redemption at par	Redemption at par	Redemption at par	Redemption at par
10	Accounting classification	Equity	Equity	Debt	Debt	Debt	Debt
11	Original date of issuance	n/a	1 April 2019	28 October 2016	29 August 2008	29 August 2008	29 August 2008
12	Perpetual or dated	Perpetual	Perpetual	Dated	Dated	Dated	Dated
13	Original maturity date	n/a	n/a	28 October 2026	29 August 2033	29 August 2038	29 August 2043
14	Issuer call subject to prior supervisory approval	n/a	Yes	Yes	Yes	Yes	Yes
15	Optional call date, contingent call dates, and redemption amount	n/a	First call date 1 April 2024, tax, reg call; all calls at the outstanding amounts	28 October 2021	29 August 2028 and each subsequent specified interest payment date	29 August 2033 and each subsequent specified interest payment date	29 August 2038 and each subsequent specified interest payment date
16	Subsequent call dates, if applicable	n/a	Each subsequent interest payment date after 1 April 2024	n/a	Each subsequent specified interest payment date after 29 August 2028	Each subsequent specified interest payment date after 29 August 2033	Each subsequent specified interest payment date after 29 August 2038
Coupons / dividends							
17	Fixed or floating dividend/coupon	n/a	Fixed to floating	Fixed to floating	Floating	Floating	Floating
18	Coupon rate and any related index	n/a	6.75% and from 1 April 2024 and each fifth anniversary thereafter; the 5yr Mid-Swap Rate plus 6.816%, payable semi-annually in arrear	3.396% Fixed to Float	4.463% + NL inflation	4.412% + NL inflation	4.361% + NL inflation
19	Existence of a dividend stopper	No	No	No	No	No	No
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary	Fully discretionary	Mandatory	Mandatory	Mandatory	Mandatory
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary	Fully discretionary	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step-up or other incentive to redeem	n/a	n/a	n/a	n/a	n/a	n/a
22	Non-cumulative or cumulative	Non cumulative	Non cumulative	Non cumulative	Non cumulative	Non cumulative	Non cumulative
23	Convertible or non-convertible	n/a	n/a	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	n/a	n/a	n/a	n/a	n/a	n/a
25	If convertible, fully or partially	n/a	n/a	n/a	n/a	n/a	n/a
26	If convertible, conversion rate	n/a	n/a	n/a	n/a	n/a	n/a
27	If convertible, mandatory or optional conversion	n/a	n/a	n/a	n/a	n/a	n/a
28	If convertible, specify instrument type convertible into	n/a	n/a	n/a	n/a	n/a	n/a
29	If convertible, specify issuer of instrument it converts into	n/a	n/a	n/a	n/a	n/a	n/a
30	Write-down features	No	Yes	No	No	No	No
31	If write-down, write-down trigger(s)	n/a	Issuer CET1 Ratio and/or the Group CET1 Ratio is less than 5.125 per cent	n/a	n/a	n/a	n/a

¹ 'n/a' inserted if the question is not applicable

Own funds disclosure template (Annex IV comm. implementing regulation 1423/2014)

Table 4 Disclosure table according to Annex IV Commission Implementing Regulation 1423/2014 at 31/12/2019

Common Equity Tier 1 capital: instruments and reserves		Amount (€1,000)
1	Capital instruments and the related share premium accounts	365,080
	of which: Instrument type 1	41,362
	of which: Instrument type 2	323,719
	of which: Instrument type 3	–
2	Retained earnings	819,870
3	Accumulated other comprehensive income (and any other reserves, to include unrealised gains and losses under the applicable accounting standards)	–57,019
3a	Funds for general banking risk	–
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	–
5	Minority interests (amount allowed in consolidated CET1)	–
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	33,594
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	1,161,525
Common Equity Tier 1 (CET1) capital: regulatory adjustments		Amount (€1,000)
7	Additional value adjustments (negative amount)	–3,028
8	Intangible assets (net of related tax liability) (negative amount)	–138,669
9	Empty set in the EU	–
10	Deferred tax assets that rely on future profitability excluding those arising from temporary difference (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	–3,832
11	Fair value reserves related to gains or losses on cash flow hedges	15,221
12	Negative amounts resulting from the calculation of expected loss amounts	–29,479
13	Any increase in equity that results from securitised assets (negative amount)	–
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	8,708
15	Defined-benefit pension fund assets (negative amount)	–
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	–10,007
17	Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	–
18	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	–
19	Direct, indirect and synthetic holdings of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	–
20	Empty set in the EU	–
20a	Exposure amount of the following items which qualify for an RW of 1250%, where the institution opts for the deduction alternative	–
20b	of which: qualifying holdings outside the financial sector (negative amount)	–
20c	of which: securitisation positions (negative amount)	–
20d	of which: free deliveries (negative amount)	–
21	Deferred tax assets arising from temporary difference (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	–
22	Amount exceeding the 15% threshold (negative amount)	–
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	–
24	Empty set in the EU	–
25	of which: deferred tax assets arising from temporary difference	–
25a	Losses for the current financial year (negative amount)	–
25b	Foreseeable tax charges relating to CET1 items (negative amount)	–
26	Empty set in the EU	–

