HPE Financial Services

Hewlett-Packard International Bank DAC
Hewlett Packard Financial Services Holding Unlimited Company

Pillar 3 Disclosures 31st October 2021

Pillar 3 Report

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Introduction

This document contains the required regulatory disclosures under Capital Requirements Regulation ("CRR"), Part Eight – Disclosures by Institutions and is prepared in compliance with Regulation (EU) 2021/637.

Basis of disclosures

Hewlett Packard Financial Services Holding Unlimited Company (HPFSH) is domiciled in Ireland and is the parent for Consolidated Regulatory Reporting (LEI code 5493007HBMT89F9NS135).

Under Article 4 (1) (29) of the CRR, HPFSH is an EU parent institution. Under Article 13 (1) of the CRR, disclosure obligations as laid down in Part Eight of the CRR are on the basis of the consolidated situation of the EU parent institution i.e. HPFSH.

Hewlett Packard International Bank Holding Limited (HPIBHL) is a direct subsidiary of HPFSH and is included in the regulatory scope of consolidation (LEI code 5493006PNNPEGIWXQK64). Hewlett Packard International Bank DAC (HPIB), a direct subsidiary of HPIBHL is a credit institution authorised by the Central Bank of Ireland (CBI) (LEI code 6RW0L752VAVTPZF36F02). HPIB is a licenced entity and is required to file regulatory returns with the CBI for the purpose of assessing its capital adequacy.

HPIB is not consolidated into HPFSH for accounting purposes. There are no practical or legal impediments to the prompt transfer of capital between HPIB and HPIBHL or between HPIBHL and HPFSH.

Due to its size HPIB comprises almost 100% of the total capital requirements of the consolidated group. HPIBHL's and HPFSH's sole purposes are to act as holding companies for HPIB. Therefore to reflect the risk profile of HPIB the qualitative information below has been presented on an individual basis and the figures provided in the templates are derived from the consolidated regulatory returns.

The audited Financial Statements are presented for HPIB and therefore the scope of the application differs from the Pillar III requirements.

The Pillar 3 disclosures have been prepared to explain the basis on which HPFSH has prepared and disclosed capital requirements and information about the management of certain risks as at 31 October 2021 and for no other purpose. They do not constitute any form of financial statement and should not be relied upon exclusively in making any judgements. They should be read in conjunction with the other information made public and available on the website, including HPIB's Annual Financial Report 2021.

Basis of consolidation for accounting and prudential purposes

Under Article 4 of the CRR, HPFSH is a financial holding company. HPFSH does not prepare consolidated financial statements. Additionally, HPFSH is required to prepare regulatory returns for submission to its supervisor ("the Regulatory Returns") for the purpose of assessing its capital adequacy and monitoring its balance sheet.

Frequency

HPFSH is required to publish annual disclosures as per Articles 433 and 433a. This is the first set of annual disclosures required under the Capital Requirements Regulation II (CRR2). This publication is in line with Article 433 of the CRR2, which states that Pillar 3 disclosures shall be published on the same date as the date on which institutions publish their financial report for the corresponding period where applicable or as soon as possible thereafter.

Reporting conventions

Where disclosures have been enhanced, or are new, they are generally not restated or comparatives provided. Wherever specific rows and columns in the tables and templates prescribed by the European Banking Authority ("EBA") or Basel are not applicable to our activities, they are left blank and the same approach followed for comparatives. Comparisons against prior periods have been included in the templates as appropriate/ required by Regulation (EU) 2021/637.

This Pillar 3 report is reported in thousands of USD for the reference date 31 October 2021 and the reference period 1 November 2020 to 31 October 2021.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided and percentages may not precisely reflect the absolute figures.

Media and location

The Pillar 3 report is published on HPE's corporate website (https://www.hpe.com/ie/en/services/hpe-financial-services/legal.html), alongside the Annual Financial Report 2021. Pillar 3 reports from previous years (as per Article 434) are also available on this website.

Verification

The Pillar 3 disclosures have been subject to internal review procedures broadly consistent with those undertaken for unaudited information published in the Annual Financial Report 2021 but have not been audited by the external auditors. Any audited information that has been included in these disclosures is included in the Annual Financial Report 2021.

Disclosure Policy

A formal Pillar 3 disclosure policy (as per Article 431(3)) is maintained and is reviewed annually and subject to approval within the internal governance framework.

Attestation

HPFSH has formal policies and internal processes, systems and controls in place to comply with the disclosure requirements under CRR. Senior management are responsible for reviewing the Pillar 3 disclosures so that they have been subject to adequate verification and comply with applicable standards and legislation.

"I confirm that HPFSH's Pillar 3 disclosures, to the best of my knowledge, comply with Part Eight of the CRR and have been prepared in compliance with the internal control framework".
This report has been attested by:
Chief Financial Officer and Member of the Board of HPFSH
Ian Fowlis

Chapter 1. Disclosure of key metrics and overview of risk-weighted exposure amounts

Template EU OV1 – Overview of total risk exposure amounts

As per Article 438 point (d) the following template provides an overview of the total risk exposure amounts (TREA) forming the denominator of the risk based capital requirements calculated in accordance with Article 92 of the CRR.
This template has been adjusted under CRR II to reflect the difference in the new frameworks for securitisation exposures and counterparty credit risk.
Note Total own funds requirements are calculated as 8% of TREA.

Main movement year on year
• Operational risk decreased due to the change in the regulation allowing the deduction of depreciation in the calculation

Thousands of USDs		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		a	b	c
		31st October 2021	31st October 2020	31st October 2021
1	Credit risk (excluding CCR)	3,674,239	3,834,589	293,939
2	Of which the standardised approach	3,674,239	3,834,589	293,939
3	Of which the Foundation IRB (F-IRB) approach	-	-	-
4	Of which: slotting approach	-	-	-
EU 4a	Of which: equities under the simple riskweighted approach	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	-	-	-
6	Counterparty credit risk - CCR	144,624	173,976	11,570
7	Of which the standardised approach	86,222	129,112	6,898
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	-	-	-
EU 8b	Of which credit valuation adjustment - CVA	58,402	44,864	4,672
9	Of which other CCR	-	-	-
10	Not applicable			
11	Not applicable			
12	Not applicable			
13	Not applicable			
14	Not applicable			
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	-	-	-
17	Of which SEC-IRBA approach			
18	Of which SEC-ERBA (including IAA)			
19	Of which SEC-SA approach			
EU 19a	Of which 1250%			
20	Position, foreign exchange and commodities risks (Market risk)	44,437	77,009	3,555
21	Of which the standardised approach	44,437	77,009	3,555
22	Of which IMA	-	-	-
EU 22a	Large exposures	-	-	-
23	Operational risk	489,080	1,523,126	39,126
EU 23a	Of which basic indicator approach	-	-	-
EU 23b	Of which standardised approach	489,080	1,523,126	39,126
EU 23c	Of which advanced measurement approach	-	-	-
24	**Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)**	42,510	31,764	3,401
25	Not applicable			
26	Not applicable			
27	Not applicable			
28	Not applicable			
29	**Total**	4,352,380	5,608,700	348,190

Template EU KM1 - Key metrics template

As per Article 447, points (a) to (g) and Article 438, point (b) the following template provides a summary of the main prudential and regulatory information and ratios covered by the CRR. It also includes information on Pillar 2 requirements.

	Thousands of USDs	a	e
		31st October 2021	31st October 2020
	Available own funds (amounts)		
1	Common Equity Tier 1 (CET1) capital	3,468,819	
2	Tier 1 capital	3,468,819	
3	Total capital	3,468,819	
	Risk-weighted exposure amounts		
4	Total risk-weighted exposure amount	4,352,380	-
	Capital ratios (as a percentage of risk-weighted exposure amount)		
5	Common Equity Tier 1 ratio (%)	80%	
6	Tier 1 ratio (%)	80%	
7	Total capital ratio (%)	80%	
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)		
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	10%	
EU 7b	of which: to be made up of CET1 capital (percentage points)	10%	
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	10%	
EU 7d	Total SREP own funds requirements (%)	18%	
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)		
8	Capital conservation buffer (%)	3%	
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)[2]	0%	
9	Institution specific countercyclical capital buffer (%)	0.03%	
EU 9a	Systemic risk buffer (%)[2]	0%	
10	Global Systemically Important Institution buffer (%)[3]	0%	
EU 10a	Other Systemically Important Institution buffer[3]	0%	
11	Combined buffer requirement (%)	3%	
EU 11a	Overall capital requirements (%)	20%	
12	CET1 available after meeting the total SREP own funds requirements (%)	64%	

	Leverage ratio		
13	Total exposure measure	4,859,285	
14	Leverage ratio (%)	71%	
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)		
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)[4]	0%	
EU 14b	of which: to be made up of CET1 capital (percentage points)	0%	
EU 14c	Total SREP leverage ratio requirements (%)	3%	
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)		
EU 14d	Leverage ratio buffer requirement (%)[5]	0%	
EU 14e	Overall leverage ratio requirements (%)	3%	
	Liquidity Coverage Ratio		
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	401,641,851	
EU 16a	Cash outflows - Total weighted value	425,608,816	-
EU 16b	Cash inflows - Total weighted value	438,778,636	-
16	Total net cash outflows (adjusted value)	106,402,204	-
17	Liquidity coverage ratio (%)	440%	
	Net Stable Funding Ratio		
18	Total available stable funding	4,141,457	-
19	Total required stable funding	2,991,208	-
20	NSFR ratio (%)	138%	

[1] Prior year comparatives not populated as this is the first disclosure period for this template under CRR II requirements.
[2] There is no conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State and Systemic risk buffer
[3] There are no Global or Other Systemically Important Institution (G-SII or O-SII) buffers, because HPFSH is not either a G-SII or O-SII
[4] HPFSH has no additional own funds requirements to address the risk of excessive leverage
[5] HPFSH is not a G-SII and therefore has no value to report for Leverage ratio buffer requirements on row EU14d

Table EU OVC - ICAAP information

As per Article 438 points (a) and (c) the following table below provides information on the Internal Capital Adequacy Assessment Process and ongoing assessment of the bank's risks and how the bank intends to mitigate those risks.

Legal basis	Row number		Qualitative information
Article 438(a) CRR	(a)	Approach to assessing the adequacy of the internal capital.	HPIB assesses and reports its capital adequacy on a Pillar 1 basis through the COREP process. It also has in place an internal capital adequacy assessment process ("ICAAP"), the purpose of which is to inform management and the Board of the ongoing assessment of HPIB's risks and how much current and future capital is required having considered strategic plans and any mitigating risk factors. The ICAAP is prepared over a three year planning horizon and is integrated into the annual strategic planning process and the risk management, risk appetite and stress-testing frameworks. Plans are assessed across a number of scenarios ranging from base case to downside scenarios with stress-testing applied and the process is used to determine additional pillar 2 capital requirements. Risk identification processes and the impact of changing regulatory requirements and changes to the risk profile of the balance sheet are assessed by the first and second line of defence and regular monitoring of performance against the financial plan and quarterly capital updates are reported to ALCo and Risk Committee. A further set of capital risk indicators and stress test scenarios are set out in the Bank's Recovery Plan, which presents the options available to restore viability in the event of extreme stress.
Article 438(c) CRR	(b)	Upon demand from the relevant competent authority, the result of the institution's internal capital adequacy assessment process.	Where requested, HPIB makes available to the CBI the results of its ICAAP.

Chapter 2. Disclosure of risk management objectives and policies

Table EU OVA - Institution risk management approach

As per Article 435(1) see table below;

Legal basis	Row number		Qualitative information
Point (f) of Article 435(1) CRR	(a)	Disclosure of concise risk statement approved by the management body.	The implementation of a robust risk management framework at HPIB is vital for the effective management of risk and for ensuring that risk considerations are appropriately understood, controlled and integrated into strategic and day-to-day decision making. HPIB has in place a risk management framework ("RMF") which is reviewed, updated (where required) and approved by the Board at least annually. The objective of the framework is to ensure that effective structures and processes are in place to systematically identify, measure, control, monitor and report the risks that the Bank faces in order to enable fully informed decisions on risk taking. To be effective the RMF is linked to business strategy through the risk appetite framework ("RAF") and risk appetite statement ("RAS"). It is supported by a robust risk governance structure and a culture of effective risk management as well as established risk management processes and policies to ensure all risks are appropriately managed. The following principles apply to HPIB's RMF and provide the qualitative foundation for the RAF: The risk management framework - covers an overall approach through which risk within HPIB is managed - ensures that risks are clearly identified, understood, controlled, measured, monitored and reported - establishes processes to enable the avoidance of excessive risk concentrations - is an integral part of organisational processes and supports the promotion of a robust risk culture - enables and is factored into informed decision making processes of the Bank - drives accountability for risk by the first line business functions - provides for independent oversight by the second line risk management function and by the third line internal audit function - ensures that risk-related behaviour is taken into account as part of performance assessment and remuneration processes. Further details of the RMF's risk governance structure which includes Board and management committees and a three lines of defence model are outlined below. In addition, further detail on risk management processes are shown below. HPIB's risk profile comprises the following material risk categories to which the RMF is applied: - Credit Risk: the risk of default on a debt that may arise from HPIB customers failing to make required payments on financial contractual agreements. For HPIB Credit risk is multi-dimensional, comprising a number of separate but interrelated risk constituents, including, among other things, financial risk, country risk (political, economic and socio-economic, transfer risk and contagion risk), concentration risk and program risk. - Concentration Risk: defined as any single exposure or group of inter-related exposures with the potential to produce losses large enough to threaten the bank's health or its ability to maintain its core business or to cause a material change to its risk profile. This includes large exposures to a counterparty or group of connected counterparties and exposures to an economic sector / industry or geography. - Liquidity Risk: the risk that the bank is unable to meet its on and off-balance sheet obligations in a timely manner as they fall due, without incurring excessive cost, while continuing to fund its assets and growth therein. - Market Risk: the risk of losses in positions arising from movements in market prices, including movements in foreign exchange rates and interest rates. - Residual Risk: the risk that the bank would fail to realise the remaining residual value of an asset at the end of the term of a lease contract. - Capital Risk: the risk of loss of value to capital resulting in inadequate capital to manage relevant and current risks within the business or to meet minimum regulatory requirements. - Operational Risk: the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. As such, operational risk captures operational resilience risk, process, systems and operations risk, legal risk, the risk of financial crime or fraud, people related risks including health and safety, and information technology risks. - Business/Strategic Risk: the risk that the bank is unable to meet its strategic objectives and fails to drive profitable growth and meet shareholders expectations. - Ownership Risk: the risk that the bank's ownership structure or overreliance on its parent company could have an effect on its risk. HPIB has classified ownership concentration risk to be a material risk to its business as its parent company, HPE, is a non-banking corporate and due to the legal and operational interconnectedness between HPIB and HPE. - Regulatory and Compliance Risk: the risk that a change in or non-compliance with laws and regulations will materially impact the Bank, causing risk of reputational damage and exposure to penalties. This includes anti-money laundering and terrorist financing risk. - Environmental, Social & Governance ("ESG") Risk: Environmental Risk includes risks that could manifest as a result of climate change, transition to circular economy, waste prevention and recycling, pollution prevention control and protection of healthy ecosystems. Social Risk includes the risks associated with lack of equality, social cohesion, social integration and labour relations. Governance Risk relates to the risk of unsound management structures and insufficient controls and management body oversight that could result in losses to the Bank.
Point (f) of Article 435(1) CRR			Metrics, limits and ratios used to manage material risks through the Risk Appetite process include: –Credit Risk - NPE ratio ("Non-performing Exposure") and NPE coverage ratio –Concentration Risk - limits in respect of geographic, counterparty, industry sector, shadow banking and business segment exposures, residual value products and service provider led transactions –Liquidity and Funding Risk - Liquidity Coverage Ratio and Net Stable Funding Ratio - Market Risk - FX and interest rate exposure limits - Residual Risk - Residual realisation thresholds –Capital Risk - Capital and leverage ratios. –Operational Risk - Limits in respect of operational risk losses, cyber security and system availability metrics, outsourcing metrics; –Business & Strategic Risk - ROE, cost to income ratio, financing penetration ratio and metrics in respect of service provider led transactions –Ownership Risk - related party lending limits, parental support metric –Regulatory & Compliance Risk – Anti Money Laundering (AML)/Countering the Financing of Terrorism (CFT) and regulatory reporting metrics –ESG Risk - ratio of exposures to higher risk sectors to total portfolio exposures, internal governance metrics
Point (b) of Article 435(1) CRR	(b)	Information on the risk governance structure for each type of risk.	As set out within the RMF, the HPIB Board holds overall governance responsibility for risk management including: - ensuring that an effective RMF has been put in place and is regularly reviewed and approved - ensuring that the RMF (including risk appetite) is aligned to the company's strategic business objectives. - ensuring that adequate resources and expertise are dedicated to all three-lines of defence within the risk management system - reviewing and monitoring the actual risk profile and risk limits of the Bank The Board has established a Committee structure to enhance risk management governance and to assist the Board in fulfilling its risk management responsibilities in accordance with sound corporate governance principles. The Board has approved the terms of reference of its Risk Committee which includes: - ensuring that HPIB has an effective RMF - overseeing HPIB's current risk exposure and any future risk strategies - overseeing risk management activities and risk management function - recommending risk appetite to the Board - reviewing /approving key risk management policies and processes - advising the Board on risk matters In addition, the Audit & Compliance Committee monitors the effectiveness of HPIB's internal quality control, risk management and compliance systems and processes.

			Management committees have also been established with responsibility for executive management and risk oversight. These include: - Management Executive and Risk Committees: responsible for approval of material credit and other day-to-day strategic and risk decisions in accordance with HPIB's schedule of authorisation ("SOA"), oversight of financial and business performance, business & strategic risk and other relevant matters including those relating to ownership risks, - Asset & Liability Committee ("ALCo"): responsible for oversight and decision making in respect of capital, liquidity and market risks and model risk management - Credit, Pricing & Residual Risk Committee: responsible for oversight of credit, concentration and residual risks, supported by management risk committee, pricing committee and NPE steering committee - Operational Risk Committee: responsible oversight of operational and ESG risks, supported by outsourcing committee and ESG risk steering committee - Compliance Committee: responsible for oversight of regulatory and compliance risks HPIB's overall system of governance adopts a '3 lines of defence' approach i.e. • 1st line – business functions have primary responsibility for day-to-day activities; • 2nd line – oversight from control functions including risk management function; • 3rd line – independent review and assurance from internal audit. In order to support risk management, frameworks and policies have been put in place that apply to each specific material risk and to the activities that are used to measure and control risk exposure. These are in turn further supported by procedures for the day to day management of risks. They are based on recommendations from risk management, audit, business functions and senior executive management. They also reflect industry best practices and any regulatory requirements. Policies are guided by the Bank's risk appetite, and take into consideration limits and related controls within which the Bank can operate.
Point (e) of Article 435(1) CRR	(c)	Declaration approved by the management body on the adequacy of the risk management arrangements.	Directors' Statement on Risk Management and Internal Controls HPIB, under the authority of the Board, has established an internal control framework that includes a clear organisational structure and well functioning independent internal risk management, compliance and audit functions that have sufficient authority, stature and resources to perform their functions. The framework sets out governance structures and processes that ensure effective co-operation, reporting and communication of information at all relevant levels within the Bank.The system of internal controls is designed to ensure that there is thorough and regular evaluation of HPIB's risks in order to manage, rather than eliminate, risk. This is done through an ongoing process of identification, measurement, monitoring and reporting. HPIB has implemented a framework and policy architecture to support risk management and responsibilities have been formally defined and allocated to various parties, ensuring that the Board receives relevant and timely information on business risks and performance. While the Board has ultimate responsibility for ensuring that HPIB has an adequate and effective internal governance and internal control framework, it is supported by a number of sub-committees including the Risk Committee, Audit & Compliance Committee and Nominations Committee as well as by management committees, as outlined above . The Risk Committee was established as a committee of the Board, with responsibility for oversight and challenge of management's effectiveness in implementation of the RMF and ensures that the Board obtains sufficient information to identify, monitor and review each of the material risks to which HPIB is or might be exposed. It is responsible for overseeing the activities of the risk management function, which is managed on a day to day basis by the Chief Risk Officer ("CRO") and liaises regularly with the CRO to ensure that the Risk Function is adequately resourced and has appropriate access to information to enable it to perform its functions effectively and in accordance with relevant professional standards. It is also responsible for review of ICAAP, Internal Adequacy Assessment Process (ILAAP), Recovery Planning and other stress testing to support advising the Board on capital and liquidity adequacy and future risk strategy. The Committee recommends to the Board the level of Risk Appetite acceptable to HPIB in accordance with its business strategy and long - term interests, the competitive and regulatory landscape, risk exposure levels and ability to manage risk effectively. The Audit & Compliance Committee is appointed by the Board to assist it in fulfilling its oversight responsibilities in relation to the quality and integrity of accounting policies, financial statements and disclosure practices. The Committee oversees the effectiveness and independence of the Internal Audit and Compliance functions and the external audit process and monitors the adequacy of the internal control framework. It is also responsible for Monitoring HPIB's compliance with legal and regulatory requirements. The Head of Finance, CRO and Head of Internal Audit are involved in meetings of the Risk and Audit & Compliance Committees. The Nominations Committee has been established as a committee of the Board, with responsibility for making recommendations on board and executive composition and succession, training, evaluation, fitness and probity oversight, diversity and inclusion and culture. Responsibilities also include providing input in connection to the annual performance review of the Managing Director and ensuring that the remuneration framework is in line with the risk strategies of HPIB, reviewing compensation annually and recommending to the Board annual variable remuneration awards. The Committee has oversight of HPIB's HR matters including regulatory requirements and relevant policies. As outlined above, HPIB has established a number of executive committees which have primary authority and responsibility for the day-to-day operations of HPIB. The committes work with and advise the CEO, ensuring a collaborative approach to decision making and collective ownership of strategy implementation and risk management. The Risk function is headed by the CRO, who is responsible for ensuring that risks are understood, managed, measured, monitored and reported on, and for reporting on risk mitigation actions. The Risk function is responsible for establishing and embedding risk management frameworks, ensuring that material risk policies are reviewed, and reporting on adherence to risk limits as set by the Board. The credit risk function is headed by the Head of Credit who reports to the CRO. The Compliance function provides interpretation and assessment of compliance risk, specifically, laws, regulations, rules and codes of conduct applicable to its banking activities. HPIB also has in place an independent Internal Audit function which is responsible for independently assessing the effectiveness of the Bank's risk management and internal controls. HPIB employees who perform pre-approved controlled functions/controlled functions meet the required standards as outlined in the Fitness and Probity policy.
Point (c) of Article 435(1) CRR	(d)	Disclosure on the scope and nature of risk disclosure and/or measurement systems.	Risk reporting processes are in place for each of the material risks under the relevant risk frameworks and policies. This enables management, governance committees and other stakeholders to oversee the effectiveness of the risk management processes and adherence to risk appetite, policies and regulatory requirements. As a monoline business with no subsidiaries the scope of disclosure is at the Bank level. Each material risk has a specific approach to how the risk is measured and reported, including the use of key risk indicators (KRIs). Management reporting supports risk oversight, with frequency of reporting varying from daily to quarterly depending on the nature and volatility of the risks. A Risk Appetite Dashboard is presented to the Risk Committee on a quarterly basis detailing risk ratios and positions against the limits set across all material risk categories. The CRO provides extensive reporting on the risks through the CRO report to the Risk Committee on a quarterly basis, including detail on each material risks, risk appetite deviations and details of management actions or recommendations to address areas of concern. Risk Committee challenge and information requests are used to ensure additional or enhanced management body reporting is provided where required and deep-dive reviews of specific risks are also periodically conducted at the request of the Committee. The Chair of the Risk Committee presents a summary of items reviewed and discussed by the Risk Committee to the Board each quarter and the CRO also regularly attends Board meetings and presents on specific risk topics.

Point (c) of Article 435(1) CRR	(e)	Disclose information on the main features of risk disclosure and measurement systems.	Risk disclosures and measurement are implemented by HPIB through: - day to day management reporting, depending on the nature of the risk eg daily liquidity and NPE reporting - monthly financial reporting to management - regulatory reporting - ongoing in accordance with regulatory timelines - executive committee reporting - monthly / quarterly - Risk Committee and Audit & Compliance Committee reporting - quarterly - Board reporting - quarterly - Publication of audited annual financial statements - annually - Escalations in accordance with HPIB's escalation policy - when required Data for reporting is sourced from: - core leasing system - general ledger - treasury system - risk management system - regulatory reporting system. Reporting tools are linked to the data sources in order to measure and disclose risk information. HPIB has in place a regulatory reporting framework and KRIs to monitor for accuracy of reporting and has also developed a data governance framework, the purpose of which is to define the leading principles behind the management of data in order to enable effective risk measurement and disclosure.
Point (a) of Article 435(1) CRR	(f)	Strategies and processes to manage risks for each separate category of risk.	HPIB has implemented a risk strategy to manage the risks it faces in undertaking its business activities. This strategy is set to ensure that rigorous and informed evaluation and management of risk is a core consideration when: - Defining strategic business objectives; - Formulating business plans; - Making business decisions; and - Managing and rewarding business performance. An annual risk management plan is prepared taking into account business strategy and associated risks and is set over a three year time horizon. HPIB's risk strategy is articulated as part of its annual strategic risk plan and, together with the annual risk management plan, provides the Board with details of how risk will be managed over a three year time horizon. The key processes which support the implementation of the risk strategy are set out within the RMF and are detailed below: <u>Risk Identification</u> One of the key processes required by the RMF is the identification of material risks. Risk identification is pro-active and forward looking and risk registers are reviewed and updated on a regular basis. The risk function also periodically seeks input from and conducts reviews with senior management and subject matter experts on areas of material risk or potential risk within the business and reports to the Risk Committee on risks identified. Risks are assessed by taking into account the likelihood of a risk occurring and the potential financial impact on HPIB should it materialise. <u>Risk Appetite and limit setting</u> An effective RAF is a critical component of HPIB's RMF. The RAF articulates the guiding principles underpinning HPIB's risk appetite management and promotes ongoing dialogue around linking risk appetite to strategic objectives through the establishment of risk metrics and thresholds to ensure that risk-taking beyond the approved risk appetite is identified and addressed appropriately. The Board determines risk appetite informed by the material risk profile and this is documented within the RAS which is the formal articulation of HPIB's willingness to take on risk and sets out the types of risks HPIB is willing to assume within its risk capacity to achieve its strategic objectives and business plan. <u>Risk Assessment and measurement</u> Risks are assessed by determining the likelihood of a risk occurring and its financial impact on HPIB should it materialise. In addition to this risk assessment process, some risks are assessed on an ad-hoc basis outside of this process e.g. new or emerging risks requiring attention, regulatory requirements or environmental changes including political, economic and legal changes. Risk assessments allow for a risk-based approach in the monitoring of risks and focus resources on those areas with the greatest potential loss or impact. <u>Risk Control and Mitigation including testing and assurance</u> To manage material risks, control processes are designed to ensure that the risks incurred remain within HPIB's risk appetite and that risk and return are appropriately matched. While risks cannot be fully eliminated, they can be mitigated through the implementation of controls. As part of the risk management process, an assessment is completed of the design and operational effectiveness of controls. Where a risk is not adequately mitigated, a risk owner will be responsible for developing a mitigation or action plan. The risk function will monitor progress made against plans and update the management body accordingly. <u>Development of risk frameworks and policies</u> In order to support risk management, frameworks and policies have been put in place that apply to specific types of risk or to the activities that are used to measure and control risk exposure. These are in turn further supported by procedures for the day to day management of risks. They are based on recommendations from risk management, audit, business functions and senior executive management. They also reflect industry best practices and any regulatory requirements. Policies are guided by the Bank's risk appetite, and take into consideration limits and related controls within which the Bank can operate. Key risk policies are approved by the Board of Directors, either directly or through the Board's Risk Committee and other policies, processes or procedures associated with risk management are approved by management and/or management committees. <u>Stress Testing</u> HPIB also uses stress testing as an integral part of its RMF to support business decisions and processes as well as strategic planning, including capital and liquidity planning. The outputs of stress tests are used: - To identify risk vulnerabilities within HPIB; - As an input to the process of establishing risk appetite and limits; - To assist senior management decision making; - To determine HPIB's ability to withstand adverse scenarios and to assess the resilience of HPIB's baseline to adverse scenarios over a three year period; - To support HPIB's assessment process for capital and liquidity adequacy (ICAAP and ILAAP); - To assess HPIB's ability to meet regulatory requirements in a stressed scenario; - To ensure that HPIB has a sustainable business model. The results generated, coupled with HPIB's recovery plan, also inform post-event response planning as well as the opportunity to reassess future risks. HPIB's stress testing framework is reviewed by the Risk Committee and Board at least on an annual basis. <u>ICAAP</u> The purpose of the ICAAP is to inform management and the Board of the ongoing assessment of HPIB's risks, how it identifies, measures, manages, mitigates, monitors and reports those risks and how much current and future capital is necessary having considered strategic plans and any mitigating factors. HPIB's ICAAP is reviewed and approved by its Risk Committee and Board at least on an annual basis. The ICAAP is based on HPIB's view of the adequacy of its own funds and capital requirements following an assessment of its risks when stress tests and sensitivity tests have been applied. Additional Pillar 2 capital is held by HPIB for a number of risks identified that are not captured under Pillar 1 capital requirements. HPIB's ICAAP is assessed by the CBI through the supervisory review evaluation process (SREP) who also then have the discretion to impose additional Pillar 2 capital requirements. <u>ILAAP</u> HPIB's ILAAP informs management and the Board of its approach to managing its liquidity and funding risks and ensures that HPIB holds adequate internal liquidity resources relative to its risk profile, including under stressed scenarios. The ILAAP is reviewed and approved by the Risk Committee and Board at least on an annual basis. <u>Recovery Planning</u> HPIB's Recovery Plan sets out the scenarios and triggers to determine that HPIB may be at risk of no longer meeting its minimum capital or liquidity risk management requirements and the recovery options to rectify a stressed scenario should it occur and restore HPIB to financial viability. <u>Model Risk Management</u> HPIB has put in place a model inventory which is supported by a model risk management policy, outlining how models are identified, assessed for materiality and tested.

