

ANNEX II

OPTIONS AND DISCRETIONS

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PART 1

Overview of options and discretions set out in Directive 2013/36/EU and Regulation (EU) No 575/2013

Nature of the option or discretion	Directive 2013/36/EU	Regulation (EU) No 575/2013	Denomination	Description of the option or discretion	Exercised (Y/N/NA)	National text	References	Available in EN (Y/N)
Date of the last update of information in this template					15/07/2019			
Requirements for access to the activity of credit institutions	Article 9(2)		Exception to the prohibition against persons or undertakings other than credit institutions from taking deposits or other repayable funds from the public	The prohibition against persons or undertakings other than credit institutions from carrying out the business of taking deposits or other repayable funds from the public shall not apply to a Member State, a Member State's regional or local authorities, a public international bodies of which one or more Member States are members, or to cases expressly covered by national or union law, provided that those activities are subject to regulations and controls intended to protect depositors and investors.	N	NA	NA	
Requirements for access to the activity of credit institutions	Article 12(3)		Initial capital	Member States may decide that credit institutions which do not fulfil the requirements to hold separate own funds and which were in existence on 15 December 1979 may continue to carry out their business. They may exempt such credit institutions from complying	N	NA	NA	

				with the requirements contained in the first subparagraph of Article 13(1) of Directive 2013/36/EU.				
Requirements for access to the activity of credit institutions	Article 12(4)		Initial capital	Member States may grant authorisation to particular categories of credit institutions the initial capital of which is less than EUR 5 million, provided that the initial capital is not less than EUR 1 million and the Member State concerned notifies the Commission and EBA of their reasons for exercising that option.	Y	The guarantee capital or share capital of a savings bank operating in a delimited local operating district, licensed to operate as referred to in Points 1 and 2 of the first paragraph of Art. 3 and holding authorisations as provided for in Points 1-6, 10, 13 and 14 of the first paragraph of Art. 20, must amount to a minimum of EUR 1 million. A delimited local operating district means a district where a savings bank does not have authorisation to operate in accordance to Chapter V – Part A. (<i>Activities of Icelandic financial</i>	Art. 14(2) of Act No. 161/2002 on Financial Undertakings. http://www.althingi.is/lagas/146a/2002161.html	Y

						<i>undertakings abroad)</i>		
Requirements for access to the activity of credit institutions	Article 21(1)		Exemptions for credit institutions permanently affiliated to a central body	Competent authorities may exempt with regard to credit institutions permanently affiliated to a central body from the requirements set out in Articles 10, 12 and 13(1) of Directive 2013/36/EU.	N	NA	NA	
Initial capital for investment firms	Article 29(3)		Initial capital of particular types of investment firms	Member States may reduce the minimum amount of initial capital from EUR 125 000 to EUR 50 000 where a firm is not authorised to hold client money or securities, to deal for its own account, or to underwrite issues on a firm commitment basis.	Y	The share capital of an investment firm operating according to limited authorisation can amount to a minimum of EUR 50,000.	Art. 14.a (5 and 6) of Act No. 161/2002 on Financial Undertakings. http://www.althingi.is/lagas/146a/2002161.html	N
Initial capital for investment firms	Article 32(1)		Investment firms' initial capital grandfathering clause	Member States may continue authorising investment firm and firms covered by Article 30 of Directive 2013/36/EU which were in existence on or before 31 December 1995, the own funds of which are less than the initial capital levels specified for them in Article 28(2), Article 29(1) or (3) or Article 30 of that Directive.	N	NA	NA	
Powers of the competent authorities of	Article 40		Reporting requirements to host	The competent authorities of host Member States may, for information, statistical or	NA	NA	NA	

host Member States			competent authorities	supervisory purposes, require that all credit institutions having branches within their territories shall report to them periodically on their activities in those host Member States, in particular to assess whether a branch is significant in accordance with Article 51(1) of Directive 2013/36/EU.				
Governance	Article 94(1)(g)(i)		Variable elements of remuneration	Member States may set a maximum percentage for the variable component lower than 100 % of the fixed component of the total remuneration for each individual.	Cf. Part 10			
Governance	Article 94(1)(g)(ii)		Variable elements of remuneration	Member States may allow shareholders or owners or members of institutions to approve a higher maximum level of the ratio between the fixed and the variable components of remuneration provided the overall level of the variable component shall not exceed 200 % of the fixed component of the total remuneration for each individual. Member State may set a lower maximum percentage.	Cf. Part 10			
Governance	Article 94(1)(g)(iii)		Variable elements of remuneration	Member States may allow institutions to apply the discount rate referred to in the second subparagraph of Article 94(1)(g)(iii) to a maximum of 25 % of total variable remuneration provided it is paid in instruments that are deferred	Cf. Part 10			

