

Pillar 3 Report

For the financial year ending
31 December 2024

MoneyBall BidCo S.a.r.l.

(parent company of Banking Circle S.A.)

July 2025

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1. Introduction

This document outlines the Pillar 3 disclosures of Moneyball BidCo S.a.r.l. (herein referred to as “the Company”) in compliance with the regulatory requirements set forth at the European and Luxembourg levels for the financial year ending 31 December 2024.

This document is reporting the consolidated financial statements of the Company and its subsidiaries (collectively, the Group) for the year ended 31 December 2024. The Company is a private limited liability company (société à responsabilité limitée) incorporated under the laws of the Grand Duchy of Luxembourg.

While the Company is reporting its financial data at a consolidated level, the operational and functional frameworks that mitigate the risks, such as the risk management and governance frameworks described within this document, are implemented at the level of Banking Circle S.A (hereinafter “the Bank”). This ensures that specific operational protocols and governance standards are tailored to the distinct requirements and regulatory environment of Banking Circle S.A., while still maintaining a comprehensive and cohesive financial overview at the consolidated group level.

The disclosures are made in accordance with Part Eight of Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms (also referred to as the “Capital Requirements Regulation” or “CRR”) and Directive 2013/36/EU on access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms (also referred to as the “Capital Requirements Directive IV” or “CRD IV”). Additionally, this document adheres to the Final Report on the Guidelines on Disclosure Requirements under Part Eight of Regulation (EU) No 575/2013 issued by the European Banking Authority (herein referred to as the “EBA Guidelines 2016/11”).

At the Luxembourg level, the Commission de Surveillance du Secteur Financier (CSSF) Circular 17/673 provides further guidelines, referencing the EBA Guidelines 2016/11, to which the Bank is subject. This document aims to enhance transparency, market discipline, and comparability by providing stakeholders with comprehensive insights into the Bank’s risk management practices, capital adequacy, and overall risk profile.

Furthermore, in accordance with Article 434a of the CRR II, the European Banking Authority (EBA) has developed implementing technical standards (ITS) that establish uniform disclosure formats. These standards are designed to align disclosure formats with the Basel Committee on Banking Supervision (BCBS) Pillar 3 standards, thereby promoting consistency between disclosure and reporting frameworks. Furthermore, the ITS incorporate several proportionality measures, with the CRR II providing specific definitions for 'small and less complex institutions' and 'large institutions.' These definitions are crucial for ensuring the proportionality of Pillar 3 disclosures, enabling the Bank to comply in a manner that reflects its activities at risk, size and complexity.

Regulatory Framework

1. European Union Level:

- Regulation (EU) No 575/2013 (CRR): Establishes prudential requirements for credit institutions and investment firms, focusing on capital adequacy, risk management, and large exposures.

- Directive 2013/36/EU (CRD IV): Governs the access to the activity of credit institutions and their prudential supervision, enhancing financial stability and depositor protection.
 - EBA Final Report on Guidelines: Provides detailed disclosure requirements to ensure uniformity and comprehensiveness in the information provided by institutions.
2. Luxembourg Level:
- CSSF Circular 17/673: Defines the specific sections of the EBA Guidelines 2016/11 applicable to Luxembourg credit institutions, ensuring local compliance with European standards.

Purpose of Pillar 3 Disclosures

The primary objective of Pillar 3 disclosures is to promote market discipline by making key information available to the public. These disclosures cover areas such as:

- Risk Management Objectives and Policies;
- Capital Structure and Adequacy;
- Credit Risk;
- Market Risk;
- Operational Risk;
- Liquidity Risk;
- Remuneration; and
- Other risk areas e.g. Environment, Social and Governance Risk (ESG).

Banking Circle aims to enhance its stakeholder understanding of its risk profile and capital adequacy, fostering confidence and trust in its financial soundness and management practices.

Scope and Frequency of Disclosures

The Company commits to publishing its Pillar 3 disclosures on an annual basis, as required by regulatory standards, in line with the publication of its financial statements. This document represents the latest comprehensive disclosure, reflecting the Company's position as of 31 December 2024. The disclosures made in this document are made at a consolidated supervision level, showing financial data at the Bank's parent level, Moneyball Bidco S.à.r.l. – as imposed by the CSSF in compliance with Article 6 (3) and Article 13 (1) of the CRR. A presentation of the group structure can be found in the section 2.1

Policy and Verification

This document has been approved by the Company's Board, undergone internal quality checks from Internal Audit, but has not been subjected to an external audit, as this is not a requirement of the regulations.

Attestation by Chief Financial Officer (CFO)

The Pillar 3 disclosures are a critical component of the Company's transparency and risk management framework. The Company ensures it meets the standards and expectations of disclosures and market

discipline by adhering to both European and Luxembourg regulatory requirements, contributing to the stability and integrity of the financial system, and financial soundness of the Bank.

I confirm that the Company has taken reasonable measures to ensure that the information presented in this disclosure complies with the requirements of Part 8 of EU Regulation No.2013/575, 2019/876 (and its subsequent amendments) and the disclosure has been prepared in accordance with the internal control processes, systems and policies detailed in the Bank's internal control framework.

Michael Hansen

Chief Financial Officer

1.1 Key metrics

The purpose of the Pillar 3 disclosure report is to give information on the risk management of the Company as at end December 2024. All figures presented within this document are shown in EURs.

Template EU KM1¹: Key Metrics Template

Unit: EUR		Amounts	
Available own funds		2024	2023
1	Common Equity Tier 1 (CET1) capital	236,822,969	157,155,592
2	Tier 1 capital	236,822,969	157,155,592
3	Total capital	236,822,969	157,155,592
Risk-weighted exposure amounts			
4	Total risk-weighted exposure amount	471,125,142	370,511,945
Capital ratios (as a percentage of risk-weighted exposure amount)			
5	Common Equity Tier 1 ratio (%)	50.27%	42.42%
6	Tier 1 ratio (%)	50.27%	42.42%
7	Total capital ratio (%)	50.27%	42.42%
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 (%)	2.00%	1.50%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.13%	0.84%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.50%	1.13%
EU 7d	Total SREP own funds requirements (%)	10.00%	9.50%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)			
8	Capital conservation buffer (%)	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)		
9	Institution specific countercyclical capital buffer (%)	0.50%	0.50%
EU 9a	Systemic risk buffer (%)		
10	Global Systemically Important Institution buffer (%)		
EU 10a	Other Systemically Important Institution buffer		
11	Combined buffer requirement (%)	3.00%	3.00%
EU 11a	Overall capital requirements (%)	13.00%	12.50%
12	CET1 available after meeting the total SREP own funds requirements (%)	40.27%	32.92%
Leverage ratio			
13	Total exposure measure	4,212,403,074	3,449,593,600
14	Leverage ratio (%)	5.62%	4.56%
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 (%)		
EU 14b	of which: to be made up of CET1 capital (percentage points)		
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)			
EU 14d	Leverage ratio buffer requirement (%)		
EU 14e	Overall leverage ratio requirements (%)	3.00%	3.00%

¹ Numbering of all tables and templates included herein in accordance with disclosure requirements as per EBA/GL/2016/11

Liquidity Coverage Ratio			
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	2,167,651,271	2,261,380,569
EU 16a	Cash outflows - Total weighted value	1,533,546,139	1,491,008,142
EU 16b	Cash inflows - Total weighted value	187,516,522	182,269,666
16	Total net cash outflows (adjusted value)	1,346,029,617	1,308,738,477
17	Liquidity coverage ratio (%)	161.82%	172.79%
Net Stable Funding Ratio			
18	Total available stable funding	1,262,139,838	1,107,169,024
19	Total required stable funding	297,886,286	342,320,800
20	NSFR ratio (%)	423.70%	323.43%

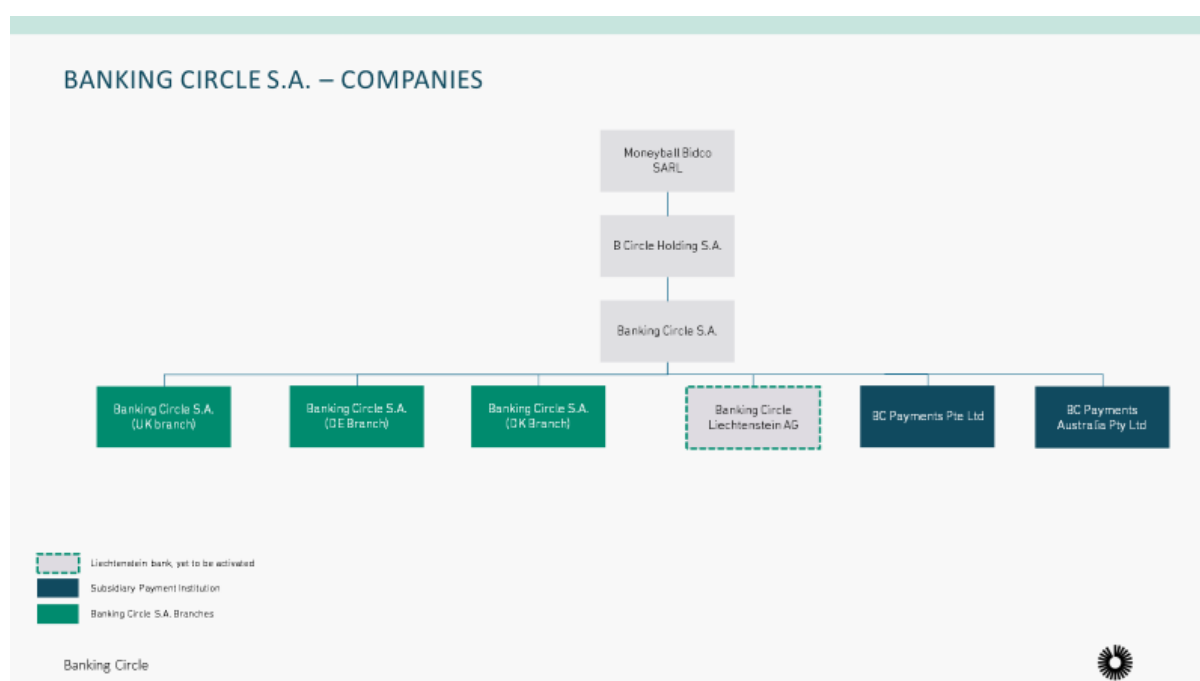
2. Presentation of the Bank

2.1 Structure

The Bank is a public limited liability company (Société Anonyme) registered in Luxembourg, and is a credit institution licensed by the Commission de Surveillance de Secteur Financier (CSSF) and European Central Bank (ECB).

The Bank is owned jointly by EQT VIII (through B Circle Holding S.A., Moneyball Bidco S.à.r.l., BC Midco PTE. LTD and Moneyball Topco PTE. Ltd), EQT Ventures Investments S.à.r.l., and some minority shareholders (less than 10% individually).

It is headquartered in Luxembourg, and has branches in London, Munich, Copenhagen and Sweden. The Company has also established subsidiaries in Liechtenstein, Singapore and Australia.



The only activities undertaken by the Company, and B Circle Holding S.A is to own the shares of the Bank. Thus the business model, activities and risks described below can be read from the Bank's level.

2.2 Business model and activities

The Bank is a global scale financial utility supporting the payment service propositions of its clients and their customers. It offers business-to-business payment solutions which have been specifically created to meet the needs of businesses who trade globally. These clients consist of a wide spectrum of financial institutions (including card acquirers, payment service providers (PSPs), alternative payment method providers and FX payment providers). The Bank's clients provide business activities qualifying as payment services and thus in turn qualifying as financial customers.

The Bank participates in various payment clearing schemes and to provide clearing – in the context of payments – and is the core service of the Bank's business model. This is done by providing clients with access to a global account infrastructure where they can perform local payments in different

currencies globally and have local accounts in many parts of the world thus using the clearing mechanisms as if it were a direct member. Moreover, the Bank provides access to clearing mechanisms including Single Euro Payments Area (SEPA), TIPS, RTGS, Faster Payments, Clearing House and Payment Service (CHAPS), and via the usage of SWIFT. Simultaneously providing a sophisticated reconciliation process e.g. inflows from both Payment Service Providers and credit card schemes are collected on the same accounts and reconciled conveniently before settling to merchants. The Bank's business activities cover payments, currency conversions (FX), as well as deposit accounts. These activities form the Bank's core business lines.

The Bank's value proposition enables a fast and cost-effective way for the clients to make and receive local and cross border payments. The clients can access clearing mechanisms and payment methods as depicted above being accompanied by a wide range of local pay-out and collection capabilities.

The Bank's mission remains at its forefront, to deliver a multisided platform utilising new technology and network to provide core banking services.

2.3 Governance

The management bodies of the Bank are solely constituted of the Board of Directors, management body in its supervisory function and the Executive Committee, management body in its executive function, with support from the sub-committees mentioned below.

Board of Directors

The Board of Directors of the Bank has the overall responsibility for the organisation and the management of the Bank's operations, including its foreign subsidiaries and branches. It has the broadest powers for making decisions regarding the Bank and acts under the delegated authority of and is accountable to the shareholders of the Bank.

The Board of Directors has the ultimate responsibility for limiting and monitoring the Bank's risk exposures, for setting the capital targets and for defining the risk appetite. The Board approves the Bank's risk management strategy and overall risk tolerance level. It is also responsible for ensuring the Bank's compliance with all applicable regulatory requirements.

For the purpose of increasing its effectiveness, the Board of Directors may be assisted by specialised committees, particularly in the fields of audit, risk or remuneration, where the nature, scale and complexity of the Bank and its activities so require.

The Board members of the Company are the following:

First and last name (as per passport or ID)		Position (any managing position)	Number of other directorships held
Wolfgang	Gaertner	Chairman	3
Mads Munkholt	Ditlevsen	Vice-chairman	5
Tomas Leonardo	Mendoza - Gutfreund	Member	7

Wolfgang Gaertner - Chairman – joined the Board in 2019 as a Non-Executive and Independent Director. Has 30 years of experience in retail, wealth management, transaction banking, and corporate services having served as Senior Non-Executive Director and Board Chairman in banks and tech companies. Extensive experience in setting risk culture, defining risk appetite, and managing compliance. Educational background in both Economics and Computer Science with strong knowledge of IT security, conduct risk management, whistleblowing mechanisms, and AML/CTF regulations. Proven track record in leading large-scale transformations such as core banking replacement, post-merger integration, offshoring, outsourcing, and process automation.

Mads Munkholt Ditlevsen - Vice Chairman – joined the Board in 2019 as a Non-Executive, Non-Independent Director and has over 20 years of experience in corporate finance, strategic investments and private equity. Strong educational background with a master's degree in finance and accounting and brings strong financial acumen and strategic insights, as well as an in-depth understanding of capital markets, financing structures, and corporate governance.

