Transparency and Disclosure Report 2021

Pillar III Report

Adyen N.V.

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Concise risk statement

The Adyen DNA

We are a technology company redefining payments. We work together with over 2,180 people spread across 27 offices around the world. To us, "winning is more important than ego" – we value people for their skills and what they bring to the company, not for their titles. We work with cross-functional teams and empower them to make their own decisions. We call these workstreams. We think function beats form, and our effort toward our goal of helping our merchants grow is singular.

Description of Business Activities

The Adyen platform integrates the full payments stack (gateway, risk management, processing and acquiring) with a common back-end infrastructure for authorizing payments across its merchants' sales channels as well as offering feature-rich APIs. This integrated platform allows for the delivery of products and services on a global scale with local capabilities, directly connecting merchants to Visa, Mastercard and many other payment methods, and across sales channels, including its merchants' online, mobile and POS channels, while providing a high level of reliability, security, performance and data insights. During 2021 Adyen maintained consolidation in the many payment processing options, and with the roll out of Sales Day Payout and introduction of new products such as Adyen Issuing, it keeps searching for ways to improve services provided to its merchants.

Risk management

Adyen recognizes that there are risks associated with achieving its strategy and business objectives. Managing these risks[1] is an essential part of doing business. Adyen has adopted a uniform and systematic company-wide approach for managing risks. Adyen's integral risk management framework is based on the Enterprise Risk Management (ERM) model as issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2017.

Capital

In Pillar I, Adyen applies the standardized approaches to determine how much capital it is required to hold for credit and market and applies the Basic Indicator Approach for operational risk. Resulting from Adyen's business model, operational risk is the largest risk category. The total risk exposure amount at 31 December 2021 was EUR 2.6 billion.

Upon approval from DNB on 17 March 2022 Adyen has included its 2021 net profit to CET1 capital, resulting in a total of EUR 1,676 million at 31 December 2021, with a CET1 capital ratio of 64.4% (2020: 43.5%). The increase in CET1 over 2021 is mostly attributable to the overall inclusion of the 2021 net result. A secondary effect originates from the share premium increase due to the exercise of a warrant linked to tranche 1 of a long-term merchant contract.

Leverage

Adyen's leverage ratio is 29.4%, which is above the requirement of 3%.

Liquidity Coverage Ratio (LCR)

The Liquidity Coverage Ratio of Adyen was 5,746% at the end of 2021, well above the regulatory threshold of 100%.

Net Stable Funding Ratio (NSFR)

As of 28 June 2021, a binding Net Stable Funding Ratio requirement of 100% was introduced. At year-end 2021 Adyen's NSFR is 284%, well above the regulatory threshold.

Declaration of the Management Board

The Management Board of Adyen declares that the risk management arrangements of Adyen are adequate with regards to Adyen's risk profile and strategy. The development of Adyen's risk profile is in line with the risk tolerances set by the Management Board.

1 Art. 435(1)(e)(f) CRR.

Introduction

This document presents the consolidated Transparency and Disclosure Report 2021 (Pillar III report) of Adyen N.V. (Adyen) as per 31 December 2021.[2]

As a 'less significant institution'[3] based in the European Union, Adyen operates under the Capital Requirements Directive IV (CRD IV) and Capital Requirements Regulation (CRR), including the recent amendments to this framework as documented in CRR II[4] and CRD V[5]. This framework is based on a three-pillars concept:

- Pillar I – Minimum capital requirements
- Pillar II – Supervisory review
- Pillar III – Market disclosures

In Pillar I, the capital requirements are calculated on the basis of standard components of three categories of risk that an institution faces: credit risk, market risk and operational risk. These capital requirements need to be covered by sufficient own funds. Adyen uses the standardized approach for credit and market risk categories, and the Basic Indicator Approach for operational risk to determine its minimum regulatory capital requirements.

In Pillar II, the supervisor reviews the viability of Adyen and its ability to meet the reporting requirements. This Supervisory Review and Evaluation Process (SREP) comprises four components:

- Business Model Assessment (BMA)
- Internal governance and institution-wide control assessment
- Internal Capital Adequacy Assessment Process (ICAAP)
- Internal Liquidity Adequacy Assessment Process (ILAAP)

As Pillar II inherently implies supervisory judgment, it is a more principle based standard that addresses institution-specific risks and details capitalization against these risks. The capital requirements from Pillar II should be proportionate to the risk profile of Adyen, and as such also reflect the volatility to risks under adverse and changing business conditions.

The Pillar III disclosure framework seeks to promote market discipline through regulatory disclosure requirements. Pursuant to Part Eight of the CRR, Adyen is required to publicly disclose information regarding, amongst others, its risk profile, risk management and capital adequacy. Adyen discloses this information by means of this Pillar III report. The Pillar III disclosures have a reference date of 31 December 2021.

The content of this Pillar III report meets all the requirements laid down in CRR and corresponding delegated regulations and guidelines. This report has not been audited by Adyen's external auditor.

Scope of consolidation

As an EU parent institution, Adyen N.V. is required to publish a consolidated Pillar III report. Adyen reports its prudential requirements both on a consolidated as well as on a stand-alone basis. Its subsidiaries are only included in its consolidated reporting. Adyen's prudential scope of consolidation does not deviate from its IFRS scope of consolidation. Adyen N.V. is a licensed Credit Institution by De Nederlandsche Bank (the Dutch Central Bank) and registered in the Netherlands under company number 34259528. The Credit Institution license includes the ability to provide cross-border services in the EEA. Adyen N.V. directly or indirectly owns 100% of the shares of, and therefore controls all entities included in the consolidated financial statements. This means all branches and subsidiaries are fully consolidated.

Adyen has operations in the Netherlands, Brazil, Singapore, UK, Canada, Australia, South Korea, Hong Kong, Mexico, China, New Zealand, Malaysia, India, Japan, the United Arab Emirates and the United States, with branches in Germany, France, and Sweden and representative offices in Belgium, Poland, Italy, and Spain. The address of the Adyen N.V. registered office is Simon Carmiggeltstraat 6 -50, 5th floor, 1011DJ Amsterdam, the Netherlands. Table 1 and 2 provide an overview of all branches of Adyen N.V. and subsidiaries of Adyen International B.V.[6]

2 Art. 436(a) CRR.
3 Art. 441 CRR.
4 Regulation (EU) No 876/2019 ('CRR II')
5 Amended Directive 2013/36/EU
6 Art. 436(b) CRR.

Name	Legal seat
Adyen N.V. - Subsidiaries	
Adyen International B.V.	Amsterdam, The Netherlands
Adyen Inc.	San Francisco, CA, USA
Adyen N.V. - Branches	
Adyen N.V., German branch	Berlin, Germany
Adyen France	Paris, France
Adyen Nordic Bank Fillial	Stockholm, Sweden
Adyen N.V. – San Francisco Branch	San Francisco, CA, USA
Adyen N.V. – Representative offices	
Adyen N.V., Belgian Representative Office	Brussels, Belgium
Adyen N.V., Italian Representative Office	Rome, Italy
Adyen N.V., Spain Representative Office	Madrid, Spain
Adyen N.V., Polish Representative Office	Warsaw, Poland

Table 1: Adyen N.V. 's branches and direct subsidiaries with their corresponding legal seat

Adyen International B.V. - Subsidiaries

Name	Legal seat	Direct and indirect ownership percentage
Adyen Services Inc.	Dover, DE, USA	100%
Adyen Nevada Inc.	Las Vegas, NV, USA	100%
Adyen do Brasil Ltda	São Paulo, Brazil	100%
Adyen Singapore PTE. LTD.	Singapore, Singapore	100%
Adyen UK Limited	London, United Kingdom	100%
Adyen Hong Kong Limited	Hong Kong, Hong Kong SAR	100%
Adyen Australia PTY Limited	Sydney, Australia	100%
Adyen Canada Ltd.	Saint John, Canada	100%
Adyen Korea Chusik Hoesa	Seoul, Republic of Korea	100%
Adyen Mexico, S.A. de C.V.	Mexico City, Mexico	100%
Adyen (China) Software Technology Co. Ltd.	Shanghai, China	100%
Adyen New Zealand Ltd.	Auckland, New Zealand	100%
Adyen Malaysia Sdn. Bhd	Kuala Lumpur, Malaysia	100%
Adyen GmbH	Berlin, Germany	100%
Adyen India Technology Services Private Limited	New Delhi, India	100%
Adyen Japan K.K.	Tokyo, Japan	100%
Adyen Middle East Limited	Dubai, United Arab Emirates	100%

Table 1: Adyen International B.V.'s direct subsidiaries, their legal seat and ownership percentage

Revised Pillar III disclosure framework

The Basel Committee on Banking Supervision (BCBS) announced in 2014 its aim to revise and consolidate the Pillar III disclosure requirements, and as such bundle the previously scattered instructions in an "all-inclusive Implementing Technical Standard". This started as a two-phase program but was extended with a third phase in 2017 to include disclosure requirements arising from the ongoing finalization of the Basel III reforms. The previously existing Pillar III disclosure requirements are superseded.

In order to be legally binding, the Revised Pillar III Framework templates need to be transposed into EU requirements. Article 434a CRR mandates the EBA to develop disclosure templates and instructions for disclosure requirements under Titles II and III of Part Eight CRR. Comprehensive Implementing Technical Standards on disclosure were developed as a result as per ITS 2021/637. This ITS includes most new disclosure requirements per updated CRR, with the most notable exception being related to Environmental, Social and Governance risk prudential disclosures, which will become effective from June 2022.

In table 3, Adyen's disclosures within this Pillar III report are linked to the respective provisions of Part Eight of the CRR. It also references the relevant (fixed format) disclosure templates for Adyen as per the ITS. Adyen has chosen to address most relevant flexible format templates in the report text itself. This text can be found in the referenced section's pages in table 3. Note that not all ITS templates are relevant to Adyen as a result of our business model.

Article	**Subject**	**Reference**	**Page**	**Annexes** (EBA disclosure templates)
Article 435	Risk management objectives and policies	Concise risk statement Risk management framework and strategy	p. 4 p. 9-14	
Article 436	Scope of application	Scope of consolidation	p. 5	EU LI1 EU LI2 EU LI3
Article 437	Own funds	Capital	p. 15	EU CC1 EU CCA
Article 437a	Own funds and eligible liabilities	Not applicable		
Article 438	Own funds and RWA	Capital requirements Internal capital adequacy assessment process	p. 15-19 p. 22	EU OV1
Article 439	Exposure to counterparty credit risk	Not applicable		
Article 440	Countercyclical capital buffers	Capital buffers	p. 20	EU CCyB1 EU CCyB2
Article 441	Indicators of global systemic importance	Not applicable		
Article 442	Credit risk adjustments and credit risk quality	Credit risk adjustments	p. 16-17	EU CR1 EU CR1-A EU CQ3 EU CQ4 EU CQ5
Article 443	Asset encumbrance	Asset encumbrance	p. 20	EU AE1 EU AE2 EU AE3

Article 444	Use of ECAI's for credit risk standardized approach	Use of External Credit Assessment Institutions	p. 17	
Article 445	Exposure to market risk	Market risk	p. 18	EU MR1
Article 446	Operational risk	Operational risk	p. 19-20	EU OR1
Article 447	Disclosure of key metrics	Disclosure of key metrics	p. 4 p. 15-21	EU KM1
Article 448	Disclosure of exposures to interest rate risk on positions not held in the trading book	Interest rate risk in the banking book	p. 20	
Article 449	Exposure to securitization positions	Not applicable		
Article 449a	ESG Risks	Not yet applicable		
Article 450	Remuneration policy	Remuneration policy	p. 23-24	EU REM1 EU REM4 EU REM5
Article 451	Leverage	Leverage	p. 20	EU LR1 EU LR2 EU LR3
Article 451a	Liquidity Funding	LCR NSFR	p.20-21	EU LIQ1 EU LIQ2
Article 452	Use of the IRB approach to credit risk	Not applicable		
Article 453	Use of credit risk mitigation techniques	Credit risk mitigation	p. 16	EU CR3 EU CR4 EU CR5
Article 454	Use of the advanced measurement approaches to operational risk	Not applicable		
Article 455	Use of internal market risk models	Not applicable		

Table 2: Mapping of applicable CRR Articles and disclosure templates to this document

Risk management framework and strategy

Adyen recognizes that risks are associated with achieving its strategy and business objectives. Managing these risks is an essential part of doing business. This chapter describes Adyen's uniform and systematic company-wide approach for managing risks. In addition, it lays down Adyen's risk governance, which sets the tone for, reinforces the importance of, and establishes oversight responsibilities for risk management.

