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In the third quarter of 2017, the key indicators of the Lithuanian banking sector were significantly affected by technical factors related to the preparation of *AB DNB bankas* and *Nordea Bank AB* Lithuania branch for merger. This entailed an increase in the sector's capital and liquid assets; however, the deposits of parent banks declined and profitability went down. Overall, the annual growth of the banking system's assets slowed down due to a moderation in the increase in the value of the portfolio of loans to non-financial corporations. However, the value of the housing loan portfolio grew increasingly faster, contributing to an increase in the net interest income of banks. The level of non-performing loans in bank portfolios remained broadly unchanged. Banks' net commission income continued to grow rapidly; however, one-off losses incurred by one bank determined a decline in the sector's profitability over the quarter. According to the submitted data, all banks complied with the established capital and liquidity requirements. Both new market participants and members of the credit union sector under restructuring continued taking an active interest in the possibility of obtaining a licence of a specialised bank, while two institutions submitted official applications for such licence already in the fourth quarter of 2017.

1. BANKING SECTOR DEVELOPMENTS

On 1 October 2017, the planned merger of *DNB ASA* and *Nordea Bank AB* took place in the Baltic countries. The merged banks continue operating in Lithuania as *Luminor Bank AB* and in the near future the bank's shareholders plan to join these separate banks operating in the Baltic countries into one bank with the registered office in Estonia. Thus *Luminor Bank AB* operating in Lithuania would become a branch of the bank established in Estonia. It should be noted that the merger of the banks in Lithuania took place already after the end of the third quarter (after 30 September 2017) and therefore *AB DNB bankas* and *Nordea Bank AB* Lithuania branch are analysed in this review as separately operating entities. Considering this fact, six banks and eight foreign bank branches still operated in the banking sector in the third quarter of 2017[1].

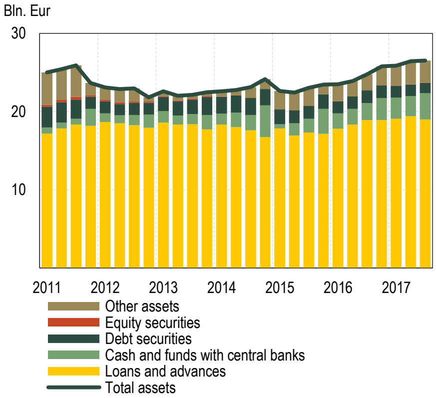
Already after the end of the third quarter, two market participants officially applied for a licence of a specialised bank; other market participants also take interest in it. Applications for a banking licence were submitted by the financial institution *Revolut Limited*, which currently has an electronic money institution's licence, and *Mano unija*, which currently operates as a credit union. The Bank of Lithuania will examine the applications of these institutions together with the European Central Bank (ECB). With the possibility to establish a specialised bank since the beginning of this year in place, the Bank of Lithuania continues facing a constant and significant flow of potential market participants taking interest in such a possibility, including both foreign entities and members of the credit union sector under restructuring.

2. ASSETS AND LIABILITIES

Bank assets grew moderately; however, their growth was affected by the developments related to the preparation of two banks for merger. The banking system's assets amounted to EUR 26.5 billion at the end of the third quarter of 2017, a quarter-on-quarter increase of EUR 76.6 million (0.3%) (see Chart 1). The increase in the value of customer loan portfolio continued to contribute significantly to growth in bank assets; however, the factors related to the merger of the above-named banks had the highest impact on the asset change. The decision of *AB DNB bankas* to

Chart 1. Assets of the banking sector by main items

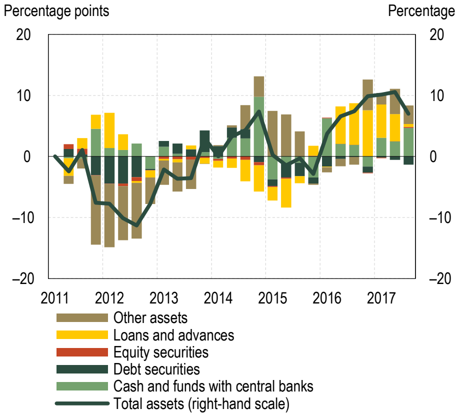
(1 April 2011–1 October 2017)



Source: Bank of Lithuania.