Tomas Leonardo Mendoza - Board member – joined the Board in 2022 as a Non-Executive, Non-Independent Director and has close to 20 years' experience as accomplished hedge fund investor. Successful entrepreneurial and operational experience in growth technology start-ups. Offers expertise in IT risks, venture capital, and emerging technologies, critical for a digital-first environment. Educational background in management and finance and skilled in interpreting financial data, identifying key issues, and ensuring controls and high proficiency in understanding the company's business model, strategy, key risks, and external trends. Extensive knowledge of products/services, payments, clearing, and settlements.

Executive Management / Committee

The Authorised Management of the Bank (under Art. 7(2) of the law of 5 April 1993 on the financial sector) consist of Laust Bertelsen (Chief Executive Officer), Michael Hansen (Chief Financial Officer) and Morten Juhl Lilleøre (Chief Operations Officer).

The Executive Committee (ExCo) is constituted with the authorised managers². The Executive Committee of the Bank operates as the main decision-making authority for the day-to-day operations and management and is established to act as a senior decision-making management and governance forum on behalf of the Bank and all its subsidiaries and branches.

The Executive Committee acts under the delegated authority of and is accountable to the Board of Directors. It has the overall responsibility for developing, implementing, and maintaining effective risk, liquidity and capital management principles as well as controls, to ensure operations are managed within the decided risk appetite. It further prepares suggestions to the Board on the allocation of any risk-taking limits to the risk-taking units. Limits are set and maintained in accordance with the business strategies and reviewed at least annually. Based on the limits approved by the Board, it may also enforce tighter limits on individual risks or impose additional risk mitigating techniques.

The Executive Committee may be supported by operational sub-committees in the management of daily activities to which it can delegate decision-making power, including the:

² In January 2025, the Chief Commercial Officer joined the Executive Committee as a permanent member.

Onboarding Committee

The Onboarding Committee (OCM) purpose is assessing, within the business scope and risk appetite of the Bank, as defined and decided by the Board of Directors, the onboarding of clients within the Bank. In addition, the OCM also ensures that client relationships are managed on an ongoing basis, including approving the acceptable business risks.

The OCM's main objective is to address and decide on measures related to client and associated market risk including Anti-Money Laundering (AML) risk, Know Your Client / Ongoing Due Diligence (KYC/ODD) risk, and customer pricing risk.

Financial Risk Assets & Liabilities Committee

The Financial Risks and Assets and Liabilities Committee (FALCO) has overall responsibility to identify and control the Bank's financial risks, including capital and liquidity risk matters, in accordance with the strategy and risk appetite. The FALCO's main objective is to address and decide on measures related to financial risk topics, including but not limited to asset & liability management, market risk, interest rate risk in the banking book (IRRBB), asset encumbrance, capital risk, solvency risk, credit risk, settlement risk, liquidity risk, investment risk, and financial reporting risk. It also acts as a Credit Committee.

Governance, Risk and Compliance Committee

The Governance, Risk and Compliance Committee (GRCC) purpose is to establish, assess, and steer internal risk, compliance and governance structures of the Bank, and provide guidelines to continuously maintain appropriate governance structures and ensure compliance with the regulatory landscape.

The GRCC's main objective is to address and decide on measures related to compliance risk topics, including governance, internal control, and non-financial risk as delegated by the EXCO.

Products and Pricing Committee

The Product and Pricing Committee (PPC) reviews and approves, within the business scope and risk appetite defined by the Board of Directors, any significant product or change within the Bank.

The PPC's main objective is to address and decide on measures related to any type of product risks, including product pricing risk and the product approval process, as well as any changes that significantly impact the Bank.

2.4 Risk management setup

2.4.1 General information on risk management, objectives and policies

Risk Management Framework

The Risk function is established as a permanent, independent and autonomous unit within the Bank, including its subsidiaries and branches. The Risk function is organised in a way to avoid conflicts of interest and to ensure independent thinking and judgement, as well as objectivity in relation to the activities controlled. It is headed by the Chief Risk Officer (CRO), who reports directly to the Authorised

Management, with the administrative reporting line being to the CFO. Moreover, the CRO is a non-voting advisory member of the GRCC, FALCO and PPC, and acts as an observer in the OCM

The Risk function, together with the two other internal control functions – Compliance and Internal Audit – forms an integral part of the Bank's internal control framework. The Risk function – respecting the need for independence and segregation of duties – strives for a good cooperation with the other control functions in order to facilitate an efficient and effective Enterprise Risk Management Framework.

Reporting and escalations

The CRO provides regular reports to the Board, as well as to the Authorised Management regarding the overall risk profile, including risk exposures, capitalisation etc. The reporting contains, in particular, an assessment of the adequacy between the risks entered into and the available own funds, as well as liquidity reserves. This is to safeguard that the Bank is and will be able to manage its risks both in normal times, as well as in times of stress. Moreover, the reporting always highlights whether the current risk exposure is within the risk appetite as decided by the Board, and also gives account for the follow-up to the recommendations, problems, shortcomings and irregularities identified, and shall finally include a summary of the proposed corrective measures.

The CRO submits a monthly risk report to the Authorised Management and a quarterly report to the Board. In addition, any material risk event must always be reported to the two bodies without delay.

The CRO provides an annual summary report to the Board giving account for the activities assigned to the function, including the key recommendations and the status regarding the mitigating actions, as well as the existing or emerging problems, the major shortcomings and irregularities identified. The report is circulated to the Authorised Management for information, and a copy of the report is filed with the CSSF.

Areas of responsibility and delegated responsibilities

The Risk function is part of the second line of defence and shall ensure all business units anticipate, identify, assess, measure, monitor, manage and duly report all the risks to which the Bank is or may be exposed to. It carries-out its tasks continuously and without delay. It is a central element of the internal governance and organisation of the institution dedicated to limiting risks. It informs and advises the Board and assist the Authorised Management, proposes improvements in the risk management framework and actively participates in decision-making processes, ensuring the appropriate attention is given to risk considerations. The ultimate responsibility for the decisions regarding risks remains, however, with the business units which take the risks, and finally with the Authorised Management and the Board. The scope and coverage are comprehensive and cover all risks, as well as the whole institution, including any subsidiaries and branches, and the relationships and operations with related parties.

The Risk function also assumes outsourcing function responsibilities with regards to the oversight of risks and documentation related to the Bank's outsourcing arrangements.

Within the Risk function, the Information Security Officer (ISO) leads the Information and Communication Technology (ICT) and security risk control function. The ISO is appointed by the

Authorised Management and is thus directly accountable to the management bodies and responsible for monitoring and controlling adherence to the information security management framework.

As with the rest of the Risk function – they are independent from the operational functions and thus released from the operational implementation of security actions. The ISO is equipped with an escalation mechanism enabling escalation of any exceptional problem to the highest level of the hierarchy, including the Board. The reporting from the ISO ensures that ICT and security risks are identified, measured, assessed, managed, monitored and reported.

The ISOs key mission is to drive down information security risk for the organisation. This is achieved through the definition of required organisational, technical, legal and human resources, the monitoring of their implementation and effectiveness, as well as the development of the action plan(s) aimed to improve the information security posture. The ISO shall, based on the Bank's risk appetite in relation to information and cyber risks as defined in the Risk Appetite Policy, exercise his/her duties in accordance with the responsibilities and standards depicted in the Information Security Policy.

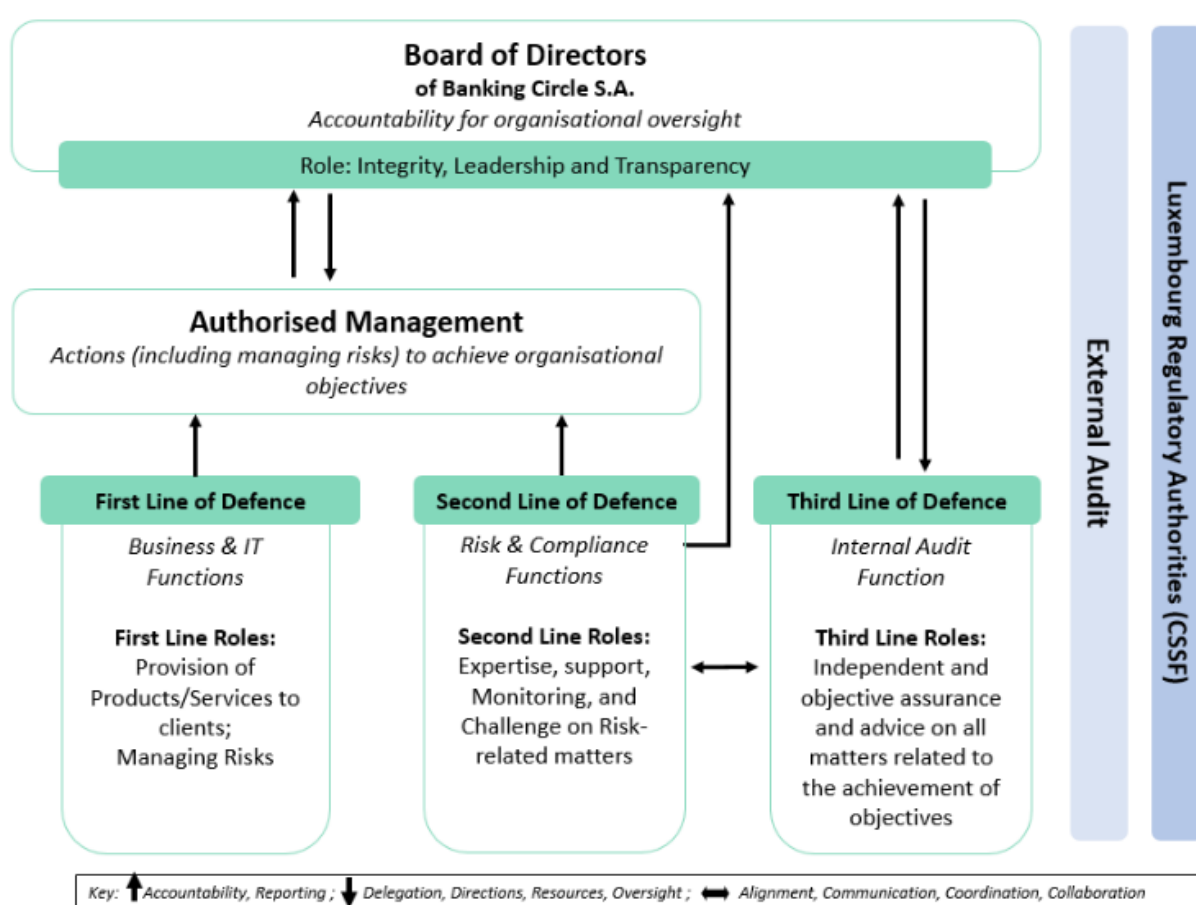
Moreover, the ISO oversees the responsibilities delegated to the Chief Information Officer (CIO)³ with regards to the management of IT risks. The CIO is appointed as Responsible for the Information and Communication Technology (ICT) function ('IT Officer').

The Bank has a Data Protection Officer (DPO). Whilst this role nominally sits within the Risk function the DPO reports to the Board of Directors and the Authorised Management in all issues relating to protection of personal data and compliance with the various regulatory regimes (including the General Data Protection Regulation (GDPR)) that the Bank is subject to.

Internal Governance Arrangements

To ensure a sound and prudent management of its business, the Bank has established internal governance arrangements which are consistent with the three-line-of-defence model, as depicted below.

³ In January 2025, the Bank restructured its Technology department, and no longer had a CIO, rather the IT risks are managed across multiple technology functions reporting into the COO who is the appointed IT Officer.



The three-lines-of-defence structure is a conceptual delineation of an organisation's internal control levels: the first line controls, the second line monitors controls, and the third line acts as independent assurance. It also provides a framework with which facilitates the Board's oversight and handling of the Bank's overall risk management and internal control process.

The first line of defence consists of the functions which own or are exposed to risks, are responsible for their management, and which monitor, on a permanent basis, compliance with the risk appetite, policies and limits set by the Board of Directors and implemented by the Authorised Management. In its role of conducting business, the Authorised Management monitors the overall risk profile on a regular basis (with the support of the second line) and ensures that adequate financial resources are maintained.

The second line of defence consists of the Risk function, headed by the CRO, as well as the Compliance function, headed by the Chief Compliance Officer (CCO). The second line is responsible for establishing and maintaining the applicable policies, standards, and procedures, and supporting the first line of defence in complying with them. It reports to the Board of Directors and the Authorised Management (AM) on the effectiveness of the risk management structure to efficiently address the various risk exposures.

The third line of defence consists of the Internal Audit function, headed by the Chief Internal Auditor (CIA). It provides independent, objective and critical assessment on the effectiveness of the

operational processes within the Bank by making use of a risk-based approach. Through its initiatives, it gives assurance to the Board and the Authorised Management on how effectively the organisation assesses and manages its risks. For independency reasons, the CIA reports functionally to the Chairman of the Board of Directors and administratively (i.e. day-to-day operations) to the Authorised Manager responsible for the Internal Audit Function.

Risk Appetite Framework and Statements

The Risk Appetite Framework (the “RAF”) defines and sets the borders for the maximum risk taking deemed appropriate to fulfil the Bank’s business strategy. The overall framework consists of risk policies, processes and controls, and systems through which the risk appetite is established, communicated and monitored.

The Risk Appetite policy forms an integral part of the RAF, and includes both the qualitative statements, as well as quantitative measures –designed to adequately cover and limit the key risks faced by the Bank, and collectively defines the boundaries for risk-taking activities. The risk exposures assumed are driven by the activities conducted to meet clients’ needs within the business strategy.

The RAF considers the risks relevant to the business activities and covers: credit risk (including counterparty credit risk and settlement risk), market risk (including FX and IRRBB), liquidity risk, asset encumbrance, investment risk, operational risk, information security and cyber risk, compliance risk, ESG/climate risk, model risk, business/profitability risk, reputational risk and solvency ratio monitoring, while also considering the wider macro-economic components impacting the operational environment.

The Risk Appetite measures are aligned with the stress testing conducted as part of the ICAAP and ILAAP processes.

Thus, the RAF articulates, where possible, the aggregate level across all types of risks that the Bank is prepared to accept or should avoid in order to achieve its strategic objectives, taking into account the interest of its shareholders, clients and regulatory requirements.

The Bank maintains a risk profile able to maintain stress scenarios – as visualised in the ICAAP and ILAAP documents - without significantly impacting its solvency ratio as well as liquidity position.

The Bank has, in this context and as part of the Risk Appetite Policy, defined trigger (25%) and hard (20%) limits higher than the regulatory minimum requirements to ensure an adequate buffer and facilitate a proactive approach to its capitalisation.