Risk monitoring, reporting and escalation

HPIB regularly monitors its risk exposures to ensure that business activities are operating within approved limits or guidelines, and in accordance with its strategies, policies and risk appetite.

Breaches, if any, of these limits or guidelines will be reported to senior management, committees, and/or the Board and Central Bank in line with the escalation policy. In addition, mitigation plans will be put in place to address deficiencies identified during the monitoring process.

A set of key metrics helps to monitor higher risks and acts as a dashboard to enable the identification and reporting of areas needing attention and possible issues before they occur.

Regular stress testing also allows HPIB to monitor for risk vulnerabilities within the Bank and to report to the Board accordingly.

Reports to management provide measures of risk across the business that can be used to ensure compliance with policies, limits, and guidelines. Senior management and the Board use this information to understand HPIB's risk profile and the performance of the portfolios. This reporting includes a quarterly risk update presented by the CRO to the Risk Committee.

Risk Management processes as shown above are applied to each category of risk

Credit Risk

HPIB has implemented a credit RMF and supporting policies to enable its credit risk management strategy. Refer to table EU CRA for further detail on credit risk management processes

Concentration Risk

Concentration risk within HPIB is primarily managed as part of credit risk management processes - refer to table EU CRA

In addition, concentration risk appetite limits are also in place to monitor for residual risk exposures

Liquidity and Funding Risk

HPIB's financial RMF includes a liquidity risk management policy. Refer to table EU LIQA for further detail of risk management processes

Market Risk

HPIB's financial RMF includes a market risk management policy. Refer to table EU MRA for further detail of risk management processes.

Residual Risk

Residual value exposures arises where, at lease inception, there is a future expectation that an asset value remains at the end of the primary term which can be recovered through a secondary transaction.HPIB has in place a residual value risk management policy outlining the approach to residual value setting through a detailed analysis of transaction history on asset recovery and projected future values and includes ongoing monitoring and reporting processes.

On a quarterly basis the Credit Pricing and Residual Committee and the Risk Committee review residual risk exposures, related pricing decisions and residual recovery rates (residual realisation), along with customer behaviours at end of lease term. Scenario stress testing is employed to assess impacts of possible future events and to ensure that sufficient capital is available to absorb any potential losses and this is taken into account as part of HPIB's ICAAP and pillar 2 capital requirements. Residual realisation limits are incorporated into HPIB's RAS.

The residual values for all standard product groups are reviewed at least annually as per ASC840, SEC and Sarbanes Oxley requirements. Any impairment concerns identified through the review process are further analysed in a specific impairment analysis and review and corrective measures are taken if impairment is identified. The model used for residual value setting is independently reviewed on a periodic basis and results are shared with the Risk Committee.

Capital Risk

HPIB is a mono-line business, therefore capital risk is measured at an overall business level. Given the strong level of capitalisation, the major sources of capital risk are:

- Significant loss events leading to a reduction in capital balances;
- Rapid balance sheet growth without a corresponding increase in capital invested.

HPIB has in place a Board approved capital and dividend management policy, ensuring that a strong capital base is maintained at all times.

The reporting of capital is managed by the regulatory reporting function, with oversight from the risk function, HPIB management including ALCO and the Board and its Risk Committee. The Bank also monitors a range of balance sheet metrics and limits in accordance with its risk appetite. HPIB did not breach any regulatory capital ratio requirements during the current or prior year.

Capital adequacy is assessed under the Bank's ICAAP and its stress testing framework in order to determine a forward-looking assessment of capital requirements, including under stressed conditions, taking into account business strategy, risk profile, risk appetite and capital planning.

In addition, HPIB maintains a Recovery Plan, under the Banking Recovery and Resolution Directive and related regulation, which incorporates severe stress testing scenarios and identifies options for recovery.

Both the ICAAP and Recovery Plan incorporate the Bank's risk management processes and governance framework.

HPIB is authorised and regulated by the CBI and is required under the relevant regulations to maintain sufficient capital to meet its liabilities. Capital requirements are provided to HPIB by the Central Bank as part of its Supervisory Review and Evaluation Process (SREP).

Operational Risk

HPIB has implemented an operational RMF and supporting policies. Refer to table EU ORA for further detail of risk management processes.

Business & Strategic Risk

HPIB's strategy is to support and enhance HPE's and HP's product and service solutions. HPIB enables customers to acquire complete IT solutions, including hardware, software and services. HPIB offers innovative, customised and flexible alternatives to balance unique customer cash flow, technology and capacity needs.

From a risk perspective HPIB is a "monoline" business offering IT financing and asset management services to corporate, enterprise and small and medium sized business customers. HPIB does not offer financing to consumers.

Business Risk also includes external risks arising from Brexit and other geo-political events. HPIB continues to operate in the UK and risk monitoring is in place for ongoing impacts from Brexit. HPIB does not operate in Russia or Ukraine but continues to assess its business exposures for any impacts arising from the conflict including in relation to industry exposures, operational and liquidity impacts.

The risks associated with HPIB's strategic initiatives are identified and discussed on a regular basis by senior management and the risk management function ensures that such risks are managed in accordance with its RMF. Strategic and business Risk stress testing is included in the ICAAP and related pillar 2 assessment on an annual basis.

On a quarterly basis the Board and management monitors HPIB's performance against its strategic and financial plan and objectives as well as adherence to strategic risk appetite limits.

Ownership Risk

HPIB is owned by a non-financial, commercial entity, Hewlett Packard Enterprise Company (HPE) and risk arises from reliance on HPE for financial and operational support, including provision of certain funding facilities and outsourced services. Pillar 2 capital has been assigned for ownership risk within the ICAAP assessment. HPIB regularly engages with HPE management to ensure that there is awareness of risks to the Group that might also impact the Bank.

Regulatory & Compliance Risk

Regulatory compliance risk is the risk to capital, liquidity or reputation arising from non-compliance with banking regulations, anti-money laundering legislation, data protection regulation and other regulatory requirements. For HPIB upstream risk is the risk arising from a new regulatory requirement that HPIB is currently unaware of or from regulations becoming applicable due to a change in the nature or scope of HPIB's activities. Upstream risk management and ongoing compliance is managed through the compliance policy and compliance plan implemenation with oversight provided by HPIB's second line compliance function, its management Compliance Committee and the Board's Audit & Compliance Committee.

HPIB has no appetite for censure from regulatory bodies.

ESG Risk

Environmental Risk takes into account the impact to the planet including greenhouse gas emissions, energy usage and recycling & waste management and can arise through both transition and physical risks.

Transition risk refers to the Bank's or one of its counterparties' financial loss that can result, directly or indirectly, from the process of adjustment towards a lower-carbon and more environmentally sustainable economy. Physical risk refers to the financial impact of a changing climate, including more frequent extreme weather events and gradual changes in climate, as well as of environmental degradation. Examples include increased risk of flooding or heatwave related fires.

For HPIB addressing climate change is not only a risk mitigant and moral imperative but also a business opportunity. A key element of HPIB's strategy is the management of technology in a sustainable manner. This allows assurance to be provided to customers that returned leased IT assets will be managed in a responsible manner. In addition, a key element of HPIB's value proposition is to support customers on their transition to the circular economy. Asset upcycling services including secure transportation, disk wiping and remarketing and recycling are managed through a HPE Technology Renewal Centre ("TRC") in Erskine Scotland that provides services directly to HPIB under an outsourcing services level agreement.

On an annual basis, HPE publishes the Living Progress Report. Living Progress is HPE's business strategy for creating sustainable IT solutions that meet the technology demands of the future, while advancing the way people live and work. Living Progress is aligned with the United Nation's Sustainable Development Goals ("SDGs") to address objectives that are mutually beneficial to society and its business. Through its focus on circular economy and Asset Upcycling, HPIB supports the HPE Group in this strategic alignment, notably in respect of SDG 12: "Ensure sustainable consumption and production patterns".

			Social Risk relates to the management of HPIB's relationships with employees, customers and the community. This includes company culture, diversity & inclusion, data protection and privacy, customer satisfaction, human rights and labour standards and ethical supply chain sourcing. HPIB's strategy is focused on customers, partners and employees, in being a "force for good" and acting with uncompromising integrity. Within its FY21 Strategic Plan priorities include talent management & development, focus on inclusion & diversity and alignment of incentive and rewards structures. Its people investment imperatives also include the promotion of a strong, inclusive and equitable culture. Customer & partner relationship surveys, "Voice of the Workforce" surveys and pulse surveys are conducted on a regular basis, providing important information as to how strategic implementation is progressing and highlighting areas of success and areas for improvement. Governance risk relates to the risk of inadequate leadership standards including Board composition, management diversity, accounting transparency, executive remuneration and relationships with shareholders and regulators. The Board has overall responsibility for ensuring that a sound and robust internal control framework is in place for HPIB. HPIB, under the authority of the Board, has established governance structures and processes that ensure effective co-operation, reporting and communication of information at all relevant levels in HPIB. These structures and processes are set out in the Internal Control Framework. Key elements of the framework are a three lines of defence structure which includes control functions and a management committee structure which supports the Board in its governance responsibilities. Policies are in place to manage governance and transparency and ensure compliance with relevant regulations and standards. Indirect ESG Risks: In addition to the risks (and opportunities) posed by ESG risk to its business model and strategy, HPIB also takes into account the ESG risks of its customers as part of its lease / loan origination process. This is to ensure that HPIB does not take excessive exposure to a customer business that in itself is highly exposed and vulnerable to ESG risk. As an emerging risk, ESG risk will be taken into account in risk strategy and planning as well as ICAAP stress testing from 2022 onwards.
Points (a) and (d) of Article 435(1) CRR	(g)	Information on the strategies and processes to manage, hedge and mitigate risks, as well as on the monitoring of the effectiveness of hedges and mitigants.	The perceived strength of a borrower's repayment capacity is the primary factor in granting credit to customers. HPIB uses various approaches to help mitigate risks relating to individual credits, including setting of limits, transaction structure and guarantees. The nature of HPIB's primary product ie leases provides mitigation as HPIB retains ownership of the underlying assets being financed. For certain printing finance transactions a buyback agreement with the equipment manufacturer is in place which partly mitigates the risk in the event of customer lease default. Credit concentration risk is measured at portfolio level and reported in relation to counterparty (group), sector and country and risk appetite limits are in place. Movements in average risk rating of the portfolio are also monitored as a key risk indicator. Credit policies and credit management standards are controlled and set by the credit risk function and approved by the Board. It is the policy of HPIB to maintain financial positions such that company does not incur a material gain or a loss in US dollar legal books, should currencies move with respect to the US dollar. To achieve this HPIB hedges the balance sheet against foreign exchange movements using FX forward contracts. Derivative contracts can only be transacted with counterparties who: • Have signed an ISDA agreement on netting an collateral; and • Have a Long-Term rating of "BBB-" or higher Derivative transactions are collateralised, with collateral received or paid on a daily basis and managed by a third party collateral manager. The approval process for derivative limits reflects the HPIB general credit approval process in line with HPIB SOA. HPIB only enters into fixed interest rate financing and does not take interest rate trading positions. In accordance with FX hedging policy and the balance sheet hedging program HPIB hedges its foreign currency interest revenue and expense against US dollar movements. The high level of equity within HPIB also provides a partial natural hedge against interest rate fluctuations. Risk appetite limits are in place in respect of the maximum (unhedged) FX exposure and interest rate exposure acceptable to the business and KRIs have been established to monitor risk levels. Gains and losses from exposures, including the results of hedges, are reported in HPIB's financial results. The Market risk (including FX risk) and interest rate risk policies are managed by the Risk function as part of the financial RMF. In addition, the effectiveness of hedging is assessed through regular stress testing, including interest rate stress testing in accordance with EBA guidelines.

Table EU OVB - Disclosure on governance arrangements

As per Article 435(2) the following table provides information on the HPIB's governance arrangements.

Legal basis	Row number	Qualitative information	
Article 435(2) CRR		Governance arrangements.	HPIB's governance framework underpins effective decision-making and accountability. It is the basis on which HPIB conducts its business and engages with customers and other stakeholders. It ensures that organisational and control arrangements are appropriate for the governance of HPIB's strategy and operations and the mitigation of related material risks. The Board supports and strives to operate in accordance with HPIB's purpose and values at all times and challenges Management as to whether the purpose, values and strategic direction of HPIB align with its desired culture, or if they do not, whether there are options to mitigate negative stakeholder impacts. HPIB's corporate governance practices meet the statutory and regulatory obligations that apply to HPIB, including various corporate governance codes, regulations and best practice standards and guidelines and Irish company law. The term management body is frequently used in relevant EBA guidelines and is understood to be the Board of Directors and the Board Sub-Committees. HPIB's governance arrangements include a Board of Directors of sufficient size and expertise, to oversee the operations of HPIB. At 31 October 2021, the Board consisted of the Chair (Group Non-Executive Director, two Independent Non-Executive Directors, two other Group Non-Executive Directors and one Executive Directors (Managing Director). The Board ensures a clear division of responsibilities between the Chair, who is responsible for the overall leadership of the Board and for ensuring its effectiveness, and the Manging Director, who manages and leads the business. The governance framework and organisational structure is sufficient to ensure that no one individual has unfettered powers of decision or exercises excessive influence. The Board is assisted in the discharge of its duties by a number of Board and Management Committees, whose purpose is to consider, in greater depth than would be practicable at Board meetings, matters for which the Board retains responsibility. The Board has established Audit & Compliance and Risk Committees, which are comprised of Independent and Group Non-Executive Directors. These Board Committees are supported four management committees - Asset & Liability, Compliance, Credit, Pricing & Residual Risk and Operational Risk, and three management sub committees -Management Risk, Outsourcing and Pricing. These governance arrangements for the organisation and administration of HPIB's affairs are set out in the Board Terms of Reference, which includes certain matters are reserved specifically for decision by the Board and those delegated to the Board sub-committees and Management. Each Committee operates under a Board approved terms of reference. The terms of reference documents and matters reserved for the Board are reviewed at least annually to ensure that they remain relevant.
Point (a) of Article 435(2) CRR	(a)	The number of directorships held by members of the management body.	The Directors of the Board hold a number of directorships which comply with Regulation 79 of S.I. 158/2014 (European Union (Capital Requirements) Regulations 2014). This regulation prescribes limits on the number and nature of directorships permitted to be held by members of the management bodies of significant institutions. The number of other directorships (as defined in S.I. 158/2014) held by members of the Board as at 31 October 2021 is listed below. Irving H. Rothman - Board Chairperson / Group Non-Executive Director - 7 Group / 1 non-financial company directorships; Paul Sheeran – Managing Director/Executive Director - 2 Group / 1 non-financial company directorships and 3 Alternate Group Directorships; Jim Farrell - Independent Non-Executive Director - No other directorships; Ian Fowlis - Group Non-Executive Director - 5 Group company directorships ; Cameron Marr - Independent Non-Executive Director - 4 financial / 1 non-financial company directorships; Gerri Gold - Group Non-Executive Director - 1 non-financial company directorship.
Point (b) of Article 435(2) CRR	(b)	Information regarding the recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise.	The review of the appropriateness of the composition of the Board and Board Committees is a continuous process, and recommendations are made based on merit and objective criteria, having regard to the collective skills, experience, independence and knowledge of the Board along with its diversity requirements. This annual process incorporates ongoing Board suitability & skills self-assessments and the review of the Board Succession Plan. It considers Board composition as well as Board Committee membership, the likely tenure of Non-Executive Directors and upcoming actions to be undertaken. The skills included in the Board Skills Matrix were identified taking into account HPIB's strategic priorities and relevant regulatory requirements. Directors are assessed on the basis of their knowledge, skills and experience to enable them to effectively discharge their duties, ensure the effective governance of HPIB, and contribute to its long-term, sustainable success. Where Board vacancies arise, a role profile for the proposed new Directors is prepared by HPIB's Company Secretary on the basis of the criteria laid down by the Board, taking into account the existing skills and expertise of the Board and the anticipated time commitment required. Where required and deemed necessary by the Board, HPIB will engage the services of experienced third-party professional search firms. In all Director selection activity, HPIB ensures a formal and rigorous process. HPIB will identify and consider suitable candidates for appointment to the Board, based on merit and with due regard for the benefits of diversity. As HPIB is a fully owned subsidiary of HPE, it is appropriate that candidates should have diverse experience in both Financial Services and Information Technology. Therefore, it is also expected that some of HPIB's Directors will be senior executives from HPE. Prior to a recommendation for appointment of any given candidate, a comprehensive due diligence process is undertaken, which includes the candidate's self-certification of probity and financial soundness, external checks and enhanced due diligence. The due diligence process enables the Board to satisfy itself as to the candidate's independence, fitness and probity, and capacity to devote sufficient time to the role. A Board-approved Policy is in place for the assessment of the suitability of members of the Board, which outlines the Board appointment process, and is in compliance with applicable joint guidelines issued by the European Securities and Markets Authority and the EBA. The Board has engaged a third party firm to carry out an external effectiveness evaluation of the Board
Point (c) of Article 435(2) CRR	(c)	Information on the diversity policy with regard of the members of the management body.	A formal Board Diversity Policy is in place which sets out the approach to diversity on the Board. The Policy is reviewed annually by the Board, in conjunction with Board succession and skills planning. The Board recognises that having a diverse Board is an essential component of its continued growth and success and sees diversity at Board level as important to achieving its business objectives. A diverse Board can provide a significant competitive advantage by benefitting from the differences in the education, skills, regional and industry experience, background, race, gender, age, and other qualities of Directors. Therefore it is focused on ensuring a truly diverse board. The Board embraces the benefits of diversity among its members and through its succession planning is committed to achieving the most appropriate blend and balance of diversity possible over time. In terms of implementation of the Board Diversity Policy, the Board reviews and assesses HPIB Board composition and has responsibility for leading the process for identifying and nominating candidates for appointment as Directors. In reviewing the Board composition, balance and appointments, the Board considers candidates on merit against objective criteria and with due regard for the benefits of diversity, in order to maintain an appropriate range and balance of skills, experience and background on the Board and in consideration of HPIB's future strategic plans. All Board succession planning processes during 2021 were conducted in line with the Policy.
Point (d) of Article 435(2) CRR	(d)	Information whether or not the institution has set up a separate risk committee and the frequency of the meetings.	As at 31 October 2021, the Board Risk Committee (the 'Committee') comprised of two Independent Non-Executive Directors, two Group Non-Executive Directors (one of which is the Chair) and the Managing Director. The Board has determined that the Committee members have the collective skills and relevant experience to enable the Committee to discharge its responsibilities. The Committee met on four occasions during 2021.

Point (e) Article 435(2) CRR	(e)	Description on the information flow on risk to the management body.	Risk reporting processes are in place for each of the material risks under the relevant risk frameworks and policies. This enables management, governance committees and other stakeholders to oversee the effectiveness of the risk management processes, adherence to risk policies and to regulatory requirements. Each of the material risks has a specific approach to how the risk is measured and reported, with frequency of management reporting varying from daily to quarterly, depending on the nature of the risks. HPIB's RAS contains metrics which are measured and reported on an ongoing basis against the limits set. These are reported to Risk Committee on a quarterly basis through a risk appetite dashboard. HPIB has appointed an independent CRO with unrestricted access to the Chair of the Board and Risk Committee. The CRO provides extensive reporting on the risks to HPIB through the CRO report on a quarterly basis, the CRO report provides detail and assurance on each of the material risks and management actions or recommendations to address areas of concern. Risk Committee challenge and information requests are also used to provide additional or enhanced reporting where required. Further details on risk management reporting is provided in table EU OVA..

Chapter 3. Disclosure of the scope of application

EU LI1 — Differences between accounting and regulatory scopes of consolidation and mapping of financial statements categories with regulatory risk categories

As per Article 436 point (c) the following template shows both HPIB's balance sheet as at 31 October 2021 on an accounting basis and HPFSH consolidated balance sheet under the regulatory scope of consolidation. The difference between the accounting scope of consolidation and the regulatory scope of consolidation is outlined in template EU LI3.

31st October 2021

Thousands of USD	Carrying values as reported in published financial statements*	Carrying values under scope of regulatory consolidation	Carrying values of items:				
			Subject to credit risk framework	Subject to counterparty credit risk framework	Subject to securitisation framework	Subject to market risk framework [1]	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash and balances with Central Banks	10,368	10,368	10,368	-	-	-	-
Loans and advances to banks	579,666	580,352	580,352	-	-	-	-
Loans and advances to customers (inclusive of finance lease receivables)	2,458,540	2,458,540	2,458,540	-	-	-	-
Tangible fixed assets	1,187,872	1,187,872	1,187,872	-	-	-	-
Derivative financial instruments	106,885	106,885	-	106,885	-	-	-
Amounts due from fellow subsidiaries	132,518	132,518	132,518	-	-	-	-
Other assets	248,147	250,780	250,780	-	-	-	-
Deferred tax asset	17,004	17,004	17,004	-	-	-	-
Prepayments and accrued income				-	-	-	-
Total assets	**4,741,001**	**4,744,320**	**4,637,434**	**106,885**	**-**	**-**	**-**
Liabilities							
Deposits by banks	187,802	187,802	-	-	-	-	187,802
Other deposits	739,374	739,374	-		-	-	739,374
Derivative financial instruments	39,507	39,507	-	-	-	-	39,507
Amounts due to fellow subsidiaries	16,782	16,782	-	-	-	-	16,782
Other liabilities	212,856	215,369	-	-	-	-	215,369
Accruals and deferred income	56,887	56,911	-	-	-	-	56,911
Total liabilities	**1,253,209**	**1,255,746**	**-**	**-**	**-**	**-**	**1,255,746**

* HPFSH does not prepare consolidated financial statements, values reported relate to HPIB.

** Regulatory consolidation is reported at the parent level

[1] As HPIB does not have an active trading book all remaining market risk relates to FX in the banking book. At 31st October 2021 the FX risk exposure was US$44,437K with an associated capital charge relating to FX risk of US$3,555K

EU LI2 — Main sources of differences between regulatory exposure amounts and carrying values in financial statements

As per Article 436 point (d) the following template below provides information on the main sources of differences between the financial statements' carrying value amounts and the exposure amounts used for credit risk regulatory framework purposes. There are differences in the basis of calculation between financial statement information based on National GAAP accounting standards and regulatory information based on the Capital Requirements Directive (CRD) capital adequacy concepts and rules. This is most relevant for derivative exposures. Derivatives exposures are calculated under the standardised approach to counterparty credit risk (SA-CCR) and include an exposure for potential future credit exposure.

There are two different types of templates included in this document, those compiled based on accounting standards (sourced from HPIB's Annual Financial Report 2021) and those compiled using CRD methodologies. The specific methodology used is indicated where applicable.
Many templates throughout the Pillar 3 disclosures are based on net value under the regulatory scope of consolidation. Net value is the gross carrying value of on and off balance sheet exposures, less allowances / impairments.

31st October 2021

Thousands of USD	Total	Items subject to:			
		Credit risk framework	CCR framework	Securitisation framework	Market risk framework [1]
Asset carrying value amount under scope of regulatory consolidation (as per template EU LI1)	**4,744,320**	**4,637,434**	**106,885**	**-**	**-**
Liabilities carrying value amount under regulatory scope of consolidation (as per template EU LI1)	-	-	-	-	-
Total net amount under regulatory scope of consolidation	4,744,320	4,637,434	106,885	-	-
Off-balance sheet amounts	105	105	-	-	-
Differences in valuations	65,559		65,559		
Differences due to Provisions	30,511	30,511	-	-	-
Exposure amounts considered for regulatory purposes (EAD)	**4,840,494**	**4,668,050**	**172,444**	**-**	**-**

[1] As HPIB does not have an active trading book all remaining market risk relates to FX in the banking book. At 31st October 2021 the FX risk exposure was US$44,437K with an associated capital charge relating to FX risk of US$3,555K

The main differences between carrying amounts reported in the Financial Statements and those for Regulatory purposes are:

• Financial statements are prepared at an individual level and regulatory is at the consolidated level

• Off balance sheet items included as an exposure amount for Regulatory purposes

• Valuations: Derivative exposures for regulatory purposes includes a Potential Future Credit Exposure (PFCE) amount.

• Provisions: Financial Statements are reported net of collective provisions while exposure amounts for Regulatory purposes are reported gross. Specific provisions are deducted from Finance leases.

EU LI3 — Outline of the differences in the scope of consolidation

As per Article 436 point (b) the following template provides information on entities which are treated differently under the accounting and regulatory scope of consolidation.

31st October 2021

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	
Hewlett Packard International Bank DAC	Standalone	X				Credit Institution
Hewlett Packard International Bank Holdings Ltd	Equity method	X				Holding Company
Hewlett Packard Financial Services Holding Unlimited Company	Equity method	X				Holding Company

Table EU LIA - Explanations of differences between accounting and regulatory exposure amounts

As per Article 436, points (b) and (d) the table below provides information on the differences between accounting and regulatory exposure amounts.

Legal basis	Row number	Qualitative information	
Article 436(b) CRR	(a)	Differences between columns (a) and (b) in template EU LI1	The difference between accounting and regulatory exposure amounts is due to a difference in the scope of consolidation between accounting and regulatory reporting. HPIB is not consolidated for accounting purposes.
Article 436(d) CRR	(b)	Qualitative information on the main sources of differences between the accounting and regulatory scope of consolidation shown in template EU LI2	The main sources of differences between the accounting and regulatory scope of consolidation shown in template EU LI2 are off balance-sheet amounts, derivative valuations and provisions. Also the financial statements are prepared at an individual level and regulatory reporting is at the consolidated level.

Table EU LIB - Other qualitative information on the scope of application

As per Article 436, points (f), (g) and (h) the table below provides information on the scope of application.

Legal basis	Row number	Qualitative information	
Article 436(f) CRR	(a)	Impediment to the prompt transfer of own funds or to the repayment of liabilities within the group	HPFSH is the parent company of HPIB which is subject to individual capital adequacy requirements imposed by its regulator. In order to maintain capital and/or liquidity ratios at or above the levels set down by its regulator, HPIB is unable to remit capital to its parent when to do so would result in such ratios being breached.
Article 436(g) CRR	(b)	Subsidiaries not included in the consolidation with own funds less than required	Not applicable, HPFSH has no subsidiaries not included in consolidation with own funds less than required.
Article 436(h) CRR	(c)	Use of derogation referred to in Article 7 CRR or individual consolidation method laid down in Article 9 CRR	HPFSH does not apply the derogation referred to in Article 7 The CBI has adopted the national discretion under Article 9 of CRR concerning the ability of institutions to include certain subsidiaries in their individual regulatory returns. This treatment, termed 'solo consolidation', in effect, treats such subsidiaries as if they were branches of the parent rather than separate entities in their own right. There are certain criteria that must be met before the Central Bank will approve the inclusion of non-authorised subsidiaries in the 'solo consolidation'. HPFSH does not prepare regulatory returns on a solo consolidation basis.
Article 436(g) CRR	(d)	Aggregate amount by which the actual own funds are less than required in all subsidiaries that are not included in the consolidation	Not applicable, HPFSH has no subsidiaries not included in consolidation with own funds less than required.

Chapter 4. Disclosure of own funds

Template EU CC1 - Composition of regulatory own funds

As per Article 437, points (a), (d), (e) and (f) the following template provides a breakdown of the constituent elements of HPFSH own funds. Regulatory adjustments comprise deductions from own funds. It includes a cross reference to the corresponding rows in template EU CC2 to facilitate full reconciliation of accounting and regulatory own funds.