				for a period of not less than 5 years. Member States may set a lower maximum percentage.				
Governance	Article 94(1)(l)		Variable elements of remuneration	Member States or their competent authorities may place restrictions on the types and designs of instruments referred to in Article 94(1)(l) or prohibit certain instruments as appropriate.	Y	Rules No 388/2016 on remuneration policy for financial undertakings	http://en.fme.is/published-material/rules/	Y
Supervisory review and evaluation process (SREP)	Article 103		Application of SREP to institutions with similar risk profiles	Where the competent authorities determine under Article 97 that institutions with similar risk profiles such as similar business models or geographical location of exposures, are or might be exposed to similar risks or pose similar risks to the financial system, they may apply the supervisory review and evaluation process referred to in Article 97 to those institutions in a similar or identical manner.	Y	Act No. 161/2002 on Financial Undertakings.	http://www.athingi.is/lagas/numa/2002161.html	N
Capital buffers	Article 129(2)		Exemption from the requirement to maintain a capital conservation buffer for small and medium-sized investment firms	By way of derogation from paragraph 1 of Article 129, a Member State may exempt small and medium-sized investment firms from the requirements set out in that paragraph if such an exemption does not threaten the stability of the financial system of that Member State.	Y	Article 86.e of Act No. 161/2002 on Financial Undertakings.	http://www.athingi.is/lagas/numa/2002161.html	N
Capital buffers	Article 130(2)		Exemption from the requirement to maintain a	By way of derogation from paragraph 1 of Article 130, a Member State may exempt small	Y	Article 86.d of Act No. 161/2002 on	http://www.athingi.is/lagas/numa/2002161.html	N

			countercyclical capital buffer for small and medium-sized investment firms	and medium-sized investment firms from the requirements set out in that paragraph if such an exemption does not threaten the stability of the financial system of that Member State.		Financial Undertakings.	na/2002161.html	
Capital buffers	Article 133(18)		Requirement to maintain a systemic risk buffer	Member States may apply a systemic risk buffer to all exposures.	Y	Article 86.b of Act No. 161/2002 on Financial Undertakings.	http://www.althingi.is/lagas/nu-na/2002161.html	N
Capital buffers	Article 134(1)		Recognition of a systemic risk buffer rate	Other Member States may recognise the systemic risk buffer rate set according to Article 133 and may apply that buffer rate to domestically authorised institutions for the exposures located in the Member State setting that buffer rate.	Y	Article 86.b of Act No. 161/2002 on Financial Undertakings.	http://www.althingi.is/lagas/nu-na/2002161.html	N
Powers of the competent authorities of host Member States	Article 152 first paragraph		Transitional provisions on reporting requirements to host competent authorities	The competent authorities of host Member States may, for statistical purposes, require that all credit institutions having branches within their territories shall report to them periodically on their activities in those host Member States.	TBD			
Powers of the competent authorities of host Member States	Article 152 second paragraph		Transitional provisions on reporting requirements to host competent authorities	Host Member States may require that branches of credit institutions from other Member States provide the same information as they require from national credit institutions for that purpose.	TBD			

Capital buffers	Article 160(6)		Transitional provisions for capital buffers	Member States may impose a shorter transitional period for capital buffers than that specified in paragraphs 1 to 4 of Article 160. Such a shorter transitional period may be recognised by other Member States.	Y	Article 44 of Act No. 57/2015 amending Act No. 161/2002 on Financial Undertakings.	http://stjornartidindi.is/Advert.aspx?ID=509601cc-cba6-48b2-8ce5-1b61aa63431d	N
Definitions		Article 4(2)	Treatment of indirect holdings in real estate	Member States or their competent authorities may allow shares constituting an equivalent indirect holding of immovable property to be treated as a direct holding of immovable property provided that such indirect holding is specifically regulated in the national law of the Member State and, when pledged as collateral, provides equivalent protection to creditors.	N	NA	NA	
Level of application of requirements		Article 6(4)	Application of requirements on an individual basis	Pending the report from the Commission in accordance with Article 508(3), competent authorities may exempt investment firms from compliance with the obligations laid down in Part Six (liquidity) taking into account the nature, scale and complexity of the investment firms' activities.	Y	Part VI of Regulation No. 233/2017 on Prudential Requirements for Financial Undertakings	https://www.stjornartidindi.is/Advert.aspx?RecordID=2a5656ae-4055-443b-977d-260778fc4fae	N

Level of application of requirements		Article 18(5)	Methods for prudential consolidation	In the case of participations or capital ties other than those referred to in paragraphs 1 and 4 of Article 18, the competent authorities shall determine whether and how consolidation is to be carried out. In particular, they may permit or require use of the equity method. That method shall not, however, constitute inclusion of the undertakings concerned in supervision on a consolidated basis.	Y	Article 109 of Act No. 161/2002 on Financial Undertakings	http://www.fjarmala-raduneyti.is/media/skjal/Act_No_161_2002_en.pdf	Y
						Article 35 of Act No. 57/2015 amending Article 109 of Act No. 161/2002 on Financial Undertakings.	http://stjornartidindi.is/Advert.aspx?ID=509601cc-cba6-48b2-8ce5-1b61aa63431d	N
						Article 54 of Act No. 96/2016 amending Article 109 of Act No. 161/2002 on Financial Undertakings.	http://www.althingi.is/altext/stjt/2016.096.html	N
Level of application of requirements		Article 18(6)	Methods for prudential consolidation	Competent authorities shall determine whether and how consolidation is to be carried out in the following cases:				
				(a) where, in the opinion of the competent authorities, an institution exercises a significant influence over one or more institutions or	Y	Article 109 of Act No. 161/2002 on Financial Undertakings.	http://www.fjarmala-raduneyti.is/media/skjal/Act_N	Y

