Management Report

LIQUIDITY AND CAPITAL MANAGEMENT

With a common vision,
Banco CTT raised
team ambition
and service excellence.

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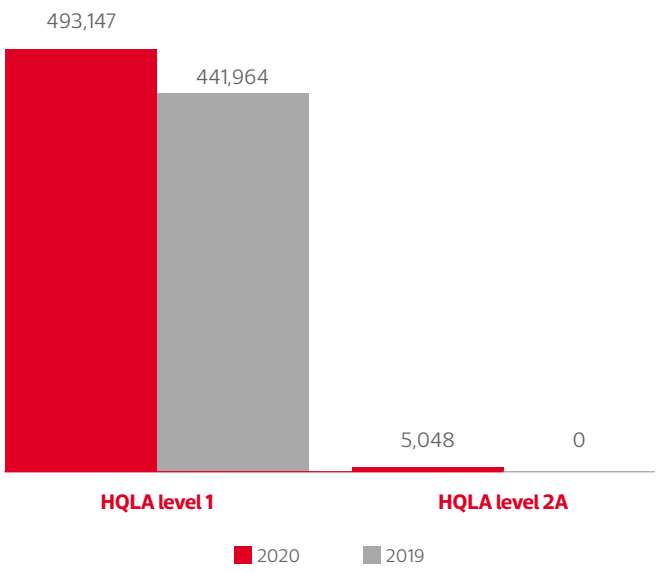
2.1 Liquidity and Funding

One of the main components of liquidity management is the investment and financing policy, which prioritises diversification by country and sector. Thus, the investment policy in 2020 enabled the creation of a portfolio of eligible assets for the Eurosystem amounting to close to 493,147 million euros as at 31 December 2020 (2019: 441,964 thousand euros).

Eurosystem-eligible securities
(by HQLA level)

(amounts in thousand euros)



The liquidity indicator, Liquidity Coverage Ratio (LCR) reached a comfortable figure of 1.066% (1.896% at the end of 2019), significantly higher than the minimum requirements and reflecting the Bank's investment policy.

In view of the high liquidity, during 2020, the Group prioritised the funding of its assets through Customer deposits which amounted to around 1,688 million euros as at 31 December 2020 (2019: 1,284 million euros). Despite not having experienced the need to use the funding line established by the ECB, Banco CTT occasionally tests its access to these liquidity sources.

The Group analyses residual maturities for different bank sheet assets and liabilities. The volumes of cash inflows and outflows are shown by timeframes according to the residual time period when they occurred and, based on this, the respective liquidity gaps are determined both for the period and the accrued.

Liquidity risk management is conducted considering:

- Short-term liquidity;
- Structural liquidity; and
- Contingency liquidity.

The Group monitors its short-term liquidity levels through daily mismatch reports, including eligible assets, liquidity buffers, the main cash inflows and outflows, the evolution of deposits, fixed asset investment and capital flows.

As regards structural liquidity, the Group draws up a monthly liquidity report that takes into account not only the effective maturity date of the different products, but also their behavioural maturity, through which structural mismatches are determined for each time bucket. Based on this report and in light of the stipulated budgetary targets, an annual plan for financing the activity is prepared, which is periodically reviewed.

The Group conducts liquidity stress tests aimed at identifying the main liquidity risk factors affecting its balance sheet and testing the Bank's resilience to liquidity crises.

As a liquidity contingency plan, the Group has defined a series of measures that, when activated, will enable addressing and/or mitigating the effects of a liquidity crisis. These measures aim to respond to liquidity needs in stress scenarios.

Furthermore, the Group conducts Internal Liquidity Adequacy Assessment Process (ILAAP) analyses, thus complying with Banco de Portugal Instruction 2/2019 and the European Banking Authority (EBA) guidelines (EBL/GL/2016/10).