Risk management objectives and policies

Adyen's integral risk management framework[7] is based on the Enterprise Risk Management (ERM) model as issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO) in 2017. The integral risk management framework structures the risk management activities within Adyen with a view of identifying, assessing, managing, monitoring and reporting risks in a uniform manner.

Three lines model

In line with the European Banking Authority (EBA) Guidelines on Internal Governance, Adyen has adopted the three lines model, which reflects the segregation between operations (first line management), the risk management and compliance functions (second line), and the independent internal audit function (third line). The first line management designs, implements, executes and monitors the control activities to manage performance and the risks taken to achieve Adyen's objectives. The second line risk and compliance functions provide guidance on risk management requirements, and independently evaluate adherence to defined standards. The third line internal audit function provides independent assurance on the effectiveness of risk management, including control activities, by performing audits. The head of internal audit reports directly to the chairman of the Audit Committee, which provides an indirect line of reporting to the CEO. Adyen follows the EBA guidelines on internal governance and has implemented structural measures and controls to realize the appropriate authority, independence and statute of its risk management functions.

During 2021, the second and third-line functions have continued to add resources in line with the overall growth of the organization as well as the broadening of its services offering and corresponding risk profile.

Strategy and objective setting

Risk management, strategy and objective-setting work together in the strategic planning process. Operational objectives put strategy into practice while serving as a basis for identifying, assessing, and responding to risk. Adyen's risk appetite is established and aligned with its strategy.

Risk appetite

Adyen has translated its view on all of its main risks into risk appetite statements. Risk appetite is the amount of risk Adyen is willing to accept in pursuit of its objectives. It defines the level of risk at which appropriate actions are needed to reduce risk to an acceptable level. Risk appetite is therefore not static, nor are the risk types for which internal risk limits and risk statements are set.

The risk appetite statements for 2021 were approved by the Management Board and Supervisory Board. Adyen's overall risk appetite is best reflected in the fact that it wants to build an ethical and sustainable business, whilst being risk aware and not unduly risk averse. Adyen accepts that in order to achieve its strategic objectives it may consume some amounts of capital investing in new assets, people and processes. In pursuance of its strategic objectives Adyen furthermore values a solid financial and capital outlook. Both capital and leverage should therefore be at a comfortable level above the regulatory requirements.

Risk assessment and control activities

Adyen performs a top-down company-wide risk assessment on an annual basis or in more frequent intervals, which includes the identification of key risks that could potentially affect its strategy and business objectives. The purpose hereof is to assess how big the risks are, both individually and collectively, in order to focus attention on the most important threats and opportunities. Based on EBA guidelines, the key risks are categorized as follows:

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7 Art. 435(1) CRR.

- Strategic and business risk
- Operational risk (including technology and integrity risks)
- Financial risk (including credit risk, market risk, liquidity and funding risk)

For a more detailed description of the key risks as identified and assessed by Adyen, refer to the Section "Risk Factors" within the Annual Report 2021. During the year Adyen also undertakes a multitude of specific, local and/or focused risk analyses and assessments that complement the company-wide risk assessments. An example of a focused risk analysis is the systematic integrity risk analysis (SIRA) which is performed at least annually.

Adyen has established a control environment that provides an appropriate foundation for achieving the company's objectives and effectively mitigating risks. Control activities are the policies and procedures that help ensure risks are mitigated and Adyen's objectives are achieved. Adyen uses COSO's internal control model as a reference for its design, implementation and evaluation of control activities as part of a system of internal control.

Adyen has established a resilience framework, in which Adyen plans and organizes for its course of business under various operational and financial conditions. This is how topics such as operational business continuity management and financial recovery are addressed. The resilience framework contains a number of focused contingency plans, such that these provide easily accessible and practical guidance when needed. During the COVID-19 pandemic, the business continuity protocols allowed employees to continue their day-to-day activities while adjusting to the new normal. Adyen's staff was fully equipped to work remotely, and has been doing so without impact on Adyen's ability to process payments. The business continuity response and recovery plans have been updated in 2021 with, amongst others, the lessons learned from the COVID-19 lockdowns.

Review and revision

By reviewing its performance, Adyen evaluates how well the risk management components are functioning over time. The Risk Committee plays a key role in supporting the Management Board with overseeing the effectiveness of Adyen's risk management. It carries out this role by monitoring Adyen's risk profile against the risk appetite, which is an ongoing and iterative process supported by the risk management function. A framework of risk limits and early warning indicators supports this process. Any material risk limit breach that places Adyen at risk of exceeding its risk appetite and, in particular, of putting at risk Adyen's financial health, is escalated promptly to the Management Board. Combinations of ongoing and separate evaluations are used to determine if the components of internal control are present and functioning effectively. The ongoing evaluations are built into Adyen's business processes and provide timely information. The separate evaluations, including independent management testing, are conducted periodically and may vary in scope and frequency depending on the risks and effectiveness of these ongoing evaluations. Any identified deficiencies are discussed within the Risk Committee and reported to the Management Board along with relevant findings, recommendations and remediation plans.[8]

Governance arrangements

Adyen's governance sets the tone, reinforces the importance of, and establishes oversight responsibilities for risk management. Adyen has established a governance which is consistent with the size, complexity and risk profile of the company. The risk governance structure is consistent for all risks relevant to Adyen, with specialist committees supporting the Management Board. The Compliance Committee monitors Adyen's integrity risks, the Disclosure Committee is responsible for reviewing Adyen's financial information for compliance with legal and regulatory requirements prior to publication, the Merchant Risk Committee monitors the financial risks related to merchants and the Risk Committee monitors all risk categories. The second line risk management function for (non-) financial risks (including market, credit and operational risk) is fulfilled by the Corporate Risk team.

Adyen's governance[9] is reflected in internal rules and regulations, including the Articles of Association (*Statuten*), the Management Board By-Laws, the Supervisory Board By-Laws and the Terms of reference of our Supervisory Board committees.

Figure 1 below outlines Adyen's organizational structure and relation between the Supervisory Board and its committees, the Management Board and the rest of the company.

8 Art. 435(2)(e) CRR.
9 Art. 435(2) CRR.

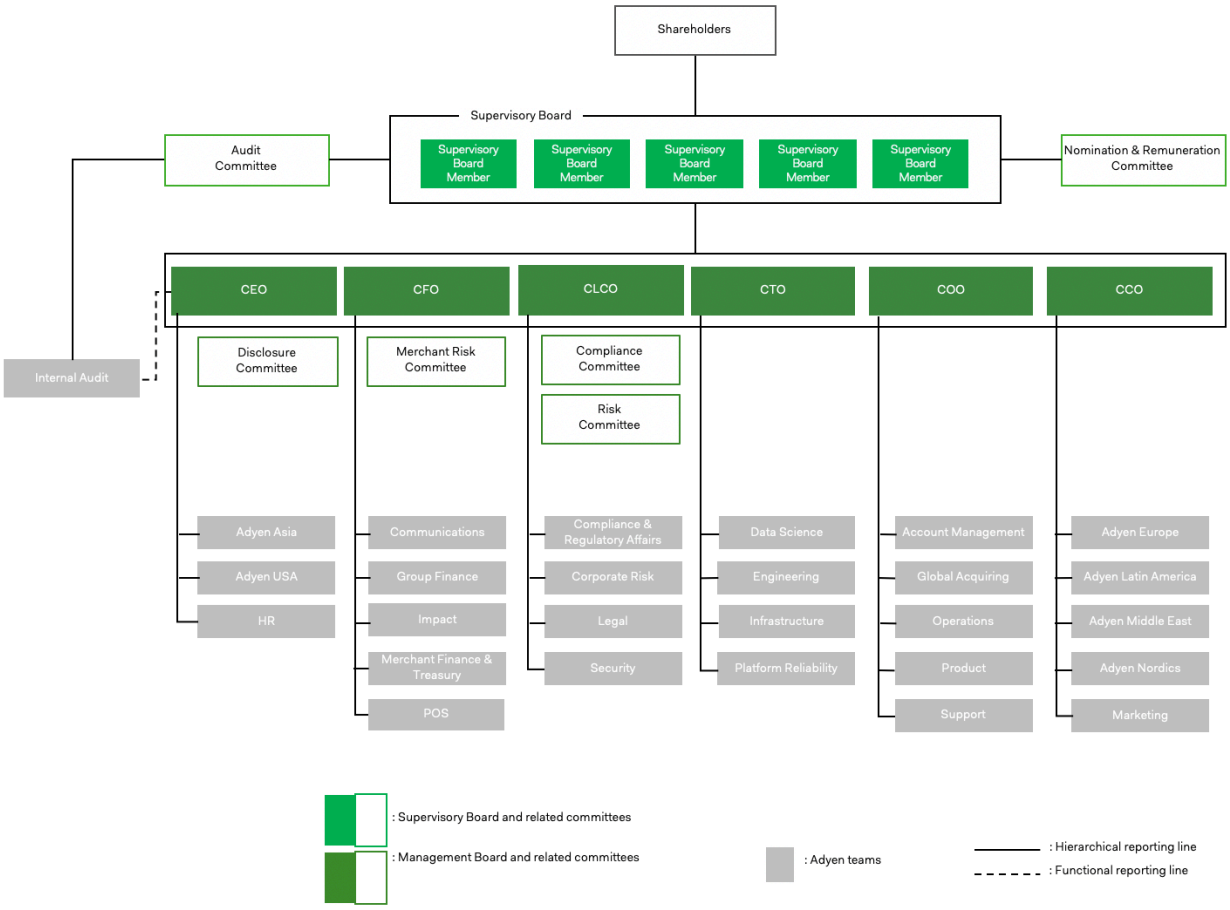

Figure 1: Adyen's organizational structure

Board composition and directorships

Adyen maintains a two-tier board structure consisting of a Management Board and a Supervisory Board. The Management Board is responsible for the day-to-day management, which includes, among other things, formulating Adyen's strategy and policies and setting and achieving Adyen's objectives. The Supervisory Board supervises and advises the Management Board. Each board is accountable to the General Meeting for the performance of its duties.

Management Board

Per April 1,2021 Mariëtte Swart also heads up both Security and Corporate Risk in her position as Chief Legal and Compliance Officer (CLCO), following Management Board approval. Until this date, Ingo Uytdehaage (CFO) had assumed the responsibilities for risk management, while Mariëtte Swart had assumed the responsibilities for security. Arnout Schuijff stepped down as Chief Technology Officer (CTO) as per January 1, 2021. Alexander Matthey has taken over the position of CTO after approval of shareholders during the Extraordinary General Meeting held on February 12, 2021.

In performing their duties, the Managing Directors are required to be guided by the best interests of Adyen and the business connected thereto, taking into consideration the interests of Adyen's stakeholders. This is documented in Adyen's Conflict of Interest Policy.

Adyen's Management Board is composed of the following six members:

Pieter van der Does is the CEO of Adyen and has been a member of the Management Board since 2007. He spent over 15 years working in the payments industry. Before co-founding Adyen in 2006, Pieter van der Does was CCO at Bibit (a pioneering international payment service provider, acquired by the Royal Bank of Scotland in 2004). Pieter also serves as a Supervisory Board member of Écart Invest B.V.

Roelant Prins is the CCO of Adyen and has been a member of the Management Board since 2009. Roelant Prins is responsible for the commercial activities of Adyen. After starting his career as a consultant, he moved to the online

payments industry early 2000. Throughout the years, Roelant has held various international management roles in sales and business development for companies providing payment solutions to international e-commerce businesses.

Ingo Uytdehaage is the CFO of Adyen and has been a member of the Management Board since 2011. He has earned his MBA in accounting and finance from Maastricht University and studied supply chain management and organizational behavior at the Aarhus Business School in Denmark. Additionally, Ingo Uytdehaage obtained his CPA at the Vrije Universiteit in Amsterdam. Prior to joining Adyen, Ingo was a Finance Director at KPN. Currently, he also serves as non-executive director on the board of Wise PLC.

Kamran Zaki was appointed as the COO of Adyen and a member of the Management Board per January 1, 2020. Kamran Zaki is responsible for the operations to customers that make use of Adyen's platform. Previously, Kamran was the President of Adyen North America since 2014, and in this capacity, he oversaw all North American operations, including sales, marketing, product development and customer support. Prior to Adyen, Kamran was the Head of Global Payments at Netflix where he helped expanding the Netflix streaming service. Previously, he spent seven years at PayPal. During his tenure there, he headed up payments teams across Europe, North America and Emerging Markets (i.e. LatAm, Middle East and Africa).

