

# ANNEX I

## Balance Sheet Reconciliation Methodology

Disclosure according to Article 2 in Commission implementing regulation (EU) No 1423/2013

<b>Länsförsäkringar Consolidated situation</b>	<b>30-jun</b>	<b>30-jun</b>
<b>Reconsolidation to balance sheet of Länsförsäkringar AB Group</b>	<b>2016</b>	<b>2016</b>
	<b>Consolidated situation</b>	<b>Länsförsäkringar AB Group</b>
<b>Msek</b>	<b>Own funds</b>	<b>Balance sheet items</b>
Shareholders equity Länsförsäkringar AB Group	21 607	21 607
Adjustments in shareholders equity due to deconsolidation of insurance companies	813	
<b>Own funds for capital adequacy Consolidated situation</b>	<b>22 420</b>	
Non-eligible capital from minority interests	-1 305	
Adjustment for additional tier 1 capital instruments	-1 200	
Deduction for interest related to additional tier 1 capital instruments	-2	
Deductions for holdings in insurance companies	-6 323	
Adjustments for cash flow hedges	-61	
Prudent valuation	-54	
Deferred tax assets in Länsförsäkringar AB group		-30
<i>whereof related to group companies outside of the consolidated situation</i>		-12
Deferred tax assets that are risk weighted		-18
Deductions for deferred tax assets	<b>0</b>	
Total amount of immaterial assets and goodwill		-4 538
<i>whereof related to group companies outside of the consolidated situation</i>		-3 808
Deductions for immaterial assets in the consolidated situation	-730	
Goodwill	-372	
Deduction for IRB shortfall	-418	
<b>Common equity tier 1</b>	<b>11 955</b>	
Additional tier 1 capital instruments	1 200	
<b>Tier 1 capital</b>	<b>13 155</b>	
Tier 2 capital instruments issued by Länsförsäkringar Bank AB	2 592	
Excess for IRB provisions	0	
<b>Total tier 2 capital</b>	<b>2 592</b>	
<b>Total own funds in the consolidated situation</b>	<b>15 746</b>	

## APENDIX II

### Capital instruments' main features template

Disclosure according to Article 3 in Commission implementing regulation (EU) 1423/2013

Capital instruments' main features template				
1 Issuer	Länsförsäkringar Bank AB (publ)	Länsförsäkringar Bank AB (publ)	Länsförsäkringar Bank AB (publ)	Länsförsäkringar Bank AB (publ)
2 Unique identifier (eg Cusip, ISIN, or Bloomberg for private placement)	SE0005130671	SE0008294474	SE0008294466	XS1243897987
3 Governing law(s) for instrument	Swedish	Swedish	Swedish	English/Swedish
<b>Regulatory treatment</b>				
4 Transitional CRR rules	Additional Tier 2	Additional Tier 2	Additional Tier 2	Additional Tier 1 (AT1)
5 Post-transitional CRR rules	Additional Tier 2	Additional Tier 2	Additional Tier 2	Additional Tier 1 (AT1)
6 Eligible at solo/(sub-)consolidated/solo & (sub-)consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated	Solo & Consolidated
7 Instrument type (types to be specified by each jurisdiction)	Tier 2 capital as published in Regulation (EU) No 575/2013 art 63	Tier 2 capital as published in Regulation (EU) No 575/2013 art 63	Tier 2 capital as published in Regulation (EU) No 575/2013 art 63	Additional Tier 1 as published in Regulation (EU) No 575/2013 art 52
8 Amount recognised in regulatory capital (currency in million, as of most recent reporting date)	1 096,8 Mkr	1 000 Mkr	500 Mkr	1 200 Mkr
9 Nominal amount of instrument	1 100 Mkr	1 000 Mkr	500 Mkr	1 200 Mkr
9a Issue price	100 procent	100 procent	100 procent	100 procent
9b Redemption price	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount	100 per cent of Nominal amount
10 Accounting classification	Liability - amortised cost	Liability - amortised cost	Liability - amortised cost	Own Capital
11 Original date of issuance	28-mar-13	26-apr-16	26-apr-16	09-jun-15
12 Perpetual or dated	Dated	Dated	Dated	Perpetual
13 Original maturity date	28-mar-23	26-apr-26	26-apr-26	No maturity
14 Issuer call subject to prior supervisory approval	Yes	Yes	Yes	Yes
15 Optional call date, contingent call dates, and redemption amount	28-mar-18 100 per cent of Nominal amount In addition Tax/Regulatory call	26-apr-21 100 per cent of Nominal amount In addition Tax/Regulatory call	26-apr-21 100 per cent of Nominal amount In addition Tax/Regulatory call	28-mar-18 100 per cent of Nominal amount In addition Tax/Regulatory call
16 Subsequent call dates, if applicable	28 mar, 28 jun, 28 sep and 28 dec each year after first call date	26 jan, 26 apr, 28 jul and 26 oct each year after first call date	26 jan, 26 apr, 28 jul and 26 oct each year after first call date	9 mar, 9 jun, 9 sep and 9 dec each year after first call date
<b>Coupons/dividends</b>				
17 Fixed or floating dividend/coupon	Floating	Floating	Fixed to floating	Floating
18 Coupons/dividends	Stibor 3-months + 2,50 per cent per annum	Stibor 3-months + 2,35 per cent per annum	Fixed 2,66 per cent per annum until first call date, thereafter floating Stibor 3-months + 2,35 per cent per annum	Stibor 3-months + 3,25 per cent per annum
19 Existence of a dividend stopper	No	No	No	Yes
20a Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Fully discretionary
20b Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Fully discretionary
21 Existence of step up or other incentive to redeem	No	No	No	No
22 Noncumulative or cumulative	Cumulative	Cumulative	Cumulative	Non-cumulative
23 Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24 If convertible, conversion trigger (s)	N/A	N/A	N/A	N/A
25 If convertible, fully or partially	N/A	N/A	N/A	N/A
26 If convertible, conversion rate	N/A	N/A	N/A	N/A
27 If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A
28 If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A
29 If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A
30 Write-down features	N/A	N/A	N/A	Yes
31 If write-down, write-down trigger (s)	N/A	N/A	N/A	7% CET1 ratio on consolidated level, 5.125% CET1 ratio on solo level
32 If write-down, full or partial	N/A	N/A	N/A	Partially
33 If write-down, permanent or temporary	N/A	N/A	N/A	Temporary
34 If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	Can under some instances occur if there is a positive result. Write-up is fully discretionary from issuer's side. Write-up should occur pro rata in relation to other instruments that were depreciated.
35 Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Senior debt	Senior debt	Senior debt	Tier 2
36 Non-compliant transitioned features	No	No	No	No
37 If yes, specify non-compliant features	N/A	N/A	N/A	N/A