The Capital and Risk Committee, which held 13 meetings in 2020, analyses the Bank's liquidity position, namely, the evolution of the balance sheet, the analysis of gaps and key activity indicators (liquidity and commercial gaps, deposit and credit rates). In brief, a comprehensive assessment is carried out of liquidity risk and its evolution, with special focus on current liquidity buffers and the generation/maintenance of eligible assets.

2.2 Securitisation Activities

The Banco CTT Group, in structuring securitisation operations, may have the following objectives:

- Diversify funding sources through:
  - A securitisation enables transforming illiquid assets into liquid assets and, in this way, obtain funding through the sale of these assets;
  - Withholding of securitisations to obtain liquidity, namely by using the more senior tranches as collateral in funding operations in the market and/or Eurosystem.
- Reduce the cost of funding, as the securitisation of assets enables obtaining liquidity at a cost normally lower than the cost that would be possible through non-collateralised senior debt operations.
- Ensure more appropriate credit risk management through the diversification of the assets on the balance sheet, considering that the securitisation operations and subsequent sale of the securities on the market contribute to reduce/manage the credit risk that (naturally) arises from the commercial activity.
- Manage concentration risk through the selective sale of assets so as to reduce the exposure to specific borrowers, as well as certain classes of assets (business lines, activity sectors, etc.).

Every year, upon preparing its liquidity plan, the Group, based on the available assets, may include, when considered appropriate, the use of securitisation operations.

As an investor, the Group does not hold significant positions in credit securitisation operations originated by third parties or in securities arising from re-securitisation operations originated by third parties.

Description of the Asset Securitisation Activities and Operations of the Banco CTT Group

As investor

The Group does not hold significant positions in credit securitisation operations originated by third parties or in securities arising from re-securitisation operations originated by third parties, nor is it part of its current investment policy to do so in the short-term. However, in order to comply with the provisions in Article 449(f) of the Capital Requirements Regulation (CRR), the Bank developed and implemented a risk management and control process which includes the monitoring of the credit risk and market risk of the securitisation positions held in its balance sheet. Furthermore, and in view of the low significance of the risks involved, pursuant to Article 449(g) of the CRR, there are no hedge operations or any other type of personal protection contracted for the purpose of reducing the risk in these positions.

As originator

As at 31 December 2020, the Group had 3 asset securitisation operations originated by 321 Crédito in progress:

Ulisses Finance No.1:

This securitisation operation was originated in July 2017 and issued by Sagres - Sociedade de Titularização de Créditos, S.A., and corresponds to a public programme of credit securitisation (Ulisses), with the Ulisses No.1 operation having been placed on the market. The assembly of the operation was carried out with the collaboration of Citibank and Deutsche Bank, and included a Consumer Credit portfolio originated by 321 Crédito. The structure of the operation included five Tranches from A to E. The A to C Tranches are dispersed in the market while the D and E Tranches were withheld. This operation obtained ratings by DBRS and Moody's for the tranches placed on the market, Tranches A, B and C.

This operation includes an optional early repayment clause which enables the issuer to redeem the notes of all the classes issued, when the residual value of the credit represents 10% or less than the value of the Credit Portfolio on the date of the assembly of the securitisation operation.

The assets underlying the Ulisses Finance No.1 operation were not derecognised from the balance sheet as the Group substantially kept the risks and benefits associated to holding them.

Chaves Funding No.8:

This private securitisation operation was issued in November 2019 by Tagus, Sociedade de Titularização de Créditos, S.A., and included a Consumer Credit portfolio originated by 321 Crédito. The assembly of the operation was carried out with the collaboration of the law firm PLMJ and Deutsche Bank. The structure of the operation includes a Tranche A and a Tranche B in the notes issued, both being entirely held by the Group.

This operation includes an optional early repayment clause which enables the issuer to redeem the notes of all the classes issued, when the residual value of the credit represents 10% or less than the value of the Credit Portfolio on the date of the assembly of the securitisation operation.