Mariëtte Swart was appointed as the CLCO of Adyen and a member of the Management Board per January 1, 2020. Before joining the board, Mariëtte Swart served as Adyen's General Counsel and Company Secretary since 2015. She has built the legal team from the ground up, ensuring that the legal function effectively supports the business at a strategic and operational level. Prior to Adyen, Mariëtte worked at an international law firm where she gained a vast experience in global financial services, helping companies with products in payments, debt and equity solutions, M&A and financial markets.

Alexander Matthey is the CTO of Adyen and has been appointed as a member of the Management Board as of 1 January 2021. Prior Alexander Matthey has been fulfilling the position of EVP Technology at Adyen, leading multiple technical teams. In this capacity, as well as his position in the engineering leadership team, he gained knowledge in scaling and building teams. Before joining Adyen in 2015, Alexander was Vice-President and CTO of Glossybox, where he gained experience in managing and leading the technology department.

Name	Year of birth	Nationality	Gender	Position	Member since	Term
Pieter van der Does	1969	NL	Male	CEO	July 6, 2007	June 2022
Roelant Prins	1975	NL	Male	CCO	September 9, 2009	June 2022
Ingo Uytdehaage	1973	NL	Male	CFO	June 1, 2011	June 2025
Kamran Zaki	1973	US	Male	COO	January 1, 2020	January 2024
Mariëtte Swart	1980	NL	Female	CLCO	January 1, 2020	January 2024
Alexander Matthey	1981	DE	Male	CTO	February 12, 2021	February 2025

Table 3: Composition of the Management Board

Supervisory Board

The Supervisory Board supervises the conduct and policies of the Management Board and the general course of affairs of Adyen and its business. The Supervisory Board also provides advice to the Management Board. In performing their duties, the members of the Supervisory Board are required to be guided by the interests of Adyen which includes the interests of the business connected to it. These interests are driven by Adyen's focus on long-term value creation and the way in which this is implemented in Adyen's strategy and culture.

Throughout the year, four Supervisory Directors — Piero Overmars (Chair), Delfin Rueda, Pamela Joseph and Caoimhe Keogan— were considered to be independent from the company. One Supervisory Board Director, Joep van Beurden, has acted as an advisor to Adyen in the years preceding his appointment in 2017, and is therefore considered not to be independent. The Supervisory Board is, as a body, independent.

Adyen's Supervisory Board is composed of the following five members.

Piero Overmars serves as a member of the Management Board of Stichting Continuiteit PostNL and as a member of the Supervisory Board of Dura Vermeer Group N.V. and Dutch Organic International Trade B.V. Previously, he served as a member of the Management Board of Randstad Beheer B.V. and was Chairman of the Supervisory Boards of Nutreco and SNS Reaal, and member of the Supervisory Board of Amsterdam UMC. He also served as President of the Nyenrode Foundation, following an extensive career at ABN Amro that culminated in a Board Member position. Piero Overmars holds an MBA from Nyenrode Business University.

Delfin Rueda Arroyo serves as CFO and Vice-Chair of the Executive Board and Management Board of NN Group, and is a member of the Supervisory Board of Allfunds Bank S.A.U. and Allfunds Group plc. Previously, he was CFO and member of the Management Board of ING Insurance, following an extensive career at Andersen Consulting, UBS, JP Morgan and Atradius. Delfin Rueda Arroyo holds a master degree in Economic Analysis and Quantitative Economics from the Complutense University of Madrid (Spain). He also holds an MBA from the Wharton School, University of Pennsylvania (USA).

Joep van Beurden is CEO and member of the Executive Board of Kendrion and member of the Supervisory Board of the Twente University of Technology (the Netherlands). In addition to these positions, Joep serves as a member of the Advisory Board of PlantLab. Previously, he served as CEO of CSR Plc. (UK) and NexWave Inc. (France), following a career at Royal Dutch Shell, McKinsey, Philips and Canesta Inc. Joep van Beurden holds a degree in Applied Physics from Twente University of Technology.

Pamela Joseph is CEO and member of the Management Board of Clearent, holds a position as Chair of the Board of Directors of TransUnion and is a non-executive member in the Board of Directors of Paychex. In addition to these positions, Pamela serves as Operating Partner at Advent International. Previously, she served U.S. Bank corp. Payment Services as a Vice-Chairman, and prior to that Elavon as President and COO. She started her career at Wells Fargo Bank and VISA International. She holds a degree in Business Administration from the University of Illinois (USA).

Caoimhe Keogan serves as CPO (Chief People Officer) for Aveva Group plc. Previously, she served as Chief People Officer for Moneysupermarket Group plc, and as SVP People, Places & Community at SoundCloud. Prior to these roles, she was Senior HR Business Partner at Google. Caoimhe Keogan holds a degree in Occupational Psychology from Queen's University Belfast (UK).

Board recruitment and diversity policy

The Articles of Association provide that the Management Board shall consist of two or more members and that the Supervisory Board determines the exact number (more than two) of Managing Directors after consultation with the Management Board.

The General Meeting appoints Managing Directors upon a nomination by the Supervisory Board in accordance with the Articles of Association. The Supervisory Board shall make one or more nominations to the General Meeting in case a Managing Director is to be appointed.

In the event that the Supervisory Board has made a nomination, the resolution of the General Meeting to appoint such nominee shall be adopted by an absolute majority of the votes cast. A resolution of the General Meeting to appoint a Managing Director other than in accordance with a nomination of the Supervisory Board, but in accordance with the agenda for such General Meeting, shall require a majority of two thirds of the votes cast representing more than half of the Company's issued share capital. However, the General Meeting may at its discretion appoint a Managing Director other than upon the nomination of the Supervisory Board, provided that a proposal to appoint such other person has been put on the agenda of the relevant General Meeting.

Adyen is a licensed credit institution, which means that any appointment of a Managing Director must be approved by DNB. In connection with its approval procedure, DNB will test the proposed new Managing Director on integrity (*betrouwbaarheid*) and suitability (*geschiktheid*).

The Supervisory Board aims for a balance in its composition with respect to age, experience and affinity with the nature and culture of the business of Adyen in all countries where it is active. Caoimhe Keogan has been appointed as Supervisory Director in the Extraordinary General Meeting which was held on February 12, 2021. Post appointment, the management body is in line with the Company's Inclusion Policy and the Dutch Parliament's adoption of the SER's guideline on Supervisory Board composition.

Risk management committees

The Management Board has instituted committees to support with its risk management oversight: the Compliance Committee, the Disclosure Committee, the Merchant Risk Committee, and the Risk Committee. The Compliance Committee monitors Adyen's integrity and compliance risks, the Disclosure Committee is responsible for reviewing Adyen's financial information for compliance with legal and regulatory requirements prior to publication, the Merchant Risk Committee monitors the merchants' potential liability (MPL) risk and the Risk Committee monitors the overall risk profile.

The Risk Committee and the Compliance Committee report their observations, recommendations and deliberations on findings regarding compliance, risk management and internal control at least quarterly to the Management Board.

The Risk Committee held five meetings during 2021. The Management Board reviews reports from control assessments made on the operating effectiveness of systems and controls, acts on recommendations from the Risk and Compliance Committees and decides on corrective actions. The Management Board reports to the Audit & Risk Committee on the effectiveness of Adyen's risk management and internal control systems during the quarterly Audit & Risk Committee meetings.

Disclosures on Pillar I

Within the CRR and CRD framework, Pillar I lays down the minimum capital requirements for the main components of three major components of risk that a traditional bank faces. These risks are credit, market and operational risk. As at 31 December 2021, Adyen's total risk exposure amount is EUR 2.6 billion. This results in a Pillar I capital requirement of EUR 208.1 million. When including the capital conservation buffer and countercyclical capital buffer, the Pillar 1 capital requirement equals EUR 273.3 million. Adyen's CET1 capital at year-end totals to EUR 1,676 million, including the H2 2021 net result.

Adyen is also subject to leverage and liquidity requirements as well as reporting requirements on asset encumbrance. The following section provides more detail on Adyen's requirements as laid down in Pillar I.

Capital

For regulatory purposes, capital[10] is defined as own funds, which can be subdivided in Common Equity Tier 1 (CET1), Additional Tier 1 and Tier 2. Adyen only holds Common Equity Tier 1 capital.

Common Equity Tier 1 capital comprises IFRS equity, but after considering prescribed prudential filters and deductions. Table 5 provides a reconciliation of Adyen's own funds with Adyen's capital according to the IFRS definition.[11] Annex EU CC1, describes the main features of this Common Equity Tier 1 capital.

	CET1 capital as at December 31, 2021	
IFRS equity	**1,810,414**	
Of which: share premium		335,725
Of which: paid up capital		310
Of which: retained earnings		1,336,922
Of which: other reserves		137,457
Adjustments due to prudential filters and deductions	**(134,604)**	
Intangible assets		(9,841)
DTA that rely on future profitability and do not arise from temporary differences		(99,084)
Warrant reserve		(25,575)
Prudent valuation		(104)
Total Common Equity Tier 1 Capital[12]	**1,675,810**	

Table 5: EU CC2 - Reconciliation between IFRS equity and own funds (in EUR '000)

Prudential filters and deductions

Prudential filters and deductions remove or reduce certain elements from Adyen's own funds that are considered not to be eligible to absorb losses. The amounts related to these prudential filters and deductions are shown in table 6.

Prudential filters

Adyen applies an additional value adjustment due to the requirements for prudent valuation as a prudential filter to its Common Equity Tier 1 capital. Institutions are required to calculate an additional value adjustment in order to adjust the fair value to a prudent value for all assets measured at fair value.[13] The additional value adjustment must be deducted from Common Equity Tier 1 capital. Adyen has two financial instruments on the balance sheet that are measured at fair value, and subject to this additional value adjustment, which are VISA shares and a derivative financial liability from a merchant contract. Part of the derivative financial liability was prospectively de-recognized and the resulting new equity instruments recognized at fair value in equity as warrant reserve. These were the first two

10 Art. 437 CRR.
11 Annex EU CCA contains the relevant rows of the 'Own funds disclosure template' as laid down in ITS (EU) 1423/2013.
12 No restrictions ex. Art. 437(e) CRR were applied to the calculation of own funds.
13 Art. 34 and 105 CRR.

tranches, of which one tranche was exercised during 2021. The remaining tranche is represented by a warrant reserve in equity for the amount of EUR 25.6 million.

Deductions
Adyen also applies the following deductions to its Common Equity Tier 1 capital:

- Intangible assets other than goodwill
- Deferred tax assets that rely on future profitability and do not arise from temporary differences
- Warrant reserve
- Net profit not included in CET1 Capital (not yet eligible profit)

As of December 31, 2021, Adyen's total Common Equity Tier 1 Capital amounted to EUR 1,676 million.

Capital requirements

Adyen applies the standardized approaches to determine its regulatory minimum capital for credit and market and applies the Basic Indicator Approach for operational risk. Resulting from Adyen's business model, capital requirements for operational risk are most substantial.

Credit risk

Credit risk originates from the possibility that a counterparty will not settle the full value of an obligation — neither when it becomes due, nor thereafter. Adyen is and will continue to be subject to the risk of actual or perceived deterioration of the commercial and financial soundness, or perceived soundness, of merchants and other financial institutions, in particular in relation to receivables from financial institutions regarding settled payment transactions, and cash and cash- equivalents held at financial institutions. In addition, Adyen has credit risk on certain contract assets and from offering merchants a pre-financing service, which it refers to as Sales Day Payout. Adyen has no derivatives or securities financing transactions, nor positions in securitizations.

At 31 December 2021, Adyen's total credit exposures amounted to EUR 5.8 billion, resulting in total risk-weighted exposures of EUR 972.0 million and an own funds requirement of EUR 77.8 million. The majority of Adyen's exposures have a short-term duration, with residual maturities of days. Furthermore, Adyen is aware of the concentration of its exposures, most notably on partner banks, which is reflected in its Pillar II add-on for concentration risk.

Annex EU CR4 provides an overview of Adyen's credit risk exposures, showing both the on- and off-balance sheet exposures as per 31 December 2021, the total amount of risk-weighted exposures and the RWA density of each asset class. Additionally, Annex EU CR5 discloses on the distribution of each asset class exposure across risk-weights.

Credit risk mitigation
Credit risk mitigation techniques can be used to reduce the credit risk associated with its exposures. Overall, Adyen performs on-balance sheet netting when it has a legal right to off-set and the intention the settle, in line with IFRS.

