Andbank Luxembourg

2023 Pillar III Disclosure Report

Glossary

ALCO – Asset and Liabilities Committee

AML/CFT – Anti-Money Laundering and Combating the Financing of Terrorism

BCP – Business Contingency Plan

BIA – Basic Indicator Approach

BoD – Board of Directors

CET 1 – Common Equity Tier 1

CRD – Capital Requirement Directive

CR&E – Climate-Related and Environmental risks

CRR – Capital Requirements Regulation

CSSF – Commission de Surveillance du Secteur Financier

DRP – Disaster Recovery Plan

KRI – Key Risk Indicator

KYC – Know Your Client

LCR – Liquidity Coverage Ratio

LtD – Loan-to-Deposit ratio

MiFID – Markets in Financial Instruments Directive

NPL – Non Performing Loan

RCSA – Risk & Control Self Assessment

RM – Risk Management department

SA – Standardised Approach

VBP – Value Basis Point

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1 Introduction & General Requirements for disclosure (EU OVA)

This report provides Pillar III disclosure for Andbank Luxembourg S.A (the "Bank") on an individual basis as of 31st December 2023. The aim of the Pillar III standards is to improve comparability and consistency of disclosures through the introduction of a harmonised disclosure report.

The objective of this report is to present to the stakeholders the risk assumed by Andbank Luxembourg S.A. throughout the on-going of banking activities, market strategy and Risk Management framework as well as the corporate governance and the own funds regulatory provisions to face losses in case of unexpected events.

The document aims to provide disclosure on different topics as required by the Basel framework, enforced in the European Union by the Directive 2019/876 ("CRD V") amending the Directive 2013/36 ("CRD IV") and the Regulation 876/2019 ("CRR II") amending the Regulation 575/2013 ("CRR").

Despite the Bank is qualified as Small and Non-Complex institution from 01st July 2024, the Bank decided to disclose information as per Art. 433 (c). The Bank has not sought any exemption from the disclosure requirements on the basis of materiality or on the basis of proprietary or confidential information. This disclosure is made annually and published as soon as practicable after the publication of its Annual Report and Financial Statement. The Bank will reassess the frequency of disclosure in light of any material change in its business structure, the approach used for the calculation of capital or regulatory requirements.

This Pillar III report has been drafted by the Chief Risk Officer, approved by the Authorised Management ("AM") and the Joint Specialised Committee ("JSC"), and ultimately approved by the Board of Directors ("BoD") on 19th September 2024.

These approvals are a declaration on the adequacy of the risk management arrangements of the institution providing assurance that the risk management systems in place are adequate for the Bank's profile and strategy. The Bank's overall risk profile as presented in the document is considered to be moderate to low and in line with its risk tolerance and business model. Indeed, the Bank is very well capitalised with a Capital ratio at 46.16% and shows a strong liquidity profile with a Liquidity Coverage Ratio ("LCR") at 326.9% as illustrated in the Table 1: Template EU KM1.

2 Key prudential metrics (EU KM1)

As per the Article 433 (c) of the CRR 2, the Bank shall disclose on an annual basis information on the key metrics using Table 1: Template EU KM1.

		a	b	c	d	e
		31/12/2023	30/09/2023	30/06/2023	31/03/2023	31/12/2022
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	44,374,026	44,128,559	46,603,628	42,940,568	42,598,293
2	Tier 1 capital	44,374,026	44,128,559	46,603,628	42,940,568	42,598,293
3	Total capital	44,374,026	44,128,559	46,603,628	42,940,568	42,598,293
	Risk-weighted exposure amounts					
4	Total risk exposure amount	96,131,078	98,868,039	105,466,718	101,874,683	100,780,962
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	46.16%	44.63%	44.19%	42.15%	42.27%
6	Tier 1 ratio (%)	46.16%	44.63%	44.19%	42.15%	42.27%
7	Total capital ratio (%)	46.16%	44.63%	44.19%	42.15%	42.27%
	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 (%)	3.00%	3.00%	3.00%	3.00%	3.00%
EU 7b	of which: to be made up of CET1 capital (percentage points)	56.25%	56.25%	56.25%	56.25%	56.25%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	75.00%	75.00%	75.00%	75.00%	75.00%
EU 7d	Total SREP own funds requirements (%)	11.00%	11.00%	11.00%	11.00%	11.00%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.82%	0.78%	0.51%	0.28%	0.23%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
11	Combined buffer requirement (%)	3.32%	3.28%	3.01%	2.78%	2.73%
EU 11a	Overall capital requirements (%)	14.32%	14.28%	14.01%	13.78%	13.73%
12	CET1 available after meeting the total SREP own funds requirements (%)	35.16%	33.63%	33.19%	31.15%	31.27%
	Leverage ratio					
13	Total exposure measure	494,668,542	484,533,993	427,299,830	498,800,950	570,547,542
14	Leverage ratio (%)	8.97%	9.11%	10.91%	8.61%	7.47%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	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 (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	163,285,627	202,463,709	240,789,594	255,208,241	236,909,040
EU 16a	Cash outflows - Total weighted value	135,346,681	163,325,348	195,602,094	200,918,497	183,688,168
EU 16b	Cash inflows - Total weighted value	53,143,728	42,782,213	37,285,449	36,748,238	39,646,551
16	Total net cash outflows (adjusted value)	82,202,953	120,543,136	158,316,645	164,170,259	144,041,617
17	Liquidity coverage ratio (%)	198.64%	167.96%	152.09%	155.45%	164.47%
	Net Stable Funding Ratio					
18	Total available stable funding	250,241,630	246,395,127	249,402,182	240,984,667	260,863,406
19	Total required stable funding	166,127,781	172,500,423	175,167,431	184,972,229	189,722,415
20	NSFR ratio (%)	150.63%	142.84%	142.38%	130.28%	137.50%

Table 1: Template EU KM1

3 Andbank Luxembourg

3.1 Bank’s overview

Andbank Luxembourg S.A. is a wholly owned subsidiary of Andorra Banc Agrícol Reig S.A (hereinafter referred to as the "Parent Company") based in Andorra.

Andbank is a bank under Luxembourg law belonging to the Andbank Group (hereinafter referred to as the "Group"). The Bank is a Société Anonyme (public limited company) incorporated on 23 November 2009 for an indefinite period.