Chart 2. Annual growth rate of the banking sector and contributions

(1 April 2011–1 October 2017)

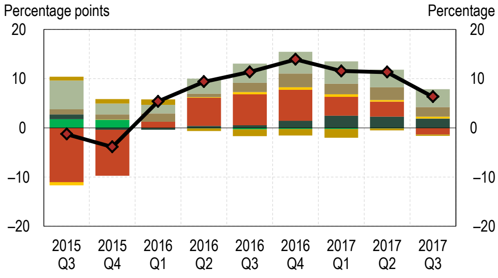


Source: Bank of Lithuania.

[1] Reports of 7 branches are submitted for supervisory purposes, since *Telia Finance Lithuania*, the Lithuania branch of *Telia Finance AB,* does not perform any activities yet.

Chart 3. Annual growth rate of banking sector financial obligations and contributions

(1 October 2015–1 October 2017)



Source: Bank of Lithuania.

Table 1. Capital adequacy ratios of banks

	Capital adequacy ratio (%)		
	2017 1Q	2017 2Q	2017 3Q
AB DNB bankas	19,3	18,8	28,0
AB SEB bankas	18,6	18,8	19,1
AB Šiaulių bankas	18,0	16,9	15,9
UAB Medicinos bankas	15,8	15,4	15,2
AB Citadele bankas	17,6	17,3	19,6
Swedbank, AB	24,3	24,3	24,0
Banking sector	**20,0**	**19,8**	**22,1**

Source: Bank of Lithuania

Table 2. Bank of Lithuania capital adequacy ratio requirements

	Requirement 2017 3Q (%)
AB DNB bankas	Set by the ECB
AB SEB bankas	Set by the ECB
AB Šiaulių bankas	12,9
UAB Medicinos bankas	13,9
AB Citadele bankas	14,5
Swedbank, AB	Set by the ECB

Note: The Bank of Lithuania and the ECB, which carry out supervision, assess and define the requirements on an annual basis. Capital ratio requirements set by the ECB, which carries out direct supervision, are not publicly released by decision of the ECB.

Source: Bank of Lithuania.

Table 3. Liquidity coverage ratios of banks

	Liquidity coverage ratio (%)		
	2017 1Q	2017 2Q	2017 3Q
AB DNB bankas	184,9	181,5	207,4
AB SEB bankas	175,5	174,9	164,6
AB Šiaulių bankas	379,5	288,4	320,9
UAB Medicinos bankas	892,0	724,9	622,6
AB Citadele bankas	164,6	156,4	242,8
Swedbank, AB	295,4	308,7	300,4
Banking sector	**265,2**	**260,3**	**257**

Source: Bank of Lithuania.

increase its capital due to the approaching merger with *Nordea Bank AB* Lithuania branch determined a significant rise in the banking system's cash and funds held with the central bank (EUR 735.7 million) (see Chart 2). In addition, *Nordea Bank AB* Lithuania branch significantly reduced its positions held with the parent bank and thus the value of the banking sector's loans granted to credit institutions declined significantly over the quarter (by EUR 674.8 million).

Bank liabilities declined; however, this decline was also caused by strategic decisions in preparation for the merger of banks. Bank liabilities amounted to EUR 24 billion at the end of the third quarter of 2017, a decrease of EUR 205.5 million quarter on quarter. The main driver of such a decline was a fall in credit institutions deposits (by EUR 705.2 million), which had significantly contributed to growth in bank liabilities since the beginning of 2016 (see Chart 3). The decline was basically due to the decision of *Nordea Bank AB* Lithuania branch to reduce the bilateral positions of the branch and of the bank that established the branch due to the approaching merger with *AB DNB bankas*. Meanwhile, deposits of bank customers continued to grow (by EUR 480 million), while their share accounted for 79.8 per cent of total liabilities at the end of the quarter.