As a credit risk mitigation technique, Adyen employs off-balance sheet netting in one occasion. This regards an enforceable master netting arrangement with one of its foreign counterparties that allows offsetting in the event of default, collateralized by a debt security issued by a central government that has a credit assessment of an external credit rating agency[14]. The collateral is valued at market value and risk weighted at 10% as an exposure to central governments. As of year-end 2021, the total exposure to this counterparty was EUR 105.7 million, of which 39.1 million is secured by collateral. Annex EU CR3 discloses Adyen's use of credit risk mitigation techniques.

Credit risk quality and adjustments
Adyen applies the following definitions regarding the credit quality of its exposures[15].

- Past due: when an exposure is due for more than 1 day;
- In default: when an exposure is past due more than 90 days or the counterparty is considered unlikely to pay, in line with the definition of default of CRR Art. 178. Adyen considers this to be a conservative approach as the receivables subject to default fully consist of trade receivables;
- Impaired: when an exposure is deemed non-collectable;
- Non-performing: when an exposure is in default or impaired.

Adyen assesses the expected credit loss associated with its debt instruments carried at amortized cost on a forward-looking basis. The impairment methodology applied depends on whether there has been a significant increase in

14 Art. 453 CRR.
15 Art. 442(a) CRR.

credit risk. For trade receivables and contract assets, Adyen applies the simplified approach, which requires expected lifetime losses to be recognized from initial recognition of the assets.[16]

At reference date, Adyen had EUR 14.4 million of non-performing exposures[17], for which it has provisioned EUR 4.4 million as a general credit risk adjustment.

Annex EU CR1, EU CR1-A, EU CQ3, EU CQ4 and EU CQ5 disclose further information on exposure amounts that are non-performing, in default and subject to impairment. Most of these exposures are due from corporates and represent invoices for payment services that were not collected via transaction flows (i.e. trade receivables).

Use of External Credit Assessment Institutions
Adyen applies ratings from External Credit Assessment Institutions[18] (ECAIs) to determine the risk weight of an exposure. With respect to its rated exposures, Adyen by default uses Moody's whenever it has a rating available. Only in the case that no rating of Moody's is available, Adyen uses a rating provided by Fitch or Standard and Poor's. Adyen therefore does not cherry-pick its ratings. In order to determine the risk weight of an exposure, a rating is converted into the corresponding credit quality step based on the standard association as published by the EBA.[19] Adyen uses ECAIs in order to determine the risk-weight of exposures belonging to the following three exposure classes:

- Central governments or central banks
- Institutions
- Corporates

Exposures to unrated counterparties are by default 100% risk weighted, in line with CRR Art. 122(2). Unrated institutions are risk weighted in accordance with CRR Art. 121. Adyen applies the standard association published by the EBA for connecting the ratings to the credit quality steps as set out in CRR, which is summarized in table 6 below.

Credit quality step	**Moody's assessments**	**Sovereigns – risk weight**	**Institutions – risk weight**	**Corporates - risk weight**
1	Aaa to Aa3	0%	20%	20%
2	A1 to A3	20%	20%	50%
3	Baa1 to Baa3	50%	20%	100%
4	Ba1 to Ba3	100%	50%	100%
5	B1 to B3	100%	50%	100%
6	Caa1 and below	150%	150%	150%

Table 6: Mapping of credit ratings to the applicable risk weights, in line with CRR II

Equities in the banking book
Adyen's exposure to equities in the banking book arises from a holding of convertible preferred Visa shares. Adyen obtained these shares as the result of its previous holding in Visa Europe, which subsequently was acquired by Visa Inc., and resulted, amongst others, in Adyen being issued shares of Visa Inc. as consideration for the acquisition.

The remaining Visa shares are stated at fair value for EUR 22.5 million, which is based on the fair value of Visa Inc. Series C common stock, adjusted for lack of marketability, multiplied by an initial conversion rate of preferred stock into common stock. These shares have no stated maturity and carry the right to receive discretionary dividend payments. Due to a restriction on transfer, the remaining Visa shares cannot be freely traded. No conversion of preferred stock took place in 2021.

Furthermore, the effect of the Visa shares on other financial results is a net gain of EUR 1.4 million (2020: net loss of EUR 59 thousand) relating to an exchange gain of EUR 1.7 million (2020: loss of EUR 1.1 million) and fair value loss of EUR 322 thousand (2020: gain of EUR 1.0 million).

As per 31 December 2021, the total exposure value of equities in the banking book amounted to EUR 22.5 million, resulting in an own funds requirement of EUR 1.8 million. Exposures relating to equities are perpetual.

16 Art. 442(b) CRR.
17 As of 1 January, 2021, the new guidelines on the definition of default (EBA/GL/2016/07) entered into force, which specify thresholds for institutions to recognize defaulted exposures. As a result, Adyen's defaulted exposures are now recognized under the credit risk framework. Thus, the recognition of defaulted exposures is purely due to a regulatory change rather than a change to Adyen's non-performing exposures.
18 Art. 444 CRR.
19 ITS (EU) 2018/634.

Market risk

Market risk[20] comprises price risk from financial instruments, interest rate risk, foreign-exchange risk and commodities risk. Adyen does not hold trading book items and has no commodity positions. The interest rate risk is minor as all liabilities are non-interest bearing and interest rate effects on assets (own cash balances or held at money market funds) are limited. Adyen has no appetite to add new equity positions to its balance sheet next to the current VISA shares that have been described in the section 'Equities in the banking book'. Therefore, the main market risk to Adyen is the foreign-exchange risk resulting from the cash it holds as part of its international operations, and some longer-term non-cash balance sheet positions that are non-euro.

Adyen applies the standardized approach in order to calculate its own funds requirements for market risk. Adyen's total risk exposure amount for market risk is EUR 256 million resulting in an own funds requirement of EUR 20.5 million.

Foreign-exchange risk

The strengthening or weakening of the euro impacts the translation of Adyen's net revenues generated from its international operations that are denominated in foreign currencies into the euro. Additionally, in connection with providing its services in multiple currencies, Adyen generally sets its foreign-exchange rates once per day. Adyen may face financial exposure as a result of fluctuations in foreign-exchange rates between the times that Adyen sets them. Given that Adyen also holds some merchants' and own funds in non-euro currencies, its financial results are affected by the translation of these non-euro currencies into euro. Whilst Adyen has measures in place intended to manage its foreign-exchange risk (i.e. natural hedges and spot trades for any net open positions), no assurance can be given that fluctuations in foreign-exchange rates will nevertheless have a significant impact on Adyen's results of operations. Adyen is exposed to foreign-exchange risk on its assets and liabilities denominated in currencies other than the functional currency, including certain contract assets, its holding of Visa shares and the assets and liabilities of its subsidiaries. The majority of these assets through which Adyen is exposed to foreign currency risk are denominated in US dollar.

Operational risk

Adyen recognizes that operational risks[21] are associated with achieving its business objectives. Operational risk concerns the risk of losses resulting from inadequate or failed internal processes, people and systems or from external events. Adyen has therefore implemented an internal control framework that is designed to manage the risks effectively and efficiently and to provide reasonable assurance that objectives can be met. The operational risks that are most material to Adyen are outlined below.

Merchants' potential liability for shopper chargebacks

When shoppers claim that a merchant has not performed, the issuing banks can file chargebacks. Adyen seeks to offset such chargebacks with the payouts to the merchants, but may not be able to succeed in full. While Adyen has implemented risk mitigation, including withholding funds from the payouts to its merchants, based on assumptions and estimates that Adyen believes are reasonable to cover such eventualities, the measures, including the withheld funds, may not be sufficient to cover for the complete chargeback amounts.

Availability of products and services

Adyen's systems and those of its third-party service providers, including data center facilities and communication networks, have experienced service interruptions in the past and may experience significant service interruptions in the future. Frequent or persistent interruptions in Adyen's services could cause current or potential merchants to believe that its systems are unreliable, leading them to switch to a competitor or to avoid Adyen's products and services. Moreover, to the extent that any system failure or similar event results in damages to Adyen's merchants or their business partners, these merchants or partners could seek significant compensation or contractual penalties from Adyen for their losses, which, even if unsuccessful, could likely be time-consuming and costly for Adyen to address. Furthermore, frequent or persistent interruptions could lead to regulatory scrutiny, significant fines and penalties, and/or mandatory and costly changes to its business practices, or could ultimately cause Adyen to lose its regulatory licenses.

Information security

Adyen and its merchants, partners and others who use its services, obtain and process a large amount of sensitive data. Adyen's and its partners' IT systems may be vulnerable to physical and electronic breaches, computer viruses and other attacks by cyber-criminals, internet fraudsters, employees or others, which could lead to, amongst other things, a leakage of merchants' data, damage related to incursions, destruction of documents, inability or delays in

20 Art. 445 CRR.
21 Art. 446 CRR.

processing transactions and unauthorized transactions. Any real or perceived privacy breaches or improper use of, disclosure of, or access to such data could harm Adyen's reputation as a trusted brand in the handling and protection of this data. Although Adyen carries cyber liability insurance that Adyen believes to be reasonable to cover such eventualities, it may be possible that the insurance is insufficient to cover all losses.

Data privacy
Adyen is subject to complex and evolving Dutch, European and other jurisdiction's laws, rules, regulations, orders and directives (referred to as "privacy laws") relating to the collection, use, retention, security, processing and transfer of personally identifiable information about its merchants, their shoppers, third parties and others and their transactions in the countries where Adyen operates. Much of the personal data that Adyen processes, especially financial information, is regulated by multiple privacy laws and, in some cases, the privacy laws of multiple jurisdictions. In many cases, these laws apply not only to third-party transactions, but also to transfers of information between or among Adyen and its subsidiaries. Any failure, or perceived failure, by Adyen to comply with its privacy policies or with any applicable privacy laws in one or more jurisdictions could result in proceedings or actions against Adyen by governmental entities or others, including class action privacy litigation in certain jurisdictions, significant fines, penalties, judgments and resulting reputational damage.

Entrepreneurial culture
Adyen's entrepreneurial culture has been one of the primary drivers of its historical growth. As Adyen grows, it may not be able to maintain its entrepreneurial company culture, which fosters innovation and talent. The working from home restrictions due to the pandemic add to the challenge of maintaining, transferring and fostering the right company culture. If Adyen does not successfully manage its growth, and is not able to differentiate its business from those of its competitors, drive value for and retain merchants, or effectively align its resources with its goals and objectives, Adyen may not be able to compete effectively against its competitors, leading to declining growth and revenues.

Talent
Adyen's future performance depends substantially on the continued services of key talent and its ability to attract, retain, and motivate such talent. The loss of the services of any of Adyen's key talent or Adyen's inability to attract highly qualified key talent may adversely affect its operations.

Integrity
Integrity risk is the risk of inappropriate behavior of management and employees or third parties (merchants, suppliers, advisers) posing a current or future threat to Adyen and/or the proper functioning of the financial system, that can be attributed to Adyen or in which Adyen acts imputable. Such inappropriate behavior could refer to violations of law, regulations, internal policies, and market expectations of ethical business conduct. If Adyen (or a third party it does business with) fails to comply with laws and regulations, or market expectations of ethical business conduct, supervisory authorities may initiate legal and regulatory proceedings against Adyen.

Adyen has policies and procedures that it believes are sufficient to comply with the relevant anti-money laundering, anti-corruption and sanctions rules and regulations. Inability to prevent integrity risks from materializing can have severe consequences, including litigation, sanctions, administrative measures, fines, criminal penalties and reputational consequences.

Tax and tax reporting
Social tolerance for tax avoidance is decreasing and international developments have led to the introduction of stricter regulations around tax avoidance. Adyen has a low risk appetite to be involved in activities aimed at evasion or avoidance of tax regulations by itself or third parties through the provision of its services. The determination of Adyen's worldwide position for income taxes, value-added taxes and other tax liabilities requires clear processes and controls by which Adyen aims to automate as much as possible as to reduce the amount of manual intervention. Adyen's determination of its tax liability is always subject to audit and review by applicable domestic and foreign tax authorities. Any adverse outcome of any such audit or review could have a negative effect on Adyen's business and the ultimate tax outcome may differ from the amounts recorded in its financial statements.

Basic indicator approach
Adyen applies the basic indicator approach in order to calculate its own funds requirements for operational risk under Pillar I. Under the basic indicator approach, the own funds requirement for operational risk is equal to 15% of the average over three years of the relevant indicator. The relevant indicator refers to the sum of several elements within the profit and loss statement of the institution.

Adyen's total risk exposure amount for operational risk is EUR 1,372 million resulting in an own funds requirement of EUR 109.8 million. Annex EU OR1 discloses on the calculation of the own funds requirement for operational risk.

