Banque de Patrimoines Privés

Pillar 3 Disclosure Report
2025

Banque de Patrimoines Privés, S.A.
30, Boulevard Royal, L-2449 Luxembourg. Tel. +352 27 207-1. General Fax +352 26 200 131
B.P. 30 L-2010 Luxembourg. Swift: BBPPLULL. Trade and Companies Register (RCS): B153890. VAT: LU24076116
www.creand.lu

TABLE OF CONTENTS

Banque de Patrimoines Privés, S.A.
30, Boulevard Royal, L-2449 Luxembourg. Tel. +352 27 207-1. General Fax +352 26 200 131
B.P. 30 L-2010 Luxembourg. Swift: BBPPLULL. Trade and Companies Register (RCS): B153890. VAT: LU24076116
www.creand.lu

INDEX OF ABBREVIATIONS

ARC	Audit Risk and Compliance Committee
AML	Anti-Money Laundering
BIA	Basic Indicator Approach
BRRD	Bank Recovery and Resolution Directive
CAFG	Credit Andorra Financial Group
CEBS	Committee of European Banking Supervisors
CET1	Common Equity Tier 1 ratio
CRD	The Capital Requirements Directive
CRR	The Capital Requirements Regulation
CSA	Credit Support Annex
CSSF	Commission de Surveillance du Secteur Financier
CVA	Credit Valuation Adjustment
EBA	European Banking Authority
ECAI	External Credit Assessment Institution
ESG	Environmental, Social and Governance
GMRA	Global Master Repurchase Agreement
HQLA	High Quality Liquid Assets
IAS	International Accounting Standards
ICAAP	Internal Capital Adequacy Assessment Process
IFRS	International Financial Reporting Standards
ILAAP	Internal Liquidity Adequacy Assessment Process
ISDA	International Swaps and Derivatives Association
LCR	Liquidity Coverage Ratio
LTI	Long Term Incentive
NSFR	Net Stable Funding Ratio
RAF	Risk Appetite Framework
RAS	Risk Appetite Statement
RCSA	Risk and Control Self-Assessment
RWA	Risk Weighted Assets
SREP	Supervisory Review and Evaluation Process

INDEX OF TABLES AND FIGURES

1. OVERVIEW

1.1. Purpose

This document is issued by Banque de Patrimoines Privés, S.A. (also referred as “BPP” or “the Bank”).

The purpose of this report is to provide information on the implementation of the Basel III framework and risk assessment processes in accordance with the Pillar 3 requirements in accordance with part XIX “Disclosure by Credit Institutions” of the Commission de Surveillance du Secteur Financier (“CSSF”) circular 06/273 as amended, and Circular CSSF 15/618 transposing EBA guidelines on “Pillar 3 disclosures”. In particular, the CSSF Circular 06/273 sets out the requirements related to the own funds adequacy in the financial sector by transposing into Luxembourg Law directives 2006/48/EC and 2006/49/EC of the European Parliament and the Council derived from the recommendations of the Basel Committee (Basel III).

The disclosures presented in this document are complementary to other work undertaken by the Bank in its assessment of capital requirements under the Internal Capital Adequacy Assessment Process and Internal Liquidity Adequacy Assessment Process.

1.2. Regulatory framework

The Basel framework has established a more risk sensitive approach to capital management, and this is comprised of three pillars. Doing so enables the market to have a greater scope of visibility to its constituents.

1.2.1. Pillar 1

Pillar 1 sets out the **minimum capital requirements** for credit risk, market risk and operational risk. Liquidity requirements are addressed separately through the Bank’s liquidity risk framework and related disclosures

1.2.2. Pillar 2

Pillar 2 lays out the requirements for **Supervisory Review and Evaluation Process** (“SREP”) and the settling of individual capital requirements of the Bank, taking into consideration the Bank’s own assessment of capital requirements. Doing so allows supervisors to evaluate the Bank’s assessment of its own risks and determine whether the assessment seems reasonable.

1.2.3. Pillar 3

The aim of Pillar 3 is **Market Discipline** which aims to produce disclosure which allows market participants to assess the capital position, risk exposure and risk management processes. This includes all material risks thus enabling a comprehensive view of the Bank’s risk profile. The purpose here is to have greater transparency in Bank’s financial reporting thus enabling marketplace participants to better strengthen the risk management environment.

The Pillar 3 disclosure will comprise of both quantitative disclosures relating primarily to actual risk exposures and qualitative disclosures relating to risk management practices.

A further qualitative disclosure has been applied by presenting a summary of the Bank's Remuneration Policy.