The Parent Company is the result of the merger of two Andorran banks: Banca Reig S.A. and Banc Agricol I Commercial d’Andorra S.A. The merger took place in 2001 and marked the starting point of the creation of the Group. The merged banks were specialised in Private Banking since 1930.

The Bank’s business strategy aims at pursuing and supporting the Group’s strategy of developing and evolving the private banking business model.

The Bank's corporate object is to receive deposits and other funds repayable to individuals and to offer all services that a bank may perform in accordance with Luxembourg law, including those of an investment company. On case by case basis, the Bank might grant credit facilities mainly linked to the private banking activity (i.e. Lombard credit lines or leveraged loans). The Bank may also make investments of any kind in companies based in Luxembourg or abroad, through the purchase, sale, exchange or other of equities, bonds, bond certificates or any other securities, as well as administer, develop and manage its own portfolio. The Bank may lend or borrow preferably with underlying collateral, although there might be the case where collateral might not be available. The borrowed funds are solely used for the Bank's objective or that of the Bank’s subsidiaries or affiliated companies. Overall, Andbank Luxembourg’s core business is to provide private banking services to its clients.

3.2 Governance (EU OVB)

As per the Article 433 (c) of the CRR 2, the Bank shall disclose information on governance arrangements using Table 2: Template EU OVB . To ease the reading, the relevant information is provided as free text in the following chapters.

Legal basis	Row number	Qualitative information - Free format	Disclosure chapter
Point (a) of Article 435(2) CRR	(a)	The number of directorships held by members of the management body.	Chapter 3.2.1

Legal basis	Row number	Qualitative information - Free format	Disclosure chapter
Point (b) of Article 435(2) CRR	(b)	Information regarding the recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise.	Chapter 3.2 and Appendix 12.1
Point (c) of Article 435(2) CRR	(c)	Information on the diversity policy with regard of the members of the management body.	Chapter 3.2
Point (d) of Article 435(2) CRR	(d)	Information whether or not the institution has set up a separate risk committee and the frequency of the meetings.	Not included in the scope of Art. 433 (c)
Point (e) Article 435(2) CRR	(e)	Description on the information flow on risk to the management body.	Not included in the scope of Art. 433 (c)

Table 2: Template EU OVB

3.2.1 Executive management bodies

3.2.1.1 Board of Directors

The Bank has put in place a policy for selecting and assessing members of the management body and/or key function holders. This policy complies with the internal governance principles and refers to the criteria of CSSF Circular 12/552 as amended. This policy also includes diversity principles in the individual and collective assessment of the BoD and key functions, which are as follow:

- Age;
- Gender;
- Geographical origin;
- Residence country;
- Educational & professional background.

The Bank also informs by formal letter sent to CSSF about any appointments. For the appointments of a member of the management body and/or a key function holder, the Bank should wait for CSSF's no objection letter.

The BoD as a whole has appropriate skills with regard to the nature, scale and complexity of the activities and the organisation of the Bank. As a collective body, the BoD fully understands all activities (and inherent risks) as well as the economic and regulatory environment in which the Bank operates. Each member of the BoD has a complete understanding of the internal governance arrangements and her/his responsibilities within the Bank. The members of the BoD control the activities falling within their areas of expertise and have a sound understanding of the other significant activities of the Bank.

The Bank assesses the suitability of the appointee with fit and proper declarations (from Bank and from appointee), collective assessment, Curriculum Vitae, extract of criminal records (Luxembourgish and residency) and copy of the ID. The members of the BoD ensure that their personal qualities enable them to properly perform their Director's mandate with the required commitment, availability, objectivity, critical thinking and independence. The members of the BoD make sure that their director's mandate is and remains compatible with any other positions and interests they may have, in particular in terms of conflicts of interest and availability. They are requested to inform the BoD of the mandates they have outside the Bank.

The BoD has the overall responsibility for the Bank. In this respect, the BoD is invested with the broadest powers to perform all acts of administration and disposition in the Bank's interest to ensure execution of activities and to promote its business continuity. The professional qualifications and the full professional biographies of all Directors are maintained and monitored by the Human Resources department of the Bank.

The BoD, the highest responsible body of the Bank, is responsible for establishing, documenting and communicating to the AM the risk strategy and risk appetite of the Bank, outlining the main principles and objectives governing risk taking and risk management. It guarantees the correct execution of the activities and oversees the continuity of the business and its profitability.

The BoD of the Bank is composed of six members that hold the following directorships, according to the last available data provided. As of December 2023, Mr MORA-FIGUEROA Jose replaced Mrs PEREZ NIVELA Isabela Carlos as independent director.

Board of Directors members	Function	Directorships*
Alberto Garfunkel	Chairman	4
Ricardo Rodríguez Fernández	Managing Director	3
José Luis Muñoz Lasuén	Director	8
Josep Xavier Casanovas Arasa	Director	7
Gerard Estrada Ventura	Director	1
Jose Mora-Figueroa	Independent Director	0

Table 3: Directorships BoD's members

*Excluding the one of the Bank

3.2.1.2 Authorised Management

The AM is composed of two permanent members and is responsible for the effective, sound and prudent handling of the regular everyday business of the Bank and its associated risks. The AM shall constructively and critically assess all the proposals, explanations and information submitted to it for decision.

3.2.2 Risk Management department

The Risk Management ("RM") department promotes an internal risk culture aiming at improving staff awareness for sound and prudent operational management. It is also accountable for the identification, mitigation, management and reporting of all the risks to which the institution is, or may be, exposed. In addition, the RM department ensures that the strategies, activities and organisational and operational structure are compatible with internal and regulatory requirements. It monitors compliance with these limits and, in case of breach, ensures that they are remedied as soon as possible. Thus, the RM department shall ensure that the terminology, methods and technical resources used are consistent and effective.

The RM department directly reports to the BoD, the AM, the JSC and related business units.. The reporting task is divided on different timeframes (daily, monthly, quarterly or annually) depending on the information.

4 Risk Management Framework (EU OVA)

As per the Article 433 (c) of the CRR 2, the Bank shall disclose risk management and policies information using Table 4: Template EU OVA. To ease the reading, the relevant information is provided as free text in the following chapters.