Table 4 Disclosure table according to Annex IV Commission Implementing Regulation 1423/2014 at 31/12/2019 (continued)

Common Equity Tier 1 (CET1) capital: regulatory adjustments (continued)		Amount (€1,000)
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	–
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	–161,086
29	Common Equity Tier 1 (CET1) capital	1,000,439
Additional Tier 1 (AT1) capital: instruments		Amount (€1,000)
30	Capital instruments and the related share premium accounts	–
31	of which: classified as equity under applicable accounting standards	–
32	of which: classified as liabilities under applicable accounting standards	–
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1	–
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interest not included in row 5) issued by subsidiaries and held by third parties	51,203
35	of which: instruments issued by subsidiaries subject to phase-out	–
36	Additional Tier 1 (AT1) capital before regulatory adjustments	51,203
Additional Tier 1 (AT1) capital: regulatory adjustments		Amount (€1,000)
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)	–
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	–
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	–
40	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	–
41	Empty set in the EU	–
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	–
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	–
44	Additional Tier 1 (AT1) capital	–
45	Tier 1 capital (T1 = CET1 + AT1)	1,051,642
Tier 2 (T2) capital: instruments and provisions		Amount (€1,000)
46	Capital instruments and the related share premium accounts	–
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	–
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interest and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	80,086
49	of which: instruments issued by subsidiaries subject to phase-out	2,481
50	Credit risk adjustments	–
51	Tier 2 (T2) capital before regulatory adjustment	82,568
Tier 2 (T2) capital: regulatory adjustments		Amount (€1,000)
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	–
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institutions designed to inflate artificially the own funds of the institution (negative amount)	–
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	–
55	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amounts)	–
56	Empty set in the EU	–
57	Total regulatory adjustments to Tier 2 (T2) capital	–
58	Tier 2 (T2) capital	82,568
59	Total capital (TC = T1 + T2)	1,134,210
60	Total risk-weighted assets	4,204,916

Table 4 Disclosure table according to Annex IV Commission Implementing Regulation 1423/2014 at 31/12/2019 (continued)

Capital ratios and buffers		
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)	23.79%
62	Tier 1 (as a percentage of total risk exposure amount)	25.01%
63	Total capital (as a percentage of total risk exposure amount)	26.97%
64	Institution-specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements plus a systemic risk buffer, plus systemically important institution buffer expressed as a percentage of total risk exposure amount)	7.00%
65	of which: capital conservation buffer requirement	2.50%
66	of which: countercyclical buffer requirement	0.00%
67	of which: systemic risk buffer requirement Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	0.00%
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.00%
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	14.39%
69	[non-relevant in EU regulation]	–
70	[non-relevant in EU regulation]	–
71	[non-relevant in EU regulation]	–
Amounts below the thresholds for deduction (before risk-weighting)		Amount (€1,000)
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	148
73	Direct and indirect holdings of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	–
74	Empty set in the EU	–
75	Deferred tax assets arising from temporary difference (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	16,094
Applicable caps on the inclusion of provisions in Tier 2		Amount (€1,000)
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	–
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	–
78	Credit risk adjustments included in T2 in respect of exposures subject to internal rating-based approach (prior to the application of the cap)	–
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	–
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)		Amount (€1,000)
80	Current cap on CET1 instruments subject to phase-out arrangements	–
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	–
82	Current cap on AT1 instruments subject to phase-out arrangements	–
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	–
84	Current cap on T2 instruments subject to phase-out arrangements	2,481
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	13,628

Article 438 – Capital requirements

Table 5 and Table 6 provide information about the capital requirements measured under the standardised approach (SA), the foundation internal ratings based approach (F-IRB) and the advanced internal ratings based approach (A-IRB).