1.3. Accounting reconciliation between financial statements and regulatory reporting

EU CC2 - Reconciliation of regulatory equity with the balance sheet in the audited financial statements*

Amounts in euros

		Balance according to published financial statements	In the regulatory scope of consolidation	Reference
Assets - Breakdown by asset class according to the balance of the published financial statements		At the end of the period	At the end of the period	
1	Cash and cash balances with Central Bank	147,600,132	147,600,132	
2	Derivatives	29,658,835	29,658,835	
3	Investment securities	129,680,840	129,680,840	
4	Investment securities at amortised cost	129,680,840	129,680,840	
5	Investment securities at fair value through OCI	–	–	
6	Loans and advances to credit institutions	236,741,315	236,741,315	
7	Loans and advances to customers	141,958,321	141,958,321	
8	Tangible assets	6,470,171	6,470,171	
9	Intangible assets	–	–	
10	Current tax assets	1,870,700	1,870,700	
11	Deferred tax assets	–	–	
12	Other assets	3,835,181	3,835,181	
13	Total assets	697,815,495	697,815,495	

		Balance according to published financial statements	In the regulatory scope of consolidation	Reference
Liabilities - Breakdown by class of liabilities according to the balance sheet in published financial statements		At the end of the period	At the end of the period	
1	Derivatives	29,855,466	29,855,466	
2	Deposits from credit institutions	124,169,573	124,169,573	
3	Deposits from customers	440,314,007	440,314,007	

4	Lease liability	6,485,470	6,485,470	
5	Provisions	120,180	120,180	
6	Current tax liabilities	1,388,778	1,388,778	
7	Deferred tax liabilities	1,378,512	1,378,512	
8	Other liabilities	22,037,769	22,037,769	
9	Total liabilities	625,749,755	625,749,755	

		Balance according to published financial statements	In the regulatory scope of consolidation	Reference
Equity – Breakdown by class of equity according to the balance sheet in published financial statements		At the end of the period	At the end of the period	
1	Share capital	27,500,000	27,500,000	1
2	Legal reserve	2,442,730	2,442,730	2
3	Other reserves and retained earnings	38,380,292	38,380,292	2,3
	Other components of Equity	-	-	
	Profit for the year	3,742,718	3,742,718	
	Total shareholder’s equity	72,065,740	72,065,740	
	Total Equity and Liabilities	697,815,495	697,815,495	

(*) BPP has no branch or does not hold any interest in other entities. The balance disclosed in the audited financial statements is consistent with and does not differ from those reported in the regulatory disclosures.

Table 1 : EU CC2 - Reconciliation of regulatory equity with the balance sheet in the audited financial statements

1.4. Frequency and location of disclosure

This document is prepared and updated at least annually and more frequently if deemed necessary. Unless stated otherwise, all figures are as of 31 December 2025.

The report will be published on the Bank’s website (www.creand.lu) and will not be subject to external audit, except to the extent that any disclosures are equivalent to those made under accounting requirements. The disclosures presented in this report do not constitute any form of audited financial statement.

These disclosures have been reviewed and verified by the Authorized Management and by the Board of Directors of the Bank.

1.5. Materiality

CRR Article 432(1) provides that a firm may omit one or more of the required disclosures if the information provided by such disclosures is not regarded as material. Information is considered as material if its omission or misstatement could change or influence the assessment or decision of a user relying on it for the purpose of making economic decisions.

1.6. Proprietary or confidential information

CRR Article 432(2) provides that an Institution may omit one or more items of information included in the disclosures listed in Titles II and III if those items include information which is regarded as proprietary or confidential in accordance with the second and third subparagraphs, except for the disclosures laid down in Articles 437 and 450.

Information shall be considered as proprietary to a firm if disclosing it publicly would undermine its competitive position and may include information on products or systems which, if shared with competitors, would render the firm's investments therein less valuable. Information is regarded as confidential if there are obligations to customers or other counterparty relationships binding the firm to confidentiality.

Where information has been omitted from these disclosures in accordance with either CRR Article 432(1) or Article 432(2), this has been stated in the relevant section.

2. COMPANY OVERVIEW AND ACTIVITIES

Banque de Patrimoines Privés was incorporated in Luxembourg on 1 July 2010 as a limited company under Luxembourg Law. Since 9 April 2011, the Bank is a wholly owned subsidiary of Crèdit Andorrà Financial Group (hereinafter “the Parent Company”, “the Group” or “CAFG”).

The Bank has its registered office at 30 Boulevard Royal, Luxembourg and is authorized and regulated by the CSSF and as such is subject to minimum regulatory capital requirements.