The assets underlying the Chaves Funding No.8 operation were not derecognised from the balance sheet as the Group substantially kept the risks and benefits associated to holding them.

Fénix 1

This operation started in December 2014, having been issued by Gamma – Sociedade de Titularização de Créditos, S.A., and securitised a significant part of the finance lease portfolio of 321 Crédito à data.

321 Crédito did not withhold any tranche, hence the securitised portfolio was derecognised from the balance sheet.

321 Crédito maintained the management of the securitised portfolio, having been remunerated for this provision of services by charging a servicer fee.

As at 31 December 2020, there are no credit portfolios pending securitisation.

As servicer

Through 321 Crédito, the Group ensures the management of the securitised portfolios, being remunerated for this provision of services by charging a servicer fee.

The tables below, with reference to 31 December 2020 and 2019, present a description of the key features of each asset securitisation operation originated by the Group, namely its level of involvement, the existence or not of a significant transfer of the credit risk, the values initially securitised and in debt, the start date, legal maturity and revolving period:

(amounts in thousand euros)

	2020		
	Chaves Funding No.8	Ulisses Finance No.1	Fenix
Securitisation operation	Chaves Funding No. 8	Ulisses Finance No.1	Fenix
Objective of the Securitisation Operation	Obtain Funding	Obtain Funding	Obtain Funding
Type of Securitisation Operation	Traditional securitisation	Traditional securitisation	Traditional securitisation
Sponsors	Tagus (Issuer) Deutsche Bank (Transaction Manager, Paying Agent and Transaction Accounts Bank)	Sagres (Issuer) Citibank (Transaction Manager, Paying Agent and Transaction Accounts Bank) Law Debenture (Common Representative), Servdebt (Backup Servicer)	Gamma (Issuer) Banco Efisa (Arranger, Transaction Manager and Paying Agent) Santander (Transaction Accounts Bank)
Information on the Securitisation:			
Start Date	28/11/2019	10/07/2017	12/12/2014
Legal Maturity	01/11/2034	10/07/2033	30/06/2037
Step-up Date			
Revolving Period (years)	2	1	-
Securitised Assets (initial)	310,500	141,300	75,052
Value in Debt (closing of 2020)	454,955	52,172	38,823
Value in Debt of the Securities			
Class A / Single Class	437,904	30,402	38,823
Class B	24,451	7,000	n.a.
Class C	n.a.	7,100	n.a.
Class D	n.a.	7,100	n.a.
Class E	n.a.	3,500	n.a.
Existence of situations of "implicit support" pursuant to Art. 449 (r) of the CRR	No	No	No
Percentage of assets assigned	0%	81%	100%
Value of first loss positions reacquired	16,025	3,500	-

(amounts in thousand euros)

	2019		
	Chaves Funding No.8	Ulisses Finance No.1	Fenix
Securitisation operation	Chaves Funding No. 8	Ulisses Finance No.1	Fenix
Objective of the Securitisation Operation	Obtain Funding	Obtain Funding	Obtain Funding
Type of Securitisation Operation	Traditional securitisation	Traditional securitisation	Traditional securitisation
Sponsors	Tagus (Issuer) Deutsche Bank (Transaction Manager, Paying Agent and Transaction Accounts Bank)	Sagres (Issuer) Citibank (Transaction Manager, Paying Agent and Transaction Accounts Bank) Law Debenture (Common Representative), Servdebt (Backup Servicer)	Gamma (Issuer) Banco Efisa (Arranger, Transaction Manager and Paying Agent) Santander (Transaction Accounts Bank)
Information on the Securitisation:			
Start Date	28/11/2019	10/07/2017	12/12/2014
Legal Maturity	01/11/2034	10/07/2033	30/06/2037
Step-up Date			
Revolving Period (years)	2	1	-
Securitised Assets (initial)	310,500	141,300	75,052
Value in Debt (closing of 2019)	323,048	86,638	40,401
Value in Debt of the Securities			
Class A / Single Class	312,588	120,100	40,401
Class B	16,952	7,000	n.a.
Class C	n.a.	7,100	n.a.
Class D	n.a.	7,100	n.a.
Class E	n.a.	3,500	n.a.
Existence of situations of "implicit support" pursuant to Art. 449 (r) of the CRR	No	No	No
Percentage of assets assigned	0%	93%	100%
Value of first loss positions reacquired	16,025	3,500	-

During 2020, there were no relevant events related to securitisation operations.