(1) 'N/A' inserted if the question is not applicable

## ANNEX VI

## Transitional own funds disclosure template

2016-06-30

(C) AMOUNTS SUBJECT TO PRE-REGULATION  
(EU) No 575/2013

## Common Equity tier 1 capital: Instruments and reserves

(A) AMOUNT AT DISCLOSURE  
DATE(B) REGULATION (EU) No 575/2013 ARTICLE  
REFERENCETREATMENT OR PRESCRIBED RESIDUAL  
AMOUNT OF REGULATION (EU) No 575/2013

1	Capital instruments and the related share premium accounts	11 315	26 (1), 27, 28, 29, EBA list 26 (3)	0
	of which: Instrument type 1	0	EBA list 26 (3)	0
	of which: Instrument type 2	0	EBA list 26 (3)	0
	of which: Instrument type 3	0	EBA list 26 (3)	0
2	Retained earnings	7 265	26 (1) (c)	0
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	436	26 (1)	0
3a	Funds for general banking risk	0	26 (1) (f)	0
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	0	486 (2)	0
	Public sector capital injections grandfathered until 1 January 2018	0	483 (2)	0
5	Minority Interests (amount allowed in consolidated CET1)	0	84, 479, 480	0
5a	Independently reviewed interim profits net of any fore-seeable charge or dividend	898	26 (2)	0
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	19 913		0

## Common Equity Tier 1 (CET1) capital: regulatory adjustments

7	Additional value adjustments (negative amount)	-54	34, 105	0
8	Intangible assets (net of related tax liability) (negative amount)	-1 101	36 (1) (b), 37, 472 (4)	0
9	Empty Set in the EU	0		0
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	0	36 (1) (c), 38, 472 (5)	0
11	Fair value reserves related to gains or losses on cash flow hedges	-61	33 (a)	0
12	Negative amounts resulting from the calculation of expected loss amounts	-418	36 (1) (d), 40, 159, 472 (6)	0
13	Any increase in equity that results from securitized assets (negative amount)	0	32 (1)	0
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	0	33 (b)	0
15	Defined-benefit pension fund assets (negative amount)	0	36 (1) (e), 41, 472 (7)	0
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	0	36 (1) (f), 42, 472 (8)	0
17	Holdings of the CET1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to iniliate artificially the own funds of the institution (negative amount)	0	36 (1) (g), 44, 472 (9)	0
18	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	0	36 (1) (h), 43, 45, 46, 49 (2) (3), 79, 472 (10)	0
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-6 271	36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79, 470, 472 (11)	0
20	Empty Set in the EU	0		0
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	0	36 (1) (k)	0
20b	of which: qualifying holdings outside the financial sector	0	36 (1) (k) (i), 89 to 91	0