Table 5 Capital adequacy requirement by exposure class at 31/12/2019 (€1,000)

	Gross exposure	Net exposure	Specific credit risk adjustment	Average risk weighting	Risk weighting	Capital adequacy requirements
Total	15,311,559	14,324,201	63,818	22%	3,119,048	249,524
SA exposure classes						
Central governments and central banks	1,668,643	2,137,659	–	2%	40,236	3,219
Regional governments and local authorities	334,290	334,245	44	0%	–	–
International organisations	89,962	89,962	–	0%	–	–
Multilateral development banks	68,383	68,383	–	0%	–	–
Institutions	1,706,012	1,201,772	151	19%	230,784	18,463
Units in collective investments schemes	74,031	74,031	–	100%	74,031	5,922
Corporates	1,236,023	755,831	2,223	79%	596,048	47,684
Retail	551,878	176,317	817	69%	121,641	9,731
Secured by mortgages on immovable property	621,333	619,188	468	36%	220,368	17,629
Exposures in default	77,459	58,975	15,732	118%	69,734	5,579
Items associated with particularly high risk	33,104	33,104	–	150%	49,655	3,972
Covered bonds	590,720	590,504	216	10%	59,050	4,724
Equity exposures	33,140	33,140	–	100%	33,140	2,651
Other items	396,801	396,801	–	100%	396,770	31,742
Total SA	7,481,777	6,569,912	19,651	29%	1,891,458	151,317
F-IRB exposure classes						
Corporates	752,109	702,633	23,846	63%	442,359	35,389
Equities	43,212	43,212	–	363%	156,994	12,560
Securitisation positions	385,661	385,661	–	8%	31,112	2,489
Total F-IRB	1,180,982	1,131,505	23,846	56%	630,464	50,437
A-IRB exposure classes						
Retail – Secured by real estate property	5,573,831	5,604,311	6,353	6%	357,232	28,579
Retail SME	496,327	459,137	1,841	30%	138,136	11,051
Retail non SME	578,642	559,336	12,128	18%	101,758	8,141
Total A-IRB	6,648,800	6,622,784	20,321	9%	597,126	47,770

Table 6 Capital adequacy requirement by exposure class at 31/12/2018 (€1,000)

	Gross exposure	Net exposure	Specific credit risk adjustment	Average risk weighting	Risk weighting	Capital adequacy requirement
Total	15,107,152	13,823,875	111,985	24%	3,336,876	266,950
SA exposure classes						
Central governments and central banks	1,782,729	2,062,906	0	2%	40,012	3,201
Regional governments and local authorities	2,518	2,518	–	20%	504	40
International organisations	19,093	19,093	–	0%	–	–
Multilateral development banks	–	–	–	–	–	–
Institutions	1,961,390	1,164,702	145	26%	304,551	24,364
Units in collective investments schemes	48,243	48,243	–	100%	48,243	3,859
Corporates	1,019,629	780,947	2,666	83%	649,419	51,954
Retail	637,674	219,146	1,169	69%	151,656	12,133
Secured by mortgages on immovable property	647,795	643,184	252	36%	229,343	18,347
Exposures in default	96,375	76,103	18,289	114%	86,477	6,918
Items associated with particularly high risk	38,365	38,365	–	150%	57,548	4,604
Covered bonds	496,000	495,874	126	10%	50,985	4,079
Equity exposures	40,354	40,354	–	100%	40,354	3,228
Other items	254,831	254,831	–	100%	254,795	20,384
Total SA	7,044,995	5,846,265	22,647	33%	1,913,887	153,111
F-IRB exposure classes						
Corporates	825,702	761,187	35,549	67%	512,102	40,968
Equities	47,929	47,929	–	340%	163,065	13,045
Securitisation positions	499,196	499,196	–	7%	37,021	2,962
Total F-IRB	1,372,827	1,308,312	35,549	54%	712,188	56,975
A-IRB exposure classes						
Retail – Secured by real estate property	5,530,209	5,562,185	8,654	8%	437,485	34,999
Retail SME	494,434	464,293	3,365	33%	154,492	12,359
Retail non SME	664,686	642,819	41,769	18%	118,825	9,506
Total A-IRB	6,689,330	6,669,297	53,789	11%	710,801	56,864

Information about the capital requirements for market risk can be found in Table 3.3 in the annual report.

Table 7 contains information about the capital requirements calculated under the simple risk weight approach for equities.

Table 7 IRB equities simple risk weighting method at 31/12/2019 (€1,000)

	Gross exposure	Net exposure	Risk weighting	Capital adequacy requirement
Total	43,360	43,360	156,994	12,560
190% Positions in unlisted equities	1,812	1,812	3,442	275
290% Positions in listed equities	–	–	–	–
370% All other positions in equities	41,401	41,401	153,182	12,255
250% Equity positions >10% in financial companies	148	148	370	30

Table 8 contains information about the capital requirements for operational risk.