The Bank established as its core strategy to expand and strengthen its market presence in the Wealth Management, Corporate & Funds Services and Depositary & Custody Services. The Bank has developed a unique and structured platform able to provide an all-in-one offer to customers, compiling all services from the setup to the daily management and discontinuity of very specific financial vehicles.

The Bank´s objective is to propose custom-made solutions for their customers avid to create any investment vehicle types or to settle down to the Grand Duchy via domiciled companies. The Bank’s services include the preparation and the constitution of companies and investment funds, their domiciliation, with possibility for administrative and accounting management, as well as the missions of the depositary bank which ensue from it.

On the other hand, in the dynamics of the Group, the Bank also proposes wealth management services to customers, aiming for both short-term stability and long-term profitability and leveraging on the international experience of the Group.

3. STATEMENT OF THE BOARD OF DIRECTORS AND RISK PROFILE

The Board of Directors of BPP, in accordance with article 435 (1)(e) and (f) of the EU Regulation 575/2013, hereby declares:

- BPP’s **risk management framework is considered adequate** in relation to the risk appetite approved by the Board of Directors.
- BPP **maintains a Medium-Low risk profile**, with solvency, leverage, and liquidity levels in line with the business model and risk appetite defined by the Board of Directors.
- The **disclosures published are truthful and accurately** reflect BPP’s risk profile.

The Board of Directors approved this document at its meeting held on 23 July 2026.

Core elements of the risk management framework

BPP has a **risk management framework** designed to ensure the control and proactive management of all material risk. This Framework **provides BPP with adequate risk management and control mechanisms in relation to BPP’s risk profile and corporate strategy**.
The **risk appetite is a key element in determining the risk strategy**, and the Risk Appetite Statement (RAS) is used to ensure that the risk profile is consistent with the risk tolerance approved by the Board

of Directors. The RAS establishes the quantity and diversity of risks that BPP seeks and tolerates in order to achieve its business objectives, whilst maintaining a balance between return and risk.
This appetite is conveyed to the entire organization through the Risk Appetite Framework (RAF), which sets out the mechanisms for controlling and monitoring the risk appetite, tolerance and limits set by decision-making bodies. This Framework covers all of BPP's business lines and units, in accordance with the principle of proportionality, and must enable adequately informed decisions to be made, taking into account the material risks to which it is exposed.

Risk Profile

The main elements that define BPP's risk profile and on which the risk appetite is based are the following:

- BPP has an overall **Medium-Low risk profile**, which is adequate for the sustainable development of BPP's business model.
- BPP aims to maintain a **Medium-Low residual risk profile**, through prudent and balanced risk policies, in order to ensure that its activity grows in a way that is profitable, that is predictable and sustainable in the medium term, and that is in line with the strategic objectives

Robust Solvency

BPP has a solid capital position, with a total **solvency ratio of 32.01% as of 31 December 2025** to keep an adequate level of own funds in accordance with egal and internal requirements.

Comfortable liquidity metrics

BPP has a comfortable liquidity position sufficient to honour payment commitments at a reasonable cost, both under business-as-usual conditions and in stress situations. **As of December 2025, BPP's LCR ratio amount to 154.89% and NSFR ratio to 338.46%**

4. GOVERNANCE AND ORGANIZATION

The Board of Directors and Authorized Management (collectively "the Management Body") at BPP are firmly committed to risk management. BPP's risk management framework, as part of the internal control framework based on the three-lines defence model, is built around the following central elements:

- Established governance and organization, risk infrastructures and capabilities of its human resources.
- Strategic risk processes that enable the identification, measurement, monitoring, control and reporting of risks. Specifically: top risk events, risk taxonomy, Risk Appetite Framework and Risk Assessment.
- Risk Culture, which is a distinctive component within the Bank's decision-making process.

4.1. Corporate Governance

4.1.1. Board of Directors

4.1.1.1. Oversight

The Board of Directors has the responsibility to define the overall Risk Management Framework, strategy and risk appetite, as well as to challenge the ability of the Bank to manage the risks it faces in the development of their normal business activities. Therefore, the Board of Directors:

- Define the principles, strategies and objectives that will ensure proper identification and measurement of risks across the Bank,
- Approve key risk policies, limits, and strategies and, overall, the Risk Appetite Framework and the Risk Appetite Statement of the Bank,
- Review the risk appetite on an annual basis to align risk, capital and performance targets.
- Establish, document, and communicate the internal capital planning, management, and adequacy in relation to the Bank's risk profile,
- Establish the framework to actively promote an internal risk culture among the various operational departments,

The Board of Directors meet on a quarterly basis, and it is supported by Specialized Committees; namely the Audit, Risk and Compliance ("ARC") Committee and the Nomination and Remuneration Committee. The role of these committees is to provide the BoD with critical assessment in respect to the Bank´s organisation to enable the members of the BoD to fulfil their supervisory mission and to take on their responsibilities. Both committees are held, at least, on a quarterly basis.