Additionally, the Bank has defined the following hard limits as part of its risk management framework:

- Total capital ratio > 20%;
- CET, Tier 1 and Total capital ratio > overall capital requirements (OCR) and total SREP⁴ capital requirements (TSCR) and combined buffer requirement; and
- Leverage ratio > 3%
- LCR > 110%
- NSFR > 100%
- Large Exposure; Corporate / Credit Institutions; 24% and 95 % respectively

⁴ Applicable as from 1 January 2024

The aforementioned risk management provisions are designed to allow adequate management of the risks faced, for which the Bank has allocated capital for, and include:

- Credit risk
- Market risk
- Operational risk

2.4.2 Directorships and recruitment policy

The Bank has a diversity and inclusion policy and a recruitment procedure depicting its practices on recruitment, selection and succession on all levels of the organisation, including specifically for the Board. Both specify the recruitment strategy of the Bank, which aims to always avoid any direct or indirect discrimination and ensures a diverse selection of candidates, with the appropriate skills and competences, are considered and ultimately appointed.

3. Own funds and capital adequacy

3.1 Own funds composition

The Company's own funds consist solely of Common Equity Tier 1 (CET1) capital, considered as the capital of the highest quality with ultimate loss absorbance characteristics. The Company is, for the calculation of the capital base, following the current Capital Requirements Regulation and Directive (CRR/CRD IV) as well as the Luxembourg regulation, while equity as reported in the balance sheet is based in applicable accounting standards and principles.

The components of own funds consist of the CET1 capital after relevant deductions with the development of the own funds being dependent upon its profit generating ability, dividend policy in combination with any additional equity contributions from the main shareholder. The Company has maintained a strong capital position with the CET1 – after deductions – amounting to EUR 236,822,969 as per end of December 2024. The Company's eligible own funds after deductions consisted exclusively of CET1 capital which was mainly formed by subscribed and fully paid-up capital and the corresponding share premium accounts fulfilling the requirements set out in Art. 26 (1) lit. a) and b) in connection with Art. 28 CRR.

Template EU CC1: Composition of regulatory own funds

Unit: EUR		Amounts	Regulation (EU) No 575/2013 Article Reference
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	514,376,639	26 (1) (a), (b), 27, 28, 29
	of which: Instrument type 1		EBA list 26 (3)
	of which: Instrument type 2		EBA list 26 (3)
	of which: Instrument type 3		EBA list 26 (3)
2	Retained earnings	(224,090,613)	26 (1) (c)
3	Accumulated other comprehensive income (and other reserves)	10,060,365	26 (1)
EU-3a	Funds for general banking risk		26 (1) (f)
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1		484 (2)
5	Minority interests (amount allowed in consolidated CET1)	7,896,705	84
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	11,985,674	26 (2)
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	320,228,769	Sum of rows 1 to EU-5a
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(1,817,430)	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	(81,588,370)	36 (1) (b), 37
9	Not applicable		
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)		36 (1) (c), 38
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value		33 (1) (a)
12	Negative amounts resulting from the calculation of expected loss amounts		36 (1) (d), 40, 159
13	Any increase in equity that results from securitised assets (negative amount)		32 (1)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		33 (1) (b)
15	Defined-benefit pension fund assets (negative amount)		36 (1) (e), 41

16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)		36 (1) (f), 42
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		36 (1) (g), 44
18	Direct, indirect and synthetic 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 10% threshold and net of eligible short positions) (negative amount)		36 (1) (h), 43, 45, 46, 49 (2) (3), 79
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)		36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79
20	Not applicable		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative		36 (1) (k)
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)		36 (1) (k) (i), 89 to 91
EU-20c	of which: securitisation positions (negative amount)		36 (1) (k) (ii), 243 (1) (b), 244 (1) (b), 258
EU-20d	of which: free deliveries (negative amount)		36 (1) (k) (iii), 379 (3)
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)		36 (1) (c), 38, 48 (1) (a)
22	Amount exceeding the 17,65% threshold (negative amount)		48 (1) 470 (2)
23	of which: 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		36 (1) (i), 43, 45, 47, 48 (1) (b)
24	Not applicable		
25	of which: deferred tax assets arising from temporary differences		36 (1) (c), 38, 48 (1) (a)
EU-25a	Losses for the current financial year (negative amount)		36 (1) (a)
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)		36 (1) (l)
26	Not applicable		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)		36 (1) (j)
27a	Other regulatory adjustments		
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(83,405,800)	Sum of rows 7 to 20a, 21, 22 and 25a to 27
29	Common Equity Tier 1 (CET1) capital	236,822,969	Row 6 minus row 28
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts		51, 52
31	of which: classified as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards		
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1		486 (3)
EU-33a	Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1		
EU-33b	Amount of qualifying items referred to in Article 494b(1) subject to phase out from AT1		
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		85, 86
35	of which: instruments issued by subsidiaries subject to phase out		486 (3)
36	Additional Tier 1 (AT1) capital before regulatory adjustments		Sum of rows 30, 33 and 34
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)		52 (1) (b), 56 (a), 57

38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		56 (b), 58
39	Direct, indirect and synthetic holdings of the AT1 instruments 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)		56 (c), 59, 60, 79
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		56 (d), 59, 79
41	Not applicable		
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)		56 (e)
42a	Other regulatory adjustments to AT1 capital		
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital		Sum of rows 37 to 42
44	Additional Tier 1 (AT1) capital		Row 36 minus row 43
45	Tier 1 capital (T1 = CET1 + AT1)	236,822,969	Sum of row 29 and row 44
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts		62 (a) (b), 63 to 65, 66 (a), 67
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR		486 (4)
EU-47a	Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2		494a (2)
EU-47b	Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2		494b (2)
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
49	of which: instruments issued by subsidiaries subject to phase out		486 (4)
50	Credit risk adjustments		62 (c) & (d)
51	Tier 2 (T2) capital before regulatory adjustments		
Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)		63 (b) (i), 66(a), 67
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		66 (b), 68
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)		66 point (c), 68 to 70 and 79
54a	Not applicable		
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)		66 point (d), 68, 69 and 79
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)		
56b	Other regulatory adjustments to T2 capital		
57	Total regulatory adjustments to Tier 2 (T2) capital		Sum of rows 52 to 56
58	Tier 2 (T2) capital		Row 51 minus row 57
59	Total capital (TC = T1 + T2)	236,822,969	Sum of row 45 and row 58
60	Total risk exposure amount	471,125,142	
Capital ratios and requirements including buffers			
61	Common Equity Tier 1	50.27%	92 (2) (a)

62	Tier 1	50.27%	92 (2) (b)
63	Total capital	50.27%	92 (2) (c)
64	Institution CET1 overall capital requirements	8.63%	CRD 128, 129, 130, 131, 133
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical capital buffer requirement	0.50%	
67	of which: systemic risk buffer requirement		
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement		
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage		
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	40.27%	CRD 128
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities 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)		36 (1) (h), 46, 45 56 (c), 59, 60 66 (c), 69, 70
73	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 (amount below 17.65% thresholds and net of eligible short positions)		36 (1) (i), 45, 48
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)		36 (1) (c), 38, 48
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		62
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	2,657,627	62
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)		62
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		62

The Company is required to maintain a minimum ratio of own funds to RWAs in accordance with the CRR, the supervisory review and evaluation process (SREP) and internal risk limits. As at 31 December 2024, the Bank is following the capital requirements.

Below table shows the reconciliation of regulatory own funds in Template EU CC2 to balance sheet in the audited financial statements.

Template EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements

Unit: EUR		a	b	c
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		As at period end	As at period end	
Assets - Breakdown by asset classes according to the balance sheet in the published financial statements				
1	Cash in hand, balances with central banks and post office banks	2,202,793,437	2,202,793,437	
2	Loans and advances to credit institutions:			
	a) repayable on demand	168,962,718	169,076,645	
3	Debt securities and other fixed-income securities:			
	Financial assets at fair value through profit or loss:			
	a) issued by other borrowers	171,548,655	171,548,656	
	Financial assets at fair value through other comprehensive income:			

	<i>a) issued by public bodies</i>	1,630,852,211	1,630,852,211	
	Financial assets at amortized cost:			
	<i>a) issued by public bodies</i>			
	<i>b) issued by other borrowers</i>	43,231,023	43,231,668	
4	Equity instruments at fair value through other comprehensive income	15,029,382	15,029,383	
5	Intangible assets and goodwill	128,939,444	128,939,444	
6	Tangible assets	13,860,598	13,860,597	
7	Deferred tax assets			
8	Other assets	12,421,918	23,728,970	
9	Prepayments and accrued income	11,537,329		
	Total assets	4,399,176,715	4,399,061,011	
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements				
1	Amounts owed to credit institutions:			
	<i>a) repayable on demand</i>	94,938,030	94,938,246	
2	Amounts owed to clients:			
	<i>a) repayable on demand</i>	3,802,289,579	3,802,289,580	
3	Other liabilities	172,445,192	177,415,120	
4	Accruals and deferred income	5,085,618		
5	Provisions:	4,189,297	4,189,295	
	<i>(a) provisions for Corporate Income Tax</i>	3,984,473	3,984,473	
	<i>(b) provisions for Net Worth Tax</i>	204,824	204,822	
	Total liabilities	4,078,947,716	4,078,832,242	
Shareholders' Equity				
1	Subscribed capital	4,272,803	4,272,803	1
2	Share premium	510,103,836	510,103,836	1
3	Revaluation reserve	3,016,844	10,060,365	
4	Results brought forward	(219,190,102)	(224,090,613)	2
5	Profit/(Loss) for the financial year	14,128,913	11,985,674	
6	Non-controlling interest	7,896,705	7,896,705	5
	Total shareholders' equity	320,228,999	320,228,769	

The above table highlights the difference in the basis of consolidation for accounting and prudential reporting purposes as it compares the carrying values as reported under Lux GAAP with IAS Option with the carrying values under the scope of regulatory consolidation.

3.3 Capital adequacy

ICAAP Process

The Bank has in place an Internal Capital Adequacy Assessment Process (ICAAP) to ensure that it keeps adequate available capital to cover all material risks over a foreseeable future from the perspective of regulators, investors and thus to optimise shareholder value in the light of the external requirements. The ICAAP report is prepared by the Risk function on behalf of the Authorised Management and approved by the Board of Directors at least once a year in accordance with regulatory requirements. The ICAAP exercise includes a review of the management, mitigation and measurement of material

risks (for both current and stressed economic conditions) in order to assess the adequacy of capital and to determine sufficient required capital levels to meet identified risks and to support the capital and liquidity policy of the Bank.

Capital Adequacy

The size of the own funds shall normally correspond to the sum of the capital requirements for Pillar I risks (credit, market and operational risks) and applicable capital buffers. This would translate into total SREP⁵ capital requirements of 10%, excluding Pillar II buffers, Capital Conservation buffer (CCoB) and Countercyclical Capital buffer (CCyB).

The Bank maintains a capitalisation to ensure both regulatory compliance and internal capital needs and continues to show continuous growth of the business in the coming years, supported by the Bank significantly increasing its profitability margins in 2024. The qualifying shareholder has provided a letter where it commits to inject additional capital, in the event the Bank's solvency ratio – measured as Total Capital Ratio calculated in accordance with the Capital Requirements Regulation (CRR) – falls below 20%. The same letter provides a commitment to unconditionally support the Bank so that it can implement the business plan and remain compliant with all capital, liquidity, and other applicable prudential regulations. Finally, capital planning and stress testing is conducted continuously and is further elaborated upon in the yearly ICAAP.

CET1 capital, Pillar I and Risk Exposure Amounts as per 31 December 2024

The Company⁶'s own funds consists solely of Common Equity Tier 1 (CET1) capital, considered as the capital of the highest quality with ultimate loss absorbance characteristics. Banking Circle is, for the calculation of the capital base, following the current Capital Requirements Regulation and Directive (CRR/CRD IV) as well as the Luxembourg regulation, while equity as reported in the balance sheet is based in applicable accounting standards and principles.

The CET1 ratio for end of December 2024 amounted to 50.27%, significantly above both the minimum regulatory requirements, as well as the minimum capital ratio committed by the shareholder.

As of 31 December 2024, the Company's total Pillar I requirements - in accordance with Art. 92 CRR - amounted to EUR 37,690,011 as depicted in Template EU OV1 below.

Risk exposure amounts – Credit

The Company assumes limited credit risk exposures related to the handling and placing of its excess liquidity. The Company's assets primarily consist of a portfolio of liquid government bonds of high credit quality. The holdings are mainly having short maturities, and all qualify as Level 1 High Quality Liquid Assets (HQLA). In addition, cash placements are made with central banks serving both as HQLA and regulatory reserves (majority of the assets are allocated in government bonds or held as cash with central banks). The remaining part is mainly kept with a limited number of correspondent banks to enable the handling of the client driven transactions, together with asset backed securities (ABS) in order to obtain a yield generating investment. The correspondent banks have a credit rating of at least

⁵ As imposed by the CSSF as from 1 January 2024. There are no changes to these requirements in 2025.

⁶ This figure represents the CET1 capital ratio at the parent level "the Company", the Bank CET1 capital ratio at end of December 2024 is 48.68%.

investment grade leading to a relatively low credit risk. Other assets consist of tangible assets, other assets and prepayments and accrued income carrying a 100% risk weight.

Risk exposure amounts – Market

The Company has classified its bond portfolio as being part of the Banking Book considering the instrument classification and trading intention, i.e. holds a bond portfolio for the purpose of ensuring sufficient HQLA for the Liquidity Coverage Ratio requirements and calculations with the currency composition matching the liability side client deposits. The Bank maintains the portfolio to ensure an efficient management of its HQLA and is normally only changing the composition to reflect changes in the underlying client deposits and thus not for short term speculative gains. In addition, FX exposures relating to client transactions drives a small capital charge.

Risk exposure amounts – Operational

The Company calculates the risk exposure amount in relation to operational risk using the basic indicator method i.e. 15% of operating income.

While the Company has reserved capital for its Pillar I risks, the Bank, as forementioned drives primarily the activities for the parent company, thus has similar Pillar I risk exposures. Furthermore, the Bank has considered a Pillar II capital charge for its market risk exposures – to fully reflect the Bank's market risk exposures and include the interest rate risk in the banking book. These capital requirements – for IRRBB – have been calculated based on the +/-200bp stress test – calculated in accordance with the requirements as laid down by the CSSF – and amounts to EUR 20,859,493 as per end of December 2024. This forms, together with any regulatory Pillar I requirements for market risk (foreign exchange), the Company's total internal capital requirements for market risk.

Internal Solvency Needs (ISN)

The ISN describes the Bank's capital need from an internal perspective using a 'Pillar I plus' approach ('Pillar 1 plus' approach adopted in line with Section I.2. Proportionality of the ICAAP of CSSF Circular 20/753 as amended). This approach combines the Pillar I requirements with Pillar II risks. In addition, a stress test add-on/buffer is added to provide a prudent capital buffer above the current capital requirements in the event of unexpected obligations or changes to the own funds, profitability or Risk weighted exposure amounts (RWEAs).