				<p>financial institutions, but without holding a participation or other capital ties in these institutions; and</p>		<p>Article 35 of Act No. 57/2015 amending Article 109 of Act No. 161/2002 on Financial Undertakings.</p> <p>Article 54 of Act No. 96/2016 amending Article 109 of Act No. 161/2002 on Financial Undertakings.</p>	<p>o_161_2002_en.pdf</p> <p>http://stjornartidindi.is/Advert.aspx?ID=509601cc-cba6-48b2-8ce5-1b61aa63431d</p> <p>http://www.althingi.is/altext/stjt/2016.096.html</p>	<p>N</p> <p>N</p>
				<p>(b) where two or more institutions or financial institutions are placed under single management other than pursuant to a contract or clauses of their memoranda or articles of association.</p> <p>In particular, the competent authorities may permit, or require use of, the method provided for in Article 12 of Directive 83/349/EEC.</p>	<p>Y</p>	<p>Article 109 of Act No. 161/2002 on Financial Undertakings.</p> <p>Article 35 of Act No. 57/2015 amending Article 109 of Act No. 161/2002 on Financial Undertakings.</p>	<p>http://www.fjarmaladuneyti.is/media/skjal/Act_No_161_2002_en.pdf</p> <p>http://stjornartidindi.is/Advert.aspx?ID=509601cc-cba6-48b2-8ce5-</p>	<p>Y</p> <p>N</p>

						Article 54 of Act No. 96/2016 amending Article 109 of Act No. 161/2002 on Financial Undertakings.	http://www.althingi.is/altext/stjt/2016.0916.html	N
Qualifying holdings outside the financial sector		Article 89(3)	Risk weighting and prohibition of qualifying holdings outside the financial sector	Competent authorities shall apply the requirements laid down in point (a) or (b) to qualifying holdings of institutions referred to in paragraphs 1 and 2:				
				(a) for the purpose of calculating the capital requirement in accordance with Part Three of this Regulation, institutions shall apply a risk weight of 1250 % to the greater of the following: (i) the amount of qualifying holdings referred to in paragraph 1 in excess of 15 % of eligible capital; (ii) the total amount of qualifying holdings referred to in paragraph 2 that exceed 60 % of the eligible capital of the institution;	Y	Article 28 of Act No. 161/2002 on Financial Undertakings.	http://www.fjarmala.raduneyti.is/media/skjalf/Act_No_161_2002_en.pdf	Y
						Article 16 of Act No. 96/2016 amending Article 28 of Act No. 161/2002 on Financial Undertakings.	http://www.althingi.is/altext/stjt/2016.0916.html	N

				<p>(b) the competent authorities shall prohibit institutions from having qualifying holdings referred to in paragraphs 1 and 2 the amount of which exceeds the percentages of eligible capital laid down in those paragraphs.</p> <p>Competent authorities shall publish their choice of (a) or (b).</p>	N	NA	NA	
Own funds requirements for investment firms		Article 95(2)	Requirements for investment firms with limited authorisation to provide investment services	Competent authorities may set the own fund requirements for investment firms with limited authorisation to provide investment services as the own fund requirements that would be binding on those firms according to the national transposition measures in force on 31 December 2013 for Directive 2006/49/EC and Directive 2006/48/EC.	N	NA	NA	
Calculation and reporting requirements		Article 99(3)	Reporting on own funds requirements and financial information	Competent authorities may require those credit institutions applying international accounting standards as applicable under Regulation (EC) No 1606/2002 for the reporting of own funds on a consolidated basis pursuant to Article 24(2) of this Regulation to also report financial information as laid down in paragraph 2 of this Article.	N	NA	NA	

Credit risk: Standardised approach		Article 124(2)	Risk weights and criteria applied to exposures secured by mortgages on immovable property	Competent authorities may set a higher risk weight or stricter criteria than those set out in Article 125(2) and Article 126(2), where appropriate, on the basis of financial stability considerations.	N	NA	NA	
Credit risk: Standardised approach		Article 129(1)	Exposures in the form of covered bonds	The competent authorities may, after consulting EBA, partly waive the application of point (c) of the first subparagraph and allow credit quality step 2 for up to 10 % of the total exposure of the nominal amount of outstanding covered bonds of the issuing institution, provided that significant potential concentration problems in the Member States concerned can be documented due to the application of the credit quality step 1 requirement referred to in that point.	N	NA	NA	
Credit risk: IRB Approach		Article 164(5)	Minimum values of exposure weighted average Loss Given Default (LGD) for exposures secured by property	Based on the data collected under Article 101 and taking into account forward-looking immovable property market developments and any other relevant indicators, the competent authorities shall periodically, and at least annually, assess whether the minimum LGD values in paragraph 4 of this Article are appropriate for exposures secured by residential property or commercial immovable property located in their territory. Competent authorities may, where appropriate on the basis of financial stability	N	NA	NA	