3. COMPLIANCE WITH REQUIREMENTS

According to the submitted data, the state of the banking sector's capital remained sustainable and the ratios were complied with. As at 30 September 2017, the overall capital adequacy ratio of the banking sector stood at 22.1 per cent, increasing by 2.3 p.p. over the quarter (see Table 1). However, such an increase was significantly affected by the strengthening of *AB DNB bankas* capital in preparation for the merger with *NORDEA Bank AB* Lithuania branch, as a result of which the *AB DNB bankas* capital adequacy ratio increased from 18.8 per cent to 28.0 per cent. The changes in the capital adequacy ratios of other banks were insignificant. According to the data reported by banks, in the third quarter of 2017, all banks complied with the established requirements: the minimum capital adequacy ratio requirement (8.0%), Tier II additional capital requirement (established for each bank individually) and the combined buffer requirement. The latter currently consists of capital conservation buffer (2.5%), countercyclical buffer (0%) and other systemically important financial institution buffer (0.5-2.0%) requirements. Capital requirements established for banks in 2017 (see Table 2) will be applicable until the Bank of Lithuania takes new supervisory decisions after conducting a supervisory review and assessment. By decision of the ECB, bank capital requirements established for each of the three largest banks in Lithuania are not published; however, they are established following the same principles and these banks comply with the requirements with a sufficient margin. The Bank of Lithuania further adheres to the position that the issue of capital strengthening remains a priority for domestic capital banks.

Bank liquidity level continued to be high. The banking system's liquidity developments over the quarter were mainly affected by the factors related to the approaching merger of two banks: the reduction of liabilities of *Nordea Bank AB* Lithuania branch to the parent bank and the increase of liquid assets of *AB DNB bankas*. Bank liquidity level remained high and their liquid assets consisted of high quality and liquidity financial instruments: cash, funds held with the Bank of Lithuania and government securities of EU countries. According to the data submitted by banks, as at 30 September 2017, the overall LCR indicator[2] of all banks operating in the

[2] In monitoring the liquidity situation in banks and in order to be sure of the compliance by banks with liquidity requirements, the Bank of Lithuania constantly assesses the values of the liquidity coverage ratio (LCR) and the main liquidity indicator calculated following the provisions of the Capital Requirements Regulation (CRR) and the Delegated Regulation (DR).

country was 257 per cent, and was significantly higher than the required minimum of 100 per cent applied in Lithuania (see Table 3). A marginal decline in the LCR of banks in the third quarter was due to the fact that the net outflows from *AB SEB bankas*, *Swedbank, AB* and *UAB Medicinos bankas* increased slightly faster than liquid assets. The loan portfolio growth in the latter bank contributed the most to the decline in the LCR indicator; however, it was still met with a considerable margin.

4. LOAN PORTFOLIO[3]

Developments in the loan portfolio value

The net value of the portfolio of loans granted to customers (hereinafter – loan portfolio value) increased during the quarter, mostly on account of intensive granting of housing loans. The total increase in the value of this portfolio over the third quarter amounted to EUR 172 million (0.9%); however, the increase varied across individual groups of borrowers. The value of the portfolio of loans granted to households rose quickly (by EUR 214 million or 2.5%). The major contribution to the increase stemmed from the rise in the value of the housing loan portfolio of EUR 158 million (2.4%), while the value of loans for consumption also increased notably (by EUR 21 million or 3.3%). Meanwhile, the value of the portfolio of loans granted to non-financial corporations contracted by EUR 77 million (0.9%), mainly on account of a decline in the liabilities of energy supply and construction companies. The value of the liabilities of general government agencies also declined slightly over the quarter (by EUR 9 million or 1.3%), whereas the value of liabilities to other financial institutions went up by EUR 45 million (6.5%). The total value of loans granted to customers amounted to EUR 18.8 billion at the end of the quarter, of/w 92 per cent were loans to households and non-financial corporations.