During 2019, the main events related to securitisation operations were as follows:

Chaves Funding No.7

This securitisation operation was issued by Tagus, Sociedade de Titularização de Créditos, S.A. in July 2017 on a Consumer Credit and Finance Lease portfolio originated by 321 Crédito. The assembly of the operation was carried out with the collaboration of Citibank and Deutsche Bank. The structure of the operation included a Tranche A and a Tranche B in the notes issued, with Tranche A being held in equal portions by the banks that assembled the operation, and Tranche B withheld.

Following the acquisition of the equity of 321 Crédito by Banco CTT, in May 2019, the early redemption of the Chaves Funding No.7 operation was carried in July 2019, substituting the liabilities associated to this operation by intra-group funding. At the time of its redemption, the securitised credit portfolio had a nominal value of 197,200,000 euros.

Chaves Funding No.8:

Subsequently, and after in-house strategic analysis, the Group decided to carry out a new private securitisation operation, Chaves Funding No.8, in November 2019, under the conditions referred to above.

Risks underlying the securitisation operations

As an investor, the Group takes on the following risks:

- Liquidity risk, in any impossibility of trading the assets due to market conditions;
- Market risks, related to the possibility of incurring losses due to unexpected price variations of the assets or interest rates applied by the market at any given time;
- Regulatory risks, related to dynamics in the regulations, legislation and legal framework applicable to the positions held;
- Risk of "prepayment", related to the possibility of the early redemptions being different from the expected, leading to the redemption rate being different from that projected;
- Credit risk, associated to the potential variation of the value of the assets due to the deterioration of the risk quality of the issuer or collateral of the operation.

With respect to agreements for additional funding of the operations, as established in article 449, subparagraph j) vi) of the CRR, the Group has deposited 1,842 thousand euros in cash reserve accounts at the Transaction Managers. This sum may be used to pay interest of the transactions in the event of insufficient funds. This agreement is reflected in the Group's balance sheet, and there are no other agreements to provide financial support to the operations.

Management of the investments in securitisation operations and calculation of the capital requirements

The investments in debt instruments derived from the securitisation or re-securitisation operations comply with the investment policies in force at the Group at any given time, aligned with the policy on risk appetite, and respect the limits defined under risk management.

During 2020, the group did not act in securitisations, in compliance with the Capital Requirements Regulation (CRR), as an investor.

For the positions, as an investor in the securitisation operations originated by 321 Crédito, at an individual level, the Bank, as there is no attributed external rating, which has detailed knowledge of the underlying credit portfolio, made the look-through, treating them in accordance with the provisions defined in Article 253(1) of the CRR. As at 31 December 2020, these positions amounted to 445,914 thousand euros.

Regarding the securitisation operations in which the Group acts as the originator, it is concluded that, with the exception of the Fénix operation, they do not comply with the criteria for derecognition established in article 243 of the CRR hence, for prudential effects., the positions at risk consist of securitised credit. This treatment arises from the fact that the Group holds the residual tranches, thus being subject to the main risks and benefits. Therefore, capital requirements are not calculated for the securitisation positions held in the form of notes, but rather on the underlying credit portfolios.