				considerations, set higher minimum values of exposure weighted average LGD for exposures secured by immovable property in their territory.				
Credit risk: IRB Approach		Article 178(1)(b)	Default of an obligor	Competent authorities may replace the 90 days with 180 days for exposures secured by residential property or SME commercial immovable property in the retail exposure class, as well as exposures to public sector entities.	N	NA	NA	
Counterparty credit risk		Article 284(4)	Exposure value	Competent authorities may require an α higher than 1.4 or permit institutions to use their own estimates in accordance with paragraph 9.	N	NA	NA	
Market risk: Position risk		Article 327(2)	Netting between a convertible and an offsetting position in the underlying instrument	Competent authorities may adopt an approach under which the likelihood of a particular convertible's being converted is taken into account or require an own funds requirement to cover any loss which conversion might entail.	N	NA	NA	
Large exposures		Article 395(1)	Large exposure limits for exposures to institutions	Competent authorities may set a lower large exposure limit than EUR 150 000 000 for exposures to institutions.	Y	Article 30 of Act No. 161/2002 on Financial Undertakings	http://www.fjarmala-raduneyti.is/media/skjal/Act_No_161_2002_en.pdf	N

Large exposures		Articles 400(2)(a) and 493(3)(a)	Exemptions or partial exemptions to large exposures limits	Competent authorities may fully or partially exempt covered bonds falling within the terms of Article 129(1), (3) and (6).	Y	Article 71(1) item 10 of Regulation No. 233/2017 on Prudential Requirements for Financial Undertakings	https://www.stjornartidindi.is/Advert.aspx?RecordID=2a5656ae-4055-443b-977d-260778fc4fae	N
		Articles 400(2)(b) and 493(3)(b)		Competent authorities may fully or partially exempt asset items constituting claims on regional governments or local authorities of Member States.	N	NA	NA	
		Articles 400(2)(c) and 493(3)(c)		Competent authorities may fully or partially exempt exposures incurred by an institution to its parent undertaking or subsidiaries.	N	NA	NA	
		Articles 400(2)(d) and 493(3)(d)		Competent authorities may fully or partially exempt exposures to regional or central credit institutions with which the credit institution is associated in a network and which are responsible for cash-clearing operations within the network.	N	NA	NA	
		Articles 400(2)(e) and 493(3)(e)		Competent authorities may fully or partially exempt exposures to credit institutions incurred by credit institutions, one of which operates on a non-competitive basis and provides or guarantees loans under legislative programmes or its	N	NA	NA	

				statutes, to promote specified sectors of the economy under some form of government oversight and restrictions on the use of the loans, provided that the respective exposures arise from such loans that are passed on to the beneficiaries via credit institutions or from the guarantees of these loans.				
		Articles 400(2)(f) and 493(3)(f)		Competent authorities may fully or partially exempt exposures to institutions, provided that those exposures do not constitute such institutions' own funds, do not last longer than the following business day and are not denominated in a major trading currency.	N	NA	NA	
		Articles 400(2)(g) and 493(3)(g)		Competent authorities may fully or partially exempt exposures to central banks in the form of required minimum reserves held at those central banks which are denominated in their national currencies.	N	NA	NA	
		Articles 400(2)(h) and 493(3)(h)		Competent authorities may fully or partially exempt exposures to central governments in the form of statutory liquidity requirements held in government securities which are denominated and funded in their national currencies provided that, at the discretion of the competent authority, the credit assessment of those central governments assigned	N	NA	NA	

				by a nominated External Credit Assessment Institution is investment grade.				
		Articles 400(2)(i) and 493(3)(i)		Competent authorities may fully or partially exempt 50 % of medium/low risk off-balance sheet documentary credits and of medium/low risk off-balance sheet undrawn credit facilities referred to in Annex I and subject to the competent authorities' agreement, 80 % of guarantees other than loan guarantees which have a legal or regulatory basis and are given for their members by mutual guarantee schemes possessing the status of credit institutions.	N	NA	NA	
		Articles 400(2)(j) and 493(3)(j)		Competent authorities may fully or partially exempt legally required guarantees used when a mortgage loan financed by issuing mortgage bonds is paid to the mortgage borrower before the final registration of the mortgage in the land register, provided that the guarantee is not used as reducing the risk in calculating the risk-weighted exposure amounts.	N	NA	NA	
		Articles 400(2)(k) and 493(3)(k)		Competent authorities may fully or partially exempt assets items constituting claims on and other exposures to recognised exchanges.	N	NA	NA	
Liquidity		Article 412(5)	Liquidity coverage requirement	Member States may maintain or introduce national provisions in the	Y	Part VI of Regulation No.	https://www.stjornart	N