The Bank's Internal Solvency Needs is solely covered by CET1 capital.

3.3.1 Capital requirements

Template EU OV1: Overview of risk weighted exposure amounts

Unit: EUR		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		a	b	c
		2024	2023	2024
1	Credit risk (excluding CCR)	172,430,227	178,592,497	13,794,418
2	Of which the standardised approach	172,430,227	178,592,497	13,794,418
3	Of which the foundation IRB (F-IRB) approach			
4	Of which: slotting approach			

EU 4a	Of which: equities under the simple risk weighted approach			
5	Of which the advanced IRB (A-IRB) approach			
6	Counterparty credit risk - CCR			
7	Of which the standardised approach			
8	Of which internal model method (IMM)			
EU 8a	Of which exposures to a CCP			
EU 8b	Of which credit valuation adjustment - CVA			
9	Of which other CCR			
15	Settlement risk			
16	Securitisation exposures in the non-trading book (after the cap)	40,179,960	61,203,426	3,214,397
17	Of which SEC-IRBA approach			
18	Of which SEC-ERBA (including IAA)			
19	Of which SEC-SA approach			
EU 19a	Of which 1250%			
20	Position, foreign exchange and commodities risks (Market risk)	9,490,735	7,171,692	759,259
21	Of which the standardised approach	9,490,735	7,171,692	759,259
22	Of which IMA			
EU 22a	Large exposures			
23	Operational risk	249,024,221	123,544,300	19,921,938
EU 23a	Of which basic indicator approach	249,024,221	123,544,300	19,921,938
EU 23b	Of which standardised approach			
EU 23c	Of which advanced measurement approach			
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)			
29	Total	471,125,142	370,511,945	37,690,011

The table shows bank's risk-weighted exposure amounts and own funds requirements by category for 2023 and 2024. Over 2024, the total RWA's increased primarily driven by Operational Risk⁷. No capital floors have been applied, and no deductions affecting own funds or risk exposures are included.

⁷ In 2024, operational risk was calculated using the Basic Indicator Approach under CRR2, applying a 15% charge. Starting 1 January 2025, a 12% charge will be applied in accordance with the Business Indicator Component Approach under CRR3.

3.4 Capital buffers

Below table shows the geographical distribution or credit exposures relevant for the calculation of the countercyclical capital buffer ("CCyB") as at 31 December 2024 for the company.

Template EU CCyB1: Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer

Unit: EUR		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
010	Breakdown by country:													
	LU	141,985,256				40,179,960	182,165,216	11,358,820		3,214,397	14,573,217	182,165,216	99.35%	0.50%
	BE	1,187,280					1,187,280	94,982			94,982	1,187,280	0.55%	1.00%
020	Total	143,172,536				40,179,960	183,352,496	11,453,803		3,214,397	14,668,200	183,352,496	99.90%	

Template EU CCyB2: Amount of institution-specific countercyclical capital buffer

Unit: EUR		a
1	Total risk exposure amount	471,125,142
2	Institution specific countercyclical capital buffer rate	0.50%
3	Institution specific countercyclical capital buffer requirement	2,370,879

3.5 Leverage ratio

Following the Basel III framework, the CRR introduced a non-risk-based measure, the leverage ratio, to limit build-up of leverage on banks' balance sheets in an attempt to contain the cyclicity of lending. The leverage ratio is calculated as the Tier 1 capital divided by an exposure measure, comprising of on-balance and off-balance sheet exposures with adjustments for certain items such as derivatives and securities financing transactions. The CRR has a binding leverage ratio requirement of 3% of Tier 1 capital, harmonised with the international BCBS standard. It also includes amendments to the calculation of the exposure measure with regards to exposures to public development banks, pass-through loans and officially granted export credits.

The leverage ratio is calculated daily by the Finance department, measured as part of the Risk Appetite and reported on monthly basis by the Risk function. Furthermore, the evolution of the Leverage ratio is also followed closely and projected as an integrated part of financial planning.

The Company, as per end of 2024, reported a Leverage ratio of 5.62%.

Template EU LR2: LRCom: Leverage ratio common disclosure

Unit: EUR		a	b
		2024	2023
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	4,293,991,444	3,595,663,571
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework		
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)		
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)		
5	(General credit risk adjustments to on-balance sheet items)		
6	(Asset amounts deducted in determining Tier 1 capital)	(81,588,370)	(146,069,971)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	4,212,403,074	3,449,593,600
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)		
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach		
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions		
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach		
EU-9b	Exposure determined under Original Exposure Method		
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)		
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)		
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)		
11	Adjusted effective notional amount of written credit derivatives		
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		
13	Total derivatives exposures		
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions		
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)		
16	Counterparty credit risk exposure for SFT assets		
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR		

17	Agent transaction exposures		
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)		
18	Total securities financing transaction exposures		
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount		
20	(Adjustments for conversion to credit equivalent amounts)		
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)		
22	Off-balance sheet exposures		
Excluded exposures			
EU-22a	(Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)		
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))		
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)		
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)		
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))		
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)		
EU-22g	(Excluded excess collateral deposited at triparty agents)		
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)		
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)		
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)		
EU-22k	(Total exempted exposures)		
Capital and total exposure measure			
23	Tier 1 capital	236,822,969	157,155,592
24	Total exposure measure	4,212,403,074	3,449,593,600
Leverage ratio			
25	Leverage ratio	5.62%	4.56%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	5.62%	4.56%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	5.62%	4.56%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)		
EU-26b	of which: to be made up of CET1 capital (percentage points)		
27	Leverage ratio buffer requirement (%)		
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure		
Disclosure of mean values			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables		
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables		
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4,212,403,074	3,449,593,648
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4,212,403,074	3,449,593,648

31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	5.62%	4.56%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	5.62%	4.56%

Template EU LR3 - LRSpl: Split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

Unit: EUR		a
		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	4,293,991,444
EU-2	Trading book exposures	
EU-3	Banking book exposures, of which:	4,293,991,444
EU-4	Covered bonds	
EU-5	Exposures treated as sovereigns	3,833,645,648
EU-6	Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	
EU-7	Institutions	144,630,267
EU-8	Secured by mortgages of immovable properties	
EU-9	Retail exposures	
EU-10	Corporates	43,651,801
EU-11	Exposures in default	
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	272,063,728

4. Credit risk

4.1 Credit and Counterparty risk management

Credit and counterparty risk is defined as the potential risk of a counterparty failing to meet its obligations in accordance with agreed terms. The counterparty credit risk exposure will – unlike credit risk – fluctuate based on market risk factors.

Credit and counterparty risk for the Bank can be grouped in the following categories:

- Central bank placements and government bond positions;
- Cash balances with correspondent banks;
- asset backed securities (ABS); corporate bonds, and
- Potential Future Exposure for Trading Lines i.e. FX spot contracts with a counterparty or client in excess of posted collateral, if any;

The Bank assumes limited credit risk exposures related to the handling and placing of its excess liquidity, as described above in section 3.3.

As per 31 December 2024, the Bank did not have any derivative exposures and consequently has not been exposed to counterparty credit risk.

Structure and organisation of credit risk management

The Credit function, which sits under the CFO function and is headed by the Head of Credit, is responsible for supporting the Bank in its credit related activities, more specifically within the following main areas:

- Defining, establishing and maintaining the appropriate credit risk procedures and processes in adherence with the Credit Risk Policy of the Bank;
- Review of the credit and counterpart proposals and prepare recommendations for the credit granting authorities of the bank. This process shall include a review of existing counterparts limits, and proposals for maintaining, decreasing or increasing limits;
- Daily monitoring of credit lines thus ensuring the credit risk exposure remains within the approved limits. Consequently, raise and escalate any instances where breaches or limits are exceeded;
- Maintenance of the credit line and limit repository;
- Ensure reports used for monitoring purposes, where applicable, are validated and fit for purpose;

The Risk function, which is headed by the CRO, is in charge of monitoring, and reporting Credit Risk in line with the policies and procedures sets out by the Authorised Management. Hence, the Risk function supports the Authorised Management in ensuring Credit Risk exposures are in line with the risk appetite limits in place. Risk achieves this more specifically within the following main areas:

- Ensuring adherence of the Credit Risk Policy;
- Review and challenge the credit and counterpart proposals;

- Second line monitoring of credit lines, i.e. monitoring the activities of the first line of defence. This mainly relates to the compliance of the Treasury department with the applicable mandate instructions and limits, but also include monitoring the exposures are within limits;
- If breaches are not escalated, Risk will raise and escalate to either Credit department or Treasury;
- Any hard limits must be investigated and documented by the Risk function, and thus must also follow progress on the agreed mitigating / remediating actions;
- Ensure risk reports used for monitoring purposes, where applicable, are tested, validated and fit for purpose;
- Prepare monthly risk indicator reporting and risk reports delivered to AM and BoD, including details of exposures, breaches and any other information deemed necessary or pertinent to be shared;
- Ensure notification and reporting to the regulator if any hard limit breaches trigger regulatory thresholds. This report must include detail on what occurred, how it occurred, any mitigating or remediating actions and changes in the control environment going forward.

4.2 Credit exposure and ratings

The Bank has assigned Fitch Ratings, Standard & Poor's and Moody's as External Credit Assessment Institutions (ECAIs) for the calculation of its own funds requirements for credit risk under the Standardised Approach.

ECAIs supports the standardised approach and securitisation framework of prudential regulation through the mapping of each of their credit assessments to the corresponding risk weights. The Bank ensures the ECAIs meet the eligibility criteria as set by the BCBS.

If the Bank's client or counterpart does not have an external rating, they will be internally rated - based upon information from the client, and other external sources. The client's ratings are combined with a qualitative evaluation of the client's creditworthiness – carried out by a dedicated person in the Credit function in order to assign an internal rating to the client.

Template EU CR1: Performing and non-performing exposures and related provisions

Unit: EUR		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collaterals and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures - Accumulated impairment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
	of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3		of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3					
005	Cash balances at central banks and other demand deposits	2,371,870,246	2,371,870,246					(163)	(163)							
010	Loans and advances															
020	Central banks															
030	General governments															
040	Credit institutions															
050	Other financial corporations															
060	Non-financial corporations															
070	Of which: SMEs															
080	Households															
090	Debt Securities	1,846,078,385	1,674,529,729					(445,850)	(445,850)							
100	Central banks															
110	General governments	1,630,877,928	1,630,877,928					(25,717)	(25,717)							
120	Credit institutions															
130	Other financial corporations	215,200,457	43,651,801					(420,132)	(420,132)							
140	Non-financial corporations															

150	Off-balance sheet exposures															
160	Central banks															
170	General governments															
180	Credit institutions															
190	Other financial corporations															
200	Non-financial corporations															
210	Households															
220	Total	4,217,948,631	4,046,399,975				(445,850)	(445,850)								

Template EU CR4 – Standardised Approach – Credit risk exposure and CRM effects

Unit: EUR	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet amount	RWEA	RWEA density (%)
		a	b	c	d	e	f
1	Central governments or central banks	3,833,645,648		3,833,645,648			
2	Regional government or local authorities						
3	Public sector entities						
4	Multilateral development banks						
5	International organisations						
6	Institutions	144,630,104		144,630,104		29,257,691	20.23%
7	Corporates	43,231,668		43,231,668		43,231,668	100.00%
8	Retail						
9	Secured by mortgages on immovable property						
10	Exposures in default						
11	Exposures associated with particularly high risk						
12	Covered bonds						

13	Institutions and corporates with a short-term credit assessment						
14	Collective investment undertakings						
15	Equity	15,029,383		15,029,383		15,029,383	100.00%
16	Other items	84,911,485		84,911,485		84,911,485	100.00%
17	TOTAL	4,121,448,288		4,121,448,288		172,430,227	4.18%

Template EU CQ3 Credit quality of performing and non-performing exposures

Unit: EUR		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount / Nominal amount											
		Performing exposures				Non-performing exposures							
			Not past due or Past due < 30 days	Past due > 30 days < 90 days		Unlikely to pay that are not past- due or past-due < = 90 days	Past due > 90 days <= 180 days	Past due > 180 days < =1 year	Past due > 1 year <= 2 years	Past due > 2 year <= 5 years	Past due > 5 year <= 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other demand deposits	2,371,870,246	2,371,870,246										
010	Loans and advances												
020	Central banks												
030	General governments												
040	Credit institutions												
050	Other financial corporations												
060	Non-financial corporations												
070	Of which SMEs												
080	Households												
090	Debt Securities	1,846,078,385	1,846,078,385										
100	Central banks												
110	General governments	1,630,877,928	1,630,877,928										
120	Credit institutions												
130	Other financial corporations	215,200,457	215,200,457										

140	Non-financial corporations												
150	Off-balance sheet exposures												
160	Central banks												
170	General governments												
180	Credit institutions												
190	Other financial corporations												
200	Non-financial corporations												
210	Households												
220	Total	4,217,948,631	4,217,948,631										

Template EU CQ4: Quality of non-performing exposures by geography

Unit: EUR		a	b	c	d	e	f	g
		Gross carrying/Nominal amount			of which: subject to impairment	Accumulated impairment	Provisions on off-balance sheet commitments and financial guarantee given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			of which: non-performing	of which: defaulted				
010	On balance sheet exposures	1,846,078,385			1,674,529,729	(445,850)		
020	US	1,406,910,379			1,406,910,379	(24,930)		
030	LU	215,200,457			43,651,801	(420,132)		
040								
050								
060								
070	Other countries	223,967,549			223,967,549	(788)		
080	Off balance sheet exposures							
090	Country 1							
100	Country 2							
110	Country 3							
120	Country 4							

130	Country N						
140	Other countries						
150	Total	1,846,078,385			1,674,529,729	(445,850)	

As highlighted by template EU CQ4, the company does not have any non-performing exposures as at 31 December 2024.

4.3 Credit risk adjustments

As per 31 December 2024, the Bank did not have any past-due exposures, nor did it apply any credit risk adjustments.

Past due loans

The Bank defines the past due criterion as follows: The obligor is past due more than 30 days on any material credit obligation to the Bank.

Impairment of financial assets and overview of the ECL principles

The Bank records an allowance for Expected Credit loss (ECL) for all loans and other debt financial assets not measured at Fair Value through Profit or Loss (FVPL).

The ECL allowance is based on the credit losses expected to arise over the life of the asset (the Lifetime Expected Credit Losses or LTECL), unless there has been no significant increase in credit risk since origination, in which case, the allowance is based on the 12 months' expected credit losses (12mECL).

The Bank has established a policy to perform an assessment at the end of each reporting period, of whether a financial instrument's credit risk has increased significantly since initial recognition, by considering the change in the risk of default occurring over the remaining life of the financial instrument.

