Dell Bank International Limited

(Formerly Dell DFS Limited)

Pillar III Disclosures

31 December 2013

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1. Introduction

Principal activities

Dell Bank International Limited (formerly Dell DFS Limited) was incorporated on 15 August 2011 and is an indirect wholly owned subsidiary of Denali Holdings Inc. The principal activity of the Bank is the provision of financing solutions to end users of products and services sold by Dell entities in Europe. During the period to 1 August 2013, the principal activity of the Bank was in respect of its set-up activities. On 24 June 2013, the entity became a regulated credit institution, under the Central Bank Act, 1971 (as amended), licensed by the Central Bank of Ireland.

Dell acquired the Dell related assets, sales, servicing functions and platform from CIT Vendor Finance Europe. The CIT-owned Dell asset portfolios migrated to the Bank as part of the completion of that acquisition (the "Acquisition"). From 1 August 2013, the principal activity of the Bank became the servicing of the Dell acquired portfolio of assets and the provision of finance in respect of newly originated contracts. The decision to establish the Bank is consistent with Dell's strategy of providing financing solutions directly to its customers.

During the financial year to 31 December 2013 the Bank's parent company, Dell Inc., became a private company having previously been a publically traded company. On 12 September 2013, the stockholders of Dell Inc. (the ultimate parent company of Dell Bank International Limited (the "Bank")) approved the proposal in which Michael Dell, Dell's Founder, Chairman and CEO, acquired Dell in partnership with global technology investment firm Silver Lake Partners. This partnership resulted in the formation of a joint investment vehicle; Denali Holdings Inc. Following completion of the transaction, Mr Dell continues to lead Dell as Chairman and Chief Executive Officer and maintains a significant equity investment in Dell. The transaction was closed on 29 October 2013. Since this date, Denali Holding Inc. is the new ultimate parent of the Bank. Dell will continue to be headquartered in Round Rock, Texas.

Capital Requirements Directive

This document presents the Bank's Pillar III disclosures as at 31 December 2013 as required by directives 2006/48/EC, 2006/49/EC and 2010/76/EU, collectively known as the Capital Requirements Directive ("CRD")[1]. CRD effectively transposed the Basel II accord into law[2]. The Basel II accord is made up of three Pillars. Pillar I sets out the regulatory prescribed rules for calculating the minimum capital requirements covering credit risk, operational risk and market risk. Pillar II requires banks to have in place an Internal Capital Adequacy Assessment Process ("ICAAP"), under which banks calculate their own estimate of the capital requirements to cover all material risks. The ICAAP is forward looking and assesses capital adequacy under base and stress scenarios. An institution's ICAAP is subject to supervisory review and evaluation. Finally, Pillar III requires disclosure to the market of certain qualitative and quantitative information relating to an institution's risk profile and risk management processes.

On 27 July 2013 the legislative package known as "CRD IV" came into force in the EU. The new rules are effective from 1 January 2014. CRD IV is comprised of a Capital Requirements Regulation

[1] The original CRD came into force on 1 January 2007 and was subsequently amended twice (the amended directives are often referred to as CRD II and CRD III)

[2] Basel 2 is a framework document issued by the Basel Committee on Banking Supervision in June 2006 which sets out an international standard for banking regulators to measure the capital adequacy of credit institutions.

(CRR), which is directly applicable across the EU, and a Capital Requirements Directive (CRD), which must be implemented through national law[3]. CRD IV is based on the Basel III agreement for strengthening the resilience of the banking sector. The Basel III agreement was developed as a response to the financial crisis to strengthen the regulation, supervision and risk management of the banking sector globally.

[3] Statutory Instruments No.s 158 and 159 of 2014

2. Own funds and capital management

The Bank is predominantly funded by capital (comprising share capital, capital contribution, subordinated debt and reserves) and an intercompany loan from Dell Global BV which is the parent entity of DFS BV. DFS BV is the immediate parent of the Bank. Dell Inc. has provided and will continue to provide funding to the Bank (subject to any legal or regulatory requirements), to the extent that the Bank:

- is not otherwise able to comply with the capital and liquidity requirements of CRD IV or the requirements set out by the Central Bank of Ireland, or,
- requires funding to meet any business or lending commitment as and when they fall due.

The following table sets out the Own Funds of the Bank as at 31 December 2013:

Own Funds

	31-Dec-13
Tier 1 Capital	**€'000**
Share Capital	50,000
Capital Contribution	177,500
Goodwill	(13,226)
Intangible Assets	(24,602)
Reserves	(51,360)
Total Tier 1 Capital	138,312
Additional Own Funds	
Subordinated Debt	65,000
Provisions	1,999
Total Additional Own Funds	66,999
Total Own Funds	205,311

The following table sets out the Pillar 1 minimum capital requirements calculated in accordance with CRD as at 31 December 2013:

Minimum Capital Requirement

		31-Dec-13 €'000
Credit risk		
Credit Institutions	1,978	
Corporates	23,576	
Other	7,147	32,701
Market risk		742
Operational risk (Basic Indicator Approach)		4,633
Total minimum capital requirement		38,076

The Bank assesses its capital adequacy on a Pillar I basis through the COREP[4] process. The Bank also has in place an Internal Capital Adequacy Process (ICAAP). The Bank's Asset and Liability Committee ("ALCO") is the primary management committee responsible for the ICAAP which is reviewed and approved by the Risk Committee and Board. The Risk Committee and the Board review and assess the capital needs of the Bank on a regular basis. A key objective of the Bank's Risk Appetite Framework is to meet its minimum regulatory requirements at all times.

Capital Planning

In order to generate the annual plan or forecast, a number of inputs and assumptions are required. Some of these inputs can be subjective in nature and require the judgement of the various participants in the process. The following items are some of the key inputs incorporated into the process:

- Guidelines for Dell revenue and growth projections are provided by the applicable Dell EMEA financial planning team. Dell revenue is split by geography and relevant business units or segments as applicable. The Bank generates its annual plans and forecasts in conjunction with Dell Inc.
- Bad debt assumptions are determined by the Bank's Credit function.
- The Treasury function provide assumptions regarding interest rates and FX rates.
- A detailed overheads plan is prepared for each function taking into account growth projections.

A number of different modelling tools are used in the financial and capital planning process. Modifications may be made to models based upon the requirements of the relevant planning or forecast cycle including new regulatory requirements. Refinements in forecasting methodologies as well as changing business dynamics may also result in adjustments to existing and/or creation of new planning models.

Once all the inputs have been finalised a three year financial plan is reviewed and approved by senior management, ALCO and the Board. Updated forecasts are produced during the year taking account of latest developments and up to date outlook.

The capital plan is based on the three year financial plan which is sufficiently detailed in terms of asset class, industry sectors, currency breakdowns, impairments and provisioning to enable a comprehensive view of the capital requirements projections. All key components of the Bank's Pillar I capital adequacy ratio are included in the plan.