				area of liquidity requirements before binding minimum standards for liquidity coverage requirements are specified and fully introduced in the Union in accordance with Article 460.		233/2017 of Prudential Requirements for Financial Undertakings	idindi.is/Advert.aspx?RecordID=2a5656ae-4055-443b-977d-260778fc4fae	
						Rules on Liquidity Ratio, no. 266/2017.	https://www.stjornartidindi.is/Advert.aspx?RecordID=4a952068-fe9f-41a2-a78b-b0d75f7541a4	N
Liquidity		Article 412(5)	Liquidity coverage requirement	Member states or competent authorities may require domestically authorised institutions, or a subset of those institutions to maintain a higher liquidity coverage requirement up to 100 % until the binding minimum standard is fully introduced at a rate of 100 % in accordance with Article 460.	N	NA	NA	
Liquidity		Article 413(3)	Stable funding requirement	Member States may maintain or introduce national provisions in the area of stable funding requirements before binding minimum standards	Y	Rules on Funding Ratios in Foreign Currencies, no. 1032/2014.	http://www.cb.is/about-the-bank/centr	Y

				for net stable funding requirements are specified and introduced in the Union in accordance with Article 510.	Rules on funding ratio took effect on 1 December 2014 and are issued in accordance with Article 12 of the Act on the Central Bank of Iceland, no. 36/2001, and based on guidelines from the Basel Committee on Banking Supervision. The rules are intended to ensure for the commercial banks a minimum level of stable one-year funding in FX and therefore restrict the degree to which the commercial banks can rely on unstable short-term FX funding to finance long-term FX lending. The Rules on funding ratio require 0.8 FX ratio in 2014 and 2015. It will rise	al-bank-of-iceland/laws-and-rules/	
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						to 0.9 in 2016 and 1 in 2017.		
Liquidity		Article 415(3)	Liquidity reporting requirements	Competent authorities may continue to collect information through monitoring tools for the purpose of monitoring compliance with existing national liquidity standards, until the full introduction of binding liquidity requirements.	Y	See answers to above questions.		
Liquidity		Article 420(2)	Liquidity outflow rate	The competent authorities may apply an outflow rate up to 5 % for trade finance off-balance sheet related products, as referred to in Article 429 and Annex 1.	N	NA	NA	
Liquidity		Article 422(4)	Liquidity outflows on other liabilities	Competent authorities may, in the absence of a uniform definition, provide general guidance that institutions shall follow in identifying deposits maintained by the depositor in a context of an established operational relationship.	N	NA	NA	N
Own funds requirements		Article 465(2)	Transitional provision for own funds requirements	Competent authorities shall determine and publish the levels of the Common Equity Tier 1 and Tier 1 capital ratios in the ranges specified in Article 465(1) that institutions shall meet or exceed.	Y	Article 84(1) of Act No. 161/2002 on Financial Undertakings	http://www.althingi.is/lagas/nuona/2002161.html	N
Own funds requirements		Article 467(2)	Transitional treatment of unrealised losses measured at fair value	By way of derogation from paragraph 1 of Article 467, the competent authorities may, in cases where such treatment was applied before 1 January 2014, allow institutions not to include in any	N	NA	NA	

				element of own funds unrealised gains or losses on exposures to central governments classified in the 'Available for Sale' category of EU-endorsed IAS 39.				
Own funds requirements		Article 467(3)	Transitional treatment of unrealised losses measured at fair value	Competent authorities shall determine and publish the applicable percentage in the ranges specified in points (a) to (d) of paragraph 2 of Article 467.	Cf. Part 3	Article 84(1) of Act No. 161/2002 on Financial Undertakings	http://www.althingi.is/lagas/nu/na/2002161.html	N
Own funds requirements		Article 468(2)	Transitional treatment of unrealised gains measured at fair value	Competent authorities may permit institutions to include in the calculation of their Common Equity Tier 1 capital 100 % of their unrealised gains at fair value where under Article 467 institutions are required to include their unrealised losses measured at fair value in the calculation of Common Equity Tier 1 capital.	Y	Article 84(1) of Act No. 161/2002 on Financial Undertakings	http://www.althingi.is/lagas/nu/na/2002161.html	N
Own funds requirements		Article 468(3)	Transitional treatment of unrealised gains measured at fair value	Competent authorities shall determine and publish the applicable percentage of unrealised gains in the ranges specified in points (a) to (c) of paragraph 2 of Article 468 that is removed from Common Equity Tier 1 capital.	Y Cf. Part 4	Article 84 (1) of Act No. 161/2002 on Financial Undertakings	http://www.althingi.is/lagas/nu/na/2002161.html	N
Own funds requirements		Article 471(1)	Exemption from deduction of equity holding in insurance companies from CET1 items	By way of derogation from Article 49(1), during the period from 1 January 2014 to 31 December 2022, competent authorities may permit institutions to not deduct equity holdings in insurance undertakings,	N	NA	NA	