2.3 Capital Management

Group Banco CTT strives for high financial solidity by maintaining a ratio of total own funds (ratio between own funds and risk-weighted assets), above the minimum established in Directive 2013/36/EU and Regulation (EU) 575/2013 ("CRR", Capital Requirements Regulation), approved on 26 June 2013 by the European Parliament and European Council. The Board of Directors is responsible for defining the strategy to be adopted in terms of capital management.

ICAAP

ICAAP (Internal Capital Adequacy Assessment Process) is an important process for managing the Group's risk by identifying the capital the Bank requires to adequately cover the risks it runs in undertaking its current business strategy.

The Group carries out an annual self-assessment exercise to determine the adequate capital levels given the business model. This process is regulated by Banco de Portugal Instruction 3/2019 and by the EBA guidelines, and complies with the Pillar II goals of the Basel II Accord, to ensure the risks that institutions are exposed to are correctly assessed and that the internal capital available to them is adequate given their respective risk profile.

ICAAP is a tool that enables the Board of Directors to test the Bank's capital adequacy, given the risks of its activity, the sustainability of the strategic plan of its budget in the medium-term and the respective framework of the risk limits defined in its Risk Appetite Statement. ICAAP guides the Group in the assessment and quantification of the main risks to which it may be exposed, thus also being an important management instrument for decision-making relative to risk levels to be assumed and the activities to be undertaken.

The Group calculates internal capital by using the regulatory models, where its internal capital is composed up of its regulatory own funds.

Concerning risk analysis, the Group has opted for simpler models, often based on regulatory models and considers that the estimated economic capital for Operational Risk encompasses risks related to Information System, Compliance and Reputation.

The following approaches were used to quantify the economic capital for each risk:

Types of Risk	Measurements
Strategic Risk	Internal Model
Operational Risk	Basic Indicator Approach
IT Risk*	
Compliance Risk	
Reputation Risk*	
Credit Risk	Internal Models
Market Risk	VaR Model
Interest Rate Risk	Instruction 34/2018
Exchange Rate Risk	n/a

** These risks are treated together with Operational Risk*

Regulatory Capital

The CRR includes a series of transitional provisions enabling the phased application of the requirements, providing the possibility for credit institutions to gradually accommodate the new requirements both in terms of own funds and minimum capital ratios.

The prudential solvency indicators are based on the applicable regulatory standards, the CRR, and Banco de Portugal Notices 6/2013 and 10/2017 that regulate the transitory regime provided for in the Regulation on own funds.

In calculating capital requirements, the Group used the standard approach for credit and counterparty risk, the basic indicator method for operational risk and the standard approach based on maturity for market risk.

The Group's tier 1 own funds (common equity tier 1 - CET1) include: a) paid-up capital, reserves and retained earnings; b) regulatory deductions related to intangible assets, goodwill and losses relative to the year in progress; and ii) prudential filters. The Group does not have any additional tier 1 capital or tier 2 capital.

As at 31 December 2020 and 31 December 2019, own funds and consolidated capital ratios are as follows:

(amounts in thousand euros)