A capital forecast is presented monthly to the ALCO who review the actual and forecasted performance and recommend if any additional capital is required. The Board also consider the Pillar I capital adequacy position on a quarterly basis.

The ICAAP is also aligned with the financial planning process. ALCO reviews and approves the Internal Capital Adequacy Assessment Report which is then presented to the Risk Committee and Board for review and approval.

[4] Common Reporting (COREP) is a standardised reporting framework issued by the European Banking Authority for Capital Requirements Directive reporting.

3. Risk management

Introduction

The Bank's approach to ascertaining and monitoring the primary risks and uncertainties it faces is informed by identified risk. The Bank's operations involve, to varying degrees, the evaluation, acceptance and management of these risks. The risks that the Bank faces are mitigated by the use of controls which form part of the Bank's risk management framework.

Senior management is responsible for the management of risk on a day-to-day basis, under the oversight of the Board. The Bank has implemented a risk culture which promotes transparency and has established a risk governance structure as supported by an appropriate Risk Management Framework and Risk Appetite, reflecting the size, complexity and risk profile of the Bank.

Risk Framework

The Board and senior management have designed the Bank's Risk Management Framework and the Internal Control framework to support the Bank's Risk Appetite. Each Framework regards managing risks as an essential part of successfully operating a bank. Senior Management continually review the operations of the Bank and assess the level of risk in line with the Bank's Risk Appetite, its policies and controls, changes in its products and services, and changes in the market place in which it operates.

The Board and senior management are satisfied that the Bank has in place adequate and effective risk management and control arrangements to identify, measure, monitor and manage the risks inherent in the Bank's risk profile and strategy.

Risk Appetite

The Bank's Risk Appetite is expressed in both qualitative and quantitative terms. The Bank's risk culture is based on the risks that the Bank faces and how they are managed, taking into account its Risk Appetite. The Bank has defined internal governance structures and arrangements, including an organisational structure with defined lines of responsibility; a Risk Management framework designed to promote sound and effective risk management, including identifying, measuring, monitoring and ensuring the management of the risks to which the Bank is exposed; and an Internal Control framework designed to support adequate internal control mechanisms.

Material risks are deemed to be those risks which may impact the Bank's ability to deliver on its business plan, service its customers, operate in a legal and compliant manner, impact the Bank's brand and reputation or cause financial loss exceeding Risk Appetite tolerances. Non-material risks are deemed to be those which do not impact the Bank's ability to deliver on its business plan, service its customers, operate in a legal and compliant manner, impact the Bank's reputation and brand. Non-material risks may cause financial loss within Risk Appetite plan tolerances.

The Board, as supported by Senior Management, is responsible for setting the Bank's Risk Appetite and risk tolerance at a level which is commensurate with its business plan, the expectations and requirements of its parent, and the Central Bank of Ireland. The Risk Appetite Framework includes the following Pillar I and Pillar II risks (aligned with ICAAP):

- Credit risk (including credit concentration risk)
- Market risk (includes interest rate risk and FX risk)

- Liquidity risk
- Residual asset value risk
- Operational risk
- Balance sheet measurement
- Reputational risk
- Regulatory risk
- Group risk

For each risk above the Bank has defined risk tolerance levels (target, trigger, limit), monitoring and reporting metrics and a comprehensive framework for managing the risk which includes policies, internal controls and management information. The Bank also monitors other risks which have been determined to be non-material. The monitoring of the material risks of the Bank is achieved through a review of key risk indicators (KRI's).

Three lines of defence model

The Bank utilises a 'three lines of defence' approach to ensure that appropriate responsibility is allocated for the management, reporting and escalation of risks.

A key aspect of implementing a strong Internal Control framework is the first line of defence i.e. the functional business areas and management who are responsible for establishing and maintaining adequate internal control policies and procedures. The Board and Senior Management of the Bank recognise the responsibility of the first line of defence in identifying and managing the risks inherent in the Bank's products, services, activities, processes and systems for which it is accountable. In accordance with the Bank's Risk and Control Self-Assessment framework, functional business areas have primary responsibility for assessing and testing the operational effectiveness of the Bank's controls.

The second line of defence comprises the Risk Management Function, the Compliance Function and the Risk Committee. The second line of defence ensures the appropriate development and maintenance of systems by the first line of defence for effective and efficient operations; adequate control of risks; prudent conduct of business; reliability of financial and non-financial information reported or disclosed (both internally and externally); and compliance with laws, regulations, supervisory requirements and the Bank's internal policies and procedures. The Bank's second line of defence covers the whole organisation and the activities of all business, support and control units, including any outsourced activities.

The third line of defence, provided by Internal Audit, provides independent assurance to management and to the Audit Committee and the Board. It ensures that controls are in place for identified risks, that the controls are appropriately designed and operating effectively, and that the risks are being managed within the Bank's Risk Appetite. The third line of defence reviews the effectiveness of the first and second lines of defence and makes recommendations for improvement as required.

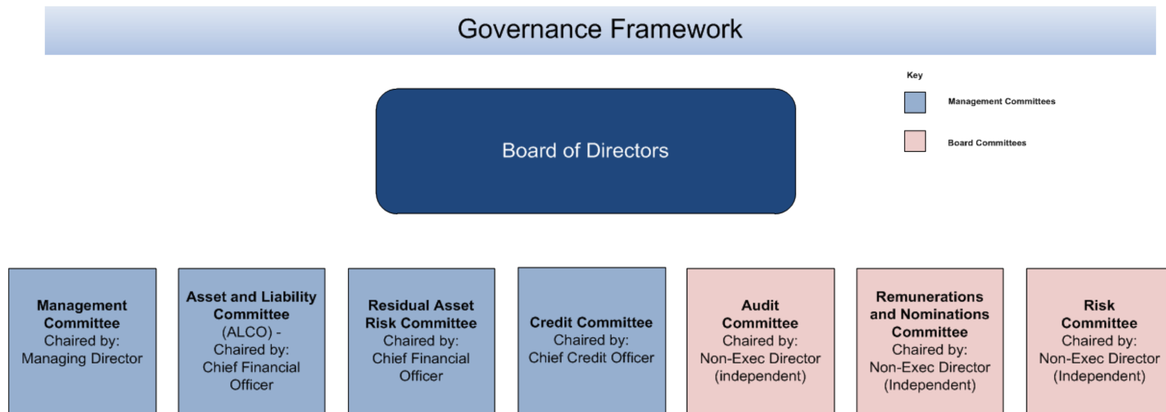
Risk Governance

The Bank's organisational structure is designed to promote effective and prudent risk management of the Bank's activities. The mechanisms through which this is achieved include:

- A documented Board Charter which sets out the matters reserved for the Board and a Delegated Authority Matrix;
- Terms of References for all Board Committees which set out the decision making authorities and responsibilities of each Committee and Management Committee Terms of References which set out the responsibilities and reporting lines of each Committee;
- Formal documented organisational and corporate structures, and defined and functional job descriptions.