Legal basis	**Row number**	**Qualitative information - Free format**	**Disclosure chapter**
Point (f) of Article 435(1) CRR	(a)	Disclosure of concise risk statement approved by the management body	Chapter 4.2
Point (b) of Article 435(1) CRR	(b)	Information on the risk governance structure for each type of risk	Not included in the scope of Art. 433 (c)
Point (e) of Article 435(1) CRR	(c)	Declaration approved by the management body on the adequacy of the risk management arrangements.	Chapter 1;
Point (c) of Article 435(1) CRR	(d)	Disclosure on the scope and nature of risk disclosure and/or measurement systems.	Not included in the scope of Art. 433 (c)
Point (c) of Article 435(1) CRR	(e)	Disclose information on the main features of risk disclosure and measurement systems	Not included in the scope of Art. 433 (c)
Point (a) of Article 435(1) CRR	(f)	Strategies and processes to manage risks for each separate category of risk.	Chapters 4.1,7,8,9,10,**Error! Reference source not found.**
Points (a) and (d) of	(g)	Information on the strategies and processes to manage, hedge and mitigate risks, as well as on the	Not included in the scope of Art. 433 (c)

Article 435(1) CRR		monitoring of the effectiveness of hedges and mitigants.	

Table 4: Template EU OVA

4.1 Risk strategy

The principles for internal control and risk management are defined and implemented in order to ensure that the Bank:

- Conducts business and transactions in compliance with external and internal rules and regulations;
- Has formal process and controls in place to ensure efficient business processes and transactions;
- Recognises a wide common understanding of risks and how to manage risks;
- Ensure the soundness of risk management processes.

The risk management and internal control within the Bank is based on a set of high-level principles as follows:

- Segregation of duties, i.e. that there is always a process or control in place that ensures adequate segregation of duties;
- Organisational structure, i.e. that the organisational structure is appropriate in order to mitigate the risk that the Bank is facing and in order to ensure the internal control;
- Transparent organisation, i.e. that the organisation is transparent enough and that roles and responsibilities regarding internal control and risk management are clear to the organisation and to all concerned employees;
- Independent valuation, i.e. that the Bank has established an independent function (Internal Audit function) that monitors that the risk management and internal control processes and control are adequate;
- Four-eyes principles, i.e. that all material risk decisions must be approved by at least two employees;
- A risk-based approach should be applied to all processes, limits, exposure measurements and procedures.

As mentioned above, the Bank established a comprehensive risk management framework based on a three-lines-of-defense model, which groups different roles and responsibilities that are coherently delimited:

- The first line-of-defence consists of the business units that take or acquire risks under a predefined policy and limits and carry out controls on a day-to-day basis. Their objective is to identify as soon as possible the errors and omissions occurred during the processing of current transactions;
- The second line is formed by the support functions including the following functions: financial and accounting, IT, compliance and risk, which contribute to the independent risk control;

- Finally, the Internal Audit function, which provides an independent review and a critical valuation of the previous two lines, is the third line-of-defence.

4.2 Risk Statement

The Risk Appetite Framework is consistent with the strategic and business plan (please refer to section 4.1), capital planning and liquidity (please refer to chapter 10). Key Risk Indicators (“KRI”) and set of thresholds within each area of material risk identified have been defined and implemented. The Risk Appetite Statement, embedded part of the risk strategy, outlines all level and types of risk that the Bank is willing to assume within its risk capacity to achieve the strategic objectives defined in the business plan.

4.3 ICAAP information

As per the Article 433 (c) of the CRR 2, the Bank shall disclose information on result of the institution's internal capital adequacy assessment process (“ICAAP”) using Table 5: Template EU OVC below. To facilitate the reading, the relevant information is provided as free text in the following chapters.

Legal basis	Row number	Qualitative information - Free format	Disclosure chapter
Article 438(a) CRR	(a)	Approach to assessing the adequacy of the internal capital	Not applicable
Article 438(c) CRR	(b)	Upon demand from the relevant competent authority, the result of the institution's ICAAP	Not applicable

Table 5: Template EU OVC

The Bank did not receive specific demand from the CSSF to disclose the result of the ICAAP. Therefore, this information is not included in the report.

5 Own funds (EU CC1 & EU CC2)

The Bank’s own funds consist of the Social Capital and the Reserve account. The Social Capital is formed by ordinary shares issued by the Parent Company. The reserved accounts are constituted by the yearly accumulated P&L results of the Bank. The intangible asset account is also deducted to come up with the ultimate own funds figure. The Bank’s regulatory capital consists exclusively of Common Equity Tier 1 (“CET1”) capital. The Bank does not have issued additional Tier 1 capital or Tier 2 capital as defined in the CRR.

As per the Article 433 (c) of the CRR 2, the Bank shall disclose information on the composition of regulatory own funds using Table 6: Template EU CC1 . In addition, the Table 7: Template EU CC2 provides the reconciliation between the audited financial statements for the year-end disclosures with the own funds presented in template EU CC1.

		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	44,893,000.00	b)
	of which: Instrument type 1	44,893,000.00	
	of which: Instrument type 2		
	of which: Instrument type 3		
2	Retained earnings	828,333.79	
3	Accumulated other comprehensive income (and other reserves)	- 875,089.73	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	44,846,244.06	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	- 15,152.72	
8	Intangible assets (net of related tax liability) (negative amount)	- 135,042.06	a)
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) CRR are met) (negative amount)	- 322,023.48	c)
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	- 472,218.26	
29	**Common Equity Tier 1 (CET1) capital**	44,374,025.80	
44	**Additional Tier 1 (AT1) capital**	-	
45	**Tier 1 capital (T1 = CET1 + AT1)**	44,374,025.80	
58	**Tier 2 (T2) capital**	-	
59	**Total capital (TC = T1 + T2)**	44,374,025.80	
60	**Total Risk exposure amount**	96,131,077.81	
Capital ratios and requirements including buffers			
61	Common Equity Tier 1 capital	46.16%	
62	Tier 1 capital	46.16%	
63	Total capital	46.16%	
64	Institution CET1 overall capital requirements	14.32%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical capital buffer requirement	0.82%	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	35.16%	