The annual growth rate of the value of the portfolio of loans to all customers continued to decelerate; the growth of housing loans accelerated though (see Chart 4). The value of the portfolio of total loans to customers grew by 4.0 per cent over the year, a decrease of 1.8 p.p. from the previous quarter. Overall, annual growth in the value of loans continues to decline for the third consecutive quarter, with the major contribution to that stemming from the loss of the effect of several large loans to non-financial corporations granted last year and the transfer of part of the large loans portfolio of *Nordea Bank AB* Lithuania branch to the institution that established the branch. As a result, the annual growth rate of the value of the portfolio of loans to non-financial corporations fell to 1 per cent. However, the impact of household loans on overall growth in the value of the portfolio of loans to customers has been increasingly higher – annual growth in their value accounted for 8.3 per cent in the third quarter of 2017. The value of housing loans continued to grow rapidly, to EUR 6.8 million at the end of the quarter (see Chart 5), while its annual growth accelerated from 8.2 to 8.5 per cent over the quarter. Domestic real estate market activity remains high and so the volumes of housing loans granted by banks are likely to further be large.

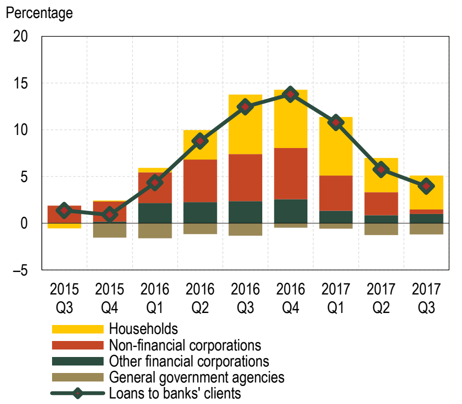
Loan portfolio quality

The level of non-performing loans in banks remains broadly unchanged and continues to be significantly below the EU average. The share of total non-performing debt instruments remained basically unchanged over the quarter, at 3.51 per cent (see Chart 6). This indicator is still noticeably below the EU average, which was 4.5 per cent in the

[3] Including the leasing portfolio.

Chart 4. Annual growth rate of the net value of the portfolio of loans granted to bank clients and contributions

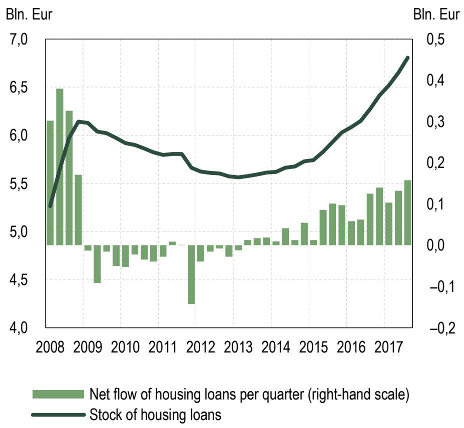
(1 October 2015–1 October 2017)



Source: Bank of Lithuania.

Chart 5. Net residual value and net flow of the housing loans portfolio

(1 October 2008 – 1 October 2017)

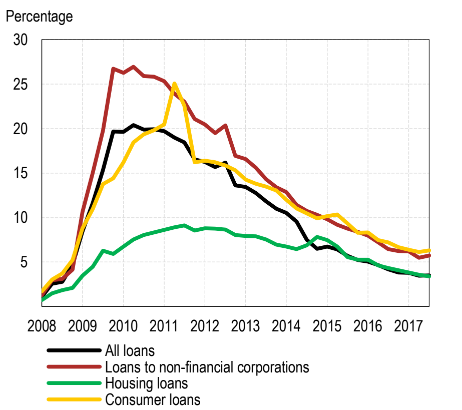


Note: As of 1 October 2014, housing loans also include loans granted to households designated for investment in one's house for one's own needs or rent, including construction and repair; therefore, the data are not fully comparable to the line of previous data.

Source: Bank of Lithuania.

