

Internal Capital Adequacy Requirement - 30. June 2021

ASSESSMENT METHOD

The bank's method and model for calculating the internal capital adequacy requirement is based on the guideline from the Danish FSA ("Vejledning om tilstrækkeligt kapitalgrundlag og solvensbehov for kreditinstitutter").

The model is based on a 8+ approach, which means that the minimum capital requirement is 8 pct of the total risk exposure (pillar 1) with the addition of risks that are assessed to be not fully covered by the 8 pct requirement (pillar 2).

kompasbank has assessed the bank's risks and has calculated the capital requirement for the individual areas and the bank has furthermore assessed whether there is risk in kompasbank that are not covered by the FSA guideline for pillar 2.

CAPITAL ASSESSMENT

kompasbank's own funds requirement has been determined to be DKK 41,143 thousand at end-June 2021 and with a total risk exposure of DKK 45,386 thousand the own funds requirement calculated as a percentage is 90.6%

Specification of own funds requirement

Risk area	Own funds requirement	
	DKK '000	%
Credit risk	5,612	12.4
Market risk	1,200	2.6
Liquidity	1,600	3.5
Operational risk	7,031	15.5
Other risks	25,700	56.6
Total	41,143	90.6

CAPITAL COVERAGE

End-Juni 2021 kompasbank's total capital was DKK 126,994 thousand and the capital ratio was 279.8%. This provides a capital buffer of DKK 85,851 thousand or 189.2% to the own funds requirement before regulatory buffer requirements.

The NEP requirement for kompasbank has not yet been determined.

	DKK '000
Capital	126,994
Own funds requirement	41,143
Combined buffer requirement	1,135
Total requirement	42,278
Coverage	84,716