Table 6: Template EU CC1

		a	c
		Balance sheet as in published financial statements	Reference
		As at period end	
Assets – *Breakdown by asset clases according to the balance sheet in the published financial statements*			
1	Cash in hand, balances with central banks and post office banks	175,373,340.72	
2	Loans and advances to credit institutions	110,950,926.00	
3	Loans and advances to customers	130,975,259.71	
4	Debts securities and other fixed-income securities	39,283,612.55	
5	Shares in affiliated undertakings	2,304,059.18	
6	Intangible assets	135,042.06	a)
7	Tangible assets	21,461.86	
8	Other assets	635,058.24	c)
9	Prepayments and accrued income	5,536,207.38	
10	**Total assets**	465,214,967.70	
Liabilities - *Breakdown by liability clases according to the balance sheet in the published financial statements*			
1	Amounts owed to credit institutions	100,633,273.41	
2	Amounts owed to customers	301,407,767.48	
3	Other liabilities	7,980,020.73	
4	Accruals and deferred income	1,863,033.36	
5	Provisions	3,281,154.92	
6	**Total liabilities**	415,165,249.90	
Shareholders' Equity			
1	Subscribed capital	44,893,000.00	b)
2	Revaluation reserves	- 884,824.60	
3	Profit for the financial year	6,041,542.41	
4	**Total shareholders' equity**	50,049,717.81	

Table 7: Template EU CC2

6 Capital Requirement (EU OV1)

The core business activities developed by the Bank expose the entity to credit risk and operational risk, both have capital requirements and risk mitigation practices.

In order to calculate the regulatory capital requirements for credit risk (including counterparty credit risk and Credit Value Adjustment) associated to the credit portfolio activities, the Standardised Approach (“SA”) described in the CRR regulation is used.

Regarding the operational risk, a Basic Indicator Approach (“BIA”) based on a three-year historical data model is applied to calculate the own funds requirements.

To calculate the regulatory capital requirements for the market risk associated with foreign exchange, the SA described in the CRR regulation is used.

The overview of the total risk exposure amounts is exposed hereafter in the template EU OV1:

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		T	T-1	T
1	Credit risk (excluding CCR)	66,210,464.36	74,549,040.22	5,296,837.15
2	Of which the standardised approach	66,210,464.36	74,549,040.22	5,296,837.15
3	Of which the Foundation IRB (F-IRB) approach			
4	Of which slotting approach			
EU 4a	Of which equities under the simple riskweighted approach			
5	Of which the Advanced IRB (A-IRB) approach			
6	Counterparty credit risk - CCR	4,582,414.42	6,150,271.44	366,593.15
7	Of which the standardised approach	2,289,523.22	2,904,587.15	183,161.86
8	Of which internal model method (IMM)			
EU 8a	Of which exposures to a CCP			
EU 8b	Of which credit valuation adjustment - CVA	2,292,891.20	3,245,684.29	183,431.30
9	Of which other CCR			
15	Settlement risk			
16	Securitisation exposures in the non-trading book (after the cap)			
17	Of which SEC-IRBA approach			
18	Of which SEC-ERBA (including IAA)			
19	Of which SEC-SA approach			
EU 19a	Of which 1 250 % / deduction			
20	Position, foreign exchange and commodities risks (Market risk)	249,545.14	-	19,963.61
21	Of which the standardised approach	249,545.14	-	19,963.61
22	Of which IMA			
EU 22a	Large exposures			
23	Operational risk	25,088,653.89	20,081,650.64	2,007,092.31
EU 23a	Of which basic indicator approach	25,088,653.89	20,081,650.64	2,007,092.31
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)			
29	**Total**	**96,131,077.81**	**100,780,962.30**	**7,690,486.22**

Table 8: Template EU OV1

7 Credit Risk (EU CRA)

As per the Article 433 (c) of the CRR 2, the Bank shall disclose information on credit risk using Table 9: Template EU CRA. To ease the reading, the relevant information is provided as free text in the following chapters.

Legal Basis	Row number	Qualitative disclosures	Disclosure chapter
Points (f) and of Article 435 (1) CRR	(a)	How the business model translates into the components of the institution's credit risk profile	Chapter 7
Points (a) and (d) of Article 435(1) CRR	(b)	Criteria and approach used for defining the credit risk management policy and for setting credit risk limits	Chapter 7 (point (a)) Not included in the scope of Art. 433 (c) (point (d))
Point (b) of Article 435(1) CRR	(c)	Structure and organisation of the credit risk management and control function	Not included in the scope of Art. 433 (c)
Point (b) of Article 435(1) CRR	(d)	Relationships between credit risk management, risk control, compliance and internal audit functions	Not included in the scope of Art. 433 (c)

Table 9: Template EU CRA

The credit and counterparty risk is the potential loss due to failure of a borrower to meet its contractual obligation to repay a debt in accordance with the agreed terms. A default is considered to have occurred when either both or the following have taken place:

- The client is "impaired", meaning unlikely to pay its credit obligations to the Bank without recourse of the Bank to action such as realising security;
- The client is past due more than 90 days on any material obligation to the Bank.

The majority of the Bank's credit offer to Private Banking customers is mainly concentrated on clients holding assets at Andbank Luxembourg. The approach aims at standardising the process by developing a credit risk policy detailing, in particular, the collateralisation aspects with the application of appropriate haircuts to the assets market value according to its quality, liquidity, volatility and level of diversification.

Exceptionally, the Bank can grant credits for the non-private banking activities. In this case, the policy is based on a case-by-case analysis of the exposures and on the financial health of the counterparty. This analysis is focusing on the customer capacity to fulfill its financial obligations.

The RM department identifies and inventories by following qualitative and quantitative methodologies the main causes of risk. On daily basis, and related with the private banking activity, the RM department is responsible to ensure that all risks arising from all types of loans (Lombard and guarantees) are well identified.

As the credits are collateralised, the Bank monitors that the evolution of the eligible marketable securities, guarantees and other forms of collateral respect the limits established by the contracts signed by the customers. The main objective is to promote the early detection of any problem which might arise on the part of the borrowers and to focus attention on those credits which need to be more closely watched.

The credit risk monitoring is organised in particular around the following controls:

- Daily examination of irregular exposures;
- Weekly review of irregularities expositions and/or watch list clients in Credit Committee;
- Monthly review of exposures for the provisioning process;
- Quarterly review of the composition and quality of assets collateralised, during the production of the solvency ratio;
- JSC is informed on quarterly basis about the main irregularities on the credit activity, including accounts overdrafts, exceeded and matured credits;
- Annual review within the framework of the credit lines renewals.

The Bank has also implemented controls on its exposures concentration risks, whether direct or indirect:

- Effects of the diversification of the client’s portfolio when computing the maximum Lombard value available for each credit line;
- Analysis of the concentration of indirect risks (sectorial, geographical, issuer and carbon-intensive industry concentrations);

Finally, the Bank ensures to receive enough collateral and ensures that assets are of good quality and broadly diversified in terms of nature, countries, industries and entities.