Table 8 Capital adequacy requirement for operational risk (€1,000)	Beta coefficient	31/12/2019		31/12/2018	
		Average income	Capital adequacy requirement	Average income	Capital adequacy requirement
Total		500,260	65,135	497,892	65,326
Corporate finance	18%	57,459	10,343	61,646	11,096
Trading and sales	18%	9,349	1,683	6,845	1,232
Retail brokerage	12%	143,630	17,236	130,752	15,690
Commercial banking	15%	21,275	3,191	31,203	4,680
Retail banking	12%	162,850	19,542	165,647	19,878
Payment and settlement	18%	7,611	1,370	8,884	1,599
Asset management	12%	98,086	11,770	92,917	11,150

Article 439 – Exposures to counterparty credit risk

Table 9 contains an overview of the exposures to counterparty credit risk.

Table 9 Counterparty credit risk exposure values (€1,000)	31/12/2019	31/12/2018
Gross replacement cost of derivative contracts (only items with a replacement cost greater than nil)	349,462	297,514
Settlement of derivative contracts	-225,472	-240,614
Add-ons for derivative contracts arising from potential future credit risk	193,016	229,810
Net credit equivalent of derivative contracts	317,006	286,710

Article 440 – Capital buffers

Table 10 and Table 11 contain information about the geographical distribution of credit exposures that are relevant for the calculation of our countercyclical capital buffer, as well as the amount of our countercyclical capital buffer.

Table 10 Geographical distribution of credit exposures for the calculation of the countercyclical capital buffer at 31/12/2019 (€1,000)

	General credit exposures		Trading book exposure	
	Exposure value for SA	Exposure value for IRB	Sum of long and short position of trading book	Value of trading book for internal models
Netherlands	2,594,443	7,078,847	–	–
Belgium	100,988	64,108	–	–
Switzerland	72,911	35,970	–	–
United Kingdom	32,697	23,816	–	–
France	51,916	51,557	–	–
Luxembourg	12,308	12,371	–	–
Other	565,220	88,962	–	–
Total	3,430,484	7,355,632	–	–

	Securitisation exposure		Own funds requirements			Total	Own funds requirement weights	Counter-cyclical capital buffer rate
	Exposure value for SA	Exposure value for IRB	Of which: General credit exposures	Of which: Trading book exposures	Of which: Securitisation exposures			
Netherlands	96,727	258,329	238,755	–	2,307	184,485	85%	0.0%
Belgium	–	–	11,793	–	–	11,793	5%	0.0%
Switzerland	–	–	6,209	–	–	6,209	3%	0.0%
United Kingdom	–	30,605	384	–	182	565	0%	1.0%
France	–	–	2,534	–	–	2,534	1%	2.5%
Luxembourg	–	–	1,893	–	–	1,893	1%	0.0%
Other	–	–	10,003	–	–	10,003	5%	0.0%
Total	96,727	288,934	271,572	–	2,489	217,482	100%	

Table 11 Amount of institution-specific countercyclical capital buffer at 31/12/2019 (€1,000)

	Column
Total risk exposure amount	2,718,530
Institution specific countercyclical buffer rate	0%
Institution specific countercyclical buffer requirement	0

Article 442 – Credit risk adjustment

The tables below provide information about credit risk and credit risk adjustments applied by Van Lanschot Kempen.

Table 12 provides information about the total and average exposure amount.

Table 12 Total and average exposure by exposure type at 31/12/2019 (€1,000)

Exposure class	Total exposure amount	Average exposure amount
Central governments and central banks	1,668,643	36,258
Regional governments and local authorities	334,290	22,286
International organisations	89,962	44,981
Multilateral development banks	68,383	17,096
Institutions	1,706,012	3,800
Units in collective investments schemes	74,031	3,085
Corporates	1,236,023	1,541
Retail	551,878	43
Secured by mortgages on immovable property	621,333	117
Exposures in default	77,459	369
Items associated with particularly high risk	33,104	2,546
Covered bonds	590,720	14,408
Other items	396,801	4,177
Equity positions SA	33,140	4,142
Corporates IRB	752,109	798
Equity positions IRB	43,212	3,324
Securitisation positions	385,661	35,060
Retail IRB	6,648,800	158

Table 13 breaks down the exposure amount by country.

Table 13 Exposure amount by country at 31/12/2019 (€1,000)

Country	Total exposure amount
Netherlands	12,129,114
Belgium	577,478
United Kingdom	307,101
France	273,225
Switzerland	209,448
Other	1,815,192

Table 14 shows the residual maturity per exposure class.

Table 14 Residual maturity per exposure class at 31/12/2019	
Exposure class	Residual maturity (years)
Central governments and central banks	0.71
Regional governments and local authorities	2.60
International organisations	3.52
Multilateral development banks	3.94
Institutions	11.22
Central counterparties	n/a
Units in collective investments schemes	n/a
Corporates	4.36
Retail	9.46
Secured by mortgages on immovable property	23.30
Exposures in default	7.44
Items associated with particularly high risk	0.96
Covered bonds	2.55
Other items	n/a
Equity positions SA	n/a
Corporates IRB	5.91
Equity positions IRB	n/a
Securitisation positions	2.10
Retail IRB	16.84

Table 15 provides information about impaired and past due exposures including accrued interest, broken down by the most relevant countries.

