Form CET1

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(bank or savings bank)

Assessment of compliance of Common Equity Tier 1 instrument

(name of instrument)		
Legal provision prescribing condition for capital instrument	(article and wording from contract or other documentation related to meeting required condition for capital instrument)	(reasoned self-assessment of meeting of condition)
Article 28 of Regulation (EU) No 575/2013[1]		
1. Capital instruments shall qualify as Common Equity Tier 1 instruments only if all the following conditions are met:		
(a) the instruments are issued directly by the institution with the prior approval of the owners of the institution or, where permitted under applicable national law, the management body of the institution;		
(b) the instruments are fully paid up and the acquisition of ownership of those instruments is not funded directly or indirectly by the institution;		
(in relation to Articles 8 and 9 of RTS No 241/2014[2])		
(c) the instruments meet all the following conditions as regards their classification:		
(i) they qualify as capital within the meaning of Article 22 of Directive 86/635/EEC;		

[1] Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (OJ L 176 of 27 June 2013, p 1)
[2] Commission Delegated Regulation (EU) No 241/2014 of 7 January 2014 supplementing Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to regulatory technical standards for own funds requirements for institutions (OJ L 74 of 14 March 2014, p 8)

(ii) they are classified as equity within the meaning of the applicable accounting framework;		
(iii) they are classified as equity capital for the purposes of determining balance sheet insolvency, where applicable under national insolvency law;		
(d) the instruments are clearly and separately disclosed on the balance sheet in the financial statements of the institution;		
(e) the instruments are perpetual;		
(f) the principal amount of the instruments may not be reduced or repaid, except in either of the following cases;		
(i) the liquidation of the institution;		
(ii) discretionary repurchases of the instruments or other discretionary means of reducing capital, where the institution has received the prior permission of the competent authority in accordance with Article 77;		
(g) the provisions governing the instruments do not indicate expressly or implicitly that the principal amount of the instruments would or might be reduced or repaid other than in the liquidation of the institution, and the institution does not otherwise provide such an indication prior to or at issuance of the instruments, except in the case of instruments referred to in Article 27 where the refusal by the institution to redeem such instruments is prohibited under applicable national law;		
(h) the instruments meet the following conditions as regards distributions:		
(i) there is no preferential distribution treatment regarding the order of distribution payments, including in relation to other Common Equity Tier 1 instruments, and the terms governing the instruments do not provide		

preferential rights to payment of distributions;		
(in relation to Articles 7a, 7b, 7c and 7d of RTS No 241/2014)		
(ii) distributions to holders of the instruments may be paid only out of distributable items;		
(iii) the conditions governing the instruments do not include a cap or other restriction on the maximum level of distributions, except in the case of the instruments referred to in Article 27;		
(iv) the level of distributions is not determined on the basis of the amount for which the instruments were purchased at issuance, except in the case of the instruments referred to in Article 27;		
(v) the conditions governing the instruments do not include any obligation for the institution to make distributions to their holders and the institution is not otherwise subject to such an obligation;		
(vi) non-payment of distributions does not constitute an event of default of the institution;		
(vii) the cancellation of distributions imposes no restrictions on the institution;		
(i) compared to all the capital instruments issued by the institution, the instruments absorb the first and proportionately greatest share of losses as they occur, and each instrument absorbs losses to the same degree as all other Common Equity Tier 1 instruments;		
(j) the instruments rank below all other claims in the event of insolvency or liquidation of the institution;		
(k) the instruments entitle their owners to a claim on the residual assets of the institution, which, in the event of its liquidation and after the payment of all		

senior claims, is proportionate to the amount of such instruments issued and is not fixed or subject to a cap, except in the case of the capital instruments referred to in Article 27;		
(l) the instruments are neither secured nor subject to a guarantee that enhances the seniority of the claim by any of the following:		
(i) the institution or its subsidiaries;		
(ii) the parent undertaking of the institution or its subsidiaries;		
(iii) the parent financial holding company or its subsidiaries;		
(iv) the mixed activity holding company or its subsidiaries;		
(v) the mixed financial holding company and its subsidiaries;		
(vi) any undertaking that has close links with the entities referred to in points (i) to (v);		
(m) the instruments are not subject to any arrangement, contractual or otherwise, that enhances the seniority of claims under the instruments in insolvency or liquidation.		
Article 73 of Regulation (EU) No 575/2013		
1. Capital instruments and liabilities for which an institution has the sole discretion to decide to pay distributions in a form other than cash or own funds instruments shall not be eligible to qualify as Common Equity Tier 1, Additional Tier 1, Tier 2 or eligible liabilities instruments, unless the institution has received the prior permission of the competent authority.		