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Industry Update

NPL Monitor: 9M-17 edition

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Launching a European NPL database

Regulators and policy makers have made it clear that the NPL issue has to be addressed more aggressively. We believe the ECB will adopt a case-by-case approach, asking banks to deliver ambitious but realistic targets. This is why we are launching the "NPL monitor": monitoring NPL evolution in terms of NPL ratios, stock trends, and coverage allows understanding if a bank is progressing well or lagging behind. For 9M-17, key conclusions regard Italy: Italian banks reduced net NPL c.30% since 2015 and 13% YtD (excl. M&A); several banks updated NPL strategies, accelerating clean-up plans. We do not expect the ECB to ask for more, but to closely monitor delivery of these goals.

A summary of the most recent regulatory events on the NPL front

After its NPL guide in Mar-17, on 4-Oct-17, the ECB released an addendum on calendar provisioning for new *NPLs* and mentioned that a third document will be released by the end of Q1-18, focusing on NPL stock reduction. The EC "blocked" ECB intervention, highlighting that the regulator can only act case-by-case; at the same time, the EC proposed its "action plan" to tackle the NPL issue, which also includes calendar provisioning (applied only on new *loans*).

A European overview of the NPL issue

In 9M-17, across Europe, all countries have reduced NPLs on a YoY comparison (Figure 1, Figure 2). However, NPLs are still above 2008's starting point everywhere except Germany (Figure 3): they are 3.5x higher in Spain, 3x in Italy and c.1.5x in other countries. In general, coverage levels range from 45% to 55% (Figure 4), with Italy at 51% and Spain at c.54% on average.

Italy: Regulatory uncertainty, but good progress

In Italy, banks have reduced net NPLs by c.30% on average since 2015 (excl. M&A): UCG and MPS's NPL stocks declined the most, MPS and BBPM have accelerated the most in 2017. Despite this good progress, given high NPL ratios, we expect smaller Italian banks to remain volatile until clarity is provided by the ECB on NPL reduction timing. *Details on NPL strategies [here](#).*

Iberia: NPA reduction driven by NPLs

In Iberia, banks have reduced net NPA by c.17% if we exclude the M&A transactions. The bulk of the reduction took place in NPLs, while the reduction in foreclosed assets has been more limited. YtD the banks that have reduced the most are Unicaja, BBVA and BCP.

Definition and disclosure: Extensive NPL database in this note

This note includes our database of banks' gross and net NPLs, coverage, collateral, under-performing loans, gross and net customer loans. An Excel version is available (*please write to paola.sabbione@db.com*). We also present an analysis of the disclosure and classification method across all countries. We call NPLs the sum of all problematic loan categories (past due, UTP, bad loans), and NPA the sum of NPLs and foreclosed assets.

Valuation and risk; Top picks: BNP, CABK, CASA, CS, ING, SAN and UCG

We value banks using DDM or SoTP. On 2018 forecasts, our coverage universe trades at 11.2x P/E, 4.5% dividend yield and 1.06x P/TBV, for RoTE of 9.6% (*page 62 for details*). Upside risks: higher rates, better-than-expected credit growth and dilution of regulation. Downside risks: persistently low inflation, weak economic recovery / credit growth, higher LLPs and regulatory risk.

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Key points

Monitoring NPL strategies

- In 9M-17, across Europe, all countries have reduced NPLs on a YoY comparison (Figure 1 and Figure 2). We note Spain and Ireland have accelerated in 9M-17 vs 2016 (without considering M&A for Santander and Caixa); in Italy, the apparent slowdown is due to the UCG's large NPL disposal in Dec-16.

Figure 1: 9M-17 YoY change - net NPLs by country (*)

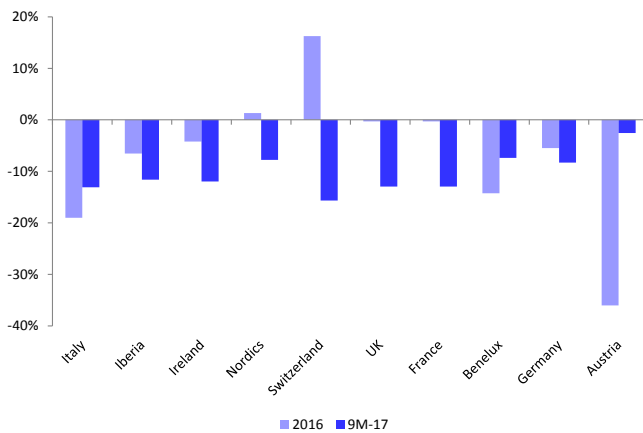
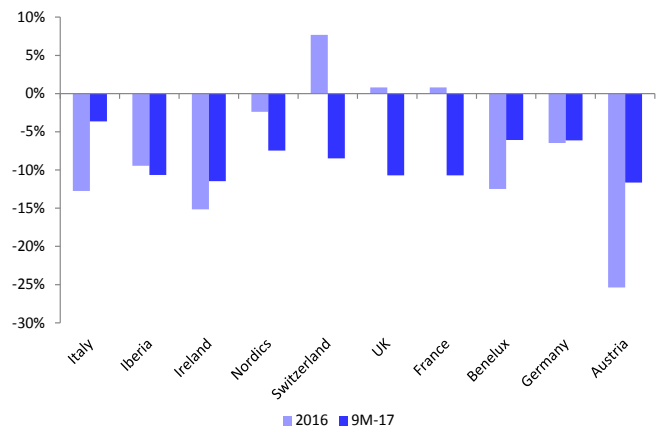


Figure 2: 9M-17 YoY change - gross NPLs by country (*)

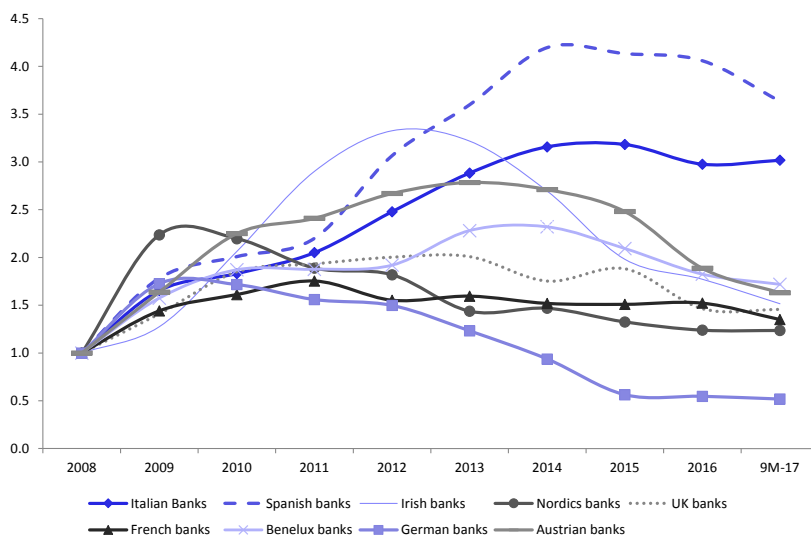


Source: Deutsche Bank estimates (average per country of the banks under coverage), company data. (*) H1-17 data for BNP, Barclays, HSBC, Standard Chartered, AIB, BOI and PTSB. NPA for Iberia.

Source: Deutsche Bank estimates (average per country of the banks under coverage), company data. (*) H1-17 data for BNP, Barclays, HSBC, Standard Chartered, AIB, BOI and PTSB. NPA for Iberia.

- However, NPLs are still above 2008's starting point (Figure 3), in all countries excluding Germany: they are 3.5x higher in Spain, 3x in Italy and c.1.5x in other countries.

Figure 3: Gross NPLs evolution by country (2008 based) (*)

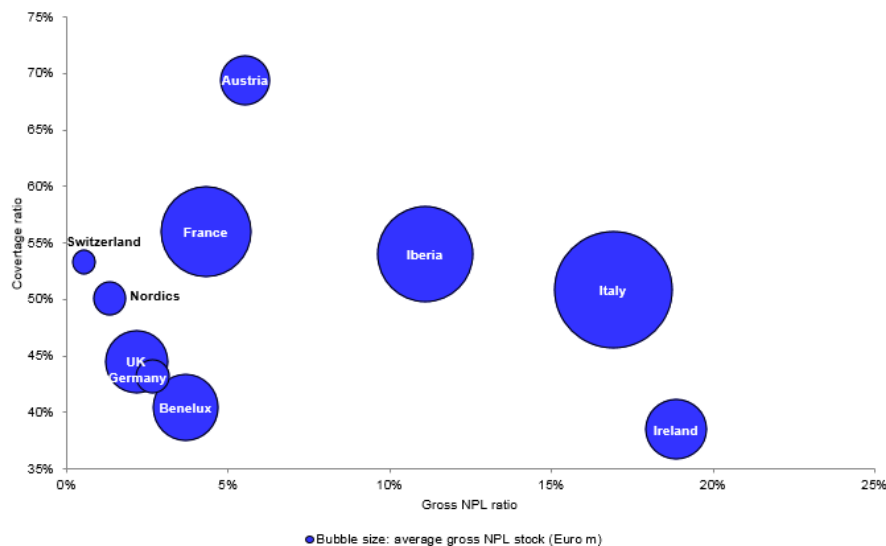


Source: Deutsche Bank estimates (average per country of the banks under coverage), company data. (*) For Iberia, we consider NPA (i.e. NPL + foreclosed assets). H1-17 data for BNP, Barclays, HSBC, Standard Chartered, Allied Irish Banks, Bank of Ireland and PTSB



- Figure 4 shows the size of the NPL problem in absolute and relative terms (vs gross loans) across countries. Coverage ranges from 45% to 55% in most countries, with Italy at 51% and Spain at 54% on average.

Figure 4: NPL ratio versus coverage (*)



Source: Deutsche Bank, company data – Important: average per country is the average of the banks under Deutsche Bank coverage. Exchange rates as of 21-Nov-2017. (*) For Iberia, we consider NPA (i.e. NPL + foreclosed assets). H1-17 data for BNP, Barclays, HSBC, Standard Chartered, Allied Irish Banks, Bank of Ireland and PTSB.

- Figure 5 summarizes the NPL trends in 9M-17 for all the banks under coverage, both looking at net and gross NPLs. Key conclusions are:
 - In **Italy**, banks have reduced net NPLs by 29% on average since the end of 2015 and 12% YtD (or 30% / 13% respectively if we exclude UBI's 3GB acquisition): UCG and MPS's NPL stocks have declined the most. MPS and BBPM have accelerated the most net NPL reduction in 2017 YtD. In Q3 all banks reduced gross and net NPL QoQ and generally coverage has also gone up (again excluding UBI, due to M&A).
 - In **Iberia**, banks have reduced net NPA c.17% if we exclude the M&A transactions (Santander and CaixaBank's). The bulk of the reduction took place in NPLs while the reduction in foreclosed assets has been more limited. YtD the banks that have reduced the most are Unicaja, BBVA and BCP.
 - In **France**, trends are less homogenous than in the periphery, with CASA showing some NPL expansion, and BNPP and SocGen showing a gradual decline.
 - As far as other countries are concerned, there are only two key observations: 1) In the **UK**, banks have significantly reduced NPL and strengthened coverage since the end of 2015 and also YtD, 2) **Ireland** has the highest reduction since the end of 2015 among the banks in our sample; moreover, given in Ireland the NPL peak was in 2012 (see also Figure 3), calculating the drop since 2012 would lead to a figure of more than 60%.



Figure 5: European banks – 9M-17 NPL heat maps

Gross NPLs

%	Since FY-15	YoY	YtD	QoQ
Italy				
Unicredit	-34%	-31%	-9%	-3%
Intesa	-15%	-10%	-8%	-2%
Banco BPM	-13%	-14%	-12%	-1%
MPS	-4%	-1%	-2%	-1%
UBI (*)	4%	6%	12%	16%
Credem	-2%	-7%	-1%	0%
Iberia				
Santander (**)	-18%	-14%	-12%	-23%
BBVA	-20%	-15%	-13%	-8%
Bankia	-21%	-10%	-11%	-3%
Bankinter	2%	-10%	-7%	-2%
CaixaBank (***)	-13%	-7%	-1%	-3%
Sabadell	-22%	-12%	-9%	-3%
Unicaja Banco	-21%	n.a.	-14%	-7%
BCP	-24%	-20%	-14%	-8%
Ireland				
Allied Irish Banks (H1-17)	-32%	n.a.	-14%	n.a.
Bol (H1-17)	-23%	-8%	-14%	n.a.
Permanent tsb (H1-17)	-5%	-7%	-1%	n.a.
Nordics				
Nordea	-2%	2%	5%	-2%
Handels	-15%	-3%	-3%	3%
Swed	43%	52%	7%	5%
SEB	-4%	2%	-3%	-8%
DNB	25%	-23%	-22%	-14%
Danske	-30%	-18%	-14%	-2%
Switzerland				
UBS	-22%	-10%	-1%	2%
CS	11%	-5%	-11%	-2%
UK				
Lloyds	-14%	-11%	-3%	-1%
Aldermore (H1-17)	n.a.	n.a.	-1%	n.a.
Barclays (H1-17)	-15%	-7%	4%	n.a.
RBS	-26%	-29%	-13%	-3%
HSBC (H1-17)	-32%	-27%	-12%	n.a.
Stan (H1-17)	-22%	-23%	2%	n.a.
France				
BNP (H1-17)	-8%	-8%	-9%	n.a.
SocGen	-13%	-10%	-10%	-3%
CASA	-11%	-10%	-15%	-11%
Natixis (H1-17)	n.a.	n.a.	-11%	n.a.
Benelux				
KBC	-18%	-9%	-5%	-4%
ABN AMRO	13%	-16%	-12%	-7%
ING	-17%	-6%	-7%	-3%
Germany				
CBK	-8%	-12%	-5%	1%
Aareal	-7%	-8%	-7%	-6%
PBB	-60%	-23%	-19%	-2%
Austria				
Erste	-34%	-15%	-7%	-5%
RBI	-35%	-24%	-16%	-8%

Net NPLs

%	Since FY-15	YoY	YtD	QoQ
Italy				
Unicredit	-42%	-38%	-11%	-4%
Intesa	-18%	-13%	-9%	-3%
Banco BPM	-21%	-18%	-14%	-2%
MPS	-37%	-33%	-25%	-3%
UBI (*)	-13%	1%	5%	9%
Credem	-1%	-6%	-3%	-1%
Iberia				
Santander (**)	-13%	-13%	-8%	-20%
BBVA	-18%	-18%	-18%	-9%
Bankia	-14%	-3%	-13%	7%
Bankinter	-8%	-8%	-6%	-2%
CaixaBank (***)	-7%	-4%	-2%	-2%
Sabadell	-27%	-19%	-15%	-9%
Unicaja Banco	-17%	n.a.	-15%	-7%
BCP	-34%	-25%	-16%	-8%
Ireland				
Allied Irish Banks (H1-17)	-28%	n.a.	-15%	n.a.
Bol (H1-17)	4%	27%	-12%	n.a.
Permanent tsb (H1-17)	-3%	-8%	-2%	n.a.
Nordics				
Nordea	6%	6%	9%	-3%
Handels	-25%	-9%	-2%	3%
Swed	60%	60%	7%	5%
SEB	-24%	9%	-16%	-32%
DNB	19%	-42%	-37%	-25%
Danske	-27%	-15%	-14%	0%
Switzerland				
UBS	-37%	-19%	-10%	9%
CS	15%	-11%	-17%	-4%
UK				
Lloyds	-16%	-12%	-8%	-6%
Aldermore (H1-17)	n.a.	n.a.	7%	n.a.
Barclays (H1-17)	-19%	-13%	7%	n.a.
RBS	-9%	-21%	-18%	-11%
HSBC (H1-17)	-40%	-34%	-18%	n.a.
Stan (H1-17)	-41%	-41%	1%	n.a.
France				
BNP (H1-17)	-9%	-7%	-6%	n.a.
SocGen	-7%	-9%	-6%	-3%
CASA	-34%	-15%	-40%	-35%
Natixis (H1-17)	n.a.	n.a.	-15%	n.a.
Benelux				
KBC	-22%	-12%	-7%	-5%
ABN AMRO	67%	-11%	-6%	-7%
ING	-19%	-3%	-7%	-2%
Germany				
CBK	-9%	-17%	-7%	1%
Aareal	-13%	-12%	-11%	-8%
PBB	-56%	-26%	-25%	-4%
Austria				
Erste	-43%	-39%	-9%	-8%
RBI	-30%	-17%	5%	-5%

Source: Deutsche Bank, company data. (*) For UBI: net of M&A contribution trends would have been downward. (**) For Santander: Excluding Popular in YtD, YoY and since 2015 trends. (***) For CaixaBank: data includes Banco BPI in Portugal.



Definitions

NPL definition in this report

We define NPL as the sum of all problematic loan categories i.e. past due by >90 days, unlikely to pay (UTP) and bad loans (defaulted). Note that the EBA papers use the acronym "NPE" (non-performing exposures) whereas we use "NPL" (non-performing loans), but both refer to the same concept.

- Forborne exposures (or restructured loans) represent a sub-set of NPLs; after 12m of payments, they can be moved to performing status, but still keep the forborne tag for another 12m.
- Performing forborne and 30/90 days past due loans are indicators of the IFRS 9 "stage 2" or under-performing loans: For this reason, we report their amount per bank in each country's section.

NPA = NPL + foreclosed assets

We define NPA as the sum of NPLs (as defined above) and foreclosed assets.

The EBA definition

The definition of NPL was established by the European Banking Authority (EBA) in the Implementing Technical Standard (ITS) on Supervisory Reporting on forbearance and non-performing exposures under article 99(4) of Regulation (EU) 575/2013¹, which was adopted by the Commission as an amendment to its Implementing Regulation (EU) No. 680/2014.

- According to this definition, **NPL is every exposure that is 90 days past due or unlikely to be paid without collateral realization, even if it is not recognized as defaulted or impaired.**
- In addition, **any exposure to a debtor has to be considered non-performing when its on-balance sheet 90 days past-due reaches 20% of the outstanding amount of total on-balance sheet exposure to that debtor ('pulling effect')**. This will change by 31 December 2020 (so starting from Q1-21), when the EBA September 2016 amendment² comes into force.
- The new text suggests stricter parameters to calculate the pulling effect: **a)** absolute – Euro 100 in a retail loan are past due by more than 90 days (180 days for residential mortgages, SME and commercial RE) or Euro 500 in a corporate loan are past due by more than 90 days (180 days for PA); **b)** relative – 1% / 2.5% of the loan is past due by more than 90 days (or 180 days in the examples above). If both a) and b) are breached all the exposure is moved to NPL.
- **NPLs that are forborne only exit this classification if the debtor has proven its ability to meet the restructured conditions for one year.**

¹ EBA final draft (revised as of Jul-2014): Definition of NPL and 20% pulling effect
<https://www.eba.europa.eu/documents/10180/449824/EBA-ITS-2013-03+Final+draft+ITS+on+Forbearance+and+Non-performing+exposures.pdf/a55b9933-be43-4cae-b872-9184c90135b9>

² <https://www.eba.europa.eu/documents/10180/1597002/Final+draft+RTS+on+the+materiality+threshold+for+credit+obligations+%28EBA-RTS-2016-06%29.pdf/fe1db887-c6dc-4777-89c1-4f243584cafd>



Regulation update

The EC and ECB have separately started to enact the indications of the ECOFIN Council (Jul-17)³ on NPLs

Measures on new NPLs: Where the proposals stand

- **4-Oct-17, ECB publishes the NPL guidance addendum:** Rules will be finalized after 8-Dec-17 when the consultation closes. The proposal says that NPLs formed after 1-Jan-18 have to be 100% covered after 2y if unsecured or 7y if secured. This is not ideal for the Italian banks given the long time necessary to repossess collateral; however, in a few years the 2015/16 bankruptcy reforms should be effective in reducing the issue. The Bank of Italy estimates that the reforms should drive a reduction in bankruptcy time to 3 from 6 years, and foreclosure time to 3 from 4 years. According to the press⁴, **the Italian government is also considering to include new measures to further foster foreclosure in the upcoming budget law or in a separate decree at the beginning of 2018**; we think this would be extremely supportive to reduce calendar provisioning effects, and in general in the overall Italian NPL debate.

Figure 6: Bank of Italy (BoI) estimates on the impact of the bankruptcy / foreclosure reforms

# years for...	Current	BoI estimates
Bankruptcy	6	3
Foreclosure	4	3

Source: Deutsche Bank, Bank of Italy

- **4-Oct-17, the ECB also announces other measures to tackle the NPL stock:** Another NPL document will be released by the end of Q1-18; this might be more critical for some of the small/medium Italian banks, depending on its final contents.

With regard to NPL stocks, ECB Banking Supervision has required banks with high levels of NPLs to submit NPL strategies, including their NPL reduction targets, in the first half of this year. Many banks have made notable progress and submitted credible strategies including reduction plans. However, some banks still need to improve. ECB Banking Supervision will continue to closely monitor progress on reducing NPLs, provisioning for NPL stocks and developments with respect to NPL strategies. In addition, by the end of the first quarter of 2018, ECB Banking Supervision will present its consideration of further policies to address the existing stock of NPLs, including appropriate transitional arrangements.⁵

The ECB distinguishes between “banks have made notable progress and submitted credible strategies including reduction plans” and “banks still need to improve”. However, the lack of quantitative

³ See our analysis of the Ecofin Council proposals [in this note](#).

⁴ MF, 15-Nov-17

⁵ Extract from: <https://www.bankingsupervision.europa.eu/press/pr/date/2017/html/ssm.pr171004.en.html>



parameters to define “good progress” for now exposes high-NPL banks to some regulatory uncertainty.

In several conferences and interviews at the beginning of November, Mrs Nouy has only clarified: **1)** there will be a case-by-case approach in defining NPL strategies (JST are discussing with each banks, providing feedbacks on their plans in this weeks); **2)** banks like UCG and ISP (explicitly named in an interview⁶) are already fine.