	(negative amount)	0		0
20c	of which: securitisation positions (negative amount)	0	36 (1) (k) (ii)243 (1) (b)244 (1) (b)258	0
20d	of which: free deliveries (negative amount)	0	36 (1) (k) (iii), 379 (3)	0
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in 38 (3) are met) (negative amount)	0	36 (1) (c), 38, 48 (1) (a), 470, 472 (5)	0
22	Amount exceeding the 15% threshold (negative amount)	-51	48 (1)	0
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-51	36 (1) (i), 48 (1) (b), 470, 472 (11)	0
24	Empty Set in the EU	0		0
25	of which: deferred tax assets arising from temporary differences	-2	36 (1) (c), 38, 48 (1) (a), 470, 472 (5)	
25a	Losses for the current financial year (negative amount)		36 (1) (a), 472 (3)	0
25b	Foreseeable tax charges relating to CET1 items (negative amount)	0	36 (1) (l)	0
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre CRR treatment	0		0
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468	0		0
	Of which: filter for unrealised loss 1	0	467	0
	Of which: filter for unrealised loss 2	0	467	0
	Of which: filter for unrealised gain 1	0	468	0
	Of which: filter for unrealised gain 2	0	468	0
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR	0	481	0
	Of which:	0	481	0
27	Qualifying AT1 deductions That exceed the AT1 capital of the institution (negative amount)	0	36 (1) U)	0
28	<b>Total regulatory adjustments to Common equity Tier 1 (CET1)</b>	-7 958		0
29	<b>Common Equity Tier 1 (CET1) capital</b>	<b>11 955</b>		0
<b>Additional Tier 1 (AT1) capital: Instruments</b>				
30	Capital instruments and the related share premium accounts	1 200	51, 52	0
31	of which: classified as equity under applicable accounting standards	1 200		0
32	of which: classified as liabilities under applicable accounting standards	0		0
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1 Public sector capital injections grandfathered until 1 January 2018	0	486 (3) 483 (3)	0
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	0	85, 86, 480	0
35	of which: instruments issued by subsidiaries subject to phase out	0	486 (3)	0
36	<b>Additional Tier 1 (AT1) capital before regulatory adjustments</b>	<b>1 200</b>		<b>0</b>
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>				
37	Direct and indirect holdings by an institution of own AT1 Instruments (negative amount)	0	52 (1) (b), 56 (a), 57, 475 (2)	0
38	Holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to iniliate artificially the own lunds of the institution (negative amount)	0	56 (b), 58, 475 (3)	0
39	Direct and indirect holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above the 10% threshold and net of eligible short positions) (negative amount)	0	56 (c), 59, 60, 79, 475 (4)	0
40	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above the 10% threshold net of eligible short positions) (negative amount)	0	56 (d), 59, 79, 475 (4)	0
41	Regulatory adjustments applied to additional tier 1 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	0		0

41a	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to Article 472 of Regulation (EU) No 575/2013	0	472, 472(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a)	0
	Of which items to be detailed line by line, e.g. Material net interim losses, intangibles, shortfall of provisions to expected losses etc.	0		0
41b	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to Article 475 of Regulation (EU) No 575/2013	0	477, 477 (3), 477 (4) (a)	0
	Of which items to be detailed line by line, e.g. Reciprocal cross holdings in Tier 2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.	0		0
41c	Amount to be deducted from or added to Additional Tier 1 capital with regard to additional filters and deductions required pre- CRR	0	467, 468, 481	0
	Of which: ... possible filter for unrealised losses	0	467	0
	Of which: ... possible filter for unrealised gains	0	468	0
	Of which: ...	0	481	0
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)	0	56 (e)	0
43	<b>Total regulatory adjustments to Additional Tier 1 (AT1) capital</b>	0		0
44	<b>Additional Tier 1 (AT1) capital</b>	1 200		0
45	<b>Tier 1 capital (T1 = CET1 + AT1)</b>	<b>13 155</b>		0

#### Tier 2 (T2) capital: Instruments and provisions

46	Capital instruments and the related share premium accounts	2 592	62, 63	0
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2	0	486 (4)	0
	Public sector capital injections grandfathered until 1 January 2018	0	483 (4)	0
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		87, 88, 480	0
49	of which: instruments issued by subsidiaries subject to phase out	0	486 (4)	0
50	Credit risk adjustments	0	62 (c) & (d)	0
51	Tier 2 (T2) capital before regulatory adjustments	<b>2 592</b>		