Specifically, the ARC Committee was established with the objective of providing follow up, assessment and adequacy on the yearly planning and scope of work of the 2nd and 3rd lines of defence. This ensures transversal view of topic linked to the internal control environment. During 2025, the ARC Committee met a total of 6 times.

4.1.1.2. Diversity strategy

The members of the Board of Directors are selected based on their skills and experience, by taking in consideration the business profile of the Bank. The conformation of the Board is done by considering profiles with management experience, preferably in the field of banking or financial institutions, in order to ensure qualified and adequate management, control, supervision and advise in all the activities performed by the Bank.

Each member of the Board is duly authorised to act as a director by the CSSF which assessed their professional standing, experience and reputation in accordance to the law of 5 April 1993 on the financial sector, as amended.

The Chairman of the Board of Directors conducts a self-assessment annually, or whenever there is a material change to the Company's business model, risk appetite, or strategy, to ensure the Board's composition and functioning remain appropriate and effective.
The assessment covers, at a minimum, the following:

- Review of the adequacy of the composition of the BoD in terms of competencies, knowledge, skills, and reputation based on the minimum requirements deemed necessary to consider that the members of the Board have good expertise. In case of specific skills are required, the Chairman of the Board will assess the training needs.
- Review of the mandates held by the directors.
- Identification of conflict of interests.
- Availability.
- Adequacy of the frequency of the BoD.
- Assessment of the quality and dissemination of the preparatory documents received.

The results are evaluated by the relevant Committee in order to ensure that the objectives and strategy are properly achieved. Alternatively, where needed, the BoD proposes the changes needed in order to comply with the objective's setup of the relevant year.

As of December 31st, 2025, the Board of Directors is composed by the following persons:

Name	Position	Number of directorships
Geoffroy Bazin	Président	3
Francesc Xavier Cornella	Vice-Président	7
Carlos Fernandez-Rubies	Administrateur - Directeur Général	2
Esteban Estevez Zurita	Administrateur	8
Jean-Pascal Nepper	Administrateur	4
Anne-Sophie Minaldo	Administrateur	4

Table 2 : Composition of the Board of Directors

4.1.2. Authorized Management

The Authorized Management is in charge of the implementation of the framework mandated by the Board of Directors, as for the day-to-day management of the risks that the Bank faces, with the following responsibilities:

- Implement across the Bank the principles, strategies and objectives defined by the Board of Directors by ensuring that they are reflected into sound and effective policies and processes.
- Ensure that the risk framework allow proper and adequate identification, management, reporting and mitigation of all material risks, in relation the defined risk profile and risk appetite statement.
- Establish internal reporting tools which allow a proper oversight of the risks identified.
- Ensure proper management of those risks which materialize in a way that might affect the operational effectiveness of the Bank.
- Ensure the establishment of proper internal control systems (electronic and non-electronic) to facilitate the proper following up of risks.

4.2. Internal Control Framework

In the everyday identification and management of the risks it faces, the Bank operates with a "Three Lines of Defence" model and distributed in the following manner:

4.2.1. First line of defence

Consists of the business lines and units, together with the support areas, that give rise to BPP's risk exposure in the course of its activity. Risks are assumed taking into account the BPP's risk appetite, authorized risk limits and existing policies and procedures, and it is part of its responsibility to manage these risks. They are responsible for developing and implementing control processes and mechanisms to ensure that the main risks arising from their activities are identified, managed, measured, controlled, mitigated and reported.

The business lines and support areas integrate control into their daily activities as a basic element reflecting BBP's risk culture.

4.2.2. Second line of defence

Formed by the Risk Management Function and Compliance:

4.2.2.1. Risk Management Department

- Analyse, monitor and control the risks arising during the business activity of the Bank.
- Develop and maintain the Bank's risk management procedures and policies in order to ensure a continuous monitoring over the proper regulatory compliance.
- Provide relevant independent information, analysis and expert judgement on risk exposures and risk decisions.
- Assist the Authorized Management and the Board of Directors in order to take informed decisions regarding risk management.

- Assist in the embedding of risk management framework within all areas of the business.

4.2.2.2. Compliance Department

- Ensure the Bank remains relevant to the current regulatory guidance and requirements.
- Assisting in the designing of appropriate risk identification, assessment, and reporting processes to facilitate the adherence to regulatory requirements.