				reinsurance undertakings and insurance holding companies where the conditions set out in paragraph 1 of Article 471 are met.				
Own funds requirements		Article 473(1)	Introduction of amendments to IAS 19	By way of derogation from Article 481 during the period from 1 January 2014 until 31 December 2018, competent authorities may permit institutions that prepare their accounts in conformity with the international accounting standards adopted in accordance with the procedure laid down in Article 6(2) of Regulation (EC) No 1606/2002 to add to their Common Equity Tier 1 capital the applicable amount in accordance with paragraph 2 or 3 of Article 473, as applicable, multiplied by the factor applied in accordance with paragraph 4 of Article 473.	N	NA	NA	
Own funds requirements		Article 478(3)	Transitional deductions from Common Equity Tier 1, Additional Tier 1 and Tier 2 items	Competent authorities shall determine and publish an applicable percentage in the ranges specified in paragraphs 1 and 2 of Article 478 for each of the following deductions: (a) the individual deductions required pursuant to points (a) to (h) of Article 36(1), excluding deferred tax assets that rely on future profitability and arise from temporary differences;	Y Cf. Part 5	Article 85 of Act No. 161/2002 on Financial Undertakings	http://www.althingi.is/lagas/nu/na/2002161.html	N

				<p>(b) the aggregate amount of deferred tax assets that rely on future profitability and arise from temporary differences and the items referred to in point (i) of Article 36(1) that is required to be deducted pursuant to Article 48;</p> <p>(c) each deduction required pursuant to points (b) to (d) of Article 56;</p> <p>(d) each deduction required pursuant to points (b) to (d) of Article 66.</p>				
Own funds requirements		Article 479(4)	Transitional recognition in consolidated Common Equity Tier 1 capital of instruments and items that do not qualify as minority interests	Competent authorities shall determine and publish the applicable percentage in the ranges specified in paragraph 3 of Article 479.	N Cf. Part 6	NA	NA	
Own funds requirements		Article 480(3)	Transitional recognition of minority interests and qualifying Additional Tier 1 and Tier 2 capital	Competent authorities shall determine and publish the value of the applicable factor in the ranges specified in paragraph 2 of Article 480.	Y Cf. Part 7	Article 84 of Act No. 161/2002 on Financial Undertakings	http://www.althingi.is/lagas/nu/na/2002161.html	N
Own funds requirements		Article 481(3)	Additional transitional filters and deductions	For each filter or deduction referred to in paragraphs 1 and 2 of Article 481, competent authorities shall	Y Cf. Part 8	Article 85 of Act No. 161/2002 on	http://www.althingi.is/lagas/nu	N

				determine and publish the applicable percentages in the ranges specified in paragraphs 3 and 4 of that Article		Financial Undertakings	na/2002161.html	
Own funds requirements		Article 486(6)	Limits for grandfathering of items within Common Equity Tier 1, Additional Tier 1 and Tier 2 items	Competent authorities shall determine and publish the applicable percentages in the ranges specified in paragraph 5 of Article 486.	N Cf. Part 9	NA	NA	
Credit risk: IRB Approach		Article 495(1)	Transitional treatment of equity exposures under the IRB approach	By way of derogation from Chapter 3 of Part Three, until 31 December 2017, the competent authorities may exempt from the IRB treatment certain categories of equity exposures held by institutions and EU subsidiaries of institutions in that Member State as at 31 December 2007.	N	NA	NA	
Credit risk: Standardised approach		Article 496(1)	Transitional provision on the calculation of own fund requirements for exposures in the form of covered bonds	Until 31 December 2017, competent authorities may waive in full or in part the 10 % limit for senior units issued by French Fonds Communs de Créances or by securitisation entities which are equivalent to French Fonds Communs de Créances laid down in points (d) and (f) of Article 129(1), provided that conditions specified in points (a) and (b) of Article 496(1) are fulfilled.	N	NA	NA	
Leverage		Article 499(3)	Transitional provision for	By way of derogation from Article 429(2) of Regulation (EU)	N	NA	NA	

			calculating the leverage ratio	No 575/2013, during the period from 1 January 2014 to 31 December 2017, competent authorities may permit institutions to calculate the end-of-quarter leverage ratio where they consider that institutions may not have data of sufficiently good quality to calculate a leverage ratio that is an arithmetic mean of the monthly leverage ratios over a quarter.				
Basel I floor		Article 500(5)	Transitional provisions for Basel I floor	The competent authorities may, after consulting EBA, waive the application of point (b) of Article 500(1) of Regulation (EU) No 575/2013 to institutions provided that all the requirements for the IRB Approach set out in Part Three, Title II, Chapter 3, Section 6 of that Regulation or the qualifying criteria for the use of the Advanced Measurement Approach set out in Part Three, Title III, Chapter 4 of that Regulation, as applicable, are met.	N	NA	NA	

PART 2

Transitional provision for own funds requirements

Regulation (EU) No 575/2013	Transitional provision	Year	Information to disclose
Article 465(2)	Level of Common Equity Tier 1 capital ratio that institutions shall meet or exceed (% within specified range)	2014	4.5%
	4 % to 4,5 %		
	Level of Tier 1 capital ratio that institutions shall meet or exceed (% within specified range)	2014	6%
	5,5 % to 6 %		