Table 15 Impaired and past due exposures per country at 31/12/2019 (€1,000)			
Country	Amount of the impaired exposures	Amount of past due exposures	If practical, the amounts of specific and general credit risk adjustments
Netherlands	200,965	127,723	50,752
Belgium	13,585	10,966	5,103
France	10,066	–	6,192
Spain	2,099	–	906
United Kingdom	551	–	574
Other	10,976	952	820

Table 16 provides information about impaired and past due exposures including accrued interest, broken down by exposure classes.

Table 16 Impaired and past due exposures per exposure class at 31/12/2019 (€1,000)			
	Impaired	Past due	Impaired and past due
Total	238,243	272,765	133,124
Corporates	–	46,138	–
Retail	–	10,045	–
Secured by mortgages on immovable property	–	13,863	–
Items in default	70,319	48,791	48,791
Total SA	70,319	118,837	48,791
Corporates	96,931	93,210	50,890
Total F-IRB	96,931	93,210	50,890
Retail secured by mortgages	43,217	33,730	13,830
Retail other SME	23,091	18,863	16,338
Retail non SME	4,685	8,127	3,276
Total A-IRB	70,993	60,719	33,443

Tables 17 to 20 are presented in accordance with the EBA's 'Guidelines on disclosure of non-performing and forborne exposures'.

Table 17 Credit quality of forborne exposures at 31/12/2019 (€1,000)

	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Total	Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures	Total	Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
Loans and advances	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-
Other financial corporations	112	31,947	31,947	31,947	0	9,874	18,979	18,979
Non-financial corporations	7,956	17,428	17,428	17,428	185	6,041	13,068	13,068
Households	9,895	10,839	10,839	10,839	226	5,996	10,839	8,269
Debt securities	-	-	-	-	-	-	-	-
Loan commitments given	-	-	-	-	-	-	-	-
Total	17,963	60,214	60,214	60,214	411	21,911	42,885	40,316

Table 18 Credit quality of performing and non-performing exposures including accrued interest by past due days at 31/12/2019 (€1,000)

	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
	Total	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Total	Unlikely to pay that are not past due or are past due ≤ 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	9,989,274	9,977,411	11,864	238,243	135,065	17,824	14,040	16,097	36,544	13,962	4,711	238,243
Central banks	1,258,357	1,258,357	-	-	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	412,234	412,234	-	-	-	-	-	-	-	-	-	-
Other financial corporations	592,930	592,930	-	68,352	38,146	365	6,058	9,257	14,271	222	33	68,352
Non-financial corporations	691,879	691,572	308	57,283	35,294	1,076	207	2,885	7,251	10,556	15	57,283
Of which SMEs	641,071	640,764	308	45,155	23,166	1,076	207	2,885	7,251	10,556	15	45,155
Households	7,033,875	7,022,318	11,556	112,607	61,625	16,383	7,775	3,956	15,022	3,184	4,662	112,607
Debt securities	3,103,443	3,103,443	-	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	816,546	816,546	-	-	-	-	-	-	-	-	-	-
Credit institutions	1,697,581	1,697,581	-	-	-	-	-	-	-	-	-	-
Other financial corporations	539,876	539,876	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	49,440	49,440	-	-	-	-	-	-	-	-	-	-
Off-balance sheet exposures	1,111,681	-	-	8,675	-	-	-	-	-	-	-	8,675
Central banks	6,823	-	-	-	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	2,519	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	282,226	-	-	2,718	-	-	-	-	-	-	-	2,718
Non-financial corporations	266,464	-	-	5,608	-	-	-	-	-	-	-	5,608
Households	553,649	-	-	349	-	-	-	-	-	-	-	349
Total	14,204,398	13,080,854	11,864	246,918	135,065	17,824	14,040	16,097	36,544	13,962	4,711	246,918

Table 19 Performing and non-performing exposures and related provisions including accrued interest at 31/12/2019 (€1,000)