The Risk Committee of the Bank is responsible for oversight and advice to the Board on the significant risk exposures of the Bank and future risk strategy. The Risk Committee advises the Board on risk appetite and tolerance for future strategy, taking account of the Board's overall risk appetite, the current financial position of the Bank and drawing on the work of the Audit Committee, the capacity of the Bank to manage and control risks within the agreed strategy. The Risk Committee also oversees the Bank's Risk Management function.

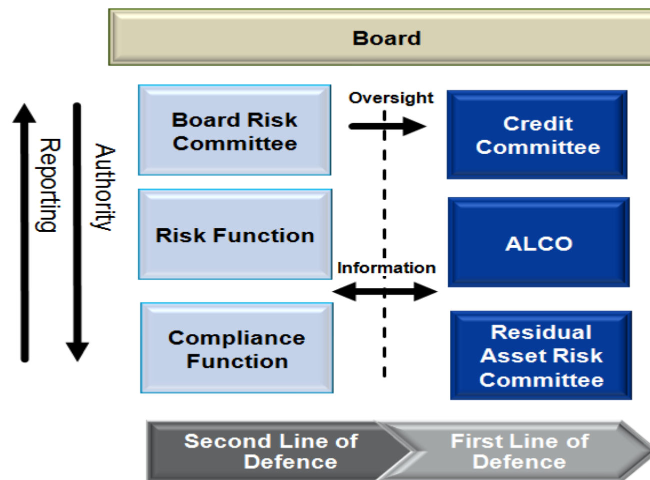
Diagram: Committees included in the Governance Framework



Regular and transparent reporting mechanisms have been established so the Board, committees and all relevant units in the Bank are provided with reports in a timely, accurate, concise, understandable and meaningful manner and can share relevant information about the identification, measurement or assessment and monitoring of risks.

ALCO, Credit Committee and the Residual Asset Risk Committee report to the Board Risk Committee. The Management Committee reports to the Board.

Diagram: Oversight and Information flow – Management Committees



The Bank's Risk Management Function which is under the direct responsibility of the Chief Risk Officer ("CRO") supports the Risk Committee in its activities and responsibilities. The CRO is independent from business functions and reports to the Board Risk Committee and will communicate directly with the Board, where necessary, concerning adverse developments that may not be consistent with the Bank's risk appetite and tolerance and business strategy. Responsibility for risk management policies and risk tolerances lies with the Board of Directors. The Board of Directors has delegated authority to the Risk Committee to take all actions necessary to perform its duties and responsibly in overseeing risk.

The Audit Committee has been delegated responsibility by the Board to provide oversight in respect of the financial reporting process, the quality and integrity of the Bank's financial statements, and the Internal Control framework of the Bank. The Internal Audit function reports to the Audit Committee.

The Credit Committee has been delegated responsibility by the Board to formulate the high-level credit policies and procedures, to oversee the credit administration function and associated credit risk management. The responsibility of the Credit Committee includes monitoring of the quality of credits granted, and considering reviews of the internal credit controls, including the effectiveness of the internal credit function. The Credit Committee is responsible for the overall management of credit exposures of the Bank. Credit exposures include both transactional and commercial credit. The responsibilities of the Credit Committee include establishing and developing the Credit Policy and recommending it to the Risk Committee for approval; implementing the credit authorities' matrix, manual grading/rating methodologies and automated scoring thresholds approved by the Risk Committee; and establishing pricing frameworks and risk/return minimum profitability hurdles and models.

The Asset and Liability Committee (ALCO) is responsible for the management of the balance sheet of the Bank, including capital adequacy in accordance with the risk appetite approved by the Board. The ALCO responsibilities also include establishing and maintaining appropriate procedures for the

management of liquidity risk, market risk and contingency funding that are consistent with the strategy and policy approved by the Board.

The Management Committee is responsible for the overall management of the Bank in accordance with the Board Charter and its Terms of Reference. The Management Committee is charged with identifying and managing the core operating needs of the Bank.

The Residual Asset Risk Committee of the Bank is responsible for the setting, validation and monitoring of residual asset risk for the Bank. The responsibilities include monitoring adherence to residual asset risk and reviewing strategies and policies regarding setting of Residual Values.

The Remuneration and Nomination Committee is responsible for determining the remuneration policy and framework in compliance with Central Bank of Ireland and European Banking Authority requirements. The Committee has oversight of the Remuneration policy to ensure effective risk management and recruitment of suitable candidates to fill the board and senior management vacancies. The Committee is also responsible for reviewing and approving performance based remunerations and proposed employee share plans.

Diversity and Inclusion

Diversity and Inclusion is an important business imperative at the Bank. The diversity and inclusion focus leverages the Dell Group business purpose and people philosophy. Senior management's focus on Diversity and Inclusion aims to create a welcoming workplace where differences are embraced and people of all backgrounds come together to do their best work. Gender diversity is a focus area on the Bank's Diversity agenda. The Bank aims to have a managerial and leadership population that is largely reflective of the broader population. The Bank is committed through its succession planning and hiring processes to encourage the development of diverse candidates. At 31 December 2013 the Management Committee membership was 54% male and 46% female.

4. Credit risk – overview

Credit risk represents a material risk at the Bank. Credit risk is defined as the risk that the Bank's customers fail to meet their scheduled repayments to the Bank under their financing agreements. In addition credit risk also arises from the placing of deposits with the Bank's Treasury counterparties.

The Board is responsible for approving the Bank's risk appetite including credit risk appetite, delegated authorities for credit risk and risk limits of the Bank. The Board has a duty to ensure that the Bank has comprehensive credit policies that adequately address the credit requirements of its business activities. The Board, through its Credit Committee is responsible for approving the Bank's credit policies. The Credit Committee reports up to the Bank Board Risk Committee.

Responsibility for the Bank's Credit function, rests with the Chief Credit Officer. The Chief Credit Officer reports to the Bank's Managing Director and is a member of the Credit Committee, among others. The Chief Credit Officer provides regular reports to the Board's Credit Committee and participates in Board discussions on credit issues.

The Credit Policy is reviewed at least annually to ensure that it is consistent with the Bank's strategy, Risk Appetite Statement and risk tolerance levels, as well as applicable regulatory guidance. The Credit Policy is subject to an annual review and approval by the Credit Committee and the Board Risk Committee, who ultimately recommends approval to the Board. The Credit Policy may need to be updated with non-material revisions prior to such annual review and approval. All material updates and revisions to the Credit Policy are approved by the Credit Committee. Credit procedures are initially approved by the Chief Credit Officer and are reviewed and approved by the Credit Committee annually to ensure that they remain up-to-date and are consistent with the Credit Policy.