	2020		2019	
	CRR Phasing in	CRR Fully Implemented	CRR Phasing in	CRR Fully Implemented
OWN FUNDS				
Share capital	**286,400**	**286,400**	**286,400**	**286,400**
Retained earnings	**(74,159)**	**(74,159)**	**(66,148)**	**(66,148)**
Other Reserves	**(190)**	**(190)**	**(207)**	**(207)**
Prudential Filters	**64**	**64**	**15**	**15**
Fair value reserves [1]	83	83	16	16
Additional Valuation Adjustment (AVA) [2]	(19)	(19)	(1)	(1)
Deductions to common equity tier 1	**(81,213)**	**(81,699)**	**(96,825)**	**(97,415)**
Losses for the period	-	-	(8,011)	(8,011)
Intangible assets	(19,919)	(19,919)	(27,624)	(27,624)
Goodwill	(61,085)	(61,085)	(61,085)	(61,085)
Adoption of IFRS 9	(209)	(695)	(104)	(695)
Items not deducted from Equity pursuant to article 437 of the CRR	**1,929**	**1,929**	**2,094**	**2,094**
Deferred tax assets	1,929	1,929	2,094	2,094
Holdings in financial entities	-	-	-	-
Common Equity Tier 1	**130,902**	**130,416**	**123,236**	**122,656**
Tier 1 Capital	**130,902**	**130,416**	**123,236**	**122,645**
Total Own Funds	**130,902**	**130,416**	**123,236**	**122,645**
RWA	**780,104**	**779,672**	**646,601**	**646,266**
Credit Risk	695,218	695,218	600,298	600,298
Operational Risk	84,768	84,768	45,816	45,816
Market Risk	118	118	487	487
IFRS 9 adjustments	-	(432)	-	(335)
CAPITAL RATIOS				
Common Equity Tier 1	16.78%	16.73%	19.06%	18.98%
Tier 1 Ratio	16.78%	16.73%	19.06%	18.98%
Total Capital Ratio	16.78%	16.73%	19.06%	18.98%
REGULATORY MINIMUM RATIOS [3]				
Common Equity Tier 1	7.00%	7.00%	7.00%	7.00%
Tier 1 Ratio	8.50%	8.50%	8.50%	8.50%
Total Capital Ratio	10.50%	10.50%	10.50%	10.50%

(1) Fair value reserve relative to gains or losses of financial assets stated at fair value.
(2) Additional value adjustments required to adjust the assets and liabilities stated at fair value.
(3) The figures do not take into account the effects of quick-fix measures in the context oi the Covid-19 pandemic.

As regards core Tier 1 own funds, reference should be made to the positive contribution, in 2020, of the reduction in the amount of deduction of intangible assets (reflecting the effect of the change in the value to be deducted of 19,920 thousand euros compared to the book value of 28,826 thousand euros) and the absence of losses for the period. Concerning capital requirements, we highlight the increase of the value of the risk-weighted assets of exposures with credit risk.

As at 31 December 2020, the risk-weighted assets amounted to 780,104 thousand euros (31 December 2019: 646,601 thousand euros) of which 695,218 thousand euros (31 December 2019: 600,298 thousand euros) refer to credit risk.

The following table shows the geographic distribution of the relevant exposures for calculating the countercyclical buffer. It is also important to note that as at 31 December 2020, the Banco CTT Group has no relevant exposure to geographic regions whose countercyclical buffer is different from zero.

(amounts in thousand euros)

Exposures	2020	2019
Portugal	662,160	536,158

The risk-weighted assets, with respect to credit risk, are detailed as follows:

(amounts in thousand euros)

	2020			
Risk Headings	Original Risk Position	Risk-weighted Assets [1]	Risk Weight [2]	Capital Requirement [2]
Central Authorities or Central Banks	660,449	-	0%	-
Regional governments or local authorities	5,043	1,009	20%	81
Other Credit Institutions	100,726	23,042	23%	1,843
Companies	25,888	17,929	69%	1,434
Retail customers	546,933	398,914	73%	31,913
Loans secured by immovable assets	537,977	191,315	36%	15,305
Non-performing loans	16,986	18,754	110%	1,500
Other items	69,223	44,255	64%	3,540
Total	**1,963,225**	**695,218**	**35%**	**55,616**

(1) Risk weight: Risk-weighted assets / Original risk position
(2) Pursuant to the CRR, article 438 c).

(amounts in thousand euros)

	2019			
Risk headings	Original risk position	Risk-weighted assets [1]	Risk weight [2]	Capital Requirement [2]
Central Authorities or Central Banks	471,363	-	0%	-
Other Credit Institutions	166,395	53,193	32%	4,255
Companies	18,044	10,534	58%	843
Retail customers	467,489	340,773	73%	27,262
Loans secured by immovable assets	421,795	150,487	36%	12,039
Non-performing loans	7,487	11,024	147%	882
Other items	57,072	34,287	60%	2,743
Total	**1,609,645**	**600,298**	**37%**	**48,024**

(1) Risk weight: Risk-weighted assets / Original risk position
(2) Pursuant to the CRR, article 438 c).