31st October 2021

Thousands of USD		(a) Amounts	(b) Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	1,676,919	17 & 19
	of which: Instrument type 1	-	
	of which: Instrument type 2	-	
	of which: Instrument type 3	-	
2	Retained earnings	1,790,259	22
3	Accumulated other comprehensive income (and other reserves)	21,395	20
EU-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)	-	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	3,488,573	
	Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	-	
8	Intangible assets (net of related tax liability) (negative amount)	-	
9	Not applicable		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	- 19,387	21
12	Negative amounts resulting from the calculation of expected loss amounts	-	
13	Any increase in equity that results from securitised assets (negative amount)	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
15	Defined-benefit pension fund assets (negative amount)	-	
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	-	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
20	Not applicable		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	
EU-20c	of which: securitisation positions (negative amount)	-	
EU-20d	of which: free deliveries (negative amount)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	
22	Amount exceeding the 17,65% threshold (negative amount)	-	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	
24	Not applicable		

25	of which: deferred tax assets arising from temporary differences	-	
EU-25a	Losses for the current financial year (negative amount)	-	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
26	Not applicable		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments	- 368	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	- 19,755	
29	**Common Equity Tier 1 (CET1) capital**	3,468,819	
	Additional Tier 1 (AT1) capital: instruments		
30	Capital instruments and the related share premium accounts	-	**(i)**
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	-	
EU-33a	Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1	-	
EU-33b	Amount of qualifying items referred to in Article 494b(1) subject to phase out from AT1	-	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	-	
	Additional Tier 1 (AT1) capital: regulatory adjustments		
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 by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
41	Not applicable		
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a	Other regulatory adjustments to AT1 capital	-	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	-	
44	**Additional Tier 1 (AT1) capital**	-	
45	**Tier 1 capital (T1 = CET1 + AT1)**	3,468,819	
	Tier 2 (T2) capital: instruments		
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 as described in Article 486 (4) CRR	-	
EU-47a	Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2	-	
EU-47b	Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2	-	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Credit risk adjustments	-	
51	**Tier 2 (T2) capital before regulatory adjustments**	-	
	Tier 2 (T2) capital: regulatory adjustments		
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
54a	Not applicable		
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
56	Not applicable	-	
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
56b	Other regulatory adjusments to T2 capital	-	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	-	

58	**Tier 2 (T2) capital**	-	
59	**Total capital (TC = T1 + T2)**	3,468,819	
60	**Total risk exposure amount**	4,352,380	
	Capital ratios and requirements including buffers		
61	Common Equity Tier 1	79.70%	
62	Tier 1	79.70%	

63	Total capital	79.70%	
64	Institution CET1 overall capital requirements	16.53%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical capital buffer requirement	0.03%	
67	of which: systemic risk buffer requirement	0.00%	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0.00%	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	9.50%	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	64.00%	
69	Not applicable		
70	Not applicable		
71	Not applicable		
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-	
74	Not applicable		
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	17,004	
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	
		-	
		-	
		-	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	NA	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	NA	
82	Current cap on AT1 instruments subject to phase out arrangements	NA	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	NA	
84	Current cap on T2 instruments subject to phase out arrangements	NA	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	NA	

EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements

As per Article 437 point (a) the following template outlines the differences between the scope of accounting consolidation and the scope of regulatory consolidation, showing the link between HPIBs balance sheet in the audited financial statements and the numbers that are used in the composition of HPFSH own funds disclosure template (EU CC1).

Thousands of USD		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Cross reference to CC1 (row numbers)
		31st October 2021	31st October 2021	
Assets - Breakdown by asset class according to the balance sheet in the published financial statements				
1	Cash and balances with Central Banks	10,368	10,368	
2	Loans and advances to banks	579,666	580,352	
3	Loans and advances to customers (inclusive of finance lease receivables)	2,458,540	2,458,540	
4	Tangible fixed assets	1,187,872	1,187,872	
5	Derivative financial instruments	106,885	106,885	
6	Amounts due from fellow subsidiaries	132,518	132,518	
7	Other assets	248,147	250,780	
8	Deferred tax asset	17,004	17,004	
9	**Total assets**	**4,741,001**	**4,744,320**	
Liabilities - Breakdown by asset class according to the balance sheet in the published financial statements				
10	Deposits by banks	187,802	187,802	
11	Other deposits	739,374	739,374	
12	Derivative financial instruments	39,507	39,507	
13	Amounts due to fellow subsidiaries	16,782	16,782	
14	Other liabilities	212,856	215,369	
15	Accruals and deferred income	56,887	56,911	
16	**Total Liabilities**	**1,253,209**	**1,255,746**	
Equity - Breakdown by asset class according to the balance sheet in the published financial statements				
17	Equity share capital	10,036	1,676,919	1
18	Other reserves	1,689,066	21,395	
19	of which Capital contribution	1,667,670	-	1
20	of which OCI and other reserves	21,396	21,395	3
21	of which cash flow hedges deducted from own funds	19,387	19,387	11
22	Profit and loss account	1,788,690	1,790,259	2
	Total Equity	**3,487,792**	**3,488,573**	

• Financial statements are prepared at an individual level and regulatory scope is at the consolidated level

EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments

As per Article 437 points (b) and (c) the following template outlines the main features of Common Equity Tier 1 instruments, Additional Tier 1 instruments and Tier 2 instruments.

Capital instruments' main features template[1]		
1	Issuer	N/A
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement	
3	Governing law(s) of the instrument	
	Regulatory treatment	
4	Transitional CRR rules	
5	Post-transitional CRR rules	
6	Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	
7	Instrument type (types to be specified by each jurisdiction)	
8	Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	
9	Nominal amount of instrument	
9a	Issue price	
9b	Redemption price	
10	Accounting classification	
11	Original date of issuance	
12	Perpeptual or dated	
13	Original maturity date	
14	Issuer call subjet to prior supervisory approval	
15	Optional call date, contingent call dates, and redemption amount	
16	Subsequent call dates, if applicable	
	Coupons / dividends	
17	Fixed or floating dividend/coupon	
18	Coupon rate and any related index	
19	Existence of a dividend stopper	
20a	Fully discretionary, partially discretionary or mandatory (in terms of timing	
20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	
21	Existence of step up or other incentive to redeem	
22	Noncumulative or cumulative	
23	Convertible or non-convertible	
24	If convertible, conversion trigger (s)	
25	If convertible, fully or partially	
26	If convertible, conversion rate	
27	If convertible, mandatory or optional conversion	
28	If convertible, specifiy instrument type convertible into	
29	If convertible, specifiy issuer of instrument it converts into	
30	Write-down features	
31	If write-down, write-down trigger (s)	
32	If write-down, full or partial	
33	If write-down, permanent or temporary	
34	If temporary write-down, description of write-up mechanism	
35	Position in subordination hierachy in liquidation (specify instrument type immediately senior to instrument)	
36	Non-compliant transitioned features	
37	If yes, specifiy non-compliant features	

(1) 'N/A' inserted if the question is not applicable

Chapter 5. Disclosure of countercyclical capital buffers

Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

As per Article 440(a) the following template sets out geographical distribution of credit exposures relevant to the calculation of the countercyclical capital buffer. The template contains an overview of the exposure distribution for all countries.

31st October 2021

	Thousands of USDs	a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
10	Breakdown by country:													
	001: Austria	47,469	-	-	-	-	47,469	3,850	-	-	3,850	48,125	1.44%	0.00%
	002: Belgium	41,673	-	-	-	-	41,673	3,210	-	-	3,210	40,121	1.20%	0.00%
	003: Switzerland	73,871	-	-	-	-	73,871	5,785	-	-	5,785	72,319	2.17%	0.00%
	004: Czech Republic	58,329	-	-	-	-	58,329	5,511	-	-	5,511	68,887	2.07%	0.50%
	005: Germany	772,388	-	-	-	-	772,388	55,951	-	-	55,951	699,393	21.00%	0.00%
	006: Denmark	33,809	-	-	-	-	33,809	2,628	-	-	2,628	32,849	0.99%	0.00%
	007: Spain	293,972	-	-	-	-	293,972	21,672	-	-	21,672	270,894	8.13%	0.00%
	008: Finland	35,021	-	-	-	-	35,021	2,773	-	-	2,773	34,661	1.04%	0.00%
	009: France	347,883	-	-	-	-	347,883	28,418	-	-	28,418	355,226	10.67%	0.00%
	010: United Kingdom	867,201	-	-	-	-	867,201	67,906	-	-	67,906	848,827	25.49%	0.00%
	011: Ireland	342,885	-	-	-	-	342,885	3,323	-	-	3,323	41,543	1.25%	0.00%
	012: Israel	55,921	-	-	-	-	55,921	4,770	-	-	4,770	59,621	1.79%	0.00%
	013: Iceland	14,295	-	-	-	-	14,295	1,144	-	-	1,144	14,295	0.43%	0.00%
	014: Luxembourg	228,846	-	-	-	-	228,846	1,002	-	-	1,002	12,521	0.38%	0.50%
	015: Netherlands	336,654	-	-	-	-	336,654	27,056	-	-	27,056	338,205	10.15%	0.00%
	016: Norway	43,662	-	-	-	-	43,662	3,638	-	-	3,638	45,471	1.37%	1.00%
	017: Portugal	78,578	-	-	-	-	78,578	5,947	-	-	5,947	74,334	2.23%	0.00%
	018: Romania	33,943	-	-	-	-	33,943	2,838	-	-	2,838	35,476	1.07%	0.00%
	019: Sweden	187,064	-	-	-	-	187,064	16,337	-	-	16,337	204,213	6.13%	0.00%
	020:Slovenia	9,511	-	-	-	-	9,511	723	-	-	723	9,032	0.27%	0.00%
	021: Other countries[1]	21,432	-	-	-	-	21,432	1,711	-	-	1,711	21,387	0.64%	0.00%
	022: Singapore	2,140	-	-	-	-	2,140	171	-	-	171	2,140	0.06%	0.00%
	023: USA	46,519	-	-	-	-	46,519	88	-	-	88	1,096	0.03%	0.00%
20	**Total**	**3,973,066**	**-**	**-**	**-**	**-**	**3,973,066**	**266,452**	**-**	**-**	**266,452**	**3,330,636**	**100.00%**	

[1]Other countries relates to exposures with international organisations

Template EU CCyB2 - Amount of institution-specific countercyclical capital buffer

As per Article 440 point (b) the following template provides the additional countercyclical capital buffer requirement.

There has been no material change in the countercyclical buffer rate between year on year.

Thousands of USDs		31st October 2021
		a
1	Total risk exposure amount	4,352,380
2	Institution specific countercyclical capital buffer rate	0.0259%
3	Institution specific countercyclical capital buffer requirement	1,126

Chapter 6. Disclosure of the Leverage Ratio

Template EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

As per Article 451(1) point (b) the following template provides a reconciliation of the total assets in HPFSH and the total leverage exposure. The template includes a breakdown of all adjustments that lead from the total assets to the Leverage Ratio (LR) exposure measure.

Thousands of USDs | 31st October 2021

		a
		Applicable amount
1	Total assets as per published financial statements	4,744,319
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	-
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustments for derivative financial instruments	70,231
9	Adjustment for securities financing transactions (SFTs)	-
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	105
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	44,630
13	**Total exposure measure**	4,859,285

Template EU LR2 - LRCom: Leverage ratio common disclosure

As per Article 451(1), points (a) and (b) and Article 451(3) (taking into account, where applicable, point (c) of Article 451(1) and Article 451(2) CRR), the following template provides a detailed breakdown of the components of the LR denominator, as well as information on the actual LR, minimum requirements and buffers.

The total assets has remained flat year on year. The decrease in derivatives is mainly related to a decrease in the potential future exposure amount partly offset by an increase in the replacement cost. The increase in capital is due to the inclusion of the financial year profits. The leverage ratio increased due to the higher tier 1 capital.

Thousands of USD

		CRR leverage ratio exposures	
		a	b
		31st October 2021	31st October 2020
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	4,682,432	4,634,161
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	
5	(General credit risk adjustments to on-balance sheet items)	-	
6	(Asset amounts deducted in determining Tier 1 capital)	- 368	
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	4,682,064	4,634,161
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	157,490	134,207
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	19,626	124,016
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original Exposure Method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	**Total derivatives exposures**	177,116	258,223

	Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	-	-
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	**Total securities financing transaction exposures**	-	-
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	105	38
20	(Adjustments for conversion to credit equivalent amounts)	-	
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-	
22	**Off-balance sheet exposures**	105	38
	Excluded exposures		
EU-22a	(Exposures excluded from the ~~leverage ratio~~ total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	(Total exempted exposures)	-	-
Capital and total exposure measure			
23	**Tier 1 capital**	3,468,819	3,320,972
24	**Total exposure measure**	4,859,285	4,892,422

Leverage ratio			
25	Leverage ratio	71%	68%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	71%	68%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	71%	68%
26	Regulatory minimum leverage ratio requirement (%)	3%	3%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0%	0%
EU-26b	of which: to be made up of CET1 capital (percentage points)	0%	0%
27	Leverage ratio buffer requirement (%)	0%	0%
EU-27a	Overall leverage ratio requirement (%)	3%	3%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	NA	
Disclosure of mean values			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	-	-
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4,859,285	4,892,422
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4,859,285	4,892,422
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	71%	68%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	71%	68%

Template EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

As per Article 451(1) point (b) the following template analyses the calculation of the leverage ratio exposures.

31st October 2021

Thousands of USDs

		a
		CRR leverage ratio exposures
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	4,682,432
EU-2	Trading book exposures	-
EU-3	Banking book exposures, of which:	4,682,431
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	128,115
EU-6	Exposures to regional governments, MDB, international organisations and PSE **not** treated as sovereigns	37,110
EU-7	Institutions	498,941
EU-8	Secured by mortgages of immovable properties	-
EU-9	Retail exposures	301,008
EU-10	Corporates	2,783,443
EU-11	Exposures in default	356,740
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	577,074

Table EU LRA - Disclosure of LR qualitative information

As per Article 435(1), points (d) and (e) the table below provides qualitative information the management of the risk of excessive leverage and factors that had an impact on the leverage ratio during the period.

Row number	Qualitative information	
(a)	Description of the processes used to manage the risk of excessive leverage	As per Article 451(1)(d) the Bank's risk function ensures that all activities in the Bank are within the ranges specified in the Bank's RAS. The Leverage Ratio is one of a number of key internal risk indicators and is monitored on a quarterly basis. The Bank's primary activity is the provision of leases and loan facilities. The Bank's financing base is mainly capital contributions from HPE Company with some intercompany and third party debt. Liquidity is managed to ensure that the Bank is able to honour all of its financial commitments as they fall due. The Bank only engages in derivatives for the purpose of hedging foreign exchange risk, it does not operate a trading book. The Bank is well capitalised and has an excess of over 7 times capital cover in place as calculated under Pillar I.
(b)	Description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers	As per Article 451(1)(e) leverage increased to 71% at 31 October 2021 from 68% at 31 October 2020, total assets have remained flat year on year. The decrease in derivatives is mainly related to a decrease in the potential future exposure amount partly offset by an increase in the replacement cost. The increase in capital is due to the inclusion of the financial year profits. The leverage ratio increased due to the higher tier 1 capital.

Chapter 7. Disclosure of liquidity requirements

Table EU LIQA - Liquidity Risk Management

As per Article 435(1) and Article 451a(4) the table below provides information on the Group's liquidity risk management.

Row number	Qualitative information	
(a)	Strategies and processes in the management of the liquidity risk, including policies on diversification in the sources and tenor of planned funding,	Liquidity and Funding risk is identified and assessed by the ILAAP. The ILAAP review process is performed on at least an annual basis and identifies the key material risks to the Bank, taking into account its strategic objectives, in addition to internal and external risk information. The RAS is an articulation of the nature and extent of risk that the Group is willing to take, accept or tolerate in pursuit of its business objectives and strategy as set by the Board. The Bank's risk profile is measured against its risk appetite and adherence to the RAS is reported on a quarterly basis. The ILAAP is fully integrated and embedded in the strategic, financial and risk management processes of the Bank. Embedding of the ILAAP is facilitated through the setting of risk appetite, liquidity and funding planning and the dynamic review thereof in light of key strategic decisions. The Funding Plan Strategy within the ILAAP Framework outlines the Bank's requirement for a strategic funding mix which is reviewed by the Asset and Liability Committee (ALCo) on at least an annual basis.
(b)	Structure and organisation of the liquidity risk management function (authority, statute, other arrangements).	The risk management structure in the Bank includes defined lines of authority and accountability, effective processes to identify, manage, monitor and report the risks to which the Bank is or might be exposed to. Clear responsibilities for the management of risk are defined across the Bank through a three lines of defence model which ensures effective independent oversight and assurance in respect of key decisions. Under the three lines of defence model, the primary responsibility for liquidity risk management lies with the Treasury function who are the first line of defence. The Risk function provides the second line of defence, providing independent oversight, support and challenge to the Treasury function. The third line of defence is Internal Audit function which provides independent assurance to the Audit Committee on the effectiveness of the system of internal control. The Bank's Financial RMF sets out how risk is managed in the Bank. The Financial RMF supports the Bank in achieving its strategic ambitions by providing a clear, concise and comprehensive approach to the governance, implementation and embedding of risk management practices. The Board has appointed the Asset Liability Committee (ALCo) to assist the Board by providing executive oversight for asset and liability management within HPIB which reports to the Risk Committee. The ALCo reviews the Bank's liquidity and funding position on at least a quarterly basis, or more frequently if required.
(c)	A description of the degree of centralisation of liquidity management and interaction between the group's units	HPIB is a stand alone entity, so all liquidity management is centralised within the Bank's Treasury function.
(d)	Scope and nature of liquidity risk reporting and measurement systems.	The Bank's liquidity and funding position is reported regularly to the Treasury Control, Risk function, ALCo, Risk Committee and Board. On an annual basis, the Board attests to the Group's liquidity adequacy via the liquidity adequacy statement as part of ILAAP. The Bank's ILAAP encompasses all aspects of liquidity and funding management, including planning, analysis, stress testing, control, governance, policy and contingency planning. The information systems used by the Bank provide timely and relevant liquidity information that is in line with the nature and complexity of the Bank's business. This information monitors compliance with policies, procedures and limits, facilitates monitoring of foreign currency exposures and accommodates the performance of appropriate stress testing and scenario analysis.
(e)	Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants.	The Funding and Liquidity Risk Management Policy serves as a key policy document. The objective of liquidity management is to ensure that at all times the Bank holds sufficient funds to meet its contractual obligations. This policy details the roles and responsibilities within the Bank with regard to the identification, assessment, management, reporting, control and oversight of funding and liquidity risk. This policy is aligned with the RAS and all appropriate qualitative statements and metrics, as outlined within the RAS, are reflected either directly within this policy and / or supporting guidelines and procedures.

(f)	An outline of the bank`s contingency funding plans.	The Bank's Contingency Funding Plan (CFP) describes the process that ensures the Bank has identified the actions available to be used in the event of a severe liquidity stress scenario to aid HPIB in returning to a business-as-normal operating status. The included actions aim to ensure that HPIB's liquidity remains at a level that allows it to continue to meet its contractual obligations, in a manner that is in line with its Risk Appetite, during a period of heightened liquidity stress The objective of the plan is to ensure that the Bank can survive an adverse scenario under a continuous period of stress. The responsibility for managing and updating the CFP lies with the Treasury function, who are responsible for updating the plan on a regular basis in line with any amendments or updates to HPIB's funding strategy or liquidity stress testing. It is also the responsibility of the Treasury function to monitor HPIB's liquidity position on a daily basis and identify any early warning signs of a potential liquidity event through its day-to-day operations. It is the responsibility of the Risk department to review the CFP periodically and ensure that the measures used to monitor early warning signs of a potential liquidity event are effective. The plan should be reviewed by the Internal Audit function on a periodic basis.
(g)	An explanation of how stress testing is used.	Liquidity stress testing is a key component of the ILAAP framework. HPIB carries out a range of stress and scenario testing. The scenario testing is carried out regularly, monthly in the case of survival period and annually for certain stresses, in conjunction with the development of the ICAAP and ILAAP. Reverse stress testing is performed on an annual cycle given the size and complexity of the institution. HPIB stress tests cover a range of time horizons. The stress testing is embedded into HPIB's funding and liquidity management processes. Liquidity stress test results are reported to the ALCo, Risk Committee and Board. The Bank also monitors a number of Early Warning Indicators in order to identify the potential emergence of a liquidity stress. As part of its contingency and recovery planning, the Bank has identified a number of funding and liquidity options which could be implemented to assist the Bank in restoring its liquidity position in the event of a stress scenario.
(h)	A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution providing assurance that the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy.	On an annual basis, the Board attests to the Bank's liquidity adequacy via the liquidity adequacy statement.
(i)	A concise liquidity risk statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy. This statement shall include key ratios and figures (other than those already covered in the EU LIQ1 template under this ITS) providing external stakeholders with a comprehensive view of the institution's management of liquidity risk, including how the liquidity risk profile of the institution interacts with the risk tolerance set by the management body. These ratios may include: · Concentration limits on collateral pools and sources of funding (both products and counterparties) · Customised measurement tools or metrics that assess the structure of the bank's balance sheet or that project cash flows and future liquidity positions, taking into account off-balance sheet risks which are specific to that bank · Liquidity exposures and funding needs at the level of individual legal entities, foreign branches and subsidiaries, taking into account legal, regulatory and operational limitations on the transferability of liquidity · Balance sheet and off-balance sheet items broken down into maturity buckets and the resultant liquidity	The objective of HPIB's funding strategy is to ensure the Bank has sufficient liquidity to meet its risk appetites while also planning for unforeseen market events by using a robust stress testing framework. The strategy aims to deliver a solid funding structure that complies with internal and regulatory policy requirements and reduces the probability of a liquidity stress, i.e. an inability to meet funding obligations as they fall due. Funding and liquidity risk is identified and assessed using a range of liquidity stress testing scenarios and ensuring adherence to limits based on both internal limits and the regulatory defined liquidity ratios, the Liquidity Coverage Ratio ("LCR") and the Net Stable Funding Ratio ("NSFR"). HPIB's liquid assets primarily comprise Collective Investment Undertaking (CIU) investments and balances with central banks. This liquidity pool is managed within limits approved by the HPIB Board. At 31 October 2021, the Bank held \$523m (2020: \$452m) in high quality liquid assets which is held to cover contractual and stress outflows.

Template EU LIQ1 - Quantitative information of LCR

As per Article 451a(2), the template below sets out the liquidity coverage ratio of HPFSH

Scope of consolidation:	Consolidated

	Thousands of USD	a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYY)	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA), after application of haircuts in line with Article 9 of regulation (EU) 2015/61					401,642	364,458	316,459	296,138
CASH - OUTFLOWS									
2	retail deposits and deposits from small business customers, of which:	-	-	-	-	-	-	-	-
3	*Stable deposits*	-	-	-	-	-	-	-	-
4	*Less stable deposits*	-	-	-	-	-	-	-	-
5	Unsecured wholesale funding	-	-	-	-	-	-	-	-
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	-	-	-	-	-	-	-	-
7	*Non-operational deposits (all counterparties)*	-	-	-	-	-	-	-	-
8	*Unsecured debt*	-	-	-	-	-	-	-	-
9	*Secured wholesale funding*					-	-	-	-
10	Additional requirements	195,801	200,767	200,224	203,420	195,801	200,767	200,224	203,420
11	*Outflows related to derivative exposures and other collateral requirements*	195,801	200,767	200,224	203,420	195,801	200,767	200,224	203,420
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	-	-	-	-	-	-	-	-
14	Other contractual funding obligations	178,308	186,485	200,477	219,252	169,686	177,972	191,318	207,699
15	Other contingent funding obligations	-	-	-	-	-	-	-	-
16	TOTAL CASH OUTFLOWS					365,486	378,739	391,541	411,119
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
18	Inflows from fully performing exposures	677,550	593,092	514,651	449,549	376,796	340,786	322,468	311,578
19	Other cash inflows	-	-	-	-	-	-	-	-
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					0	0	0	0
EU-19b	(Excess inflows from a related specialised credit institution)					0	0	0	0
20	TOTAL CASH INFLOWS	677,550	593,092	514,651	449,549	376,796	340,786	322,468	311,578
EU-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-
EU-20b	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
EU-20c	*Inflows subject to 75% cap*	677,550	593,092	514,651	449,549	376,796	340,786	322,468	311,578
TOTAL ADJUSTED VALUE									
21	LIQUIDITY BUFFER					401,642	364,458	316,459	296,138
22	TOTAL NET CASH OUTFLOWS					91,372	94,685	97,885	102,780
23	LIQUIDITY COVERAGE RATIO					440%	385%	323%	288%

Table EU LIQB on qualitative information on LCR, which complements template EU LIQ1

As per Article 451a(2), the below template provides qualitative information on the LCR ratio.