- **11-Oct-17, the EC sends out a comprehensive document, including measures on NPLs to be adopted by spring 2018.** These measure are 1) the definition of an asset management company to deal with the NPL issue, 2) new tools to accelerate repossession time for NPLs, 3) amendment of the CRR (capital requirement regulation) with regard to the minimum level of provisions from “future NPLs arising from newly originated loans” – different from the ECB wording of “new NPLs”. This would be a Pillar 1 backstop, i.e. if banks’ provisions are not enough, they have to add another deduction directly from CET1 capital.
- **10-Nov-17, the EC launched a separate consultation on calendar provisioning** (ending on 30-Nov-17), as a follow up of the document in the bullet above. The paper suggests calendar provisioning will apply on new loans (granted after the law enters into force), and requires a 100% coverage on unsecured loans after 2y of vintage, and on secured loans after 6-8y of vintage. Overall for the sector, the EC version of the calendar provisioning is more favorable than the ECB version, as postpone its effects.
- In general the **EC thinks that the ECB can only act on a case by case base**, when a bank needs to accelerate the NPL clean-up. Between the end of October and the beginning of November, the EC has expressed this view in several occasions, and has also provided an official legal opinion on this, confirming its position.
- According to SNL⁷, also the **EBA will publish an NPL paper in January**. The paper should include measures to support the secondary NPL market. This is positive for banks with still high NPL ratios. Among the measures, the report will add *“the standardization of data on NPLs that banks put up for sale, including comprehensive descriptions of collateral and a full history of communication with the borrower, as well as the establishment of electronic selling platforms where pricing can be seen by all participants.”*

⁶ MF, 8-Nov-17

⁷ 21-Nov-17



Country sections

How to read Country sections?

In each country section readers find:

- **First table:** Last available key data on NPLs (or NPA where present) for all the banks we cover in each country: gross and net stock, provisions and coverage, gross and net NPL ratios.
- **First set of charts:** Stock evolution (gross, net and coverage). *For a more granular overview of each bank's NPL stock evolution (in table form), please refer to the NPL database at the end of this report.*
- **Second set of charts:** Gross and net NPL growth rate, since 2015, YoY, YtD, and QoQ.
- **Second table:** Adding to the net NPL stock, also net under-performing loans (i.e. past due 30/90 days and performing forborne) – which can be a proxy of IFRS 9 stage 2.

Readers interested in an excel format of our database, can request it writing an email to paola.sabbione@db.com.



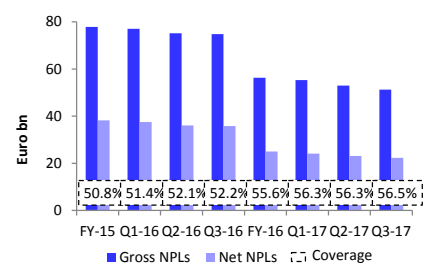
Italy

Figure 7: Italian banks – Asset quality summary data 9M-17

Euro m	UCG	ISP	MPS	BBPM	UBI	Credem
Gross NPLs	51,279	53,607	45,014	27,491	14,033	1,395
Provisions	28,959	26,541	29,872	13,501	5,614	612
Net NPLs	22,320	27,066	15,142	13,990	8,419	783
Coverage	56.5%	49.5%	66.4%	49.1%	40.0%	43.9%
Gross NPL ratio	10.6%	12.8%	35.6%	22.6%	14.0%	5.8%
Net NPL ratio	5.3%	6.9%	16.6%	13.0%	9.0%	3.3%

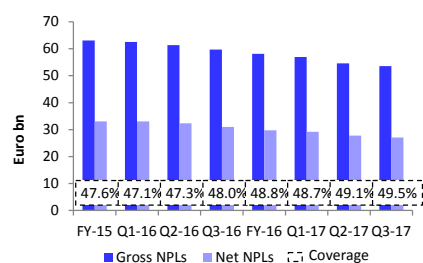
Source: Deutsche Bank, company data

Figure 8: UCG – NPLs evolution



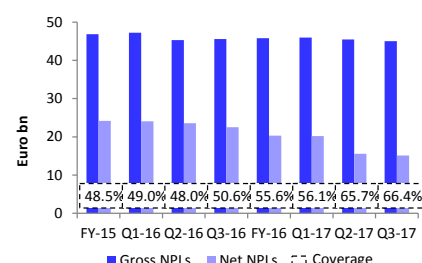
Source: Deutsche Bank, company data

Figure 9: ISP – NPLs evolution



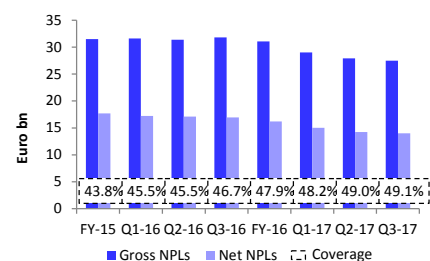
Source: Deutsche Bank, company data

Figure 10: MPS – NPLs evolution



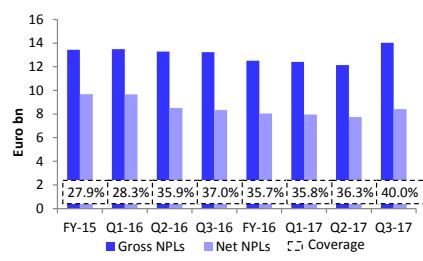
Source: Deutsche Bank, company data

Figure 11: BBPM – NPLs evolution⁸



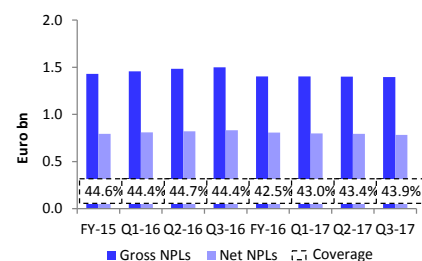
Source: Deutsche Bank, company data

Figure 12: UBI – NPLs evolution⁹



Source: Deutsche Bank, company data

Figure 13: Credem – NPLs evolution



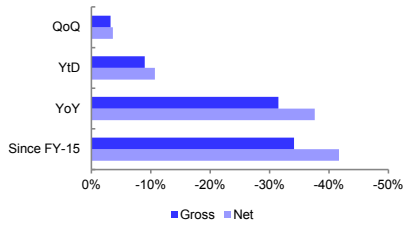
Source: Deutsche Bank, company data

⁸ For BBPM, we re-state gross NPL and coverage for quarters before Q1-17, taking into consideration write-off. This allows to be consistent with 2017 data, calculating NPL trends in a correct way. Overview tables in the NPL database at the end of this report, instead, report the stated data.

⁹ For UBI, we include the effects of the acquisition of the 3GB from Q3-17.

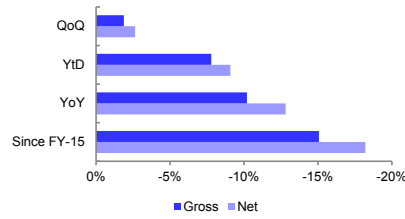


Figure 14: UCG – NPL Q3 trends



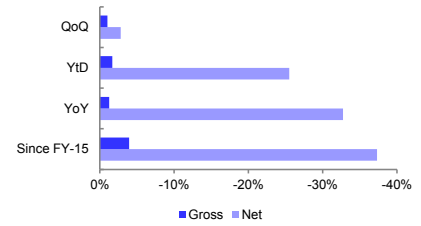
Source: Deutsche Bank, company data

Figure 15: ISP – NPL Q3 trends



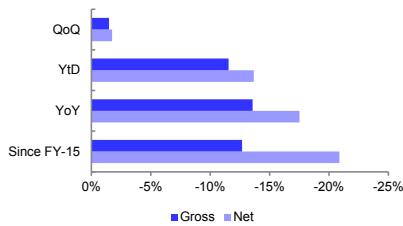
Source: Deutsche Bank, company data

Figure 16: MPS – NPL Q3 trends



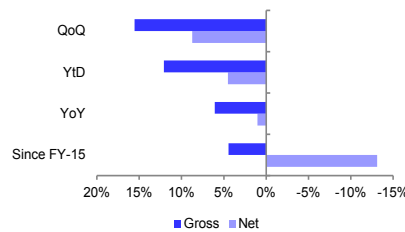
Source: Deutsche Bank, company data

Figure 17: BBPM – NPL Q3 trends



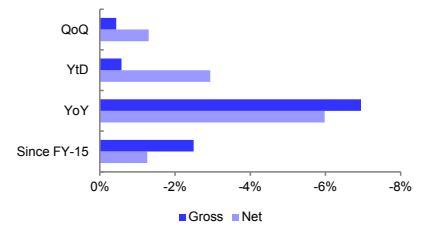
Source: Deutsche Bank, company data

Figure 18: UBI – NPL Q3 trends¹⁰



Source: Deutsche Bank, company data

Figure 19: Credem – NPL Q3 trends



Source: Deutsche Bank, company data

Figure 20: Italian banks – Asset quality and focus on forbore / past due performing 9M-17

Euro m	Net NPLs	Net forbore + 30/90 past due (2016)	Net forbore + 30/90 past due / loans	Net NPL increase adding 30/90 PS +F	Net NPL ratio	New net NPL ratio
Unicredit (*)	22,320	10,593	2.5%	47.5%	5.3%	7.8%
Intesa	27,066	14,846	3.8%	54.9%	6.9%	10.7%
MPS	15,142	4,887	5.4%	32.3%	16.6%	22.0%
Banco BPM	13,990	5,781	5.4%	41.3%	13.0%	18.3%
UBI Banca	8,419	6,413	6.8%	76.2%	9.0%	15.8%
Credem	783	796	3.4%	101.7%	3.3%	6.7%
Average			4.5%	59.0%	9.0%	13.6%

Source: Deutsche Bank estimates, company data. (*) Net forbore and past due as of H1-17.

¹⁰ For UBI: Net of M&A contribution trends would have been downward.



Iberia

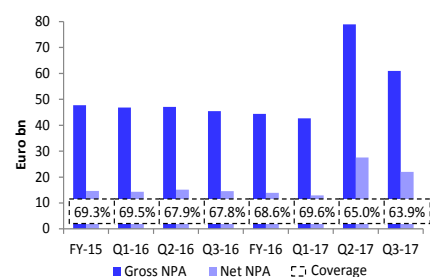
For Iberia, NPA = NPLs + foreclosed assets

Figure 21: Iberian banks – Asset quality summary data 9M-17

Euro m	Santander	BBVA	Bankia	Bankinter	Sabadell	CaixaBank	Unicaja	BCP
Gross NPLs	51,257	20,932	10,194	2,151	8,346	15,286	2,833	4,729
Provisions	33,830	15,042	5,480	1,031	4,192	7,630	1,417	2,223
Net NPLs s	17,427	5,890	4,714	1,120	4,154	7,656	1,416	2,506
Coverage	66.0%	71.9%	53.8%	47.9%	50.2%	49.9%	50.0%	47.0%
Gross NPL ratio	6.0%	5.0%	9.4%	4.0%	5.6%	6.8%	9.0%	9.3%
Net NPL ratio	2.1%	1.5%	4.6%	2.1%	3.0%	3.5%	4.7%	5.2%
Gross NPA	60,937	32,869	13,343	2,622	17,109	29,882	4,964	8,079
Provisions on NPA	38,930	22,460	6,547	1,241	8,938	16,103	2,766	3,363
Net NPA	22,007	10,409	6,796	1,381	8,171	13,779	2,198	4,716
NPA coverage	63.9%	68.3%	49.1%	47.3%	52.2%	53.9%	55.7%	41.6%
Gross NPA ratio	7.1%	7.9%	12.3%	4.9%	11.5%	13.3%	15.8%	15.9%
Net NPA ratio	2.7%	2.6%	6.6%	2.6%	6.0%	6.3%	7.3%	9.8%

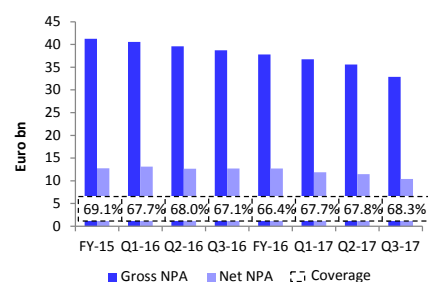
Source: Deutsche Bank, company data

Figure 22: Santan. – NPA evolution¹¹



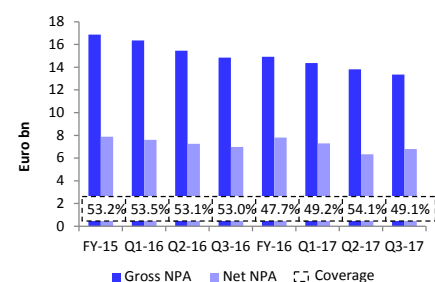
Source: Deutsche Bank, company data

Figure 23: BBVA – NPA evolution



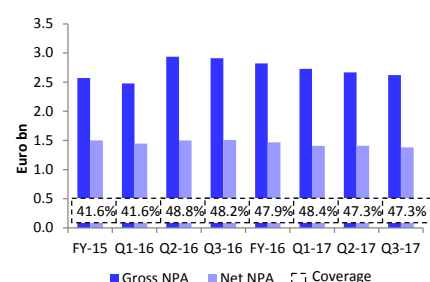
Source: Deutsche Bank, company data

Figure 24: Bankia – NPA evolution



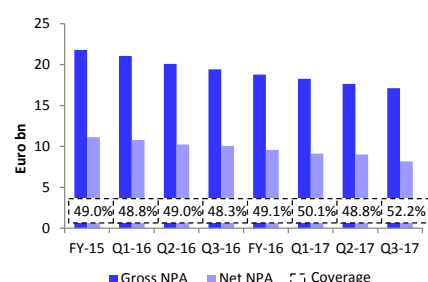
Source: Deutsche Bank, company data

Figure 25: Bankinter – NPA evolution



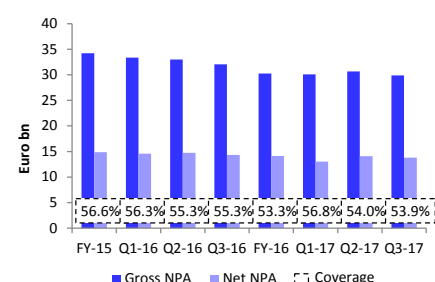
Source: Deutsche Bank, company data

Figure 26: Sabadell – NPA evolution



Source: Deutsche Bank, company data

Figure 27: Caixa – NPA evolution¹²



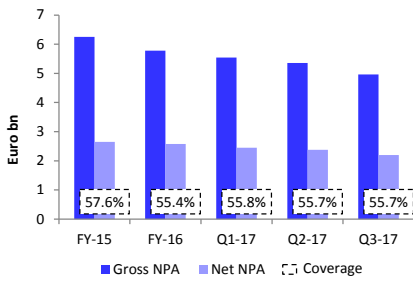
Source: Deutsche Bank, company data

¹¹ For Santander, we include the effects of the acquisition of Banco Popular from Q2-17.

¹² For CaixaBank, we include the effect of the acquisition of BPI in Portugal from Q2-17.

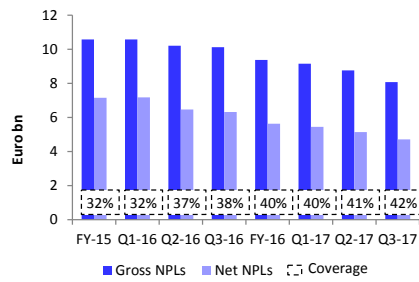


Figure 28: **Unicaja** – NPA evolution



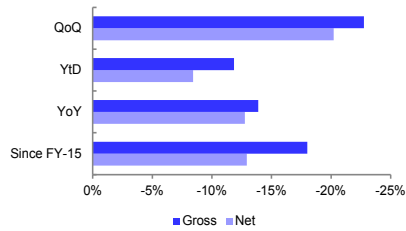
Source: Deutsche Bank, company data

Figure 29: **BCP** – NPA evolution



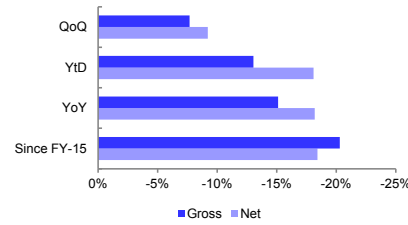
Source: Deutsche Bank, company data

Figure 30: **Santan.** – NPA Q3 trends¹³



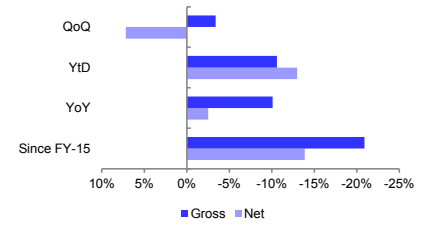
Source: Deutsche Bank, company data

Figure 31: **BBVA** – NPA Q3 trends



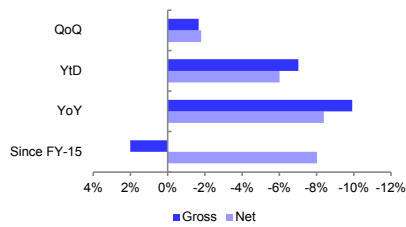
Source: Deutsche Bank, company data

Figure 32: **Bankia** – NPA Q3 trends



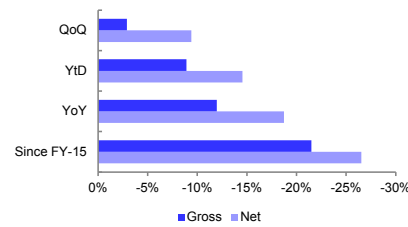
Source: Deutsche Bank, company data

Figure 33: **Bankint.** – NPA Q3 trends



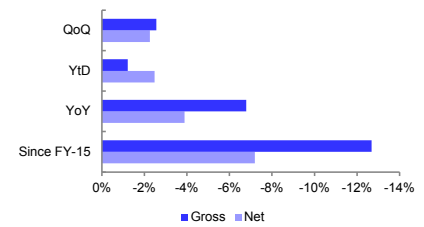
Source: Deutsche Bank, company data

Figure 34: **Sabadell** – NPA Q3 trends



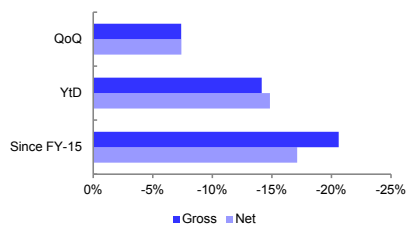
Source: Deutsche Bank, company data

Figure 35: **Caixa** – NPA Q3 trends¹⁴



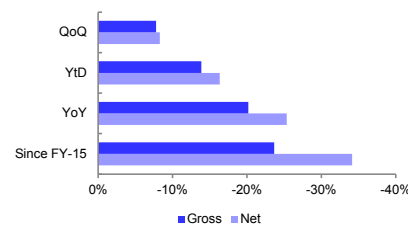
Source: Deutsche Bank, company data

Figure 36: **Unicaja** – NPA Q3 trends



Source: Deutsche Bank, company data

Figure 37: **BCP** – NPA Q3 trends



Source: Deutsche Bank, company data

¹³ For Santander: Excluding Popular in YtD, YoY and since 2015 trends.

¹⁴ For CaixaBank: data includes Banco BPI in Portugal.



Figure 38: Iberian banks – Asset quality and focus on forborne / past due performing 9M-17

Euro m	Net NPA	Net forborne + 30/90 past due (2016)	Net forborne + 30/90 past due / loans	Net NPA increase adding 30/90 PS +F	Net NPA ratio	New net NPA ratio
Santander	22,007	29,042	3.5%	132.0%	2.7%	6.2%
BBVA	10,409	11,992	3.0%	115.2%	2.6%	5.6%
Bankia	6,796	4,007	3.9%	59.0%	6.6%	10.4%
Bankinter	1,381	813	1.6%	58.9%	2.6%	4.2%
Sabadell	8,171	4,402	3.2%	53.9%	6.0%	9.2%
CaixaBank	13,779	4,444	2.0%	32.3%	6.3%	8.4%
Unicaja	2,198	1,952	6.5%	88.8%	7.3%	13.8%
BCP	4,716	3,993	8.3%	84.7%	9.8%	18.1%
Average			4.0%	78.1%	5.5%	9.5%

Source: Deutsche Bank estimates, company data



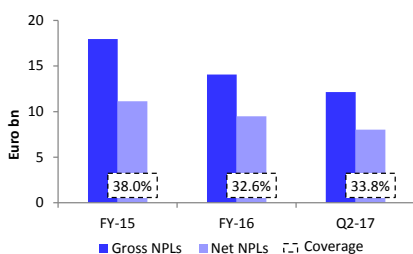
Ireland¹⁵

Figure 39: Irish banks – Asset quality summary data H1-17

Euro m	Allied Irish Banks	BoI	Permanent tsb
Gross NPLs	12,140	8,067	5,782
Provisions	4,106	3,210	2,425
Net NPLs	8,034	4,857	3,357
Coverage	33.8%	39.8%	41.9%
Gross NPL ratio	19.0%	10.1%	27.5%
Net NPL ratio	13.2%	6.3%	18.1%

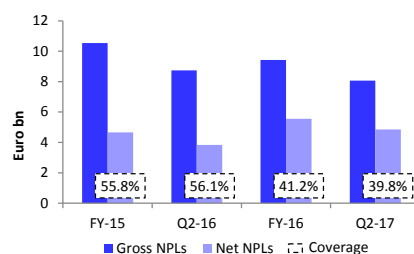
Source: Deutsche Bank, company data

Figure 40: AIB – NPLs evolution



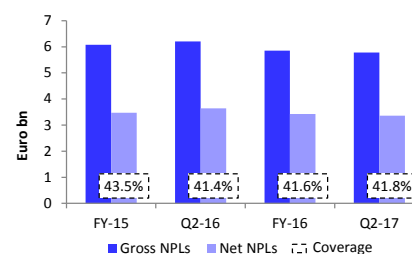
Source: Deutsche Bank, company data

Figure 41: BoI – NPLs evolution



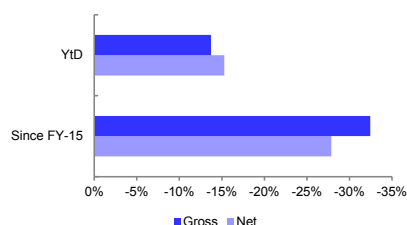
Source: Deutsche Bank, company data

Figure 42: PTSB – NPLs evolution



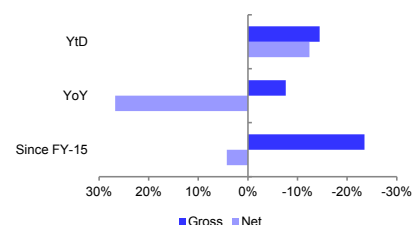
Source: Deutsche Bank, company data

Figure 43: AIB – NPL Q2 trends



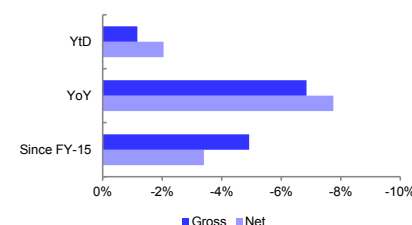
Source: Deutsche Bank

Figure 44: BoI – NPL Q2 trends



Source: Deutsche Bank

Figure 45: PTSB – NPL Q2 trends



Source: Deutsche Bank

Figure 46: Irish banks – Asset quality and focus on forborne / past due performing H1-17

Euro m	Net NPLs	Net forborne + 30/90 past due (2016)	Net forborne + 30/90 past due / loans	Net NPL increase adding 30/90 PS +F	Net NPL ratio	New net NPL ratio
Allied Irish Banks	8,034	6,702	11.0%	83.4%	13.2%	24.2%
Bank of Ireland	4,857	8,543	11.1%	175.9%	6.3%	17.4%
Permanent tsb	3,357	2,240	12.1%	66.7%	18.1%	30.1%
Average			11.4%	108.7%	12.5%	23.9%

Source: Deutsche Bank estimates, company data

¹⁵ For Irish banks we should consider NPLs (as per EBA definition), while in the past the banks used to disclose only a subset, i.e. impaired loans.