Chart 6. Non-performing debt instruments by type of client

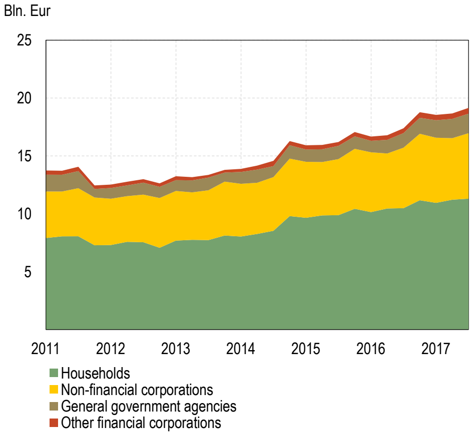
(1 April 2008 – 1 October 2017)



Source: Bank of Lithuania.

second quarter of 2017. The balance of non-performing loans has overall contracted by 0.2 per cent over the quarter, with a significant contribution to this stemming from loan write-offs. The balance of non-performing loans to households declined by 3.8 per cent over the quarter, whereas the balance of non-performing loans to businesses increased by 2.7 per cent. The level of non-performing loans within the segments of loans to households and non-financial corporations was 4.1 per cent and 5.7 per cent respectively at the end of the quarter. Overall, the level of non-performing debt instruments, which declined for a long time after the economic recession, seems to be approaching its natural long-term level.

Chart 8. Bank client deposit amount by type of client
(1 April 2011 – 1 October 2017)



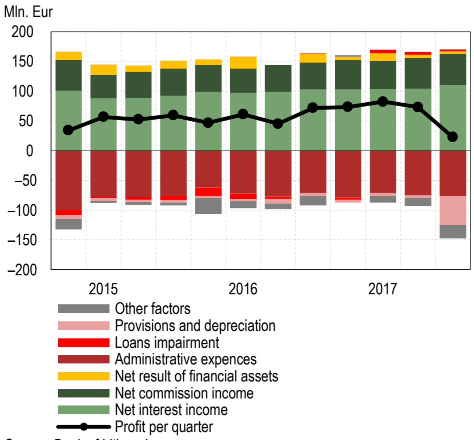
Source: Bank of Lithuania.

5. DEPOSITS WITH BANKS

Deposits of bank customers rose, which was mostly determined by an increase in the funds of non-financial corporations. Customer deposits with banks amounted to EUR 19.1 billion at the end of the third quarter of 2017, while over the quarter the amount of such deposits grew by EUR 480 million, or 2.6 per cent (see Chart 8). The contribution of non-financial corporations to such growth was the largest; the amount of their deposits with banks grew by 6.4 per cent. Household deposits, which comprise the largest share of customer deposits (59%), increased as well over the quarter, albeit this increase moderated (to 0.8%). Growth was also observed in deposits of general government agencies (by 1.1%) and other financial institutions (by 6.8%), which have lower deposit volumes.

Chart 9. Profit of the banking sector over the quarter and contributions

(1 October 2014 – 1 October 2017)



Source: Bank of Lithuania.

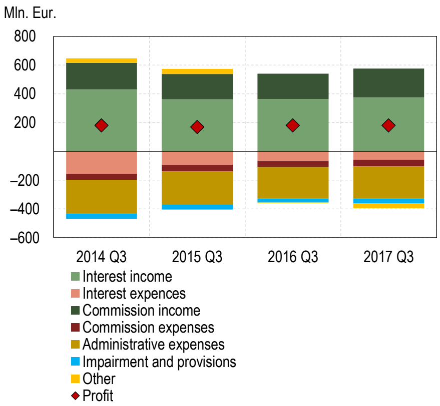
Growth in customer deposits reflects growing money supply, which is influenced by economic growth, inflows of foreign capital, and crediting of banks themselves. Business turnovers and resident wages naturally rise during an economic upswing, and these funds are mostly held in commercial bank accounts. The current account remains broadly balanced and so the funds of the non-financial sector do not "flow out" to foreign countries. In addition, money supply in the financial system increases more and more as a result of banks' intensifying crediting. If these trends remain unchanged, the amount of bank customer deposits will tend to increase further, despite particularly low interest rates on deposits.

6. PROFITABILITY AND OPERATING EFFICIENCY

The annual profit of the banking system declined in the third quarter of 2017; however, this decline was due to one bank's one-off factor. Banks earned EUR 178.1 million in profits over the first three quarters, which is almost the same amount year on year (EUR 177.8 million). Nevertheless, the result would be better if there was no significant increase in *AB DNB bankas* provisions in the third quarter (see Chart 9) related to the future use of *AB DNB bankas* IT system. Income from major banking activities continued to increase banking sector profits. Net interest income and net fee and commission income earned over the third quarter were EUR 5.8 million and EUR 1.2 million respectively higher quarter on quarter. However, staff expenditure rose over the quarter (by EUR 1.7 million). A total of 10 banks and foreign bank branches ended the third quarter of 2017 with a profit, while 3 market participants incurred a loss.