Use of External Ratings

The Banco CTT Group uses the ratings of External Credit Assessment Institutions (ECAI), namely issued by Moody's, S&P, Fitch and DBRS, for exposures to credit institutions with a residual maturity greater than 3 months and for exposure to companies. The Bank thus uses the standard relationship published by the EBA between ECAIs and credit quality levels.

In the determination of the risk weight to be applied in the calculation of RWA, the allocation of the credit assessments of the issuer are as follows:

a) positions in debt securities receive the ratings attributed specifically to these issues;

b) If there are no specific risk ratings for the issues, as referred to in a), the risk ratings attributed to their issuers are considered, if they exist;

c) positions at risk of lending nature that are not represented by debt securities receive only, and when existing, the risk ratings of the issuers.

As at the reporting dates, the Bank had the following exposures:

(amounts in thousand euros)

	2020			2019		
Degree of Credit Quality	Institutions, Residual Maturity >3m	Companies	Sovereign Debt	Institutions, Residual Maturity >3m	Companies	Sovereign Debt
1	10,000	-	6,435	-	-	6,493
2	19,419	15,485	99,988	-	14,620	60,605
3	9,300	-	386,727	4,350	-	374,866
4	-	-	5,048	-	-	-
5	-	-	-	-	-	-
6	-	-	-	-	-	-
No rating	210	4,315	-	30,480	-	-

Leverage Ratio

The management of leverage risk falls within the adopted capital management strategy and is entrusted to the Board of Directors.

The Leverage Ratio was introduced by the CRR in order to monitor the institution's leverage level.

Banco CTT monitors this ratio regularly and ensures its total and continuous compliance in its strategic planning.

As at 31 December 2020, the leverage ratio stood at 6.7% (31 December 2019: 7.7%), significantly above the minimum benchmark defined by the Basel Committee on Banking Supervision (3%), which will become a mandatory compliance requirement as from the date of application of the new CRR (28 June 2021). The ratio is calculated using Tier 1 Capital.

The exposures used to calculate the leverage ratio, as at 31 December 2020 and 31 December 2019, are presented in the table below:

(amounts in thousand euros)

Summary of the reconciliation of the book value and the exposures of the leverage ratio	2020	2019
Total assets recorded in the financial statements	**1,999,879**	**1,665,878**
Intangible assets deducted from own funds	(81,005)	(88,709)
Adjustment for derivative financial instruments	378	1,414
Revaluation reserves	(83)	(16)
Adjustment for securities financing transactions (SFT)	-	-
Adjustment for off-balance sheet items	43,623	30,620
Other adjustments	432	457
Total exposure to the leverage ratio - transitional	**1,963,224**	**1,609,644**

(amounts in thousand euros)

Leverage Ratio	2020	2019
Value of positions at risk		
Off-balance sheet exposures pursuant to Article 429(10) of the CRR	43,623	30,620
Other assets pursuant to Article 429(5) of the CRR	1,919,601	1,579,024
Value of the deducted assets - Tier 1 capital - full implemented	(432)	(457)
Total exposure to the leverage ratio - fully implemented	**1,962,792**	**1,609,187**
Total exposure to the leverage ratio - transitional	**1,963,224**	**1,609,644**
Capital and regulatory adjustments		
Tier 1 capital - fully phased-in definition	130,416	122,646
Tier 1 capital - transitional definition	130,902	123,236
Leverage ratio - fully implemented tier 1 capital	**6.6%**	**7.6%**
Leverage ratio - transitional tier 1 capital	**6.7%**	**7.7%**

In 2020 the transitional leverage ratio decreased by 1.0 percentage points, explained by the growth of assets.