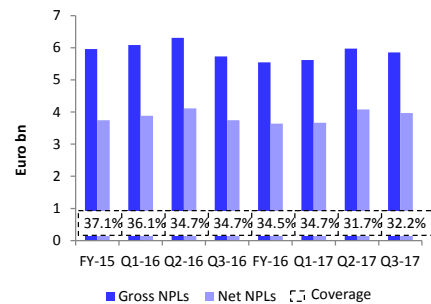
Nordics

Figure 47: Nordics banks – Asset quality summary data 9M-17

Currency m	Nordea	SHB	Swed	SEB	DNB	Danske
	Euro	SEK	SEK	SEK	NOK	DKK
Gross NPLs	5,853	7,497	8,655	4,909	25,315	39,542
Provisions	1,884	4,469	2,882	3,582	14,647	17,770
Net NPLs	3,969	3,028	5,773	1,327	10,668	21,772
Coverage	32.2%	59.6%	33.3%	73.0%	57.9%	44.9%
Gross NPL ratio	1.9%	0.4%	0.6%	0.3%	1.6%	3.3%
Net NPL ratio	1.3%	0.1%	0.4%	0.1%	0.7%	1.3%

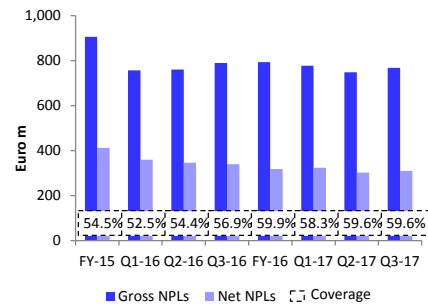
Source: Deutsche Bank, company data

Figure 48: Nordea – NPLs evolution



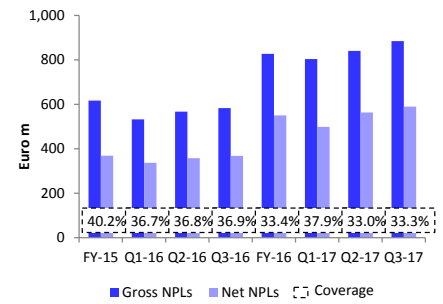
Source: Deutsche Bank, company data

Figure 49: SHB – NPLs evolution



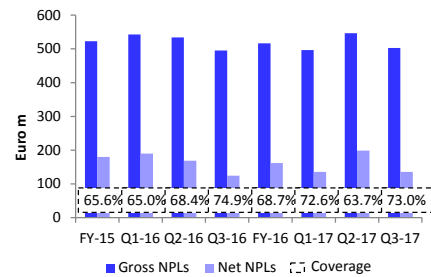
Source: Deutsche Bank, company data

Figure 50: Swed – NPLs evolution



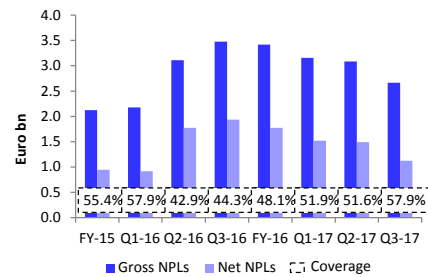
Source: Deutsche Bank, company data

Figure 51: SEB – NPLs evolution



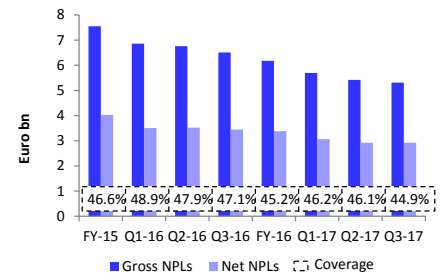
Source: Deutsche Bank, company data

Figure 52: DNB – NPLs evolution



Source: Deutsche Bank, company data

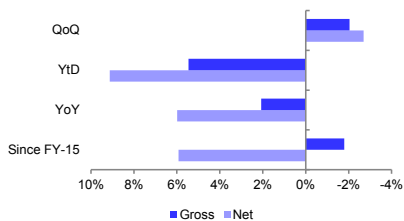
Figure 53: Danske – NPLs evolution



Source: Deutsche Bank, company data

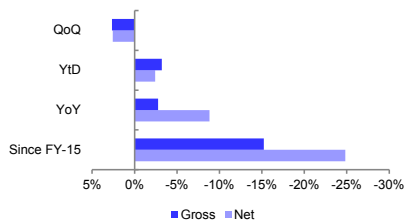


Figure 54: **Nordea** – NPL Q3 trends



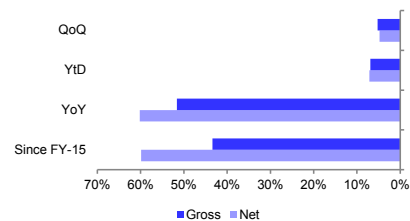
Source: Deutsche Bank, company data

Figure 55: **HSB** – NPL Q3 trends



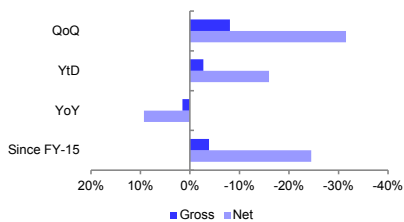
Source: Deutsche Bank, company data

Figure 56: **Swed** – NPL Q3 trends



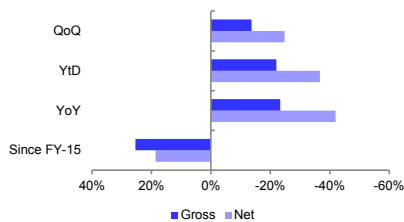
Source: Deutsche Bank, company data

Figure 57: **SEB** – NPL Q3 trends



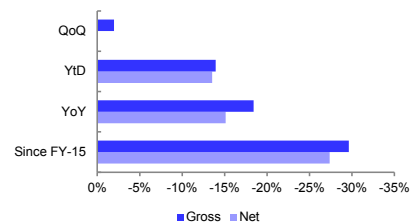
Source: Deutsche Bank, company data

Figure 58: **DNB** – NPL Q3 trends



Source: Deutsche Bank, company data

Figure 59: **Danske** – NPL Q2 trends



Source: Deutsche Bank, company data

Figure 60: Nordics banks – Asset quality and focus on forborne / past due performing 9M-17

Currency m	Currency	Net NPLs	Net forborne + 30/90 past due (2016)	Net forborne + 30/90 past due / loans	Net NPL increase adding 30/90 PS+F	Net NPL ratio	New net NPL ratio
Nordea	Euro	3,969	4,166	1.3%	105.0%	1.3%	2.6%
Handelsbanken	SEK	3,028	5,154	0.3%	170.2%	0.1%	0.4%
Swedbank	SEK	5,773	17,667	1.1%	306.0%	0.4%	1.5%
SEB	SEK	1,327	11,245	0.7%	847.4%	0.1%	0.8%
DNB	NOK	10,668	29,750	1.9%	278.9%	0.7%	2.6%
Danske	DKK	21,772	12,093	0.7%	55.5%	1.3%	2.0%
Average				1.0%	293.8%	0.6%	1.7%

Source: Deutsche Bank estimates, company data



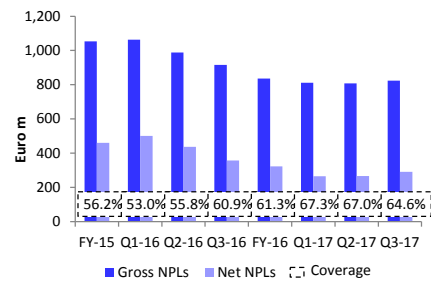
Switzerland

Figure 61: Swiss banks – Asset quality summary data 9M-17

CHF m	UBS	Credit Suisse
Gross NPLs	958	2,194
Provisions	619	922
Net NPLs	339	1,272
Coverage	64.6%	42.0%
Gross NPL ratio	0.3%	0.8%
Net NPL ratio	0.1%	0.5%

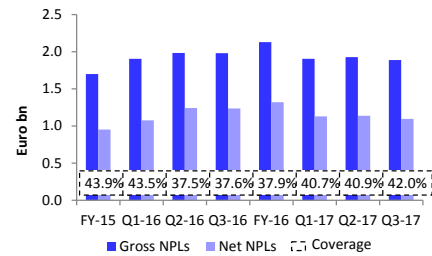
Source: Deutsche Bank, company data

Figure 62: UBS – NPLs evolution



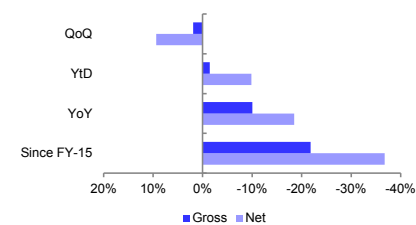
Source: Deutsche Bank, company data

Figure 63: CS – NPLs evolution



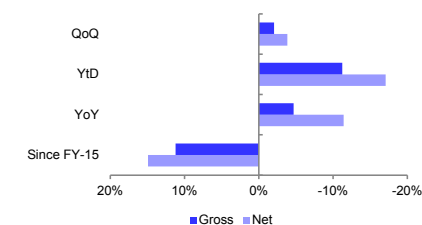
Source: Deutsche Bank, company data

Figure 64: UBS – NPL Q3 trends



Source: Deutsche Bank, company data

Figure 65: CS – NPL Q3 trends



Source: Deutsche Bank, company data

Figure 66: Swiss banks – Asset quality and focus on forbore / past due performing 9M-17

CHF m	Net NPLs	Net forbore + 30/90 past due (2016)	Net forbore + 30/90 past due / loans	Net NPL increase adding 30/90 PS +F	Net NPL ratio	New net NPL ratio
UBS	339	1,475	0.5%	435.1%	0.1%	0.6%
CS (*)	1,272	1,642	0.6%	129.1%	0.5%	1.1%
Average			0.5%	282.1%	0.3%	0.8%

Source: Deutsche Bank estimates, company data. (*) Net forbore and past due as of H1-17.



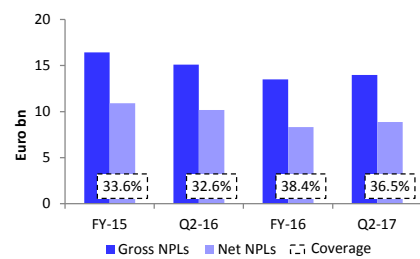
United Kingdom

Figure 67: UK banks – Asset quality summary data 9M-17

Currency m	Aldermore (H1-17)	Barclays (H1-17)	HSBC (H1-17)	Lloyds	RBS	Standard (H1-17)
	GBP	GBP	USD	GBP	GBP	USD
Gross NPLs	35	12,472	16,067	8,200	9,000	9,922
Provisions	12	4,556	7,563	3,657	3,900	5,988
Net NPLs	23	7,916	8,504	4,543	5,100	3,934
Coverage	35.3%	36.5%	47.1%	44.6%	43.3%	60.4%
Gross NPL ratio	0.4%	2.9%	1.7%	1.7%	2.6%	3.6%
Net NPL ratio	0.3%	1.9%	0.9%	1.0%	1.6%	1.5%

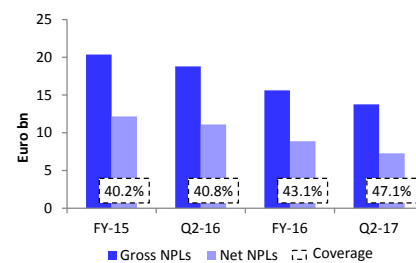
Source: Deutsche Bank, company data

Figure 68: Barclays – NPLs evolution



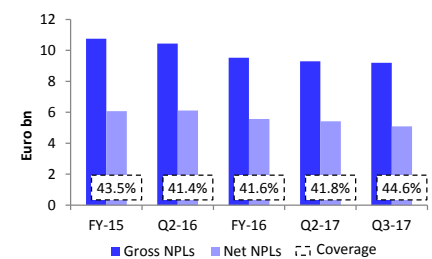
Source: Deutsche Bank, company data

Figure 69: HSBC – NPLs evolution



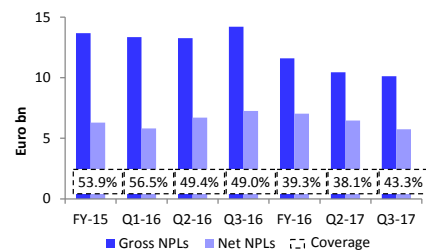
Source: Deutsche Bank, company data

Figure 70: Lloyds – NPLs evolution



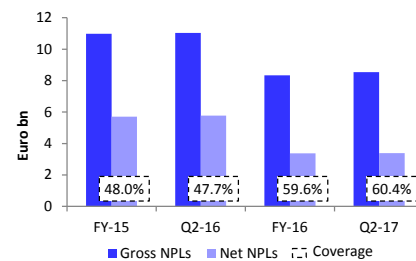
Source: Deutsche Bank, company data

Figure 71: RBS – NPLs evolution



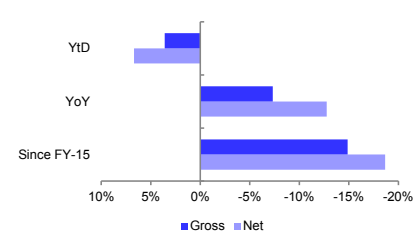
Source: Deutsche Bank, company data

Figure 72: Stand. – NPLs evolution



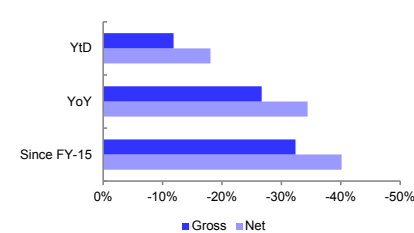
Source: Deutsche Bank, company data

Figure 73: Barclays – NPL Q2 trends



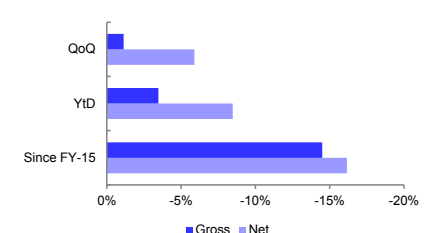
Source: Deutsche Bank, company data

Figure 74: HSBC – NPL Q2 trends



Source: Deutsche Bank, company data

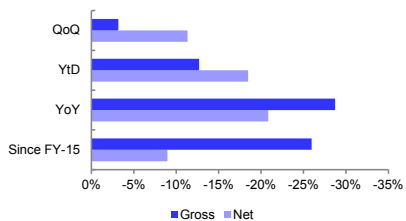
Figure 75: Lloyds – NPL Q3 trends



Source: Deutsche Bank, company data

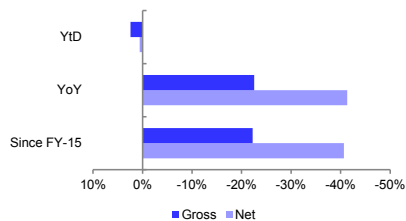


Figure 76: RBS – NPL Q3 trends



Source: Deutsche Bank, company data

Figure 77: Standard – NPL Q2 trends



Source: Deutsche Bank, company data

Figure 78: UK banks – Asset quality and focus on forbore / past due performing 9M-17

Currency m	Currency	Net NPLs	Net forbore + 30/90 past due (2016)	Net forbore + 30/90 past due / loans	Net NPL increase adding 30/90 PS+F	Net NPL ratio	New net NPL ratio
Aldermore (H1-17)	GBP	23	10	0.1%	43.2%	0.3%	0.4%
Barclays (H1-17)	GBP	7,916	3,641	0.9%	46.0%	1.9%	2.7%
HSBC (H1-17)	USD	8,504	6,016	0.7%	70.7%	0.9%	1.6%
Lloyds (*)	GBP	4,543	5,653	1.2%	124.4%	1.0%	2.2%
RBS	GBP	5,100	4,495	1.4%	88.1%	1.6%	3.0%
Standard (H1-17) (*)	USD	3,934	2,084	0.8%	53.0%	1.5%	2.2%
Average				0.8%	70.9%	1.2%	2.0%

Source: Deutsche Bank estimates, company data. (*) Net forbore and past due as of H1-17.



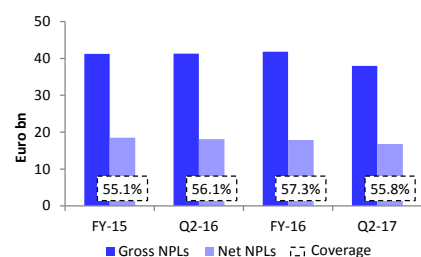
France

Figure 79: French banks – Asset quality summary data 9M-17

Euro m	BNP (H1-17)	SocGen	CASA	Natixis (H1-17)
Gross NPLs	37,984	21,400	14,296	4,054
Provisions	21,200	11,800	9,921	1,769
Net NPLs	16,784	9,600	4,375	2,285
Coverage	55.8%	55.1%	69.4%	43.6%
Gross NPL ratio	5.1%	5.0%	4.0%	3.1%
Net NPL ratio	2.3%	2.3%	1.3%	1.8%

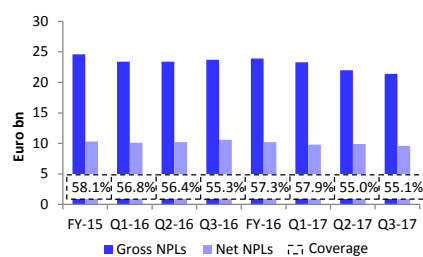
Source: Deutsche Bank, company data

Figure 80: BNP – NPLs evolution



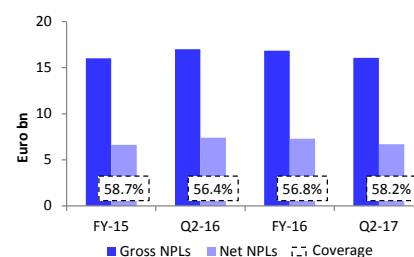
Source: Deutsche Bank, company data

Figure 81: SocGen – NPLs evolution



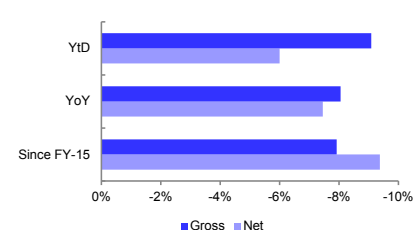
Source: Deutsche Bank, company data

Figure 82: CASA – NPLs evolution



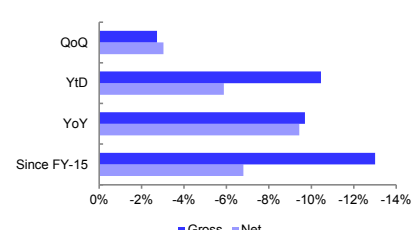
Source: Deutsche Bank, company data

Figure 83: BNP – NPL Q2 trends



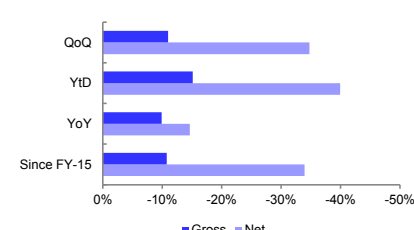
Source: Deutsche Bank, company data

Figure 84: SocGen – NPL Q3 trends



Source: Deutsche Bank, company data

Figure 85: CASA – NPL Q3 trends



Source: Deutsche Bank, company data

Figure 86: French banks – Asset quality and focus on forbore / past due performing 9M-17

Euro m	Net NPLs	Net forbore + 30/90 past due (2016)	Net forbore + 30/90 past due / loans	Net NPL increase adding 30/90 PS +F	Net NPL ratio	New net NPL ratio
BNP (H1-17)	16,784	9,019	1.3%	53.7%	2.3%	3.6%
SocGen	9,600	2,781	0.7%	29.0%	2.3%	3.0%
CASA	4,375	9,852	2.8%	225.2%	1.3%	4.1%
Natixis (H1-17)	2,285	2,713	2.1%	118.7%	1.8%	3.9%
Average			1.7%	106.7%	1.9%	3.6%