4.2.3. Third line of defence

Internal Audit acts as the third line of defence, independently overseeing the activities of the first and second line of defence. Its main supervisory functions include:

- Assist the Board of Directors in their oversight responsibilities relating to financial matters, including corporate reporting, risk management and internal control.
- Oversee the quality and integrity of accounting and reporting practices and the performance of the internal audit function and independent external auditors.
- Ensure, through independent audits, that the adequacy of the risk control and management procedures, as well as the compliance monitoring is performed as per the established framework in place.

The Internal Control functions (Risk Management, Compliance, and Internal Audit) are independent of each other, report directly to the Authorised Management and have direct access to the Board of Directors. Despite this independence, the internal control departments work together within a defined framework.

5. RISK MANAGEMENT

BPP takes risks during the course of its activities and risk are an inherent part of its existence, and their management is a key part of the business.
In order to adequately manage and control risks, a set of principles needs to be defined, set out in policies and rolled out through procedures, strategies and processes, with aim to increase the probability of achieving the strategic objectives.

BPP's Risk Management Framework comprises the following elements:

- The Risk Management Policy, which sets out a general framework for the establishment of other policies linked to risk management and control, determining core and common aspects that are applicable to the various risk management and control policies
- The Risk Appetite Framework (RAF) Policy, which establishes the structure and mechanisms associated with the governance, definition, communication, management, measurement, monitoring and control of the BPP's risk appetite.

- The Risk Appetite Statement (RAS) is a key element in determining the institution's risk strategies. It establishes qualitative expressions and quantitative limits for the different risks that the Bank is willing to accept, or wishes to avoid, in order to achieve its business objectives.
- The set of policies and procedures for each risk.

5.1. Principles of the Risk Management Policy

For Risk Management and control to be effective, the Risk Management Framework must comply with the following principles:

- Risk Governance and the involvement of the Board of Directors: the framework is supported by clear governance arrangements, defined responsibilities, risk limits and the Three Lines of Defense model. The Board of Directors and the ARC Committee oversee the risk strategy, including the RAF, the RAS, risk culture and the adequacy of the organizational structure.

- Alignment with the business strategy: the framework is aligned with BPP's business strategy and risk appetite. It is embedded in key processes such as strategic and financial planning, budgeting, capital and liquidity planning, and business management.

- Integration of the risk culture: BPP promotes a strong risk culture: BPP fosters a strong risk culture anchored in tone from the top, promoting integrity, accountability, open challenge, effective communication and appropriate incentives. This tone from the top, set and reinforced by senior management and the Board, underpins ethical behaviour, sound risk-taking, and the timely escalation of emerging risks.

- Holistic view of Risk: the framework provides a comprehensive view of financial, non-financial and cross-cutting risks.

- Responsibility for risk management by the business lines: Business lines are responsible for execution, managing and communicating the risks arising from their day-to-day activities, including risks that may affect several departments.

5.2. Risk Assessment and Risk Taxonomy

The RMF of BBP, at least once a year, assesses for each risk:

- The inherent risk, considering the threats and vulnerabilities of the Bank
- The governance, management and control systems introduced by the Bank to mitigate the identified risks.
- The residual risk reflected by the assessment of inherent risk, after considering the management and control systems that act as mitigating factors and the remaining risk following the assessment of threats of vulnerabilities.
- The resulting risk profile which is compared against the target profile established by the Board of Directors.

The Bank establishes a risk taxonomy which is based on its internal risk identification process and is aligned with its strategy and business activities. It classifies risk into financial, non-financial and transversal risks, providing a structured view of the main risks (first and second level risks) to which BPP may be exposed:

Typology	Risk level 1	Risk level 2
Financial Risks	Solvency risk	Solvency risk
		Excessive leverage risk
	Credit Risk	Credit Risk
		Concentration Risk
		Counterparty Risk
		Country risk
		CVA risk
	Market Risk	Foreign Exchange ("FX") risk
		Settlement risk
	Liquidity and funding risk	Short-term liquidity risk
		Intraday liquidity risk
		Funding risk
		Eligible HQLA
	Interest rate risk	Interest rate risk in the banking book (IRRBB)
		Credit spread risk in the banking book (CSRBB)
Non-financial risks	Operational risk	ICT and Security Risk
		Model risk
		Third party risk (Outsourcing risk)
		Human Resources (HR) risk
		Conduct risk
	Legal and Compliance risk	Legal Risk
		Anti-money laundering and financing of terrorism (AML/FT) risk
		Compliance Risk
Transversal risk	Reputational risk	Reputational risk
	Business risk	Systemic risk
		Geopolitical risk
	ESG risk	Environmental risk (1)
		Social risk
		Governance risk

(1) ESG risk is considered a cross-cutting factor affecting various risks in the Bank's Risk Taxonomy

Table 3 : Risk taxonomy of the Bank

5.3. Risk Appetite Framework (RAF)

The Risk Appetite Framework (RAF) of BPP establishes the structure and the mechanisms associated with the definition, measurement, management, monitoring, reporting, and governance of the bank's risk appetite, as set by the Bank's Board of Directors (BoD), ensuring at all times alignment with what is established in the RAF of the Creand Group.