Chart 10. Bank profits and main items of income and expenses over the first three quarters

(2014, 2015, 2016 and 2017 III quarters)



Source: Bank of Lithuania.

Growth in net income is supported by further decline in funding costs and crediting gathering pace. Net interest income of banks in the first three quarters of 2017 amounted to EUR 317.0 million, a year-on-year increase of 6.0 per cent (see Chart 4). Such growth was mainly due to a decline in interest expenses of 12.9 per cent over that period, with also a contribution of a lower deposit insurance premium rate from 1 July 2017 (see Chart 10). Overall, the funding costs of banks in Lithuania are among the lowest in Europe, which is reflected by banks' one of the lowest ratios of interest expenses to assets in the EU (see Chart 11). Nevertheless, the growing volumes of crediting have recently been more and more increas-

Table 4. Comparison of the growth rates of banks' income and expenses

	Annual change (%)	
	2016	Q3 2017
Interest income	1,6	2,6
Interest expense	–23,1	–12,9
Net interest income	**9,4**	**6,0**

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ing net interest income. Banks' interest income rose by 2.6 per cent over the first three quarters of 2017 to EUR 374.7 million, while net interest margin remained basically unchanged (see Chart 13). With interest rates on deposits approaching the lowest limit of 0 per cent, the rate of decline in bank interest expenses should decelerate and thus net interest income growth will become even more dependent on the increase of crediting volumes.

Bank fee and commission income has been increasing noticeably in 2017. It increased by EUR 26 million (15%) in the first three quarters of 2017 year on year, to EUR 199.4 million. Meanwhile, fee and commission expenses grew by EUR 3.8 million (8.9%), to EUR 46.5 million. As a result, net fee and commission income increased by EUR 22.2 million (17.0%), to EUR 153.0 million. It is likely that growth in fee and commission income in the last few quarters was due to the growing volumes of services and changes in the pricing of some services. A more accurate assessment of these changes will be possible when longer term data are available.

The efficiency of the Lithuanian banking sector remains high, compared to other EU states. The Lithuanian banks efficiency indicator (the ratio of administrative costs to net income) has deteriorated slightly over the third quarter of 2017, rising from 47.8 per cent to 49.2 per cent. In spite of this, in terms of this indicator, the Lithuanian banking sector remains among the leading ones in the EU countries, with the median of their indicators of 56.2 per cent in the second quarter of 2017 (see Chart 12). High efficiency of the Lithuanian banks has a positive effect on bank profitability and contributes to the sector's sustainability.

The overall profitability of the banking sector declined due to one-off factors, but most banks' profitability indicators have improved over the quarter. Banks' return on assets was 0.9 per cent and return on equity[4] – 8.9 per cent in the third quarter of 2017 (see Chart 13). Both indicators have declined significantly over the quarter – by 0.3 p.p. and 3.8 p.p. respectively. This decline was due to the above-named factors related to the merger transaction of two market participants – losses incurred due to additional provisions formed and an increase in equity. Assessment of individual banks shows that the return on equity of two banks decreased, of four banks – improved during the quarter. Thus, excluding one-off factors, the banking system's profitability remained sustainable.

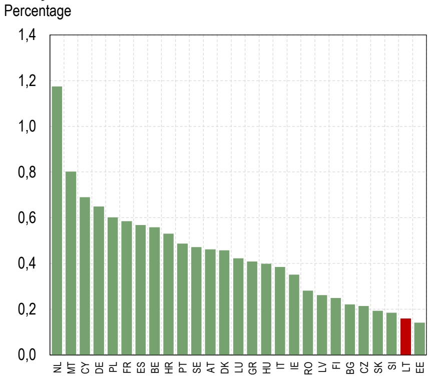
7. PROTECTION OF CONSUMER RIGHTS

Most of consumer disputes investigated by the Bank of Lithuania were related to the provision of payment, credit and deposit services. The Bank of Lithuania received 46 applications concerning disputes with banks and bank branches over the quarter (5 less year on year). The overall number of investigated consumer disputes[5] over the quarter was 24, a decline of one-third year on year. The number of decisions taken with regard to the subject matter of disputes (when the Bank of Lithuania assessed which party to the dispute was right) remained the same (10), o/w 3 decisions were taken in favour of consumers and 4 disputes were settled reaching a peaceful agreement. Nevertheless, the share of rejected claims of consumers still has been relatively high (70%).