5. Credit risk – standardised approach

The Bank has adopted the standardised approach to Credit Risk under Pillar I of CRD IV.

The Bank measures credit risk on an individual counterparty basis, utilising either an automated or manual credit underwriting process.

Automated credit decisions are based primarily on customer information obtained from 3rd party credit reporting agencies (Credit Bureaux and Fraud databases) and are subject to automated credit-granting rules that utilise mathematically derived and statistically based credit scorecards. An integral part of the credit-granting process is a comprehensive set of management tools and controls that dictate acceptable credit score cut-offs and risk grades.

Management recognise that system generated scores cannot take into consideration all circumstances and information available to make automated credit decisions. The purpose of the manual adjudication is to reasonably estimate the likelihood associated with a customer's probability of defaulting (PD) and the expected loss given a default event (LGD). All manual credit decisions are on a case by case basis using a range of quantitative and qualitative factors that are suitable and applicable to the assessment. This methodology is used in both the original underwriting decisions and as part of the on-going risk management of the portfolio.

The Bank requires all customers be graded under the internal grading system, including all new business, renewals of existing credit facilities and periodic reviews of liquidating exposures. Any change in a condition of a customer or a credit facility shall have its risk grades reviewed and adjusted accordingly.

The Bank uses a 16 point scale in assigning PD grades of customers. The grades provide an estimate of a customer's Probability of Default within a 12 month horizon. Quantitative and qualitative measures are used to develop a PD grade. The probability of default will increase proportionally as the grade increases. The Bank uses a 13 point Loss Given Default (LGD) scale which expresses the loss on a facility as a proportion of exposure. Quantitative and qualitative measures are used to develop an LGD grade. The percentage of exposure lost given a default scenario increases as the LGD grade increases.

These credit risk measurements are required by the Basel Committee on Banking Regulations and the Supervisory Practices (the Basel Committee) and are embedded in the Bank's daily operational management.

Four asset classification categories or risk ratings are used to classify credit exposure according to severity; "Pass", "Special Mention", "Substandard" and "Doubtful".

The following table analyses the Bank's credit exposures by classification category:

	PD Grade	31-Dec-13 €'000 Finance Lease Assets	31-Dec-13 €'000 Operating Lease Assets
Pass	1-9	202,025	86,184
Special Mention	10-11	6,495	6,623
Substandard	12-15	9,027	95
Doubtful	16	57	
Neither Past due nor impaired		**217,603**	**92,902**
Past due but not impaired		32,784	12,629
Impaired		2,929	170
		253,316	**105,701**

Past due but not impaired is defined as loan/lease contracts where repayment of principal or interest are overdue by at least one day but which are not impaired,

A loan is considered impaired when there is objective evidence of impairment and a specific provision has been recognised in the income statement, contract classifications are explained below:

Special Mention – Having potential weaknesses that deserve management's close attention. If left uncorrected, these potential weaknesses may, result in the deterioration of the repayment prospects for the asset or in the institution's credit position at some future date. Special Mention assets are not adversely classified and do not expose an institution to sufficient risk to warrant adverse classification.

Substandard - Inadequately protected by the current sound worth and paying capacity of the obligor or the collateral pledged, if any. Assets so classified must have a well-defined weakness or weaknesses that jeopardise the liquidation of the debt. They are characterised by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

Doubtful - Has all the weaknesses inherent in one classified Substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

The Bank's loans to customers and operating lease assets which are past due but not impaired are analysed into the following time buckets:

Days Past Due	31-Dec-13 €'000 Finance Lease Assets	31-Dec-13 €'000 Operating Lease Assets
1-30	23,359	11,377
31-60	7,794	1,122
61-90	437	114
91+	1,194	16
	32,784	**12,629**

The Bank uses Standard and Poor's Ratings Agency to provide external credit assessments on its exposures. Where available, the ratings of each exposure is included in the customer data section of the Bank's systems and monitored on a regular basis. Where no S&P ratings are available the Bank uses an internal ratings scale based on probabilities of default and ultimate loss to derive its own rating. A mapping table is used to derive the appropriate equivalent S&P rating for each exposure where an S&P rating did not exist.

The following table outlines the Bank's pass classification assets by asset class:

Pass Contracts by equivalent S&P Grade	31-Dec-13 €'000 Finance Lease Assets	31-Dec-13 €'000 Operating Lease Assets
AA	7,582	2,750
A-	28,592	12,760
BBB+	26,746	10,436
BBB	39,967	10,975
BBB-	11,594	14,280
BB+	16,920	5,332
BB	22,281	1,984
BB-	16,066	13,653
B+	14,775	11,277
B	17,502	2,737
	202,025	86,184

6. Credit risk – mitigation

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary. Limits on the level of credit risk by product, industry sector and country are approved quarterly by the Board of Directors. An analysis of the Bank's Leased Assets is set out below.

The following table shows the Bank's credit exposure by country:

	31-Dec-13 €'000 Finance Lease Assets	31-Dec-13 €'000 Operating Lease Assets
	Loans and Advances to Customers	Property, Plant and Equipment
Country by Exposure		
United Kingdom	80,503	22,128
France	40,549	8,855
Germany	37,361	14,887
Italy	27,384	5,519
Spain	23,632	8,430
Netherlands	11,785	3,055
Ireland	10,804	16,275
Other Countries	21,297	26,553
Total	**253,316**	**105,701**

The following table shows the Bank's credit exposure by industry sector:

Industry Sector	31-Dec-13 €'000 Finance Lease Assets	31-Dec-13 €'000 Operating Lease Assets
Agriculture	300	80
Mining	867	740
Construction	5,156	339
Manufacturing	52,281	42,408
Transport and Communications	17,697	4,226
Wholesale/Retail Trade	20,233	5,801
Finance, Insurance, Real Estate	23,017	8,908
Services	114,654	34,677
Public Administartion	19,111	8,522
	253,316	**105,701**

The Bank's credit exposures can be categorised into the following time bands:

Time to maturity	31-Dec-13 €'000 Finance Lease Assets	31-Dec-13 €'000 Operating Lease Assets
Up to 3 months	3,557	3,509
3 - 6 months	3,999	3,512
6 - 12 months	16,886	10,445
1 - 2 years	54,813	39,413
2 - 5 years	173,891	48,822
Over 5 years	170	-
	253,316	**105,701**

Other specific control and mitigation measures undertaken by the Bank to mitigate credit risk include the taking of corporate guarantees, personal guarantees, Letters of Credit, Insurance & Self-insurance. In respect of all lease contracts, the Bank retains the title of underlying assets as collateral. In the event of a default the Bank reserves the right to recover the leased assets. From time to time, the Bank may accept other forms of credit risk mitigants.