	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				On performing exposures	On non-performing exposures
	Total	Of which stage 1	Of which stage 2	Total	Of which stage 2	Of which stage 3	Total	Of which stage 1	Of which stage 2	Total	Of which stage 2	Of which stage 3			
Loans and advances	9,989,274	9,045,970	943,304	238,243	–	238,243	9,148	3,911	5,236	54,622	–	54,622	37,907	6,802,492	111,636
Central banks	1,258,357	1,258,357	–	–	–	–	–	–	–	–	–	–	–	–	–
General governments	–	–	–	–	–	–	–	–	–	–	–	–	–	876	–
Credit institutions	412,234	410,148	2,087	–	–	–	1	1	–	–	–	–	–	69,668	–
Other financial corporations	592,930	394,323	198,606	68,352	–	68,352	2,456	815	1,641	13,283	–	13,283	2,241	221,437	32,033
Non-financial corporations	691,879	611,880	80,000	57,283	–	57,283	2,133	903	1,230	19,976	–	19,976	2,704	181,337	14,209
Of which SMEs	641,071	565,220	75,851	45,155	–	45,155	2,013	866	1,147	16,294	–	16,294	2,506	168,021	13,968
Households	7,033,875	6,371,263	662,612	112,607	–	112,607	4,557	2,192	2,365	21,363	–	21,363	32,961	6,329,173	65,394
Debt securities	432,957	432,957	–	–	–	–	28	28	–	–	–	–	–	–	–
Central banks	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
General governments	214,153	214,153	–	–	–	–	–	–	–	–	–	–	–	–	–
Credit institutions	218,804	218,804	–	–	–	–	28	28	–	–	–	–	–	–	–
Other financial corporations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Non-financial corporations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Off-balance-sheet exposures	1,111,681	1,028,737	82,944	8,675	–	8,675	68	62	6	8	8	–	–	178,723	16
Central banks	6,823	6,823	–	–	–	–	–	–	–	–	–	–	–	–	–
General governments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Credit institutions	2,519	2,500	19	–	–	–	–	–	–	–	–	–	–	–	–
Other financial corporations	282,226	262,133	20,093	2,718	–	2,718	19	19	0	–	–	–	–	108,739	–
Non-financial corporations	266,464	254,036	12,428	5,608	–	5,608	18	13	5	–	–	–	–	29,186	11
Households	553,649	503,245	50,404	349	–	349	31	30	0	8	8	–	–	40,798	4
Total	11,533,913	10,507,664	1,026,249	246,918	–	246,918	9,243	4,001	5,242	54,630	8	54,622	37,907	6,981,215	111,652

Table 20 Collateral obtained by taking possession and execution process (€1,000)

	Value at initial recognition	Accumulated negative changes
Property, plant and equipment (PP&E)	-	-
Other than PP&E	-	-
Total	-	-

Article 443 – Unencumbered assets

Table 21 provides an overview of asset encumbrance at Van Lanschot Kempen on 31-12-2019.

Template A–Assets (€1,000)

Table 21 Asset encumbrance 31/12/2019		Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Fair value of unencumbered assets
		010	040	060	090
10	Assets of the reporting institution	2,145,754	-	12,171,331	-
20	Loans on demand	14,425	-	1,402,707	-
30	Equity instruments	-	-	87,714	87,714
40	Debt securities	223,909	230,801	2,883,110	2,899,588
100	Loans and advances other than loans on demand	1,907,421	-	6,839,194	-
120	Other assets	-	-	954,286	-

Template B–Collateral received (€1,000)

		Fair value of encumbered collateral received or own debt securities issued	Fair value of collateral received or own debt securities issued available for encumbrance
		010	040
130	Collateral received by the reporting institution	-	-
150	Equity instruments	-	-
160	Debt securities	-	-
230	Other collateral received	-	-
240	Own debt securities issued other than own covered bonds or ABSs	-	-

Template C–Encumbered assets/collateral received and associated liabilities (€1,000)

		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	1,784,932	1,979,074

Template D–Information on importance of encumbrance

Asset encumbrance mainly concerns the claims on residential mortgages that are included in secured funding programs. Asset encumbrance can also occur due to repo transactions. Out of the potential sources of asset encumbrance, the majority of asset encumbrance is generated by the conditional pass through covered bond program. We have asset encumbrance limits in place in our funding planning.

Article 444 – Use of ECAs

Table 22 contains information about the exposure values and the exposure values after credit risk mitigation associated with each credit quality step in the CRR.

Table 22 Exposure values before and after risk mitigation by risk weight (associated with each credit quality step in the CRR) (€1,000)	31/12/2019		31/12/2018 ²	
	Gross exposure	Net exposure	Gross exposure	Net exposure
Total	7,481,777	6,569,912	7,044,995	5,846,265
0%	2,145,214	2,614,186	1,785,853	2,066,030
2%	317,228	293,474	91,843	91,843
10%	590,720	590,504	482,023	481,901
20%	1,386,766	951,321	1,248,440	947,589
35%	584,101	583,698	612,342	610,142
50%	213,794	173,802	810,232	318,324
75%	551,878	176,317	637,674	219,146
100%	1,614,856	1,113,033	1,297,658	1,032,626
150%	61,125	57,482	62,926	62,660
250%	16,094	16,094	16,005	16,005

Article 445 – Exposure to market risk

Table 23 provides a breakdown of the capital adequacy requirements for market risk.