Row number	Qualitative information	
(a)	Explanations on the main drivers of LCR results and the evolution of the contribution of inputs to the LCR's calculation over time	The LCR aims to ensure that a bank has an adequate stock of unencumbered High Quality Liquid Assets ("HQLA") to meet its liquidity needs for a 30-calendar day liquidity stress scenario. The Bank maintains a strong liquidity position by keeping a stable balance sheet structure that is supported by a diversified funding base. The main driver of the LCR results over the period has been the high level of HQLA maintained by the Bank along with an increased maturity profile in deposits over the period which has decreased in outflows within the LCR model. The LCR remained relatively constant throughout the period and above the regulatory minimum requirements of 100% and internal risk appetite limits throughout the year. All figures included in the table represent a 12 month rolling average for calendar quarters December 2020 to September 2021.
(b)	Explanations on the changes in the LCR over time	As at 31 October 2021 the HPFSH LCR was 447%. The 12 month average LCR for 30 September 2021 was 440%. Over the period the Bank was able to refinance its deposits with longer maturity profiles which resulted in a decrease in Cash Outflows, mainly 'Other Contractual Funding Obligations' reducing from 207m in December 2020 to 170m in September 2021. HPIB's HQLA increased over the period also, from 296m in December 2020 to 402m in September 2021 which resulted in the LCR increasing from 288% in December 2020 to 440% in September 2021.
(c)	Explanations on the actual concentration of funding sources	The composition of the Bank's funding (predominantly Equity supported by Bank Deposits and Euro Certificates of Deposits) results in a low LCR outflow relative to the overall size of the funding base, and the maturity profile of HPIB's deposits are actively managed to minimise any maturity concentrations in one 30-day period.
(d)	High-level description of the composition of the institution`s liquidity buffer.	The buffer is primarily composed of Level 1 assets namely CIU investments in US Treasury Funds.
(e)	Derivative exposures and potential collateral calls	HPIB's over-the-counter ("OTC") derivative exposures are actively managed and the main derivative financial instrument used by the Bank are foreign exchange derivatives. The LCR captures both contractual derivative outflows and the impact of an adverse market scenario on derivative outflows and collateral calls. In addition, derivative outflows are captured in the liquidity stress testing.
(f)	Currency mismatch in the LCR	As USD Equity makes up a significant proportion of HPIB's funding, the Bank makes use of the foreign exchange swap markets to support its asset requirements across currencies (predominantly EUR and GBP). The main portion of the Bank's liquid assets is denominated in USD and the Bank's stable funding base of customer deposits is predominantly denominated in EUR or USD.
(g)	Other items in the LCR calculation that are not captured in the LCR disclosure template but that the institution considers relevant for its liquidity profile	N/A

Template EU LIQ2: Net Stable Funding Ratio

As per Article 451a(3) the template below sets out the NSFR ratio detail of HPFSH

Thousands of USD

31st October 2021

		a	b	c	d	e
		Unweighted value by residual maturity				
	(in currency amount)	No maturity	< 6 months	6 months to < 1yr	≥ 1yr	Weighted value
Available stable funding (ASF) Items						
1	Capital items and instruments	3,488,573	-	-	-	3,488,573
2	*Own funds*	3,488,573	-	-	-	3,488,573
3	*Other capital instruments*		-	-	-	-
4	Retail deposits		-	-	-	-
5	*Stable deposits*		-	-	-	-
6	*Less stable deposits*		-	-	-	-
7	Wholesale funding:		573,192	306,043	499,862	652,883
8	*Operational deposits*		-	-	-	-
9	*Other wholesale funding*		573,192	306,043	499,862	652,883
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:		236,845	-	-	-
12	*NSFR derivative liabilities*	12,633	-	-		
13	*All other liabilities and capital instruments not included in the above categories*		236,845	-	-	-
14	**Total available stable funding (ASF)**					**4,141,457**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					26,132
EU-15a	**Assets encumbered for a residual maturity of one year or more in a cover pool**		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		-	-	-	-
17	Performing loans and securities:		965,234	638,898	1,934,883	2,415,237
18	*Performing securities financing transactions with financial customerscollateralised by Level 1 HQLA subject to 0% haircut*		-	-	-	-
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		193,051	97,329	304,941	372,911
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		772,183	541,569	1,629,942	2,042,326
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
22	*Performing residential mortgages, of which:*		-	-	-	-
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		-	-	-	-
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		-	-	-	-
25	Interdependent assets		-	-	-	-
26	Other assets:	**No mapping to reporting**	374,466	67,927	221,441	549,839
27	*Physical traded commodities*				0	0
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		-	-	-	-
29	*NSFR derivative assets*		80,012	-	-	80,012
30	*NSFR derivative liabilities before deduction of variation margin posted*		12,633	-	-	632
31	*All other assets not included in the above categories*		281,822	67,927	221,441	469,196
32	Off-balance sheet items		-	-	-	-
33	**Total RSF**					**2,991,208**
34	**Net Stable Funding Ratio (%)**					**138.45%**

Chapter 8. Disclosure of exposures to credit risk, dilution risk and credit quality

Table EU CRA - General qualitative information about credit risk

As per Article 435(1), points (a), (b), (d) and (f) the table below provides a description of risk management objectives and policies for credit risk

Legal basis	Row number	Qualitative information	
Point (f) of Article 435(1) CRR	(a)	In the concise risk statement in accordance with point (f) of Article 435(1) CRR, how the business model translates into the components of the institution's credit risk profile.	HPIB has a monoline business model, providing non-consumer IT financing and asset management services to customers across approximately 20 European Economic Area ("EEA") countries. Therefore, credit risk is a material risk to its business and arises from potential losses due to a customer's failure to make payments according to lease and loan contract terms. Credit risk also arises from HPIB's Treasury activities with deposit and derivative counterparties. HPIB has put in place a comprehensive credit RMF, the purpose of which is to provide assurance to the Risk Committee and Board that credit risks of the Bank have been identified, quantified, managed and reported and, where appropriate, mitigated. It details the core governing principles, accountabilities and behaviours that will enable sound credit risk management, help strengthen risk awareness and promote an appropriate and adequate risk culture throughout HPIB. This framework applies to all credit risks to which HPIB is exposed and underpins the overarching RMF. The processes for managing credit risks, including risk identification, assessment and monitoring are outlined in the policies detailed below, which support the framework.The framework and supporting credit policies are reviewed and <u>Credit Granting Policy</u> This policy provides a common approach to identifying, assessing, monitoring and reporting credit risks in a consistent manner at the time of original granting of credit. It outlines the scope and nature of financing that HPIB can offer, credit assessment and authorisation processes and provides detailed guidance on the information required to conduct credit assessments and determine credit ratings and limits. Key considerations in the credit granting process include the purpose of the credit request, the financial position and profile of the customer, existing customer relationship and payment behaviour, risk and mitigants and underlying documentation. HPIB must also take into account the risks associated with ESG factors on the financial conditions of customers when granting credit. The credit granting policy also outlines HPIB's internal credit risk rating scale whereby each customer is given a rating ranging from 1 (the best) to 10. Internal credit ratings are central to credit granting and limit setting and for supporting HPIB's pricing model. They are also key to risk management reporting, credit portfolio analysis, credit quality monitoring and in determining the level and nature of management attention required to be applied to certain exposures. A country risk rating scale is also in place, ranging from 1(the best) to 6 and taking into account political risk, banking system strength, level of economic development, business environment and competitiveness and corruption and AML indices. Country risk reviews are performed at least annually. <u>Credit Monitoring Policy</u> This policy provide a common approach to identifying, assessing, monitoring and reporting credit risks within HPIB's portfolio in a consistent manner. Credit risk monitoring is conducted in respect of risk rating of portfolio, customer payment behaviour (including accounts receivable ageing and non-performing status), individual customers (annual reviews of customers with exposure greater than $1M) and portfolio concentration risk in respect of counterparty, country, industry sectoral exposure and ESG risk. Early warning indicators have been established in order to identify changes in credit risk levels. <u>Definition of Default Policy</u> This policy sets out the data, criteria and methodology to be used to identify default customers for regulatory purposes and for internal purposes and forms the basis for the classification of customers as non-performing in accordance with EBA Guidelines on the application of the definition of default. <u>Restructure Forbearance and Workout Policy</u> The policy outlines HPIB's approach to managing and reporting exposures which have been given a restructure/forbearance as a result of financial distress or are in the process of workout. <u>Provisioning Policy</u> The provisioning policy documents HPIB's approach to the assessment of exposures to determine if there is a need to attach a provision and to the setting of an appropriate Incurred but Not Reported (IBNR) provision. The policy is in accordance with The Financial Reporting Council (FRC) Financial Reporting Standard (FRS) 102 which means that HPIB applies an incurred loss model. An incurred loss model assumes that all leases or loans will be repaid until evidence to the contrary (known as a loss or trigger event) is identified. Only at that point is the exposure deemed to be impaired and an assessment of provision required to write down the exposure to a lower value. At any time, there will be customers where an event has occurred which negatively impacts their ability to meet their financial commitments, but HPIB is not yet aware of these events. To account for these situations HPIB holds an IBNR reserve.

			Credit risk management during COVID-19 pandemic: In 2021, HPIB’s focus continued to be on supporting its customers and ensuring they were provided with appropriate measures taking account of the expected financial impact and recovery outlook. EBA payment moratoria provided during 2020 were no longer granted during 2021 and customers in financial difficulty were managed on a case-by-case basis. Customers who have been granted forbearance over the course of the pandemic continue to be closely monitored and, to date, HPIB has not experienced significant longer term payment issues arising from customers whose leases or loans were restructured during the period. Credit risk management consideration of ESG risks: HPIB continues to adapt its credit risk management processes and policies to capture ESG risks. Key additional steps taken during the year included: - The inclusion into credit granting policy of the requirement for ESG considerations to be factored into the determination of customer credit risk ratings - A mapping of HPIB's portfolio to determine the extent of exposures to higher risk sectors - Alignment of sectoral mapping to risk appetite - The development of an ESG RMF and plan to manage risks associated with environmental and climate related, social and governance factors - Close alignment to HPE Group in support of its climate targets as set out within the HPE Living Progress report
Point (a) and (d) of Article 435(1) CRR	(b)	When discussing their strategies and processes to manage credit risk and the policies for hedging and mitigating that risk in accordance with points (a) and (d) of Article 435(1) CRR, the criteria and approach used for defining the credit risk management policy and for setting credit risk limits.	Credit risk is the risk that the Bank will incur losses as a result of a customer or counterparty being unable or unwilling to meet their contractual obligations. For HPIB, credit risk is grouped into the following sub categories: - Counterparty risk: The risk of losses arising as a result of a derivative counterparty not meeting their contractual obligations in full and on time; - Credit default risk: The current or prospective risk to capital arising from a customer or investment counterparty's failure to meet the terms of any contract with HPIB; - Concentration risk: The risk of excessive credit concentration including to an individual, counterparty, group of connected counterparties, industry sector or segment, country, residual value product or type of credit facility; and - Country risk: The risk of having exposure to a country arising from possible changes in the business environment that may adversely affect the ability of HPIB's customers in that country to meet their payment obligations. Credit risk exposure derives from the Bank's lease and loan portfolio, cash investments and exposures with derivative counterparties. HPIB's RAS defines the amount and types of risks that the Bank is willing to accept or tolerate in pursuit of its business objectives and strategy as set by the Board. As part of the RAF it sets conditions to the achievement of strategy and guides the Bank in risk-taking associated with business activities. Credit risk appetite is set out within the RAS, is approved by the Board at least annually and is monitored through a suite of qualitative and quantitative metrics and reported using a risk appetite dashboard presented by the CRO to the Risk Committee each quarter. Credit risk is stress tested as part of the Bank's stress testing framework to ensure that limits are within the risk-taking capacity of the Bank. HPIB operates a three lines of defence model to manage credit risk. As outlined in section (c) below, HPIB's Credit Risk function forms part of the independent second line risk management function, with responsibility for monitoring key credit risk metrics and trends, including policy exceptions and breaches, reviewing the quality of the lease and loan portfolio and challenging credit granting recommendations. Credit risk approval is undertaken within a defined SOA and includes the use of a credit scoring model which is reviewed and validated on a periodic basis. The Board has delegated credit authority via approval of the SOA and credit limits are approved in accordance with the credit granting policy. The SOA requires that exposures above certain levels require approval by HPIB's Management Risk Committee and other exposures are approved according to a system of tiered individual authorities which reflect credit competence, proven judgement and experience. The perceived strength of a borrower’s repayment capacity is the primary factor in granting credit. HPIB does not take collateral as part of its lending process but uses credit risk mitigation for some credits, including transaction structure, guarantees and IT equipment buy-back agreements. A further risk mitigant is provided where HPIB enters into lease contracts with customers and retains title to the underlying equipment. To mitigate the counterparty risk associated with FX derivatives, HPIB operates a collateral program with settlements made on a daily basis. HPIB uses credit stress testing to assess the potential impacts of adverse events on its earnings and capital. These stress tests are incorporated into its ICAAP in order to assess capital adequacy. In addition to Pillar 1 capital held for credit risk, HPIB also holds Pillar 2 capital for credit concentration risk which is calculated using the Herfindahl–Hirschman index.

Point (b) of Article 435(1) CRR	(c)	When informing on the structure and organisation of the risk management function in accordance with point (b) of Article 435(1) CRR, the structure and organisation of the credit risk management and control function.	HPIB operates a three lines of defence model to support the credit risk management. The first line of defence lies with the business functions who have primary responsibility for the identification, assessment, measurement, management, monitoring and reporting of credit risk. This includes a team of credit analysts who prepare credit write-ups in accordance with HPIB's credit granting policy, outlining details of the proposed customer and transaction and providing a recommendation in respect of the level of credit and credit rating of the customer. The second line of defence comprises the independent Risk function, headed by the CRO and oversees the first line, providing independent constructive challenge, setting the frameworks, policies and limits, consistent with the risk appetite of the Group. Credit Risk is a key function within Risk, led by the Chief Credit Officer, responsible for the undertaking of these second line of defence responsibilities with regard to the identification, assessment, measurement, management, monitoring and reporting of credit risk. The credit risk team, in conjunction with Compliance, completes credit policy regulatory gap analyses and, as required, provides guidance to the first line of defence on regulatory requirements underpinning credit policy. It also oversees implementation of new products or systems in respect of credit risk management prior to go-live and provides guidance and support to the business on credit risk policy matters. This team ensures that credit decisions are made in accordance with credit policies, incorporate detailed credit assessments and robust second line of defence challenge, where required and is responsible for credit approvals within the Board delegated SOA. Credit monitoring conducted by the second line credit risk function is conducted using a comprehensive suite of reporting which includes details of portfolio concentration, non-performing exposures, credit loss rates, risk ratings and other KRIs. This reporting is presented to the HPIB credit, pricing and residual risk committee on a quarterly basis for review and challenge and details are also provided to the Board Risk Committee. Credit stress testing is an important tool used by the second line risk function and is used to inform the management body of risks within the portfolio, to provide input to the financial plan and to assess capital adequacy which is incorporated into HPIB's ICAAP. In accordance with the SOA, for higher value credit exposure approvals, the second line credit risk function provides recommendations to the management risk committee to support its decisions. The second line compliance function participates in engagement between the first line of defence and second line of defence on regulation relevant to credit risk policy. It is responsible for identifying upstream regulation relevant to the Bank including that which relates to credit risk and reviews and challenges the interpretation of credit risk regulation as outlined in regulatory gap analysis. The Compliance function reports to the management Compliance Committee and to the Board Audit & Compliance Committee on a quarterly basis. As part of the second line risk function, the Enterprise Risk Manager is responsible for the management, reporting and oversight of model risk, including the validation of credit risk models. HPIB's third line of defence, Internal Audit ("IA"), is responsible for providing an independent view on the key risks facing the Group, and the adequacy and effectiveness of governance, risk management and the internal control environment in managing these risks. IA provides independent assurance on the management of credit risk and the control environment and conducts regular credit audits to assess the first line of defence of credit applications, the second line of defence review and challenge of the credit applications and adherence to regulatory requirements related to credit risk. The IA function reports to the Board Audit & Compliance Committee.
Point (b) of Article 435(1) CRR	(d)	When informing on the authority, status and other arrangements for the risk management function in accordance with point (b) of Article 435(1) CRR, the relationships between credit risk management, risk control, compliance and internal audit functions.	Refer to section (c) above.

Table EU CRB - Additional disclosure related to the credit quality of assets

As per Article 442, points (a) and (b) the table below provides additional qualitative and quantitative information:

Legal basis	Row number	Qualitative information	
Article 442 (a) and (b) CRR	(a)	The scope and definitions of 'past-due' and 'impaired' exposures used for accounting purposes and the differences, if any, between the definitions of past due and default for accounting and regulatory purposes as specified by the EBA Guidelines on the application of the definition of default in accordance with Article 178 CRR.	HPIB measures the regulatory definition of default in accordance with the EBA 'Guidelines on the application of the definition of default' under Article 178 of CRR and ECB Banking Supervision Guidance to Banks on Non-performing loans. Further enhancements were implemented in 2020 in compliance with Article 178(2)(d) of regulation (EU) no 575/2013 in relation to the approach to counting of material days past due. HPIB also uses an internal definition of default whereby a contract will only be considered in default if there is a past due amount equal to or greater than 90 days billings on a specific contract. Under its provisioning policy, a loan or lease is considered by HPIB to be impaired if there is objective evidence of impairment as a result of one or more events that occurred after the exposure was created ("the loss event") and if that loss event has an impact on the estimated future cash flows of the loans/leases which can be reliably estimated. HPIB has identified trigger events which help to support objective evidence of impairment and identify a potential increase in the risk of a customer not being able to honour their payment obligations to HPIB. These events include, but are not limited to: - Unacceptable payment behaviour, with little or no engagement with HPIB. - Repeated direct debit rejections, with little or no engagement with HPIB. - Submission of a restructure request to HPIB. - Weak customer financials. - Insolvency proceedings (the forms of which vary from country to country and may pose a greater or lesser risk of impairment). - Business / industry restructuring. - Negative information published. - Country instability / political risk. - Any other occurrence that makes it advisable to monitor the risk. Details of the scope and definitions of past due and impaired exposures are provided in HPIB's Definition of Default policy. The definition of financial distress and forbearance, together with processes to manage these cases are included in the Restructure/Forbearance and Workout policy. Further information on non-performing loans are outlined under template: EU-CR1 - Performing and non-performing exposures and related provisions
Article 442 (a) and (b) CRR	(b)	The extent of past-due exposures (more than 90 days) that are not considered to be impaired and the reasons for this.	HPIB considers that a significant proportion of customers that meet the regulatory definition of default are not impaired. The reason for this relates to the nature of its transactions and composition of its portfolio which is comprised of multiple lease financing contract schedules with large global investment grade customers. The complexities involved in ensuring timely payment, including bespoke invoicing arrangements and the ongoing set up of purchase order numbers in order that invoices can be processed by the customer's accounts payable departments, results in frequent payment delays giving rise to non-performing classification. A further complexity arises when contracts reach end of lease term and negotiations are conducted with the customer to agree whether leases will be extended or equipment will be bought out or returned. During a period of negotiation there may be payment delays which can cause the customer to be classified as non-performing. HPIB has long relationships with many of these customers and, while payment processing delays occur, credit losses have not historically been incurred.
Article 442 (a) and (b) CRR	(c)	Description of methods used for determining general and specific credit risk adjustments.	Application of FRS 102 means that HPIB applies an incurred loss (rather than expected loss) model. An incurred loss model assumes that all loans or leases will be repaid until evidence to the contrary (known as a loss or trigger event) is identified. Only at that point is the loan or lease (or portfolio of loans/leases) deemed to be impaired and an assessment of provision required to write down the exposure to a lower value. <u>Individual/Specific Provisions</u> When a customer meets a trigger (as detailed above) an assessment must be performed to determine if a provision is required. Where it is determined that a provision is required this is known as an individual/specific provision. HPIB assesses at the end of each reporting period whether there is "objective evidence" of impairment as a result of one or more events that occurred after the exposure was created ("the loss event") and if that loss event has an impact on the estimated future cash flows of the loans which can be reliably estimated. An individual/specific provision cannot be reversed unless: • all arrears have been cleared or • the reversal forms part of an account write-off. All requests to raise or reverse a provision must be documented and final approval is required by the Head of Finance.

			<u>Incurred but not Reported (IBNR) provision</u> At any time, there will be customers where an event has occurred which negatively impacts their ability to meet their financial commitments, but HPIB is not yet aware of these events. To account for these situations HPIB holds an IBNR reserve. The IBNR is set as a percentage of HPIB's lease / loan portfolio taking into account the following: - The percentage of the bad debt watch list (12 months prior to the date) that was reserved over the last 12 months. - The level of provisions that were raised against customers over the previous 12 months that that were not on the bad debt watch list 12 months ago. -Any additional information that may require a management overlay to be applied on top of the two steps above. As HPIB is estimating the likely reserves required over a 12 month forward looking period the IBNR percentage is considered to have a 12 month emergence period. The IBNR percentage is back-tested against actual provisions raised on at least an annual basis and the rationale must be documented by the Head of Finance and approved by the Management Risk Committee. In addition to the above, a reserve is mandatory for accounts with arrears aged at 180 days past due , unless specific exceptions are granted. Where provisions are raised against customer exposures, that customer's internal credit risk rating will be
Article 442 (a) and (b) CRR	(d)	The institution's own definition of a restructured exposure used for the implementation of point (d) of Article 178(3) CRR specified by the EBA Guidelines on default in accordance with Article 178 CRR when different from the definition of forborne exposure defined in Annex V to Commission Implementing Regulation (EU) 680/2014.	The definition of restructured exposures is aligned to the definition of forborne exposures.

Template EU CR1: Performing and non-performing exposures and related provisions.

As per Article 442, points (c) and (e) the template below presents gross carrying amount (including accrued interest) of performing and non-performing exposures and the related accumulated impairment, provisions, accumulated change in fair value due to credit risk, accumulated partial write-off, and collateral and financial guarantees received, according to the scope of regulatory consolidation.

31st October 2021

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collaterals 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
Thousands of USDs			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			
005	Cash balances at central banks and other demand deposits	68,440	68,440	-	-	-	-	-	-	-	-	-	-			
010	Loans and advances	2,435,562	2,435,562	-	166,115	-	20,418	- 32,823	- 32,823	-	- 12,171	-	- 12,171	-	615,495	24,082
020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	75,450	75,450	-	1,584	-	-	- 565	- 565	-	-	-	-	-	3	-
040	*Credit institutions*	282,709	282,709	-	8,176	-	-	- 3,249	- 3,249	-	-	-	-	-	2,257	-
050	*Other financial corporations*	60,293	60,293	-	1,883	-	-	- 685	- 685	-	-	-	-	-	1,983	-
060	*Non-financial corporations*	1,970,330	1,970,330	-	153,767	-	20,418	- 27,887	- 27,887	-	- 12,171	-	- 12,171	-	609,933	24,082
070	*Of which: SMEs*	318,984	318,984	-	52,684	-	16,377	- 4,763	- 4,763	-	- 10,905	-	- 10,905	-	16,110	12,885
080	*Households*	46,780	46,780	-	705	-	-	- 437	- 437	-	-	-	-	-	1,318	-
090	Debt Securities	568,990	568,990	-	-	-	-	-	-	-	-	-	-	-	-	-
100	*Central banks*															
110	*General governments*															
120	*Credit institutions*															
130	*Other financial corporations*	568,990	568,990	-	-	-	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*															
150	Off-balance sheet exposures	105	105	-	-	-	-	-	-	-	-	-	-	-	-	-
160	*Central banks*															
170	*General governments*	93	93	-	-	-	-	-	-	-	-	-	-	-	-	-
180	*Credit institutions*	12	12	-	-	-	-	-	-	-	-	-	-	-	-	-
190	*Other financial corporations*															
200	*Non-financial corporations*															
210	*Households*															
220	**Total**	**3,073,097**	**3,073,097**	**-**	**166,115**	**-**	**20,418**	**- 32,823**	**- 32,823**	**-**	**- 12,171**	**-**	**- 12,171**	**-**	**615,495**	**24,082**

Template EU CR1-A - Maturity of exposures

As per Article 442 point (g) of the template below provides a breakdown of gross carrying amount by residual contractual maturities net of related accumulated impairment, provisions, accumulated change in fair value due to credit risk.

31st October 2021

		a	b	c	d	e	f
		Net exposure value					
Thounds of USD		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	-	236,345	2,174,101	146,238	-	2,556,684
2	Debt securities	568,990	-	-	-	-	568,990
3	**Total**	**568,990**	**236,345**	**2,174,101**	**146,238**	**-**	**3,125,674**

Template EU CQ1: Credit quality of forborne exposures

As per Article 442 point (c) the template below presents the gross carrying amount (including accrued interest) of forborne exposures and the related accumulated impairment, provisions, accumulated change in fair value due to credit risk, and collateral and financial guarantees received, according to the scope of regulatory consolidation.

31st October 2021

		a	b	c	d	e	f	g	h
		Gross carrying amount/ Nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collaterals received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which: Collateral and financial guarantees
Thousands of USDs				Of which defaulted	Of which impaired				
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	13,671	40,297	40,297	9,653	-324	-5,870	8,683	8,683
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	-	-	-	-	-	-	-	-
060	*Non-financial corporations*	13,671	40,297	40,297	9,653	-324	-5,870	8,683	8,683
070	*Households*	-	-	-	-	-	-	-	-
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	-	-	-	-	-	-	-	-
100	**Total**	**13,671**	**40,297**	**40,297**	**9,653**	**-324**	**-5,870**	**8,683**	**8,683**

Template EU CQ3: Credit quality of performing and non-performing exposures by past due days

As per Article 442 point (d) the template below presents the gross carrying amount/nominal amount (including accrued interest) of performing and non-performing exposures according to the scope of regulatory consolidation. For the on-balance sheet exposures, the template shows the breakdown by past-due band.

31st October 2021

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount / Nominal amount											
		Performing exposures			Non-performing exposures								
	Thousands of USDs		Not past due or Past due < 30 days	Past due > 30 days < 90 days		Unlikely to pay that are not past-due or 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 year <= 5 years	Past due > 5 year <= 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other demand deposits	68,440	68,440	-	-	-	-	-	-	-	-	-	-
010	Loans and advances	2,435,562	2,386,022	49,540	166,115	83,782	25,334	25,665	28,683	2,652	-	-	166,115
020	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
030	*General governments*	75,450	72,794	2,657	1,584	1,108	-	26	449	-	-	-	1,584
040	*Credit institutions*	282,709	282,322	387	8,176	5,368	1,531	744	532	2	-	-	8,176
050	*Other financial corporations*	60,293	58,960	1,333	1,883	989	24	23	846	-	-	-	1,883
060	*Non-financial corporations*	1,970,330	1,925,622	44,708	153,767	75,679	23,761	24,835	26,842	2,650	-	-	153,767
070	*Of which SMEs*	318,984	316,731	2,254	52,684	19,748	8,451	6,143	16,397	1,944	-	-	52,684
080	*Households*	46,780	46,323	456	705	638	17	36	13	-	-	-	705
090	Debt Securities	568,990	568,990	-	-	-	-	-	-	-	-	-	-
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	-	-	-	-	-	-	-	-	-	-	-	-
120	*Credit institutions*	-	-	-	-	-	-	-	-	-	-	-	-
130	*Other financial corporations*	568,990	568,990	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-
150	Off-balance sheet exposures	105											
160	*Central banks*	-											
170	*General governments*	93											
180	*Credit institutions*	12											
190	*Other financial corporations*												
200	*Non-financial corporations*												
210	*Households*												
220	**Total**	3,073,097	3,023,452	49,540	166,115	83,782	25,334	25,665	28,683	2,652	-	-	166,115

Template EU CQ4: Quality of non-performing exposures by geography

As per Article 442, points (c) and (e) the template below presents gross carrying amount (includes accrued interest) of performing and non-performing exposures and the related accumulated impairment, provisions and accumulated change in fair value due to credit risk, according to the scope of regulatory consolidation.

The on-balance sheet exposure is total loans and advances and debt securities only. This balance excludes cash balances at central banks and other demand deposits. Individual countries are disclosed based on a materiality threshold of greater than 10% of total original exposures.

31st October 2021

		a	b	c	d	e	f	g	
		Gross carrying/Nominal amount				Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures	
			of which: non-performing		of which: subject to impairment				
Thousands of USDs				of which: defaulted					
010	On balance sheet exposures	3,170,667	166,115	166,115	3,170,667	- 44,994		-	-
020	United Kingdom	874,105	27,149	27,149	874,105	- 13,216		-	-
030	Germany	448,736	23,237	23,237	448,736	- 6,203		-	-
040	Ireland	324,465	753	753	324,465	- 307		-	-
050		-	-	-	-	-		-	-
060		-	-	-	-	-		-	-
070	Other countries[1]	1,523,361	114,977	114,977	1,523,361	- 25,268		-	-
080	Off balance sheet exposures	105	-	-			-		
090	United Kingdom	93	-	-			-		
100	Italy	12	-	-			-		
110		-	-	-			-		
120		-	-	-			-		
130		-	-	-			-		
140	Other countries	-	-	-			-		
150	Total	3,170,772	166,115	166,115	3,170,667	- 44,994	-	-	-

[1] Other countries include Austria, Belgium, Switzerland, Czech Republic, Denmark, Spain, Finland, France, Israel, Iceland, Luxembourg, Norway, Portugal, Romania, Sweden and Slovenia and International Organisations

Template EU CQ5: Credit quality of loans and advances to non-financial corporations by industry

31st October 2021

		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			of which: non-performing		of which: loans and advances subject to impairment		
Thousands of USD				of which: defaulted			
010	Agriculture, forestry and fishing	2,510	275	275	2,510	- 28	-
020	Mining and quarrying	4,095	1,041	1,041	4,095	- 43	-
030	Manufacturing	708,966	108,132	108,132	708,966	- 18,942	-
040	Electricity, gas, steam and air conditioning supply	22,896	2,848	2,848	22,896	- 235	-
050	Water supply	504	136	136	504	- 7	-
060	Construction	8,144	104	104	8,144	- 72	-
070	Wholesale and retail trade	160,060	5,294	5,294	160,060	- 1,767	-
080	Transport and storage	43,734	1,431	1,431	43,734	- 459	-
090	Accommodation and food service activities	8,001	1,198	1,198	8,001	- 71	-
100	Information and communication	971,268	18,523	18,523	971,268	- 15,770	-
110	Real estate activities	23,403	5,839	5,839	23,403	- 264	-
120	Financial and insurance actvities	-	-	-	-	-	-
130	Professional, scientific and technical activities	127,310	8,675	8,675	127,310	- 1,965	-
140	Administrative and support service activities	12,835	101	101	12,835	- 131	-
150	Public administration and defense, compulsory social security	-	-	-	-	-	-
160	Education	1,095	-	-	1,095	- 8	-
170	Human health services and social work activities	15,140	120	120	15,140	- 154	-
180	Arts, entertainment and recreation	9,468	22	22	9,468	- 86	-
190	Other services	4,669	29	29	4,669	- 56	-
200	Total	2,124,097	153,767	153,767	2,124,097	- 40,058	-

Template EU CQ7: Collateral obtained by taking possession and execution processes

As per Article 442 point (c) the template below presents information on the instruments that were cancelled in exchange for the collateral obtained by taking possession and on the value of the collateral obtained by taking possession.

		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
010	Property Plant and Equipment (PP&E)	-	-
020	Other than PP&E	-	-
030	*Residential immovable property*	-	-
040	*Commercial Immovable property*	-	-
050	*Movable property (auto, shipping, etc.)*	-	-
060	*Equity and debt instruments*	-	-
070	*Other collateral*	-	-
080	**Total**	-	-

Chapter 9. Disclosure of the use of credit risk mitigation techniques

Table EU CRC – Qualitative disclosure requirements related to CRM techniques

As per Article 453, points (a) to (e), table EU CRC provides qualitative information on the mitigation of credit risk.