7. Credit risk – impairment

The Bank first determines whether evidence of impairment exists individually for financial assets that are individually significant. If the Bank determines that there is impairment of a particular financial asset then a specific provision is booked against the asset. An exposure is considered to be impaired when there is objective evidence of loss or impairment as a result of one or more events that occurred after the initial recognition of the asset (a "loss event"), and the loss event(s) has an impact on the estimated future cash flows.

If the Bank concludes that no specific indication of impairment exists for an individually assessed financial asset it includes the asset in a group of financial assets with related credit risk characteristics and includes these assets under the collective incurred but not reported ("IBNR") assessment.

The following table shows the Bank's impairments analysed by country:

Country	31-Dec-13 €'000
United Kingdom	169
France	96
Germany	153
Italy	285
Other Countries	862
	1,565

The following table shows the Bank's impairments analysed by industry sector:

Industry Sector	31-Dec-13 €'000
Construction	4
Manufacturing	53
Transportation and Communication	32
Wholesale/Retail Trade	149
Services	1,324
Public Administration	3
	1,565

The movement in the impairments for 2013 are shown below:

	Specific	IBNR	Total
	€'000	€'000	€'000
Provision at 1 January 2013	-	-	-
Charge against income statement	1,172	479	1,651
Recoveries	(18)	-	(18)
Amounts written off	(66)	-	(66)
Exchange adjustments	-	(2)	(2)
Provision at 31 December 2013	1,088	477	1,565

8. Counterparty credit risks

Counterparty credit risk is the risk that counterparties to derivative contracts will fail to meet their contractual obligations. Counterparty credit risk arises from Treasury activities with other credit institutions including the purchase of interest rate and foreign exchange derivatives for economic hedging purposes.

The Credit function recommends an internal rating for each of the Bank's Treasury Counterparties to the Credit Committee for approval. Limits are set for specific tenors on the basis of product type. For the avoidance of doubt, the Bank cannot transact with a Treasury counterparty in the absence of an approved credit limit.

The Treasury counterparty exposure is monitored on a daily basis. On a monthly basis, the Credit function reports the level of exposure for each Treasury counterparty to the Credit Committee. Based on recommendations from the Credit function, the Credit Committee may change the internal rating of a Treasury counterparty if its financial health deteriorates or market conditions change rapidly enough to put the Bank at risk.

It is the responsibility of the Bank's Credit function to establish and maintain the Treasury counterparty Credit Limits in the Bank's systems following the credit approval process. The Credit function reports any material breach of a Treasury counterparty Credit Limit to the Credit Committee.

Breakdown of derivative contracts at 31 December 2013:

	FX Derivatives	Interest Rate Swaps
	€'000	€'000
Gross Positive Fair Value	350	13
Netting Effect	(2,228)	(281)
Collateral Effect	-	-
	(1,878)	(268)

9. Market risk - foreign exchange risk

Market risk is the risk relating to the uncertainty of returns attributable to fluctuations in market factors. The risk factors include interest rate risk, foreign currency risk and their associated market volatilities. The principal market risks facing the Bank are interest rate risk and foreign exchange risk.

The Bank has a robust and comprehensive policy for assessing, measuring and managing market risk. The Assets and Liabilities Committee (ALCO) are responsible for defining and approving the Bank's Market Risk Policy. The policy, together with the Bank's Risk Appetite Framework, establishes the risk appetite and limits based on a Target / Trigger / Limit framework. Limits are set as a percentage of the available Regulatory Capital. FX hedging programs are in place in order to minimise the Bank's P&L volatility exposure to potentially unpredictable market movements.

Foreign exchange risk is a financial risk caused by an exposure to unanticipated changes in the exchange rates between two currencies. The Bank is a Euro denominated entity but serves the funding requirements of the leasing business throughout the European Economic Area (EEA) region and is exposed to currency risk across the following currencies: GBP, CHF, USD, DKK, SEK and NOK. The Bank has transaction exposure across the non-euro countries as it has contractual cash flows (receivables and payables) whose values are subject to unanticipated market changes in exchange rates. To realize the euro value of the Bank's foreign denominated cash flows, the Bank runs an effective FX hedging program.

The net FX exposure on the Balance Sheet as at 31 December 2013 is as follows:

	ALL POSITIONS		NET POSITIONS		POSITIONS SUBJECT TO CAPITAL CHARGE		CAPITAL REQUIREMENTS
	LONG	SHORT	LONG	SHORT	LONG	SHORT	
	(1)	(2)	(5)	(6)	(7)	(8)	(10)
Currency positions (€000)							
Euro	820,650	813,223	7,428	0			
DKK	5,133	4,384	749	0			
GBP	105,689	109,490	0	3,801			
SEK	9,221	9,336	0	115			
Other EEA currencies	1,007	1,093	0	86			
CHF	7,746	6,642	1,104	0			
USD	13,941	19,083	0	5,142			
CAD	0	136	0	136			
Total FX Position	142,737	150,164	1,853	9,280		9,280	742

FX forwards converting non-euro cash-flows back to a euro basis are utilised in order to minimise the Bank's FX risk exposure. The risk framework in place is the same as that for interest rate risk where the residual un-hedged P&L exposure is measured against the prescribed limits which are based on a percentage of the Bank's own funds.

The FX risk management model transforms the net un-hedged position by currency into an implied maximum loss amount. Credit Conversion Factors (CCF) are utilized to calculate the exposure by currency and maturity profile. The total implied FX loss by currency is then converted to Euro's and aggregated. The resulting Euro implied FX loss aggregation is monitored against the Bank's FX loss Target, Trigger and Limit on a daily basis.

The FX Risk position during 2013 was as follows:

	€'000
FX Risk position as at 31 December 2013	1,330
Average FX Risk position for the period 1 June 2013- 31 December 2013	1,002

10. Interest rate risk in the banking book

Interest rate risk is the risk that the Bank will experience deterioration in its financial position as interest rates move over time. The Bank does not take any proprietary positions on the interest rate markets for P&L purposes and therefore only runs non-traded interest rate risk. The Bank's portfolio of non-traded financial instruments principally comprises of commercial finance and operating leases, external loan facilities, capital and hedging instruments.

The main source of this interest rate risk is re-pricing risk, which reflects the fact that the Bank's assets and liabilities are comprised of different maturities and are priced off different interest rate bases. This is the risk that the interest earned on assets and paid on liabilities will change by different amounts if interest rates change owing to differences in the re-pricing characteristics of those assets and liabilities. The extent of the risk depends on the scale of the re-pricing maturity mismatches on the Bank's balance sheet. The table below sets out the carrying value of interest earning assets and interest bearing liabilities and the earlier of the time periods in which they mature or reprice.