PART 3

Transitional treatment of unrealised losses measured at fair value

Regulation (EU) No 575/2013	Transitional provisions	Year	Information to disclose
Article 467(3)	Applicable percentage of unrealised losses pursuant to Article 467(1) that are included in the calculation of Common Equity Tier 1 items (percentage in the ranges specified in paragraph 2 of that Article)		
	20 % to 100 %	2014	100%
	40 % to 100 %	2015	100%
	60 % to 100 %	2016	100%
	80 % to 100 %	2017	100%

PART 4

Transitional treatment of unrealised gains measured at fair value

Regulation (EU) No 575/2013	Transitional provisions	Year	Information to disclose
Article 468(3)	Applicable percentage of unrealised gains pursuant to paragraph 1 of Article 468 that are removed from the Common Equity Tier 1 items (percentage in the ranges specified in paragraph 2 of that Article)		
	60 % to 100 %	2015	100%
	40 % to 100 %	2016	100%
	20 % to 100 %	2017	100%

PART 5

Transitional provisions on the deductions from Common Equity Tier 1, Additional Tier 1 and Tier 2 items

Regulation (EU) No 575/2013	Transitional provisions	Year	Information to disclose
Article 478(3)(a)	Deduction from Common Equity Tier 1 items (without deferred tax assets)		
	Does the competent authority use a single percentage for all deductions from Common Equity Tier 1 items pursuant to points (a) to (h) of Article 36(1), excluding deferred tax assets that rely on future profitability and arise from temporary differences?		Y
	Applicable percentage if a single percentage applies (percentage in the ranges specified in paragraph 1 of Article 478)		
	20 % to 100 %	2014	100%
	40 % to 100 %	2015	100%

	60 % to 100 %	2016	100%
	80 % to 100 %	2017	100%
	If no single percentage applies, the national texts and references to the applicable percentages shall be provided in Part 1		
Article 478(3)(b)	Deduction from Common Equity Tier 1 items for deferred tax assets and items referred to point (i) of Article 36(1)		
	Does the competent authority use a single percentage for the deductions from Common Equity Tier 1 items of the aggregate amount of deferred tax assets that rely on future profitability and arise from temporary differences and the items referred to in point (i) of Article 36(1)?		Y
	Applicable percentage if a single percentage applies (percentage in the ranges specified in paragraph 1 of Article 478)		
	20 % to 100 %	2014	100%
	40 % to 100 %	2015	100%
	60 % to 100 %	2016	100%
	80 % to 100 %	2017	100%
	If no single percentage applies, the national texts and references to the applicable percentages shall be provided in Part 1		
Article 478(2)	Deduction from Common Equity Tier 1 items for deferred tax assets that existed prior to 1 January 2014		
	Does the competent authority apply the alternative applicable percentage for deferred tax assets that existed prior to 1 January 2014?		Y
	Applicable percentage if the alternative applies (percentage in the ranges specified in paragraph 2 of Article 478)		
	0 % to 100 %	2014	100%
	10 % to 100 %	2015	100%
	20 % to 100 %	2016	100%

	30 % to 100 %	2017	100%
	40 % to 100 %	2018	100%
	50 % to 100 %	2019	100%
	60 % to 100 %	2020	100%
	70 % to 100 %	2021	100%
	80 % to 100 %	2022	100%
	90 % to 100 %	2023	100%
Article 478(3)(c)	Deductions from Additional Tier 1 items		
	Does the competent authority use a single percentage for all deductions from Additional Tier 1 items pursuant to points (b) to (d) of Article 56?		Y
	Applicable percentage if a single percentage applies (percentage in the ranges specified in paragraph 1 of Article 478)		
	20 % to 100 %	2014	100%
	40 % to 100 %	2015	100%
	60 % to 100 %	2016	100%
	80 % to 100 %	2017	100%
	If no single percentage applies, the national texts and references to the applicable percentages shall be provided in Part 1		
Article 478(3)(d)	Deductions from Tier 2 items		
	Does the competent authority use a single percentage for all deductions from Tier 2 items pursuant to points (b) to (d) of Article 66?		Y
	Applicable percentage if a single percentage applies (percentage in the ranges specified in paragraph 1 of Article 478)		
	20 % to 100 %	2014	100%

	40 % to 100 %	2015	100%
	60 % to 100 %	2016	100%
	80 % to 100 %	2017	100%
	If no single percentage applies, the national texts and references to the applicable percentages shall be provided in Part 1		

PART 6

Transitional recognition in consolidated Common Equity Tier 1 capital of instruments and items that do not qualify as minority interests

Regulation (EU) No 575/2013	Transitional provisions	Year	Information to disclose
Article 479(4)	Applicable percentage for the recognition in consolidated Common Equity Tier 1 capital of instruments and items that do not qualify as minority interests (percentage in the ranges specified in paragraph 3 of Article 479)		
	0 % to 80 %	2014	0%
	0 % to 60 %	2015	0%
	0 % to 40 %	2016	0%
	0 % to 20 %	2017	0%

PART 7

Transitional recognition of minority interests and qualifying Additional Tier 1 and Tier 2 capital