Table 23 Capital adequacy requirements for market risk at 31/12/2019 (€1,000)	
Market risk exposure type:	Capital adequacy requirement
Position risk in the trading book	15,012
Large exposures in the trading book	–
FX risk (all books)	63
Settlement risk (all books)	11
Commodities risk (all books)	–
Total	15,085

Article 447 – Exposure in equities not included in the trading book

Table 24 provides information about the equity exposures in the banking book.

Table 24 Equity exposures in the banking book by exposure type at 31/12/2019 (€1,000)			For those exchange-traded, a comparison to the market price where it is materially different from the fair value
Exposure type	Balance sheet value	Fair value	
Equity exposure in management book Kempen & Co	87,385	87,385	–
Equity exposure in management book Van Lanschot	33,135	33,135	–
Equity exposure in banking book Van Lanschot Participaties interests	10,173	10,173	–
Instruments in associates using the equity method (including Bolster)	52,452	79,618	–

Table 25 Equity exposures in the banking book by position type 31/12/2019 (€1,000)	
Equity position type	Amount
Exchange traded	87,385
Private equity (sufficiently diversified)	1,812
Other exposures	93,949

The total realised gains arising from sales and liquidations of equity positions in the banking book during 2019 amounted to €24 million.

None of the unrealized gains are included in the CET1 capital.

Article 451 – Leverage ratio

Van Lanschot Kempen calculates its leverage ratio based on fully loaded capital definitions. Table 26 provides a breakdown of the total exposure measure as well as a reconciliation of the total exposure measure with the relevant information disclosed in published financial statements. Table 27 provides information about the calculation of the leverage ratio.

Table 26 LRSum at 31/12/2019 (€1,000)		Applicable amount
1	Total assets as per published financial statements	14,317,086
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	(1,767)
3	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013)	–
4	Adjustments for derivative financial instruments	(55,679)
5	Adjustment for securities financing transactions (SFTs)	104,954
6	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	269,126
EU-6a	(Adjustment for intragroup exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(7) of Regulation (EU) No 575/2013)	–
EU-6b	(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(14) of Regulation (EU) No 575/2013)	–
7	Other adjustments	(199,842)
8	Leverage ratio total exposure measure	14,433,878

Table 27 LRCom at 31/12/2019 (€1,000)

On-balance sheet exposures (excluding derivatives and SFTs)		CRR leverage ratio exposure
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	13,914,760
2	(Asset amounts deducted in determining Tier 1 capital)	(171,980)
3	Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)	13,742,779
Derivative exposures		
4	Replacement cost associated with all derivatives transactions (i.e. net of eligible cash variation margin)	187,035
5	Add-on amounts for PFE associated with all derivatives transactions (mark- to-market method)	129,983
EU-5a	Exposure determined under Original Exposure Method	–
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	–
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	–
8	(Exempted CCP leg of client-cleared trade exposures)	–
9	Adjusted effective notional amount of written credit derivatives	–
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	–
11	Total derivatives exposures (sum of lines 4 to 10) SFT exposures	317,018
SFT exposures		
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	104,954
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	–
14	Counterparty credit risk exposure for SFT assets	–
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429b(4) and 222 of Regulation (EU) No 575/2013	–
15	Agent transaction exposures	–
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)	–
16	Total securities financing transaction exposures (sum of lines 12 to 15a)	104,954
Other off-balance sheet exposures		
17	Off-balance sheet exposures at gross notional amount	1,116,567
18	(Adjustments for conversion to credit equivalent amounts)	(847,440)
19	Other off-balance sheet exposures (sum of lines 17 and 18)	269,126
Exempted exposures in accordance with Article 429(7) and (14) of Regulation (EU) No 575/2013 (on and off balance sheet)		
EU-19a	(Intragroup exposures (solo basis) exempted in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	–
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	–
Capital and total exposure measure		
20	Tier 1 capital	1,051,642
21	Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)	14,433,878
Leverage ratio		
22	Leverage ratio	7.3%
Choice on transitional arrangements and amount of derecognised fiduciary items		
EU-23	Choice on transitional arrangements for the definition of the capital measure	fully phased in
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) No 575/2013	n/a

Table 28 LRSpl at 31/12/2019 (€1,000)		CRR leverage ratio exposure
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	13,914,760
EU-2	Trading book exposures	44,556
EU-3	Banking book exposures, of which:	13,870,203
EU-4	Covered bonds	590,504
EU-5	Exposures treated as sovereigns	1,673,251
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	492,591
EU-7	Institutions	1,287,197
EU-8	Secured by mortgages of immovable properties	5,811,427
EU-9	Retail exposures	1,380,439
EU-10	Corporate	1,282,605
EU-11	Exposures in default	196,000
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	1,156,188

Table 29 LRQua at 31/12/2019	
Row 1	Description of the processes used to manage the risk of excessive leverage: Van Lanschot Kempen's leverage ratio is well in excess of the expected regulatory minimum of 3%. ALCO monitors the leverage risk incurred by Van Lanschot Kempen.
Row 2	Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers: During the reporting period, the leverage ratio increased. This was due to an increase in the capital measure (numerator), which offset an increase in the exposure measure (denominator).