As at 31 December 2013	**€'000's**	**€'000's**	**€'000's**	**€'000's**	**€'000's**	**€'000's**
Interest bearing Assets	**Less than 3 months**	**3-6months**	**6-12 months**	**1-5years**	**More than 5 years**	**Carrying Value**
Cash and balances with central banks	49	-	-	-	-	49
Loans and advances to banks	50,821	-	47	8,661	-	59,529
Loans and advances to customers	2,362	4,920	16,702	227,577	168	251,730
	53,233	4,920	16,749	236,237	168	311,308
Interest bearing Liabilities						
Amounts due to fellow subsidiaries	-	(227,492)	-	-	-	(227,492)
Subordinated liabilities	-	(65,152)	-	-	-	(65,152)
	-	(292,644)	-	-	-	(292,644)
Interest Rate Swap Nominals						
Pay Fixed	-	-	(70,000)	(95,000)	-	-
Receive floating	-	165,000	-	-	-	-
	-	165,000	(70,000)	(95,000)	-	-
Interest Sensitivity gap	53,233	(122,724)	(53,251)	141,237	168	18,664

Non-traded interest rate risk is calculated on the basis of establishing the re-pricing risk ladder. The majority of asset and liability balances are profiled out by contractual maturity or re-pricing date. Non-financial asset and liabilities (mainly comprised of operating leases, the Bank's capital and reserves) are spread evenly across the risk ladder over medium and longer term maturities.

Interest rate risk exposures are primarily identified through the use of the European Banking Authority ("EBA") Interest Rate Risk stress scenario based on a 200bps upward shock. The EBA guidelines provide the maturity bucket percentage weightings and the residual un-hedged risk position is then measured against prescribed risk limits. The result of this stress test is as follows:

Non Traded Inerest Rate Risk position as at year end 2013:	**€'000**
EBA 200bps upward shock stress scenario as at 31 December 2013	152
Average EBA 200bps upward shock stress scenario as at 31 December 2013	570

Interest rate risk is monitored on a daily basis and the positions are reported at the monthly ALCO meeting. As the Bank is a Euro denominated entity and provides funding for its non-Euro denominated business primarily in Euros and with the FX hedging program ensuring cash-flows convert to Euro base currency, risk positions are managed and monitored on a Euro basis.

The Bank also uses an undiscounted PV01 metric as a means of interest rate risk management. The PV01 measures the P&L impact of the present value of a one basis point shift in the yield curve on the Bank's risk exposure.

Both EBA and PV01 metrics are used to determine the level of hedging required. The Bank maintains a Euro based interest rate swap portfolio to mitigate its interest rate risk exposure.

11. Liquidity risk

Effective liquidity risk management is central to the building of a strong and solid balance sheet and is a key pillar in the Bank's core strategy.

Liquidity risk is the risk that the Bank is unable to meet its on and off balance sheet obligations when they fall due without incurring significant costs. Liquidity risk is highly dependent on the Bank's balance sheet characteristics such as the maturity profile of the assets and liabilities, the quality of its liquidity buffer, broader market conditions and access to sufficient market funding.

Outflows include large payments made to affiliates, on the origination of significant deals, cash requirements from contractual commitments, customer deposits being withdrawn or other cash outflows, such as significant operating expenditure or debt maturities. Such outflows would deplete available cash resource.

The Bank's assets are comprised primarily of lease and loan obligations. These loans have short to medium term contractual repayment profiles (typically 3 to 5 year amortisation schedules) although the credit agreements allow the lessor in general to repay at will. In aggregate, such a pool of assets will have a reasonably predictable repayment profile, though one that is still variable and that may vary systematically based on a variety of market and macroeconomic factors.

The Bank has a robust and comprehensive policy for assessing, measuring and managing liquidity risk. ALCO is responsible for defining and approving the Bank's liquidity policy in accordance with the broader Risk Policies established by the Risk Committee.

The Bank's Liquidity Policy reflects the Central Bank of Ireland's requirements for the Management of Liquidity Risk and Basel III developments. The liquidity risk framework is subject to internal oversight, challenge and governance at all levels from the ALCO through to Board level via internal control functions such as internal audit.

a) Stress Testing

The strength of the Bank's liquidity risk management is evaluated based on its ability to survive under stress. Effective management of liquidity involves assessing this potential mismatch under a variety of stress scenarios. Stress testing is used to help inform a broader understanding of liquidity risk as well as to model specific liquidity risk events.

The Bank actively monitors a range of market and firm specific indicators on an on-going basis which are designed to act as early warning indicators that liquidity stresses are emerging. The stresses apply a range of behavioural assumptions to the performance of the asset and liability products. Scenarios include assumptions about significant changes in key funding sources, credit ratings, contingent sources of funds and political and economic conditions. The Bank is expected to be able to withstand these stressed conditions through its own resources. Simulated liquidity stress testing is carried out regularly and reflects the impact of firm specific and market related scenarios on the adequacy of the Bank's liquid resources. The severe scenario is run and reported daily, while the moderate and extreme scenarios are executed on a monthly basis.

b) Liquidity Monitoring

The Treasury function is responsible for the daily management of the liquidity buffer, monitoring and reporting of the Bank's liquidity position in accordance with the Liquidity Policy. The Liquidity Coverage Ratio (LCR) as prescribed in the Basel III accord is fully implemented within the Bank and includes Target, Trigger and Limit parameters.

Treasury reports the results of the Severe Scenario to the ALCO members on a daily basis. The liquidity position, compliance and policy are further monitored by the Risk Management function. Any breach or material deterioration of these metrics would set in motion a series of actions and escalations.

The Bank sources funds from four principal sources:

- Initial contributed equity and retained earnings
- Affiliate borrowings
- External Loan facilities
- Unsecured funding

The mix of the above sources is intended to provide the Bank with a diversified and stable funding base. The following table sets out the Bank's projected outflows from its financial liabilities as measured at 31 December 2013:

As at 31 December 2013	**Up to 1 Mth**	**1- 3 Mths**	**3 -12 Mths**	**1- 5 Yrs**	**Over 5 Yrs**	**Total Gross Cashflows**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Financial Liabilities:						
Amounts due to fellow subsidiaries	3,417	5,672	1,864	219,337	-	230,291
Other Liabilities	12,867					12,867
Subordinated debt	-	1,114	2,917	19,357	78,216	101,604
Residual Value Guarantees	1,160	155	2,290	2,957	-	6,562
Lease Funding Commitments	36,180	-	-	-	-	36,180
Other commitments	150					150
Total cash outflow	**53,774**	**6,942**	**7,071**	**241,651**	**78,216**	**387,653**