#### Tier 2 (T2) capital: regulatory adjustments

52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	0	63 (b) (i), 66 (a), 67, 477 (2)	0
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to dilute artificially the own funds of the institution (negative amount)		66 (b), 68, 477 (3)	0
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	0	66 (c), 69, 70, 79, 477 (4)	0
54a	Of which new holdings not subject to transitional arrangements			0
54b	Of which holdings existing before 1 January 2013 and subject to transitional arrangements	0		0
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	0	66 (d), 69, 79, 477 (4)	0
56	Regulatory adjustments applied to tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)	0		0
56a	Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to Article 472 of Regulation (EU) No 575/2013	0	472, 472(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a)	0
	Of which items to be detailed line by line, e.g. Material net interim losses, intangibles, shortfall of provisions to expected losses etc.	0		0

56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to Article 475 of Regulation (EU) No 575/2013	0	475, 475 (2) (a), 475 (3), 475 (4) (a)	0
	Of which items to be detailed line by line, e.g. reciprocal cross holdings in at1 instruments, direct holdings of non significant investments in the capital of other financial sector entities, etc.	0		0
56c	Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre CRR	0	467, 468, 481	0
	Of which: possible filter for unrealised losses	0	467	
	Of which: possible filter for unrealised gains	0	468	0
	Of which: .	0	481	0
57	<b>Total regulatory adjustments to Tier 2 (T2) capital</b>	0		0
58	<b>Tier 2 (T2) capital</b>	<b>2 592</b>		0
59	<b>Total capital (TC = T1 + T2)</b>	<b>15 746</b>		0
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013(i.e. CRR residual amounts)	0.0		0
	Of which: ... items not deducted from CET1 (Regulation (EU) No 575/2013residual amounts)	0.0	472, 472 (5), 472 (8) (b), 472 (10) (b), 472 (11) (b)	0
	(items to be detailed line by line, e.g. Deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc.)			0
	Of which: ... items not deducted from AT1 items (Regulation (EU) No 575/2013residual amounts)	0.0	475, 475 (2) (b), 475 (2) (c), 475 (4) (b)	0
	(items to be detailed line by line, e.g. Reciprocal cross holdings in T2 instruments, direct holdings of non- significant investments in the capital of other financial sector entities, etc.)			0
	Items not deducted from T2 items (Regulation (EU) No 575/2013residual amounts)	0.0	477, 477 (2) (b), 477 (2) (c), 477 (4) (b)	0
	(items to be detailed line by line, e.g. indirect holdings of own t2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc.)	0		0
60	<b>Total risk weighted assets</b>	<b>58 952</b>		0

#### Capital ratios and buffers

61	Common Equity Tier 1 (as a percentage of risk exposure amount)	20,3%	92 (2) (a), 465	0
62	Tier 1 (as a percentage of risk exposure amount)	22,3%	92 (2) (b), 465	0
63	Total capital (as a percentage of risk exposure amount)	26,7%	92 (2) (c)	0
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	8,0%	CRD 128, 129, 130	0
65	of which: capital conservation buffer requirement	2,5%		0
66	of which: countercyclical buffer requirement	1,5%		0
67	of which: systemic risk buffer requirement	n/a		0
67a	of which: Global Systemically important Institution (G-SII) or Other Systemically important Institution (O-SII) buffer	n/a	CRD 131	0
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	15,8%	CRD 128	0
69	[non relevant in EU regulation]	n/a		0
70	[non relevant in EU regulation]	n/a		0
71	[non relevant in EU regulation]	n/a		0

#### Capital ratios and buffers

72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	0	36 (1) (h), 45, 46, 472 (10) 56 (c), 59, 60, 475 (4) 66 (c), 69, 70, 477 (4)	0
73	Direct and indirect holdings by the institution of the CET 1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	0	36 (1) (i), 45, 48, 470, 472 (11)	0
74	Empty Set in the EU	0		0
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	0	36 (1) (c), 38, 48, 470, 472 (5)	0

#### Applicable caps on the inclusion of provisions In Tier 2

76	Credit risk adjustments included in T2 in respect of exposures subject to standardized approach (prior to the application of the cap)	0,0	62	0
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	1,25%	62	0
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	0,0	62	0
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	0,6%	62	0

#### Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)

80	Current cap on CET1 instruments subject to phase out arrangements	0	484 (3), 486 (2) & (5)	0
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	0	484 (3), 486 (2) & (5)	0
82	Current cap on AT1 instruments subject to phase out arrangements	0	484 (4), 486 (3) & (5)	0
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	0	484 (4), 486 (3) & (5)	0
84	Current cap on T2 instruments subject to phase out arrangements	0	484 (5), 486 (4) & (5)	0
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	0	484 (5), 486 (4) & (5)	0