The effective implementation of the RAF requires an appropriate combination of policies, procedures, processes, controls, and systems that enable the achievement of a set of defined objectives, in an effective and continuous manner.

The RAF of BPP covers all business lines and units, in accordance with the principle of proportionality, and must enable properly informed decision-making considering the relevant risks to which it is exposed, including both financial risks and those of a non-financial or cross-cutting nature.

The RAF of BPP is aligned with the Group's strategy as well as with its strategic planning and budgeting processes, capital and liquidity self-assessment, the Recovery Plan, and the remuneration framework, among others.

5.4. Risk Appetite Statement (RAS)

The Risk Appetite Statement (RAS) is a key element in determining the Bank's risk strategies. It establishes qualitative expressions and quantitative limits for the different risks that the Bank is willing to accept, or wishes to avoid, in order to achieve its business objectives.
Depending on the nature of each risk, the RAS includes both qualitative aspects and quantitative metrics. The qualitative elements reflect the position that the Bank is willing to adopt or maintain in developing its business model, through rules that do not lend themselves to being expressed through quantitative metrics (e.g. defining general objectives, referring to risks that are difficult to measure or establishing specific exceptions in relation to types of customers or activities with which it does not want to operate).

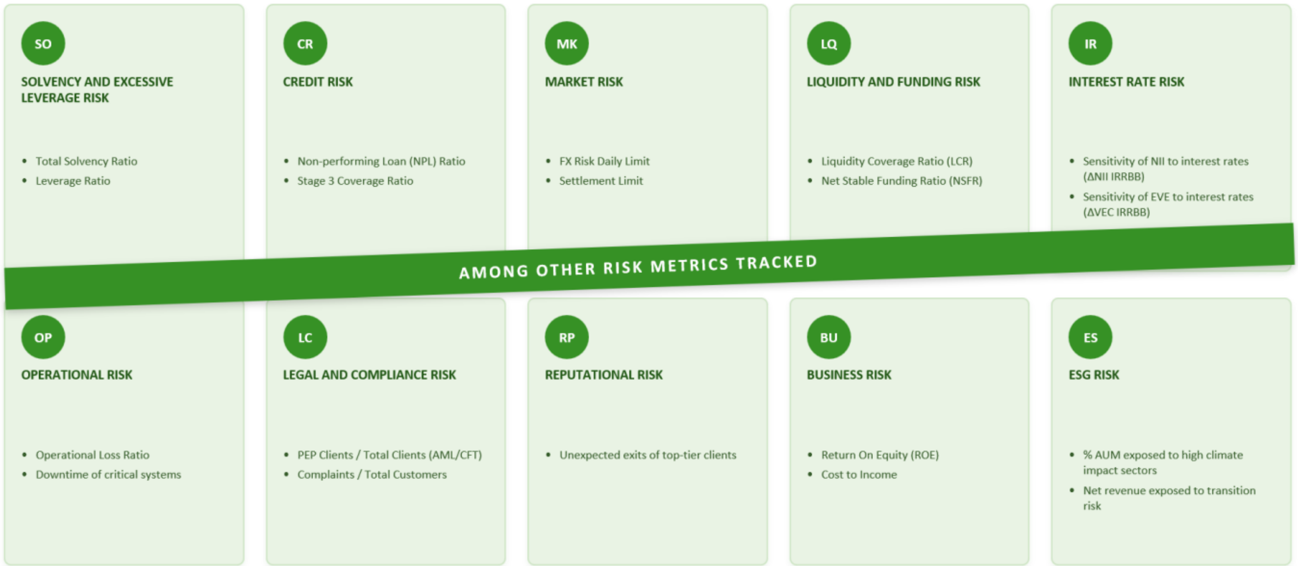

Table 4 : Illustrative example of the quantitative RAS metrics (non-exhaustive)

The establishment of thresholds is based on compliance with the regulatory framework and the BPP's strategy, among other aspects. The reference thresholds established by the Bank are:

- **Target Threshold / Appetite**: This is the level that the Bank aims to maintain. It reflects the Bank's strategy and target risk profile. The levels associated with this threshold for each metric are set well above the regulatory minimums (if they represent metrics subject to regulatory compliance), having a sufficiently large management buffer to be able to support a crisis situation, mitigate regulatory risks, or have the capacity to grow. Exceeding this threshold will not represent a trigger or a breach, but simply a situation that is advisable to focus attention on.
- **Early Warning Indicator (EWI)**: Early warning level aimed at preventing potential deterioration, and whose breach represents the first stage at which concrete actions should be considered to return to the target level.
- **Risk Appetite Limit Threshold / Tolerance**: Maximum level of risk tolerance. Exceeding this threshold triggers the activation of an action plan.
- **Recovery Threshold**: A threshold whose breach represents a breach and triggers the escalation of the decision-making process regarding the activation or non-activation of the Recovery Plan to the Board of Directors. This threshold will only be defined for a specific set of metrics, as outlined in the Recovery Plan.

5.5. Set of policies and procedures for each risk.

For each material risk to which BPP is exposed, the Bank maintains a dedicated set of policies and procedures approved by the Board of Directors (or delegated committees, as applicable) and subject to periodic review. These instruments translate the Bank's risk appetite into operational practice and ensure consistency between strategy, governance, and day-to-day risk taking.

6. CAPITAL MANAGEMENT

6.1. Capital Objectives

One of BPP strategic objectives is to maintain an adequate capital position, with sufficient headroom to enable the Bank to deal with both normalised and stressed financial planning scenarios. Capital management at the Bank aims to achieve three objectives:

- Establish capital as an integral component of risk management that contributes an element of prudence to such management, ensuring that the level of capital is quantitively and qualitatively proportionate to the risks taken.
- Efficiently allocate capital to business units.
- Ensure that sufficient capital is available to meet capital requirements from a static perspective, and from a dynamic, forward-looking perspective (under a baseline or central scenario and under relevant adverse scenarios)

6.2. SREP and Buffers

Within the framework of Basel Pillar 2, the Bank conducts an annual capital self-assessment process (ICAAP). The ICAAP consists of (i) long-term financial capital planning in different scenarios, both normalised and stressed, (ii) a risk assessment to identify the risks to which the Bank may be exposed and (iii) analysis of capital adequacy from a purely internal (economic) perspective, both in terms of own funds and capital requirements. In particular, this assesses potential requirements for risks other than credit, operational and market risk, including but not limited to interest rate and business risk.

For 2025, the **CSSF maintained a Pillar 2R requirement for the Bank of 3%**, following the recommendation received from the supervisor in January 2024.

In addition to Pillar 1 and Pillar 2R requirements, the Bank must comply with the combined specific capital requirements for the Bank, which is comprised of: (i) the capital conversation buffer for unexpected losses, (ii) the countercyclical buffer and the (iii) buffer for systemically important institutions. This combined buffer requirement must be fully covered by the highest quality capital (CET1).

The capital conservation buffer is set to ensure that banks build up capital buffers outside periods of stress, which they can use in case of hypothetical losses in situations of increased stress. The buffer is 2.5% of the Total Risk Exposure Amount (TREA) as defined in article 59-5 LSF.

The countercyclical buffer, which is the capital buffer that must be built up during expansionary periods to strengthen solvency and neutralise the pro-cyclical effect of capital requirements on credit. As of December 2025, the countercyclical buffer applicable to BPP amounts to 0.58% of the TREA.

Capital buffer requirements

In %	Dec 2025
Combined Buffer Requirement (CBR)	3.08%
Capital conservation buffer (CCoB)	2.50 %
Countercyclical Capital Buffer	0.58 %
Other Systemically Important Institution	0.00 %

Table 5 : Capital Buffer requirement composition (Internal)

EU CCyB2 - Amount of the countercyclical capital buffer specific to BPP

Figures in millions of euros	Value
Total amount of risk exposure	213,426,030
Percentage of countercyclical buffer specific to BPP	0.58%
Countercyclical buffer requirement specific to BPP	1,248,051

Table 6 : EU CCyB2 - Amount of the countercyclical capital buffer specific to BPP

6.3. Regulatory Capital

6.3.1. Eligible Own Funds

Common Equity Tier 1 (CET1) capital represents the highest-quality component of own funds. As of 31 December 2025, the Bank's eligible own funds consist entirely of CET1 capital, as the Bank does not have any Additional Tier 1 (AT1) or Tier 2 capital instruments outstanding.