For the purpose of IFRS 9 ECL estimation, the Bank is required to appropriately allocate financial assets measured at amortised cost or at fair value through other comprehensive income into 'Stages', where:

- Stage 1 - When financial assets are first recognised, the Bank recognises an allowance based on 12 months' expected credit loss (12mECL). Stage 1 assets also include facilities where the credit risk has improved and the asset has been reclassified from Stage 2;
- Stage 2 - When an asset has shown a significant increase in credit risk since origination, the Bank records an allowance for the LTECL. Stage 2 assets also include facilities, where the credit risk has improved and the asset has been reclassified from Stage 3;
- Stage 3 - Assets considered credit-impaired. The Bank records an allowance for the LTECL.

A Significant Increase in Credit Risk (SICR) is considered to have occurred with regard to a particular obligor when at least one of the below trigger events has been reached:

- Rating downgrade criterion: For counterparties rated as of the reporting date below the investment grade, the Bank considers a threshold level of 3 notches as an indicator of significant increase in credit risk. In other words, if the decrease in the rating of the counterparty at the given reporting date as compared to the initial recognition is equal or greater than 3 notches then such exposure shall be allocated into Stage 2. The ratings used for this assessment are external ratings provided by mainstream credit agencies;
- Past due criterion: The obligor is past due more than 30 days on any material credit obligation to the Bank;

- Discretionary criterion: Specific sector, country or idiosyncratic issues which could lead to the conclusion that the risk of the exposure is significantly higher than at initial recognition may lead to acknowledge a SICR.

For financial assets for which the Bank has no reasonable expectations of recovering either the entire outstanding amount, or a proportion thereof, the gross carrying amount of the financial asset is reduced. This is considered a (partial) derecognition of the financial asset.

The calculation of ECL

The Bank calculates ECL based on three probability-weighted scenarios to measure the expected cash shortfalls, discounted at an approximation to the Effective Interest Rate (EIR). A cash shortfall is the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive.

The mechanics of the ECL calculations are outlined below and the key elements are, as follows:

- PD - The *Probability of Default* is an estimate of the likelihood of default over a given time horizon. A default may only happen at a certain time over the assessed period, if the facility has not been previously derecognised and is still in the portfolio;
- EAD - The *Exposure at Default* is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after the reporting date, including repayments of principal and interest, whether scheduled by contract or otherwise, expected drawdowns on committed facilities, and accrued interest from missed payments;
- LGD - The *Loss Given Default* is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, including from the realisation of any collateral or credit enhancements that are integral to the loan and not required to be recognised separately.

The model used to estimate the PD is based on statistical and historical observations and external data provided by mainstream credit agencies. This methodology is deemed as appropriate with respect to the overall materiality of this model, the Bank's underlying risks as well as the size and complexity of the Bank's operations. For the purpose of determining the EAD of "Loans and advances to credit institutions", the Bank considers current outstanding balance as the carrying amount at the time of default. For "Debt securities issued by public bodies", the EAD is computed by summing up the book value of the security at reporting date and the estimated accrued interest of the same security.

The estimate of the LGD is solely based on regulatory-provided data.

ECL for debt securities measured at Fair Value through Other Comprehensive Income (FVOCI)

The ECL for debt securities measured at FVOCI do not reduce the carrying amount of these financial assets in the balance sheet, which remains at fair value. Instead, an amount equal to the allowance that would arise if the assets were measured at amortised cost is recognised in OCI as an accumulated impairment amount, with a corresponding charge to profit or loss. The accumulated loss recognised in OCI is recycled to the profit and loss upon derecognition of the financial assets.

For capital adequacy purposes the Bank uses the result of the impairment calculation according to accounting rules to reflect the impairment and the capital adequacy reports.

Considering the nature of the credit and counterparty risks, all assets have been assessed as Stage 1 as per 31 December 2024, (i.e. assets where there has been no significant increase in credit risk).

4.3.1 Forborne exposure and non-performing loans

As per 31 December 2024, the Bank did not have any forborne exposure nor any non-performing loans.

4.4 Credit risk mitigation techniques

The Bank has a limited risk profile in relation to credit risk, that should be based on the principles as defined in the Credit Risk Policy.

In addition, the following shall apply;

- The Bank has clear and unambiguous guidelines for the selection of counterparts for liquidity management and FX (spot) trading, including type of counterpart as well as credit rating;
- Credit risk in relation to FX spot positions with counterparties or clients albeit counterparties are not required to be secured with collateral or master agreements;
- Intra-day, overnight and tomorrow next credit exposure, to the extent possible, is reduced by Delivery Versus Payment (DVP) settlement or other settlement agreements, which reduce settlement risk;
- Settlement risk is normally only assumed toward clients/counterparties with a minimum rating (as defined by the Risk Appetite Policy). Any such exposures are subject to reviews and shall require relevant collateral - including but not limited to pledges over clients' accounts receiving card scheme flows;
- The Board of Directors receive management information depicting the credit exposures on a regular basis, at least quarterly;
- Reporting and control should be done on a daily basis, with the Risk function responsible for reporting and escalating any limit breaches;
- Limit breaches are rectified without undue delay and in turn be reported (either immediately or in the next regular report depending on the situation). If for any reason a Board limit breach cannot be rectified immediately, the Board of Directors are notified without undue delay and a temporary mandate increase must be sought;
- In light of the Capital Requirements Regulation, the Bank must ensure at all times that Large Exposures do not become excessive in relation to its capital base;
- The Bank must comply with the guidelines of the European Banking Authority (EBA) relating to the limits on exposures to Shadow Banking entities which carry out banking activities outside a regulated framework under Article 395(2) of Regulation EU No 575/2013; Risk Appetite Policy with any breaches should be reported to the Board and the CSSF, and be rectified without delay.

As at 31 December 2024, the Bank applied a credit risk mitigation technique towards its securitisation exposure.

Template EU CR5 – Standardised Approach

Exposure classes Unit: EUR		Risk weight															Total	Of which unrated
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o		
1	Central governments or central banks	3,833,645,648															3,833,645,648	
2	Regional government or local authorities																	
3	Public sector entities																	
4	Multilateral development banks																	
5	International organisations																	
6	Institutions					143,524,538		1,105,567									144,630,104	3,474,112
7	Corporates										43,231,668						43,231,668	
8	Retail																	
9	Secured by mortgages on immovable property																	
10	Exposures in default																	
11	Exposures associated with particularly high risk																	
12	Covered bonds																	
13	Institutions and corporates with a short-term credit assessment																	
14	Unit or shares in collective investment undertakings																	
15	Equity										15,029,383						15,029,383	
16	Other items										84,911,485						84,911,485	
17	TOTAL	3,833,645,648				143,524,538		1,105,567			143,172,536						4,121,448,288	3,474,112

4.6 Asset encumbrance

The Bank's main sources of asset encumbrance are:

- Collateral provided for client deposits; and
- Regulatory minimum reserve requirements.

Encumbered assets are assets which are subject to any legal, contractual, regulatory or other restriction preventing the institution from liquidating, selling, transferring, assigning or, generally, disposing of those assets via an outright sale or a repurchase agreement. If an asset is subject to any form of arrangements to secure, collateralize or credit enhance any transaction from which it cannot be freely withdrawn, and thus be treated as encumbered.

The part of debt securities portfolio which was pledged as collateral against amounts owed to clients amounted to EUR 867,725,025 as per end of December 2024. In line with the regulatory requirements – as the encumbrance ratio is above 15% – the Bank is calculating and reporting the asset encumbrance ratio on a monthly basis as a part of the Risk Appetite Policy. The calculation and related reporting is prepared by the Finance department and monitored by the Risk function.

The Bank's asset encumbrance is managed in accordance with the Asset Encumbrance Policy defining its measurement, management and governance.

Template EU AE1: Encumbered and unencumbered assets

Unit: EUR		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	050	060	080	090	100
010	Assets of the reporting institution	867,725,025				3,531,335,985			
030	Equity instruments					15,029,383		15,029,383	
040	Debt securities	867,725,025		867,725,025		977,907,510		977,907,510	
050	of which: covered bonds								
060	of which: securitisations								
070	of which: issued by general governments	867,725,025		867,725,025		763,127,185		763,127,185	
080	of which: issued by financial corporations					214,780,324		214,780,324	
090	of which: issued by non-financial corporations								
120	Other assets					2,538,399,093			

Template EU AE3: Sources of encumbrance

Unit: EUR		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		010	030
010	Carrying amount of selected financial liabilities	867,725,025	867,725,025

5. Market risk

5.1 Market risk management

Market risk

Description of trading activities

Market risk is defined as the risk of a loss in value as a result of changes in market rates and parameters that affect the market values (e.g. interest rates, FX rates, equity prices and credit spread risk).

Market risk in the Bank can be grouped in the following categories:

- Market risk stemming from client transactions (i.e. foreign exchange). Market risk shall normally be hedged end of day, however exceptions are applied (i.e. smaller open positions), for efficient risk management and/or bigger open, but limited positions, intra-day to support an efficient handling of the client flows;
- Market risk resulting from the investment of liquidity in High Quality Liquid Assets held to ensure compliance with the Liquidity Coverage Ratio (LCR) requirements on a daily basis (i.e. interest rate).
- Interest rate risks (IRRBB), primarily from the maturity mismatch between the bond holdings on the asset side (mainly with maturities ranging up to one year) and the client deposits on the liability side (with a contractual overnight maturity) – driving economic value (EVE), while fluctuations in deposits and changes in interest rates impacting changes in earnings (NII) risk; and
- Market risk resulting from the Bank's investment strategies.

The Bank's business model builds upon the provision of payment services to clients. This requires clients to maintain current accounts with the Bank. Clients deposit and receive funds on these accounts for/through the transactions executed via the Bank's payment services platform. Consequently, the deposit amounts on those accounts can fluctuate by clients over time.

To manage the liquidity risk stemming from those deposits, the Bank maintains a portfolio of highly liquid bonds which could be quickly liquidated in a stress situation to counter deposit withdrawals from clients. These bonds also qualify as High-Quality Liquid Assets (HQLA) for the purpose of maintaining a sufficiently high Liquidity Coverage Ratio (LCR).

The Bank's Treasury department is in charge of managing the Bank's overall liquidity - including bond portfolio in line with the risk appetite defined for the various risk types, including credit risk, liquidity risk and market risks, including IRRBB.

Description of how the Bank measures, controls and manages its interest rate risk

Interest rate risk results from the investment of liquidity in High Quality Liquid Assets held to ensure LCR compliance on a daily basis.

The Bank has classified its bond portfolio as being part of the banking book considering the instrument classification and trading intention (i.e. the Bank holds a bond portfolio for the purpose of ensuring sufficient HQLA for the Liquidity Coverage Ratio requirements and calculations with the currency composition matching the liability side client deposits).

The Bank monitors the interest rate risk-taking via a net interest rate sensitivity taking into consideration two forms; interest rate sensitivity of economic value of equity (EVE) and interest rate sensitivity of net interest income (NII). The EVE – monitored daily – measures the impact of interest rate changes to market value whereas NII – calculated annually as part of the ICAAP and as part of the requirements of CSSF 24/846 (amending CSSF 20/762) – measures the impact of interest rate change on the earnings over a one-year period. In addition to these measures, the average duration of its portfolio is also being monitored.

Analysis of interest rate risks as at 31 December 2024

The EVE stress test – produced quarterly and submitted to the CSSF on an annual basis as specified by Circular CSSF 24/849, amending CSSF 20/762 and 08/338 (as amended) – aims at measuring the change in the net present value (NPV) of the interest rate sensitive instruments (excluding equity) over their remaining life resulting from hypothetical interest rate movements. For its internal EVE measurement, the Bank employs the six interest rate shock scenarios proposed by the EBA Guidelines on the management of interest rate risk arising from non-trading activities (EBA/GL/2018/02).

Table 4 - Interest rate sensitivities for the Bank⁸ –as reported to the CSSF

EUR	+200bps	-200bps
Total (all currencies combined)	- 19,895,345	21,000,044
% of own funds	- 8.4%	8.9%

The below table indicates the average duration of assets and liabilities for the major currencies. The duration, both on the asset and liability is short term, with the gap driven by the duration of the bond portfolio which has an average duration of 0.322 years on the asset side vs a liability side where all deposits are overnight. Please refer to the below table for the duration profile of the banking book as per end of 2024.

⁸ IRRBB exposure is reported to the regulator at the Bank level, and there are no maturity mismatches on the Company balance sheet that would drive any increase on this figure. The Pillar II add-on for IRRBB has been based on Short rates up, giving an amount of minus EUR 20,859,493.

Table 5 - Duration profile of the banking book

Year as per year end	Asset	Liabilities
EUR	0.009	0.003
USD	0.317	0.003
GBP	0.172	0.003
Total (all currencies combined)	0.322	0.003

The last IRRBB measure monitored by the Bank is the analysis of the sensitivity of net interest income to changes in interest rates and is reported and monitored as part of the risk appetite measurements. IRRBB is managed in accordance with the Market Risk Policy which defines the fundamental principles, measurement and governance for its management.

5.2 Market risk exposure

As at 31 December 2024, the Company had a capital charge to FX risk of EUR 759,259 — and an EUR 20,859,493 to its interest rate risk – which falls within the 15% of own funds supervisory outlier test threshold. The table below shows the risk weighted exposures for interest rate and foreign exchange risk.

Template EU MR1 – Market risk under the standardised approach

Unit: EUR		a
		RWEAs
	Outright products	
1	Interest rate risk (general and specific)	
2	Equity risk (general and specific)	
3	Foreign exchange risk	9,490,735
4	Commodity risk	
	Options	
5	Simplified approach	
6	Delta-plus approach	
7	Scenario approach	
8	Securitisation (specific risk)	
9	Total	9,490,735

6. Liquidity risk

6.1 Liquidity risk management

Liquidity Risk is defined as:

1. The risk that the cost of funding rises to disproportionate levels or in worst case prevents the Bank from continuing as a going concern under its current business model;
2. The risk that the Bank does not have sufficient liquidity to fulfil its payment obligations as and when they fall due; and
3. The risk that the Bank does not comply with regulatory liquidity requirements (e.g. the Liquidity Coverage Ratio and Net Stable Funding Ratio)

The Bank is primarily exposed to liquidity risk in relation to its payment operations with the exposure stemming from on-balance sheet obligations. These risks could materialise in a negative cash-flow mismatch, something that could occur both end of day as well as intraday.

The Bank maintains a conservative liquidity and funding risk profile – ensuring resilience to both short and long-term external stress – by maintaining an adequate buffer of high-quality liquid assets to be able to withstand longer periods of stress without the need to conduct forced sale of assets. The Bank ensures LCR and NSFR compliance on a daily basis, and conducts reporting on a monthly basis. The overall requirements for the Bank's management and control of its liquidity risks as laid out in the 'Liquidity Risk Policy' with the liquidity measures included in the 'Risk Appetite Policy'.