Legal basis	Row number	Qualitative information	
Article 453(a)	(a)	A description of the core features of the policies and processes for on- and off-balance sheet netting and an indication of the extent to which institutions make use of balance sheet netting;	HPIB does not apply balance sheet netting.
Article 453(b)	(b)	The core features of policies and processes for eligible collateral evaluation and management;	HPIB does not take collateral in respect of its lease or loan financing to customers. A collateral program is in place for the management of its FX hedging program, settlements are made daily and the program is managed by an independent collateral manager. Amounts received from counterparties under this program are treated as restricted cash and are not included in HPIB's liquidity reporting. While limits for derivative counterparties are set taking collateral arrangements into account, HPIB also does not net collateral in the regulatory reporting of counterparty credit risk. Limit setting and credit approval processes for derivative counterparties is outlined within HPIB's credit granting policy, exposures are monitored on a daily basis and reporting is made to both the credit, pricing & residual risk committee and ALCo, as well as to the Risk Committee on a quarterly basis.
Article 453(c)	(c)	A description of the main types of collateral taken by the institution to mitigate credit risk;	See point (b) above.
Article 453(d)	(d)	For guarantees and credit derivatives used as credit protection, the main types of guarantor and credit derivative counterparty and their creditworthiness used for the purposes of reducing capital requirements, excluding those used as part of synthetic securitisation structures;	Guarantees are used as a secondary source of repayment in the event of a customer's default for some transactions. The main type of guarantees used are parental guarantees provided to support the credit granted by HPIB to a subsidiary of that group. Credit policy and credit management standards are controlled and set centrally by the credit risk function. HPIB does not enter into credit derivatives. Credit risk mitigation is not used by HPIB to reduce its capital requirements.
Article 453(e)	(e)	Information about market or credit risk concentrations within the credit mitigation taken;	See point (d) above.

Template EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

As per Article 453 point (f) this template includes all collateral, financial guarantees and credit derivatives used as credit risk mitigants for all secured exposures, irrespective of whether the standardised approach or the IRB approach is used for RWEA calculation. Any secured exposures by collateral or financial guarantees (eligible or not eligible as CRM techniques under Part Three, Title II, Chapter 4 of the CRR) have been disclosed.

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	Thousands of USD	Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	
						Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	1,985,546	639,577	-	639,577	-
2	Debt securities	568,990	-	-	-	-
3	Total	2,554,536	639,577	-	639,577	-
4	*Of which non-performing exposures*	142,034	24,082	-	24,082	-
EU-5	*Of which defaulted*	142,034	24,082			

Chapter 10. Disclosure of the use of the standardised approach

Table EU CRD – Qualitative disclosure requirements related to standardised model

As per Article 444, points (a) to (d), the table below outlines the use of external credit ratings under the standardised approach for credit risk.

Legal basis	Row number	Qualitative information	
Article 444 (a) CRR	(a)	Names of the external credit assessment institutions (ECAIs) and export credit agencies (ECAs) nominated by the institution, and the reasons for any changes over the disclosure period;	Under CRD, institutions are permitted to determine the risk weight of an exposure with reference to the credit assessments of external credit assessment institutions (“ECAIs”). HPIB uses the following ECAIs to assess the credit risk of certain exposures under the standardised approach: - Standard & Poor’s Rating Services (“S&P”) - Fitch Ratings (“Fitch”) - Moody’s Investors Service (“Moody’s”)
Article 444 (b) CRR	(b)	The exposure classes for which each ECAI or ECA is used;	ECAIs are used for the calculation of RWA for standardised institutions balances with external banks and corporates
Article 444 (c) CRR	(c)	A description of the process used to transfer the issuer and issue credit ratings onto comparable assets items not included in the trading book;	Not applicable there is no transfer of issuer and issue credit ratings onto comparable assets.
Article 444 (d) CRR	(d)	The association of the external rating of each nominated ECAI or ECA (as referred to in row (a)) with the risk weights that correspond with the credit quality steps as set out in Chapter 2 of Title II of Part Three CRR (except where the institution complies with the standard association published by the EBA).	HPIB uses a combination of the credit weightings assigned by the ECAIs and mapping guidelines issued by the CBI to map the exposures to the appropriate credit quality assessment step. These guidelines are identical to those issued by the EBA. The ratings applied to the credit quality assessment steps are outlined in the table below. Where there are no available credit assessments to map to a credit quality assessment step, the Group assigns risk weights to these exposures in accordance with the CRD requirements for unrated exposures.

Credit Quality Step	S&P/Fitch/DBRS	Moody’s
Credit quality assessment step 1	AAA to AA	Aaa to Aa3
Credit quality assessment step 2	A+ to A-	A1 to A3
Credit quality assessment step 3	BBB+ to BBB-	Baa1 to Baa3
Credit quality assessment step 4	BB+ to BB-	Ba1 to Ba3
Credit quality assessment step 5	B+ to B-	B1 to B3
Credit quality assessment step 6	CCC+ and below	Caa1 and below

Template EU CR4 – standardised approach – Credit risk exposure and CRM effects

As per Article 453, points (g), (h) and (i) and Article 444 point (e), the template below shows credit risk exposures net of specific credit risk adjustments under the standardised approach both before and after credit risk mitigation (CRM) and credit conversion factors (CCF) and the associated RWAs and RWAs density, split by exposure class.
The template excludes counterparty credit risk.

Thousands of USDs | 31st October 2021

	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWEA	RWEA density (%)
		a	b	c	d	e	f
1	Central governments or central banks	128,115	93	128,115	93	42,840	33.41%
2	Regional government or local authorities	8,881	-	8,881	-	1,776	20.00%
3	Public sector entities	28,229	-	28,229	-	6,448	22.84%
4	Multilateral development banks	-	-	-	-	-	
5	International organisations	-	-	-	-	-	
6	Institutions	498,941	12	498,941	12	246,355	49.37%
7	Corporates	2,783,443	-	2,783,443	-	2,680,673	96.31%
8	Retail	301,008	-	301,008	-	172,004	57.14%
9	Secured by mortgages on immovable property	-	-	-	-	-	
10	Exposures in default	342,257	-	342,257	-	508,053	148.44%
11	Exposures associated with particularly high risk	-	-	-	-	-	
12	Covered bonds	-	-	-	-	-	
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	
14	Collective investment undertakings	568,990	-	568,990	-	7,900	1.39%
15	Equity	-	-	-	-	-	
16	Other items	8,084	-	8,084	-	8,084	100.00%
17	**TOTAL**	**4,667,948**	**105**	**4,667,948**	**105**	**3,674,134**	**78.71%**

Template EU CR5 – standardised approach

As per Article 444 point (e) the template below analyses exposures at default (EAD) under the standardised approach by risk weight, split by exposure class. All amounts presented are post CRM and CCF and net of specific credit risk adjustments but exclude counterparty credit risk.

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	Exposure classes	Risk weight															Total	Of which unrated
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	109,458	-	-	-	1,653	-	-	-	-	93	-	17,004	-	-	-	128,208	-
2	Regional government or local authorities	-	-	-	-	8,881	-	-	-	-	-	-	-	-	-	-	8,881	8,881
3	Public sector entities	-	-	-	-	25,811	-	2,263	-	-	154	-	-	-	-	-	28,229	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	102,130	-	341,765	-	-	55,058	-	-	-	-	-	498,953	175,751
7	Corporates	-	-	-	-	1,214	-	161,004	-	-	2,619,306	1,920	-	-	-	-	2,783,443	2,571,429
8	Retail	-	-	-	-	-	-	-	-	301,008	-	-	-	-	-	-	301,008	300,951
9	Secured by mortgages on immovable property	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
10	Exposures in default	-	-	-	-	-	-	-	-	-	10,665	331,592	-	-	-	-	342,257	305,543
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
12	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Unit or shares in collective investment undertakings	529,489	-	-	-	39,500	-	-	-	-	-	-	-	-	-	-	568,990	-
15	Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
16	Other items	-	-	-	-	-	-	-	-	-	8,084	-	-	-	-	-	8,084	8,084
17	**TOTAL**	**638,947**	**-**	**-**	**-**	**179,189**	**-**	**505,032**	**-**	**301,008**	**2,693,360**	**333,512**	**17,004**	**-**	**-**	**-**	**4,668,053**	**3,370,639**

Table EU CCRA – Qualitative disclosure related to CCR

As per Article 439, point (a), (b), (c) and (d) the table below provides information on the Group's counterparty credit risk management.

Legal basis	Row Number	Qualitative information	
Article 439 (a)	(a)	Description of the methodology used to assign internal capital and credit limits for counterparty credit exposures, including the methods to assign those limits to exposures to central counterparties	HPIB is exposed to counterparty credit exposure through its portfolio of derivatives. The credit risk on derivative contracts is the risk that HPIB's counterparty in the contract defaults prior to maturity at a time when HPIB has a claim on the counterparty under the contract. HPIB would then have to replace the contract at the current market rate, which may result in a loss. Limits for credit exposure on derivatives are set taking into account collateral agreements, meaning that counterparty limits are set and based on the regulatory SA-CCR calculation including collateral. In all other respects, HPIB applies the same credit control, approval processes and risk management policies as relate to other credit risk exposures and international swaps and derivatives association ("ISDA") agreements must be put in place before any limits are made available for use. HPIB reports regulatory Risk Weights and calculates Pillar 1 capital requirements based on the counterparty SA-CCR calculation excluding collateral.
Article 439 (b)	(b)	Description of policies related to guarantees and other credit risk mitigants, such as the policies for securing collateral and establishing credit reserves	It is HPIB practice that ISDA Master Agreements are put in place to cover derivatives business on a counterparty specific basis. It is also practice to mitigate counterparty credit risk through the use of collateral agreements with moneys paid or received on a daily basis. HPIB's collateral program is managed by an independent collateral manager, funds received are invested in AAA rated money market funds and are treated as restricted cash not included in HPIB's liquidity reporting. Management of derivatives and related collateral program is outlined within HPIB's market risk management policy.
Article 439 (c)	(c)	Description of policies with respect to Wrong-Way risk as defined in Article 291 of the CRR	HPIB's measurement of counterparty credit risk exposure against limits for foreign exchange derivatives does not include a consideration for wrong way risk which is unlikely to be a feature of such transactions.
Article 439 (d)	(d)	Any other risk management objectives and relevant policies related to CCR	N/A
Article 439 (e)	(e)	The amount of collateral the institution would have to provide if its credit rating was downgraded	HPIB already provides full collateral payment in respect of all of its agreements and so a downgrade would not impact collateral payment requirements.

Template EU CCR1 – Analysis of CCR exposure by approach

As per Article 439, points (f), (g), (k) and (m) the template below sets out the methods used to calculate CCR regulatory requirements and the resultant RWEAs. Article 439(m) is an annual requirement on disclosure of the size of on and off balance sheet derivatives.

Thousands of USDs

31st October 2021

		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU1	EU - Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
EU2	EU - Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	106,885	19,626		1.4	177,116	177,116	172,444	86,222
2	IMM (for derivatives and SFTs)			-	0	-	-	-	-
2a	*Of which securities financing transactions netting sets*			-		-	-	-	-
2b	*Of which derivatives and long settlement transactions netting sets*			-		-	-	-	-
2c	*Of which from contractual cross-product netting sets*			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					-	-	-	-
5	VaR for SFTs					-	-	-	-
6	**Total**					177,116	177,116	172,444	86,222

Template EU CCR2 – Transactions subject to own funds requirements for CVA risk

As per Article 439 point (h) the template below presents the CVA charge broken down by approach.

Thousands of USD		a	b
		31st October 2021	
		Exposure value	RWEA
1	Total transactions subject to the Advanced method	-	-
2	(i) VaR component (including the 3× multiplier)		-
3	(ii) stressed VaR component (including the 3× multiplier)		-
4	Transactions subject to the Standardised method	177,116	58,402
EU4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-
5	**Total transactions subject to own funds requirements for CVA risk**	**177,116**	**58,402**

Template EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights

As per Article 439 point (l), which refers to point (e) of Article 444, the template below presents a breakdown of CCR by exposure class and risk weight.

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	Exposure classes	Risk weight											
		a	b	c	d	e	f	g	h	i	j	k	l
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	-	172,444	-	-	-	-	-	172,444
7	Corporates	-	-	-	-	-	-	-	-	-	-	-	-
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	**Total exposure value**	**-**	**-**	**-**	**-**	**-**	**172,444**	**-**	**-**	**-**	**-**	**-**	**172,444**

Template EU CCR5 – Composition of collateral for CCR exposures

As per Article 439 point (l), which refers to point (e) of Article 444, the template below presents a breakdown of CCR by exposure class and risk weight.

31st October 2021

Thousands of USD

		a	b	c	d	e	f	g	h
		Collateral used in derivative transactions				Collateral used in SFTs			
	Collateral type	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	-	-	-	-	-	-	-	-
2	Cash – other currencies	50,020	-	3,670	-	-	-	-	-
3	Domestic sovereign debt	-	-	-	-	-	-	-	-
4	Other sovereign debt	-	-	-	-	-	-	-	-
5	Government agency debt	-	-	-	-	-	-	-	-
6	Corporate bonds	-	-	-	-	-	-	-	-
7	Equity securities	-	-	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-	-	-
9	**Total**	**50,020**	**-**	**3,670**	**-**	**-**	**-**	**-**	**-**

Chapter 12. Disclosure of the use of the standardised approach for market risk

Table EU MRA - Qualitative disclosure requirements related to market risk

As per Article 435(1), points (a) to (d) the table below provides information on the Group's market risk management.

Row number	Qualitative information	
(a)	Points (a) and (d) of Article 435 (1) CRR A description of the institution's strategies and processes to manage market risk, including: - An explanation of management’s strategic objectives in undertaking trading activities, as well as the processes implemented to identify, measure, monitor and control the institution’s market risks - A description of their policies for hedging and mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges	Market risk is managed against a range of Board approved limits which cover market risk in the banking book. The Board approved limits are supplemented by a range of ALCo approved limits. HPIB has identified the following potential sources of Market Risk: Position Risk, Foreign Exchange Risk, and Settlement/Delivery Risk. HPIB's Board of Directors have not approved any trading book activity, as a result there are no assets that should be included in the trading book of the Bank (i.e. no position risk). Market risk is taken on by the Bank as a consequence of its FX hedging activity as some small residual FX positions may occur which constitute banking book exposures (i.e. foreign exchange risk). When a financial instrument is designated as a hedge, the Bank formally documents the relationship between the hedging instrument and hedged item as well as its risk management objectives and its strategy for undertaking the various hedging transactions. The Bank monitors the critical terms of all hedges on an ongoing basis to ensure they are fully matched, this ensures the hedge is fully effective.
b)	Point (b) of Article 435 (1) CRR A description of the structure and organisation of the market risk management function, including a description of the market risk governance structure established to implement the strategies and processes of the institution discussed in row (a) above, and that describes the relationships and the communication mechanisms between the different parties involved in market risk management.	The Bank operates a three lines of defence model for risk management. For market risk the first line comprises the Treasury function. The Financial Risk function, reporting to the CRO, is responsible for the development of the market risk measurement methodologies. It proposes and maintains the Financial RMF and Policies as the basis of the Group’s control architecture for market risk activities, including the annual agreement of market risk limits (subject to the Board approved RAS). The third line of defence comprises Internal Audit which provides third line assurance on market risk. The Bank has implemented a strong risk management approach to identifying, assessing and managing risks. To support this approach, a number of frameworks and policies approved by the Board (or Board delegation) are in place which set out the key principles, roles and responsibilities and governance arrangements through which the Bank’s material risks are managed and mitigated. These frameworks and policies are subject to annual review by the respective risk owners.
(c)	Point (c) of Article 435 (1) CRR Scope and nature of risk reporting and measurement systems	The Bank assumes market risk as a result of its banking book activities. The main components of market risk are: • Interest rate risk in the banking book (“IRRBB”) is the current or prospective risk to both the earnings and capital of the Bank as a result of adverse movements in interest rates. Changes in interest rates impact the underlying value of the Bank’s assets, liabilities and off-balance sheet instruments and, hence, its economic value (or capital position). • Foreign exchange risk is the risk of losses due to the adverse movement of exchange rates • Settlement/Delivery Risk is the risk of loss due to the failed settlement on the types of transactions set-out under the definition of Market Risk (i.e. FX derivatives and interest rate derivatives). Market risk is identified as the unhedged portion of the Bank's foreign exchange exposure which is monitored on an ongoing basis. The Board approves limits on the unhedged portion of the Bank's Balance Sheet. Market risk exposures are reported to the ALCo, Risk Committee and Board on a quarterly basis.

Template EU MR1 - Market risk under the standardised approach

As per Article 445 Disclosure of exposure to market risk, this template shows the RWEAs for standardised market risk split between outright products, options and securitisation. This template includes exposures subject to the standardised approach.

31st October 2021

Thousands of USD

		a
		RWEAs
	Outright products	
1	Interest rate risk (general and specific)	-
2	Equity risk (general and specific)	-
3	Foreign exchange risk	44,437
4	Commodity risk	-
	Options	
5	Simplified approach	-
6	Delta-plus approach	-
7	Scenario approach	-
8	**Securitisation** (specific risk)	-
9	**Total**	**44,437**

Chapter 13. Disclosure of operational risk

Table EU ORA - Qualitative information on operational risk

As per Articles 435(1) points (a), (b), (c) and (d), Article 446 and Article 454 see the table below:

Legal basis	Row number		Qualitative information
Points (a), (b), (c) and (d) of Article 435(1) CRR	(a)	Disclosure of the risk management objectives and policies	Strategies & Processes Article 435(1) (a) Operational Risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. As such, operational risk captures outsourcing risk, operational resilience, legal risk, process, systems and operations risk, the risk of financial crime or fraud, people related risks including health and safety and information technology risks. Operational Risk is identified and assessed through a quarterly risk and control assessment which is a top down and bottom up process. HPIB has also identified the sources of Operational Risks to its business in accordance with the Capital Requirements Directive (CRD) classifications using seven event categories: internal fraud, external fraud, employment practices & workplace safety, client product and business practices, damage to physical assets, business disruption & system failures and execution delivery & process management. Included in these categories are the exposure to Outsourcing Risk and Operational Resilience Risk. IT and Cyber Risk have been classified following the COBIT 5 methodology with three Risk Categories: IT benefit / value enablement, IT Programme and Projects. A ‘three lines of defence’ model has been adopted by HPIB for the effective oversight and management of risks. HPIB’s Board approved operational risk frameworks and policies set out the processes in place to manage operational risk through its three lines of defence model. The HPIB Operational RMF and Policy details the core governing principles, accountabilities, processes and behaviours that will enable sound operational risk management and provide mechanisms to identify, control, monitor, measure and report operational risks in a consistent manner across HPIB. The Framework and Policy are applicable to all HPIB business units and functions. The Board reviews and approves these documents on an annual basis. Supporting the overarching operational RMF, HPIB has also put in place an IT and cyber RMF and policy, an outsourcing framework and policy and an operational resilience framework and business continuity plan. Their purpose is to strengthen the Bank’s operational resilience, provide clear Governance, ensure alignment to the IT and outsourcing strategies and give assurance to the Board that IT risks and outsourcing of any function, activity or process in the Bank are managed in a consistent and effective manner and within the parameters set out in the RAS. Structure & organisation of risk management for Operational Risk Article 435(1) (b) A ‘three lines of defence’ model has been adopted by HPIB for the effective oversight and management of risks. HPIB’s Risk Function is headed by the CRO, reporting to the Risk Committee. In turn the Operational Risk Leader reports to the CRO. The Operational Risk Leader has independent oversight of operational risk activities and, as second line of defence, provides challenge to the risk and control information received from the business. Primary responsibility and accountability for risk management lies with line management in individual business functions. They are responsible for the identification and management of operational risk at business unit / function level. This includes the implementation of appropriate controls and reporting to the Risk Function in respect of risk events. Risk Measurements & Control Article 435(1) (c) Risk and Control Assessment is a core process in the identification and assessment of operational risk across HPIB. All business areas must undertake risk assessments and establish appropriate internal controls. All operational risks, associated controls and metrics are centrally recorded in the Operational Risk software tool, Audit Board. Each risk recorded in the register is attributed a score from 1 to 25 in order to create a risk hierarchy which facilitates risk-based monitoring and granularity in reporting. Risks are measured by likelihood of the risk occurring and by its financial impact on HPIB should it materialise. Implementation of the Operational Risk Framework provides the following benefits: • Allows for aggregation of operational risk across functions and supports effective communication of exposures and corrective actions associated with key risks; • Promotes efficient and effective use of risk management resources; • Focuses resources on those areas with the greatest potential for unexpected loss; • Improves the understanding and ownership of operational risks by the business units and functions in the following ways: • Encourages timely recognition of where the key exposures to Operational Risk Events are and how they might be mitigated; • Provides business managers with strong, structural incentives for enhancing the management and control of their operational risks; • Provides operational loss data than can be used a basis for performing cost/benefit analyses for potential new controls. Operational Risk Reporting Article 435(1) (c) On a quarterly basis the Operational Risk Leader reports to the Operational Risk Committee, which is chaired by the CRO. The Risk Committee is then updated on key operational risk matters during the period. This is further reviewed by the Board. Hedging & Mitigating Operational Risk Article 435(1) (d) For each operational risk identified within HPIB a risk mitigant is required. This may be a business control (system or manual control), business insurance, disaster recovery site or the HPIB Business Continuity Plan. In cases where the control does not mitigate the risk sufficiently an action plan is put in place to address the control gap.
Article 446 CRR	(b)	Disclosure of the approaches for the assessment of minimum own funds requirements	Operational Risk Pillar 1 capital is calculated using the standardised capital predefined formula: 15% of average gross income over the last 3 years

Article 446 CRR	(c)	Description of the AMA methodology approach used (if applicable)	N/A - Operational Risk Pillar 1 capital is calculated using the standardised capital predefined formula: 15% of average gross income over the last 3 years
Article 454 CRR	(d)	Disclose the use of insurance for risk mitigation in the Advanced Measurement Approach (if applicable)	N/A - Operational Risk Pillar 1 capital is calculated using the standardised capital predefined formula: 15% of average gross income over the last 3 years

Template EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

As per Articles 446 and Article 454. Income used in the calculation of own funds requirements is based on the audited figures for each relevant year. HPFSH does not use the BIA, ASA or AMA approaches.

Thousands of USD — 31st October 2021

Banking activities		a	b	c	d	e
		Relevant indicator			Own funds requirements	Risk exposure amount
		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)					
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	261,335	251,382	269,811	39,126	489,080
3	*Subject to TSA:*	261,335	251,382	269,811		
4	*Subject to ASA:*					
5	Banking activities subject to advanced measurement approaches AMA					

Chapter 14. Disclosure of remuneration policy

Table EU REMA - Remuneration policy

As per Articles 450(1), points (a) to (f), and points (j) and (k), and Article 450(2) see table below

Introduction

These disclosures provide information about HPIB’s remuneration policies and practices and, more specifically, qualitative information about
a) the bodies that oversee remuneration;
b) the design and structure of the remuneration system for those individuals who have been identified as Material Risk Takers (MRTs);
c) the ways in which current and future risks are taken into account in the remuneration processes;
d) the ratios between fixed and variable remuneration set in accordance with the regulatory requirements;
e) the ways in which HPIB seeks to link performance and remuneration;
f) the ways in which HPIB seeks to adjust remuneration to take account of long-term performance;
g) the main parameters and rationale for the variable remuneration scheme for which some MRTs are eligible;
h) Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management
i) the use of derogations in Article 94(3) CRD.

Qualitative disclosures

a) Information relating to the bodies that oversee remuneration

Main body overseeing the remuneration policy

HPIB’s Remuneration Policy (“the Policy”) is governed by the Board and is dependent on the HPE group policies and charter. The HPIB Board is satisfied that independent and appropriate control functions are in place and is of the view that this structure avoids potential conflicts of interest and that no employee of HPIB has significant influence in determining remuneration policies. The Board oversees the implementation, operation and effectiveness of the Policy, including the process for determining identified staff. Risk Committees supports the Board in the implementation of the Policy to ensure that it is correctly aligned to the RMF. It is the intention that the Policy and associated practices are consistent with and promote sound and effective risk management. The Policy forms part of the overarching requirement to have robust governance arrangements in place and is in line with the business strategy, objectives, values and long-term interests of HPIB and of HPE. The HPIB Board approves the Policy on an annual basis. The annual review is informed by appropriate input from HPIB’s risk and internal audit functions to ensure that remuneration policies and practices are operating as intended, are consistently applied across HPIB and are compliant with regulatory requirements. The Board met on five occasions during 2021.

External consultants

The Board has not sought the advice of external remuneration consultants for FY2021.

Scope of Remuneration Policy

The scope of the Policy includes all financial benefits and extends to all employees and directors of HPIB. The management function does not determine its own remuneration, this is determined by the governing HPE group policies. HPIB does not have any subsidiaries or branches.

Material Risk Takers (Identified Staff)

HPIB’s MRTs have been identified in line with the relevant European Commission Delegated Regulation, and principally comprise the following:
(i) Executive and Non-Executive Director;
(ii) Members of Senior Management Team;
(iii) Staff members with managerial responsibility over HPIB's Control Functions (Compliance, Risk and Internal Audit);
(iv) Staff members with managerial responsibility for: Legal affairs; The soundness of accounting policies & procedures; Finance (including taxation and budgeting); Performing economic analysis; The prevention of money laundering and terrorist financing; Human resources; The development or implementation of the remuneration policy; Information technology; information security; Managing outsourcing arrangements of critical or important functions as referred to in Article 30(1) of Commission Delegated Regulation (EU) 2017/565;
(v) Staff members with the authority to take, approve or veto credit decisions on significant credit risk exposures.
On the 31 October 2021 HPIB had a total of 17 individuals which were identified as MRTs.

b) Information relating to the design and structure of the remuneration system for Identified Staff

Key features and objectives of remuneration policy

HPIB’s remuneration philosophy aims to ensure that all employees are rewarded fairly and competitively for their contribution to HPIB’s future success and growth. The Policy sets the framework for all remuneration related policies, procedures and practices for all employees and, where applicable, directors of HPIB. It is designed to foster a truly customer focused culture; create long term sustainable value for customers and the shareholder; to attract, develop, motivate and retain the right calibre of individuals; and safeguard HPIB’s capital, liquidity and risk positions. HPIB is committed to a simple, transparent and affordable reward structure that clearly links performance and remuneration using a combination of “What” objectives and “How” behaviours. Remuneration of all employees, including MRTs, is designed to promote high performance, a strong risk management culture, and risk-taking aligned to risk appetite. HPIB also aims to align remuneration with industry peers and competitors for talent, as assessed against market benchmarks. Awards are also subject to ex ante and ex post risk adjustment.

Decision-making process for determining remuneration policy

HPIB’s Board is the ultimate decision-making body for HPIB. The Board has delegated to the Risk Committee the oversight of the implementation of Policy to ensure that it is correctly aligned to HPIB’s RMF and does not promote excessive risk taking. The Policy is gender neutral and incorporates HPE group remuneration policies. HPIB’s remuneration components are based on individual job roles, including seniority responsibility and job complexity, performance and benchmarking to relevant market data, pay and conditions. The key remuneration components include: Fixed remuneration - base pay; car allowances, pension contributions, health insurance contributions; other benefits (including death-in-service), and severance schemes; and Variable (performance) remuneration:
· ***Fixed remuneration*** is determined primarily by the job role definition, employee individual performance and external market benchmarking;
· ***Variable remuneration*** is awarded in a manner which promotes sound risk management and does not encourage conflicts of Interest and/or excessive risk-taking while maintaining an appropriate balance of fixed and variable remuneration. Variable remuneration takes account of individual performance, the performance of its parent HPE and leverages off HPE HR Group policies. Variable remuneration is subject to risk-adjustments as deemed appropriate, including malus and clawback provisions.

Review of remuneration policy

The Board conducted its annual review of the Policy, which included input from the Risk Function and Internal Audit and was satisfied that the Policy was operating effectively and as intended, that the Policy aligned to the culture of HPIB and its strategic pillars, and how transparent HPIB's remuneration policies and practices were to the wider employee population. The Policy has been updated to reflect European requirements.

Internal control functions

HPIB recognises that HPIB's internal control functions are independent and have sufficient resources, knowledge and experience to perform their tasks with regard to the Policy. In addition, HPIB acknowledges that the remuneration of staff in the independent control functions allows HPIB to employ qualified and experienced personnel in these functions. The remuneration of the senior officers in the risk management and compliance functions is directly overseen by the Board in compliance with Article 92(2)(f) of Directive 2013/36/EU. Noting the role of the control functions within HPIB, the criteria in providing variable remuneration shall be based on the specific objectives of the relevant control function which are agreed in advance and are clearly set out in line with best practices for the respective roles. Notwithstanding this, it is noted that any control function variable remuneration will also be based also on the performance of HPIB and HPE. In order to ensure that there is no potential conflict of interest between the roles of the control functions and the payment of variable remuneration, HPIB has considered setting a lower ratio between the variable and the fixed components of remuneration for control functions compared to the business units they control and have adapted accordingly, noting the seniority and expertise of the respective occupants of the control function roles and, where applicable, any dual roles held by the relevant control function staff.

Guaranteed variable remuneration

It is not HPIB's Policy to award guaranteed year-end variable remuneration to new or existing employees.

Severance pay

Severance payments seek to provide appropriate compensation in cases of early termination of contract and reflect performance achieved over time. They do not reward failure or misconduct and are not awarded where an event has occurred which allows for the immediate cancellation of an employment contract or dismissal of an employee. In determining and approving severance pay, this role is carried out by HR in compliance with the HPE group policy which sets out the maximum severance pay that an employee of HPIB is entitled to, which is linked to the number of years of service.