With respect to the quality of the loan portfolio, the Bank has established three limits in terms of delinquency and coverage:

- Non-Performing Loan (“NPL”) Ratio shows the credit quality by means of the ratio between the amounts of doubtful loans on the total loans granted.
- Adjusted NPL Ratio shows the credit quality as the ratio of net doubtful loans to net total loans granted (net amounts are calculated by subtracting collateral from gross amount of loans).
- Net Non-performing loans on Equity is the percentage of the net doubtful loans on equity.

These indicators were within the Appetite Zone during the year.

8 Operational Risk (EU ORA)

As per the Article 433 (c) of the CRR 2, the Bank shall disclose information on operational risk using Table 10: Template EU ORA . To ease the reading, the relevant information is provided as free text in the following chapters.

Legal basis	Row number	Qualitative information - Free format	Disclosure chapter
Points (a), (b), (c) and (d) of Article 435(1) CRR	(a)	Disclosure of the risk management objectives and policies	Chapter 8
Article 446 CRR	(b)	Disclosure of the approaches for the assessment of minimum own funds requirements	Not included in the scope of Art. 433 (c)
Article 446 CRR	(c)	Description of the AMA methodology approach used (if applicable)	Not included in the scope of Art. 433 (c)
Article 454 CRRR	(d)	Disclose the use of insurance for risk mitigation in the Advanced Measurement Approach (if applicable)	Not included in the scope of Art. 433 (c)

Table 10: Template EU ORA

According to the Basel Committee, the operational risk encompasses different types of events: internal and external fraud, labour relations, practices with customers, products and businesses, damages to material assets, system and execution failures.

The operational risk management of the Bank is framed by an internal policy supplemented by procedure dedicated to the realisation of controls and on the collection of incidents.

The responsibility for the mitigation of these risks is the responsibility of all individuals within the business lines and support functions, which must promote an operational risk culture within their teams. The management control mechanism is also based on processes supervised by the Bank’s control function.

In addition, Andbank Luxembourg forecast the maximum amount of operational losses that might happen by stressing historical data considering three different scenarios. This information is used to calculate expected and unexpected losses and thus allocates additional capital amount to cover operational risk.

- The processes in place to ensure a proper operational risk management are the following: Training to improve the awareness of the staff and strengthen the risk culture within the Bank;
- Annual review of the Risk and Control Self-Assessment (“RCSA”);
- Business Continuity Plan (“BCP”) and Disaster Recovery Plan (“DRP”) with yearly testing;

- Internal data-gathering related to operational risks. Incident reports are formalised by the business lines and support functions to ensure an exhaustive declaration of all profits or losses arising from an operational risk event. These reports contain all the necessary information to their analysis and follow-up and are sent for approval to the RM department and to the Parent Company (the latter only for losses >10K EUR);
- One Key Risk Indicator also Recovery Indicator computing the total loss on the ordinary margin. The indicator was within the Appetite Zone (< 1.5%) during the year.

During 2023, there were 32 operational risk events among which 15 resulted in a financial loss for the Bank (total loss of EUR 120K).

9 Market Risk (EU MRA)

As per the Article 433 (c) of the CRR 2, the Bank shall disclose information on market risk using Table 11: Template EU MRA. To ease the reading, the relevant information is provided as free text in the following chapters.

Legal Basis	Row number	Qualitative information - Free format	Disclosure chapter
Points (a) and (d) of Article 435 (1) CRR	(a)	Description of the institution's strategies and processes to manage market risk, including: • Explanation of management's strategic objectives in undertaking trading activities, as well as the processes implemented to identify, measure, monitor and control the institution's market risks; • Description of their policies for hedging and mitigating risk and strategies and processes for monitoring the continuing effectiveness of hedges.	Chapter 9 (point (a)) Not included in the scope of Art. 433 (c) (point (d))
Point (b) of Article 435 (1) CRR	(b)	Description of the structure and organisation of the market risk management function	Not included in the scope of Art. 433 (c)
Point (c) of Article 435 (1) CRR	(c)	Scope and nature of risk reporting and measurement systems	Not included in the scope of Art. 433 (c)

Table 11: Template EU MRA

The market risk is the risk of losses in positions on the trading or banking book arising from movements in the market price. Market risk is managed in accordance with the market risk policy which defines the fundamental principles, framework and governance for the management of market risk.

Market risk is subject to the limits established by the BoD. The Asset and Liabilities Committee (“ALCO”) defines the policies and limits under approval supervision of BoD. The RM department monitors and reports the market risk limits. In this sense, a series of different restraints are established for foreign, banking and trading book.

For this purpose, depending on the activity, the Bank establishes the limits exposures as follows:

9.1 Trading book

Trading book may comprise derivative instruments held for hedging purpose such as but not limited to Interest rate swap or cross-currency swap. They may be entered into to cover interest rate risk deriving from the banking book or the portfolio of loans. From a hedge effectiveness point of view:

- The Bank will ensure that an economic relationship exists between both instruments by performing a hedging efficiency test at the time of the purchase using the R-squared measure[1]. The R-squared parameter should be higher than 0.9;
- The Bank will monitor the credit worthiness of the hedged instrument by checking the credit ratings;
- The Bank will also monitor the hedge ratio on a regular basis by comparing the P&L of both exposures to ensure that the P&L of one product is offset by the P&L of the corresponding hedging derivatives instrument. The expected range is 80%-125%.

In addition, the positions that can be held in the Bank’s trading portfolio have two limits set by the ALCO or AM:

- A limit on term of sensitivity is set at EUR 5,000;
- A limit on the notional amount is set at EUR 5 Million.

9.2 Banking book

9.2.1 Investment Portfolio

Related to the investment banking activity and with the ALCO, the Bank limits the interest rate sensitivity of the trading portfolio at EUR 5,000 Value of Basis Point (“VBP”). Also, non-related to trading activity, the Bank also limits the interest rate risk emerging from the Fair Value

[1] It measures how closely the value of the hedging instrument tracks the value of the underlying exposure being hedged.

through Other Comprehensive Income ("FVOCI") portfolio to EUR 50,000 VBP and for Hold To Maturity portfolio to EUR 40,000 VBP.

Positions in the Investment Portfolio must be investment grade fixed income assets on corporate, financial, sovereign or supranational issuers and must comply with the credit risk / interest rate sensitivity limits.