As at 31 December 2013	**Up to 1 Mth**	**1- 3 Mths**	**3 -12 Mths**	**1- 5 Yrs**	**Over 5 Yrs**	**Gross Cashflows**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Derivative Financial Instruments:						
FX Derivatives						
Inflows	-	(13,028)	(41,935)	(53,961)	-	(108,924)
Outflows	-	13,521	42,550	54,750	-	110,821
Interest rate swaps		-	(4)	273	-	269
Total cash outflow	**-**	**493**	**611**	**1,062**	**-**	**2,166**

As at 31 December 2012	**Up to 1 Mth**	**1- 3 Mths**	**3 -12 Mths**	**1- 5 Yrs**	**Over 5 Yrs**	**Total Gross Cashflows**
	€'000	**€'000**	**€'000**	**€'000**	**€'000**	**€'000**
Financial Liabilities:						
Amounts due to fellow subsidiaries			7,009			7,009
Other Liabilities	1,683					1,683
Total cash outflow	**1,683**	**-**	**7,009**	**-**	**-**	**8,692**

c) Assets held for managing liquidity risk

The Bank holds a portfolio of cash and money market placements to manage its liquidity profile. Liquid assets are assets which can be quickly and easily converted into cash without incurring significant loss. The Bank's assets held for managing liquidity risk comprise of:

- Cash
- Short term placements and money market deposits (other than the deposit protection reserve with the Central Bank of Ireland).

These assets in aggregate are permitted to comprise up to 100% of the Bank's liquid asset holdings.

d) Derivatives

Collateral calls on derivative positions can pose a significant liquidity risk: collateral calls may arise at times of market stress and when asset liquidity may be tightening. The timing of the cash flows on a derivative hedging an asset may be different to the timing of the cash flows of the asset being held, even if they are similar in all other respects. Collateral calls may be triggered by a credit downgrading.

The Bank manages the aforementioned risks by including collateral calls in stress tests on liquidity, and by maintaining a portfolio of assets held for managing liquidity risk.

e) Liquidity Risk – Off Balance sheet items

The following items are listed as off balance sheet items at the financial year end:

- Residual value guarantees
- Lease and loan commitments to extend credit

12. Operational risk

The Bank faces operational risks in the regular conduct of its day to day business objectives. Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Sources of operational risk include internal fraud; external fraud; employment practices and workplace safety; clients, products, and business practices; damage to physical assets; business disruption and system failures; and execution, delivery and system failures

The Bank's Operational Risk management framework exists to mitigate against such risks. The Operational Risk management framework is structured in a three tier environment comprising; identification and assessment, monitoring and reporting; and control and mitigation.

Operational risk specifically arises in the areas of:

- Business continuity;
- Change management;
- Human resources;
- Internal control;
- Information technology;
- New product development; and
- Outsourcing.

The Bank uses a range of tools to identify, assess and manage operational risk such as: business process mapping, risk and control assessments and testing, key risk indicator and key performance indicator reporting and assessments, and internal loss data, errors and control failure reporting.

Allocation of clear responsibilities for operational risk management ensures that risks are identified, monitored, managed and mitigated, in line with the Bank's risk appetite.

The Bank uses the Basic Indicator Approach (BIA) to calculate operational risk capital requirements under Pillar I. Under the BIA the capital requirement for operational risk is 15% of the three year average of gross income as defined by Article 315 of Directive 2013/36/EU. As the Bank has not been operating for three years, forecasts of gross income for future years will be used until such time as sufficient historical data is available.

13. Residual asset value risk

Residual value risk is the risk that the residual value set at the start of a lease is not achieved at the end of the lease. This may be due to a number of factors, including lower than expected equipment resale value, changes in customer behaviour or higher fulfilment costs and/ or end of lease operating expenses. The Bank seeks to minimise losses arising from residual value risk by understanding the equipment leased, identifying long-term customer behaviour and applying expert judgement when applying residual values in order to provide a balanced view of expected realisation.

The Bank's Asset Management End of Lease (EOL) function utilises analysis on historic remarketing, renewal and extension data to determine the average end of lease recovery. The function utilises knowledge and the global experience of Management to apply expert judgement to the historically achieved remarketing values to derive Recovery Based Residuals (RBR).

The Residual Value Asset Risk Committee is responsible for the setting, validation and monitoring of the residual risk for the Bank. The Bank has established internal controls, with defined limits and regular reporting for residual value risk exposures within and across its portfolios.

14. Balance sheet measurement

Balance sheet measurement risk is measured and managed at an overall business level. The Treasury function manages the Bank's capital strategy in tandem with the parent company. The Bank is committed to maintaining its sound capitalisation. The Bank has equity share capital of €50m and capital contributions received of €177.5m at 31 December 2013.

The Bank's key objectives with regard to managing capital are:

- To comply with the capital requirements set by the Central Bank of Ireland;
- To safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns for shareholders and benefits for other stakeholders;
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored daily by the Bank's Regulatory function. The Bank holds own funds in the form of capital which will always be more than or equal to the higher of capital charges calculated under Pillar I or Pillar II (ICAAP).

The Bank has set a range of ratios which have been at, or in excess of its minimum regulatory requirements and are designed to reflect the Bank's risk appetite. This takes into consideration the impact of CRD IV. The ratios provide a mechanism to monitor compliance and include early warning triggers to allow management to take appropriate timely action should the Bank approach a limit. The Bank has committed to the Central Bank of Ireland that it will continue to maintain a solvency ratio in excess of what is required under its licence.

The following table shows the Bank's surplus capital:

	31-Dec-13
Tier 1 Capital	**€'000**
Share Capital	50,000
Capital Contribution	177,500
Goodwill	(13,226)
Intangible Assets	(24,602)
Reserves	(51,360)
Total Tier 1 Capital	138,312
Additional Own Funds	
Subordinated Debt	65,000
Provisions	1,999
Total Additional Own Funds	66,999
Total Own Funds	205,311
Total Capital Requirement	38,076
Total Excess Capital	167,235

15. Other risks

a) Group Risk

Group risk is defined as the risk of reliance on the Group for funding, infrastructure and processes in the effective and ongoing operation of the Bank. The Bank accepts that Group Risk is an inherent risk of being a captive of Dell Inc, and that it is in the strategic interest of both the Bank and its parent to minimise the downside of any risks as they are identified. Group risk includes the risk of business non-performance and/or failure in other Group firms which disrupt outsourced activities of the Bank, or may impact the Bank's ability to operate effectively as a captive of Dell Inc. The Bank has a series of arrangements in place to manage, monitor and mitigate Group risk including service level agreements and outsourcing agreements as appropriate.

b) Regulatory Risk

Regulatory risk is defined as the risk to earnings, capital and reputation arising from non-compliance with banking regulations, anti-money laundering, data protection, and other associated requirements. Upstream risk is the risk arising from a new regulatory measure that the Bank is currently unaware of or from regulations becoming applicable due to a change in the nature or scope of the Bank's activities. Regulatory compliance is monitored on a daily basis. The Bank has zero appetite for censure from regulatory, political or legislative bodies. Operational risk covers the operational aspects relating to regulatory risk.

c) Reputational Risk

Reputational risk is defined as the risk to the Dell brand, or goodwill exhibited towards that brand, by the Bank's customers and wider market. For the purposes of risk appetite reputational risk includes social, ethical and environmental risks. The Bank will not enter into activities that will knowingly give rise to reputational risk issues that will materially damage the Dell brand. The Bank seeks to ensure that outsourced activities meet the Bank's reputational risk standards, including the treatment and disposal of hardware.