Source: Deutsche Bank estimates, company data



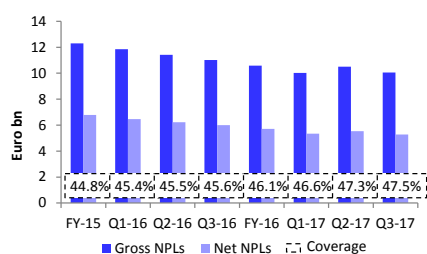
Benelux

Figure 87: Benelux banks – Asset quality summary data 9M-17

Euro m	KBC	ABN AMRO	ING
Gross NPLs	10,060	7,853	12,650
Provisions	4,777	2,721	4,967
Net NPLs	5,283	5,132	7,683
Coverage	47.5%	34.6%	39.3%
Gross NPL ratio	6.0%	2.9%	2.2%
Net NPL ratio	3.3%	1.9%	1.4%

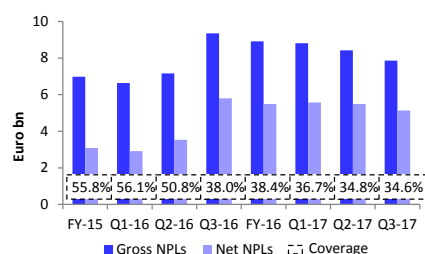
Source: Deutsche Bank, company data

Figure 88: KBC – NPLs evolution



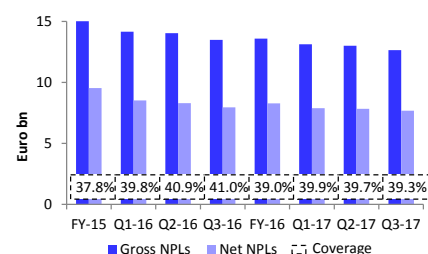
Source: Deutsche Bank, company data

Figure 89: ABN – NPLs evolution



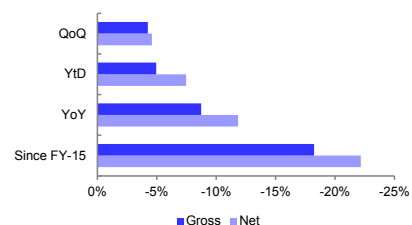
Source: Deutsche Bank, company data

Figure 90: ING – NPLs evolution



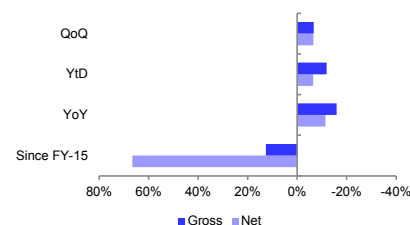
Source: Deutsche Bank, company data

Figure 91: KBC – NPL Q3 trends



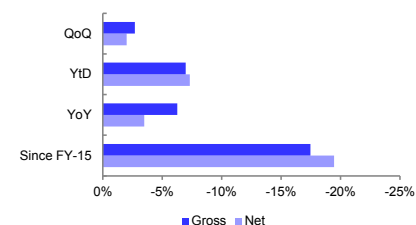
Source: Deutsche Bank, company data

Figure 92: ABN – NPL Q3 trends



Source: Deutsche Bank, company data

Figure 93: ING – NPL Q3 trends



Source: Deutsche Bank, company data

Figure 94: Benelux banks – Asset quality and focus on forbore / past due performing 9M-17

Euro m	Net NPLs	Net forbore + 30/90 past due (2016)	Net forbore + 30/90 past due / loans	Net NPL increase adding 30/90 PS +F	Net NPL ratio	New net NPL ratio
KBC	5,283	1,977	1.2%	37.4%	3.3%	4.5%
ABN AMRO	5,132	5,927	2.2%	115.5%	1.9%	4.1%
ING (*)	7,683	8,337	1.5%	108.5%	1.4%	2.8%
Average			1.6%	87.1%	2.2%	3.8%

Source: Deutsche Bank estimates, company data. (*) Net forbore and past due as of H1-17.



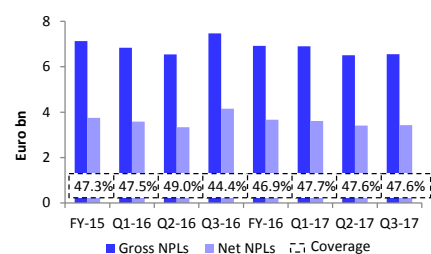
Germany

Figure 95: German banks – Asset quality summary data 9M-17

Euro m	CBK	Aareal	PBB
Gross NPLs	6,549	1,272	314
Provisions	3,118	554	121
Net NPLs	3,431	718	193
Coverage	47.6%	43.6%	38.5%
Gross NPL ratio	2.8%	4.4%	0.8%
Net NPL ratio	1.5%	2.5%	0.5%

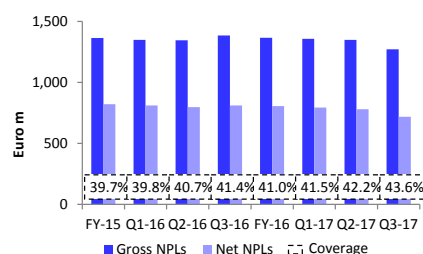
Source: Deutsche Bank, company data

Figure 96: CBK – NPLs evolution



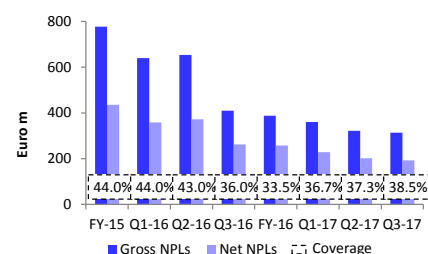
Source: Deutsche Bank, company data

Figure 97: Aareal – NPLs evolution



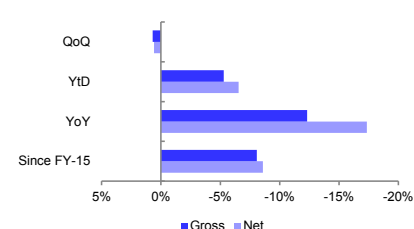
Source: Deutsche Bank, company data

Figure 98: PBB – NPLs evolution



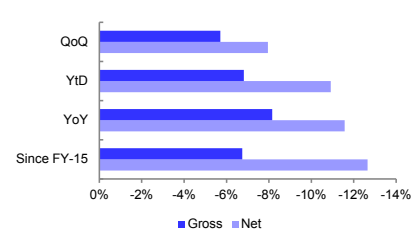
Source: Deutsche Bank, company data

Figure 99: CBK – NPL Q3 trends



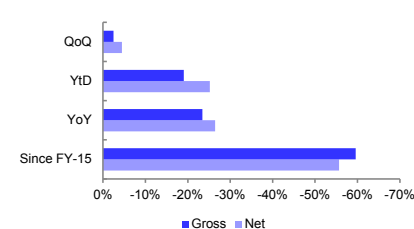
Source: Deutsche Bank, company data

Figure 100: Aareal – NPL Q3 trends



Source: Deutsche Bank, company data

Figure 101: PBB – NPL Q3 trends



Source: Deutsche Bank, company data

Figure 102: German banks – Asset quality and focus on forborne / past due performing 9M-17

Euro m	Net NPLs	Net forborne + 30/90 past due (2016)	Net forborne + 30/90 past due / loans	Net NPL increase adding 30/90 PS + F	Net NPL ratio	New net NPL ratio
Commerzbank	3,431	5,064	2.2%	147.6%	1.5%	3.7%
Aareal	718	332	1.2%	46.2%	2.5%	3.7%
PBB (*)	193	32	0.1%	16.6%	0.5%	0.6%
Average			1.2%	70.1%	1.5%	2.7%

Source: Deutsche Bank estimates, company data. (*) Net forborne and past due as of H1-17.



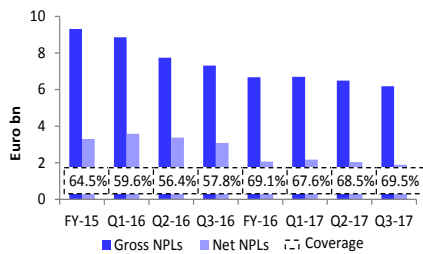
Austria

Figure 103: Austrian banks – Asset quality summary data 9M-17

Euro m	Erste	Raiffeisen
Gross NPLs	6,189	5,443
Provisions	4,302	3,778
Net NPLs	1,887	1,665
Coverage	69.5%	69.4%
Gross NPL ratio	4.3%	6.7%
Net NPL ratio	1.4%	2.2%

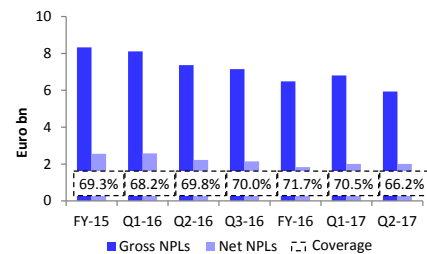
Source: Deutsche Bank, company data

Figure 104: Erste – NPLs evolution



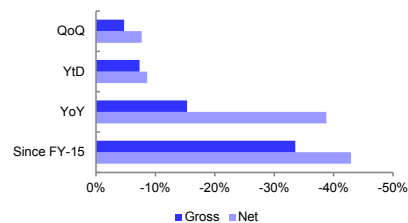
Source: Deutsche Bank, company data

Figure 105: RBI – NPLs evolution



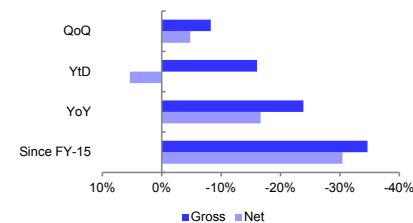
Source: Deutsche Bank, company data

Figure 106: Erste – NPL Q3 trends



Source: Deutsche Bank, company data

Figure 107: RBI – NPL Q3 trends



Source: Deutsche Bank, company data

Figure 108: Austrian banks – Asset quality and focus on forborne / past due performing 9M-17

Euro m	Net NPLs	Net forborne + 30/90 past due (2016)	Net forborne + 30/90 past due / loans	Net NPL increase adding 30/90 PS + F	Net NPL ratio	New net NPL ratio
Erste	1,887	2,110	1.5%	111.8%	1.4%	2.9%
Raiffeisen	1,665	779	1.0%	46.8%	2.1%	3.0%
Average			1.2%	79.3%	1.7%	3.0%

Source: Deutsche Bank estimates, company data

Disclosure by country

Figure 109: Italian banks – disclosure of non-performing and past-due loans

NPLs	Collateral to classify as non-performing	Provisions	Coverage	Past-due performing	Pulling effect
Summary Italy					
Data always available		No (can be used to calculate the amount of provisions to book)	Specific provisions on NPLs individually and collectively assessed), and generic provisions on performing loans (disclosure on a quarterly basis)	Coverage always calculated as cash specific provisions on total NPLs (in AR, and sometimes in quarterly presentation also details on collateral are available)	Data on past-due but performing available in AR only. For UCG performing past due also in H1 interim reports.
					Debtor approach – pulling effect threshold at 5% (EBA's 20%)

Source: Deutsche Bank, company data

Figure 110: Italian banks – disclosure of forborne loans

Forborne loans (qualitative / quantitative info)	Classification	Timing / condition for the transfer to performing	Provisions	Recent changes in classification due to EBA
Summary Italy				
Disclosure available quarterly for ISP, MPS and UBI, semi-annually for BBPM and UCG, and in AR only for Credem (both for performing and non-performing forborne loans).	Classified as non-performing, restructuring generates a reduction in NPV for the bank.	At least two years from the date of restructuring. The borrower must have recovered the condition of full solvency.	Specific provisions if classified within NPLs.	Generally no changes as existing rules were stricter. Only for some banks the Bank of Italy recent inspections lead to some reclassification of performing forborne loans into the non-performing category.

Source: Deutsche Bank, company data

Figure 111: Italian banks – disclosure of collateral

Carrying value	Valuation of collateral	Frequency of update in collateral value	Disclosure
Summary Italy			
Fair value, generally capped to the loan's nominal value (in most cases: not capped until 2014 included, capped from 2015 onwards)	Different practices. In general, Real estate collateral valued by independent assessors at the loan's inception; then this could be valued by banks' staff.	<ol style="list-style-type: none"> Yearly value review for collateral eligible in provisioning under Basel 2. No regulatory requirements on frequency of value review. Market practices may differ significantly between banks. 	Disclosure only available in the AR (and includes a split between real collateral and other).

Source: Deutsche Bank, company data



Figure 112: Spanish banks – disclosure of non-performing and past-due loans

NPLs	Collateral to classify as non-performing	Provisions	Coverage	Past-due performing	Pulling effect
Summary Spain					
Disclosure available in the AR and generally in presentations.	Generally not on loans' classification (exceptions apply on forborne loans)	1) Specific (individually or collectively assessed) and 2) generic provisions	Specific provisions / gross NPLs	No general rule applies, normally disclosed in annual report	The pulling effect applies when a non-performing or doubtful loan due to arrears exceed 20% of the outstanding exposure to that debtor. Incorporated in the new Appendix IX from Circular 4/2004 - #93

Source: Deutsche Bank, company data. Disclosure refers to the Spanish operations only

Figure 113: Spanish banks – disclosure of forborne loans

Forborne loans (qualitative / quantitative info)	Classification	Timing / condition for the transfer to performing	Provisions	Recent changes in classification due to EBA
Summary Spain				
Disclosure available in the AR and semi annual accounts. Forborne or renegotiated loans disclosure includes NPLs and performing loans by type of debtor. ¹⁶	1. Performing not past-due; 2. performing past-due; 3. non-performing	Reclassification from Doubtful to normal under surveillance shall require: 1) one year of met contractual conditions from restructuring; 2) Past-due installments' (principal and interests) paid back; 3) no unpaid installment with over 30days due. To exit from special surveillance need another year meeting contractual obligations and a detailed review of the borrower financial status.	Specific provisions and doubtful forborne.	Appendix IX – Circular 4/2004 has established new requirements in Q4-16.

Source: Deutsche Bank, company data. Disclosure refers to the Spanish operations only

Figure 114: Spanish banks – disclosure of collateral

Carrying value	Valuation of collateral	Frequency of update in collateral value	Disclosure
Summary Spain			
Appraisal value for foreclosed assets and value of the loan for NPLs.	Independent valuation only. Two methodologies: i) individual appraisal or ii) collective valuation methodology (only under certain conditions). The appraisal company has to be approved by the Bank of Spain. (Appendix IX #74)	Annually for all the NPLs. If the loans is below Euro 250k it is valid an update every 3 years. The updates have to be annually. If it is not NPL has to be done in the 6 months prior to the loan and updated when there is evidence of material decline in house prices (Appendix IX -68-82)	Limited and non-standardized disclosure in the AR.

Source: Deutsche Bank, company data. Disclosure refers to the Spanish operations only

¹⁶ Loans are recognized as forborne if borrowers have financial difficulties; the restructuring is not due to commercial reasons.



Figure 115: Portuguese banks – disclosure of non-performing and past-due loans

NPLs	Collateral to classify as non-performing	Provisions	Coverage	Past-due performing	Pulling effect
Summary Portugal					
Data always available	No dis	Specific provisions on NPLs (individually and collectively assessed), and generic provisions on performing loans (disclosure on a quarterly basis)	Coverage always calculated as cash specific provisions on total NPLs (in AR, and in quarterly presentation also details on collateral are available)	Data on past-due but performing available in AR and semi annual accounts	Debtor approach – included in the NPE definition (EBA's 20%)
BCP	Data always available	No disclosure	Specific provisions on NPLs (individually and collectively assessed), and generic provisions on performing loans (disclosure on a quarterly basis)	Coverage always calculated as cash specific provisions on total NPLs (in AR, and in quarterly presentation also details on collateral are available)	Data on past-due but performing available in AR and semi-annual accounts. Other NPE is disclosed in the quarterly presentation
<i>Source: Deutsche Bank, company data</i>					

Figure 116: Portuguese banks – disclosure of forborne loans

Forborne loans (qualitative / quantitative info)	Classification	Timing / condition for the transfer to performing	Provisions	Recent changes in classification due to EBA
Summary Portugal				
Disclosure available in the AR (for performing forborne loans).	Classified as non-performing, if the restructuring generates a reduction in NPV for the bank	At least two years from the date of restructuring. The borrower must have recovered the condition of full solvency.	Specific provisions if classified within NPLs.	
BCP	Disclosure available in the AR (for performing forborne loans)	Classified as non-performing, if the restructuring generates a reduction in NPV for the bank	At least two years from the date of restructuring. The borrower must have recovered the condition of full solvency.	Specific provisions if classified within NPLs.

Source: Deutsche Bank and company data

Figure 117: Portuguese banks – disclosure of collateral

Carrying value	Valuation of collateral	Frequency of update in collateral value	Disclosure
Summary Portugal			
Fair value, generally not capped to the loan's nominal value	Different practices: In general, Real estate collateral valued by independent assessors at the loan's inception; then this could be valued by banks' staff.	1) Yearly value review for collateral eligible in provisioning under Basel 2. 2) No regulatory requirements on frequency of value review. 3) Market practices may differ significantly between banks.	No disclosure
BCP	Fair value, generally not capped to the loan's nominal value	BCP does appraisal using realization value which includes transaction cost. It assumes disposal in 6 months	Once a year
<i>Source: Deutsche Bank, company data</i>			



Figure 118: Irish banks – disclosure of non-performing and past-due loans

NPLs	Collateral to classify as non-performing	Provisions	Coverage	Past-due performing	Pulling effect
Summary Ireland					
Disclosure always present in the AR	YES	3 categories: 1) specific (individually significant exposures), 2) specific (collectively assessed), 3) IBNR ("incurred but not reported")	Total provisions / gross non-performing	Disclosure always available (CBI requirement)	EBA basic rule (20% pulling effect)
Bank of Ireland					
Disclosure available in the AR	YES	1) Specific (individual, collective) and 2) IBNR provisions	Total provisions / gross non-performing	Detailed by maturity: <30d, 31d - 60d, 61d - 90d	EBA definition is adopted (so we assume this applies also to the pulling effect)
Allied Irish Bank					
Disclosure available in the AR	YES	1) Specific (individual, collective) and 2) IBNR provisions	Total provisions / gross non-performing	Detailed by maturity: <30d, 31d - 60d, 61d - 90d	N.A. (We assume EBA definition is adopted)
Permanent TSB					
Disclosure available in the AR	YES	1) Specific (individual, collective) and 2) IBNR provisions	Total provisions / gross non-performing	Detailed by maturity: <30d, 31d - 60d, 61d - 90d	N.A. (We assume EBA definition is adopted)

Source: Deutsche Bank, company data

Figure 119: Irish banks – disclosure of forborne loans

Forborne loans (qualitative / quantitative info)	Classification	Timing / condition for the transfer to performing	Provisions	Recent changes in classification due to EBA
Summary Ireland				
Disclosure of forborne loans (due to borrower's financial difficulties) available in the AR	1. Performing not past-due; 2. performing past-due; 3. non-performing	Curing subject to: 1) borrower's solvency, 2) no arrears. Timing: 1 year from the first payment past-due by less than 30 days	Individually and collectively assessed	New data on NPL following EBA definition (before only impaired loans were disclosed, now all NPLs). Improved disclosure: 1) renegotiated loans (o/w due to commercial reasons) 2) forbearances (impairment trigger)
Bank of Ireland				
Disclosure of forborne in the AR	1. Performing not past-due; 2. performing past-due; 3. non-performing	12 months probation period	1) Specific (individual, collective) and 2) generic provisions	Disclosure adjusted to EBA/CBI's revised guidelines
Allied Irish Bank				
Disclosure of forborne in the AR	1. Performing not past-due; 2. performing past-due; 3. non-performing	12 months probation period	1) Specific (individual, collective) and 2) generic provisions	Disclosure adjusted to EBA/CBI's revised guidelines
Permanent TSB				
Disclosure of forborne in the AR	1. Performing not past-due; 2. performing past-due; 3. non-performing	12 months probation period	1) Specific (individual, collective) and 2) generic provisions	Disclosure adjusted to EBA/CBI's revised guidelines

Source: Deutsche Bank, company data



Figure 120: Irish banks – disclosure of collateral

Carrying value	Valuation of collateral	Frequency of update in collateral value	Disclosure
Summary Ireland			
Fair value, capped to the loan nominal value	A combination of professional appraisers, real estate market indices or statistical analysis, based on independent assessors or banks' staff	1) CRE reviewed once every three years, 2) Residential real estate once every year	Limited and non-standardized disclosure
Bank of Ireland			
Fair value: Not stated whether if collateral is capped to the underlying value or not	Assessment by internal staff and external appraisals (commercial properties)	Consistent with the CBI regulatory guidance	AR – complete qualitative disclosure; only value of repossessed collateral disclosed
Allied Irish Bank			
Fair value: Not stated whether if collateral is capped to the underlying value or not	Assessment by internal staff and external appraisals (commercial properties)	Consistent with the CBI regulatory guidance	AR – complete qualitative disclosure; only value of repossessed collateral disclosed
Permanent TSB			
Fair value: Not stated whether if collateral is capped to the underlying value or not	Assessment by internal staff and external appraisals (commercial properties)	Consistent with the CBI regulatory guidance	AR – complete qualitative disclosure; only value of repossessed collateral disclosed

Source: Deutsche Bank, company data



Figure 121: Nordic banks – disclosure of non-performing and past-due loans

NPLs	Collateral to classify as non-performing	Provisions	Coverage	Past-due performing	Pulling effect	
Summary Nordics						
NPLs are given in the AR as those loans whose payments (interest or principal) are more than 90 days past-due (60 for some banks)						
		Generally YES	Specific (on NPLs) and generic	Disclosure differ by bank	Generally available (threshold varies, depending on the def. of NPLs)	No common rule
SEB						
Quantitative data in AR						
		YES	1) Collective (specific and generic); 2) individual (specific); 3) collective (generic)	Specific provisions / Gross NPLs	Data available, past-due threshold at 60%	Generally transaction approach. Debtor approach may apply to some exposures
Handelsbanken						
Disclosure available in the AR						
		A loan on which the bank expects full repayment is not classified as non-performing; exceptions are loans past-due by more than 60 days	No generic provision. Specific provisions (estimates of the potential bank's loss after deducting collaterals)	Total provisions / Gross NPLs	More detailed than other Nordic banks; split by maturity: 5d - 1m, 1m - 2m, 2m - 3m, 3m - 12m, > 12m.	N.A.
Nordea						
Disclosure available in the AR						
		YES	1) Generic ("collectively assessed") and 2) specific ("individually assessed") provisions	AR - 2 coverage ratios: 1) Specific provisions / gross NPLs; 2) Total provisions / gross NPLs	Split by customer (household, corporate) and by maturity: 6d - 30d, 31d - 60d, 61d - 90d, > 90d	Transaction approach
Svebank						
Qualitative disclosure in AR.						
		YES	Disclosure of generic and specific provisions	AR - 2 coverage ratios: 1) specific provisions / gross non-performing, and 2) Total provisions / gross non-performing. Presentation - only 2).	Good disclosure. Split by valuation category and by maturity: 5d - 30d, 31d - 60d, more than 60d	Generally debtor approach
Danske						
Qualitative disclosure in AR, but unclear and different from presentations.						
		NO	1) Generic ("collectively assessed") and 2) specific ("individually assessed") provisions	Specific provisions / Gross NPLs net of collateral	Split by maturity: 5d - 30d, 31d - 60d, > 60d)	Debtor approach
DNB						
Qualitative disclosure in AR, but unclear and different from presentations.						
		NO	1) Generic ("collectively assessed") and 2) specific ("individually assessed") provisions	Specific provisions / Gross NPLs net of collateral	Split by maturity: 5d - 30d, 31d - 60d, > 60d)	Debtor approach

Source: Deutsche Bank, company data



Figure 122: Nordic banks – disclosure of forborne loans

Forborne loans (qualitative / quantitative info)	Classification	Timing / condition for the transfer to performing	Provisions	Recent changes in classification due to EBA
Summary Nordics				
Qualitative disclosure, limited quantitative disclosure	1. Performing not past-due, 2. Performing, but past-due, 3. non-performing	No common definition.	Value of provisions on forborne loans is generally not disclosed.	Nordic banks might be required to change their disclosure by the EBA.
SEB				
Disclosure available in the AR	Only disclosure of 2. performing past-due >60 days	N.A.	Few details, no quantitative disclosure	No improvement neither is mentioned a pipeline of measures to comply with upcoming EBA regulation
Handelsbanken				
Neither the quantitative nor the qualitative disclosure available in the AR	N.A.	N.A.	N.A.	N.A.
Nordea				
Extensive qualitative, no quantitative disclosure	N.A.	After being recognized as forborne, a loan is regarded as performing if the obligor complies with the new conditions.	N.A.	N.A.
Svebank				
Extensive qualitative, limited quantitative disclosure	Only disclosure of 1. Performing not past-due	Curing upon: 1) no deferred payments, 2) original conditions restored, 3) borrower made the last 3 payments/has been paying for at least 6m	N.A.	Improvements made from 2012, approaching EBA's standards.
Danske				
Extensive qualitative, no quantitative disclosure	N.A.	N.A.	N.A.	AR – Introduced concept of forborne loan.
DNB				
Extensive qualitative, no quantitative disclosure	N.A.	N.A.	N.A.	AR – Introduced concept of forborne loan.