The Bank of Lithuania ascertained that one bank infringed its contractual obligations by not getting a customer acquainted with the terms and conditions of travel insurance. In this case, the consumer

Chart 11. Banks' interest expenditure to assets ratio in selected EU countries

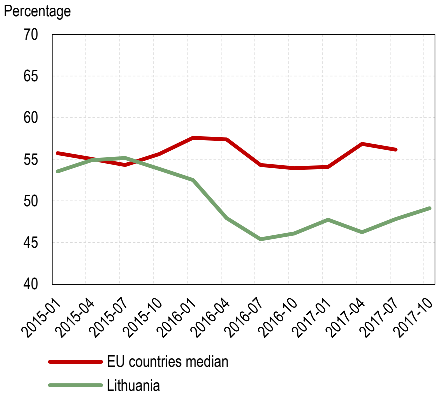
1 July 2017



Source: ECB CBD2.

Chart 12. Banks' efficiency indicator (administrative cost-to-net income-ratio)

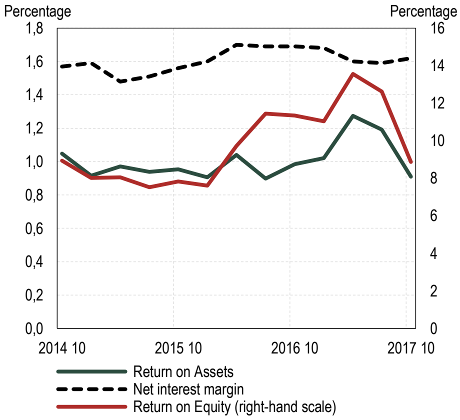
(1 April 2015 – 1 July 2017)



Source: ECB CBD2 and the Bank of Lithuania.

Chart 13. Banks' profitability indicators and net interest margin

(1 April 2015 – 1 July 2017)



Source: Bank of Lithuania.

[4] As of the first quarter of 2017, asset, equity and efficiency indicators used by the Bank of Lithuania are calculated according to the methodology of the European Banking Authority to ensure comparability at the EU level; therefore, they are not directly comparable with the indicators used for analysis earlier.
[5] Total disputes settled include all disputes assessed by the Bank of Lithuania regarding which certain decisions were taken; however, disputes are not necessarily fully settled.

who was acquiring a payment card was not properly informed that usually travel insurance provided together with the card is only valid for persons who have not reached the age of 75. The Bank of Lithuania therefore already in 2014 adopted a position with regard to such situations[6], indicating that, in selling bundled financial products to consumers, supervised financial market participants must provide information that is usually provided to the insured and assess whether the product's insurance element is suitable for a consumer. Therefore, the bank that infringed the contractual terms was recommended to compensate the expenses incurred by the consumer during travel.

Annex. Key indicators of the banking sector[7]