To avoid concentration risk, the following investment limits are set:

- Investment with the same issuer: 50%;
- Investment of the same type (i.e. asset class): 100%;
- Investment in the same country (excluding supranational): 50%.

9.2.2 Interest Rate Risk in the Banking Book ("IRRBB")

The Bank calculates on a monthly basis the following regulatory stress tests as set out in EBA/GL/2022/10 and CSSF 24/849:

- Parallel shift of +/-200 bps of interest rate curve are also used to perform the regulatory stress test as defined by Directive 2013/36/EU (Standard Shock) and circular CSSF 24/849;
- Scenarios SC1 to SC6 (Parallel shock up, Parallel shock down, Short rates shock up, Short rates shock down, Steepener shock, Flattener shock) are the defined EBA rate shock scenarios for measuring Economic Value of Equity ("EVE") under the standard Supervisory Outlier Test ("SOT"). When the decline in EVE is greater than 15.00% of the institutions Tier 1 capital under any of the six scenarios, the Bank should inform the competent authority within the next reporting cycle. When the amount of the negative impact on EVE is greater than 20% of the institution's own funds, the Bank will inform the competent authority immediately;
- EBA/RTS/2022/10 suggests applying only two supervisory shock scenarios (Parallel shock up and down +/-200 bps) for the calculation of the change in Net Interest Income ("NII"). When the NII undergoes a large decline, defined as greater than 2.5% of its Tier 1 capital, the bank will inform the competent authority within the next reporting cycle.

9.3 <u>FX transaction</u>

Limits on FOREX exchange transactions are set in order to avoid excessive exposure of the Bank to a specific group of currency on a daily basis. The following currencies are considered as liquid: USD, JPY, GBP, CHF, DKK, NOK, SEK, CAD, AUD, NZD, SGD, and HKD.

A special focus is put on BRL which has a specific limit. The authorised limits, on overall open position, are the following:

- Liquid currency – intraday & overnight: 100,000 in EUR equivalent;
- Liquid currency – weekend: No limit;
- Illiquid currency: 50,000 in EUR equivalent; BRL currency: 50,000 in EUR equivalent.

The market risk monitoring is done through a daily examination for the different market risk exposures by the RM department which ensures the coherence between the limits approved by the BoD and the operational thresholds used by the Treasury and Dealing Room department.

10 Liquidity Risk (EU LIQA)

As per the Article 433 (c) of the CRR 2, the Bank shall disclose information on liquidity risk arrangement using **Error! Reference source not found.** . To ease the reading, the relevant information is provided as free text in the following chapters.

Legal basis	Row number	Qualitative information - Free format	Disclosure chapter
Article 435 (1)(a)	(a)	Strategies and processes in the management of the liquidity risk, including policies on diversification in the sources and tenor of planned funding	Chapter 10.1
Article 451(4)(a)	(b)	Structure and organisation of the liquidity risk management function (authority, statute, other arrangements).	Not included in the scope of Art. 433 (c)
Article 451(4)(a)	(c)	A description of the degree of centralisation of liquidity management and interaction between the group's units	Not included in the scope of Art. 433 (c)
Article 451(4)(a)	(d)	Scope and nature of liquidity risk reporting and measurement systems.	Not included in the scope of Art. 433 (c)
Article 451(4)(a)	(e)	Policies for hedging and mitigating the liquidity risk and strategies and processes for monitoring the continuing effectiveness of hedges and mitigants.	Not included in the scope of Art. 433 (c)
Article 451(4)(a)	(f)	An outline of the bank's contingency funding plans.	Not included in the scope of Art. 433 (c)
Article 451(4)(a)	(g)	An explanation of how stress testing is used.	Not included in the scope of Art. 433 (c)

Article 435 (1)(e)	(h)	A declaration approved by the management body on the adequacy of liquidity risk management arrangements of the institution.	Chapter 10.3
Article 435 (1)(f)	(i)	A concise liquidity risk statement approved by the management body succinctly describing the institution's overall liquidity risk profile associated with the business strategy. This statement shall include key ratios and figures (other than those already covered in the EU LIQ1 template under this ITS).	Chapter 2 (Template EU KM1) and Chapter 10.2

Table 12: Template EU LIQA

10.1 Liquidity and funding risk management framework

10.1.1 Liquidity and funding strategy

The liquidity risk plays a key role on the Bank's risk management framework. Liquidity and funding are critical, for this reason they are continuously managed to ensure they can be adjusted to sudden changes in market conditions or the operating environment, whether widespread or relatively small.
The Bank's liquidity risk profile is a function of its business model and the liquidity risk factors linked to its specific business model but also evolve over time due to the (changing) operational and economic environments the Bank operates in.

The Bank's balance sheet is liability driven primarily due to deposits generated by its Private Banking business activity and term deposits made by the Parent Company. On the assets side, the Bank has a loans portfolio and its own portfolio.
The funding plan is part of the strategic budget and business planning process of the Bank.

In addition, the Bank benefits from the support of its Parent Company and has established a Global Master Repurchase Agreements ("GMRA") with several counterparties allowing to perform repurchase operations in case of need. The Bank receives extra liquidity from its Parent Company. This volatile excess of liquidity from the group is deposited with the Bank in order to access the Banque Centrale du Luxembourg ("BCL") in order to minimise the counterparty risk from a corporate level. In addition, the Bank has a EUR 50M pledge from its Parent Company to mitigate the Large Exposure towards the Group. The liquidity from the Parent Company is not considered as a source of funding.

10.1.2 Liquidity risk management

The liquidity risk management strategy aims to maintain a sound liquidity position to meet all the liabilities when due, whether under normal or stressed conditions. With this purpose, the Bank has established a liquidity management policy to cover the needs in terms of liquidity buffers.

Moreover, the Bank works to ensure a proper corresponding between its funding structure and its assets investment in order to avoid maintaining illiquid balance sheet.

The Bank also designed a Contingency Liquidity Plan in order to have a clear plan to raise liquidity quickly at the first signs of increased potential need.
The Bank maintains daily deposits at the BCL. Consequently, the Daily Liquidity Reporting ("DLR") is sent to BCL in order to allow the market authority to follow the Bank situation.
On a quarterly basis, the Bank performs liquidity stress testing tests to assess the potential impact of extreme stress scenarios on its liquidity positions and current mitigation techniques taking into account both market liquidity (external factors) and funding liquidity (internal factors).