Source: Deutsche Bank, company data



Figure 123: Nordic banks – disclosure of collateral

Carrying value	Valuation of collateral	Frequency of update in collateral value	Disclosure
Summary Nordics			
Fair value, capped to the loan nominal value	A combination of professional appraisals, real estate market indices and statistical models, based on valuation of independent assessors or bank's staff	No prescriptive rule.	Mainly qualitative disclosure
SEB			
Fair value, capped to the loan nominal value	Combination of in-house and external appraisals.	At least annually, following the frequency of the assessment of credit quality ("high risk exposures subject to more frequent reviews")	Disclosure split by debtor available in the AR. No distinction between non-performing and performing loans.
Handelsbanken			
Fair value, capped to the loan nominal value	Combination of in-house and external appraisals.	Regular updates, no timeframe mentioned	Quantification of collateral held against NPLs not available
Nordea			
Fair value, capped to the loan nominal value	Combination of in-house and external certified appraisals (RE).	N.A.	Limited qualitative and quantitative disclosure. No recent revaluation required
Swedbank			
Accountability of collateral not available, although we know it is capped to the loan's outstanding amount (in case of mortgage loans the cap is a 85% LTV)	Depends upon the type of collateral.	At least annually (multi-family housing every three years)	No disclosure.
Danske			
Fair value, capped to the loan nominal value	Combination of in-house and external appraisals.	The Group frequently assesses the value of collateral	Quantitative disclosure (split performing/non-performing) with i) real estate and ii) other collateral
DNB			
Fair value, capped to the loan nominal value	Combination of in-house and external appraisals.	Quarterly	Quantitative disclosure (split performing/non-performing) with i) real estate and ii) other collateral

Source: Deutsche Bank, company data



Figure 124: Swiss banks – disclosure of non-performing and past-due loans

NPLs	Collateral to classify as non-performing	Provisions	Coverage	Past-due performing
Summary Switzerland				
Quantitative data in AR, split among: standard, substandard/special mention, doubtful	YES	Both 1) specific and 2) generic provisions provided in the AR	Total provisions / gross performing loans	Always disclosed by maturity: no impairment threshold applied
Credit Suisse				
Quantitative data in AR	N.A. (We assume YES, given general rule)	1) Specific and 2) generic provisions; Interim report and presentation – none.	Total provisions / gross performing customer loans	Split by maturity: up to 30d, 30d - 90d, 91d - 180d, 181d - 1y, > 1y
UBS				
Quantitative data in AR	N.A. (We assume YES, given general rule)	1) Specific, and 2) generic provisions	Total provisions / gross performing loans	AR - Split by maturity: 31d - 60d, 60d - 90d, 91d - 180d , >180d

Source: Deutsche Bank, company data

Figure 125: Swiss banks – disclosure of forborne loans

Forborne loans (qualitative / quantitative disclosure)	Classification	Timing / condition for the transfer to performing	Provisions
Summary Switzerland			
Not available	N.A.	N.A.	N.A.
Credit Suisse			
Limited qualitative and quantitative disclosure	Only "Forborne"	N.A.	N.A.
UBS			
Limited qualitative and quantitative disclosure	Impaired / Not impaired	N.A.	N.A.

Source: Deutsche Bank, company data

Figure 126: Swiss banks – disclosure of collateral

Carrying value	Valuation of collateral	Frequency of update in collateral value	Disclosure
Summary Switzerland			
Fair value, generally capped to the loan nominal value	Collaterals' value assessment is performed by the Bank's own staff or external specialists	Depends on bank's practice	Qualitative and quantitative documentation on collaterals in AR only.
Credit Suisse			
Fair value. Not stated whether if collateral is capped to the underlying value or not; we assume YES, given general rule.	Both 1) internal and 2) external experts are involved in the revaluation	At least once a year	Disclosure of collateral in AR
UBS			
Fair value, capped to the amount of the secured transaction (overcollateralization is not permitted)	RE collateral valued by internal and external experts, depending on the circumstances.	At least once a year	Disclosure of collateral in AR (no split RE and other)

Source: Deutsche Bank, company data



Figure 127: UK banks – disclosure of non-performing and past-due loans

NPLs	Collateral to classify as non-performing	Provisions	Coverage	Past-due performing	Pulling effect
Summary UK					
Disclosure available in AR	YES	1) Specific (individual and collective), 2) generic provisions. Disclosure varies by bank.	Generally: total provisions / gross non-performing	Generally detailed by maturity – different detail levels applied.	Generally transaction approach
Standard Chartered					
Extensive disclosure in AR – NPL's 1) include all >90 days past-due, 2) exclude cured renegotiated >90 days in arrears (even if non-performing)	YES (but limited co. disclosure)	1) Specific (ILP), 2) portfolio/generic (PIP) provisions	Total provisions / gross NPL (considering collateral)	Detailed by maturity (90 days delinquency threshold): <30d, 31d - 60d, 61d - 90d, 91d - 150d	N.A.
Barclays					
Disclosure in AR and release.	YES	Specific provisions	Specific provisions / gross non-performing	AR - Split by maturity: <1m, 1m - 2m, 2m - 3m, 3m - 6m, >6m	N.A.
Lloyds					
Disclosure available in AR and presentation.	NO	1) Specific and 2) generic provisions (not split)	Total provisions / gross NPL (considering collateral)	Split by maturity: <30d, 31d - 60d, 61d - 90d, 91d - 180d, >181d	N.A.
HSBC					
Disclosure available in AR	YES (may vary depending on loans' conditions)	Only specific provisions are reported (split between collective and individual)	Not specifically reported, however all data are provided to calculate it	AR - Split by maturity: <30d, 30d - 59d, 60d - 89d, 90d - 179d, >180d. Include forborne <30 days past-due	Debtor approach (wholesale portfolio). No further disclosure.
RBS					
Disclosure available in AR.	YES (may vary depending on loans' conditions)	Both 1) Specific (individual and collective) and 2) generic (on latent losses) provisions are reported	Total provisions / gross non-performing	AR - Split 1) between Core and Non-Core, 2) by maturity: 1d - 29d, 30d - 59d, 60d - 89d, >90d	N.A.

Source: Deutsche Bank, company data



Figure 128: UK banks – disclosure of forborne loans

Forborne loans (qualitative / quantitative info)	Classification	Timing / condition for the transfer to performing	Provisions	Recent changes in classification due to EBA
Summary UK				
Depends on banks' policies	1. Performing not past-due; 2. performing past-due; 3. non-performing.	No minimum period	Depends on bank's internal policy	No major changes
Standard Chartered				
Improved disclosure available in the AR. Detailed split by maturity date and related provisions	1. Performing not past-due; 2. performing past-due; 3. non-performing	Curing subject to respect of new terms for > 180 days	1) Specific and 2) generic provisions on forborne	1) Introduction of forbearances at the Group level; 2) consistent improvement in disclosure
Barclays				
Disclosure available in the AR (detailed split of Retail and Wholesale exposures)	1. Performing not past-due; 3. non-performing	N.A.	1) Specific (individually and collectively assessed) and 2) generic provisions	AR – disclosure of non-performing forborne loans
Lloyds				
Disclosure available in the AR	1. Performing not past-due; 3. non-performing	Curing subject to: 1) respect of new terms; 2) 12 months probation period (exception with for permanent curing)	1) Specific and 2) generic provisions (split only in commercial portfolio)	Reviewed probation period (further details in 2014)
HSBC				
Disclosure available in the AR	1. Performing not past-due; 2. performing past-due; 3. non-performing	Sufficient evidence risk reduction and no indication of impairment	1) Specific and 2) generic provisions (no split)	No major changes
RBS				
Disclosure available in the AR	1. Performing not past-due; 2. performing past-due; 3. non-performing	Assessment by relationship managers in GRG	N.A.	EBA compliant disclosure of forborne

Source: Deutsche Bank, Company data



Figure 129: UK banks – disclosure of collateral

Carrying value	Valuation of collateral	Frequency of update in collateral value	Disclosure
Summary UK			
Fair value, capped to the loan nominal value	A combination of professional appraisals, real estate market indices or statistical analysis based on independent assessors or banks' staff	At intervals ranging from one to three years	Comprehensive qualitative, limited quantitative disclosure in the AR.
Standard Chartered			
Fair value, capped to the loan nominal value	N.A.	Depending on the volatility of each collateral's value	Disclosure available in AR and interim reports, more detailed than in 2012 (% of mortgage collateral).
Barclays			
Fair value, capped to the loan nominal value	1) External professionals (retail/wholesale); 2) indices; 3) Group's staff (wholesale)	Annual (commercial property), more frequent with higher risk of devaluation	Qualitative disclosure available in the F-20, not in interim reports and presentation. Missing quantitative disclosure.
Lloyds			
Fair value, capped to the loan nominal value	Internal and independent appraisals employed, and also indices (UK residential mortgages). Methods vary by type of collateral	UK residential mortgages' collateral reviewed quarterly. No further co. disclosure.	Data provided in the AR, not in the presentation.
HSBC			
Fair value, capped to the loan nominal value	1) residential property – external professionals, house price indices and statistical tools; 2) commercial RE – professional and internal valuation, with physical inspections	1) mortgage collateral (minimum once in 3 years); 2) commercial RE ("more frequently")	Qualitative and quantitative disclosure substantially improved from 2012.
RBS			
Fair value, capped to the loan nominal value	1) Internal appraisals, 2) independent experts (ex. CRE valuation), 3) indexes (ex. residential property)	1) quarterly on residential mortgages; for CRE and physical assets depends on the respective market's volatility and on the type of asset	Extensive disclosure in the AR – better than average UK bank.

Source: Deutsche Bank, company data



Figure 130: French banks – disclosure of non-performing and past-due loans

NPLs	Collateral to classify as non-performing	Provisions	Coverage	Past-due performing	Pulling effect
Summary France					
Well defined impairment triggers (>90 days past-due; objective evidence of impairment) but no prescriptive classification categories ¹⁷	NO	1) Specific and 2) generic provisions (on performing portfolio)	Generally 2 coverage ratios: 1) Total provisions / gross non-performing; 2) specific provisions / gross non-performing	Detailed for maturities below the impairment trigger (90 days)	Debtor approach
CASA					
Disclosure available in the presentation (the AR refers to the total amount of L&A).	NO	1) Specific and 2) generic provisions – Basel 2 and IAS 39 compliant disclosure	Presentation – 2 coverage ratios: 1) Total provisions / gross non-performing; 2) specific provisions / gross non-performing	Also “watch-list loans”, detailed by maturity: <90d, 91d - 180d, 181d - 1y, >1y	N.A.
BNP Paribas					
Disclosure available in the Registration Document, AR and presentation	NO	1) Specific and 2) generic provisions	Total provisions / (doubtful loans net of collaterals)	Detailed by maturity: <90d, 90d - 180d, 180d - 1y, >1y. Relative collateral given in the AR	N.A.
SG					
Disclosure available disclosure in the Registration Document and AR.	NO	1) Specific and 2) generic provisions	Total provisions / (doubtful loans net of guarantees and collaterals)	Also “watch-list loans”, include past-dues for technical reasons. Amounts detailed by maturity: <90d, 91d - 180d, >180d	Debtor approach
Natixis					
Disclosure available disclosure in the Registration Document and AR.	NO	1) Specific and 2) generic provisions	Total provisions / (doubtful loans net of guarantees and collaterals)	Amounts detailed by maturity: <90d, 91d - 180d, >180d	Debtor approach

Source: Deutsche Bank, company data

¹⁷ Except for NPLs consisting of “créances douteuses” (claims that present a probable, but not certain, risk of default on a loan) and créances irrécupérables” (claims that are definitely lost), based on the definition of the Autorité de contrôle prudentiel of the Banque de France.



Figure 131: French banks – disclosure of forborne loans

Forborne loans (qualitative / quantitative info)	Classification	Timing / condition for the transfer to performing	Provisions	Recent changes in classification due to EBA
Summary France				
Qualitative disclosure available and improved from 2012.	No specific rule.	No minimum period.	No specific disclosure requirements	Changes underway to comply with EBA's ITS/2013/03
Quantitative disclosure still largely unavailable.		Requirements: 1) judicial process possibly related to the completion of restructuring; 2) new payment schedule regularly met.		
CASA				
Forborne due to customer default classified as default ¹⁸ . All forborne past-due loans are included in the non-performing portfolio (not available)	Performing not past-due	N.A.	Specific provisions on doubtful forborne	(EBA's ITS 2013-03 compliant)
BNP				
Good disclosure available in the AR. Loan are forborne and non-performing when the bank is subject to a loss due to the restatement of the loan's conditions	Performing not past-due, and non-performing	N.A.	Specific provisions on doubtful forborne	Improvement in 2013, as quantitative disclosure was not available in 2012.
SG				
Quantitative disclosure not available. Limited qualitative disclosure in the AR. Forborne are due to the borrower's insolvency (occurred or not) ¹⁹	N.A.	Forborne are in default until the bank is uncertain on the borrower's ability comply with the new terms.	N.A.	No improvement from 2012.
Natixis				
Quantitative disclosure not available. Limited qualitative disclosure in the AR. Forborne are due to the borrower's insolvency (occurred or not) ²⁰	N.A.	Forborne are in default until the bank is uncertain on the borrower's ability comply with the new terms.	N.A.	No improvement from 2012.

Source: Deutsche Bank, company data

¹⁸ This category excludes loans forborne for commercial reasons (i.e. made for developing or preserving a commercial relationship) and loans whose conditions changed due to the application of a clause or an option.

¹⁹ This category excludes loans forborne for commercial reasons (i.e. made for developing or preserving a commercial relationship) and loans whose conditions changed due to the application of a clause or an option.

²⁰ This category excludes loans forborne for commercial reasons (i.e. made for developing or preserving a commercial relationship) and loans whose conditions changed due to the application of a clause or an option.



Figure 132: French banks – disclosure of collateral

Carrying value	Valuation of collateral	Frequency of update in collateral value	Disclosure
Summary France			
Fair value, capped to the loan nominal value.	Banks develop their own tools to assess collateral value. Valuation of mortgage guarantees may require complementary independent assessment.	Collateral value on doubtful loans reviewed regularly (same frequency of provisioning estimates – minimum every six months, also quarterly/monthly); on not impaired practice might differ (yearly/biannually)	Comprehensive qualitative disclosure; very limited quantitative disclosure
CASA			
Nominal value of loans. No disclosure on whether collateral is capped at the loan nominal value or not, we assume YES, given general rule.	Collateral assessment varies by business: 1. RE business (statistical models/indices) 2. retail banking (property market indices) 3. project-financing (independent professionals)	At least quarterly	Limited qualitative, no quantitative disclosure
BNP			
Different accountability depending on the loan type. Collaterals on NPLs are capped to the loan nominal value.	As a general policy, collateral and guarantees are taken at their economic value. This value must be assessed objectively (must be documented by the Bank after being valued at market value, by an expert or at the book value)	At least annually by the CIB division (not available for other business units)	Very detailed qualitative (eligible assets, accounting methodology), no quantitative disclosure
SG			
No disclosure on accountability. Collaterals on NPLs are capped to the loan nominal value.	Regular assessment made by the 1) Group's staff or by 2) external experts. Monitoring by the Internal Risk Department.	Annually	Good qualitative, no quantitative disclosure
Natixis			
No disclosure on accountability. Collaterals on NPLs are capped to the loan nominal value.	Regular assessment made by the 1) Group's staff or by 2) external experts. Monitoring by the Internal Risk Department.	Every Half Year	Good qualitative, no quantitative disclosure

Source: Deutsche Bank, company data



Figure 133: Benelux banks – disclosure of non-performing and past-due loans

NPLs	Collateral to classify as non-performing	Provisions	Coverage	Past-due performing	Pulling effect
Summary Benelux					
Data available in the AR. No prescriptive classification categories.					
BBC	YES	Depends on bank's practice	Depends on bank's practice	Always available in the AR	Transaction approach
Disclosure available in the AR. NPLs are those classified from PD class 10 to 12, while NPLs are only class 11 and 12.					
ING	N.A. (We assume YES)	1) Specific and 2) Generic provisions	2 coverage ratios: 1) specific provisions / gross NPLs; 2) total provisions / gross NPLs	Detailed by maturity: < 30d, 30d - 90d. (>90 days past-due are always non-performing)	Debtor approach ²¹
Disclosure available in the AR. NPLs classified with risk rating 20.					
ABN Amro	N.A. (We assume YES)	3 types of provisions: 1) Individually assessed on NPLs (significant exposures); 2) Collectively assessed on NPLs (other – INSF-A); 3) generic (IBNR)	Presentation: Total provisions / gross NPLs	Detailed by maturity: 1d - 30d, 31d - 60d, 61d - 90d. The first 5-7 days of arrear considered operational for retail and SME portfolios	Debtor approach
Disclosure available in the AR. NPLs classified with risk rating 20.					
ABN Amro	N.A. (We assume YES)	3 types of provisions: 1) Individually assessed on NPLs; 2) Collectively assessed on NPLs; 3) generic	Presentation: Total provisions / gross NPLs	Detailed by maturity: 1d - 30d, 31d - 60d, 61d - 90d.	Debtor approach

Source: Deutsche Bank, company data

²¹ We quote the 2013 AR (page 199): "Given a past-due trigger event on one exposure, the whole outstanding loans to the specific customer are considered past-due or non-performing."



Figure 134: Benelux banks – disclosure of forborne loans

Forborne loans (qualitative / quantitative info)	Classification	Timing / condition for the transfer to performing	Provisions	Recent changes in classification due to EBA
Summary Benelux				
Depends on bank's internal policy	1. Performing not past-due; 2. performing past-due; 3.non-performing	No minimum period	Depend on bank's internal policy	N.A.
KBC				
Disclosure is available in the AR (PD class 9 or higher – only some minor renegotiated retail exposures can be classified in a class lower than 9)	1. Performing not past-due; 2.non-performing	Curing (partial) subject to: 1) 1 year from renegotiation and 2) credit committee approval ²²	Provisions recorded on renegotiated loans do only refer to PD classes 10 or higher, hence to non-performing exposures (though not classified as non-performing)	In contrast to 2012, PD Class 10 are past-due by less than 90 days are fully compliant with EBA rules on NPLs (PD-10 rating will be NPLs)
ING				
Disclosure available in the F-20 document	1. Performing not past-due; 2.non-performing	Curing subject to: 1) 2 years from renegotiation; 2) all payments made; 3) no >30 days arrears	N.A.	ING changed reported forborne reporting (watch-list clients) and policies (EBA compliant)
ABN Amro				
Disclosure available in the F-20 document	1. Performing not past-due; 2.non-performing	Curing subject to: 1) 2 years from renegotiation; 2) all payments made; 3) no >30 days arrears	N.A.	ING changed reported forborne reporting (watch-list clients) and policies (EBA compliant)

Source: Deutsche Bank, company data

²² In case of PD class 9 exposures, a better classification may be assigned and the renegotiation tag taken off. For renegotiated exposures in PD class 10 (or higher), the renegotiated tag is kept and they may only be upgraded to class 9.