Combined buffer requirements

On top of its capital requirement for credit, market and operational risk, Adyen is subject to macro-prudential capital buffer requirements. These buffer requirements aim to mitigate economic pro-cyclicality by acting as shock absorbers in times of stress. For Adyen, only the capital conservation buffer and the countercyclical capital buffer apply. The combination of all capital buffers constitutes the combined buffer requirement.

Capital conservation buffer

The capital conservation buffer requires banks to hold up to 2.5% of a bank's total exposures in CET1 capital to avoid breaches of minimum capital requirements during periods of stress when losses are incurred. The capital conservation buffer rate can be set by the national competent authority, as set out in CRD V. In Adyen's case the rate is set by DNB and currently amounts to a 2.5% buffer requirement. At 31 December 2021, Adyen's capital conservation buffer requirement was EUR 65.0 million.

Countercyclical capital buffer

Adyen is subject to an institution specific countercyclical buffer[22] requirement. The geographical distribution of Adyen's credit exposures relevant for the calculation of the countercyclical capital buffer is shown in Annex EU CCyB1. The institution-specific countercyclical capital buffer rate for Adyen is 0.01%, which amounts to an institution-specific countercyclical capital buffer requirement of EUR 296 thousand, which is presented in Annex EU CCyB2.

Leverage

Leverage means the relative size of an institution's assets and off-balance sheet obligations as compared to the institution's own funds.

Leverage ratio

The leverage ratio[23] is a monitoring method used to assess the risk of excessive leverage within institutions. It is defined as Tier 1 capital divided by a non-risk-based measure of the on- and off-balance sheet asset positions. By restricting the build-up of leverage, the leverage ratio aims to avoid destabilizing deleveraging processes that can damage the broader financial system and the economy.

Previously, the leverage ratio was solely a reporting and disclosure requirement. However, the Banking Package introduced a binding 3% leverage ratio that became applicable as of 28 June 2021.

As per 31 December 2021, Adyen has a leverage ratio of 29.4% (2020: 26.2%). Annex EU LR1, EU LR2 and EU LR3 provide a break-down of Adyen's leverage ratio and the CRR leverage ratio exposures by asset class. The development of the leverage ratio over 2021 can be attributed to a steeper increase in CET1 capital relative to the leverage ratio exposure growth, which are due to the addition of 2021 net result and overall balance sheet growth respectively.

Adyen does not operate a business model that centers around balance sheet transformation and as such the processes used to manage the risk of excessive leverage focus primarily on monitoring of the ratio itself and inclusion of the ratio in scenario modeling.

Asset Encumbrance

An asset is encumbered if it has been pledged or if it is subject to any form of arrangement to secure, collateralize or credit enhance any transaction from which it cannot be freely withdrawn.

Adyen has a limited amount of encumbered assets in the shape of restricted cash which is therefore not available for general use by the company. Of the cash held at banks, other than central banks, EUR 19.7 million is restricted. The restricted cash mainly relates to deposits required under the US Federal Foreign Branch license as well as deposits held as guarantee for leased offices. Furthermore, Adyen has EUR 8.9 million other encumbered assets which represent other deposits, including lease deposits. Adyen's total encumbered assets amounts to EUR 28.6 million[24]. Annexes EU AE1, EU AE2 and EU AE3 provide further detail on the encumbered and unencumbered assets.

Liquidity and funding

Pillar I includes requirements with respect to short-term liquidity in the form of the Liquidity Coverage Ratio (LCR) and medium-term liquidity (funding risk) in the shape of the Net Stable Funding Ratio (NSFR)[25].

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22 Art. 440 CRR.
23 Art. 451 CRR.
24 Art. 443 CRR.
25 Art. 451a CRR.

Liquidity Coverage Ratio

Adyen calculates its LCR in line with the relevant Delegated Act. Adyen takes aspects of currency convertibility and encumbrance into account. The LCR is calculated as High Quality Liquid Assets (HQLA) relative to the net liquidity outflows over 30 days. The Delegated Act prescribes that the LCR is to be higher than 100%, with a Liquidity Survival Period of at least 6 months.

Adyen's HQLA (liquidity buffer) consists of cash held at central banks and money market funds invested in US-government instruments. Net liquidity outflows are calculated as the net of cash inflows and outflows, though subject to a 75% cap on inflows. The LCR of Adyen per 31 December 2021 is 5,746% with a survival horizon of 48 months, meaning that Adyen is fully compliant with the liquidity requirements set out in the LCR DA.

Annex EU LIQ1 provides more detail on the build-up of Adyen's LCR as well as presents quarterly averages of the balances in scope. The development of the LCR over 2021 can be attributed to the increase in cash held at central banks and money market funds (HQLA) relative to the increase in net liquidity outflows, which at Adyen is mainly driven by an increase in reserves held on behalf of merchants to cover for refunds and chargebacks.

It should be noted that Adyen has proposed a refined LCR approach that applies LCR DA Art. 26 on interdependent inflows and outflows, and is agreeing this approach with the Dutch prudential supervisor. After implementation of the methodology the LCR is projected to be below current levels, but still considerably above external and internally set minima.

Net Stable Funding Ratio

Under CRR II, Adyen needs to comply with a 100% Net Stable Funding Ratio (NSFR) requirement starting from 28 June 2021 under Pillar I. Prior to that date Adyen already monitored and reported on this ratio.

The NSFR looks at medium-term liquidity risk (funding risk) and assesses the ability of Adyen to fund its upcoming activities by applying quality weights reflecting liquidity characteristics to sources of funding as well as to exposures that require funding. The weights applied are set out in CRR II Art. 428 and differ per type of Available Stable Funding (ASF) and Required Stable Funding (RSF).

Adyen's NSFR per 31 December 2021 is 284% (2020: 253%). It should be noted that with the introduction of the binding NSFR requirement in June 2021, the approach for weighting ASF and RSF was revised, resulting in a lower NSFR. For this reason, the year-on-year increase in the NSFR during 2021 cannot be compared like-for-like. Nevertheless, under both NSFR methods the improvement of the ratio is attributable to an increase in Adyen's CET1 capital (ASF). Annex EU LIQ2 further discloses on the build-up of Adyen's NSFR for the reporting period.

Liquidity risk management

Adyen operates a business model in which it has deployed structural measures, strategies and processes to mitigate liquidity risk. In general, Adyen only has a payment obligation to fulfil towards their merchants when the funds from the schemes and payment methods are settled to Adyen's bank account. In situations of exception to this rule, additional liquidity risk mitigating measures are in place. Adyen is self-funding and holds sufficient own cash reserves to meet its own short- and longer-term liquidity needs.

Adyen's short-term liquidity management is set up to ensure funds are available in the right legal entity, bank account, country, currency, and at the right moment in time to fulfil Adyen's contractual payment obligation to its merchants. This is established by managing cash and FX positions on a daily basis with dedicated teams. Adyen does not apply synthetic hedging to manage its liquidity or connected risks.

Adyen operates a single, global payments platform which allows for centralized liquidity risk management supported by global policies. Liquidity needs at individual legal entities are limited, but if these arise, these are addressed by the central Treasury team.

As a technology company that relies heavily on availability and continuance of services, liquidity aspects are part of continuity scenario exercises and resilience plans. Adyen plans for both operational as well as financial origins of stress – and if at all relevant – it monitors the relevant liquidity metrics across the stress horizon.

As stated in the concise risk statement, the liquidity risk management systems put in place are adequate with regard to the institution's profile and strategy. Given Adyen's business model and structural measures in place, liquidity risk is limited. Adyen assesses that additional metrics as put forth in article 451a(4) next to the disclosed metrics in EU LIQ1 and EU LIQ2 do not contribute to a better understanding of the liquidity risk profile of Adyen.

Disclosures on Pillar II

Pillar II sets out mandatory processes for institutions and supervisors to fulfill capital adequacy and liquidity adequacy requirements. Adyen combines the assessment of these requirements within its ICLAAP report. This chapter describes Adyen's ICLAAP and specifically addresses interest rate risk in the banking book.

Internal capital and liquidity adequacy assessment process

Adyen has designed and implemented as well as maintains and monitors internal risk management and control systems to identify and manage risks associated with its strategy and activities. Additionally, Adyen uses stress testing to understand its financial resilience and to learn from its sensitivity to stress events. The stress scenarios that Adyen defines are based on exceptional but plausible events with an adequate degree of severity. Threats and trends relevant to the management board are included. Stress testing is performed in accordance with EBA guidelines on stress testing. The results from stress tests are used as input for fine-tuning Adyen's risk appetite, risk capacity and risk limits as a feedback mechanism.

Assessing the adequacy of capital and liquidity is carried out on a continuous basis, but often for specific areas of interest. At a minimum, Adyen conducts an integral adequacy assessment once a year and reports on this to DNB via its Internal Capital and Liquidity Adequacy Assessment Process (ICLAAP[26]). In 2021 the results showed Adyen has a high financial shock absorption capacity and adequate levels of capital and liquidity.

Interest rate risk in the banking book

Interest rate risk on financial instruments included in the banking book[27] could arise from adverse movements in underlying interest rates. Although significant liabilities towards the merchants are present, these liabilities are non-interest bearing and are settled at short notice. Adyen operates a fee-based business model inherently limiting IRRBB exposure.

Adyen is exposed to interest rate risk in the banking book in relation to its cash held at central banks. However, cash balances of Adyen are not significantly exposed to interest rate risk due to the fact that the cash is used to settle the current liabilities towards the merchants at short notice. In line with the guidelines on the management of interest rate risk arising from non-trading book activities (EBA-GL 2018/02), Adyen has quantified the impact of interest rate movements in its earnings as well as market value changes of its financial instruments and their direct effect on capital (EVE) for each significant currency. Only minor impacts can be expected. In conclusion, as a result of the nature of the products on Adyen's balance sheet, interest rate risk is considered to be minimal and capitalizing against this risk in Pillar II would be unsuited.

26 Art. 438(a) CRR.
27 Art. 448 CRR.

Remuneration

Adyen's remuneration policy

The objective of Adyen's remuneration policy is to recruit and retain the best talent worldwide by offering competitive payment structures that take account of our strategy to focus on our merchants' growth, changing the payment landscape and having fun while doing so.

Adyen's remuneration policies are consistent with, and promote, sound and effective risk management and are always aligned with the strategy and Adyen Formula to create long-term value for our company and our merchants. As such, the remuneration policy does not contain incentives that exclusively benefit staff members themselves or encourage improper risk-taking.

The remuneration policy is published on Adyen's website. There have been no deviations from the policy or the procedure for its implementation in the financial year 2021[28].

Remuneration principles

Adyen is committed to ensure equal pay between women and men. We value all perspectives, so we see no reason to reward one more than the other – same role, same pay. Our annual equal pay audit is designed to safeguard same pay and uphold this standard.

The size of an individual remuneration package is based on the scope of responsibilities, the employee's experience and performance, and the local market circumstances, which varies depending on country. Remuneration may consist of a base salary, share-related remuneration, pension entitlements and other emoluments. Certain employees' remuneration may also include variable pay.

Adyen has the right pay mix in place to mitigate short-term orientation and contribute to the long-term performance of the company. This is specifically achieved by awarding staff members, including the Management Board, with (long-term) share-related remuneration. The purpose of the share-based payments is to put staff members in a financial ownership-like position where shares are concerned and for them to obtain an economic interest in the pursuit of Adyen's long-term objectives such as sustainable growth, development, profitability, and financial success of Adyen.

Variable remuneration

Adyen observes the laws and regulations applicable to the company, which includes the remuneration regulations as provided in the Act on Remuneration policy Financial Undertakings (*Wet beloningsbeleid financiële ondernemingen*) and the EBA Guidelines on Sound Remuneration Policies (EBA Guidelines) (the Remuneration Regulations). Adyen's remuneration policy is in line with the Remuneration Regulations.

Employees may be rewarded with variable remuneration. Variable remuneration, if awarded, will at all times not exceed the fixed to variable remuneration ratios as provided in the Remuneration Regulations. In accordance with the Remuneration Regulations, variable remuneration will be subject to hold back and claw back instruments. As no variable remuneration has been awarded to the members of the Management Board or the Supervisory Board in the financial year 2020, no variable remuneration has been adjusted or clawed back in accordance with these instruments.

The total global company-wide amount of variable remuneration awarded over 2021 was EUR 19,861,792 (2020: EUR 17,092,364) compared to total staff expenses of EUR 240,538,495 (2020: EUR 180,013,967).

Identified staff

In 2021 there were 26 employees (2020: 21) identified as "Identified Staff", being staff that is considered to have a material impact on the risk profile of Adyen. Table 7 provides an overview of remuneration awarded to identified staff over 2021, split into fixed and variable remuneration.