Moreover, the Bank has in place a Liquidity Contingency Plan (LCP) depicting the strategy for the handling of a potential liquidity crisis. The Bank also performs liquidity risk stress testing on a regular basis and annually as part of the Internal Liquidity Adequacy Assessment Process (also referred to as "ILAAP") to evidence its ability to withstand also stressed situations.

Liquidity Stress Testing and Contingency Planning

Liquidity stress testing is an integrated part of the Bank's liquidity risk management framework. The Bank conducts liquidity stress testing either as qualitative scenarios and / or by implementing quantitative measures conducted in accordance with the applicable circulars and guidelines from the relevant regulatory authorities, taking into account the nature and complexity of its business activities. The key objective with the stress testing is to identify the key liquidity risk drivers and stress scenarios which could impair the Bank's ability to meet its future cash flow obligations as they fall due. The stress testing framework must be reviewed and revised on an ongoing basis, at least annually, to reflect changes in the operating environment or risk profile of the Bank. The stress testing, as well as any underlying documentation, is included in the annual ILAAP, which is presented to and approved by the Board of Directors.

The ILAAP document provides details on the key risk drivers, mitigation techniques and elaborates on how liquidity risk is managed within the Bank, both under business as usual and in times of stress. It also notes the key assumptions and conclusions from stress testing of cash undertaken to manage the risk and includes the Bank's Liquidity Contingency Plan (LCP).

The LCP specifically addresses the strategy for the handling of a potential liquidity crisis. Its objective is thus to mitigate any impact of a stressed event by assuring continuous access to a minimum level of liquidity that would be needed to accommodate the critical business activities.

The LCP shall be activated when a liquidity or refinancing risk would affect the Bank, and forms an integrated but independent, part of the Bank's overall Business Continuity Management (BCM).

Sources of Liquidity

The Bank has identified the following sources of liquidity (presented in order of priority):

- Access to the buffer of High-Quality Liquid Assets (HQLA) incl. central banks and government bonds.
- Access to excess liquidity placed on the interbank markets.

It is assumed the Bank will have unrestricted access to its HQLA (including both the bond portfolio, as well as the unencumbered placement with the central bank), in turn providing access to available funds amounting to EUR 2.9bn as at the end of December 2024, where the Bank deems the reliability as high. Considering the Bank's balance sheet, full and unrestricted access to the HQLA will enable the Bank to handle its liquidity needs also in a severely stressed scenario where the Bank LCR falls below 110%.

In addition, the Bank also has access to the funds placed on the interbank market, and considering that these normally are rated AA or A, no restriction in terms of their access (unless a default of any of these counterparties), the reliability of these funds is deemed relatively high also in a stressed scenario.

The Bank is primarily funded by customer deposits placed for the purpose of meeting their upcoming payment obligations. In this context, the Bank maintains a conservative liquidity and funding risk profile – ensuring resilience to both short and long-term external stress – by maintaining an adequate buffer of high-quality liquid assets to be able to withstand longer periods of stress without the need to conduct forced sale of assets, as well as ensuring LCR and NSFR compliance on a daily basis. The Bank has assessed, as part of the ILAAP, the following key risk drivers that could affect its liquidity position – run-off risk, concentration risk, settlement risk, off-balance sheet risk, currency mismatch risk, sustainability and ESG related risk and unexpected obligations risk. All of these have been deemed limited at this time and providing material impact on the Bank from a purely liquidity risk standpoint.

In this context, it shall be noted that the main shareholder maintains a firm commitment to support the Bank so that it remains compliant with all capital, liquidity and other applicable prudential regulations and thus will be able to cover upcoming funding needs.

The Bank's significant currencies as 31 December 2024 were EUR, USD and GBP.

Description of how the Bank measures, controls and manages its liquidity risk

The Bank needs to comply with a Liquidity Coverage Ratio of 110%, a Net Stable Funding Ratio of 100% as well as the requirements from Banque Centrale du Luxembourg (BCL) for the minimum reserve requirements. Compliance with the applicable prudential requirements are formally assessed and

documented as part of the ICAAP and ILAAP, and includes details on the liquidity risk management assessments, processes and measurements, and forms separate documents.

The Bank measures, monitors and manages the LCR, the NSFR and the Asset Encumbrance. The liquidity risk measures are integrated in the Bank's liquidity risk management and reporting framework and has focus both on short- and long-term liquidity risk exposures. All three metrics are limited and measured as part of the Risk Appetite Policy whilst the size and composition of the liquidity buffer although non-limited measured – with the majority of the liquidity buffer placed in central banks and placed in highly rated government bonds, and a smaller part placed in interbank – is also monitored. These ratios are reported as part of the regular Risk function reporting provided to the Authorised Management as well as the Board of Directors.

Intra-day liquidity risk management

Intra-day liquidity risk is the risk that the Bank fails to manage its intra-day liquidity effectively, something which could leave it unable to meet a payment obligation at the time expected, in turn affecting its own liquidity position and that of other parties.

The intra-day liquidity risk arises from intraday timing mismatches of payments where the Bank sends payments and expect to receive funds back later in the day to meet other outgoing payments. The Bank mitigates the intra-day liquidity risk by maintaining an effective operational management of the intra-day liquidity through ongoing monitoring of its nostro and central bank accounts, payment flows and limiting interbank exposures by applying appropriate overnight counterparty limits. In addition, there are processes in place to get access to intraday surpluses held with other banks.

The Bank's exposure towards intraday liquidity thus stems from its client driven payment flows with the Treasury department responsible for the handling of the Bank's liquidity position, including interbank placements as needed.

Regarding treasury activities, the placing risk is considered very low as the majority of the liquidity is placed in high quality liquid assets and with central banks and on the interbank market with the majority of the exposure towards banks having rating of A- of higher.

Intra-day and overnight counterparty limits are in place and are being checked by the Risk function on a daily basis as well as being monitored by Credit and Treasury. Any incidents or breaches are escalated by Treasury without delay through an improved incident management process and Risk, Finance and Treasury meet on a regular basis at the FALCO to discuss topical matters, including potential issues and incidents.

As per end of 2024 the LCR stood at 161.82%, significantly above the 110%.

6.2 Liquidity risk exposure

6.2.1 Liquidity Coverage Ratio

Template EU LIQ1 – Quantitative information LCR

Unit: EUR		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYYY)	31-Dec-2024	30-Sep-2024	30-Jun-2024	31-Mar-2024	31-Dec-2024	30-Sep-2024	30-Jun-2024	31-Mar-2024
EU 1b	Number of data points used in the calculation of averages	3	3	3	3	3	3	3	3
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA), after application of haircuts in line with Article 9 of regulation (EU) 2015/61					2,736,120,235	2,167,553,821	1,829,087,752	1,937,843,277
CASH - OUTFLOWS									
2	retail deposits and deposits from small business customers, of which:								
3	Stable deposits								
4	Less stable deposits								
5	Unsecured wholesale funding	2,857,203,690	2,349,744,001	2,072,997,885	2,066,564,685	1,682,392,239	1,324,436,820	1,143,154,692	1,179,625,091
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	1,514,743,842	1,318,580,510	1,144,784,726	1,128,148,010	378,685,960	329,645,128	269,135,339	282,037,002
7	Non-operational deposits (all counterparties)	1,342,459,848	1,031,163,491	928,213,159	938,416,676	1,303,706,279	994,791,692	874,019,353	897,588,089
8	Unsecured debt								
9	Secured wholesale funding					-			
10	Additional requirements								
11	Outflows related to derivative exposures and other collateral requirements								
12	Outflows related to loss of funding on debt products								

13	Credit and liquidity facilities								
14	Other contractual funding obligations	206,447,098	161,246,620	130,675,078	220,027,351	206,447,098	161,246,620	216,854,644	220,027,351
15	Other contingent funding obligations								
16	TOTAL CASH OUTFLOWS					1,888,839,337	1,485,683,440	1,360,009,336	1,399,652,443
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)								
18	Inflows from fully performing exposures	194,076,840	190,517,941	185,685,437	167,298,101	194,076,840	190,517,941	198,173,207	167,298,101
19	Other cash inflows								
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)								
EU-19b	(Excess inflows from a related specialised credit institution)								
20	TOTAL CASH INFLOWS	194,076,840	190,517,941	185,685,437	167,298,101	194,076,840	190,517,941	198,173,207	167,298,101
EU-20a	Fully exempt inflows								
EU-20b	Inflows subject to 90% cap								
EU-20c	Inflows subject to 75% cap	194,076,840	190,517,941	185,685,437	167,298,101	194,076,840	190,517,941	198,173,207	167,298,101
TOTAL ADJUSTED VALUE									
21	LIQUIDITY BUFFER					2,736,120,235	2,167,553,821	1,829,087,752	1,937,843,277
22	TOTAL NET CASH OUTFLOWS					1,694,762,497	1,295,165,499	1,161,836,130	1,232,354,341
23	LIQUIDITY COVERAGE RATIO					162.08%	167.62%	159.28%	158.29%

6.2.2 Net Stable Funding ratio

The CRR requires institutions to finance their long-term activities (assets and off-balance sheet items) with stable funding. Generally, the NSFR is aligned with the BCBS standard, but the European Commission has included some adjustments as recommended by the European Banking Authority (EBA) to ensure that the NSFR does not hinder the financing of the European real economy.

The NSFR requires banks to ensure that longer term obligations are adequately met with stable funding instruments under normal and stressed situations. The NSFR is thus a metric for structural liquidity risk and is defined as the amount of stable funding (ASF) relative to the amount of required stable funding (RSF). The amount of available stable funding is defined as the portion of capital and liabilities expected to be reliable over a time horizon of one year. The required stable funding is a function of the liquidity characteristics and residual maturities of various assets held. Both the Risk and Finance departments are internally monitoring the NSFR on a monthly basis, as part of the Risk Appetite Policy. The hard limit is set at 100%, as prescribed by EU Regulation 2019/876. In addition, the NSFR ratio is also projected as an integrated part of financial planning.

As per end of 2024 the NSFR stood at 423.70%, significantly above the 100%.

Template EU LIQ2: Net Stable Funding Ratio

Unit: EUR		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity [1]	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	308,243,096				308,243,096
2	Own funds	308,243,096				308,243,096
3	Other capital instruments					
4	Retail deposits					
5	Stable deposits					
6	Less stable deposits					
7	Wholesale funding:		3,897,227,826			868,577,201
8	Operational deposits		1,688,644,044			844,322,022
9	Other wholesale funding		2,208,583,782			24,255,179
10	Interdependent liabilities					
11	Other liabilities:		19,419,319	153,731,112	8,453,984	85,319,541
12	NSFR derivative liabilities					
13	All other liabilities and capital instruments not included in the above categories		19,419,319	153,731,112	8,453,984	85,319,541
14	Total available stable funding (ASF)					1,262,139,838
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					
EU-15a	Assets encumbered for more than 12m in cover pool					
16	Deposits held at other financial institutions for operational purposes					
17	Performing loans and securities:		168,502,440	172,122,860	43,231,668	139,658,592
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut					
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		168,502,440			16,850,244

20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:					
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk					
22	Performing residential mortgages, of which:					
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk					
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products			172,122,860	43,231,668	122,808,348
25	Interdependent assets					
26	Other assets:		21,252,078	25,409,321	134,896,994	158,227,694
27	Physical traded commodities					
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs					
29	NSFR derivative assets					
30	NSFR derivative liabilities before deduction of variation margin posted					
31	All other assets not included in the above categories		21,252,078	25,409,321	134,896,994	158,227,694
32	Off-balance sheet items					
33	Total RSF					297,886,286
34	Net Stable Funding Ratio (%)					423.70%

7. Operational risk

7.1 Operational risk management and measurement

Operational risk is defined as the risk of direct or indirect financial losses due to failure attributable to technology and systems, people, processes, or external events.

Operational risk is inherent in all products, processes, systems and activities within the organisation (incl. its subsidiaries and branches), including in outsourced activities, and in all interactions with external parties.

The Bank's operations consist of day-to-day routines and activities that enable it to achieve its business objectives. The Bank has organised its operations through processes that are designed to promote efficiency, and to mitigate potential for errors. Operational risk must be mitigated by sound procedures, controls or otherwise insurance, at reasonable costs.

The Bank has a number of policies, including (but not limited to) the Information Security Risk Policy, Third Party Management Policy, Project and Change Management Policy and the Business Continuity Policy, that are all important components of the Bank's operational risk framework. The management of operational risk is an integral part of the Bank's handling of its risks with key processes in place, including but not limited to Risk and Control Self-Assessment (RCSA), change risk management and approval process on key initiatives (including targeted initiatives for activities with third parties), exception management, incident reporting, new product approval process, etc.

Measurement of Operational Risk

An operational incident is an event leading to the actual outcome of a business process to differ from the expected outcomes, due to inadequate or failed processes, people, technology and systems, or due to external events.

The Bank records its experienced operational risk incidents including financial loss, if any. The Risk function monitors the development of operational risk indicators in its Risk Appetite Policy which are reported on a monthly basis to both the GRCC and the Executive Committee and quarterly to the Board of Directors. In addition, the CRO reports also – and without delay – any limit breach that would materially affect the Bank's risk profile. Moreover, all material incidents – considered to be any risk that creates a potential threat that could be assessed as having a 'Major' or 'Critical' impact to the business not only those with a monetary impact, – are recorded and analysed, including undertaking a detailed root cause analysis. Clear approval routines are in place to secure awareness and ensuring focus on key learnings and implementing mitigating actions, if any.

Management and Mitigation of Operational Risk

The operational risk management framework defines standards, tools and processes to support the organisation in proactively identifying, assessing, monitoring and managing, and mitigating operational risks to the largest extent possible at reasonable cost.

Moreover, management of operational risks is part of the management's responsibilities where the Bank aims to minimise the (financial) impact from any operational risk incidents experienced. The

Bank has a number of key processes used for the identification of these risks on a continuous basis, measuring risk exposures, as well as for the management of mitigating actions.

Incident Reporting

The Bank has an incident management process that defines detection, recording, escalation, assessment, investigation, response and recovery, reporting and closure roles and responsibilities. This ensures that all incidents, irrespective of impact categorisation, are reported accordingly, documented and managed appropriately and within the required timeframe to minimise the damage and prevent reoccurrence. Events of material significance (i.e. deemed critical or major) and/or any other event requiring to be reported to the competent authorities, must be thoroughly investigated and reported either upon detection or within the prescribed period as defined by the relevant regulation.

Project and Change Management (including Product Approval Process)

Risk associated with any change to the strategy, new products, services, and systems constitute a significant source of potential operational risks and requires risk assessment. This also includes activities in terms of market, client and/or pricing, organisational changes (incl. mergers/acquisitions, setting up of subsidiaries and/or branches, new client segments, decisions to outsource and any other initiatives within the Bank. These changes are analysed and subject to a formal internal risk assessment to ensure all the risks are well understood, mitigated, managed or are accepted before being subject to approval. This to ensure the Bank has the needed capabilities and risk capacity to handle.