Figure 135: Benelux banks – disclosure of collateral

Carrying value	Valuation of collateral	Frequency of update in collateral value	Disclosure
Summary Benelux			
Fair value, capped to the loan nominal value	A combination of professional appraisals, real estate market indices or statistical analysis based on independent assessors or bank's staff	No prescriptive rule	Disclosure available in the AR
KBC			
Fair value, capped to the loan nominal value	N.A.	At least annually	Disclosure available in the AR (not in interim reports and presentation)
ING			
Fair value, capped to the loan nominal value	Both internal staff (indices for residential RE) and independent experts (commercial RE) value collaterals	At least annually (depends on the type of collateral)	Extensive disclosure in the F-20 Document (split mortgage and other collaterals)
ABN Amro			
Fair value, capped to the loan nominal value	Both internal staff (indices for residential RE) and independent experts (commercial RE) value collaterals	At least annually	Extensive disclosure in the F-20 Document (split mortgage and other collaterals)

Source: Deutsche Bank, company data



Figure 136: German banks – disclosure of non-performing and past-due loans

	Collateral to classify as non-performing	Provisions	Coverage	Past-due performing	Pulling effect
Summary Germany					
Quantitative data in AR. No prescriptive classification categories.	YES	Depends on bank's practice	Depends on bank's practice	Complete disclosure by maturity – no threshold	Implementation of the debtor approach not required
Commerzbank					
Quantitative data in AR.	N.A. (We assume YES, given general rule)	1) Specific provisions (sum of SLLPs and PLLSs); 2) generic provisions (GLLPs)	AR – 2 coverage ratios: 1. (specific + generic provisions + collateral) / gross non-performing; 2) (specific provisions + collateral) / gross non-performing	AR - Complete set of information by maturity: <=30d, 31d – 60d, 61d – 90d, >90d	Debtor approach on all portfolios
Aareal Bank					
Quantitative data in AR.	N.A. (We assume YES, given general rule)	1) Specific provisions (sum of SLLPs and PLLSs); 2) generic provisions (GLLPs)	AR – 2 coverage ratios: 1. (specific + generic provisions + collateral) / gross non-performing; 2) (specific provisions + collateral) / gross non-performing	AR - Complete set of information by maturity: <=30d, 31d – 60d, 61d – 90d, >90d	Debtor approach on all portfolios
PBB					
Quantitative data in AR.	N.A. (We assume YES, given general rule)	1) Specific provisions (sum of SLLPs and PLLSs); 2) generic provisions (GLLPs)	AR – 2 coverage ratios: 1. (specific + generic provisions + collateral) / gross non-performing; 2) (specific provisions + collateral) / gross non-performing	HY - Complete set of information by maturity: <=30d, 31d – 60d, 61d – 90d, >90d	Debtor approach on all portfolios

Source: Deutsche Bank, company data



Figure 137: German banks – disclosure of forbore loans
Forborne loans (qualitative / quantitative info)

	Classification	Timing / condition for the transfer to performing	Provisions	Recent changes in classification due to EBA
Summary Germany				
Depends on bank's internal policy	No specific rule.	No minimum period / after restructuring is completed, the loan is no longer considered non-performing	Depend on bank's internal policy	No recent requirements' update
Commerzbank				
Quantitative disclosure not available. Limited information on accountability in the AR	Non-performing (included in NPLs)	No specific time horizon. Curing subject to the Bank's assessment of the customer's likelihood to comply with future payments.	Both 1) specific and 2) generic (i.e. GLLPs) provisions are reported	No recent change has been implemented
Aareal Bank				
Quantitative disclosure not available. Limited information on accountability in the AR	Non-performing (included in NPLs)	No specific time horizon. Curing subject to the Bank's assessment of the customer's likelihood to comply with future payments.	Both 1) specific and 2) generic (i.e. GLLPs) provisions are reported	No recent change has been implemented
PBB				
Quantitative disclosure not available. Limited information on accountability in the AR	Non-performing (included in NPLs)	No specific time horizon. Curing subject to the Bank's assessment of the customer's likelihood to comply with future payments.	Both 1) specific and 2) generic (i.e. GLLPs) provisions are reported	No recent change has been implemented

Source: Deutsche Bank, company data



Figure 138: German banks – disclosure of collateral

Carrying value	Valuation of collateral	Frequency of update in collateral value	Disclosure
Summary Germany			
Fair value, not capped to the loan nominal value (unless for real estate, i.e. residential mortgage collateral is always capped)	No general rule. Valuation performed by either 1) banks' own staff or 2) external experts ²³	Regulatory requirements compliant with CRD (one year / three years).	Pillar 3 requirements explicitly address qualitative and quantitative information on collateral.
Commerzbank			
Fair value, not capped to the loan nominal value	1) External counterparties assess large exposures; 2) smaller are assessed internally	At least every quarter (NPLs may be assessed monthly)..	Quantitative disclosure in AR, interim reports and presentation. No qualitative disclosure. Mainly real estate and ship mortgages.
Aareal Bank			
Fair value, not capped to the loan nominal value	1) External counterparties assess large exposures; 2) smaller are assessed internally	N.A.	Quantitative disclosure in AR, interim reports and presentation. No qualitative disclosure. Mainly real estate and ship mortgages.
PBB			
Fair value, not capped to the loan nominal value	1) External counterparties assess large exposures; 2) smaller are assessed internally	N.A.	Quantitative disclosure in AR, interim reports and presentation. No qualitative disclosure. Mainly real estate and ship mortgages.

Source: Deutsche Bank, company data

²³ For regulatory purposes and real estate collateral there are specific requirements for valuation (BaiWertV).



Figure 139: Austrian banks – disclosure of non-performing and past-due loans

NPLs	Collateral to classify as non-performing	Provisions	Coverage	Past-due performing	Pulling effect
Summary Austria					
Quantitative data in AR, split among: standard, substandard/special mention, doubtful	YES	Both 1) specific and 2) generic provisions provided in the AR	Total provisions / gross performing loans	Always disclosed by maturity; no impairment threshold applied	1) Debtor and 2) transaction approaches both employed, depending on portfolios/customers
Raiffeisen					
Quantitative data in AR – NPLs: 1) specific debtor unlikely to pay or 2) debtor overdue by >90 days on any obligation	N.A. (We assume YES, given general rule)	AR - 1) Specific and 2) generic provisions; Interim report and presentation – none.	AR, presentation – Total provisions / gross performing customer loans	AR – Split by maturity: up to 30d, 30d - 90d, 91d - 180d, 181d - 1y, > 1y	Transaction approach
Erste					
Quantitative data in AR	N.A. (We assume YES, given general rule)	AR - 1) Specific, and 2) generic provisions	AR, presentation – Total provisions / gross performing loans	Improved disclosure from 2012. Split by maturity: 31d - 60d, 60d - 90d, 91d - 180d (also in 2012), >180d (also in 2012)	Austria: debtor approach; CEE: 1) retail and SMEs – transaction approach; 2) corporate – debtor approach

Source: Deutsche Bank, company data

Figure 140: Austrian banks – disclosure of forborne loans

Forborne loans (qualitative / quantitative disclosure)	Classification	Timing / condition for the transfer to performing	Provisions	Recent changes in classification due to EBA
Summary Austria				
Not available	N.A.	N.A.	N.A.	Alignment of the accounting principles of Austrian banks to the EBA rules by the end of 2014, with no disclosure on forborne exposures prior to that.
Raiffeisen				
N.A.	N.A.	N.A.	N.A.	Not available, despite the partial disclosure available in the 2012 AR – waiting for the alignment to the new rules.
Erste				
N.A.	N.A.	N.A.	N.A.	Not available, as in 2012 – waiting for the alignment to the new rules

Source: Deutsche Bank, company data

Figure 141: Austrian banks – disclosure of collateral

Carrying value	Valuation of collateral	Frequency of update in collateral value	Disclosure
Summary Austria			
Fair value, generally capped to the loan nominal value	Collaterals' value assessment is performed by the Bank's own staff or external specialists	Depends on bank's practice	Qualitative and quantitative documentation on collaterals in AR only.
Raiffeisen			
Fair value. Not stated whether if collateral is capped to the underlying value or not; we assume YES, given general rule.	Both 1) internal and 2) external experts are involved in the revaluation	At least once a year	Disclosure of collateral in AR
Erste			
Fair value, capped to the amount of the secured transaction (overcollateralization is not permitted)	RE collateral valued by internal and external experts, depending on the circumstances.	At least once a year	Disclosure of collateral in AR (no split RE and other)

Source: Deutsche Bank, company data





NPL database

NPLs by bank – banks' disclosure

Figure 142: Italy – overview of NPLs data (1/2)

Euro m	2011	2012	2013	2014	2015	2016	9M-17
UCG							
Gross NPLs	72,531	79,787	83,590	84,325	77,838	56,342	51,279
Provisions	32,347	35,729	43,844	43,226	39,571	31,347	28,959
Net NPLs	40,184	44,058	39,746	41,099	38,267	24,995	22,320
Coverage	45%	45%	52%	51%	51%	56%	56%
Collateral	41,077	59,147	59,443	64,030	29,068	20,446	n.a.
o/w real	33,644	51,519	52,919	57,477	23,605	16,876	n.a.
o/w other	7,433	7,627	6,524	6,553	5,463	3,570	n.a.
Gross loans	594,810	585,708	530,456	516,341	517,255	478,146	481,594
Gross NPL ratio	12.2%	13.6%	15.8%	16.3%	15.0%	11.8%	10.6%
Net loans	559,553	547,144	483,684	470,569	417,793	417,868	421,064
Net NPL ratio	7.2%	8.1%	8.2%	8.7%	9.2%	6.0%	5.3%
Generic provisions		2,835	3,600	2,505	2,417	2,848	2,124
ISP							
Gross NPLs	41,798	49,673	57,342	62,838	63,114	58,137	53,607
Provisions	19,102	21,201	26,355	29,522	30,028	28,370	26,541
Net NPLs	22,696	28,472	30,987	33,316	33,086	29,767	27,066
Coverage	46%	43%	46%	47%	48%	49%	50%
Collateral	31,985	43,352	52,635	62,432	25,316	23,063	n.a.
o/w real	27,822	38,155	47,229	56,060	21,064	19,260	n.a.
o/w other	4,163	5,197	5,406	6,372	4,252	3,803	n.a.
Gross loans	399,807	400,770	372,890	371,147	382,305	394,918	418,789
Gross NPL ratio	10.5%	12.4%	15.4%	16.9%	16.5%	14.7%	12.8%
Net loans	376,744	376,625	343,789	339,002	350,010	364,713	390,394
Net NPL ratio	6.0%	7.6%	9.0%	9.8%	9.5%	8.2%	6.9%
Generic provisions		2,600	2,748	2,660	2,198	1,766	1,854
MPS							
Gross NPLs	23,013	29,506	36,062	45,324	46,861	45,785	45,014
Provisions	9,533	12,108	15,062	22,182	22,707	25,466	29,872
Net NPLs	13,480	17,398	21,000	23,142	24,154	20,320	15,142
Coverage	41%	41%	42%	49%	48%	56%	66%
Collateral	23,788	36,046	42,505	58,321	18,753	15,876	n.a.
o/w real	14,397	22,691	27,196	37,261	15,082	12,881	n.a.
o/w other	9,391	13,355	15,309	21,060	3,671	2,995	n.a.
Gross loans	156,917	154,929	146,932	142,773	134,730	132,846	126,328
Gross NPL ratio	14.7%	19.0%	24.5%	31.7%	34.8%	34.5%	35.6%
Net loans	146,608	142,015	130,598	119,676	111,366	106,693	91,041
Net NPL ratio	9.2%	12.3%	16.1%	19.3%	21.7%	19.0%	16.6%
Generic provisions		715	666	904	714	737	556

Source: Deutsche Bank, company data. (*) ISP: figures including VB & BPVI



Figure 143: Italy – overview of NPLs data (2/2)

Euro m	2011	2012	2013	2014	2015	2016	9M-17
Banco BPM							
Gross NPLs	16,954	20,453	24,562	27,518	26,642	25,914	27,491
Provisions	4,469	5,791	7,111	9,670	8,961	9,710	13,501
Net NPLs	12,485	14,662	17,451	17,848	17,681	16,204	13,990
Coverage	26%	28%	29%	35%	34%	37%	49%
Collateral	22,028	29,742	39,202	44,187	14,705	13,715	n.a.
o/w real	14,012	17,894	24,838	28,031	12,904	12,238	n.a.
o/w other	8,016	11,849	14,364	16,156	1,801	1,477	n.a.
Gross loans	134,326	132,663	127,048	122,205	126,854	125,834	121,792
Gross NPL ratio	12.6%	15.4%	19.3%	22.5%	21.0%	20.6%	22.6%
Net loans	129,080	126,272	119,494	111,903	112,609	110,611	107,900
Net NPL ratio	9.7%	11.6%	14.6%	15.9%	15.7%	14.6%	13.0%
Generic provisions		602	518	633	513	408	391
UBI							
Gross NPLs	8,589	10,959	12,675	13,049	13,435	12,521	14,033
Provisions	2,309	2,853	3,362	3,540	3,746	4,466	5,614
Net NPLs	6,280	8,106	9,313	9,509	9,689	8,056	8,419
Coverage	27%	26%	27%	27%	28%	36%	40%
Collateral	15,626	20,513	25,571	26,360	7,862	6,866	n.a.
o/w real	9,002	11,768	15,589	15,245	6,432	5,995	n.a.
o/w other	6,623	8,745	9,982	11,115	1,429	871	n.a.
Gross loans	102,541	96,212	92,265	89,667	88,748	86,699	99,919
Gross NPL ratio	8.4%	11.4%	13.7%	14.6%	15.1%	14.4%	14.0%
Net loans	99,690	92,888	88,421	85,644	84,586	81,854	93,880
Net NPL ratio	6.3%	8.7%	10.5%	11.1%	11.5%	9.8%	9.0%
Generic provisions		470	482	482	417	379	425
Credem							
Gross NPLs	931	1,100	1,285	1,344	1,431	1,403	1,395
Provisions	333	385	497	547	638	596	612
Net NPLs	598	715	788	797	793	807	783
Coverage	36%	35%	39%	41%	45%	43%	44%
Collateral	443	1,922	2,293	2,565	703	720	n.a.
o/w real	369	1,243	1,490	1,688	668	687	n.a.
o/w other	74	679	803	877	35	33	n.a.
Gross loans	19,416	21,056	20,467	22,290	23,809	24,353	
Gross NPL ratio	4.8%	5.2%	6.3%	6.0%	6.0%	5.8%	5.8%
Net loans	19,995	20,009	19,938	21,695	23,093	23,687	23,474
Net NPL ratio	3.0%	3.6%	4.0%	3.7%	3.4%	3.4%	3.3%
Generic provisions		54	58	69	78	69	73

Source: Deutsche Bank, company data. (*) UBI: figures including the 3GB.



Figure 144: Iberia – overview of NPLs data (1/3)

Euro m	2011	2012	2013	2014	2015	2016	9M-17
Santander							
Gross NPLs	32,036	36,100	42,420	41,709	37,094	33,643	51,257
Provisions	19,661	26,194	27,526	28,046	27,121	24,835	33,830
Net NPLs	12,375	9,906	14,894	13,663	9,973	8,808	17,427
Coverage	61%	73%	65%	67%	73%	74%	66%
Gross foreclosed assets				11,157	10,608	10,732	9,680
Provisions				6,087	5,945	5,626	5,100
Net foreclosed assets				5,070	4,663	5,106	4,580
Coverage				55%	56%	52%	53%
Gross NPAs	32,036	36,100	42,420	52,866	47,702	44,375	60,937
Provisions	19,661	26,194	27,526	34,133	33,066	30,461	38,930
Net NPAs	12,375	9,906	14,894	18,733	14,636	13,915	22,007
Coverage	61%	73%	65%	65%	69%	69%	64%
Gross loans		722,207	693,882	750,865	797,595	777,537	855,773
Gross NPA ratio		5.0%	6.1%	7.0%	6.0%	5.7%	7.1%
Net loans	737,319	708,473	666,356	722,819	770,474	752,702	821,943
Net NPA ratio	1.7%	1.4%	2.2%	2.6%	1.9%	1.8%	2.7%
BBVA							
Gross NPLs	15,866	20,409	25,978	23,234	25,996	23,595	20,932
Provisions	9,678	9,752	15,538	14,833	19,750	16,207	15,042
Net NPLs	6,188	10,657	10,440	8,401	6,246	7,388	5,890
Coverage	61%	48%	60%	64%	76%	69%	72%
Gross foreclosed assets				13,016	15,243	14,205	11,937
Provisions				6,885	8,729	8,884	7,418
Net foreclosed assets				6,131	6,514	5,321	4,519
Coverage				53%	57%	63%	62%
Gross NPAs	15,866	20,409	25,978	36,250	41,239	37,800	32,869
Provisions	9,678	9,752	15,538	21,718	28,479	25,091	22,460
Net NPAs	6,188	10,657	10,440	14,532	12,760	12,709	10,409
Coverage	61%	48%	60%	60%	69%	66%	68%
Gross loans	350,239	354,973	336,759	366,536	432,855	430,474	416,776
Gross NPA ratio	4.5%	5.7%	7.7%	9.9%	9.5%	8.8%	7.9%
Net loans	351,900	355,271	334,744	351,755	414,165	414,500	401,734
Net NPA ratio	1.8%	3.0%	3.1%	4.1%	3.1%	3.1%	2.6%
Bankia							
Gross NPLs	14,931	18,831	19,005	15,706	12,995	11,476	10,194
Provisions	7,453	11,129	10,708	9,086	7,794	5,918	5,480
Net NPLs	7,479	7,702	8,297	6,621	5,201	5,558	4,714
Coverage	50%	59%	56%	58%	60%	52%	54%
Gross foreclosed assets	4,185	3,547	4,098	4,225	3,874	3,449	3,149
Provisions	2,003	1,225	1,442	1,348	1,185	1,198	1,067
Net foreclosed assets	2,182	2,322	2,656	2,877	2,689	2,251	2,082
Coverage	48%	35%	35%	32%	31%	35%	34%
Gross NPAs	19,116	22,378	23,103	19,931	16,869	14,925	13,343
Provisions	9,456	12,354	12,150	10,434	8,979	7,116	6,547
Net NPAs	9,660	10,024	10,953	9,498	7,890	7,809	6,796
Coverage	49%	55%	53%	52%	53%	48%	49%
Gross loans		145,784	129,821	121,782	117,977	110,595	108,573
Gross NPA ratio		15.4%	17.8%	16.4%	14.3%	13.5%	12.3%
Net loans	186,092	134,137	119,116	112,691	110,570	104,677	103,479
Net NPL ratio	4.0%	5.7%	7.0%	5.9%	4.7%	5.3%	4.6%

Source: Deutsche Bank, company data



Figure 145: Iberia – overview of NPLs data (2/3)

Euro m	2011	2012	2013	2014	2015	2016	9M-17
Bankinter							
Gross NPLs	1,516	1,984	2,275	2,233	2,039	2,297	2,151
Provisions	671	959	957	953	856	1,131	1,031
Net NPLs	844	1,026	1,319	1,280	1,183	1,166	1,120
Coverage	44%	48%	42%	43%	42%	49%	48%
Gross foreclosed assets		612	628	586	531	523	471
Provisions		231	259	229	213	220	210
Net foreclosed assets		381	369	357	318	303	260
Coverage		38%	41%	39%	40%	42%	45%
Gross NPAs	1,516	2,596	2,903	2,819	2,571	2,820	2,622
Provisions	671	1,189	1,215	1,182	1,069	1,351	1,241
Net NPAs	844	1,407	1,688	1,636	1,501	1,469	1,381
Coverage	44%	46%	42%	42%	42%	48%	47%
Gross loans		43,029	42,165	43,405	45,043	52,290	53,234
Gross NPA ratio		6.0%	6.9%	6.5%	5.7%	5.4%	4.9%
Net loans	47,167	42,060	41,196	42,447	44,183	51,185	52,243
Net NPA ratio	1.8%	3.3%	4.1%	3.9%	3.4%	2.9%	2.6%
Banco Sabadell							
Gross NPLs	4,877	11,995	16,136	14,193	12,561	9,746	8,346
Provisions	2,276	12,561	12,542	7,716	6,610	4,921	4,192
Net NPLs	2,600	-566	3,594	6,477	5,952	4,825	4,154
Coverage	47%	105%	78%	54%	53%	50%	50%
Gross foreclosed assets			8,047	8,827	9,234	9,035	8,763
Provisions			3,042	3,240	4,063	4,297	4,746
Net foreclosed assets			5,005	5,587	5,171	4,738	4,017
Coverage			38%	37%	44%	48%	54%
Gross NPAs	4,877	11,995	24,183	23,020	21,796	18,781	17,109
Provisions	2,276	12,561	15,584	10,955	10,673	9,218	8,938
Net NPAs	2,600	-566	8,599	12,065	11,123	9,563	8,171
Coverage	47%	105%	64%	48%	49%	49%	52%
Gross loans			121,257	117,979	153,554	150,198	148,348
Gross NPA ratio			19.9%	19.5%	14.2%	12.5%	11.5%
Net loans	72,654	109,348	112,929	110,836	140,018	140,266	137,224
Net NPA ratio	3.6%	-0.5%	7.6%	10.9%	7.9%	6.8%	6.0%
CaixaBank							
Gross NPLs	9,486	20,150	25,365	20,110	17,100	14,754	15,286
Provisions	11,934	12,564	14,982	10,595	9,512	6,880	7,630
Net NPLs	-2,447	7,586	10,383	9,515	7,588	7,874	7,656
Coverage	126%	62%	59%	53%	56%	47%	50%
Gross foreclosed assets		9,328	13,284	11,274	17,123	15,496	14,596
Provisions		4,240	7,115	8,206	9,864	9,240	8,473
Net foreclosed assets		5,088	6,169	3,068	7,259	6,256	6,123
Coverage		45%	54%	73%	58%	60%	58%
Gross NPAs	9,486	29,478	38,649	31,384	34,223	30,250	29,882
Provisions	11,934	16,804	22,097	18,801	19,376	16,120	16,103
Net NPAs	-2,447	12,674	16,552	12,583	14,847	14,130	13,779
Coverage	126%	57%	57%	60%	57%	53%	54%
Gross loans		224,605	212,900	197,185	206,437	204,857	225,166
Gross NPA ratio		13.1%	18.2%	15.9%	16.6%	14.8%	13.3%
Net loans	181,940	213,436	198,079	188,762	197,274	198,173	217,821
Net NPA ratio	-1.3%	3.6%	5.2%	5.0%	3.8%	4.0%	3.5%