10.2 Risk Appetite Statement

For the liquidity risk, the Bank has selected five main risk indicators, including LCR, NSFR and Loan-to-Deposits ("LtD"). These risk appetite metrics represent a key component of the Liquidity Management Framework developed by the Bank.

The Bank is performing a daily monitoring of regulatory ratios (LCR and NSFR) and internal ratio (LtD) to ensure the liquidity situation is sufficient to handle with not only the business requirement but also the unforeseen situations in the market.

The evolution of the LCR and NSFR are presented in the Table 1: Template EU KM1.

10.3 Liquidity Adequacy Statement

Liquidity risk is managed prudently to ensure the proper functioning of the Bank's core activities under both normal and stressed conditions. The Bank's liquidity strategy has aimed to maintain a sound liquidity position under business-as-usual or stressed conditions. In addition, the Bank considers that the measures of management and internal control ensure a proper mitigation of the liquidity risk. Nevertheless, the Bank shall keep working to ensure a diversified funding structure avoiding high concentrations and potential liquidity stress in case of run on deposits.

11 Remuneration

The Bank's compensation model will foster corporate risk culture, promoting risk-taking practices consistent with the desired performance of the business areas and defined risk appetite.

The Remuneration Policy contains the following points to effectively integrate the values of the corporate risk culture:

- The policy will define a fixed remuneration as well as annual and multi-year plans of variable remuneration;
- The remuneration will not depend exclusively on the achievement of financial objectives, it also takes into account the risks taken to reach those objectives, both in the area of risk and in business;
- In the business area, the remunerations will consider business and risk objectives;
- In the area of risks, remuneration will focus on those objectives relevant to the performance of its function and will not include business objectives that may compromise its independence;
- In the rest of the central service areas (except for Internal Audit), the remuneration will be set based on the operating margin and the particular criteria of each area, valuing the inclusion of criteria based on the metrics and qualitative indicators of appetite to the risk that is relevant.

Remuneration policy

The Risk Management department assists in and informs on the definition of suitable risk-adjusted performance measures, as well as in assessing how the variable remuneration structure affects the risk profile and culture of the institution. It will also validate and assess risk adjustment data and will review the policy of the Bank in order to assure the alignment with the risk management strategy and framework.

The disclosures and related templates in relation to the Article 450 of CRR are available in the Bank's website:
https://www.andbank.com/luxembourg/cadre-reglementaire-la-banque/.

12 Appendixes

12.1 BoD skills and expertise

Mr. Alberto Garfunkel

Function: Chairman of the Board of Directors of Andbank Luxembourg
Appointed in: 2019
Expires in: AGM 2024

Mr. Garfunkel holds a BA in Economics and Business Administration, from the University of Ben Gurion. Mr. Garfunkel holds 46 years of experience within the financial sector. He began his career in the Israeli Bank Hapoalim in 1977, where he worked for 32 years, performing different functions. He worked until 1993 for the Beer Sheba Branch, where he finished Manager. He was then relocated in New-York until 1999 and became in charge of the Western Hemisphere as Regional Manager. He returned to Israel until 2001 as Regional Manager for Hanegev District. From 2001 to 2006, he worked as CEO of the Bank in Zurich. The three following years, he went back to Israel as member of the BoD and Head of International Activities. He finally left the Group for Lombard Odier Darier Hentsch & Cie, as Senior Advisor. In 2010, he became BoD member forf Union Bank Israel, and in parallel, became Senior Advisor for Andorra Banc Agricol Reig S.A. in 2012 and Chairman for Sigma-Clarity Investment House in 2014.
Currently, he is Chairman of SIGMA Investment House, SIGMA Premium, SIGMA Clarity and SIGMA Financial Plan Inc.

Mr. Ricard Rodriguez Fernandez

Function: Managing Director of the Board of Directors of Andbank Luxembourg
Appointed in: 2015 as Director and 2019 as Managing Director
Expires in: AGM 2024

Mr. Rodriguez holds a Master's Degree in Economics from the Open University of Catalunya (Spain) and a Bachelor degree in Business Administration by the Autonomous University of Barcelona (Spain). Mr. Rodriguez is Certified Anti Money Laundering Specialist (ACAMS).
Mr. Rodriguez holds 25 years of experience within the financial sector, in audit and compliance areas. Before taking the position of Managing Director of Andbank Luxembourg in 2019, he was Director of Corporate Intelligence and International Governance of the Andbank's Group. As

Managing Director of Andbank Luxembourg, Mr. Rodriguez is responsible for the following departments: HR, Legal, Compliance, Risk Management, Credit, Internal Audit, IT and Finance. He is also Board member of Andbank Asset Management Luxembourg since 2019, Merchbanc International and SIGMA Investment House.

Mr. José Luis Muñoz Lasuén

Function: Director of the Board of Directors of Andbank Luxembourg
Appointed in: 2009
Expires in: AGM 2024

Mr. Muñoz holds a Degree in Business Administration from the ESADE (Barcelona), and a Master in Management and Business Administration from the ESADE (Barcelona).
Mr. Muñoz holds 33 years of experience in the banking sector, including 17 years of career in Andorra Banc Agricol Reig S.A.
Mr. Muñoz is member of the Nomination and Remuneration Committee and Chairman of the Joint Specialised Committee.
In addition, he is currently chairman of the BoD in Andbank Monaco SAM, Quest Wealth Advisers Panama, Quest Capital Advisers Uruguay, Andorra Assegurances AR SAU, And PB Financial Services SA Uruguay and APW Uruguay.

Mr. Josep Xavier Casanovas Arasa

Function: Director of the Board of Directors of Andbank Luxembourg
Appointed in: 2013
Expires in: AGM 2024

Mr. Casanovas holds an Executive Master in Business Administration from ESADE (Barcelona), a CEFA ("Certificate of European Financial Analyst") from the Instituto de Estudios Financieros, a Master in Business Administration from La Salle – Manhattan College (Barcelona & New-York), a Master specialization in Spanish taxes from the Colegio de Economistas de Cataluña, and a Degree in Economics, specializing in Business Administration and Management from the Universidad Autónoma de Barcelona.
Mr. Casanovas has 34 years of experience in the banking sector and 26 years of seniority whithin Andbank's Group. He has been Managing Director of Andbank Luxembourg from 2013 to 2016,

in charge of several areas such as Legal, Finance, HR, Credit, Internal Audit, Risk Management and Compliance. Until September 2021, he was Deputy CEO and CFO in Andbank Andorra. Now, he is Deputy CEO – Corporate Development and Public Policy, and at the same time member of the General Management responsible for Intervention and Control. In addition, Mr. Casanovas is BoD member in another banking license of Andbank's Group under ECB supervision: Andbank Monaco S.A.M. Mr. Casanovas is member of the Joint Specialised Committee and Chairman of the Nomination and Remuneration Committee.

