

Transparency and Disclosure Report H1 2022

Pillar III Report

Adyen N.V.

Introduction

This document presents the consolidated Transparency and Disclosure Report (Pillar III report) for H1 2022 of Adyen N.V. (Adyen) as per 30 June 2022.¹

As a 'less significant institution'² based in the European Union, Adyen operates under the Capital Requirements Directive IV (CRD IV) and Capital Requirements Regulation (CRR), including the amendments to this framework as documented in CRR II³ and CRD V⁴. This framework is based on a three-pillars concept:

- Pillar I – Minimum capital requirements
- Pillar II – Supervisory review
- Pillar III – Market disclosures

The Pillar III disclosure framework seeks to promote market discipline through regulatory disclosure requirements. Pursuant to Part Eight of the CRR, Adyen is required to publicly disclose information regarding, amongst others, its risk profile, risk management and capital adequacy on an annual basis. Adyen discloses this information by means of the year-end Pillar III report (see 'Transparency and Disclosure – Pillar 3' for 2021). Per CRR Article 433c(1)(b), Adyen is required to publish its key metrics on a semi-annual basis, which are disclosed in this H1 2022 Pillar III document with a reference date of 30 June 2022.

The content of this Pillar III report meets all the requirements laid down in CRR and corresponding delegated regulations and guidelines. This report has not been audited by Adyen's external auditor.

Key metrics

Capital

In Pillar I, Adyen applies the standardized approaches to determine how much capital it is required to hold for credit and market and applies the Basic Indicator Approach for operational risk. The total risk exposure amount at 30 June 2022 was EUR 2.9 billion.

As at 30 June 2022, Adyen's capital totals EUR 1,684 million, resulting in a CET1 capital ratio of 59.0%. Subject to approval from DNB, Adyen may include its H1 2022 interim net profit to CET1 capital, which would result in a CET1 capital of EUR 1,966 million and a CET1 ratio of 68.9%. At the publication date of this document, approval has not yet been granted, but is expected over the course of Q3 2022. The same holds for the new SREP own funds requirement, at the moment of publication of this document we are awaiting the final decision from De Nederlandsche Bank.

Leverage

Adyen's leverage ratio is 25.7% as at 30 June 2022, which is above the regulatory requirement of 3%.

Liquidity Coverage Ratio (LCR)

The Liquidity Coverage Ratio of Adyen was 6,322% on average over the three months preceding 30 June 2022, well above the regulatory requirement of 100%.

As per 18 July 2022 De Nederlandsche Bank and Adyen agreed a new calculation method for the Liquidity Coverage Ratio on the basis of the application of Article 26 LCR DA. Adyen reports its LCR on the basis of this revised calculation from July 2022 onwards. For reference, the June 2022 LCR on the basis of this new calculation method would be 2,273%, well above the regulatory requirement.

Net Stable Funding Ratio (NSFR)

As at 30 June 2022, Adyen's NSFR is 228%, well above the regulatory requirement of 100%.

1 Art. 436(a) CRR.

2 Art. 441 CRR.

3 Regulation (EU) No 876/2019 ('CRR II')

4 Amended Directive 2013/36/EU

Annex KM1 – Key Metrics

Please note all numbers are denoted in EUR amounts, unless stated otherwise.

		a	b	c
		30-Jun-22	31-Dec-21	30-Jun-21
Available own funds (amounts)				
1	Common Equity Tier 1 (CET1) capital	1,683,820,112	1,675,810,613	1,073,531,475
2	Tier 1 capital	1,683,820,112	1,675,810,613	1,073,531,475
3	Total capital	1,683,820,112	1,675,810,613	1,073,531,475
Risk-weighted exposure amounts				
4	Total risk exposure amount	2,852,492,633	2,600,447,424	2,338,018,137
Capital ratios (as a percentage of risk-weighted exposure amount)				
5	Common Equity Tier 1 ratio (%)	59.03%	64.44%	45.92%
6	Tier 1 ratio (%)	59.03%	64.44%	45.92%
7	Total capital ratio (%)	59.03%	64.44%	45.92%
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)				
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	7.20%	7.20%	7.20%
EU 7b	of which: to be made up of CET1 capital (percentage points)	4.05%	4.05%	4.05%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	5.40%	5.40%	5.40%
EU 7d	Total SREP own funds requirements (%)	15.20%	15.20%	15.20%
Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)				
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.00%	0.01%	0.01%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%
11	Combined buffer requirement (%)	2.50%	2.51%	2.51%
EU 11a	Overall capital requirements (%)	17.70%	17.71%	17.71%
12	CET1 available after meeting the total SREP own funds requirements (%)	41.33%	46.73%	28.20%
Leverage ratio				
13	Total exposure measure	6,555,904,166	5,702,826,270	4,503,744,364
14	Leverage ratio (%)	25.68%	29.39%	23.84%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)				
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0%	0%	0%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0%	0%	0%
EU 14c	Total SREP leverage ratio requirements (%)	3%	3%	3%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)				
EU 14d	Leverage ratio buffer requirement (%)	0%	0%	0%
EU 14e	Overall leverage ratio requirement (%)	3%	3%	3%
Liquidity Coverage Ratio				
15	Total high-quality liquid assets (HQLA) (Weighted value)	3,157,532,217	2,439,244,181	1,698,732,232
EU 16a	Cash outflows - Total weighted value	199,768,943	179,745,349	160,173,349
EU 16b	Cash inflows - Total weighted value	3,436,586,329	2,161,918,046	1,724,463,296
16	Total net cash outflows (adjusted value)	49,942,236	44,936,337	40,043,337
17	Liquidity coverage ratio (%)	6,322%	5,428%	4,242%
Net Stable Funding Ratio				
18	Total available stable funding	2,241,581,943	2,226,819,159	1,561,650,063
19	Total required stable funding	984,227,680	784,953,974	761,139,101
20	NSFR ratio (%)	227.75%	283.69%	205.17%

Table 1: Adyen's key metrics per reference dates 30 June 2022, 31 December 2021 and 30 June 2021.