Source: Deutsche Bank, company data



Figure 146: Iberia – overview of NPLs data (3/3)

Euro m	2014	2015	2016	9M-17
Unicaja Banco				
Gross NPLs	4,814	3,555	3,215	2,833
Provisions	2,978	2,033	1,607	1,417
Net NPLs	1,836	1,522	1,608	1,416
Coverage	62%	57%	50%	50%
Gross foreclosed assets	2,567	2,698	2,567	2,131
Provisions	1,453	1,568	1,594	1,349
Net foreclosed assets	1,114	1,130	973	782
Coverage	57%	58%	62%	63%
Gross NPAs	7,381	6,253	5,782	4,964
Provisions	4,431	3,601	3,201	2,766
Net NPAs	2,950	2,652	2,581	2,198
Coverage	60%	58%	55%	56%
Gross loans		35,433	32,730	31,397
Gross NPA ratio		17.6%	17.7%	15.8%
Net loans	33,246	31,878	31,122	29,980
Net NPA ratio	8.9%	8.3%	8.3%	7.3%
BCP				
Gross NPLs	6,783	6,051	5,385	4,729
Provisions		2,887	2,609	2,223
Net NPLs		3,164	2,776	2,506
Coverage		48%	48%	47%
Other NPEs (gross)	4,988	4,530	3,994	3,350
Provisions		533	1,132	1,106
Other NPEs (net)		3,997	2,862	2,244
Coverage		12%	28%	33%
Gross NPAs	11,771	10,581	9,379	8,079
Provisions	3,478	3,420	3,741	3,363
Net NPAs	8,293	7,161	5,638	4,716
Coverage	30%	32%	40%	42%
Gross loans	57,169	55,438	51,759	50,754
Gross NPA ratio	20.6%	19.1%	18.1%	15.9%
Net loans	53,686	51,970	48,018	47,990
Net NPA ratio	15.4%	13.8%	11.7%	9.8%

Source: Deutsche Bank, company data



Figure 147: Ireland – overview of NPLs data (as of H1-17)

Euro m	2011	2012	2013	2014	2015	2016	H1-17
Allied Irish banks							
Gross NPLs					17,968	14,072	12,140
Provisions					6,832	4,589	4,106
Net NPLs					11,136	9,483	8,034
Coverage					38%	33%	34%
Collateral							
o/w real							
o/w other							
Gross loans					70,163	65,228	63,928
Gross NPL ratio					25.6%	21.6%	19.0%
Net loans					63,331	62,116	60,815
Net NPL ratio					17.6%	15.3%	13.2%
Generic provisions					n.a.	n.a.	n.a.
Bank of Ireland							
Gross NPLs	15,442	17,702	17,125	14,340	10,544	9,430	8,067
Provisions	6,365	7,544	8,241	7,423	5,886	3,885	3,210
Net NPLs	9,077	10,158	8,884	6,917	4,658	5,545	4,857
Coverage	41%	43%	48%	52%	56%	41%	40%
Collateral							
o/w real							
o/w other							
Gross loans	108,102	100,165	92,755	89,540	90,595	82,362	80,105
Gross NPL ratio	14.3%	17.7%	18.5%	16.0%	11.6%	11.4%	10.1%
Net loans	101,737	92,621	84,514	82,117	84,709	78,477	76,895
Net NPL ratio	8.9%	11.0%	10.5%	8.4%	5.5%	7.1%	6.3%
Generic provisions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Permanent tsb							
Gross NPLs	5,299	6,756	8,803	8,308	6,081	5,850	5,782
Provisions	2,095	2,923	3,865	3,584	2,606	2,423	2,425
Net NPLs	3,204	3,833	4,938	4,724	3,475	3,427	3,357
Coverage	40%	43%	44%	43%	43%	41%	42%
Collateral							
o/w real							
o/w other							
Gross loans	35,772	34,681	33,326	31,820	25,727	21,309	21,014
Gross NPL ratio	14.8%	19.5%	26.4%	26.1%	23.6%	27.5%	27.5%
Net loans	33,677	31,758	29,461	28,236	23,121	18,886	18,589
Net NPL ratio	9.5%	12.1%	16.8%	16.7%	15.0%	18.1%	18.1%
Generic provisions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Deutsche Bank, company data



Figure 148: Nordics – overview of NPLs data (1/2)

SEK m	2011	2012	2013	2014	2015	2016	9M-17
SEB							
Gross NPLs (*)	10,644	8,001	4,931	6,791	5,105	5,046	4,848
Provisions	7,619	5,955	4,283	4,221	3,348	3,467	3,521
Net NPLs	3,025	2,046	648	2,570	1,757	1,579	1,327
Coverage	72%	74%	87%	62%	66%	69%	73%
Gross loans	1,197,024	1,244,957	1,309,103	1,361,837	1,358,264	1,457,808	
Gross NPL ratio	0.9%	0.6%	0.4%	0.5%	0.4%	0.3%	
Net loans	1,186,223	1,236,088	1,302,568	1,355,680	1,353,386	1,453,019	1,516,611
Net NPL ratio	0.3%	0.2%	0.0%	0.2%	0.1%	0.1%	0.1%
Generic provisions		2,914	2,252	1,936	1,530	1,322	1,350
Swedbank							
Gross NPLs	24,805	13,938	7,499	6,281	6,035	8,095	7,867
Provisions	12,820	7,076	2,818	2,197	2,424	2,707	2,985
Net NPLs	11,985	6,862	4,681	4,084	3,611	5,388	4,882
Coverage	52%	51%	38%	35%	40%	33%	38%
Gross loans	1,213,660	1,245,755	1,270,138	1,407,773	1,419,486	1,512,686	
Gross NPL ratio	2.0%	1.1%	0.6%	0.4%	0.4%	0.5%	
Net loans	1,211,454	1,238,864	1,264,910	1,404,507	1,413,955	1,507,247	1,525,393
Net NPL ratio	1.0%	0.6%	0.4%	0.3%	0.3%	0.4%	0.3%
Generic provisions		1,546	1,256	1,133	957	1,048	988
Nordea (Euro m)							
Gross NPLs	5,125	6,905	6,564	6,425	5,960	5,550	5,618
Provisions	2,471	2,400	2,397	2,329	2,213	1,913	1,951
Net NPLs	2,654	4,505	4,167	4,096	3,747	3,637	3,667
Coverage	48%	35%	37%	36%	37%	34%	35%
Gross loans	339,646	349,071	345,243	350,832	343,582	320,113	
Gross NPL ratio	1.5%	2.0%	1.9%	1.8%	1.7%	1.7%	
Net loans	337,203	346,251	342,451	348,085	340,920	317,689	320,052
Net NPL ratio	0.8%	1.3%	1.2%	1.2%	1.1%	1.7%	1.8%
Generic provisions		448	422	420	451	513	496
Handelsbanken							
Gross NPLs	6,858	7,325	6,944	8,702	8,844	7,746	7,594
Provisions	3,680	4,128	3,903	4,111	4,816	4,643	4,430
Net NPLs	3,178	3,197	3,041	4,591	4,028	3,103	3,164
Coverage	54%	56%	56%	47%	54%	60%	58%
Gross loans	1,595,289	1,684,607	1,700,242	1,811,947	1,871,283	1,968,265	
Gross NPL ratio	0.4%	0.4%	0.4%	0.5%	0.5%	0.4%	
Net loans	1,591,128	1,680,479	1,696,339	1,807,836	1,866,467	1,963,622	1,991,434
Net NPL ratio	0.2%	0.2%	0.2%	0.3%	0.2%	0.2%	0.2%
Generic provisions			n.a.	n.a.	n.a.	n.a.	n.a.

Source: Deutsche Bank, company data. (*) It includes forborne loans



Figure 149: Nordics – overview of NPLs data (2/2)

SEK m	2011	2012	2013	2014	2015	2016	9M-17
Danske (DKK m)							
Gross NPLs	113,272	114,268	78,894	72,003	56,181	45,954	42,397
Provisions	44,472	43,977	43,123	36,148	26,201	20,772	19,569
Net NPLs	68,800	70,291	35,771	35,855	29,980	25,182	22,828
Coverage	39%	38%	55%	50%	47%	45%	46%
Collateral	n.a.	56,590	46,742	24,700	19,800	18,000	15,661
o/w real		47,649	39,544				
o/w other		8,941	7,198				
Gross loans			2,207,500	2,301,300	2,345,900	2,552,300	
Gross NPL ratio			3.6%	3.1%	2.4%	1.8%	
Net loans	1,698,025	1,670,962	1,601,571	1,595,864	1,609,384	1,689,155	1,705,483
Net NPL ratio	4.1%	4.2%	2.2%	2.2%	1.9%	1.5%	1.3%
Generic provisions		3,815	3,776	4,798	5,211	5,384	5,278
DNB (NOK m)							
Gross NPLs			27,625	23,733	20,184	32,458	29,993
Provisions			12,370	11,929	11,192	15,615	15,554
Net NPLs			15,255	11,804	8,992	16,843	14,439
Coverage			45%	50%	55%	48%	52%
Collateral			16,062	13,551	15,198	24,355	22,786
o/w real							
o/w other							
Gross loans			1,343,146	1,440,978	1,545,271	1,513,566	
Gross NPL ratio			2.1%	1.6%	1.3%	2.1%	
Net loans			1,340,831	1,438,839	1,542,744	1,509,078	1,531,096
Net NPL ratio			1.1%	0.8%	0.6%	1.1%	0.9%
Generic provisions			n.a.	n.a.	n.a.	n.a.	n.a.

Source: Deutsche Bank, company data



Figure 150: Switzerland – overview of NPLs data

CHF m	2011	2012	2013	2014	2015	2016	9M-17
UBS							
Gross NPLs			1,192	1,192	1,225	972	958
Provisions			671	695	689	596	619
Net NPLs			521	497	536	376	339
Coverage			56%	58%	56%	61%	65%
Collateral			318	180	163	n.a.	n.a.
o/w real							
o/w other							
Gross loans			287,665	316,452	312,643	306,921	
Gross NPL ratio			0.4%	0.4%	0.4%	0.3%	
Net loans			286,959	315,757	311,954	306,325	314,536
Net NPL ratio			0.2%	0.2%	0.2%	0.1%	0.1%
Generic provisions			n.a.	n.a.	n.a.	n.a.	n.a.
CS							
Gross NPLs	1,718	1,729	1,489	1,390	1,973	2,472	2,194
Provisions	910	922	869	758	866	938	922
Net NPLs	808	807	620	632	1,107	1,534	1,272
Coverage	53%	53%	58%	55%	44%	38%	42%
Collateral							
o/w real							
o/w other							
Gross loans	234,357	243,204	248,014	273,421	274,006	277,043	
Gross NPL ratio	0.7%	0.7%	0.6%	0.5%	0.7%	0.9%	
Net loans	233,413	242,223	247,065	272,551	272,995	275,976	275,853
Net NPL ratio	0.3%	0.3%	0.3%	0.2%	0.4%	0.6%	0.5%
Generic provisions	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Source: Deutsche Bank, company data



Figure 151: UK – overview of NPLs data (1/2)

GBP m	2011	2012	2013	2014	2015	2016	9M-17
Aldermore							
Gross NPLs						36	n.a.
Provisions						14	n.a.
Net NPLs						21	n.a.
Coverage						40%	n.a.
Collateral						29	n.a.
o/w real							
o/w other							
Gross loans						7,505	
Gross NPL ratio						0.5%	
Net loans						7,477	8,400
Net NPL ratio						0.3%	n.a.
Generic provisions							
Barclays (*)							
Gross NPLs	29,519	27,909	25,158	17,869	14,653	12,040	n.a.
Provisions	10,597	9,676	7,258	5,455	4,921	4,620	n.a.
Net NPLs	18,922	18,233	17,900	12,414	9,732	7,420	n.a.
Coverage	36%	35%	29%	31%	34%	38%	n.a.
Collateral							
o/w real							
o/w other							
Gross loans	442,486	431,664	437,659	433,222	445,487	440,655	
Gross NPL ratio	6.7%	6.5%	5.7%	4.1%	3.3%	2.7%	
Net loans	473,600	486,736	482,869	469,878	440,566	436,035	421,407
Net NPL ratio	4.0%	3.7%	3.7%	2.6%	2.2%	1.7%	n.a.
Generic provisions							
HSBC (USD m)							
Gross NPLs	41,584	38,671	36,428	29,283	23,758	18,228	n.a.
Provisions	17,511	16,112	15,143	12,337	9,555	7,850	n.a.
Net NPLs	24,073	22,559	21,285	16,946	14,203	10,378	n.a.
Coverage	42%	42%	42%	42%	40%	43%	n.a.
Collateral		26,477	20,590	15,514	14,127	4,796	n.a.
o/w real		22,543	17,546	13,465	10,900	6,116	n.a.
o/w other		3,934	3,044	2,049	3,227	3,579	n.a.
Gross loans	916,521	979,084	1,007,232	986,997	934,009	869,354	952,650
Gross NPL ratio	4.5%	3.9%	3.6%	3.0%	2.5%	2.1%	
Net loans	972,001	1,001,522	992,089	974,660	924,454	861,504	945,168
Net NPL ratio	2.5%	2.3%	2.1%	1.7%	1.5%	1.2%	n.a.
Generic provisions							
Lloyds							
Gross NPLs	53,757	46,293	32,259	14,308	9,590	8,495	8,200
Provisions	19,022	15,459	12,091	6,540	4,172	3,532	3,657
Net NPLs	34,735	30,834	20,168	7,768	5,418	4,963	4,543
Coverage	35%	33%	37%	46%	44%	42%	45%
Collateral		17,594	13,925	6,971	5,475	5,619	n.a.
o/w real							
o/w other							
Gross loans	595,443	540,071	511,504	490,759	459,629	461,671	
Gross NPL ratio	9.0%	8.6%	6.3%	2.9%	2.1%	1.8%	
Net loans	542,994	517,225	495,281	482,704	455,175	457,958	469,100
Net NPL ratio	6.4%	6.0%	4.1%	1.6%	1.2%	1.1%	1.0%
Generic provisions		6,313	3,616	1,112	n.a.	n.a.	n.a.

Source: Deutsche Bank, company data. (*) We assume that the change in NPLs between FY-15 and FY-16 is only due to the decrease of credit risk loans in the same period



Figure 152: UK – overview of NPLs data (2/2)

GBP m	2011	2012	2013	2014	2015	2016	9M-17
Standard Chartered							
Gross NPLs	4,351	5,632	6,765	7,897	12,759	9,687	
Provisions	1,890	2,330	2,749	3,276	6,128	5,776	
Net NPLs	2,461	3,302	4,016	4,621	6,631	3,911	
Coverage	43%	41%	41%	41%	48%	60%	
Collateral	1,027	1,136	1,259	1,462	2,425	1,605	
o/w real			617	n.a.	n.a.	n.a.	
o/w other			642	n.a.	n.a.	n.a.	
Gross loans	271,403	287,668	299,460	292,571	268,083	262,250	
Gross NPL ratio	1.6%	2.0%	2.3%	2.7%	4.8%	3.7%	
Net loans	271,778	284,616	296,015	288,599	261,403	255,896	
Net NPL ratio	0.9%	1.2%	1.4%	1.6%	2.5%	1.5%	
Generic provisions		722	696	696	696	687	
RBS							
Gross NPLs	40,058	41,006	39,322	28,177	12,156	10,310	9,000
Provisions	12,798	19,188	23,150	16,684	6,554	4,055	3,900
Net NPLs	27,260	21,818	16,172	11,493	5,602	6,255	5,100
Coverage	32%	47%	59%	59%	54%	39%	43%
Collateral							
o/w real							
o/w other							
Gross loans	515,606	500,135	440,722	378,238	333,892	351,950	348,417
Gross NPL ratio	7.8%	8.2%	8.9%	7.4%	3.6%	2.9%	2.6%
Net loans	491,790	431,100	392,541	394,706	306,334	323,023	324,650
Net NPL ratio	5.5%	5.1%	4.1%	2.9%	1.8%	1.9%	1.6%
Generic provisions		1,960	2,012	1,316	584	400	210

Source: Deutsche Bank, company data



Figure 153: France – overview of NPLs data

Euro m	2011	2012	2013	2014	2015	2016	9M-17
SG							
Gross NPLs	24,100	24,300	24,900	23,700	24,600	23,900	21,400
Provisions	13,500	12,500	13,300	13,100	14,300	13,700	11,800
Net NPLs	10,600	11,800	11,600	10,600	10,300	10,200	9,600
Coverage	56%	51%	53%	55%	58%	57%	55%
Collateral	4,700	6,100	7,300	7,890	8,800	9,530	n.a.
Gross loans	367,704	341,745	332,803	385,789	420,036	440,874	
Gross NPL ratio	6.6%	7.1%	7.5%	6.1%	5.9%	5.4%	
Net loans	367,517	350,241	333,535	344,368	405,252	426,501	412,200
Net NPL ratio	2.9%	3.4%	3.5%	3.1%	2.5%	2.4%	2.3%
Generic provisions		1,300	1,300	1,300	1,400	1,500	1,400
CASA							
Gross NPLs	24,759	17,349	16,936	16,322	16,017	16,842	14,296
Provisions	12,755	10,806	10,013	9,668	9,396	9,560	9,921
Net NPLs	12,004	6,543	6,923	6,654	6,621	7,282	4,375
Coverage	52%	62%	59%	59%	59%	57%	69%
Collateral							
Gross loans	415,817	342,012	314,696	325,404	341,813	357,059	
Gross NPL ratio	6.0%	5.1%	5.4%	5.0%	4.7%	4.7%	
Net loans	399,381	329,756	303,837	314,379	331,100	346,300	349,200
Net NPL ratio	3.0%	2.0%	2.3%	2.1%	2.0%	2.1%	1.3%
Generic provisions		2,007	1,820	1,787	1,813	1,680	2,130
BNP							
Gross NPLs	43,696	42,453	45,420	42,896	41,251	41,779	n.a.
Provisions	23,103	22,213	22,828	22,762	22,730	23,924	n.a.
Net NPLs	20,593	20,240	22,592	20,134	18,521	17,855	n.a.
Coverage	53%	52%	50%	53%	55%	57%	n.a.
Collateral	10,596	11,429	13,706	13,190	11,814	11,981	n.a.
Gross loans	693,792	657,045	643,777	683,821	708,691	739,278	
Gross NPL ratio	6.3%	6.5%	7.1%	6.3%	5.8%	5.7%	
Net loans	665,834	630,520	612,455	657,403	682,497	712,233	711,589
Net NPL ratio	3.1%	3.2%	3.7%	3.1%	2.7%	2.5%	n.a.
Generic provisions		4,312	3,788	3,656	3,464	3,121	n.a.
Natixis							
Gross NPLs						4,534	
Provisions						1,851	
Net NPLs						2,683	
Coverage						41%	
Collateral						1,510	
Gross loans						142,454	
Gross NPL ratio						3.2%	
Net loans						140,303	
Net NPL ratio						1.9%	
Generic provisions						384	

Source: Deutsche Bank, company data



Figure 154: Benelux – overview of NPLs data

Euro m	2011	2012	2013	2014	2015	2016	9M-17
ABN AMRO (*)							
Gross NPLs					6,973	8,912	7,853
Provisions					3,892	3,425	2,721
Net NPLs					3,081	5,487	5,132
Coverage					56%	38%	35%
Collateral					n.a.	n.a.	n.a.
o/w real							
o/w other							
Gross loans					279,197	271,345	274,825
Gross NPL ratio					2.5%	3.3%	2.9%
Net loans					274,842	267,679	271,917
Net NPL ratio					1.1%	2.0%	1.9%
Generic provisions					505	114	n.a.
KBC							
Gross NPLs	11,234	10,757	13,871	13,692	12,305	10,583	10,060
Provisions	4,870	4,614	5,521	5,709	5,517	4,874	4,777
Net NPLs	6,364	6,143	8,350	7,983	6,788	5,709	5,283
Coverage	43%	43%	40%	42%	45%	46%	47%
Collateral	3,981	2,716	2,774	1,741	1,699	3,795	n.a.
o/w real							
o/w other							
Gross loans	159,043	143,970	138,142	141,585	146,928	157,246	
Gross NPL ratio	7.1%	7.5%	10.0%	9.7%	8.4%	6.7%	
Net loans	153,894	139,225	130,153	135,784	141,305	152,152	161,702
Net NPL ratio	4.1%	4.4%	6.4%	5.9%	4.8%	3.8%	3.3%
Generic provisions		244	284	215	229	288	n.a.
ING							
Gross NPLs	13,382	14,928	15,921	16,889	15,325	13,597	12,650
Provisions	4,166	4,751	5,318	5,215	5,786	5,308	4,967
Net NPLs	9,216	10,177	10,603	11,674	9,539	8,289	7,683
Coverage	31%	32%	33%	31%	38%	39%	39%
Collateral	8,142	14,839	15,910	16,778	14,351	12,811	n.a.
o/w real		9,527	10,966	11,374	9,494	7,549	n.a.
o/w other		5,312	4,944	5,404	4,857	5,262	n.a.
Gross loans	582,862	548,581	517,180	523,467	543,115	568,838	573,360
Gross NPL ratio	2.3%	2.7%	3.1%	3.2%	2.8%	2.4%	2.2%
Net loans	546,121	519,700	492,645	507,540	537,343	563,660	568,508
Net NPL ratio	1.7%	2.0%	2.2%	2.3%	1.8%	1.5%	1.4%
Generic provisions		753	835	780	769	821	n.a.