Mr. Gerard Estrada Ventura

Function: Director of the Board of Directors of Andbank Luxembourg
Appointed in: 2022
Expires in: AGM 2024

Mr. Estrada holds a IEF European Financial Analyst Certificate from EADA and has 37 years of experience in the Andbank Group, where now he holds the position of Global Operations Manager. He had been Managing Director in Andbank Luxembourg from 2014 to 2016, where he had contributed to the setting up of the entity. Mr. Estrada is also BoD member in Serveis i Mitjans de Pagaments XXI, S.A., an Andorran company of payment services.

Mr. José Manuel Mora-Figueroa

Function: Independent Director of the Board of Directors of Andbank Luxembourg
Appointed in: 2023
Expires in: AGM 2024

Mr. Mora-Figueroa holds a Dual Bachelor's Degree in Business Administration, specialization in Finance and Law from the Universidad Pontificia de Comillas (ICADE) and has 30 years of experience in the banking sector. He is currently Professor of Mergers and Acquisitions in the CUNEF Universidad. He does not have any other mandates.

12.2 Disclosure index providing information on where information required by the different articles in Part Eight of the CRR 2 can be found.

Article	Description	Reference chapter	Templates EU 2021/637
435	**Risk management objectives and policies**		
435 (1) (a)	Strategies and processes to manage risks	4.1;7;8;9;10.1;11	EU OVA EU LIQA EU CRA EU MRA EU ORA
435 (1) (e)	Declaration of the management body on the adequacy of risk management arrangements	1	EU OVA
435 (1) (f)	Concise risk statement approved by the management body	4.2;10.2	EU OVA EU LIQA
435 (1) (f) (i)	Key ratios and figures providing external stakeholders a comprehensive view of the institution’s management of risk		
435 (1) (f) (ii)	Information on intragroup transactions and transactions with related parties that may have a material impact of the risk profile of the consolidated group		
435 (2) (a)	Number of directorships held by members of the management body	3.2.1	EU OVB
435 (2) (b)	Recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise	3.2; Appendix 13.1	EU OVB
435 (2) (c)	Policy on diversity with regard to selection of members of the management body	3.2	EU OVB
437	**Own funds**		

437 (a)	Full reconciliation of own funds and the balance sheet in the audited financial statements	5	EU CC1 EU CC2
438	**Own funds requirements and risk-weighted exposure amounts**		
438 (c)	Result of the ICAAP (upon demand from the relevant competent authority)	4.3	EU OVC
438 (d)	Total risk-weighted exposure amounts and the corresponding total own funds requirement	6	EU OV1
447	**Disclosure of key metrics**		
447 (a)	Composition of own funds and own funds requirements	2	EU KM1
447 (b)	Amount of total risk exposure	2	EU KM1
447 (c)	Amount and composition of additional own funds	Not applicable	
447 (d)	Combined buffer requirement	2	EU KM1
447 (e)	Leverage ratio and total exposure measure	2	EU KM1
447 (f)	Composition of Liquidity Coverage Ratio	2	EU KM1
447 (f) (i)	Average or averages of the liquidity coverage ratio based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period		
447 (f) (ii)	Average or averages of total liquid assets coverage ratio based on end-of-the-month observations over the preceding 12 months		

	for each quarter of the relevant disclosure period		
447 (f) (iii)	Averages of their liquidity outflows, inflows and net liquidity outflows end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period.		
447 (g)	Composition of Net Stable Funding Ratio:	2	EU KM1
447 (g) (i)	The net stable funding ratio at the end of each quarter of the relevant disclosure period		
447 (g) (ii)	The available stable funding at the end of each quarter of the relevant disclosure period		
447 (g) (iii)	The required stable funding at the end of each quarter of the relevant disclosure period		
447 (h)	Own funds and eligible liabilities ratios and components, numerator and denominator	Not applicable	
450	**Remuneration policy**		
450 (1) (a)	Decision-making process used for determining the remuneration policy, as well as the number of meetings held by the main body overseeing remuneration during the financial year, including, if applicable, information about the composition and the mandate of a remuneration committee, the external consultant whose services have been used for the determination of the remuneration policy and the role of the relevant stakeholders;.	12	EU REMA
450 (1) (b)	Information on link between pay and performance	12	EU REMA
450 (1) (c)	Most important design characteristics of the remuneration system, criteria used for performance measurement, deferral policy	12	EU REMA

450 (1) (d)	Ratios between fixed and variable remuneration set in accordance with Article 94(1)(g) of Directive 2013/36/EU	12	EU REMA
450 (1) (h)	Aggregate quantitative information on remuneration, broken down by senior management and members of staff with material impact	12	
450 (1) (h) (i)	Amounts of remuneration for the financial year, split into fixed and variable remuneration, and the number of beneficiaries	12	EU REM1
450 (1) (h) (ii)	Amounts and forms of variable remuneration, split into cash, shares, share-linked instruments and other types	12	EU REM1
450 (1) (h) (iii)	Amounts of outstanding deferred remuneration, split into vested and unvested portions	12	EU REM3
450 (1) (h) (iv)	Amounts of deferred remuneration awarded during the financial year, paid out and reduced through performance adjustments	12	EU REM3
450 (1) (h) (v)	Guaranteed variable remuneration awards during the financial year, and the number of beneficiaries of those awards	12	EU REM2
450 (1) (h) (vi)	Amounts of severance payments awarded in previous periods that have been paid out during the financial year	12	EU REM2
450 (1) (h) (vii)	Amounts of severance payments awarded during the financial year, number of beneficiaries and highest such award to a single person	12	EU REM2
450 (1) (i)	Number of individuals being remunerated EUR 1 million or more per financial year	12	EU REM4 EU REM5
450 (1) (j)	Total remuneration for each member of the management body or senior management (upon demand)	12	EU REMA

450 (1) (k)	Information on whether the institution benefits from a derogation laid down in Article 94(3) of Directive 2013/36/EU.	12	EU REMA

Table 13: Disclosure index