Table 5. Main items of balance sheet statement

Seq. No	Indicator	01/07/2016	01/04/2017	01/07/2017	Change Q2	Change over the year
		Amount, EUR millions			(%)	
1.	**Assets**	**24 754,0**	**26 414,4**	**26 491,1**	**0,3**	**7,0**
1.1.	Debt securities	1 634,2	1 475,7	1 303,7	–11,7	–20,2
1.2.	Equity securities	49,2	54,1	97,4	80,2	97,9
1.3.	Financial derivatives	133,2	111,9	90,3	–19,3	–32,2
1.4.	Cash	418,7	448,4	426,9	–4,8	2,0
1.5.	Funds with central banks	1 753,8	2 147,3	2 908,2	35,4	65,8
1.6.	Funds with credit institutions	2 339,4	3 217,9	2543,1	–21,0	8,7
1.7.	Loans to customers (incl. leasing)	18 080,4	18 623,5	18 795,8	0,9	4,0
1.7.1.	to general government agencies (incl. leasing)	917,1	714,2	705,3	–1,3	–23,1
1.7.2.	to other financial corporations (incl. leasing)	550,3	687,3	732,3	6,5	33,1
1.7.3.	to non-financial corporations (incl. leasing)	8 671,1	8 835,3	8 758,2	–0,9	1,0
1.7.4.	to households (incl. leasing)	7 941,9	8 386,6	8 600,0	2,5	8,3
1.7.4.1	o/w loans for house purchase	6 274,6	6 650,4	6 808,2	2,4	8,5
1.8.	Other asset positions	345,1	335,7	325,6	–3,0	–5,7
2.	**Liabilities and equity**	**24 754,0**	**26 414,4**	**26 491,1**	**0,3**	**7,0**
2.1.	Deposits of central banks	305,5	303,0	303,0	0,0	–0,8
2.2.	Liabilities to credit institutions	4 395,8	4 815,8	4 110,6	–14,6	–6,5
2.3.	Financial derivatives	121,8	110,5	85,3	–22,9	–30,0
2.4.	Deposits	17 378,5	18 661,3	19 141,7	2,6	10,1
2.4.1.	of general government agencies	1 258,0	1 669,6	1 688,0	1,1	34,2
2.4.2.	of other financial corporations	416,0	466,5	498,4	6,8	19,8
2.4.3.	of non-financial corporations	5 224,7	5 312,7	5 654,4	6,4	8,2
2.4.4.	of households	10 479,8	11 212,4	11 300,9	0,8	7,8
2.5.	Debt securities issued	18,7	1,7	1,0	–44,5	–94,9
2.6.	Other positions of liabilities	384,9	307,9	353,2	14,7	–8,2
2.7.	Equity	2 148,8	2 214,2	2 496,3	12,7	16,2

Source: Bank of Lithuania.

[6] Position regarding the sales model of insurance and other bundled financial services (approved by the Decree of the Supervision Service Director No. 241-107 of 1 July 2014).
[7] Upon adjustment of the statements by banking system participants for this or other important reasons, the review data may be updated after this date.

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Table 2. Main items of the profit (loss) account

Seq. No	Indicator	01/07/2016	01/04/2017	01/07/2017	Change Q2	Change over the year
		amount, EUR millions			(%)	
3.	**Profit for current year**	**177,8**	**155,4**	**178,1**	_	**0,1**
3.1.	Net interest income	298,9	207,3	317,0	_	6,0
3.2.	Net income from fees and commissions	130,8	99,7	153,0	_	17,0
3.3.	Administrative expenses	220,0	146,5	223,4	_	1,5
3.4.	Impairment costs of loans and receivables	18,5	– 9,3	–13,2	_	–171,6

Source: Bank of Lithuania.

Table 3. Other performance indicators of banks

Seq No	Indicator	01/07/2016	01/04/2017	01/07/2017	Change Q2	Change over the year
		%			p.p.	
4.	Capital adequacy ratio	19,4	19,8	22,1	2,3	2,7
5.	CET1 capital adequacy ratio	19,0	19,5	21,8	2,3	2,8
6.	Liquidity coverage ratio	231,8	260,3	257,0	–3,3	25,2
7.	Leverage ratio	8,5	8,5	9,3	0,8	0,7
8.	Net interest margin	1,69	1,59	1,62	0,0	–0,1
9.	Return on assets*	0,98	1,19	0,91	–0,3	–0,1
10.	Return on equity*	11,34	12,62	8,87	–3,8	–2,5
11.	Cost-to-income ratio*	46,1	47,8	49,2	1,3	3,0
12.	Non-performing debt instruments	4,2	3,5	3,5	0,0	–0,7

Source: Bank of Lithuania.

As of Q1 2017 the asset, equity and efficiency indicators used in Bank of Lithuania reviews are calculated according to the methods of the European Banking Authority; therefore, they cannot be directly compared to the indicators used in previous reviews.

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