Regulation (EU) No 575/2013	Transitional provisions	Year	Information to disclose
Article 480(3)	Applicable factor for the recognition in consolidated own funds of minority interests and qualifying Additional Tier 1 and Tier 2 capital (number in the ranges specified in paragraph 2 of Article 480)		
	0,2 to 1,0	2014	1,0
	0,4 to 1,0	2015	1,0
	0,6 to 1,0	2016	1,0
	0,8 to 1,0	2017	1,0

PART 8

Additional transitional filters and deductions

Regulation (EU) No 575/2013	Transitional provisions	Year	Information to disclose
Article 481(1)	Adjustments referred to in Article 481(1)		
	Does the competent authority use a single percentage for all filters or deductions required as set out in Article 481(1)?		Y
	Applicable percentage if a single percentage applies (percentage in the ranges specified in paragraph 3 of Article 481)		
	0 % to 80 %	2014	0%
	0 % to 60 %	2015	0%
	0 % to 40 %	2016	0%

	0 % to 20 %	2017	0%
	If no single percentage applies, the national texts and references to the applicable percentages shall be provided in Part 1		
Article 481(2)	Adjustments referred to in Article 481(2)		NA
	Does the competent authority require or permit institutions to apply the methods referred to in Article 49(1) where the requirements laid down in point (b) of Article 49(1) are not met, rather than the deduction required pursuant to Article 36(1)?		N
	Applicable percentage if the discretion is exercised (percentage in the ranges specified in paragraph 4 of Article 481)		
	0 % to 50 %	2014	

PART 9

Limits for grandfathering of items within CET 1, AT 1 and Tier 2 items

Regulation (EU) No 575/2013	Transitional provisions	Year	Information to disclose
Article 486(6)	Applicable percentage for determining the limits for grandfathering of items within Common Equity Tier 1 items pursuant to paragraph 2 of Article 486 (percentage in the ranges specified in paragraph 5 of that Article)		N/A
	60 % to 80 %	2014	
	40 % to 70 %	2015	
	20 % to 60 %	2016	
	0 % to 50 %	2017	
	0 % to 40 %	2018	
	0 % to 30 %	2019	

	0 % to 20 %	2020	
	0 % to 10 %	2021	
	Applicable percentage for determining the limits for grandfathering of items within Additional Tier 1 items pursuant to paragraph 3 of Article 486 (percentage in the ranges specified in paragraph 5 of that Article)		
	60 % to 80 %	2014	
	40 % to 70 %	2015	
	20 % to 60 %	2016	
	0 % to 50 %	2017	
	0 % to 40 %	2018	
	0 % to 30 %	2019	
	0 % to 20 %	2020	
	0 % to 10 %	2021	
	Applicable percentage for determining the limits for grandfathering of items within Tier 2 items pursuant to paragraph 4 of Article 486 (percentage in the ranges specified in paragraph 5 of that Article)		
	60 % to 80 %	2014	
	40 % to 70 %	2015	
	20 % to 60 %	2016	
	0 % to 50 %	2017	
	0 % to 40 %	2018	
	0 % to 30 %	2019	

	0 % to 20 %	2020	
	0 % to 10 %	2021	

PART 10

Variable elements of remuneration

Directive 2013/36/EU	Provisions	Information to disclose
	Date of the last update of information in this template	(15/07/2019)
Article 94(1)(g)(i)	Maximum percentage for the variable component (% of the fixed component of the total remuneration)	25%
Article 94(1)(g)(ii)	Maximum level of the variable component which can be approved by shareholders or owners or members of institutions (% of the fixed component of the total remuneration)	25%
Article 94(1)(g)(iii)	Are institutions allowed to apply a discount rate for variable remuneration?	N
	Maximum part of the total variable remuneration to which of the discount rate applies (% of the total variable remuneration)	N/A

PART 11

Risk weights and criteria applied to exposures secured by mortgages on immovable property

Regulation (EU) No 575/2013	Provisions	Information to disclose
Article 124(2)	Exposures secured by mortgages on residential property	Risk weight applied (from 35 % to 150 %)
		Date of the last change in the risk weight
		35%
		N/A

		Does the competent authority apply stricter criteria than those set out in Article 125(2)?	<i>N</i>
		Date of the last change in those criteria	<i>NA</i>
	Exposures secured on commercial immovable property	Risk weight applied (from 50 % to 150 %)	<i>50%</i>
		Date of the last change in the risk weight	<i>N/A</i>
		Does the competent authority apply stricter criteria than those set out in Article 126(2)?	<i>N</i>
		Date of the last change in those criteria	<i>NA</i>

PART 12

Minimum Loss Given Default (LGD) values for retail exposures secured by immovable property

Regulation (EU) No 575/2013	Provisions	Information to disclose	
Article 164(5)	Minimum value of the exposure weighted average LGD for retail exposures secured by residential property and not benefiting from guarantees from central governments	Minimum LGD value applied (% higher than 10 %)	<i>N</i>
		Date of the last change in the value	<i>NA</i>
	Minimum value of the exposure weighted average LGD for retail exposures secured by commercial immovable property and not benefiting from guarantees from central governments	Minimum LGD value applied (% higher than 15 %)	<i>N</i>
		Date of the last change in the value	<i>NA</i>