Risk and Control Self Assessments (RCSAs)

All risks (incl. operational risk) are identified, assessed, and monitored through regular self-assessment processes (RCSAs), at least annually. The analysis also includes the assessment of the quality of internal controls, ensures that all material operational risks are captured, mitigated and re-assessed in a systematic and timely manner and identifies possible areas of improvements. The risk assessment process follows a defined methodology across the organization, with risk types being categorised in a risk universe and the use of a risk assessment matrix. As part of the efforts to strengthen and adapt the risk management framework within the Bank to the evolving business model, continuous enhancements are brought to the RCSA process and tools.

Third Party Risk Management

The Bank identifies, assesses, monitors, and manages all risks, in particular the operational risks resulting from its arrangements with third parties to which it is or might be exposed, including internal arrangements with branches and subsidiaries, as further depicted in the Third-Party Management Policy. The assessment focuses on scenarios of possible risk events, including high-severity operational risk events. Moreover, the Bank ensures that the suppliers have appropriate and sufficient ability, capacity, resources, organisational structure and, if applicable, the required regulatory authorisation(s) or registration(s) to perform the activity in a reliable and professional manner to meet their obligations over the duration of the contracts.

The third-party management framework has been further developed over 2024 and has been aligned with Digital Operations Resilience Act (DORA) requirements (EU Regulation 2024/1773), as applicable as from January 2025. It continues to adhere to CSSF circular 22/806 on Outsourcing Arrangements.

Business Continuity & Crisis Management (BC&CM)

BC&CM ensures that the Bank builds and maintains the appropriate levels of resilience and readiness to safeguard its shareholders, assets, employees, clients, reputation, the interest of the authorities and other stakeholders of the Bank, as well as the ability to continue activities, processes and services. Business Continuity requires pre-considered measures and actionable steps to be taken in preparation for unexpected and disruptive events. Crisis Management ensures that extraordinary events or crisis are identified, escalated, and managed to minimise impact.

Each department conducts a Business Impact Analysis (“BIA”) to identify critical resources, activities, services and dependencies on third parties, and to assess and document potential impacts and negative consequences of disruption on the department. Through the BIA process, which is reviewed annually, and regular business continuity testing, the Bank ensures that its business continuity framework remains proportionate and appropriate.

Exception Management

In some instances, for some legitimate business reasons, the Bank may proactively decide to accept a certain level of risk (e.g. inability to comply with a standard or procedure), and has subsequently established an Exception Management Procedure, which defines the methodology for managing exceptions throughout their entire lifecycle.

Whistleblowing Policy

Any employee observing possible misconduct, i.e. act of behaviours by employees or associates which are in conflict with the Bank’s Code of Conduct, or possibly violating laws and regulations, is encouraged to come forward and voice these concerns in accordance with a defined process.

Training and Awareness Programmes

The Bank has in place a risk & compliance training programme where all employees must undergo a programme of specific training modules and, for each one, pass an individual self-assessment test. The programme contains tailored trainings on; Anti-Bribery and Anti-Corruption; Anti-Money Laundering; General Data Protection Regulations (GDPR) and Information Security and Cyber Risk Awareness. In addition, the Bank regularly conducts information sessions for new joiners, and for existing staff, to ensure a common understanding of their roles, the three lines of defence model and the governance framework.

Data Governance Policy

The Bank is exposed to operational risks related to how data is processed, stored, archived and used. If data is managed poorly, or outside of the applicable regulatory requirements, the Bank could be subject to reputational damage and/or regulatory investigation. As such, the Bank has an established Data Governance Policy to support the implementation of guidelines, procedures and technical measures within the business to ensure that processing of data is performed in accordance with the applicable legal, regulatory requirements and industry best practices. The Bank recognises data as an

asset and as such its management must be subject to robust governance to ensure that it is appropriately managed, duly protected and of high quality.

Data quality is an important element of governance. Disparate redundant data is one of the primary contributing factors to poor data quality and can lead to operational risk events. Data should be of high quality, accurate, available in a timely manner, fit for purpose and used with consistency throughout the organisation over its lifecycle. Both Bank and employee data must be retained and protected to preserve business integrity as well as to comply with numerous legal requirements such as accounting, employment and anti-discrimination laws.

Furthermore, Client Data is subject to professional secrecy and banking secrecy rules in Luxembourg and in all the countries where the Bank operates. Some data types fall under the definition of Personal Data, which is governed by multiple data privacy regimes the principle amongst them being in the EU and UK General Data Protection Regulation (“GDPR”), (EU) 2016/679, and failing to follow these rules can lead to, as noted above, further operational and reputational risk, as well as regulatory investigation and possible fines. In this context, the Bank has established a Privacy Protection Policy to support the implementation of procedures and technical measures to be able to demonstrate that processing of Personal Data and privacy protection is performed in accordance with all applicable legal and regulatory requirements in the various jurisdictions where Bank operates.

The Bank is committed to compliance with all relevant legislation, including data protection laws such as EU GDPR, UK GDPR, Personal Data Protection Act (“PDPA”) Singapore and Australian Data Privacy Principles. Appropriate data protection is the foundation of trustworthy business relationships and ensures the Bank’s business and reputation remains sound.

Compliance governance

The Bank has, in accordance with regulation, established a Compliance function with a dedicated team which is headed by the appointed CCO covering the full legal entity including the branches and subsidiaries.

The Compliance function is part of the Bank’s second line of defence and is in charge of the anticipation, identification, measurement, monitoring, control and reporting of all compliance related risks, including regulatory and financial crime risks, to which the Bank is or may be exposed. It is the purpose of the Compliance function to control and minimise compliance risk, which is defined as the risk that the Bank may suffer as a result of its failure to comply with applicable laws, regulations, code of conduct and standards of good practice. Compliance risk comprises regulatory risk, including the risk of sanctions and certain aspects of operational risk.

The Bank also has in place a first line of defence Business AML Team. The objectives of the function are to anticipate, identify and assess and monitor the AML risks of the customers and activities of the Head Office and branches of the Bank as defined the AML/CTF Policy and the AML/CTF Risk Appetite Policy, and to assist Authorised Management in limiting and mitigating these risks.

7.2 Operational risk exposure

The total capital requirement for operational risk under Pillar I amounts to EUR 19,921,938. This amount has been calculated using the basic indicator approach (BIA) i.e. 15% of operating income. In addition, the operational risk exposure is also projected as an integrated part of financial planning⁹.

⁹ In 2024, operational risk was calculated using the Basic Indicator Approach under CRR2, applying a 15% charge. Starting 1 January 2025, a 12% charge will be applied in accordance with the Business Indicator Component Approach under CRR3.

Template EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

Banking activities (Unit: EUR)		a	b	c	d	e
		Relevant indicator			Own funds requirements	Risk weighted exposure amount
		2022	2023	2024		
1	Banking activities subject to basic indicator approach (BIA)	47,150,794	126,287,742	225,000,218	19,921,938	249,024,221
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches					
3	<u>Subject to TSA:</u>					
4	<u>Subject to ASA:</u>					
5	Banking activities subject to advanced measurement approaches AMA					

8. Other risks

8.1 Exposures in equities in the banking book

As of 31 December 2024, the Bank held exposures in equities in its banking book of EUR 15,029,383.

8.2 Exposures to securitisation positions

As of 31 December 2024, the Bank acting as an investor held exposures in securitisations positions of EUR 164,064,838.

9. Remuneration

9.1 Qualitative information on remuneration

9.1.1 Remuneration Policy

The Board of Directors is the body overseeing the remuneration policy and process and has implemented a Remuneration Policy providing guidelines on compensation and benefits at the Bank in line with its activities, business strategy, objectives, culture and values, as well as long-term interests, including environmental, social and governance risks. The number of meetings held by that main body during the financial year was 4.

The Remuneration Policy applies to all members of the Bank's staff, including Authorised Management, with specific provisions on variable remuneration applicable to material risk takers. Furthermore, the Policy applies to any Remuneration awarded to the Board of Directors.

9.1.2 Decision-making process used for determining the Remuneration Policy

In line with the EBA Guidelines, and CSSF requirements, the Bank applies remuneration principles proportionate to its size, nature, scope, complexity of its activity and internal organisation.

In line with the principle of proportionality and so as to provide further guarantees in terms of independence, the implementation of the Policy by the Board of Directors is subject, on an annual basis, to a review by the Risk and Compliance functions, as regards to its compliance with the applicable regulations and the principles and procedures defined by the Board. Any conflicts of interest are therefore avoided since none of the members of the Board of Directors are involved in any executive function within the Bank, hence allowing for complete independence.

The findings are communicated to the Control Functions and the Board of Directors. The latter is responsible for ensuring that any actions following the review are duly dealt with.

The Internal Audit Function periodically (at least on an annual basis) carries out an independent audit of the design, implementation and effects of the Bank's Remuneration Policy.

The People Function assists the Board of Directors in determining the overall remuneration strategy applicable, having regard to the promotion of effective risk management. The People department is responsible for its regular review with the assistance of the Legal and Control Functions. It is responsible for the preparation and update of the Policy, monitoring of the consistent application of the Policy and the contractual implementation of applicable terms. Moreover, the People Function together with the Control Functions conducts an annual assessment of which persons should be deemed to be material risk takers. The identification process is reviewed by the Authorised Management and validated by the Board of Directors, which has overall responsibility for the Policy.

9.1.3 Ratios between fixed and variable remuneration

The total amount of variable remuneration awarded to any member of staff is limited to a certain percentage of their total fixed remuneration, depending on their function within the Bank. Subsequently, the variable remuneration may not exceed thresholds defined internally and externally by the regulatory authorities. In some exceptional cases, variable remuneration of material risk takers

may exceed the described thresholds, however, never exceeding 200% of the fixed remuneration. In such cases, the procedure set out in Art. 94 (g) of CRD V (and CSSF Circular 15/622) applies.

9.1.4 Performance criteria on which the entitlement to shares, options or variable components of remuneration is based

The Bank has a global bonus scheme in place, which is applicable to the Bank's staff, including Authorised Management.

Bonuses awarded under this Bonus Programme are primarily in the form of Options, which are share-based instruments providing the recipient with a right to subscribe for a share in the ultimate parent company of the Bank (or receive cash equivalents upon exercise of the Option). Any Option awarded is subject to the Bonus Programme which is based on the following key principles:

- The exercise is subject to the occurrence of certain well-defined exercise events, among which is a transfer of significant parts of the shares of the Bank, directly or indirectly, to a party independent of the present owners;
- Options are subject to a vesting mechanism, according to which recipients' ownership rights in the Options are conditional through a period of five years after award of the Option;
- Leaver mechanisms apply to Options, meaning that the recipient may forfeit their Options if their employment with the Bank is terminated by the recipient or by the Bank for cause, including by reason of potential breach of conduct rules or similar.

The Options Programme thus provides a high degree of alignment between the long-term interests of the Bank and its employees, including in terms of sustainability of its financial position and business, and compliance with laws and regulations. Furthermore, the fact that a large majority of staff, including Authorised Management, is eligible for variable remuneration (either in the form of Options or in cash). Sales staff which are part of the sales commission programme, are cash-based. The Bank considers that this approach does not impair the financial and liquidity position of the Bank, since the costs of issuing Options are borne by the indirect shareholders of the Bank. To encompass a need for special recognition of staff, the Remuneration Policy also allows for a so-called 'Pat on the back', which is a one-off compensation payable either in cash, options or in the form of one or more non-pay benefits, subject to approval by Authorised Management, CCO and CRO. This particular bonus is intended to have very limited use.

The Bank uses a set of performance criteria, which are the basis for the annual assessment of performance. The performance criteria consist of an appropriate combination of financial (quantitative) and non-financial (qualitative) performance criteria. The performance criteria are determined up-front and adequately balanced to take into account the employee's position and responsibilities. To the extent possible, the performance criteria include achievable, measurable and flexible objectives and measures on which the employee has some direct influence. Negative non-financial performance in the form of unethical or non-compliant behaviour must override any good financial performance generated by the Bank and the business unit or the member of staff.

The individual variable remuneration is based on the annual assessment of performance carried out by each direct report (Manager) with respect to members of his/her business unit. The individual variable remuneration of the Authorised Management and the Heads of Control Functions are based on an annual assessment of performances carried out by the Board of Directors. Evaluation of

performance criteria are in accordance with the performance management programme, developed and maintained by the People department and approved by Authorised Management. The final attribution of variable remuneration on an aggregate level, is to be reviewed by the Board of Directors as to ensure the allocated amounts are defined as being within the remuneration budget, as well as reflecting overall evaluation results.

Individual performance is in any case assessed taking into account a balance of qualitative and quantitative objectives. In order to demonstrate a clear link between performance over time and variable remuneration:

- Quantitative criteria consists of overall strategic targets or personal objectives set by management and cascaded down to the employee (i.e. financial or non-financial criteria depending on the (i) the business activity and (ii) the roles and responsibilities of the employee). These personal objectives shall be in line with the Bank's overall business strategy and objectives.

Furthermore, for Internal Control Functions, their personal objectives shall be comprised only of non-financial criteria linked to their respective function.

- Qualitative criteria consist of behavioural competencies and the Bank's values, which are attributed on the basis of the employee's roles and responsibilities within the Bank. These competencies may include teamwork, cooperation with other business units and Control Functions, motivation, and flexibility, and link to the Bank's values.

In addition to the above-mentioned criteria, individual performance shall be assessed in light of the employee's adherence to the Bank's risk management policy, as well as the regulatory framework. Any identified breach of these internal and external rules shall substantially impact the amount of variable remuneration paid to the employee. In the event of a serious breach or repeated breaches, no variable remuneration shall be awarded.

In order to ensure transparency and alignment with the Bank's business strategy, long-term interests, individual targets are reviewed on several occasions during the year as to ensure regular individual feedback to employees. If market conditions or the business strategy changes during the year, adjustments to performance indicators may occur after due consultation with affected staff.

9.2 Quantitative information on remuneration

In accordance with applicable laws and regulations, including the Remuneration Policy, the Bank imposes certain particular restrictions on fixed and variable remuneration awarded to key individuals in the organisation, identified under the common term "Material Risk Takers".

The identification of Material Risk Takers in the Bank is based on an assessment of roles, responsibilities and actual mandates held by certain positions or individuals which may be deemed as having or potentially having a material impact on the Bank's risk profile based on their authority and responsibilities and risk and performance indicators. The set of criteria includes, but is not limited to, the following overall perspectives and indicators:

- Total Annual Remuneration
- Access to and control over financial instruments and investment of company funds

- Senior managerial responsibilities
- Control and compliance functions, including associated roles

In addition, any other staff who should be deemed to have a material impact on an institution’s risk profile shall also be considered Material Risk Takers, based on the criteria mentioned above.