Severance payments for all categories of staff, including MRTs, are made in accordance with defined criteria and HPIB's exit framework. All severance proposals are reviewed individually with input from relevant functions. The Board is made aware of severance payments made to MRTs.

c) Description of the ways in which current and future risks are taken into account in the remuneration processes

The variable remuneration of MRTs is aligned to all material risks and HPIB's performance and the individual and is balanced to indicate the relevant importance of each goal. In order to ensure that there is alignment between the practices identified in this Policy and HPIB's risk appetite, the Compliance and Risk functions review the goals of MRTs annually to ensure that these are not at variance to HPIB's Strategy and RAS. In the event that the RAS and/or Strategy is amended in any material manner, a further review will be required to be carried out. In all instances, this review shall be carried out with the assistance of HR and recorded appropriately. In addition to this review, an assessment of the impact of the MRTs activity on HPIB's risk profile will also be carried out on an annual basis. This assessment process shall consider the current and any potential future risks HPIB has identified within its RMF. As the primary products provided by HPIB involve medium terms of three to five years (with operating leases focused on three year terms) and it is the Board's view that the setting of the accrual period (one year) and the pay-out periods for any deferred remuneration (pro-rata over three years) are at an appropriate length. When the variable remuneration has been approved, there is a clear differentiation between remuneration which will be paid upfront and remuneration that will be paid after deferral and (where applicable) retention periods.

d) The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) CRD

In line with regulatory requirements, HPIB standard practice is to operate a fixed to variable remuneration ratio of 1:1

e) Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration

HPE's performance management framework is a key enabler of strategy, putting HPE/HPEFS's core values at the centre of ongoing conversations about performance, achievement and personal development. This provides the behavioural framework for how employees work, interact with each other and serve the customer. The framework helps to create a high-performance culture where strong performance is recognised, and poor performance proactively addressed. HPIB's strategic objectives are cascaded down through the organisation to create a link to individual employees' objectives and to enable an understanding of how individual employees contribute to the delivery of HPIB's overall strategy considering HPIB's risk profile and risk appetite.

Main performance criteria and metrics

As part of the performance assessment framework, an individual's performance is assessed against a combination of both financial and non-financial measures. The relative performance measures specific to the MRTs involves the comparison of performance with peers within the HPE organisation. In determining, both quantitative and qualitative, including financial and non-financial, performance criteria for staff (including MRTs), HPIB does not incentivise excessive risk taking or mis-selling with the appropriate balance between the two measurements being applied. The criteria used to measure risk and performance are to be linked as closely as possible to the decisions made by MRTs with the award process having an appropriate impact on the relevant staff's behaviour. The qualitative criteria relevant in determining the performance of MRTs includes the achievement of strategic targets, customer satisfaction (through customer surveys / feedback), adherence to risk management policy, compliance with internal and external rules, leadership, team work, creativity, motivation and cooperation with internal control and corporate functions.

Link between performance and individual variable remuneration

HPIB's Independent Non-Executive Directors are compensated a fixed amount which is not correlated to any financial HPIB metric (e.g. cash flow, net profit) and the other Group Non-Executive Directors serve at the behest of the HPE group without compensation. The compensation structure of employees (including other MRTs) is covered by either HPE remuneration policies or the worldwide HPE Financial Services Incentivised Compensation Plan (ICP) Scheme and is not limited to the results of HPIB. Overall compensation is dependent on the results of HPE at group level.

Determining the instruments awarded

Subject to the fixed to variable remuneration ratios, MRTs may receive non-cash instruments (Restricted Stock Units (RSU)) as an element of their variable remuneration; these RSUs are based on the market price of HPIB's parent HPE's shares. Upon vesting, it entitles the holder of the RSU to the equivalent shares of HPE rather than share-based instruments. The retention period applied to RSUs paid as variable remuneration has been set at periods of 12, 24 and 36 months pro rata with the view that this is an appropriate length in order to align incentives with the longer-term interests of HPIB.

Adjustments in the event of weak performance

Any discretionary risk adjustment considered by the Board has the potential to apply to both individuals, teams, business units.

f) Description of the ways in which the institution seeks to adjust remuneration to take account of long-term performance

To ensure compliance with the EBA Guidelines, where relevant, prior to the payment of any deferred cash or the vesting of the RSUs, a reassessment of the performance and, if necessary, an ex-post risk adjustment will be applied to align variable remuneration to additional risks that have been identified or materialised after the initial award. The process (including any deferral) implemented by HPIB adequately aligns the remuneration of staff with HPIB's activities, business cycle and risk profile as well as the activities of the MRTs allowing an adjustment to variable remuneration for risk events that have arisen over time through ex post risk adjustments. As HPIB's business is monoline in nature, it operates a deferral schedule whereby the non-cash instruments for MRTs, are paid out over a three-year period. Once the HPE results are announced at the end of November/start of December, the decision to allow for a bonus pool is finalised subject to Board approval with the relevant senior managers/HR. The ex-ante adjustment embedded in this process, for MRTs, an assessment of the need for adjustment for risk shall be undertaken to determine that the variable remuneration is fully aligned with the risks taken over the relevant performance period. This assessment process is carried out by HR and the Compliance and Risk functions and is reported to the Board via the Risk Committee. In addition, the bonus pool is adjusted for financial performance that includes impairments and/or bad debts. Ex-ante adjustments may also be applied to the bonus pool where there is a deterioration in the quality of assets and liquidity within HPIB as evidenced by the (i) capital ratio and (ii) the liquidity coverage ratio. In determining the risk adjusted performance criteria (both ex-ante and ex-post), examples of the qualitative indicators that are considered include (but is not limited to) leadership, people management, customer satisfaction and promotion of culture within HPIB. With respect to the additional quantitative criteria that apply to MRTs (after the setting of the bonus pool), it is relevant to note that:
(i) within the ICP Plan (as defined), there is already an ex-ante adjustment at the bonus pool level for level of performance of the relevant employee;
(ii) the bonus pool is adjusted for financial performance of HPIB that includes a collective allowance for impairments / bad debts which will cover risks and business decisions taken by HPIB within the previous three-year period.
In addition to these, if further ex-ante adjustments are required, the existing measures within HPIB that are used for other risk management purposes will apply. These shall include capital ratio, liquidity coverage ratio (key risk management measures of HPIB), risk appetite adherence which includes risk and compliance limits. In particular, in the event that the Recovery Plan is enacted during the relevant period, this impact will be factored into any bonus payment taking into account the respective roles of the relevant employee and the reason behind the activation of the Recovery Plan. Depending on the reason, it may be considered appropriate that no bonus is paid out. In order to determine whether any ex-ante adjustments require to be implemented, an assessment will be carried out (immediately after the end of relevant period) by HR and the Compliance and Risk functions to review the performance of MRTs during the relevant period. Further qualitative ex ante risk adjustments could be applied in relation to risk appetite adherence (which includes risk limit and compliance breaches).

Deferral, pay-out in shares, retention periods and vesting

In line with Group and HPIB Remunerations policies the first deferred portion will not vest sooner than 12 months after the start of the deferral period. The deferred remuneration is spread out over several payments in the course of the deferral period on a pro-rata basis. In addition, (save in exceptional circumstances) vesting will not take place more frequently than on a yearly basis to ensure a proper assessment of risks before the application of ex post adjustments. In the event of the payment of Board approved interim variable awards, these are conditional upon a full recalibration at the end of the entire performance period in order to ensure compliance with the Remuneration Policy. This takes into account, the products provided by HPIB, alignment with the business cycle and risk profile of HPIB. Responsibility for the calculation of the respective ratios to ensure compliance will be overseen by HR and will approved Board.

Ex post adjustments (malus and clawback)

Where applicable, before paying out the deferred part of cash or the vesting of deferred instruments, a reassessment of the performance and, if necessary, an ex-post risk adjustment will be applied to align variable remuneration to additional risks that have been identified or materialised after the award. HPIB will apply malus and clawback up to 100% of the variable remuneration with any ex-post risk adjustment being performance or risk related. The specific criteria for malus and clawback will be set out in the Bonus Agreement to be signed by the relevant MRT. The circumstances behind any risk adjustment event and the extent and impact of the issue arising will be assessed by the Board or a Committee to determine whether clawback is appropriate or required. This will include a determination as to whether the MRT had knowledge, control or oversight and whether there was a direct linkage between the action of the relevant MRT and the outcome. The malus and clawback arrangements imposed by HPIB will cause a reduction of the variable remuneration where appropriate and no explicit ex post risk adjustment shall lead to an increase of the initially awarded variable remuneration or, where malus or clawback was already applied in the past, to an increase of the reduced variable remuneration.

g) The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit

The main parameter for setting variable remuneration is to ensure that is awarded in a manner which promotes sound risk management and does not encourage or incentivise conflicts of interest and/or excessive risk-taking. Its determination is based on individual performance, the performance of its parent HPE and leverages off HPE HR Group policies. This considers both quantitative and qualitative criteria including financial and non-financial, performance criteria and it is subject to risk-adjustments as deemed appropriate, including malus and clawback provisions. In relation to the cash versus non-cash split, this is determined by the amount of cash and RSUs provided by HPE (having assessed its year-end results) to HPIB to be distributed by management in line with the performance of employees.

h) Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management

The required information will be provided upon demand.

i) Use of derogations in Article 94(3) CRD

In accordance with EU (Capital Requirement) Regulations 2020 (Irish 2020 Regulations), HPIB is no longer required to seek for derogations to Article 94 (3) of the CRD, as the HPIB meets the requirements set out in the Irish 2020 Regulations which exclude the application of the variable and deferred remuneration requirements set out by the EBA Guidelines for certain institutions.

j) The total remuneration for each member of the management body or senior management.

N/A - HPIB is not a large institution.

Template EU REM1 - Remuneration awarded for the financial year

As per Article 450(1), point (h)(i) and (h)(ii) the table below discloses the amounts of remuneration awarded for the financial year, split into fixed remuneration including a description of the fixed components, and variable remuneration, and the number of beneficiaries; the amounts and forms of awarded variable remuneration, split into cash, shares, share-linked instruments and other types separately for the part paid upfront and the deferred part. Variable remuneration relates to performance rewards for the financial year and also includes a severance payment.

31st October 2021

Thousands of USD			a MB Supervisory function	b MB Management function	c Other senior management	d Other identified staff
1	Fixed remuneration	Number of identified staff	6	4	8	2
2		Total fixed remuneration	125	1,042	1,328	255
3		Of which: cash-based	125	1,042	1,328	255
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests				
5		Of which: share-linked instruments or equivalent non-cash instruments				
EU-5x		Of which: other instruments				
6		(Not applicable in the EU)				
7		Of which: other forms				
8		(Not applicable in the EU)				
9	Variable remuneration	Number of identified staff	-	4	8	2
10		Total variable remuneration	-	1,796	896	87
11		Of which: cash-based	-	1,307	656	87
12		Of which: deferred	-	615	656	87
EU-13a		Of which: shares or equivalent ownership interests	-	489	240	-
EU-14a		Of which: deferred	-	489	240	-
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments				
EU-14b		Of which: deferred				
EU-14x		Of which: other instruments				
EU-14y		Of which: deferred				
15		Of which: other forms				
16		Of which: deferred				
17	Total remuneration (2 + 10)		125	2,838	2,224	342

Template EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

As per Article 450(1), point (h)(v), (h)(vi) and (h)(vii) , the table below discloses the guaranteed variable remuneration awards during the financial year, and the number of beneficiaries of those awards; the severance payments awarded in previous periods, that have been paid out during the financial year; the amounts of severance payments awarded during the financial year, split into paid upfront and deferred, the number of beneficiaries of those payments and highest payment that has been awarded to a single person.

31st October 2021

	Thousands of USD	a MB Supervisory function	b MB Management function	c Other senior management	d Other identified staff
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - Number of identified staff				
2	Guaranteed variable remuneration awards -Total amount				
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap				
	Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff				
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount				
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - Number of identified staff		1		
7	Severance payments awarded during the financial year - Total amount		692		
8	Of which paid during the financial year		692		
9	Of which deferred				
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap				
11	Of which highest payment that has been awarded to a single person				

Template EU REM3 - Deferred remuneration

As per Articles 450(1), points (h)(iii) and (h)(iv) the table below discloses the amounts of deferred remuneration awarded for previous performance periods, split into the amount due to vest in the financial year and the amount due to vest in subsequent years and the amount of deferred remuneration due to vest in the financial year that is paid out during the financial year, and that is reduced through performance adjustments.

Thousands of USD | 31st October 2021

		a	b	c	d	e	f	EU - g	EU - h
	Deferred and retained remuneration	**Total amount of deferred remuneration awarded for previous performance periods**	**Of which due to vest in the financial year**	**Of which vesting in subsequent financial years**	**Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year**	**Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years**	**Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)**	**Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year**	**Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods**
1	MB Supervisory function								
2	Cash-based	-	-	-				-	
3	Shares or equivalent ownership interests	-	-	-				-	
4	Share-linked instruments or equivalent non-cash instruments	-						-	
5	Other instruments	-						-	
6	Other forms	-						-	
7	MB Management function								
8	Cash-based	482	482	-				482	
9	Shares or equivalent ownership interests	885	371	514			- 56	315	
10	Share-linked instruments or equivalent non-cash instruments	-						-	
11	Other instruments	-						-	
12	Other forms	-						-	
13	Other senior management								
14	Cash-based	310	310	-				310	
15	Shares or equivalent ownership interests	430	145	285			- 22	123	
16	Share-linked instruments or equivalent non-cash instruments	-						-	
17	Other instruments	-						-	
18	Other forms	-						-	
19	Other identified staff								
20	Cash-based	58	58	-				58	
21	Shares or equivalent ownership interests	21	13	8			- 2	11	
22	Share-linked instruments or equivalent non-cash instruments	-						-	
23	Other instruments	-						-	
24	Other forms	-						-	
25	Total amount	2,186	1,379	807	-	-	(80)	1,299	-

Template EU REM4 - Remuneration of 1 million EUR or more per year

As per Articles 450(1), point (i) the table below discloses the number of individuals that have been remunerated € 1 m or more per financial year, with the remuneration between € 1 m and € 5 m broken down into pay bands of € 0.5 m and with the remuneration of € 5 m and above broken down into pay bands of € 1 m.

Not applicable because HPIB as no individuals that have been remunerated €1 m or more in the financial year

31st October 2021

		a
	EUR	Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	-
2	1 500 000 to below 2 000 000	-
3	2 000 000 to below 2 500 000	-
4	2 500 000 to below 3 000 000	-
5	3 000 000 to below 3 500 000	-
6	3 500 000 to below 4 000 000	-
7	4 000 000 to below 4 500 000	-
8	4 500 000 to below 5 000 000	-
9	5 000 000 to below 6 000 000	-
10	6 000 000 to below 7 000 000	-
11	7 000 000 to below 8 000 000	-
12	> 8 000 000	-

Template EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions’ risk profile (identified staff)

As per Articles 450(1), point (g) the table below discloses the aggregate quantitative information on remuneration, broken down by business area. Variable remuneration relates to performance rewards for the financial year and a severance payments.

31st October 2021

		a	b	c	d	e	f	g	h	i	j
		Management body remuneration			Business areas						
	Thousands of USD	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	**Total number of identified staff**										20
2	**Of which: members of the MB**	6	4	10							
3	**Of which: other senior management**							5	3		
4	**Of which: other identified staff**								2		
5	**Total remuneration of identified staff**	125	2,838	2,963				1,164	1,402		
6	**Of which: variable remuneration**	-	1,796	1,796				453	530		
7	**Of which: fixed remuneration**	125	1,042	1,167				711	872		

Chapter 15. Disclosure of encumbered and unencumbered assets

Disclosure of encumbered and unencumbered assets for the reporting period 31st December 2021

Template EU AE1 - Encumbered and unencumbered assets

As per Article 443 the table below sets out the encumbered and unencumbered assets.

31st October 2021

		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
Thousands of USD		010	030	040	050	060	080	090	100
010	**Assets of the reporting institution**	68,994	-			4,595,362	-		
030	Equity instruments	-	-	-	-	-	-	-	-
040	Debt securities	51,302	-	-	-	498,655	-	498,655	-
050	of which: covered bonds	-	-	-	-	-	-	-	-
060	of which: securitisations	-	-	-	-	-	-	-	-
070	of which: issued by general governments	-	-	-	-	-	-	-	-
080	of which: issued by financial corporations	51,302	-	-	-	498,655	-	498,655	-
090	of which: issued by non-financial corporations	-	-	-	-	-	-	-	-
120	Other assets	17,692	-			4,096,707	-		

Template EU AE2 - Collateral received and own debt securities issued

As per Article 443 the table below sets out the encumbered and unencumbered assets of the 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
130	**Collateral received by the disclosing institution**	-	-	-	-
140	Loans on demand	-	-	-	-
150	Equity instruments	-	-	-	-
160	Debt securities	-	-	-	-
170	of which: covered bonds	-	-	-	-
180	of which: securitisations	-	-	-	-
190	of which: issued by general governments	-	-	-	-
200	of which: issued by financial corporations	-	-	-	-
210	of which: issued by non-financial corporations	-	-	-	-
220	Loans and advances other than loans on demand	-	-	-	-
230	Other collateral received	-	-	-	-
240	**Own debt securities issued other than own covered bonds or securitisations**	-	-	671,090	-
241	**Own covered bonds and securitisation issued and not yet pledged**			-	-
250	**TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED**	68,994	-		

Template EU AE3 - Sources of encumbrance

As per Article 443 the table below sets out the encumbered assets and associated liabilities.

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		010	030
010	**Carrying amount of selected financial liabilities**	62,545	68,994

Table EU AE4 - Accompanying narrative information

As per Article 443 concerning information on encumbered and unencumbered assets of HPFSH

Row number	Qualitative information	
(a)	General narrative information on asset encumbrance	• HPFSH Asset encumbrance arises from HPIB's asset encumbrance. HPIB's asset encumbrance is almost completely driven by derivative activities. The reported values represent the median of the values reported to the regulator via supervisory returns over the period 1 January 2021 to 31 December 2021. • The exposure value used is in line with implementing Regulation (EU) No 680/2014. The median values are based on quarter end point-in-time figures covering the calendar year to 31 December 2021.
(b)	Narrative information on the impact of the business model on assets encumbrance and the importance of encumbrance to the institution's business model, which provides users with the context of the disclosures required in Template EU AE1 and EU AE2.	To mitigate credit exposure to derivative counterparties, HPIB may enter into collateral security arrangements with its counterparties. These arrangements require HPIB to post collateral or to hold collateral from counterparties when the derivative fair value exceeds contractually established thresholds which are generally based on the credit ratings of HPIB and its counterparties. The ratio of HPIBs encumbered assets and collateral over 2021 ranged from 1.05% to 2.73%.

Chapter 16. Disclosure of COVID-19 measures

Disclosure of exposures subject to measures applied in response to the COVID-19 crisis for the reporting period 31st December 2021

Information on loans and advances subject to legislative and non-legislative moratoria

The template below covers loans and advances subject to EBA-compliant moratoria (legislative and non-legislative). It provides a breakdown of the gross carrying amount and the related loss allowances by the status of the exposure (performing and non-performing).

As at December 2021, there were no active loans and advances subject to EBA-compliant moratoria.

31st December 2021

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount							Accumulated impairment, accumulated negative changes in fair value due to credit risk							Gross carrying amount
			Performing			Non performing				Performing			Non performing			
	Thouands of USD			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days			Of which: exposures with forbearance measures	Of which: Instruments with significant increase in credit risk since initial recognition but not credit-impaired (Stage 2)		Of which: exposures with forbearance measures	Of which: Unlikely to pay that are not past-due or past-due <= 90 days	Inflows to non-performing exposures
1	Loans and advances subject to moratorium	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
2	of which: Households	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
3	*of which: Collateralised by residential*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
4	of which: Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	*of which: Small and Medium-sized*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	*of which: Collateralised by commercial*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-

Breakdown of loans and advances subject to legislative and non-legislative moratoria by residual maturity of moratoria

The template below covers EBA-compliant moratoria (legislative and non-legislative) loans and advances that meet the requirements described in paragraph 10 of the EBA Guidelines on moratoria. It provides information on the number of obligors and gross carrying amount of loans and advances subject to different statuses of EBA-compliant moratoria (requested/granted). In addition, the template contains a breakdown by the residual maturity of EBA-compliant moratoria and information on the gross carrying amount of legislative moratoria as per the definition of the EBA Guidelines on moratoria.

		a	b	c	d	e	f	g	h	i
		Number of obligors	Gross carrying amount							
				Of which: legislative moratoria	Of which: expired	Residual maturity of moratoria				
	Thousands of USD					<= 3 months	> 3 months <= 6 months	> 6 months <= 9 months	> 9 months <= 12 months	> 1 year
1	Loans and advances for which moratorium was offered	392	139,212							
2	Loans and advances subject to moratorium (granted)	389	137,205	3,097	137,205	-	-	-	-	-
3	of which: Households		486	-	486	-	-	-	-	-
4	*of which: Collateralised by residential immovable property*		-	-	-	-	-	-	-	-
5	of which: Non-financial corporations		136,719	3,097	136,719	-	-	-	-	-
6	*of which: Small and Medium-sized Enterprises*		91,606	2,751	91,606	-	-	-	-	-
7	*of which: Collateralised by commercial immovable property*		-	-	-	-	-	-	-	-

Information on newly originated loans and advances provided under newly applicable public guarantee schemes introduced in response to COVID-19 crisis

The template below covers newly originated loans and advances as referred to in paragraph 15 of these guidelines that are subject to public guarantee schemes that Member States introduced in response to the COVID-19 crisis.

HPFSH had no loans and advances that were subject to public guarantee schemes that Member States introduced in response to the COVID-19 crisis.

31st December 2021

Thousands of USD		a	b	c	d
		Gross carrying amount		Maximum amount of the guarantee that can be considered	Gross carrying amount
			of which: forborne	Public guarantees received	Inflows to non-performing exposures
1	**Newly originated loans and advances subject to public guarantee schemes**	-	-	-	-
2	of which: Households	-			-
3	of which: Collateralised by residential immovable property	-			-
4	of which: Non-financial corporations	-	-	-	-
5	of which: Small and Medium-sized Enterprises	-			-
6	of which: Collateralised by commercial immovable property	-			-

CRR Roadmap

CRR Ref	Article Name	HPFSH compliance reference
Article 431	**Article 431 Disclosure requirements and policies**	
Article 431(1)	Institutions shall publicly disclose the information referred to in Titles II and III in accordance with the provisions laid down in this Title, subject to the exceptions referred to in Article 432.	HPFSH Pillar 3 Disclosures at 31 October 2021
Article 431(2)	Institutions that have been granted permission by the competent authorities under Part Three for the instruments and methodologies referred to in Title III of this Part shall publicly disclose the information laid down therein.	Not applicable. HPIB has no instruments or methodologies that require permission from the competent authorities.
Article 431(3)	The management body or senior management shall adopt formal policies to comply with the disclosure requirements laid down in this Part and put in place and maintain internal processes, systems and controls to verify that the institutions' disclosures are appropriate and in compliance with the requirements laid down in this Part. At least one member of the management body or senior management shall attest in writing that the relevant institution has made the disclosures required under this Part in accordance with the formal policies and internal processes, systems and controls. The written attestation and the key elements of the institution's formal policies to comply with the disclosure requirements shall be included in institutions' disclosures. Information to be disclosed in accordance with this Part shall be subject to the same level of internal verification as that applicable to the management report included in the institution's financial report. Institutions shall also have policies in place to verify that their disclosures convey their risk profile comprehensively to market participants. Where institutions find that the disclosures required under this Part do not convey the risk profile comprehensively to market participants, they shall publicly disclose information in addition to the information required to be disclosed under this Part. Nonetheless, institutions shall only be required to disclose information that is material and not proprietary or confidential as referred to in Article 432.	Introduction: Disclosure policy, Attestation, Verification
Article 431(4)	All quantitative disclosures shall be accompanied by a qualitative narrative and any other supplementary information that may be necessary in order for the users of that information to understand the quantitative disclosures, noting in particular any significant change in any given disclosure compared to the information contained in the previous disclosures.	HPFSH will ensure all quantitative disclosures will be accompanied by a qualitative narrative and any other supplementary information that may be necessary in order for the users of that information to understand the quantitative disclosures, noting in particular any significant change in any given disclosure compared to the information contained in the previous disclosures.
Article 431(5)	Institutions shall, if requested, explain their rating decisions to SMEs and other corporate applicants for loans, providing an explanation in writing when asked. The administrative costs of that explanation shall be proportionate to the size of the loan.	HPIB provides explanations of ratings decisions to SMEs whose loan applications were declined in writing, if requested. In the case of larger corporates, written explanations are not usually requested as direct discussions with relationship managers takes place.
Article 432	**Article 432 Non-material, proprietary or confidential information**	
Article 432(1)	With the exception of the disclosures laid down in point (c) of Article 435(2) and in Articles 437 and 450, institutions may omit one or more of the disclosures listed in Titles II and III where the information provided by those disclosures is not regarded as material. Information in disclosures shall be regarded as material where its omission or misstatement could change or influence the assessment or decision of a user of that information relying on it for the purpose of making economic decisions. EBA shall issue guidelines, in accordance with Article 16 of Regulation (EU) No 1093/2010, on how institutions have to apply materiality in relation to the disclosure requirements of Titles II and III.	HPIB complies with all relevant disclosure requirements with regards to materiality.
Article 432(2)	Institutions may also omit one or more items of information referred to in Titles II and III where those items include information that is regarded as proprietary or confidential in accordance with this paragraph, except for the disclosures laid down in Articles 437 and 450.	HPFSH does not omit any information on the grounds that it may be proprietary or confidential.
Article 432(2)	Information shall be regarded as proprietary to institutions where disclosing it publicly would undermine their competitive position. Proprietary information may include information on products or systems that would render the investments of institutions therein less valuable, if shared with competitors. Information shall be regarded as confidential where the institutions are obliged by customers or other counterparty relationships to keep that information confidential. EBA shall issue guidelines, in accordance with Article 16 of Regulation (EU) No 1093/2010, on how institutions have to apply proprietary and confidentiality in relation to the disclosure requirements of Titles II and III.	HPFSH does not omit any information on the grounds that it may be proprietary or confidential.
Article 432(3)	In the exceptional cases referred to in paragraph 2, the institution concerned shall state in its disclosures the fact that specific items of information are not being disclosed and the reason for not disclosing those items, and publish more general information about the subject matter of the disclosure requirement, except where that subject matter is, in itself, proprietary or confidential.	Not applicable.
Article 433	**Article 433 Frequency and scope of disclosures**	
Article 433	Institutions shall publish the disclosures required under Titles II and III in the manner set out in Articles 433a, 433b and 433c. Annual disclosures shall be published on the same date as the date on which institutions publish their financial statements or as soon as possible thereafter. Semi-annual and quarterly disclosures shall be published on the same date as the date on which the institutions publish their financial reports for the corresponding period where applicable or as soon as possible thereafter. Any delay between the date of publication of the disclosures required under this Part and the relevant financial statements shall be reasonable and, in any event, shall not exceed the timeframe set by competent authorities pursuant to Article 106 of Directive 2013/36/EU.	Introduction
Article 433a	**Article 433a Disclosures by large institutions**	
Article 433a(1)	Large institutions shall disclose the information outlined below with the following frequency:	Not applicable because HPIB is not a large institution
Article 433a(1)(a)	(a) all the information required under this Part on an annual basis;	Not applicable because HPIB is not a large institution
Article 433a(1)(b)	(b) on a semi-annual basis the information referred to in:	Not applicable because HPIB is not a large institution
Article 433a(1)(b)(i)	(i) point (a) of Article 437;	Not applicable because HPIB is not a large institution
Article 433a(1)(b)(ii)	(ii) point (e) of Article 438;	Not applicable because HPIB is not a large institution
Article 433a(1)(b)(iii)	(iii) points (e) to (l) of Article 439;	Not applicable because HPIB is not a large institution
Article 433a(1)(b)(iv)	(iv) Article 440;	Not applicable because HPIB is not a large institution
Article 433a(1)(b)(v)	(v) points (c), (e), (f) and (g) of Article 442;	Not applicable because HPIB is not a large institution
Article 433a(1)(b)(vi)	(vi) point (e) of Article 444;	Not applicable because HPIB is not a large institution