28 Art. 450 CRR.

	Management & Supervisory Board	All other	Total
Number of beneficiaries	**11**	**15**	**26**
Fixed remuneration			
Cash based (in EUR '000)	3,523	3,938	**7,461**
Instrument based (in EUR '000)	241	-	**241**
Variable remuneration			
Cash	-	1,093	**1,093**
Shares	-	-	**-**
Share-linked instruments	-	-	**-**
Other types	-	-	**-**
Ratio (variable to fixed)	**-**	**0.27**	**0.14**

Table 7: Quantitative information on remuneration

In 2021 there were three employees with a total annual remuneration (including employer pension contributions and any severance payments made) higher than EUR 1,000,000 but lower than EUR 1,500,000.

Nomination and Remuneration Committee

The Nomination and Remuneration Committee consist of three Supervisory Directors as determined by the Supervisory Board. The current remuneration policy for the Management Board and the Supervisory Board and remuneration of the Managing Directors and fees for the members of the Supervisory Board was adopted at the shareholders meeting on May 26, 2020.

Remuneration for the Management Board

The remuneration policy that applies to the Managing Directors is in line with the remuneration policy that applies to all staff. As such, the remuneration policy does not contain incentives that exclusively benefit Managing Directors themselves.

As of 2018 and in line with (i) the Act on Remuneration Policies in Financial Enterprises (*Wet beloningsbeleid financiële ondernemingen*), and (ii) the Guidelines on Remuneration Policies and Practices as formally adopted on 10 December 2010 by the Committee of European Banking Supervisors, Adyen does not award variable remuneration to the Managing Directors.

The remuneration of the Managing Directors is determined by the Supervisory Board with due observance of the remuneration policy as adopted by the General Meeting. The Managing Directors do provide the Nomination and Remuneration Committee with their views with regard to the amount and structure of their own remuneration. In 2021 base salaries of the Managing Directors were increased with 3%, in line with the average salary increase of an Adyen employee in 2020.

Compared to AEX companies, the Management Board's remuneration is below the median of the benchmark. This discrepancy is accepted for the current Managing Directors. To attract future Managing Directors, the remuneration package for new Managing Directors may be adjusted to the market.

In line with the revised Dutch Corporate Governance Code, Adyen performed a scenario analysis and back-test on Management Board remuneration. All scenarios resulted in the same outcome as the remuneration of the Managing Directors is not linked to variable remuneration elements. The internal ratio of the Managing Directors' remuneration and that of a representative reference group was determined. For this ratio, Adyen deems most relevant the total direct compensation of the CEO compared to the average total direct compensation of all Adyen employees worldwide. For the CEO a ratio of 7:1 applies (2020: 7:1). For the other Managing Directors, a ratio of 6:1 applies (2020: 5:1).

Annexes

Please note all annexes are denoted in EUR amounts, unless stated otherwise.

Annex OV1 – Overview of total risk exposure amounts

Template EU OV1 – Overview of total risk exposure amounts

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		31-Dec-21	30-Sep-21	31-Dec-21
1	**Credit risk (excluding CCR)**	**971,969,688**	**1,014,938,447**	**77,757,575**
2	Of which the standardised approach	971,969,688	1,014,938,447	77,757,575
3	Of which the Foundation IRB (F-IRB) approach			
4	Of which slotting approach			
EU 4a	Of which equities under the simple risk-weighted approach			
5	Of which the Advanced IRB (A-IRB) approach			
6	Counterparty credit risk - CCR			
7	Of which the standardised approach			
8	Of which internal model method (IMM)			
EU 8a	Of which exposures to a CCP			
EU 8b	Of which credit valuation adjustment - CVA			
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% / deduction			
20	**Position, foreign exchange and commodities risks (Market risk)**	**256,041,788**	**446,234,091**	**20,483,343**
21	Of which the standardised approach	256,041,788	446,234,091	20,483,343
22	Of which IMA			
EU 22a	Large exposures			
23	**Operational risk**	**1,372,435,948**	**986,547,928**	**109,794,876**
EU 23a	Of which basic indicator approach	1,372,435,948	986,547,928	109,794,876
EU 23b	Of which standardised approach			
EU 23c	Of which advanced measurement approach			
24	Amounts below the thresholds for deduction (subject to 250% risk weight)			
25	Not applicable			
26	Not applicable			
27	Not applicable			
28	Not applicable			
29	**Total**	**2,600,447,424**	**2,447,720,466**	**208,035,794**

Annex KM 1 – Key metrics

Template EU KM1 - Key metrics template

		a	b	c	d	e
		31-Dec-21	30-Sep-21	30-Jun-21	31-Mar-21	31-Dec-20
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	1,675,810,613	1,281,542,197	1,073,432,179	1,068,029,806	1,060,886,216
2	Tier 1 capital	1,675,810,613	1,281,542,197	1,073,432,179	1,068,029,806	1,060,886,216
3	Total capital	1,675,810,613	1,281,542,197	1,073,432,179	1,068,029,806	1,060,886,216
	Risk-weighted exposure amounts					
4	Total risk exposure amount	2,600,447,424	2,447,720,466	2,338,018,137	2,342,649,189	2,439,397,372
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	64.44%	52.36%	45.91%	45.59%	43.49%
6	Tier 1 ratio (%)	64.44%	52.36%	45.91%	45.59%	43.49%
7	Total capital ratio (%)	64.44%	52.36%	45.91%	45.59%	43.49%
	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 (%)	7.20%	7.20%	7.20%	10.10%	10.10%
EU 7b	of which: to be made up of CET1 capital (percentage points)	4.05%	4.05%	4.05%	5.70%	5.70%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	5.40%	5.40%	5.40%	7.60%	7.60%
EU 7d	Total SREP own funds requirements (%)	15.20%	15.20%	15.20%	18.10%	18.10%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0%	0%	0%	0%	0%
9	Institution specific countercyclical capital buffer (%)	0.01%	0.01%	0.01%	0.00%	0.00%
EU 9a	Systemic risk buffer (%)	0%	0%	0%	0%	0%
10	Global Systemically Important Institution buffer (%)	0%	0%	0%	0%	0%
EU 10a	Other Systemically Important Institution buffer (%)	0%	0%	0%	0%	0%
11	Combined buffer requirement (%)	2.51%	2.51%	2.51%	2.50%	2.50%
EU 11a	Overall capital requirements (%)	17.71%	17.71%	17.71%	20.60%	20.60%
12	CET1 available after meeting the total SREP own funds requirements (%)	46.73%	34.65%	28.20%	24.99%	22.89%
	Leverage ratio					
13	Total exposure measure	5,702,826,270	5,027,137,792	4,503,744,364	4,143,404,363	4,054,702,661
14	Leverage ratio (%)	29.39%	25.49%	23.83%	25.78%	26.16%
	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 (%)	0%	0%	0%	0%	0%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0%	0%	0%	0%	0%
EU 14c	Total SREP leverage ratio requirements (%)	3%	3%	3%	3%	3%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	0%	0%	0%	0%	0%
EU 14e	Overall leverage ratio requirement (%)	3%	3%	3%	3%	3%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value)*	2,819,916,652	2,029,175,400	1,816,097,576	1,568,931,982	1,491,551,041
EU 16a	Cash outflows - Total weighted value	196,318,169	163,173,954	165,937,714	156,804,306	137,355,830
EU 16b	Cash inflows - Total weighted value	1,774,897,425	2,013,337,571	1,675,673,169	1,596,905,163	1,729,036,434

16	Total net cash outflows (adjusted value)	49,079,542	40,791,039	41,440,553	39,201,076	34,338,957
17	Liquidity coverage ratio (%)	5745.61%	4974.56%	4382.42%	4002.27%	4343.61%
	Net Stable Funding Ratio					
18	Total available stable funding	2,226,819,159	1,567,504,174	1,561,650,063	1,437,611,305	1,386,394,848
19	Total required stable funding	784,953,974	578,103,832	761,139,101	601,650,473	548,984,968
20	NSFR ratio (%)	283.69%	271.15%	205.17%	238.94%	252.54%

*Please note that quarter-end numbers are reported here.

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

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

		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 (%)	Counter cyclical 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			
010	Country													
0101	AE	34,827					34,827	2,786			2,786	34,827	0.00%	
0102	AI	6,413					6,413	513			513	6,413	0.00%	
0103	AR	36,142					36,142	2,891			2,891	36,142	0.01%	
0104	AT	2,593,671					2,593,671	207,494			207,494	2,593,671	0.52%	
0105	AU	4,077,726					4,077,726	326,218			326,218	4,077,726	0.81%	
0106	BE	15,620,207					15,620,207	727,503			727,503	9,093,784	1.82%	
0107	BG	179					179	14			14	179	0.00%	0.50%
0108	BR	943,567					943,567	75,485			75,485	943,567	0.19%	
0109	CA	550,812					550,812	44,065			44,065	550,812	0.11%	
0110	CH	1,210,196					1,210,196	96,816			96,816	1,210,196	0.24%	
0111	CL	16,985					16,985	1,359			1,359	16,985	0.00%	
0112	CN	3,692,315					3,692,315	295,385			295,385	3,692,315	0.74%	
0113	CO	539					539	43			43	539	0.00%	
0114	CY	365,952					365,952	29,276			29,276	365,952	0.07%	
0115	CZ	18,879					18,879	1,510			1,510	18,879	0.00%	0.50%
0116	DE	6,518,963					6,518,963	521,517			521,517	6,518,963	1.30%	
0117	DK	173,904					173,904	13,912			13,912	173,904	0.03%	
0118	EE	2,434,559					2,434,559	194,765			194,765	2,434,559	0.49%	
0119	EG	115					115	9			9	115	0.00%	
0120	ES	1,007,771					1,007,771	80,622			80,622	1,007,771	0.20%	
0121	FI	21,328					21,328	1,706			1,706	21,328	0.00%	
0122	FR	2,099,811					2,099,811	167,985			167,985	2,099,811	0.42%	
0123	GB	74,924,929					74,924,929	3,517,942			3,517,942	43,974,273	8.79%	
0124	GE	13,239					13,239	1,059			1,059	13,239	0.00%	
0125	GG	65,000					65,000	5,200			5,200	65,000	0.01%	

0126	GR	3,157					3,157	253			253	3,157	0.00%	
0127	HK	514,444					514,444	41,156			41,156	514,444	0.10%	1.00%
0128	HR	2,436					2,436	195			195	2,436	0.00%	
0129	HU	304,057					304,057	24,325			24,325	304,057	0.06%	
0130	ID	890,419					890,419	71,234			71,234	890,419	0.18%	
0131	IE	180,553					180,553	14,444			14,444	180,553	0.04%	
0132	IL	1,969					1,969	158			158	1,969	0.00%	
0133	IN	2,607					2,607	209			209	2,607	0.00%	
0134	IS	3,816					3,816	305			305	3,816	0.00%	
0135	IT	809,287					809,287	64,743			64,743	809,287	0.16%	
0136	JP	2,348,091					2,348,091	187,847			187,847	2,348,091	0.47%	
0137	KR	534,736					534,736	42,779			42,779	534,736	0.11%	
0138	LU	1,749					1,749	140			140	1,749	0.00%	0.50%
0139	MA	1,710					1,710	137			137	1,710	0.00%	
0140	MT	1,318,929					1,318,929	105,514			105,514	1,318,929	0.26%	
0141	MX	572,542					572,542	45,803			45,803	572,542	0.11%	
0142	MY	1,187,110					1,187,110	94,969			94,969	1,187,110	0.24%	
0143	NL	331,468,066					331,468,066	26,517,445			26,517,445	331,468,066	66.25%	
0144	NO	5,162,994					5,162,994	413,040			413,040	5,162,994	1.03%	1.00%
0145	NZ	22,474					22,474	1,798			1,798	22,474	0.00%	
0146	PH	145,635					145,635	11,651			11,651	145,635	0.03%	
0147	PL	335,467					335,467	26,837			26,837	335,467	0.07%	
0148	PT	247,008					247,008	19,761			19,761	247,008	0.05%	
0149	SE	1,344,147					1,344,147	107,532			107,532	1,344,147	0.27%	
0150	SG	922,433					922,433	73,795			73,795	922,433	0.18%	
0151	SK	1,126					1,126	90			90	1,126	0.00%	1.00%
0152	TH	915					915	73			73	915	0.00%	
0153	TR	358,047					358,047	28,644			28,644	358,047	0.07%	
0154	TW	88					88	7			7	88	0.00%	
0155	US	96,743,473					96,743,473	5,813,052			5,813,052	72,663,150	14.52%	
0156	VN	36,896					36,896	2,952			2,952	36,896	0.01%	
0157	ZA	5,385					5,385	431			431	5,385	0.00%	
020	**Total**	**561,899,797**					**561,899,797**	**40,027,392**			**40,027,392**	**500,342,395**	**100%**	-