16. Parent and subsidiary disclosures

The Bank is required to publish details of the capital base and minimum capital requirements of its parent and any subsidiaries it consolidates for either accounting or prudential purposes. The Bank has no subsidiaries. The impact of the results of its parent, DFS BV, is not material as its omission would not "change or influence the assessment or decision of a user relying on that information for the purpose of making an economic decision"[5]. The Bank is availing of the exemption and is not making a disclosure in respect of if its parent.

[5] 2013/36/EU Art 432(1)

17. Remuneration disclosures

The Bank's strategy with regards to remuneration of employees and members of the Board of Directors is to attract, retain and motivate the talent needed to drive the growth of the business. The Bank executes this strategy by: providing market-competitive base and incentive pay; motivating performance toward key company objectives; and supporting and enhancing our strong meritocracy – the Bank values accountability and seeks to reward team and team members who continually improve their capability and increase their contribution.

The Bank's approach to remuneration includes the following factors: the Bank's business strategy and business plan performance; the performance of the Dell Group; market factors; Dell Group governance and standards, including group remuneration policies and standards; and applicable regulatory requirements & standards.

Remuneration components

The Bank's remuneration components are derived from the individual job role, including responsibility and job complexity, performance and benchmarking to relevant market data, pay and conditions. The key remuneration components include: base pay remuneration; performance-based remuneration; pension scheme; other benefits; and severance schemes.

Base pay remuneration

Base pay or "fixed" remuneration is determined primarily by the job role definition, employee individual performance and external market benchmarking.

Performance-based remuneration

Performance-based or "variable" remuneration is awarded in a manner which promotes sound risk management and does not induce excessive risk-taking.

This is done by ensuring:

- an appropriate balance between fixed and variable components;
- that the fixed component represents a 'sufficiently high' proportion (at least 50%) of the total remuneration to make non-payment of the variable component possible;
- that the variable component reflects the risk underlying the achieved result; and
- that variable compensation may not be payable in full or in part on the basis of unsustainable results.

Performance based remuneration also takes account of the Bank's business plan performance and that of the performance of the Dell Group, including modifiers or a percentage multiplier which reflects performance of the Dell group and individual performance.

Identified Staff

Identified Staff are defined as those individuals whose professional activities have a material impact on the Bank's risk profile. The Remuneration and Nominations Committee shall be responsible for determining those groups, categories of employees or individuals that fall within the definition of Identified Staff.

In determining those individuals to be included as Identified Staff the Remuneration and Nominations Committee will at a minimum consider the following staff members;

- Executive members of the Bank's corporate bodies;
- Senior management with responsibility for day-to-day management;
- Staff with responsibility for independent control functions;
- Other risk takers; and
- Staff whose total remuneration is in the same bracket at senior managers and risk-takers.

The following roles are currently deemed identified staff:

- Directors of the Bank
- Managing Director
- Chief Financial Officer
- Chief Risk Officer
- Chief Credit Officer
- Chief Compliance Officer
- Legal Director
- Treasurer
- Head of Internal Audit
- Branch manager

Remuneration Governance

The Board of Directors is the ultimate decision making body for the Bank. It has delegated certain responsibilities to the Bank's Remuneration and Nominations Committee. This committee meets at the same frequency as the main Board. In general the Bank implements the Remuneration Policies and practices of the Dell Group with the oversight of the Remuneration Committee and the Board of Directors. Board directors that are not part of Dell Group receive a fixed annual fee. Directors employed by the Dell Group receive no fee for Board membership.

Except for the compensation information detailed below, the Bank did not enter into any transactions during 2013 with either identified staff or companies controlled by identified staff.

	31-Dec-13 €'000	31-Dec-12 €'000
Salaries and other short term employee benefits	2,139	1,116
Directors fees	207	127
Post-employment benefits	35	37
Other long term benefits		-
Termination benefits		-
Share-based payments		-
	2,381	1,280

Sign-On Bonuses

There was no sign-on bonuses paid out during 2013.

Severance Payment
There were no severance payments during 2013.

Share based payments
On 12 September 2013, the stockholders of Dell Inc. (the ultimate parent company of Dell Bank International Limited (the "Bank")) approved the proposal in which Michael Dell, Dell's Founder, Chairman and CEO, acquired Dell in partnership with global technology investment firm Silver Lake Partners. This partnership resulted in the formation of a joint investment vehicle; Denali Holding Inc. Following completion of the transaction, Mr Dell continues to lead Dell as Chairman and Chief Executive Officer and maintains a significant equity investment in Dell. The transaction was closed on 29 October 2013. Since this date, Denali Holding Inc. is the new ultimate parent of Dell Bank International Limited. Dell will continue to be headquartered in Round Rock, Texas.

Employee Stock Plans Dell Inc. ("Dell") has ceased issuing stock grants under the Dell Amended and Restated 2002 Long-Term Incentive Plan ("the 2002 Incentive Plan") following the formation of Denali Holding Inc. Dell options were cancelled and exchanged into Denali options with the same terms and vesting conditions.

The Bank recognised total expenses of €0.3m related to equity settled share based payment transactions in the period.

Details of the movement in share options in Dell Inc. during the period are as follows:

	Number of Options	Weighted Average Exercise Price	Aggregate Weighted Average Option Value
		€	€'000
Options outstanding at 1 Jan 2013	5,333	10.93	58
Transferred to the Bank	-	-	-
Granted in the period	-	-	-
Cancelled in the period	(5,333)	10.93	(58)
Outstanding at 31 December 2013	-	-	-
Exercisable at 31 December 2013	-	-	-

Details of the movement in share options in Denali during the period are as follows:

	Number of Options	Weighted Average Exercise Price	Aggregate Weighted Average Option Value
		€	€'000
Options outstanding at 1 Jan 2013	-	-	-
Converted*	1,690	26.66	45
transfer in and out of equity	-	-	-
Granted in the period	-	-	-
Cancelled in the period	-	-	-
Outstanding at 31 December 2013	1,690	26.66	45
Exercisable at 31 December 2013	1,690	26.66	45

*Dell options were exchanged into Denali options with the same terms and vesting conditions