Article 433a(1)(b)(vii)	(vii) Article 445;	Not applicable because HPIB is not a large institution
Article 433a(1)(b)(viii)	(viii) point (a) and (b) of Article 448(1);	Not applicable because HPIB is not a large institution
Article 433a(1)(b)(ix)	(ix) point (j) to (l) of Article 449;	Not applicable because HPIB is not a large institution
Article 433a(1)(b)(x)	(x) points (a) and (b) of Article 451(1);	Not applicable because HPIB is not a large institution
Article 433a(1)(b)(xi)	(xi) Article 451a(3);	Not applicable because HPIB is not a large institution
Article 433a(1)(b)(xii)	(xii) point (g) of Article 452;	Not applicable because HPIB is not a large institution
Article 433a(1)(b)(xiii)	(xiii) points (f) to (j) of Article 453;	Not applicable because HPIB is not a large institution
Article 433a(1)(b)(xii)	(xiv) points (d), (e) and (g) of Article 455;	Not applicable because HPIB is not a large institution
Article 433a(1)(c)	(c) on a quarterly basis the information referred to in:	Not applicable because HPIB is not a large institution
Article 433a(1)(c)(i)	(i) points (d) and (h) of Article 438;	Not applicable because HPIB is not a large institution
Article 433a(1)(c)(ii)	(ii) the key metrics referred to in Article 447;	Not applicable because HPIB is not a large institution
Article 433a(1)(c)(iii)	(iii) Article 451a(2).	Not applicable because HPIB is not a large institution
Article 433a(2)	By way of derogation from paragraph 1, large institutions other than G-SIIs that are non-listed institutions shall disclose the information outlined below with the following frequency:	Not applicable because HPIB is not a large institution
Article 433a(2)(a)	(a) all the information required under this Part on an annual basis; (b) the key metrics referred to in Article 447 on a semi-annual basis.	Not applicable.
Article 433a(3)	Large institutions that are subject to Article 92a or 92b shall disclose the information required under Article 437a on a semi-annual basis, except for the key metrics referred to in point (h) of Article 447, which are to be disclosed on a quarterly basis.	Not applicable.
Article 433b	**Article 433b Disclosures by small and non-complex institutions**	
Article 433b(1)	Small and non-complex institutions shall disclose the information outlined below with the following frequency:	Designation regarding size of institution not yet confirmed by the competent authority
Article 433b(1)(a)	(a) on an annual basis the information referred to in:	See below for applicable disclosure requirements.
Article 433b(1)(a)(i)	(i) points (a), (e) and (f) of Article 435(1);	Table EU OVA - Institution risk management approach
Article 433b(1)(a)(ii)	(ii) point (d) of Article 438;	Template EU OV1 – Overview of risk weighted exposure amounts
Article 433b(1)(a)(iii)	(iii) points (a) to (d), (h), (i), (j) of Article 450(1);	EU REMA - Remuneration policy Template EU REM1 - Remuneration awarded for the financial year Template EU REM2 - Special payments to staff whose professional activities have a material impact on institution's risk profile (identified staff) Template EU REM3 - Deferred remuneration Template EU REM4 - Remuneration of 1 million EUR or more per year
Article 433b(1)(b)	(b) on a semi-annual basis the key metrics referred to in Article 447.	Not applicable.
Article 433b(2)	By way of derogation from paragraph 1 of this Article, small and non-complex institutions that are non-listed institutions shall disclose the key metrics referred to in Article 447 on an annual basis.	Template EU KM1 - Key metrics template.
Article 433c	Article 433c Disclosures by other institutions	
Article 433c(1)	Institutions that are not subject to Article 433a or 433b shall disclose the information outlined below with the following frequency:	See below for applicable disclosure requirements.
Article 433c(1)(a)	(a) all the information required under this Part on an annual basis;	See below for applicable disclosure requirements.
Article 433c(1)(a)	(b) the key metrics referred to in Article 447 on a semi-annual basis.	Template EU KM1 - Key metrics template.
Article 433c(2)	By way of derogation from paragraph 1 of this Article, other institutions that are non-listed institutions shall disclose the following information on an annual basis:	See below for applicable disclosure requirements.
Article 433c(2)(a)	(a) points (a), (e) and (f) of Article 435(1);	Table EU OVA - Institution risk management approach
Article 433c(2)(b)	(b) points (a, (b) and (c) of Article 435(2);	EU REMA - Remuneration policy
Article 433c(2)(c)	(c) point (a) of Article 437;	Template EU CC1 - Composition of regulatory own funds EU CC2 - Reconciliation of regulatory own funds to balance sheet in the
Article 433c(2)(d)	(d) points (c) and (d) of Article 438;	Template EU OV1 – Overview of risk weighted exposure amounts
Article 433c(2)(e)	(e) the key metrics referred to in Article 447;	Template EU KM1 - Key metrics template.
Article 433c(2)(f)	(f) points (a) to (d), (h) to (k) of Article 450(1).	EU REMA - Remuneration policy Template EU REM1 - Remuneration awarded for the financial year Template EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff) Template EU REM3 - Deferred remuneration Template EU REM4 - Remuneration of 1 million EUR or more per year
Article 434	Article 434 Means of disclosures	
Article 434(1)	Institutions shall disclose all the information required under Titles II and III in electronic format and in a single medium or location. The single medium or location shall be a standalone document that provides a readily accessible source of prudential information for users of that information or a distinctive section included in or appended to the institutions' financial statements or financial reports containing the required disclosures and being easily identifiable to those users.	Introduction - Pillar 3 is available on the HPE Corporate website.
Article 434(2)	Institutions shall make available on their website or, in the absence of a website, in any other appropriate location an archive of the information required to be disclosed in accordance with this Part. That archive shall be kept accessible for a period of time that shall be no less than the storage period set by national law for information included in the institutions' financial reports.	Introduction - Pillar 3 archive is available on the HPE Corporate website.
Article 434a	**Article 434a Uniform disclosure formats**	
Article 434a	EBA shall develop draft implementing technical standards specifying uniform disclosure formats, and associated instructions in accordance with which the disclosures required under Titles II and III shall be made. Those uniform disclosure formats shall convey sufficiently comprehensive and comparable information for users of that information to assess the risk profiles of institutions and their degree of compliance with the requirements laid down in Parts One to Seven. To facilitate the comparability of information, the implementing technical standards shall seek to maintain consistency of disclosure formats with international standards on disclosures. Uniform disclosure formats shall be tabular where appropriate. EBA shall submit those draft implementing technical standards to the Commission by 28 June 2020. Power is conferred on the Commission to adopt those implementing technical standards in accordance with Article 15 of Regulation (EU) No 1093/2010.	EBA published the final version of the ITS on 21/04/2021: Commission Implementing Regulation (EU) 2021/637 of 15 March 2021 laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council and repealing Commission Implementing Regulation (EU) No 1423/2013, Commission Delegated Regulation (EU) 2015/1555, Commission Implementing Regulation (EU) 2016/200 and Commission Delegated Regulation (EU) 2017/2295. HPFSH is compliant with this regulation.

Article 435	Article 435 Disclosure of risk management objectives and policies	
Article 435(1)	Institutions shall disclose their risk management objectives and policies for each separate category of risk, including the risks referred to in this Title. Those disclosures shall include:	Table EU OVA - Institution risk management approach Table EU LIQA - Liquidity risk management Table EU ORA - Qualitative information on operational risk.
Article 435(1)(a)	(a) the strategies and processes to manage those categories of risks;	Table EU OVA - Institution risk management approach, Table EU LIQA - Liquidity risk management, Table EU CRA - General qualitative information about credit risk, Table EU MRA - Qualitative disclosure requirements related to market risk, Table EU ORA - Qualitative information on operational risk.
Article 435(1)(b)	(b) the structure and organisation of the relevant risk management function including information on the basis of its authority, its powers and accountability in accordance with the institution's incorporation and governing documents;	Table EU OVA - Institution risk management approach, Table EU LIQA - Liquidity risk management, Table EU CRA - General qualitative information about credit risk, Table EU MRA - Qualitative disclosure requirements related to market risk, Table EU ORA - Qualitative information on operational risk.
Article 435(1)(c)	(c) the scope and nature of risk reporting and measurement systems;	Table EU OVA - Institution risk management approach, Table EU LIQA - Liquidity risk management, Table EU MRA - Qualitative disclosure requirements related to market risk, Table EU ORA - Qualitative information on operational risk.
Article 435(1)(d)	(d) the policies for hedging and mitigating risk, and the strategies and processes for monitoring the continuing effectiveness of hedges and mitigants;	Table EU OVA - Institution risk management approach, Table EU LIQA - Liquidity risk management, Table EU CRA - General qualitative information about credit risk Table EU MRA - Qualitative disclosure requirements related to market risk, Table EU ORA - Qualitative information on operational risk.
Article 435(1)(e)	(e) a declaration approved by the management body on the adequacy of the risk management arrangements of the relevant institution providing assurance that the risk management systems put in place are adequate with regard to the institution's profile and strategy;	Table EU OVA - Institution risk management approach, Table EU LIQA - Liquidity risk management.
Article 435(1)(f)	(f) a concise risk statement approved by the management body succinctly describing the relevant institution's overall risk profile associated with the business strategy; that statement shall include:	Table EU OVA - Institution risk management approach, Table EU LIQA - Liquidity risk management, Table EU CRA - General qualitative information about credit risk.
Article 435(1)(f)(i)	(i) key ratios and figures providing external stakeholders a comprehensive view of the institution's management of risk, including how the risk profile of the institution interacts with the risk tolerance set by the management body;	Table EU OVA - Institution risk management approach, Table EU LIQA - Liquidity risk management
Article 435(1)(f)(ii)	(ii) information on intragroup transactions and transactions with related parties that may have a material impact of the risk profile of the consolidated group.	Table EU OVA - Institution risk management approach, Table EU LIQA - Liquidity risk management
Article 435(2)	Institutions shall disclose the following information regarding governance arrangements:	Table EU OVB - Disclosure on governance arrangements.
Article 435(2)(a)	(a) the number of directorships held by members of the management body;	Table EU OVB - Disclosure on governance arrangements.
Article 435(2)(b)	(b) the recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise;	Table EU OVB - Disclosure on governance arrangements.
Article 435(2)(c)	(c) the policy on diversity with regard to selection of members of the management body, its objectives and any relevant targets set out in that policy, and the extent to which those objectives and targets have been achieved;	Table EU OVB - Disclosure on governance arrangements.
Article 435(2)(d)	(d) whether or not the institution has set up a separate risk committee and the number of times the risk committee has met;	Table EU OVB - Disclosure on governance arrangements.
Article 435(2)(e)	(e) the description of the information f low on risk to the management body.	Table EU OVB - Disclosure on governance arrangements.
Article 436	**Article 436 Disclosure of the scope of application**	
Article 436	Institutions shall disclose the following information regarding the scope of application of this Regulation as follows:	See below for applicable disclosure requirements.
Article 436(a)	(a) the name of the institution to which this Regulation applies;	Hewlett Packard Financial Services Holding Unlimited Company
Article 436(b)	(b) a reconciliation between the consolidated financial statements prepared in accordance with the applicable accounting framework and the consolidated financial statements prepared in accordance with the requirements on regulatory consolidation pursuant to Sections 2 and 3 of Title II of Part One; that reconciliation shall outline the differences between the accounting and regulatory scopes of consolidation and the legal entities included within the regulatory scope of consolidation where it differs from the accounting scope of consolidation; the outline of the legal entities included within the regulatory scope of consolidation shall describe the method of regulatory consolidation where it is different from the accounting consolidation method, whether those entities are fully or proportionally consolidated and whether the holdings in those legal entities are deducted from own funds;	Template EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity) , Table EU LIA - Explanations of differences between accounting and regulatory exposure amounts.
Article 436(c)	(c) a breakdown of assets and liabilities of the consolidated financial statements prepared in accordance with the requirements on regulatory consolidation pursuant to Sections 2 and 3 of Title II of Part One, broken down by type of risks as referred to under this Part;	Template EU LI1 – Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories.
Article 436(d)	(d) a reconciliation identifying the main sources of differences between the carrying value amounts in the financial statements under the regulatory scope of consolidation as defined in Sections 2 and 3 of Title II of Part One, and the exposure amount used for regulatory purposes; that reconciliation shall be supplemented by qualitative information on those main sources of differences;	Template EU LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements, Table EU LIA - Explanations of differences between accounting and regulatory exposure amounts.
Article 436(e)	(e) for exposures from the trading book and the non-trading book that are adjusted in accordance with Article 34 and Article 105, a breakdown of the amounts of the constituent elements of an institution's prudent valuation adjustment, by type of risks, and the total of constituent elements separately for the trading book and non-trading book positions;	Not applicable
Article 436(f)	(f) any current or expected material practical or legal impediment to the prompt transfer of own funds or to the repayment of liabilities between the parent undertaking and its subsidiaries;	Table EU LIB - Other qualitative information on the scope of application.
Article 436(g)	(g) the aggregate amount by which the actual own funds are less than required in all subsidiaries that are not included in the consolidation, and the name or names of those subsidiaries;	Table EU LIB - Other qualitative information on the scope of application.

Article 436(h)	(h) where applicable, the circumstances under which use is made of the derogation referred to in Article 7 or the individual consolidation method laid down in Article 9.	Table EU LIB - Other qualitative information on the scope of application.
Article 437	**Article 437 Disclosure of own funds**	
Article 437	Institutions shall disclose the following information regarding their own funds:	See below for applicable disclosure requirements.
Article 437(a)	(a) a full reconciliation of Common Equity Tier 1 items, Additional Tier 1 items, Tier 2 items and the filters and deductions applied to own funds of the institution pursuant to Articles 32 to 36, 56, 66 and 79 with the balance sheet in the audited financial statements of the institution;	Template EU CC1 - Composition of regulatory own funds, Template EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements.
Article 437(b)	(b) a description of the main features of the Common Equity Tier 1 and Additional Tier 1 instruments and Tier 2 instruments issued by the institution;	Template EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments. Not applicable
Article 437(c)	(c) the full terms and conditions of all Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments;	Template EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments. Not applicable
Article 437(d)	(d) a separate disclosure of the nature and amounts of the following:	Template EU CC1 - Composition of regulatory own funds.
Article 437(d)(i)	(i) each prudential filter applied pursuant to Articles 32 to 35;	Template EU CC1 - Composition of regulatory own funds.
Article 437(d)(ii)	(ii) items deducted pursuant to Articles 36, 56 and 66;	Template EU CC1 - Composition of regulatory own funds.
Article 437(d)(iii)	(iii) items not deducted pursuant to Articles 47, 48, 56, 66 and 79;	Template EU CC1 - Composition of regulatory own funds.
Article 437(e)	(e) a description of all restrictions applied to the calculation of own funds in accordance with this Regulation and the instruments, prudential filters and deductions to which those restrictions apply;	Template EU CC1 - Composition of regulatory own funds.
Article 437(f)	(f) a comprehensive explanation of the basis on which capital ratios are calculated where those capital ratios are calculated by using elements of own funds determined on a basis other than the basis laid down in this Regulation.	Template EU CC1 - Composition of regulatory own funds.
Article 437a	Article 437a Disclosure of own funds and eligible liabilities	Not applicable.
Article 437a	Institutions that are subject to Article 92a or 92b shall disclose the following information regarding their own funds and eligible liabilities:	Not applicable.
Article 437a(a)	(a) the composition of their own funds and eligible liabilities, their maturity and their main features;	Not applicable.
Article 437a(b)	(b) the ranking of eligible liabilities in the creditor hierarchy;	Not applicable.
Article 437a(c)	(c) the total amount of each issuance of eligible liabilities instruments referred to in Article 72b and the amount of those issuances that is included in eligible liabilities items within the limits specified in Article 72b(3) and (4);	Not applicable.
Article 437a(d)	(d) the total amount of excluded liabilities referred to in Article 72a(2).	Not applicable.
Article 438	**Article 438 Disclosure of own funds requirements and risk-weighted exposure amounts**	
Article 438	Institutions shall disclose the following information regarding their compliance with Article 92 of this Regulation and with the requirements laid down in Article 73 and in point (a) of Article 104(1) of Directive 2013/36/EU:	See below for applicable disclosure requirements.
Article 438(a)	(a) a summary of their approach to assessing the adequacy of their internal capital to support current and future activities;	Table EU OVC – ICAAP information.
Article 438(b)	(b) the amount of the additional own funds requirements based on the supervisory review process as referred to in point (a) of Article 104(1) of Directive 2013/36/EU and its composition in terms of Common Equity Tier 1, additional Tier 1 and Tier 2 instruments;	Template EU KM1 – Key metrics template.
Article 438(c)	(c) upon demand from the relevant competent authority, the result of the institution's internal capital adequacy assessment process;	Table EU OVC – ICAAP information.
Article 438(d)	(d) the total risk-weighted exposure amount and the corresponding total own funds requirement determined in accordance with Article 92, to be broken down by the different risk categories set out in Part Three and, where applicable, an explanation of the effect on the calculation of own funds and risk-weighted exposure amounts that results from applying capital floors and not deducting items from own funds;	Template EU OV1 – Overview of total risk exposure amounts. Additional explanation is currently not relevant.
Article 438(e)	(e) the on- and off-balance-sheet exposures, the risk-weighted exposure amounts and associated expected losses for each category of specialised lending referred to in Table 1 of Article 153(5) and the on- and off-balance- sheet exposures and risk-weighted exposure amounts for the categories of equity exposures set out in Article 155(2);	Not applicable. Template EU CR10 - Specialised lending and equity exposures under the simple risk weighted approach. HPIB has no specialised lending or equity exposures.
Article 438(f)	(f) the exposure value and the risk-weighted exposure amount of own funds instruments held in any insurance undertaking, reinsurance undertaking or insurance holding company that the institutions do not deduct from their own funds in accordance with Article 49 when calculating their capital requirements on an individual, sub-consolidated and consolidated basis;	Not applicable. Template EU INS1 Insurance participations. HPIB has no insurance undertakings.
Article 438(g)	(g) the supplementary own funds requirement and the capital adequacy ratio of the financial conglomerate calculated in accordance with Article 6 of Directive 2002/87/EC and Annex I to that Directive where method 1 or 2 set out in that Annex is applied;	Not applicable. Template EU INS2 Financial conglomerates - Information on own funds and capital adequacy ratio. HPIB is not a financial conglomerate.
Article 438(h)	(h) the variations in the risk-weighted exposure amounts of the current disclosure period compared to the immediately preceding disclosure period that result from the use of internal models, including an outline of the key drivers explaining those variations.	Not applicable. Template EU CR8 – RWEA flow statements of credit risk exposures under the IRB approach. HPIB does not use the IRB approach. Not applicable. Template EU CCR7 – RWEA flow statements of CCR exposures under the IMM. HPIB does not use the IMM and instead uses SA-CCR for derivatives under counterparty credit risk. Not applicable. Template EU MR2–B - RWEA flow statements of market risk exposures under the IMA. All market risk is treated under standardised approach.
Article 439	**Article 439 Disclosure of exposures to counterparty credit risk**	
Article 439	Institutions shall disclose the following information regarding their exposure to counterparty credit risk as referred to in Chapter 6 of Title II of Part Three:	See below for applicable disclosure requirements.
Article 439(a)	(a) a description of the methodology used to assign internal capital and credit limits for counterparty credit exposures, including the methods to assign those limits to exposures to central counterparties;	Annual - Table EU CCRA – Qualitative disclosure related to CCR.
Article 439(b)	(b) a description of policies related to guarantees and other credit risk mitigants, such as the policies for securing collateral and establishing credit reserves;	Annual - Table EU CCRA – Qualitative disclosure related to CCR.
Article 439(c)	(c) a description of policies with respect to General Wrong-Way risk and Specific Wrong-Way risk as defined in Article 291;	Annual - Table EU CCRA – Qualitative disclosure related to CCR.
Article 439(d)	(d) the amount of collateral the institution would have to provide if its credit rating was downgraded;	Annual - Table EU CCRA – Qualitative disclosure related to CCR.

Article 439(e)	(e) the amount of segregated and unsegregated collateral received and posted per type of collateral, further broken down between collateral used for derivatives and securities financing transactions;	Template EU CCR5 – Composition of collateral for CCR exposures.
Article 439(f)	(f) for derivative transactions, the exposure values before and after the effect of the credit risk mitigation as determined under the methods set out in Sections 3 to 6 of Chapter 6 of Title II of Part Three, whichever method is applicable, and the associated risk exposure amounts broken down by applicable method;	Template EU CCR1 – Analysis of CCR exposure by approach.
Article 439(g)	(g) for securities financing transactions, the exposure values before and after the effect of the credit risk mitigation as determined under the methods set out in Chapters 4 and 6 of Title II of Part Three, whichever method is used, and the associated risk exposure amounts broken down by applicable method;	Template EU CCR1 – Analysis of CCR exposure by approach.
Article 439(h)	(h) the exposure values after credit risk mitigation effects and the associated risk exposures for credit valuation adjustment capital charge, separately for each method as set out in Title VI of Part Three;	EU CCR2 – Transactions subject to own funds requirements for CVA risk.
Article 439(i)	(i) the exposure value to central counterparties and the associated risk exposures within the scope of Section 9 of Chapter 6 of Title II of Part Three, separately for qualifying and non-qualifying central counterparties, and broken down by types of exposures;	Not applicable. Template EU CCR8 – Exposures to CCPS.
Article 439(j)	(j) the notional amounts and fair value of credit derivative transactions; credit derivative transactions shall be broken down by product type; within each product type, credit derivative transactions shall be broken down further by credit protection bought and credit protection sold;	Not applicable Template EU CCR6 – Credit derivatives exposures.
Article 439(k)	(k) the estimate of alpha where the institution has received the permission of the competent authorities to use its own estimate of alpha in accordance with Article 284(9);	Template EU CCR1 – Analysis of CCR exposure by approach.
Article 439(l)	(l) separately, the disclosures included in point (e) of Article 444 and point (g) of Article 452;	Template EU CCR3 – standardised approach - CCR exposures by regulatory exposure class and risk weights, Not applicable - Template EU CCR4 – IRB approach – CCR exposures by exposure class and PD scale.
Article 439(m)	(m) for institutions using the methods set out in Sections 4 to 5 of Chapter 6 of Title II Part Three, the size of their on- and off-balance-sheet derivative business as calculated in accordance with Article 273a(1) or (2), as applicable.	Template EU CCR1 – Analysis of CCR exposure by approach.
Article 439	Where the central bank of a Member State provides liquidity assistance in the form of collateral swap transactions, the competent authority may exempt institutions from the requirements in points (d) and (e) of the first subparagraph where that competent authority considers that the disclosure of the information referred to therein could reveal that emergency liquidity assistance has been provided. For those purposes, the competent authority shall set out appropriate thresholds and objective criteria.	Not applicable. This would impact the following two templates if it were applicable to HPFSH: Template EU CCR1 – Analysis of CCR exposure by approach. Template EU CCR5 – Composition of collateral for CCR exposures.
Article 440	**Article 440 Disclosure of countercyclical capital buffers**	
Article 440	Institutions shall disclose the following information in relation to their compliance with the requirement for a countercyclical capital buffer as referred to in Chapter 4 of Title VII of Directive 2013/36/EU:	See below for applicable disclosure requirements.
Article 440(a)	(a) the geographical distribution of the exposure amounts and risk-weighted exposure amounts of its credit exposures used as a basis for the calculation of their countercyclical capital buffer;	Template EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer.
Article 440(b)	(b) the amount of their institution-specific countercyclical capital buffer.	Template EU CCyB2 - Amount of institution-specific countercyclical capital buffer.
Article 441	**Article 441 Disclosure of indicators of global systemic importance**	**Not applicable. HPIB is not a G-SII.**
Article 441	G-SIIs shall disclose, on an annual basis, the values of the indicators used for determining their score in accordance with the identification methodology referred to in Article 131 of Directive 2013/36/EU.	Not applicable.
Article 442	**Article 442 Disclosure of exposures to credit risk and dilution risk**	
Article 442	Institutions shall disclose the following information regarding their exposures to credit risk and dilution risk:	See below for applicable disclosure requirements.
Article 442(a)	(a) the scope and definitions that they use for accounting purposes of 'past due' and 'impaired' and the differences, if any, between the definitions of 'past due' and 'default' for accounting and regulatory purposes;	Table EU CRB - Additional disclosure related to the credit quality of assets.
Article 442(b)	(b) a description of the approaches and methods adopted for determining specific and general credit risk adjustments;	Table EU CRB - Additional disclosure related to the credit quality of assets.
Article 442(c)	(c) information on the amount and quality of performing, non-performing and forborne exposures for loans, debt securities and off-balance-sheet exposures, including their related accumulated impairment, provisions and negative fair value changes due to credit risk and amounts of collateral and financial guarantees received;	Template EU CR1 - Performing and non-performing exposures and related provisions, Template EU CQ1 - Credit quality of forborne exposures, Template EU CQ5 - Credit quality of loans and advances by industry, Template EU CQ7 - Collateral obtained by taking possession and execution processes, Not applicable - Template EU CQ2 - Quality of forbearance, Annual & threshold based (cols b and d); Semi annual (cols a, c, e, f and g only) - Template EU CQ4 - Quality of non-performing exposures by geography, Not applicable - Template EU CR2a - Changes in the stock of non-performing loans and advances and related net accumulated recoveries, Not applicable - Template EU CQ6 - Collateral valuation - loans and advances, Not applicable - Template EU CQ8 - Collateral obtained by taking possession and execution processes – vintage breakdown.
Article 442(d)	(d) an ageing analysis of accounting past due exposures;	Template EU CQ3 - Credit quality of performing and non-performing exposures by past due days.
Article 442(e)	(e) the gross carrying amounts of both defaulted and non-defaulted exposures, the accumulated specific and general credit risk adjustments, the accumulated write-offs taken against those exposures and the net carrying amounts and their distribution by geographical area and industry type and for loans, debt securities and off- balance-sheet exposures;	Template EU CR1 - Performing and non-performing exposures and related provisions, Template EU CQ4 - Quality of non-performing exposures by geography, Template EU CQ5 - Credit quality of loans and advances by industry.
Article 442(f)	(f) any changes in the gross amount of defaulted on- and off-balance-sheet exposures, including, as a minimum, information on the opening and closing balances of those exposures, the gross amount of any of those exposures reverted to non-defaulted status or subject to a write-off;	Not applicable - Template EU CR2 - Changes in the stock of non-performing loans and advances, Not applicable - Template EU CR2a - Changes in the stock of non-performing loans and advances and related net accumulated recoveries.