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

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

		a
1	Total risk exposure amount	2,600,447,424
2	Institution specific countercyclical capital buffer rate	0.01%
3	Institution specific countercyclical capital buffer requirement	295,675

Annex EU LI1 - Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories

Template EU LI1 - Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories

		a	b	c	d	e	f	g
		Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Carrying values of items				
				Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
	Breakdown by asset clases according to the balance sheet in the published financial statements							
1	**Total assets**	5,775,605,791	5,775,605,791	5,765,765,178			5,765,765,178	
	Breakdown by liability classes according to the balance sheet in the published financial statements							
2	**Total liabilities**	3,965,191,287	3,965,191,287				3,965,191,287	

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

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

		a	b	c	d	e
		Total	Items subject to			
			Credit risk framework	Securitisation framework	CCR framework	Market risk framework
1	**Assets carrying value amount under the scope of prudential consolidation (as per template LI1)**	5,775,605,791	5,765,765,178			5,775,605,791
2	**Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)**	3,965,191,287	-			3,965,191,287
3	**Total net amount under the scope of prudential consolidation**	1,810,414,504	5,765,765,178			1,810,414,504
4	**Off-balance-sheet amounts**					
5	*Differences in valuations*					
6	*Differences due to different netting rules, other than those already included in row 2*					
7	*Differences due to consideration of provisions*					
8	*Differences due to the use of credit risk mitigation techniques (CRMs)*					
9	*Differences due to credit conversion factors*					
10	*Differences due to Securitisation with risk transfer*					
11	*Other differences*					
12	**Exposure amounts considered for regulatory purposes**	5,775,605,791	5,765,765,178			1,810,414,504

Annex EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity)

Template EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity)

a	b	c	d	e	f	g	h
Name of the entity	Method of accounting consolidation	Method of prudential consolidation					Description of the entity
		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	
Adyen N.V	Full consolidation	X					Credit institution
Adyen International B.V.	Full consolidation	X					Financial institution
Adyen UK Limited	Full consolidation	X					Financial institution
Adyen Brazil Ltda	Full consolidation	X					Financial institution
Adyen Services Inc.	Full consolidation	X					Financial institution
Adyen Inc.	Full consolidation	X					Financial institution
Adyen Canada Ltd.	Full consolidation	X					Financial institution
Adyen Singapore PTE LTD.	Full consolidation	X					Financial institution
Adyen Korea Chusik Hoesa	Full consolidation	X					Financial institution
Adyen Mexico S.A. de C.V.	Full consolidation	X					Financial institution
Adyen Australia PTY Limited	Full consolidation	X					Financial institution
Adyen (China) Software Technology Co. Ltd.	Full consolidation	X					Financial institution
Adyen New Zealand Ltd.	Full consolidation	X					Financial institution
Adyen Malaysia Sdn. Bhd.	Full consolidation	X					Financial institution
Adyen Hong Kong Limited	Full consolidation	X					Financial institution
Adyen India Technology Services Private Limited	Full consolidation	X					Financial institution
Adyen Japan K.K.	Full consolidation	X					Financial institution
Adyen Middle East Limited	Full consolidation	X					Financial institution

Annex EU CC1 - Composition of regulatory own funds

Template EU CC1 - Composition of regulatory own funds

		(a)
		Amounts
	Common Equity Tier 1 (CET1) capital: instruments and reserves	
1	Capital instruments and the related share premium accounts	336,034,279
	of which: Paid-up capital	309,571
	of which: Share premium	335,724,708
2	Retained earnings	867,205,288
3	Accumulated other comprehensive income (and other reserves)	111,882,005
EU-3a	Funds for general banking risk	
4	Amount of qualifying items referred to in Article 484 (3) CRR 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	469,717,930
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**1,784,839,503**
	Common Equity Tier 1 (CET1) capital: regulatory adjustments	
7	Additional value adjustments (negative amount)	(104,204)
8	Intangible assets (net of related tax liability) (negative amount)	(9,840,613)
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) CRR are met) (negative amount)	(99,084,073)
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	
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, indirect and synthetic 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) CRR 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	

28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	(109,028,890)
29	**Common Equity Tier 1 (CET1) capital**	**1,675,810,613**
	Additional Tier 1 (AT1) capital: instruments	
30	Capital instruments and the related share premium accounts	
31	of which: classified as equity under applicable accounting standards	
32	of which: classified as liabilities under applicable accounting standards	
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR 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, indirect and synthetic 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)**	**1,675,810,613**
	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) CRR 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) CRR subject to phase out from T2	
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR 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, indirect and synthetic 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, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	
54a	Not applicable	
55	Direct, indirect and synthetic 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)	

EU-56b	Other regulatory adjustments to T2 capital	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	
58	**Tier 2 (T2) capital**	
59	**Total capital (TC = T1 + T2)**	**1,675,810,613**
60	**Total Risk exposure amount**	**2,600,447,424**
Capital ratios and requirements including buffers		
61	Common Equity Tier 1 capital	64.44%
62	Tier 1 capital	64.44%
63	Total capital	64.44%
64	Institution CET1 overall capital requirements	11.00%
65	of which: capital conservation buffer requirement	2.50%
66	of which: countercyclical capital buffer requirement	0.00%
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	0.00%
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	**49.24%**
National minima (if different from Basel III)		
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) CRR are met)	
Applicable caps on the inclusion of provisions in Tier 2		
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	
82	Current cap on AT1 instruments subject to phase out arrangements	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	
84	Current cap on T2 instruments subject to phase out arrangements	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	

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

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

		a
		Qualitative or quantitative information - Free format
1	Issuer	Adyen N.V.
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	NL0012969182
2a	Public or private placement	Public
3	Governing law(s) of the instrument	The shares are governed by the laws of the Netherlands
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A
	Regulatory treatment	
4	Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1
5	Post-transitional CRR rules	Common Equity Tier 1
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	CET1 as published in the EBA list (art. 26(3))
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	80,000,000
9	Nominal amount of instrument	0.01
EU-9a	Issue price	240
EU-9b	Redemption price	Not applicable
10	Accounting classification	Shareholders' equity
11	Original date of issuance	13 June 2018
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	Not applicable
16	Subsequent call dates, if applicable	Not applicable
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	Not applicable
19	Existence of a dividend stopper	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary - no dividend pushers, dividend stoppers or ACSM
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step up or other incentive to redeem	No
22	Noncumulative or cumulative	Non-cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	Not applicable
25	If convertible, fully or partially	Not applicable
26	If convertible, conversion rate	Not applicable
27	If convertible, mandatory or optional conversion	Not applicable
28	If convertible, specify instrument type convertible into	Not applicable
29	If convertible, specify issuer of instrument it converts into	Not applicable
30	Write-down features	No
31	If write-down, write-down trigger(s)	Not applicable
32	If write-down, full or partial	Not applicable
33	If write-down, permanent or temporary	Not applicable
34	If temporary write-down, description of write-up mechanism	Not applicable
34a	Type of subordination (only for eligible liabilities)	Subordinated to all claims
EU-34b	Ranking of the instrument in normal insolvency proceedings	Subordinated to all claims
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to all claims
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	Not applicable
37a	Link to the full term and conditions of the instrument (signposting)	https://www.adyen.com/investor-relations/financials

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

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

		a
		Applicable amount
1	Total assets as per published financial statements	5,775,605,791
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	Adjustment for derivative financial instruments	
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)	36,145,165
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	(108,924,686)
13	**Total exposure measure**	**5,702,826,270**

Annex EU LR2 - LRCom: Leverage ratio common disclosure

Template EU LR2 - LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures	
		a	b
		31-Dec-21	30-Sep-21
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	5,775,605,791	5,104,013,187
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)	(108,924,686)	(112,457,156)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**5,666,681,105**	**4,991,556,031**
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)		
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		
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**	**-**	**-**
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		
20	(Adjustments for conversion to credit equivalent amounts)	36,145,165	35,581,761
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)		
22	**Off-balance sheet exposures**	**36,145,165**	**35,581,761**
Excluded exposures			
EU-22a	(Exposures excluded from the 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	1,675,810,613	1,281,542,197
24	**Total exposure measure**	**5,702,826,270**	**5,027,137,792**
Leverage ratio			
25	Leverage ratio (%)	29.39%	25.49%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	29.39%	25.49%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	29.39%	25.49%
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	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	N/A	N/A
Disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	-	-
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)	5,702,826,270	5,027,137,792
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)	5,702,826,270	5,027,137,792
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)	29.39%	25.49%
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)	29.39%	25.49%

Annex EU LR3 - LRSpl: Split-up of on balance sheet exposures

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

		a CRR leverage ratio exposures
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**5,765,765,178**
EU-2	Trading book exposures	
EU-3	**Banking book exposures, of which:**	**5,765,765,178**
EU-4	Covered bonds	
EU-5	Exposures treated as sovereigns	3,006,849,317
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	
EU-7	Institutions	2,196,870,804
EU-8	Secured by mortgages of immovable properties	
EU-9	Retail exposures	
EU-10	Corporates	276,437,064
EU-11	Exposures in default	
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	285,607,993

Annex EU LIQ1 – Quantitative information of LCR

Template EU LIQ1 - Quantitative information of LCR

Scope of consolidation: consolidated

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	**Quarter ending on (DD Month YYY)**	**31-Dec-21**	**30-Sep-21**	**30-Jun-21**	**31-Mar-21**	**31-Dec-21**	**30-Sep-21**	**30-Jun-21**	**31-Mar-21**
EU 1b	Number of data points used in the calculation of averages	3	3	3	3	3	3	3	3
HIGH-QUALITY LIQUID ASSETS									
1	**Total high-quality liquid assets (HQLA)**					**2,439,244,181**	**1,931,454,258**	**1,698,732,232**	**1,512,256,388**
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*	781,972,733	726,857,570	697,831,061	647,048,469	179,745,349	166,824,270	160,173,349	147,150,110
7	*Non-operational deposits (all counterparties)*								
8	*Unsecured debt*								
9	*Secured wholesale funding*				-	-	-	-	-
10	Additional requirements								
11	*Outflows related to derivative exposures and other collateral requirements*								
12	*Outflows related to loss of funding on debt products*								
13	*Credit and liquidity facilities*								
14	Other contractual funding obligations	259,240,034	276,921,469	248,342,048	229,253,156	-	-	-	-
15	Other contingent funding obligations	2,897,571,528	2,443,448,072	2,070,925,511	1,779,923,836	-	-	-	-
16	**TOTAL CASH OUTFLOWS**					**179,745,349**	**166,824,270**	**160,173,349**	**147,150,110**
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	-	-	-	-	-	-	-	-
18	Inflows from fully performing exposures	2,835,977,024	2,688,879,930	2,354,477,101	2,119,060,252	2,161,918,046	2,033,837,616	1,738,747,713	1,531,266,540
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)								
EU-19b									

	(Excess inflows from a related specialised credit institution)								
20	**TOTAL CASH INFLOWS**	**2,835,977,024**	**2,688,879,930**	**2,354,477,101**	**2,119,060,252**	**2,161,918,046**	**2,033,837,616**	**1,738,747,713**	**1,531,266,540**
EU-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-
EU-20b	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
EU-20c	*Inflows subject to 75% cap*	2,835,977,024	2,688,879,930	2,354,477,101	2,119,060,252	2,161,918,046	2,033,837,616	1,738,747,713	1,531,266,540
TOTAL ADJUSTED VALUE									
EU-21	**LIQUIDITY BUFFER**					**2,439,244,181**	**1,931,454,258**	**1,698,732,232**	**1,512,256,388**
22	**TOTAL NET CASH OUTFLOWS**					**44,936,337**	**41,706,067**	**40,043,337**	**36,787,527**
23	**LIQUIDITY COVERAGE RATIO**					**5428%**	**4631%**	**4242%**	**4111%**