Source: Deutsche Bank, company data. (*) FY-16 data impacted by the introduction of new definitions for default and NPLs



Figure 155: Germany – overview of NPLs data

Euro m	2011	2012	2013	2014	2015	2016	9M-17
CB							
Gross NPLs	19,703	18,926	15,563	11,843	7,124	6,914	6,549
Provisions	7,657	7,148	6,241	5,145	3,371	3,243	3,118
Net NPLs	12,046	11,778	9,322	6,698	3,753	3,671	3,431
Coverage	39%	38%	40%	43%	47%	47%	48%
Collateral	9,278	9,296	7,407	5,526	2556	2,256	2,153
o/w real							
o/w other							
Gross loans	304,499	286,200	252,590	222,737	222,737	216,518	
Gross NPL ratio	6.5%	6.6%	6.2%	5.3%	3.2%	3.2%	
Net loans	296,586	278,546	245,963	233,377	218,875	212,848	229,374
Net NPL ratio	4.1%	4.2%	3.8%	2.9%	1.7%	1.7%	1.5%
Generic provisions		887	933	822	800	673	624
Aareal bank							
Gross NPLs				986	1,364	1,365	1,272
Provisions				491	542	559	554
Net NPLs				495	822	806	718
Coverage				50%	40%	41%	44%
Collateral							
o/w real							
o/w other							
Gross loans				30,549	34,566	31,203	
Gross NPL ratio				3.2%	3.9%	4.4%	
Net loans				30,069	34,038	30,649	28,481
Net NPL ratio				1.6%	2.4%	2.6%	2.5%
PBB							
Gross NPLs		1,090	941	1,143	777	388	314
Provisions		382	245	297	342	130	121
Net NPLs		709	696	846	435	258	193
Coverage		35%	26%	26%	44%	34%	39%
Collateral							
o/w real							
o/w other							
Gross loans		49,590	36,242	38,964	41,204	41,146	40,070
Gross NPL ratio		2.2%	2.6%	2.9%	1.9%	0.9%	
Net loans		49,265	36,094	38,826	41,055	41,016	39,949
Net NPL ratio		1.4%	1.9%	2.2%	1.1%	0.6%	0.5%

Source: Deutsche Bank, company data



Figure 156: Austria – overview of NPLs data

Euro m	2011	2012	2013	2014	2015	2016	9M-17
Erste							
Gross NPLs	11,800	12,098	12,296	10,878	9,314	6,678	6,189
Provisions	6,113	7,573	7,753	7,491	6,009	4,613	4,302
Net NPLs	5,687	4,525	4,543	3,387	3,305	2,065	1,887
Coverage	52%	63%	63%	69%	65%	69%	70%
Collateral	5,651	5,601	5,197	3,954	3,795	2,913	n.a.
Gross loans	134,750	131,928	127,698	128,325	131,906	135,267	142,308
Gross NPL ratio	8.8%	9.2%	9.6%	8.5%	7.1%	4.9%	4.3%
Net loans	127,448	124,283	119,888	128,325	125,897	130,654	138,005
Net NPL ratio	9.3%	9.7%	10.3%	8.5%	7.4%	5.1%	4.5%
Generic provisions		695	651	768	733	726	735
RBI (*)							
Gross NPLs	7,056	8,183	8,657	8,838	8,328	6,486	5,443
Provisions	4,145	4,593	5,010	5,546	5,935	4,905	3,778
Net NPLs	2,911	3,590	3,647	3,293	2,393	1,581	1,665
Coverage	59%	56%	58%	63%	71%	76%	69%
Collateral	2,381	2,195	2,360	2,872	1,837	1,343	n.a.
Gross loans	76,523	77,701	75,029	71,856	69,921	70,514	81,102
Gross NPL ratio	9.2%	10.5%	11.5%	12.3%	11.9%	9.2%	6.7%
Generic provisions		891	477	409	383	379	376

Source: Deutsche Bank, company data. (*) RBI merged with the parent company in Dec-16, so the pro-forma loans would actually be higher. We used stated data from 2016 annual report for consistency

Figure 157: Summary valuation sheet

Geography/Stock	DB Rec.	Priced at 21/11/2017	Target price	Upside/ Downside	Mkt Cap €m	2016	Adjusted P/E	2016	2017e	2018e	2019e	2016	2017e	2018e	2019e	Price : Tangible Book	2016	2017e	2018e	2019e	Return on Avg. Tangible Equity	2016	2017e	2018e	2019e
Austria Erste Bank	Hold	36.2	37.0	2%	15,557	8.6	12.2	13.5	14.3	3.6%	3.0%	3.3%	3.5%	1.13	1.37	1.29	1.23	13.8%	11.6%	9.8%	8.8%	5.2%	11.9%	10.4%	9.0%
Austria Raiffeisen Bank intern.	Hold	29.9	28.0	(6%)	9,827	12.7	9.5	10.0	10.8	0.0%	2.2%	2.5%	2.8%	0.63	1.06	1.01	0.94	11.6%	10.7%	11.0%	11.3%	5.2%	11.9%	10.4%	9.0%
Belgium ING	Buy	15.1	18.0	19%	5,857	9.4	11.3	10.6	9.9	4.3%	4.6%	5.0%	5.3%	1.07	1.19	1.14	1.09	16.1%	16.3%	14.8%	14.2%	16.1%	16.3%	14.8%	14.2%
Belgium KBC	Buy	67.7	78.0	15%	28,309	10.7	11.2	11.5	11.4	4.8%	4.4%	4.4%	6.5%	1.64	1.78	1.65	1.59	16.1%	16.3%	14.8%	14.2%	16.1%	16.3%	14.8%	14.2%
Belgium ANB AMRO	Buy	24.6	28.0	14%	73,096	9.2	9.4	10.3	10.3	4.0%	5.7%	5.8%	5.8%	1.12	1.21	1.15	1.10	12.6%	13.4%	11.3%	10.9%	10.6%	10.9%	10.3%	10.7%
Belgium BNP Paribas	Buy	62.8	77.0	23%	78,377	10.1	9.6	9.6	8.8	4.5%	4.9%	4.9%	5.3%	1.04	1.02	0.97	0.92	10.6%	10.9%	10.3%	10.7%	10.6%	10.9%	10.3%	10.7%
France Credit Agricole	Buy	14.0	16.6	19%	39,845	12.6	11.6	11.0	9.8	5.1%	4.6%	4.9%	5.0%	1.04	1.24	1.17	1.10	8.2%	10.2%	10.9%	11.6%	8.2%	10.2%	10.9%	11.6%
France Societe Generale	Hold	43.0	51.0	19%	34,695	10.3	8.2	9.2	8.3	4.7%	5.1%	5.5%	6.1%	0.85	0.77	0.74	0.71	8.3%	9.4%	8.2%	8.7%	8.3%	9.4%	8.2%	8.7%
Germany Aareal Bank	Buy	35.8	41.0	15%	2,140	8.8	11.0	11.7	9.9	5.6%	6.4%	6.7%	7.7%	0.87	0.80	0.79	0.77	10.1%	7.6%	6.8%	7.9%	10.1%	7.6%	6.8%	7.9%
Germany Comdirect	Hold	11.5	10.0	(13%)	1,625	22.6	24.4	27.7	25.1	2.3%	2.2%	2.2%	2.2%	2.17	2.46	2.38	2.28	9.6%	10.3%	8.8%	9.3%	9.6%	10.3%	8.8%	9.3%
Germany Commerzbank	Hold	12.2	10.50	(14%)	15,298	27.4	8.75	14.2	13.4	0.0%	0.0%	0.0%	1.6%	0.35	0.60	0.61	0.58	1.3%	0.7%	3.5%	4.4%	1.3%	0.7%	3.5%	4.4%
Germany Deutsche Pfandbriefbank	Hold	12.8	12.5	(2%)	1,223	10.8	11.3	12.6	14.2	11.5%	6.2%	6.4%	6.3%	0.44	0.61	0.61	0.60	4.1%	5.5%	4.8%	4.3%	4.1%	5.5%	4.8%	4.3%
Iberia Banco de Sabadell	Hold	1.6	1.83	13%	9,070	10.5	10.0	9.6	9.0	3.7%	3.1%	3.4%	3.7%	0.69	0.79	0.73	0.71	6.8%	8.2%	8.0%	8.0%	6.8%	8.2%	8.0%	8.0%
Iberia Banco Santander	Buy	5.5	6.60	21%	88,216	10.9	11.8	10.3	9.0	4.2%	3.1%	3.7%	4.6%	1.13	1.23	1.13	1.05	10.6%	11.0%	11.4%	12.0%	10.6%	11.0%	11.4%	12.0%
Iberia Barclays	Buy	3.8	4.60	21%	10,916	13.9	12.8	12.9	11.1	0.7%	3.1%	3.5%	4.3%	0.87	0.84	0.81	0.79	13.3%	12.3%	12.0%	12.4%	13.3%	12.3%	12.0%	12.4%
Iberia Bankinter	Hold	7.6	8.30	9%	6,666	13.5	14.1	13.8	12.7	2.5%	3.9%	3.8%	3.6%	1.72	1.70	1.60	1.55	13.3%	12.3%	12.0%	12.4%	13.3%	12.3%	12.0%	12.4%
Iberia BNY	Hold	7.0	7.30	4%	4,632	12.5	10.6	10.5	10.5	5.1%	3.8%	4.3%	5.2%	0.98	0.98	0.93	0.88	8.1%	9.7%	9.1%	9.2%	8.1%	9.7%	9.1%	9.2%
Iberia CaixaBank	Buy	3.9	5.0	28%	23,148	17.9	11.8	9.7	8.6	5.1%	3.8%	4.3%	5.2%	0.95	1.08	1.01	0.96	5.1%	9.5%	10.8%	11.4%	5.1%	9.5%	10.8%	11.4%
Iberia Unicaja Banco	Buy	1.2	1.6	25%	2,003	n/a	11.6	14.4	9.1	n/a	0.0%	0.0%	0.0%	n/a	0.55	0.53	0.51	4.9%	5.2%	3.8%	3.8%	4.9%	5.2%	3.8%	3.8%
Iberia BCP	Buy	0.3	0.3	28%	3,791	n/a	22.2	9.2	6.8	0.0%	0.0%	0.0%	0.0%	0.24	0.64	0.60	0.55	(0.0%)	3.4%	6.7%	8.4%	0.0%	3.4%	6.7%	8.4%
Ireland Allied Irish Banks	Hold	5.1	4.9	(5%)	13,857	13.0	13.2	14.2	15.5	1.9%	2.4%	2.9%	7.3%	1.11	1.08	1.07	1.03	8.9%	8.4%	7.5%	6.8%	8.9%	8.4%	7.5%	6.8%
Ireland Permanent tsh	Hold	6.3	7.9	26%	6,783	14.3	10.1	10.1	9.5	0.0%	3.2%	4.9%	6.7%	0.94	0.87	0.84	0.82	7.3%	8.5%	8.5%	8.7%	7.3%	8.5%	8.5%	8.7%
Italy Banco BPM	Buy	2.7	3.8	41%	4,088	n/a	n/m	9.1	5.5	n/a	1.1%	5.4%	8.3%	0.19	0.41	0.39	0.37	(6.4%)	0.1%	4.4%	6.9%	0.1%	4.4%	6.9%	
Italy Credem	Hold	7.1	6.9	(2%)	2,352	13.3	14.1	12.0	10.7	2.6%	2.9%	3.4%	3.8%	0.92	1.08	1.03	0.97	6.9%	7.9%	8.8%	9.3%	6.9%	7.9%	8.8%	9.3%
Italy Monte dei Paschi	Buy	2.8	3.3	19%	43,900	14.7	12.7	11.4	9.8	7.3%	7.3%	7.1%	7.0%	0.93	0.96	0.96	0.94	6.4%	7.9%	8.4%	9.7%	6.4%	7.9%	8.4%	9.7%
Italy UBI Banca	Hold	3.9	4.5	15%	4,470	n/a	n/a	6.7	7.3	0.0%	0.0%	0.0%	0.0%	0.07	0.40	0.46	0.43	(42.0%)	(49.3%)	0.6%	6.1%	(4.7%)	3.6%	6.2%	7.9%
Italy UniCredit	Buy	16.6	20.2	22%	36,835	13.0	11.9	9.5	7.9	4.0%	1.7%	2.1%	2.5%	0.47	0.69	0.66	0.64	3.1%	6.9%	7.1%	8.2%	3.1%	6.9%	7.1%	8.2%
Nordics Danske Bank	Hold	23.49	26.90	15%	29,570	11.7	11.1	11.1	11.5	10.9	4.4%	4.2%	4.2%	1.45	1.50	1.48	1.46	12.5%	13.6%	13.4%	13.8%	12.5%	13.6%	13.4%	13.8%
Nordics DNB	Hold	15.3	13.0	(1%)	25,539	12.0	12.0	12.0	11.5	10.9	4.4%	4.2%	4.2%	1.04	1.16	1.12	1.09	9.2%	10.0%	9.9%	10.1%	9.2%	10.0%	9.9%	10.1%
Nordics Nordea	Hold	9.9	10.9	11%	39,911	12.1	12.6	11.6	10.7	6.1%	6.7%	6.8%	7.2%	1.50	1.38	1.34	1.30	12.5%	11.0%	11.7%	12.3%	12.5%	11.0%	11.7%	12.3%
Nordics SEB	Hold	98.8	108.0	9%	21,648	12.7	11.9	12.0	11.7	5.8%	6.3%	6.3%	6.3%	1.55	1.54	1.49	1.44	12.5%	13.2%	12.6%	12.5%	12.5%	13.2%	12.6%	12.5%
Nordics Svenska Handelsbanken	Hold	113.8	126.0	11%	21,946	16.9	13.9	12.8	12.3	3.9%	4.5%	4.6%	4.7%	1.90	1.63	1.55	1.47	11.5%	12.0%	12.5%	12.3%	11.5%	12.0%	12.5%	12.3%
Nordics Swedbank	Hold	195.8	193.0	(1%)	22,391	14.8	12.1	11.8	11.7	6.0%	6.6%	6.5%	6.5%	2.16	1.89	1.81	1.75	15.0%	15.7%	15.7%	15.2%	15.0%	15.7%	15.7%	15.2%
Switzerland Credit Suisse Group	Buy	87.1	74.0	(15%)	2,246	15.5	18.9	19.9	19.4	6.0%	5.3%	4.9%	5.0%	2.63	3.04	3.03	2.98	17.4%	16.2%	15.3%	15.5%	17.4%	16.2%	15.3%	15.5%
Switzerland Julius Baer	Hold	16.3	19.0	17%	35,806	n/m	20.0	12.7	10.1	4.8%	1.5%	3.1%	4.6%	0.83	1.07	1.02	0.96	0.1%	5.5%	8.2%	9.8%	0.1%	5.5%	8.2%	9.8%
Switzerland UBS	Hold	60.4	61.0	1%	11,608	14.3	17.4	15.2	13.4	2.7%	2.4%	2.7%	3.1%	4.06	4.68	3.99	3.41	27.6%	28.9%	28.4%	27.5%	27.6%	28.9%	28.4%	27.5%
UK Aldermore	Hold	17.0	18.0	6%	56,153	13.8	12.7	12.3	11.3	3.8%	3.8%	4.1%	4.7%	1.30	1.37	1.33	1.29	9.3%	10.8%	10.9%	11.6%	9.3%	10.8%	10.9%	11.6%
UK Barclays	Buy	310.0	313.0	1%	1,206	9.1	9.8	10.6	11.3	0.0%	0.3%	1.4%	1.8%	1.55	1.70	1.50	1.36	18.7%	19.0%	15.0%	12.6%	18.7%	19.0%	15.0%	12.6%
UK HSBC	Buy	189.2	210.0	11%	36,383	13.6	13.7	10.9	8.7	1.3%	1.6%	2.6%	4.2%	0.77	0.67	0.70	0.69	4.5%	4.9%	6.3%	8.0%	4.5%	4.9%	6.3%	8.0%
UK Lloyds Banking Group	Buy	65.7	77.0	17%	53,357	8.8	8.4	8.9	9.3	4.9%	6.1%	6.6%	7.2%	1.13	1.23	1.23	1.21	13.2%	14.4%	13.7%	13.1%	13.2%	14.4%	13.7%	13.1%
UK Standard Chartered	Hold	723.0	653.0	(10%)	26,886	n/m	18.8	13.6	11.8	0.0%	0.0%	1.6%	4.2%	0.71	0.79	0.76	0.72	0.4%	5.7%	7.2%	9.5%	0.4%	5.7%	7.2%	9.5%
UK RBS	Hold	273.2	300.0	10%	36,871	24.4	11.3	10.0	9.6	0.0%	0.0%	1.1%	6.0%	0.76	0.97	0.93	0.91	2.9%	8.4%	8.4%	9.5%	2.9%	8.4%	8.4%	9.5%
Austria				(1%)	25,384	9.5	11.0	11.9	12.7	2.2%	2.7%	3.0%	3.2%	0.92	1.23	1.16	1.10	10.1%	11.7%	10.1%	10.1%	10.1%	11.7%	10.1%	10.1%
Belgium				17%	110,078	9.7	10.8	10.8	10.4	4.7%	4.8%	5.0%	5.7%	1.19	1.31	1.24	1.19	12.7%	12.3%	11.8%	11.7%	12.7%	12.3%	11.8%	11.7%
France				20%	173,455	10.9	10.0	10.1	9.2	4.9%	5.0%	5.1%	5.5%	1.00	1.03	0.99	0.94	9.4%	10.5%	10.0%	10.5%	9.4%	10.5%	10.0%	10.5%
Germany				(10%)	20,786	18.5	35.3	16.3	13.5	1.7%	1.3%	1.4%	2.7%	0.44	0.65	0.66	0.64	2.4%	1.9%	4.0%	4.8%	2.4%	1.9%	4.0%	4.8%
Iberia				17%	190,832	12.0	11.6	10.5	10.5	4.4%	3.2%	3.6%	4.3%	0.99	1.07	1.00	0.94	8.3%	9.7%	9.8%	10.4%	8.3%	9.7%	9.8%	10.4%
Ireland				5%	21,603	13.0	11.7	12.3																	



Appendix A

Figure 158: European banks – Generic provisions

Euro m	2015	2016	9M-17
Italy			
UCG	2,417	2,848	2,124
ISP	2,198	1,766	1,854
MPS	714	737	556
Banco BPM	513	408	391
UBI Banca	417	379	425
CreDEM	78	69	73
Iberia			
Santander	n.a.	n.a.	n.a.
BBVA	n.a.	n.a.	n.a.
Bankia	n.a.	n.a.	n.a.
Bankinter	n.a.	n.a.	n.a.
CaixaBank	n.a.	n.a.	n.a.
Sabadell	n.a.	n.a.	n.a.
Unicaja Banco	n.a.	n.a.	n.a.
BCP	n.a.	n.a.	n.a.
Ireland			
Allied Irish Banks	n.a.	n.a.	n.a.
Bol	n.a.	n.a.	n.a.
Permanent tsb	n.a.	n.a.	n.a.
Nordics			
Nordea	451	513	490
SHB (SEK m)	n.a.	n.a.	n.a.
Swed (SEK m)	957	1,048	971
SEB (SEK m)	1,530	1,322	1,308
DNB (NOK m)	n.a.	n.a.	n.a.
Danske (DKK m)	5,211	5,384	4,702
Switzerland			
UBS (CHF m)	n.a.	n.a.	n.a.
CS (CHF m)	n.a.	n.a.	n.a.
UK			
Lloyds (GBP m)	n.a.	n.a.	n.a.
Aldermore (GBP m)	n.a.	n.a.	n.a.
Barclays (GBP m)	n.a.	n.a.	n.a.
RBS (GBP m)	584	400	210
HSBC (USD m)	n.a.	n.a.	n.a.
Stan (USD m)	696	687	n.a.
France			
BNP	3,464	3,121	n.a.
SocGen	1,400	1,500	1,400
CASA	1,813	1,680	2,130
Natixis	n.a.	384	n.a.
Benelux			
KBC	229	288	n.a.
ABN AMRO	505	114	n.a.
ING	769	821	n.a.
Germany			
CBK	800	673	624
Aareal bank	n.a.	n.a.	n.a.
PBB	n.a.	n.a.	n.a.
Austria			
Erste	733	726	735
RBI	383	379	376

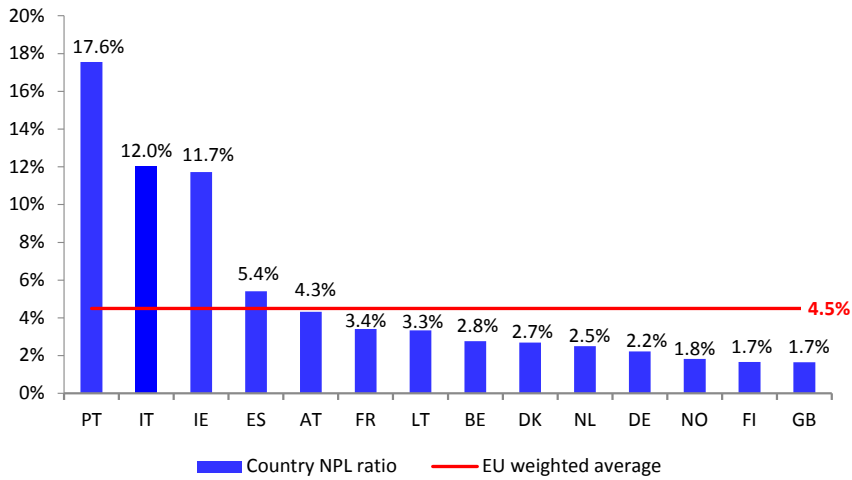
Source: Deutsche Bank, company data



Appendix B

NPL ratio by country from EBA disclosure

Figure 159: European NPL ratios by country: Portugal, Italy, Ireland, and more marginally, Spain are above average (H1-17)



Source: Deutsche Bank, EBA Risk Dashboard



Appendix 1

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*Other information available upon request

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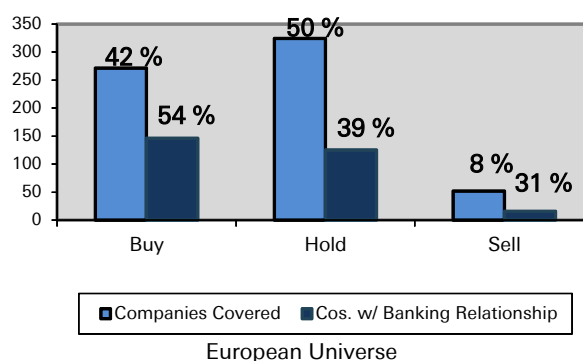
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