Article 452 – Use of the Internal Ratings Based Approach for credit risk

In regards to non-retail credit risk exposures, Van Lanschot Kempen uses an internal model for its corporate portfolio. Table 30 contains key information about this portfolio.

Table 30 Corporates at 31/12/2019 (€1,000)	
Corporates	Value
Total exposure	752,109
Sum of outstanding loans	581,282
Exposure values for undrawn commitments	170,827
Exposure-weighted average risk weight	63.1%

Table 31 SME Retail at 31/12/2019 (€1,000)	
SME Retail	Value
Total exposure	496,327
Sum of outstanding loans	340,450
Exposure values for undrawn commitments	155,877
Exposure-weighted average risk weight	36.4%

Table 32 Retail secured by mortgages at 31/12/2019 (€1,000)	
Retail secured by mortgages	Value
Total exposure	5,573,831
Sum of outstanding loans	5,573,830
Exposure values for undrawn commitments	1
Exposure-weighted average risk weight	6.4%

Table 33 Expected Loss (EL) and Realised Loss (RL) of EAD for internally modelled retail and non-retail exposure classes	
EL 31-12-2018	1.59%
RL 31-12-2018	0.14%
EL 31-12-2019	0.98%
RL 31-12-2019	0.54%

Table 34 and Table 35 provide geographical information about PD and LGD for A-IRB portfolios.

Table 34 Geographical breakdown of PD and LGD for SME Retail at 31/12/2019		Exposure-weighted average	
Exposure class SME Retail		LGD	PD
Netherlands		36.3%	2.0%
Belgium		35.3%	29.0%
Switzerland		33.5%	0.2%
United Kingdom		33.5%	67.3%
Other		36.0%	6.1%

Table 35 Geographical breakdown of PD and LGD for retail mortgages at 31/12/2019		Exposure-weighted average	
Exposure class Retail secured by mortgages		LGD	PD
Netherlands		12.4%	1.1%
Belgium		33.0%	29.9%
Switzerland		22.1%	0.1%
United Kingdom		11.4%	0.3%
Other		12.5%	1.8%

Table 36 provides geographical information about PD for F-IRB portfolios.

Table 36 Geographical breakdown of PD for corporates at 31/12/2019	
Corporates	Exposure-weighted average PD
Netherlands	17.2%
Belgium	1.0%
Switzerland	0.6%
Other	33.7%

Article 453 – Use of credit risk mitigation techniques

Table 37 Impact of credit risk mitigation techniques of SA and F-IRB at 31/12/2019 (€1,000)

For SA and F-IRB portfolios	Total exposure value (after, where applicable, on or off-balance sheet netting) that is covered — after the application of volatility adjustments — by eligible financial collateral, and other eligible collateral (453 f)	Total exposure (after, where applicable, on- or off-balance sheet netting) that is covered by guarantees or credit derivatives (453 g)
SA exposure classes		
Central governments and central banks	–	–
Regional governments and local authorities	–	–
International organisations	–	–
Multilateral development banks	–	–
Institutions	136,332	366,491
Units in collective investments schemes	–	–
Corporates	376,615	22,311
Private individuals and medium-sized enterprises	147,632	83,843
Secured by mortgages on immovable property	–	–
Items in default	1,953	632
Items associated with particularly high risk		
Covered bonds	–	–
Equity exposures	–	–
Other items	–	–
Total SA	662,532	473,277
F-IRB exposure classes		
Corporates	337,449	–
Equities	–	–
Securitisation positions	–	–
Total F-IRB	337,449	–

Liquidity Coverage Ratio (LCR)

Table 38 Liquidity Coverage Ratio (average of month-end observations) (€1,000)

	Q4 2019	Q3 2019	Q2 2019	Q1 2019
Liquidity buffer	3,488,588	3,436,572	3,397,666	2,953,051
Total net cash outflows	2,230,279	2,181,946	2,144,045	2,077,743
Liquidity coverage ratio (%)	156.4%	157.5%	158.5%	142.1%

During the second quarter of 2019, the LCR improved mainly due to an increase in entrusted funds and the receipt of cash from the Additional Tier 1 transaction. In the remainder of the year there were no major changes in the components of the LCR.