More specifically, employees whose total annual remuneration (fixed + variable) exceed EUR 500,000 will be considered as a Material Risk Taker. Further, for employees whose total annual remuneration is equal to or larger than the average remuneration awarded to Senior Management, it should be considered specifically whether such employees should be identified as Material Risk Takers, if the employee in question is considered to have or potentially could have a material impact on the risk profile of the Bank.

The rationale behind the above-mentioned threshold on total annual remuneration is that employees above this remuneration bracket is pre-determined to hold a key position and be involved in key activities that may impact the risk profile of the Bank and with exposure to key decision making.

Employees who have been identified as Material Risk Takers are covered by the principles and practices as stated in the Remuneration Policy in regard to considerations pertaining to their individual remuneration on fixed a variable pay and the threshold associated with being considered a Material Risk Taker.

The Chief People Officer and the Internal Control Functions are responsible for making the final decision on whether an employee is to be considered as a Material Risk Taker.

The Bank maintains a record of the assessment made and of the staff whose professional activities have been identified as having a material impact on their risk profile to enable the competent authority and auditors to review the assessment. The record is conducted each year by the Chief People Officer, with the assistance and input from the CCO, the CRO and the CIA, acting as control functions.

The Bank has identified the following 20 Material Risk Takers functions:

	List of Material Risk Takers
1	Chief Executive Officer
2	Chief Financial Officer
3	Chief Operations Officer
4	Chief Compliance Officer
5	Chief Internal Auditor
6	Chief Risk Officer
7	Head of Legal
8	Head of Treasury
9	Head of Credit
10	Chief Business Officer (in the capacity of UK Branch Manager) ¹⁰

¹⁰ The role of UK Branch manager was appointed to Head of Institutional banking in June 2024.

11	Head of Business AML
12	Head of Global Core Operations (in the capacity as appointed SMF, UK Branch)
13	Chief Sales Officer (in the capacity as appointed SMF, UK Branch)
14	Money Laundering Officers in each Branch
15	Chief People Officer
16	Chief Information Officer/Head of Engineering (also in the capacity of DK Branch Manager)
17	Information Security Officer
18	Data Protection Officer
19	Chief Revenue Officer / Chief Commercial Officer
20	DE Branch Manager
Grand total	20 MRTs

Template EU REM1 - Remuneration awarded for the financial year¹¹

			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	3	3	19	
2		Total fixed remuneration	258,500	1,578,915.00	4,729,471.70	
3		Of which: cash-based		1,578,915.00	4,729,471.70	
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests				
5		Of which: share-linked instruments or equivalent non-cash instruments				
EU-5x		Of which: other instruments				
6		(Not applicable in the EU)				
7		Of which: other forms				
8		(Not applicable in the EU)				
9	Variable remuneration	Number of identified staff				
10		Total variable remuneration		1,599,834.24	2,715,709.00	
11		Of which: cash-based		1,200,000.00	1,404,853.00	
12		Of which: deferred				
EU-13a		Of which: shares or equivalent ownership interests				
EU-14a		Of which: deferred				
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments				
EU-14b		Of which: deferred				
EU-14x		Of which: other instruments				
EU-14y		Of which: deferred		399,834.24	1,310,856.00	
15		Of which: other forms				
16		Of which: deferred				
17	Total remuneration (2 + 10)			3,178,749.24	7,445,180.70	

¹¹ The table depicts the fixed remuneration between January – December 2024, while variable remuneration is the allocation of options awarded in July 2025, for 2024 performance review.

Template EU REM4 - Remuneration of 1 million EUR or more per year

	EUR	Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	0
2	1 500 000 to below 2 000 000	1
3	2 000 000 to below 2 500 000	0
4	2 500 000 to below 3 000 000	0
5	3 000 000 to below 3 500 000	0
6	3 500 000 to below 4 000 000	0
7	4 000 000 to below 4 500 000	0
8	4 500 000 to below 5 000 000	0
9	5 000 000 to below 6 000 000	0
10	6 000 000 to below 7 000 000	0
11	7 000 000 to below 8 000 000	0

One staff member has been remunerated between EUR 1,500,000 and EUR 2,000,000 for the period January 2024 to December 2024.

For further quantitative information on remuneration, please refer to the Bank's financial statement.

10. Environment, Social and Governance (ESG) Risks

10.1 Definition

The Bank is committed to ensuring it is, and remains, sustainable. The Bank believes this is achieved by reducing its exposure to social and environmental risks. BC recognises that the perception and awareness of ESG risks has evolved over the years, as well as the regulatory focus, and the importance of integrating ESG factors into its operations, decision-making, and reporting processes. As such, BC is committed to identify, assess, mitigate and monitor in a way that is both compliant with regulations, and proportionate to its operations, size and complexity.

Climate Related Risk

The commitment to sustainability is central to its mission to promote responsible operations, financial inclusion, and long-term value creation for its stakeholders. The Bank has assessed that climate related risks, while not currently material to its core business operations, may pose unknown long-term challenges to its business operations. The risk appetite for environmental factors reflects a commitment to compliance, operational sustainability, and proactive risk management. The Bank must ensure that climate related risks are considered as part of its core processes, including but not limited to, credit and counterparty risk assessments, treasury processes, third party risk management, product approvals, client onboarding and internal HR processes. This will ensure that the risks are managed, controlled, mitigated and monitored.

Social Risks

Social risks form part of the Bank's wider business and HR strategies and include focus on equality, social integration and diversity matters. These are managed through the various policies already in existence, including its Diversity and Inclusion (DEI) Policy, as well as the employee Handbook and code of conduct.

Social factors are considered material to the business and integral to fostering a sustainable, inclusive, and ethical operating environment. The risk appetite prioritises equity, ethical practices, and overall focused on stakeholder alignment. The Bank is committed to continue to invest in its workforce and ensures staff are supported, both in personal and career ambitions.

Governance Risks

Strong governance practices are central to the Bank's operations, ensuring integrity, accountability, and alignment with stakeholders. The governance risk appetite reflects the importance of transparency and ethical conduct and ensures clear and accurate ESG reporting, where applicable. The Bank monitors various governance related targets, not limited to, board diversity, ESG oversight responsibilities, and compliance performance, which are reported and published annually in the relevant ESG disclosures.

The Bank will strive to avoid establishing business relationships with stakeholders that do not nor have any intention to meet its standards. In this spirit, the Bank has a zero tolerance for non-compliance

with violations towards Human Rights and Labour Standards (forced labour, child labour) including UK Modern slavery act; Anti-Corruption and Anti-Bribery regulation; Anti-Harassment procedures as described in Employee handbook; and Anti-discrimination as described in DEI Policy.

The Bank continues to monitor ESG developments as they evolve in the wider market including the jurisdictions it operates in and will adjust its actions appropriately and accordingly to ensure this risk continues to be mitigated sufficiently, and within the risk appetite as set by the Board.

That said, the Bank remains committed to continued transparency with its stakeholders on sustainability related issues.

As at end of December 2024, the Bank did not apply any specific climate related risk indicators or appetite to its Risk Appetite Policy. The Bank concluded that ESG risks, specifically climate risk, remains insignificant, and thus no capital requirement has been added under Pillar 2.

Furthermore, it has been confirmed that the CSRD requirements has yet to be transposed into Luxembourgish law, thus the Bank will continue to publish its NFRD report (alongside its financial statement) until further clarity re CSRD is known.

11. Declaration on the Adequacy of Risk Management Arrangements

Declaration by the Management Body

As required under Article 435(1)(e) of Regulation (EU) No 575/2013 of the CRR, the management body of the Company has approved that:

Risk Management Framework

The Bank has established a comprehensive risk management framework that encompasses all relevant risks to which the Bank is exposed. This framework includes policies, procedures, and systems designed to identify, measure, monitor, and manage risks effectively.

Governance and Oversight

The Bank has put in place robust governance structures to oversee the risk management process. This includes the formation of key committees such as the Governance Risk and Compliance Committee, Financial Assets and Liabilities Committee, both with clearly defined roles and responsibilities.

Risk Appetite and Strategy

The Bank has defined a clear risk appetite statement, approved by the management body, which outlines the level and types of risk the Bank is willing to accept in pursuit of its strategic objectives. The risk appetite is regularly reviewed and aligned with the Bank's overall strategy and business plan.

Risk Identification and Assessment

The Bank has implemented effective processes for the continuous identification and assessment of risks, including credit risk, market risk, operational risk, liquidity risk, and other material risks. Regular risk assessments and stress tests are conducted to evaluate the Bank's risk profile under various scenarios.

Internal Controls and Risk Mitigation

Adequate internal controls are in place to mitigate identified risks. This includes the implementation of risk limits, controls, and mitigation strategies to manage and reduce the impact of risks on the Bank's operations.

Reporting and Communication

The Bank ensures transparent and timely reporting of risk-related information to the management body and relevant stakeholders. This includes regular risk reports, which provide insights into the Bank's risk exposures and management actions.

Continuous Improvement

The Bank is committed to continuously enhancing its risk management practices by incorporating industry best practices, regulatory guidance, and feedback from internal and external audits. Ongoing training and development programs are in place to ensure that staff are equipped with the necessary skills and knowledge to manage risks effectively.

Based on the above, the risk management arrangements, including the liquidity risk management arrangements, of the Bank are adequate with respect to the Bank's activities, risk profile and strategy. The management body ensures that these arrangements are periodically reviewed and adapted to changing circumstances to maintain their effectiveness.



Wolfgang Gaertner

Board Chairman



Tomas Leonardo Mendoza-Gutfreund

by proxy on behalf of Mads Munkholt Ditlevsen,
Vice-Chairman and Board Member



Tomas Leonardo Mendoza - Gutfreund

Board Member

12. Appendices

12.1 Disclosure Index

#	Source	Disclosure Reference	Name	Reference Section
1	EBA/GL/2016/11	EU KM1	Key metrics template	Section 1.1
2	EBA/GL/2016/11	EU OVA	Institution risk management approach	Section 2.4.1
3	EBA/GL/2016/11	-	Directorships and recruitment policy	Section 2.4.2
4	EBA/GL/2016/11	-	Differences between accounting and regulatory scopes of consolidation	Section 2.4.3
5	EU 1423/2013	EU CC1	Own funds disclosure template	Section 3.1
6	EU 1423/2013	EU CC2	Reconciliation of regulatory own funds to balance sheet in the audited financial statements	Section 3.1
7	EBA/GL/2016/11	EU OV1	Overview of RWAs	Section 3.3.1
8	EU 2015/1555	EU CCyB1	Geographical distribution of credit exposure relevant for the calculation of the countercyclical capital buffer	Section 3.2.2
9	EU 2015/1555	EU CCyB2	Amount of institution-specific countercyclical capital buffer	Section 3.2.2
10	EU 2016/200	LRQua	General qualitative information about leverage	Section 3.4
11	EU 2016/200	EU LR1	Summary reconciliation of accounting assets and leverage ratio exposures	Section 3.4
12	EU 2016/200	EU LR2	Leverage ratio common disclosure	Section 3.4
13	EU 2016/200	EU LR3	Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	Section 3.4
14	EU 2016/200	EU LIQ2	Net Stable Funding Ratio	Section 3.5
15	EBA/GL/2016/11	EU CRA	General qualitative information about credit risk	Section 4.1
16	EBA/GL/2016/11	EU CRD	Qualitative disclosure requirements on institutions' use of external credit ratings under the standardized approach for credit risk	Section 4.2
17	EBA/GL/2016/11	EU CR4	Standardised Approach – Credit risk exposure and CRM effects	Section 4.2
18	EBA/GL/2016/11	EU CQ3	Credit quality of performing and non-performing exposures	Section 4.3

19	EBA/GL/2016/11	EU CRC	Qualitative disclosure requirements related to CRM techniques	Section 4.4
20	EBA/GL/2016/11	EU CR1	Performing and non-performing exposures and related provisions	Section 4.4
21	EBA/GL/2016/11	EU CR5	Standardized approach	Section 4.4
22	EBA/GL/2016/11		Qualitative disclosure requirements related to CCR	Section 4.5
23	EBA/GL/2016/11	EU AE1	Encumbered and unencumbered assets	Section 4.6
24	EBA/GL/2016/11	EU AE3	Sources of encumbrance	Section 4.6
25	EBA/GL/2016/11	EU MRA	Qualitative disclosure requirements related to market risk	Section 5.1
26	EBA/GL/2016/11	Table 4	Disclosure requirements related to IRRBB	Section 5.1
27	EBA/GL/2016/11	EU MR1	Market risk under the standardized approach	Section 5.2
28	EBA/GL/2016/11	EU LIQA	Liquidity risk management	Section 6.1
29	EU 2017/2295	EU LIQ1	Quantitative information LCR	Section 6.2
30	EU 2017/2295	EU LIQB	Qualitative information on LCR which complements the LCR disclosure template	Section 6.2
31	EBA/GL/2016/11	EU ORA	Qualitative Information about operational risk	Section 7.1
32	EBA/GL/2016/11	EU OR1	Operational risk own funds requirements and risk-weighted exposure amounts	Section 7.2
33	EBA/GL/2016/11	-	Qualitative information on exposures in equities in the banking book	Section 8.1
34	EBA/GL/2017/01	-	Qualitative information about exposure to securitization positions	Section 8.2
35	EBA/GL/2017/01	-	Qualitative and appropriate quantitative criteria to identify categories of staff whose professional activities have a material impact on an institution's risk profile	Section 9.1
36	EBA/GL/2017/01	-	Remuneration policy	Section 9.1.1
37	EU 575/2013	-	Information about the “identified” staff	Section 9.1.2
38	EU 575/2013	-	Information on decision making for determining remuneration policy	Section 9.1.3
39	EU 575/2013	-	Information on the link between pay and performance	Section 9.1.4
40	EU 575/2013	-	Most important design characteristics of the remuneration system	Section 9.1.4

41	EBA/GL/2014/08	-	The ratios between fixed and variable remuneration	Section 9.1.3
42	EBA/GL/2015/22	-	Performance criteria for variable remuneration	Section 9.1.4
43	EBA/GL/2015/22	-	The main parameters and rationale for any variable component scheme and any other cash benefits	Section 9.1.4
44	EBA/GL/2015/22	-	Information on remuneration for all staff	Section 9.2
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46	EBA/GL/2015/22	EU REM1	Remuneration awarded for the financial year	Section 9.2
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48	EBA/GL/2015/22	-	Introduction to Environment, Social and Governance (ESG) Risks	Section 10

12.2 Templates not disclosed

The following templates are not disclosed in this document, despite being applicable to the Company, since there is nothing to disclose in the report. i.e. blank template.

- EU CQ1: Credit quality of forborne exposures
- EU CQ7: Collateral obtained by taking possession and execution processes
- EU CVA4: RWEA flow statements of credit valuation adjustment risk under the standard approach
- EU REM2: Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)



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