Annex EU LIQ2 – Net Stable Funding Ratio

Template EU LIQ2: Net Stable Funding Ratio

In accordance with Article 451a(3) CRR

		a	b	c	d	e
(in currency amount)		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	**Capital items and instruments**	**1,784,735,299**	**-**	**-**	**-**	**1,784,735,299**
2	*Own funds*	1,784,735,299				1,784,735,299
3	*Other capital instruments*					
4	**Retail deposits**		**-**	**-**	**-**	
5	*Stable deposits*					
6	*Less stable deposits*					
7	**Wholesale funding:**		**851,366,310**	**-**	**-**	**425,683,155**
8	*Operational deposits*		851,366,310			425,683,155
9	*Other wholesale funding*					
10	**Interdependent liabilities**		**-**	**-**	**-**	**-**
11	**Other liabilities:**	**-**	**3,097,636,016**	**-**	**16,400,705**	**16,400,705**
12	*NSFR derivative liabilities*					
13	*All other liabilities and capital instruments not included in the above categories*		3,097,636,016		16,400,705	16,400,705
14	**Total available stable funding (ASF)**					**2,226,819,159**
Required stable funding (RSF) Items						
15	**Total high-quality liquid assets (HQLA)**					**13,377,503**
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:**		**2,472,755,988**	**-**	**22,503,535**	**324,669,618**
18	*Performing securities financing transactions with financial customers collateralised 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*		2,335,529,777			233,552,978
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		137,226,212			68,613,106
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*				22,503,535	22,503,535
25	**Interdependent assets**		**-**	**-**	**-**	**-**
26	**Other assets:**		**-**	**-**	**446,906,853**	**446,906,853**
27	*Physical traded commodities*					
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*					
29	*NSFR derivative assets*					
30	*NSFR derivative liabilities before deduction of variation margin posted*					
31	*All other assets not included in the above categories*				446,906,853	446,906,853
32	**Off-balance sheet items**		**-**	**-**	**-**	**-**
33	**Total RSF**					**784,953,974**
34	**Net Stable Funding Ratio (%)**					**283.69%**

Annex EU CR1 - Performing and non-performing exposures and related provisions

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

		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	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			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**	**4,609,115,835**	**4,609,115,835**													
010	**Loans and advances**	**691,684,922**	**691,684,922**		**14,366,294**										**39,124,555**	
020	*Central banks*															
030	*General governments*															
040	*Credit institutions*	*460,174,562*	*460,174,562*												*39,124,555*	
050	*Other financial corporations*	*108,557,478*	*108,557,478*		*92,965*											
060	*Non-financial corporations*	*122,952,882*	*122,952,882*		*14,273,329*											
070	*Of which SMEs*															
080	*Households*															
090	**Debt securities**															
100	*Central banks*															
110	*General governments*															
120	*Credit institutions*															
130	*Other financial corporations*															
140	*Non-financial corporations*															
150	Off-balance-sheet exposures															
160	*Central banks*															

170	*General governments*															
180	*Credit institutions*															
190	*Other financial corporations*															
200	*Non-financial corporations*															
210	*Households*															
220	**Total**	**5,300,800,757**	**5,300,800,757**	**-**	**14,366,294**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**39,124,555**	**-**

Annex EU CR1A - Maturity of exposures

Template EU CR1-A: Maturity of exposures

		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	460,174,562				231,510,360	691,684,922
2	Debt securities						
3	**Total**	**460,174,562**				**231,510,360**	**691,684,922**

Annex EU CR3 - CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

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

		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	5,315,167,051	39,124,555	39,124,555		
2	Debt securities					
3	**Total**	**5,315,167,051**	**39,124,555**	**39,124,555**		
4	*Of which non-performing exposures*	14,366,294				
EU-5	*Of which defaulted*	*14,366,294*				

Annex EU CR4 - Standardised Approach: Credit risk exposure and CRM effects

Template EU CR4 – Standardised Approach – Credit risk exposure and CRM effects

	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	RWAs	RWAs density (%)
		a	b	c	d	e	f
1	Central governments or central banks	2,967,724,763		2,967,724,763	39,124,555	3,912,455	0.1%
2	Regional government or local authorities						
3	Public sector entities						
4	Multilateral development banks						
5	International organisations						
6	Institutions	2,235,995,359		2,196,870,804		460,386,430	21.0%
7	Corporates	276,437,064		276,437,064		222,062,809	80.3%
8	Retail						
9	Secured by mortgages on immovable property						
10	Exposures in default						
11	Exposures associated with particularly high risk						
12	Covered bonds						
13	Institutions and corporates with a short-term credit assessment						
14	Collective investment undertakings						
15	Equity	22,503,535		22,503,535		22,503,535	100.0%
16	Other items	263,104,458		263,104,458		263,104,458	100.0%
17	**Total**	**5,765,765,178**		**5,726,640,623**	**39,124,555**	**971,969,688**	**16.9%**

Annex EU CR5 – Standardised approach: exposures by risk weight

Template EU CR5 – Standardised approach

	Exposure classes	Risk weight							
		0%	2%	4%	10%	20%	35%	50%	70%
		a	b	c	d	e	f	g	h
1	Central governments or central banks	2,967,724,763			39,124,555				
2	Regional government or local authorities								
3	Public sector entities								
4	Multilateral development banks								
5	International organisations								
6	Institutions					2,127,861,454		68,390,421	
7	Corporates					59,420,643		28,041,775	
8	Retail exposures								
9	Exposures secured by mortgages on immovable property								
10	Exposures in default								
11	Exposures associated with particularly high risk								
12	Covered bonds								
13	Exposures to institutions and corporates with a short-term credit assessment								
14	Units or shares in collective investment undertakings								
15	Equity exposures								
16	Other items								
17	**Total**	**2,967,724,763**	**-**	**-**	**39,124,555**	**2,187,282,097**	**-**	**96,432,196**	**-**

	Risk weight							Total	*Of which unrated*
	75%	100%	150%	250%	370%	1250%	Others		
	i	j	k	l	m	n	o	p	q
1								**3,006,849,317**	
2									
3									
4									
5									
6		618,929						**2,196,870,804**	*29,485,014*
7		174,608,352	14,366,294					**276,437,064**	*21,533,941*
8									
9									
10									
11									
12									
13									
14									
15		22,503,535						**22,503,535**	*22,503,535*
16		263,104,458						**263,104,458**	*201,044,394*
17	**-**	**460,835,274**	**14,366,294**	**-**	**-**	**-**	**-**	**5,765,765,178**	***274,566,883***

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

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

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	**Cash balances at central banks and other demand deposits**	**4,609,115,835**	**4,609,115,835**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**	**-**
010	**Loans and advances**	**691,684,922**	**681,805,811**	**9,879,111**	**14,366,294**	**-**	**4,236,761**	**4,654,622**	**4,278,973**	**1,195,938**	**-**	**-**	**14,366,294**
020	*Central banks*												
030	*General governments*												
040	*Credit institutions*	460,174,562	460,174,562										
050	*Other financial corporations*	108,557,478	108,557,478		92,965		11,045	2,205	79,692	22			92,965
060	*Non-financial corporations*	122,952,882	113,073,771	9,879,111	14,273,329		4,225,716	4,652,416	4,199,281	1,195,916			14,273,329
070	*Of which SMEs*												
080	*Households*												
090	**Debt securities**												
100	*Central banks*												
110	*General governments*												
120	*Credit institutions*												
130	*Other financial corporations*												
140	*Non-financial corporations*												
150	**Off-balance-sheet exposures**												
160	*Central banks*												
170	*General governments*												
180	*Credit institutions*												
190	*Other financial corporations*												
200	*Non-financial corporations*												
210	*Households*												
220	**Total**	**5,300,800,757**	**5,290,921,646**	**9,879,111**	**14,366,294**	**-**	**4,236,761**	**4,654,622**	**4,278,973**	**1,195,938**	**-**	**-**	**14,366,294**

Annex EU CQ4 - Quality of non-performing exposures by geography

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

		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			
				Of which defaulted				
010	**On-balance-sheet exposures**	**706,034,982**	**14,366,294**	**14,366,294**	**706,034,982**			
020	BR	106,656,040	519,306	519,306	106,656,040			
030	GB	73,897,337	1,376,410	1,376,410	73,897,337			
040	US	419,432,853	3,485,386	3,485,386	419,432,853			
070	Other countries	106,048,752	8,985,191	8,985,191	106,048,752			
080	**Off-balance-sheet exposures**	**-**	**-**	**-**				
090	GB							
100	NL							
110	US							
120	Other countries							
150	**Total**	**706,034,982**	**14,366,294**	**14,366,294**	**706,034,982**	**-**	**-**	**-**

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

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

		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		
				Of which defaulted			
010	Agriculture, forestry and fishing						
020	Mining and quarrying						
030	Manufacturing	1,592,662	712,373	712,373	1,592,662		
040	Electricity, gas, steam and air conditioning supply	1,961	402	402	1,961		
050	Water supply	20,070	11,460	11,460	20,070		
060	Construction	8,016			8,016		
070	Wholesale and retail trade	24,016,983	7,010,577	7,010,577	24,016,983		
080	Transport and storage	8,973,134	1,552,301	1,552,301	8,973,134		
090	Accommodation and food service activities	5,114,472	1,815,260	1,815,260	5,114,472		
100	Information and communication	51,808,255	1,475,330	1,475,330	51,808,255		
110	Financial and insurance activities						
120	Real estate activities						
130	Professional, scientific and technical activities	8,049	2,557	2,557	8,049		
140	Administrative and support service activities	9,056,591	3,375	3,375	9,056,591		
150	Public administration and defense, compulsory social security	309,181	239,999	239,999	309,181		
160	Education	10,110	10,078	10,078	10,110		
170	Human health services and social work activities	8,428	6,306	6,306	8,428		
180	Arts, entertainment and recreation	1,640,460	144,909	144,909	1,640,460		
190	Other services	34,657,840	1,288,402	1,288,402	34,657,840		
200	**Total**	**137,226,212**	**14,273,329**	**14,273,329**	**137,226,212**		

Annex EU MR1 - Market risk under the standardised approach

Template EU MR1 - Market risk under the standardised approach

		a
		RWEAs
	Outright products	
1	Interest rate risk (general and specific)	
2	Equity risk (general and specific)	
3	Foreign exchange risk	**256,041,788**
4	Commodity risk	
	Options	
5	Simplified approach	
6	Delta-plus approach	
7	Scenario approach	
8	Securitisation (specific risk)	
9	**Total**	**256,041,788**

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

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

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)	530,001,585	676,127,670	989,768,262	109,794,876	1,372,435,948
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches					
3	*Subject to TSA:*					
4	*Subject to ASA:*					
5	Banking activities subject to advanced measurement approaches AMA					

Annex EU AE1 - Encumbered and unencumbered assets

Template EU AE1 - Encumbered and unencumbered assets

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	050	060	080	090	100
010	**Assets of the disclosing institution**	**28,590,320**				**5,747,015,471**	**2,833,294,156**		
030	Equity instruments					22,503,535		22,503,535	
040	Debt securities								
050	of which: covered bonds								
060	of which: securitisations								
070	of which: issued by general governments								
080	of which: issued by financial corporations								
090	of which: issued by non-financial corporations								
120	**Other assets**	**28,590,320**		-	-	**5,724,511,936**	**2,833,294,156**	-	-

Annex EU AE2 - Collateral received and own debt securities issued

Template EU AE2 - Collateral received and own debt securities issued

		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**				
241	**Own covered bonds and securitisations issued and not yet pledged**				
250	**Total collateral received and own debt securities issued**	**28,590,320**			

Annex EU AE3 - Sources of encumbrance

Template EU AE3 - Sources of encumbrance

		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	28,590,320	28,590,320

Annex EU REM1 - Remuneration awarded for the financial year

Template EU REM1 - Remuneration awarded for the financial year

			a MB Supervisory function	b MB Management function	c Other senior management	d Other identified staff
1	Fixed remuneration	*Number of identified staff*	*5*	*6*	*2*	*13*
2		**Total fixed remuneration**	**386,000**	**3,377,752**	**1,535,200**	**3,932,501**
3		Of which: cash-based	386,000	3,136,889	1,054,831	3,541,230
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests		240,863	480,369	391,271
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*				*2*
10		**Total variable remuneration**				**1,025,285**
11		Of which: cash-based				1,025,285
12		Of which: deferred				
EU-13a		Of which: shares or equivalent ownership interests				
EU-14a		Of which: deferred				
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)**		**386,000**	**3,377,752**	**1,535,200**	**4,957,786**

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

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

		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	3
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	

Annex EU REM5 - Information on remuneration of identified staff

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

		a	b	c	d	e	f	g	h	i	j
		Management body remuneration			Business areas						
		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**										**26**
2	Of which: members of the MB	5	6	11							
3	Of which: other senior management									2	
4	Of which: other identified staff							6	3	4	
5	**Total remuneration of identified staff**	**386,000**	**3,377,752**	**3,763,752**				**866,278**	**566,952**	**4,034,471**	
6	Of which: variable remuneration									1,025,285	
7	Of which: fixed remuneration	386,000	3,377,752	3,763,752				866,278	566,952	3,009,186	