Article 442(g)	(g) the breakdown of loans and debt securities by residual maturity.	Template EU CR1-A - Maturity of exposures.
Article 443	**Article 443 Disclosure of encumbered and unencumbered assets**	
Article 443	Institutions shall disclose information concerning their encumbered and unencumbered assets. For those purposes, institutions shall use the carrying amount per exposure class broken down by asset quality and the total amount of the carrying amount that is encumbered and unencumbered. Disclosure of information on encumbered and unencumbered assets shall not reveal emergency liquidity assistance provided by central banks.	Template EU AE1 - Encumbered and unencumbered assets, Template EU AE2 - Collateral received and own debt securities issued, Template EU AE3 - Sources of encumbrance, Table EU AE4 - Accompanying narrative information.
Article 444	**Article 444 Disclosure of the use of the Standardised Approach**	
Article 444	Institutions calculating their risk-weighted exposure amounts in accordance with Chapter 2 of Title II of Part Three shall disclose the following information for each of the exposure classes set out in Article 112:	See below for applicable disclosure requirements.
Article 444(a)	(a) the names of the nominated ECAIs and ECAs and the reasons for any changes in those nominations over the disclosure period;	Table EU CRD – Qualitative disclosure requirements related to standardised model.
Article 444(b)	(b) the exposure classes for which each ECAI or ECA is used;	Table EU CRD – Qualitative disclosure requirements related to standardised model.
Article 444(c)	(c) a description of the process used to transfer the issuer and issue credit ratings onto items not included in the trading book;	Table EU CRD – Qualitative disclosure requirements related to standardised model.
Article 444(d)	(d) the association of the external rating of each nominated ECAI or ECA with the risk weights that correspond to the credit quality steps as set out in Chapter 2 of Title II of Part Three, taking into account that it is not necessary to disclose that information where the institutions comply with the standard association published by EBA;	Table EU CRD – Qualitative disclosure requirements related to standardised model.
Article 444(e)	(e) the exposure values and the exposure values after credit risk mitigation associated with each credit quality step as set out in Chapter 2 of Title II of Part Three, by exposure class, as well as the exposure values deducted from own funds.	Template EU CR4 – standardised approach - Credit risk exposure and CRM effects, Template EU CR5 – standardised approach, Template EU CCR3 – standardised approach - CCR exposures by regulatory exposure class and risk weights.
Article 445	**Article 445 Disclosure of exposure to market risk**	
Article 445	Institutions calculating their own funds requirements in accordance with points (b) and (c) of Article 92(3) shall disclose those requirements separately for each risk referred to in those points. In addition, own funds requirements for the specific interest rate risk of securitisation positions shall be disclosed separately.	Template EU MR1 – Market risk under the standardised approach.
Article 446	**Article 446 Disclosure of operational risk management**	
Article 446	Institutions shall disclose the following information about their operational risk management:	Table EU ORA - Qualitative information on operational risk, Template EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts.
Article 446(a)	(a) the approaches for the assessment of own funds requirements for operation risk that the institution qualifies for;	Table EU ORA - Qualitative information on operational risk, Template EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts.
Article 446(b)	(b) where the institution makes use of it, a description of the methodology set out in Article 312(2), which shall include a discussion of the relevant internal and external factors being considered in the institution's advanced measurement approach;	Not applicable. This would impact the following two tables if it were applicable to HPIB: Table EU ORA - Qualitative information on operational risk, Template EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts.
Article 446(c)	(c) in the case of partial use, the scope and coverage of the different methodologies used.	Not applicable. This would impact the following two tables if it were applicable to HPIB: Table EU ORA - Qualitative information on operational risk, Template EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts.
Article 447	**Article 447 Disclosure of key metrics**	
Article 447	Institutions shall disclose the following key metrics in a tabular format:	See below for applicable disclosure requirements.
Article 447(a)	(a) the composition of their own funds and their own funds requirements as calculated in accordance with Article 92;	Template EU KM1 – Key metrics template.
Article 447(b)	(b) the total risk exposure amount as calculated in accordance with Article 92(3);	Template EU KM1 – Key metrics template.
Article 447(c)	(c) where applicable, the amount and composition of additional own funds which the institutions are required to hold in accordance with point (a) of Article 104(1) of Directive 2013/36/EU;	Template EU KM1 – Key metrics template.
Article 447(d)	(d) their combined buffer requirement which the institutions are required to hold in accordance with Chapter 4 of Title VII of Directive 2013/36/EU;	Template EU KM1 – Key metrics template.
Article 447(e)	(e) their leverage ratio and the total exposure measure as calculated in accordance with Article 429;	Template EU KM1 – Key metrics template.
Article 447(f)	(f) the following information in relation to their liquidity coverage ratio as calculated in accordance with the delegated act referred to in Article 460(1):	Template EU KM1 – Key metrics template.
Article 447(f)(i)	(i) the average or averages, as applicable, of their liquidity coverage ratio based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period;	Template EU KM1 – Key metrics template.
Article 447(f)(ii)	(ii) the average or averages, as applicable, of total liquid assets, after applying the relevant haircuts, included in the liquidity buffer pursuant to the delegated act referred to in Article 460(1), based on end-of-the- month observations over the preceding 12 months for each quarter of the relevant disclosure period;	Template EU KM1 – Key metrics template.
Article 447(f)(iii)	(iii) the averages of their liquidity outflows, inflows and net liquidity outflows as calculated pursuant to the delegated act referred to in Article 460(1), based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period;	Template EU KM1 – Key metrics template.
Article 447(g)	(g) the following information in relation to their net stable funding requirement as calculated in accordance with Title IV of Part Six:	Template EU KM1 – Key metrics template.
Article 447(g)(i), II, III	(i) the net stable funding ratio at the end of each quarter of the relevant disclosure period; (ii) the available stable funding at the end of each quarter of the relevant disclosure period; (iii) the required stable funding at the end of each quarter of the relevant disclosure period;	Template EU KM1 – Key metrics template.
Article 447(h)	(h) their own funds and eligible liabilities ratios and their components, numerator and denominator, as calculated in accordance with Articles 92a and 92b and broken down at the level of each resolution group, where applicable.	Not applicable HPIB is not a G-SII.
Article 449	**Article 449 Disclosure of exposures to securitisation positions**	

Article 449	Institutions calculating risk-weighted exposure amounts in accordance with Chapter 5 of Title II of Part Three or own funds requirements in accordance with Article 337 or 338 shall disclose the following information separately for their trading book and non-trading book activities:	Not applicable, HPIB has no exposures to securitisation positions
Article 449(a)	(a) a description of their securitisation and re-securitisation activities, including their risk management and investment objectives in connection with those activities, their role in securitisation and re-securitisation transactions, whether they use the simple, transparent and standardised securitisation (STS) as defined in point (10) of Article 242, and the extent to which they use securitisation transactions to transfer the credit risk of the securitised exposures to third parties with, where applicable, a separate description of their synthetic se- curitisation risk transfer policy;	Not applicable
Article 449(b)	(b) the type of risks they are exposed to in their securitisation and re-securitisation activities by level of seniority of the relevant securitisation positions providing a distinction between STS and non-STS positions and:	Not applicable
Article 449(b)(i)	(i) the risk retained in own-originated transactions;	Not applicable
Article 449(b)(ii)	(ii) the risk incurred in relation to transactions originated by third parties;	Not applicable
Article 449(c)	(c) their approaches for calculating the risk-weighted exposure amounts that they apply to their securitisation activities, including the types of securitisation positions to which each approach applies and with a distinction between STS and non-STS positions;	Not applicable
Article 449(d)	(d) a list of SSPEs falling into any of the following categories, with a description of their types of exposures to those SSPEs, including derivative contracts:	Not applicable
Article 449(d)(i)	(i) SSPEs which acquire exposures originated by the institutions;	Not applicable
Article 449(d)(ii)	(ii) SSPEs sponsored by the institutions;	Not applicable
Article 449(d)(iii)	(iii) SSPEs and other legal entities for which the institutions provide securitisation-related services, such as advisory, asset servicing or management services;	Not applicable
Article 449(d)(iv)	(iv) SSPEs included in the institutions' regulatory scope of consolidation;	Not applicable
Article 449(e)	(e) a list of any legal entities in relation to which the institutions have disclosed that they have provided support in accordance with Chapter 5 of Title II of Part Three;	Not applicable
Article 449(f)	(f) a list of legal entities affiliated with the institutions and that invest in securitisations originated by the institutions or in securitisation positions issued by SSPEs sponsored by the institutions;	Not applicable
Article 449(g)	(g) a summary of their accounting policies for securitisation activity, including where relevant a distinction between securitisation and re-securitisation positions;	Not applicable
Article 449(h)	(h) the names of the ECAIs used for securitisations and the types of exposure for which each agency is used;	Not applicable
Article 449(i)	(i) where applicable, a description of the Internal Assessment Approach as set out in Chapter 5 of Title II of Part Three, including the structure of the internal assessment process and the relation between internal assessment and external ratings of the relevant ECAI disclosed in accordance with point (h), the control mechanisms for the internal assessment process including discussion of independence, accountability, and internal assessment process review, the exposure types to which the internal assessment process is applied and the stress factors used for determining credit enhancement levels;	Not applicable
Article 449(j)	(j) separately for the trading book and the non-trading book, the carrying amount of securitisation exposures, including information on whether institutions have transferred significant credit risk in accordance with Articles 244 and 245, for which institutions act as originator, sponsor or investor, separately for traditional and synthetic securitisations, and for STS and non-STS transactions and broken down by type of securitisation exposures;	Not applicable
Article 449(k)	(k) for the non-trading book activities, the following information:	Not applicable
Article 449(k)(i)	(i) the aggregate amount of securitisation positions where institutions act as originator or sponsor and the associated risk-weighted assets and capital requirements by regulatory approaches, including exposures deducted from own funds or risk weighted at 1 250 %, broken down between traditional and synthetic securitisations and between securitisation and re-securitisation exposures, separately for STS and non-STS positions, and further broken down into a meaningful number of risk-weight or capital requirement bands and by approach used to calculate the capital requirements;	Not applicable
Article 449(k)(ii)	(ii) the aggregate amount of securitisation positions where institutions act as investor and the associated risk- weighted assets and capital requirements by regulatory approaches, including exposures deducted from own funds or risk weighted at 1 250 %, broken down between traditional and synthetic securitisations, se- curitisation and re-securitisation positions, and STS and non-STS positions, and further broken down into a meaningful number of risk weight or capital requirement bands and by approach used to calculate the capital requirements;	Not applicable
Article 449(l)	(l) for exposures securitised by the institution, the amount of exposures in default and the amount of the specific credit risk adjustments made by the institution during the current period, both broken down by exposure type.	Not applicable
Article 449a	**Article 449a Disclosure of environmental, social and governance risks (ESG risks)**	
Article 449a	From 28 June 2022, large institutions which have issued securities that are admitted to trading on a regulated market of any Member State, as defined in point (21) of Article 4(1) of Directive 2014/65/EU, shall disclose information on ESG risks, including physical risks and transition risks, as defined in the report referred to in Article 98(8) of Directive 2013/36/EU. The information referred to in the first paragraph shall be disclosed on an annual basis for the first year and biannually thereafter.	Not a requirement until 28 June 2022
Article 450	**Article 450 Disclosure of remuneration policy**	
Article 450(1)	Institutions shall disclose the following information regarding their remuneration policy and practices for those categories of staff whose professional activities have a material impact on the risk profile of the institutions:	See below for applicable disclosure requirements.

Article 450(1)(a)	(a) information concerning the decision-making process used for determining the remuneration policy, as well as the number of meetings held by the main body overseeing remuneration during the financial year, including, where applicable, information about the composition and the mandate of a remuneration committee, the external consultant whose services have been used for the determination of the remuneration policy and the role of the relevant stakeholders;	Table EU REMA - Remuneration policy.
Article 450(1)(b)	(b) information about the link between pay of the staff and their performance;	Table EU REMA - Remuneration policy.
Article 450(1)(c)	(c) the most important design characteristics of the remuneration system, including information on the criteria used for performance measurement and risk adjustment, deferral policy and vesting criteria;	Table EU REMA - Remuneration policy.
Article 450(1)(d)	(d) the ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) of Directive 2013/36/EU;	Table EU REMA - Remuneration policy.
Article 450(1)(e)	(e) information on the performance criteria on which the entitlement to shares, options or variable components of remuneration is based;	Table EU REMA - Remuneration policy.
Article 450(1)(f)	(f) the main parameters and rationale for any variable component scheme and any other non-cash benefits;	Table EU REMA - Remuneration policy.
Article 450(1)(g)	(g) aggregate quantitative information on remuneration, broken down by business area;	Template EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff).
Article 450(1)(h)	(h) aggregate quantitative information on remuneration, broken down by senior management and members of staff whose professional activities have a material impact on the risk profile of the institutions, indicating the following:	See below for applicable disclosure requirements.
Article 450(1)(h)(i)	(i) the amounts of remuneration awarded for the financial year, split into fixed remuneration including a description of the fixed components, and variable remuneration, and the number of beneficiaries;	Template EU REM1 - Remuneration awarded for the financial year.
Article 450(1)(h)(ii)	(ii) the amounts and forms of awarded variable remuneration, split into cash, shares, share-linked instruments and other types separately for the part paid upfront and the deferred part;	Template EU REM1 - Remuneration awarded for the financial year.
Article 450(1)(h)(iii)	(iii) the amounts of deferred remuneration awarded for previous performance periods, split into the amount due to vest in the financial year and the amount due to vest in subsequent years;	Template EU REM3 - Deferred remuneration.
Article 450(1)(h)(iv)	(iv) the amount of deferred remuneration due to vest in the financial year that is paid out during the financial year, and that is reduced through performance adjustments;	Template EU REM3 - Deferred remuneration.
Article 450(1)(h)(v)	(v) the guaranteed variable remuneration awards during the financial year, and the number of beneficiaries of those awards;	Template EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff).
Article 450(1)(h)(vi)	(vi) the severance payments awarded in previous periods, that have been paid out during the financial year;	Template EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff).
Article 450(1)(h)(vii)	(vii) the amounts of severance payments awarded during the financial year, split into paid upfront and deferred, the number of beneficiaries of those payments and highest payment that has been awarded to a single person;	Template EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff).
Article 450(1)(i)	(i) the number of individuals that have been remunerated EUR 1 million or more per financial year, with the remuneration between EUR 1 million and EUR 5 million broken down into pay bands of EUR 500 000 and with the remuneration of EUR 5 million and above broken down into pay bands of EUR 1 million;	Template EU REM4 - Remuneration of 1 million EUR or more per year.
Article 450(1)(j)	(j) upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management;	Annual - Not applicable. HPIB will disclose relevant information on request.
Article 450(1)(k)	(k) information on whether the institution benefits from a derogation laid down in Article 94(3) of Directive 2013/36/EU. For the purposes of point (k) of the first subparagraph of this paragraph, institutions that benefit from such a derogation shall indicate whether they benefit from that derogation on the basis of point (a) or (b) of Article 94(3) of Directive 2013/36/EU. They shall also indicate for which of the remuneration principles they apply the derogation(s), the number of staff members that benefit from the derogation(s) and their total remuneration, split into fixed and variable remuneration.	Table EU REMA - Remuneration policy.
Article 450(2)	For large institutions, the quantitative information on the remuneration of institutions' collective management body referred to in this Article shall also be made available to the public, differentiating between executive and non-executive members. Institutions shall comply with the requirements set out in this Article in a manner that is appropriate to their size, internal organisation and the nature, scope and complexity of their activities and without prejudice to Regulation (EU) 2016/679 of the European Parliament and of the Council (*).	Table EU REMA - Remuneration policy.
Article 451	**Article 451 Disclosure of the leverage ratio**	
Article 451(1)	Institutions that are subject to Part Seven shall disclose the following information regarding their leverage ratio as calculated in accordance with Article 429 and their management of the risk of excessive leverage:	See below for applicable disclosure requirements.
Article 451(1) (a)	(a) the leverage ratio and how the institutions apply Article 499(2);	Template EU LR2 - LRCom: Leverage ratio common disclosure.
Article 451(1)(b)	(b) a breakdown of the total exposure measure referred to in Article 429(4), as well as a reconciliation of the total exposure measure with the relevant information disclosed in published financial statements;	Template EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures, Template EU LR2 - LRCom: Leverage ratio common disclosure, Template EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures).
Article 451(1)(c)	(c) where applicable, the amount of exposures calculated in accordance with Articles 429(8) and 429a(1) and the adjusted leverage ratio calculated in accordance with Article 429a(7);	Template EU LR2 - LRCom: Leverage ratio common disclosure.
Article 451(1)(d)	(d) a description of the processes used to manage the risk of excessive leverage;	Table EU LRA: Free format text boxes for disclosure on qualitative items.
Article 451(1)(e)	(e) a description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers.	Table EU LRA: Free format text boxes for disclosure on qualitative items.
Article 451(2)	Public development credit institutions as defined in Article 429a(2) shall disclose the leverage ratio without the adjustment to the total exposure measure determined in accordance with point (d) of the first subparagraph of Article 429a(1).	Not applicable. This would impact the following table if it were applicable to HPIB: Template EU LR2 - LRCom: Leverage ratio common disclosure.

Article 451(3)	In addition to points (a) and (b) of paragraph 1 of this Article, large institutions shall disclose the leverage ratio and the breakdown of the total exposure measure referred to in Article 429(4) based on averages calculated in accordance with the implementing act referred to in Article 430(7).	Annual (for rows 28 to 31a), Semi annual (for rows up to row 28) - Template EU LR2 - LRCom: Leverage ratio common disclosure.
Article 451a	**Article 451a Disclosure of liquidity requirements**	
Article 451a(1)	Institutions that are subject to Part Six shall disclose information on their liquidity coverage ratio, net stable funding ratio and liquidity risk management in accordance with this Article.	See below for applicable disclosure requirements.
Article 451a(2)	Institutions shall disclose the following information in relation to their liquidity coverage ratio as calculated in accordance with the delegated act referred to in Article 460(1):	Template EU LIQ1 - Quantitative information of LCR, Table EU LIQB on qualitative information on LCR, which complements template EU LIQ1.
Article 451a(2) point (a)	(a) the average or averages, as applicable, of their liquidity coverage ratio based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period;	Template EU LIQ1 - Quantitative information of LCR, Table EU LIQB on qualitative information on LCR, which complements template EU LIQ1.
Article 451a(2) point (b)	(b) the average or averages, as applicable, of total liquid assets, after applying the relevant haircuts, included in the liquidity buffer pursuant to the delegated act referred to in Article 460(1), based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period, and a description of the composition of that liquidity buffer;	Template EU LIQ1 - Quantitative information of LCR, Table EU LIQB on qualitative information on LCR, which complements template EU LIQ1.
Article 451a(2) point (c)	(c) the averages of their liquidity outflows, inflows and net liquidity outflows as calculated in accordance with the delegated act referred to in Article 460(1), based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period and the description of their composition.	Template EU LIQ1 - Quantitative information of LCR, Table EU LIQB on qualitative information on LCR, which complements template EU LIQ1.
Article 451a(3)	Institutions shall disclose the following information in relation to their net stable funding ratio as calculated in accordance with Title IV of Part Six:	Template EU LIQ2 - Net Stable Funding Ratio.
Article 451a(3)(a)	(a) quarter-end figures of their net stable funding ratio calculated in accordance with Chapter 2 of Title IV of Part Six for each quarter of the relevant disclosure period;	Template EU LIQ2 - Net Stable Funding Ratio.
Article 451a(3)(b)	(b) an overview of the amount of available stable funding calculated in accordance with Chapter 3 of Title IV of Part Six;	Template EU LIQ2 - Net Stable Funding Ratio.
Article 451a(3)(c)	(c) an overview of the amount of required stable funding calculated in accordance with Chapter 4 of Title IV of Part Six.	Template EU LIQ2 - Net Stable Funding Ratio.
Article 451a(4)	Institutions shall disclose the arrangements, systems, processes and strategies put in place to identify, measure, manage and monitor their liquidity risk in accordance with Article 86 of Directive 2013/36/EU.	Table EU LIQA - Liquidity risk management .
	TITLE III QUALIFYING REQUIREMENTS FOR THE USE OF PARTICULAR INSTRUMENTS OR METHODOLOGIES	
Article 452	**Article 452 Disclosure of the use of the IRB Approach to credit risk**	
Article 452	Institutions calculating the risk-weighted exposure amounts under the IRB Approach to credit risk shall disclose the following information:	Not applicable, HPIB does not use the IRB approach to credit risk
Article 452(a)	(a) the competent authority's permission of the approach or approved transition;	Not applicable
Article 452(b)	(b) for each exposure class referred to in Article 147, the percentage of the total exposure value of each exposure class subject to the Standardised Approach laid down in Chapter 2 of Title II of Part Three or to the IRB Approach laid down in Chapter 3 of Title II of Part Three, as well as the part of each exposure class subject to a roll-out plan; where institutions have received permission to use own LGDs and conversion factors for the calculation of risk-weighted exposure amounts, they shall disclose separately the percentage of the total exposure value of each exposure class subject to that permission;	Not applicable
Article 452(c)	(c) the control mechanisms for rating systems at the different stages of model development, controls and changes, which shall include information on:	Not applicable
Article 452(c)(i)	(i) the relationship between the risk management function and the internal audit function;	Not applicable
Article 452(c)(ii)	(ii) the rating system review;	Not applicable
Article 452(c)(iii)	(iii) the procedure to ensure the independence of the function in charge of reviewing the models from the functions responsible for the development of the models;	Not applicable
Article 452(c)(iv)	(iv) the procedure to ensure the accountability of the functions in charge of developing and reviewing the models;	Not applicable
Article 452(d)	(d) the role of the functions involved in the development, approval and subsequent changes of the credit risk models;	Not applicable
Article 452(e)	(e) the scope and main content of the reporting related to credit risk models;	Not applicable
Article 452(f)	(f) a description of the internal ratings process by exposure class, including the number of key models used with respect to each portfolio and a brief discussion of the main differences between the models within the same portfolio, covering:	Not applicable
Article 452(f)(i)	(i) the definitions, methods and data for estimation and validation of PD, which shall include information on how PDs are estimated for low default portfolios, whether there are regulatory floors and the drivers for differences observed between PD and actual default rates at least for the last three periods;	Not applicable
Article 452(f)(ii)	(ii) where applicable, the definitions, methods and data for estimation and validation of LGD, such as methods to calculate downturn LGD, how LGDs are estimated for low default portfolio and the time lapse between the default event and the closure of the exposure;	Not applicable
Article 452(f)(iii)	(iii) where applicable, the definitions, methods and data for estimation and validation of conversion factors, including assumptions employed in the derivation of those variables;	Not applicable
Article 452(g)	(g) as applicable, the following information in relation to each exposure class referred to in Article 147:	Not applicable
Article 452(g)(i)	(i) their gross on-balance-sheet exposure;	Not applicable
Article 452(g)(ii)	(ii) their off-balance-sheet exposure values prior to the relevant conversion factor;	Not applicable
Article 452(g)(iii)	(iii) their exposure after applying the relevant conversion factor and credit risk mitigation;	Not applicable

Article 452(g)(iv)	(iv) any model, parameter or input relevant for the understanding of the risk weighting and the resulting risk exposure amounts disclosed across a sufficient number of obligor grades (including default) to allow for a meaningful differentiation of credit risk;	Not applicable
Article 452(g)(v)	(v) separately for those exposure classes in relation to which institutions have received permission to use own LGDs and conversion factors for the calculation of risk-weighted exposure amounts, and for exposures for which the institutions do not use such estimates, the values referred to in points (i) to (iv) subject to that permission;	Not applicable
Article 452(h)	(h) institutions' estimates of PDs against the actual default rate for each exposure class over a longer period, with separate disclosure of the PD range, the external rating equivalent, the weighted average and arithmetic average PD, the number of obligors at the end of the previous year and of the year under review, the number of defaulted obligors, including the new defaulted obligors, and the annual average historical default rate.	Not applicable
Article 452(h)	For the purposes of point (b) of this Article, institutions shall use the exposure value as defined in Article 166.	Not applicable
Article 453	**Article 453 Disclosure of the use of credit risk mitigation techniques**	
Article 453	Institutions using credit risk mitigation techniques shall disclose the following information:	See below for applicable disclosure requirements.
Article 453(a)	(a) the core features of the policies and processes for on- and off-balance-sheet netting and an indication of the extent to which institutions make use of balance sheet netting;	Table EU CRC – Qualitative disclosure requirements related to CRM techniques.
Article 453(b)	(b) the core features of the policies and processes for eligible collateral evaluation and management;	Table EU CRC – Qualitative disclosure requirements related to CRM techniques.
Article 453(c)	(c) a description of the main types of collateral taken by the institution to mitigate credit risk;	Table EU CRC – Qualitative disclosure requirements related to CRM techniques.
Article 453(d)	(d) for guarantees and credit derivatives used as credit protection, the main types of guarantor and credit derivative counterparty and their creditworthiness used for the purpose of reducing capital requirements, excluding those used as part of synthetic securitisation structures;	Table EU CRC – Qualitative disclosure requirements related to CRM techniques.
Article 453(e)	(e) information about market or credit risk concentrations within the credit risk mitigation taken;	Table EU CRC – Qualitative disclosure requirements related to CRM techniques.
Article 453(f)	(f) for institutions calculating risk-weighted exposure amounts under the Standardised Approach or the IRB Approach, the total exposure value not covered by any eligible credit protection and the total exposure value covered by eligible credit protection after applying volatility adjustments; the disclosure set out in this point shall be made separately for loans and debt securities and including a breakdown of defaulted exposures;	Template EU CR3 - CRM techniques overview: Disclosure of the use of credit risk mitigation techniques.
Article 453(g)	(g) the corresponding conversion factor and the credit risk mitigation associated with the exposure and the incidence of credit risk mitigation techniques with and without substitution effect;	Template EU CR4 – standardised approach - Credit risk exposure and CRM effects, Not applicable - Template EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques.
Article 453(h)	(h) for institutions calculating risk-weighted exposure amounts under the Standardised Approach, the on- and off-balance-sheet exposure value by exposure class before and after the application of conversion factors and any associated credit risk mitigation;	Template EU CR4 – standardised approach - Credit risk exposure and CRM effects.
Article 453(i)	(i) for institutions calculating risk-weighted exposure amounts under the Standardised Approach, the risk- weighted exposure amount and the ratio between that risk-weighted exposure amount and the exposure value after applying the corresponding conversion factor and the credit risk mitigation associated with the exposure; the disclosure set out in this point shall be made separately for each exposure class;	Template EU CR4 – standardised approach - Credit risk exposure and CRM effects.
Article 453(j)	(j) for institutions calculating risk-weighted exposure amounts under the IRB Approach, the risk-weighted exposure amount before and after recognition of the credit risk mitigation impact of credit derivatives; where institutions have received permission to use own LGDs and conversion factors for the calculation of risk- weighted exposure amounts, they shall make the disclosure set out in this point separately for the exposure classes subject to that permission.	Not applicable - Template EU CR7 – IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques.
Article 454	**Article 454 Disclosure of the use of the Advanced Measurement Approaches to operational risk**	**Not applicable. All operational risk is treated under standardised approach.**
Article 454	The institutions using the Advanced Measurement Approaches set out in Articles 321 to 324 for the calculation of their own funds requirements for operational risk shall disclose a description of their use of insurance and other risk-transfer mechanisms for the purpose of mitigating that risk.	Not applicable. All operational risk is treated under standardised approach.
Article 455	**Article 455 Use of internal market risk models**	**Not applicable. All market risk is treated under standardised approach.**
Article 455	Institutions calculating their capital requirements in accordance with Article 363 shall disclose the following information:	Not applicable. All market risk is treated under standardised approach.
Article 455(a)	(a) for each sub-portfolio covered:	Not Applicable. Annual Template EU MRB Qualitative disclosure requirements for institutions using the internal Market Risk Models. All market risk is treated under standardised approach
Article 455(a)(i)	(i) the characteristics of the models used;	Not applicable. All market risk is treated under standardised approach.
Article 455(a)(ii)	(ii) where applicable, for the internal models for incremental default and migration risk and for correlation trading, the methodologies used and the risks measured through the use of an internal model including a description of the approach used by the institution to determine liquidity horizons, the methodologies used to achieve a capital assessment that is consistent with the required soundness standard and the approaches used in the validation of the model;	Not applicable. All market risk is treated under standardised approach.
Article 455(a)(iii)	(iii) a description of stress testing applied to the sub-portfolio;	Not applicable. All market risk is treated under standardised approach.
Article 455(a)(iv)	(iv) a description of the approaches used for back-testing and validating the accuracy and consistency of the internal models and modelling processes;	Not applicable. All market risk is treated under standardised approach.
Article 455(b)	(b) the scope of permission by the competent authority;	Not Applicable. Template EU MRB Qualitative disclosure requirements for institutions using the internal Market Risk Models. All market risk is treated under standardised approach
Article 455(c)	(c) a description of the extent and methodologies for compliance with the requirements set out in Articles 104 and 105;	Not Applicable. Template EU MRB Qualitative disclosure requirements for institutions using the internal Market Risk Models. All market risk is treated under standardised approach

Article 455(d)	(d) the highest, the lowest and the mean of the following:	Not applicable. Template EU MR3 IMA values for trading portfolios. All market risk is treated under standardised approach.
Article 455(d)(i)	(i) the daily value-at-risk measures over the reporting period and at the end of the reporting period;	Not applicable. All market risk is treated under standardised approach.
Article 455(d)(ii)	(ii) the stressed value-at-risk measures over the reporting period and at the end of the reporting period;	Not applicable. All market risk is treated under standardised approach.
Article 455(d)(iii)	(iii) the risk numbers for incremental default and migration risk and for the specific risk of the correlation trading portfolio over the reporting period and at the end of the reporting period;	Not applicable. All market risk is treated under standardised approach.
Article 455(e)	(e) the elements of the own funds requirement as specified in Article 364;	Not applicable. Template EU MR2–A Market risk under the Internal Model Approach (IMA). All market risk is treated under standardised approach.
Article 455(f)	(f) the weighted average liquidity horizon for each sub-portfolio covered by the internal models for incremental default and migration risk and for correlation trading;	Not Applicable. EU MRB Qualitative disclosure requirements for institutions using the internal Market Risk Models. All market risk is treated under standardised approach
Article 455(g)	(g) a comparison of the daily end-of-day value-at-risk measures to the one-day changes of the portfolio's value by the end of the subsequent business day together with an analysis of any important overshooting during the reporting period.	Not applicable. Template EU MR4 Comparison of VaR estimates with gains/losses. All market risk is treated under standardised approach.
CRR 468	**Temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income in view of the COVID-19 pandemic**	**Not applicable. HPIB prepares its annual financial statements using National GAAP FRS102 not IFRS9. Table IFRS 9/Article 468-FL: Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs, and with and without the application of the temporary treatment in accordance with Article 468 of the CRR.**
CRR 473		
CRR 473a (8)	Introduction to IFRS 9	Not applicable. HPIB prepares its annual financial statements using National GAAP FRS102 not IFRS9. Table IFRS 9/Article 468-FL: Comparison of institutions' own funds and capital and leverage ratios with and without the application of transitional arrangements for IFRS 9 or analogous ECLs, and with and without the application of the
CRR 500	**Adjustment for massive disposals**	
CRR 500b (2)	Temporary exclusion of certain exposures to central banks from the total exposure measure in view of the COVID-19 pandemic	HPFSH does not exclude exposures to its central bank from its total exposure measure in Leverage ratio.