Eligible Own Funds

Amounts in euros

	31/12/2025	31/12/2024
COMMON EQUITY TIER 1 CAPITAL	**68,323,020**	**65,428,290**
Paid up capital	27,500,000	27,500,000
Accumulated other comprehensive income	-	(1,318,865)
Retained earnings and Reserves	40,823,020	39,313,423
Profit or loss eligible	-	-
Additional Tier 1 (T1) capital	-	-
CET1 capital deductions	-	(66,268)
Deferred tax assets	-	-
Other intangible assets	-	-
Total Tier 1 (T1) capital	68,323,020	65,428,290
Tier 2 (T2) capital	-	-
Total Capital	**68,323,020**	**65,428,290**

Table 7 : Composition of eligible own funds (2025-2024) (Internal)

At 31 December 2025, BPP had EUR 68,3 million in own funds (EUR 2,9 million more than in 2024).

Annex I contains a breakdown of the eligible own funds of BPP at 31 December 2025.

6.3.2. Capital Requirements

The total volume of Risk-Weighted Assets at 31 December 2025 stood at EUR 213.4 million, EUR 36.6 million higher than in 2024, mainly due to CVA risk and Operational risk.

EU OV1 - Overview of risk weighted exposure amounts

Amounts in euros

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		31.12.25	31.12.24	31.12.25
1	Credit risk (excluding CCR)	62,453,275	69,524,826	4,996,262
2	Of which the standardised approach	62,453,275	69,524,826	4,996,262
3	Of which the foundation IRB (FIRB) approach (1)	–	–	–
4	Of which slotting approach (1)	–	–	–
EU 4a	Of which equities under the simple risk weighted approach	–	–	–
5	Of which the advanced IRB (AIRB) approach	–	–	–

6	Counterparty credit risk - CCR	69,264,283	62,876,146	5,541,143
7	Of which the standardised approach	–	–	–
8	Of which internal model method (IMM)	–	–	–
EU 8a	Of which exposures to a CCP	–	–	–
9	Of which other CCR	69,264,283	62,876,146	5,541,143
10	Credit valuation adjustments risk - CVA risk	27,225,631	–	2,178,050
EU 10a	Of which the standardised approach (SA)	–	–	–
EU 10b	Of which the basic approach (F-BA and R-BA)	27,225,631	–	2,178,050
EU 10c	Of which the simplified approach	–	–	–
15	Settlement risk	–	–	–
16	Securitisation exposures in the non-trading book (after the cap) (1)	–	–	–
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)	1,554,333	–	124,347
21	Of which the standardised approach	1,554,333	–	–
EU 21a	Of which IMA (1)	–	–	124,347
22	Large exposures	–	–	–
23	Reclassifications between trading and non-trading books	–	–	–
24	Operational risk	52,928,508	47,524,150	4,234,281
EU 24a	Exposures to crypto-assets	–	–	–
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	–	–	–
26	Output floor applied (%)	–	–	–
27	Floor adjustment (before application of transitional cap)	–	–	–
28	Floor adjustment (after application of transitional cap)	–	–	–
29	**TOTAL**	**213,426,030**	**179,925,123**	**17,074,082**

Table 8 : EU OV1 - Overview of risk weighted exposure amounts

6.3.3. Capital Ratio

As per the framework of part III of Regulation (EU) No. 575/2013, the Bank must calculate its minimum regulatory capital requirements to cover Credit, Market and Operational Risks.

As of the close of 2025, the Bank reported a Capital Adequacy ratio of 32.01%.

Capital adequacy

Amounts in euros

	31/12/2025	31/12/2024
Own Funds	**68,323,020**	**65,428,290**
Tier 1 (T1) capital	**68,323,020**	**65,428,290**
Common Equity Tier 1 (CET1)	68,323,020	65,428,290
Additional Tier 1 (T1) capital	-	-
Tier 2 (T2) capital	-	-
Total Consolidated Capital (T1+T2)	**68,323,020**	**65,428,290**
Credit Risk	158,943,189	132,400,972
Market Risk	1,554,333	-
Operational Risk	52,928,508	47,524,150
Total Risk-weighted assets	**213,426,030**	**179,925,123**
CAPITAL RATIOS (*)	**31.12.2025**	**31.12.2024**
Common Equity Tier 1 ratio	32.01%	36.36%
Tier 1 ratio	32.01%	36.36%
Total Capital ratio	**32.01%**	**36.36%**

(*) As a percentage of total risk exposure amount

Table 9 : Capital adequacy (Internal)

6.3.4. Leverage Ratio

The leverage ratio is established as a non-risk sensitive measure, to be used to limit excessive balance sheet growth in respect of available capital.

This ratio is calculated by dividing Tier 1 (CET1 + AT1) by an exposure measure based on total assets less Tier 1 deductions and including among others, contingent commitments and risks weighted in accordance with applicable regulations and the net value of derivatives.

CRRII established a minimum requirement of 3%, applicable from June 2021. In this regard, the Bank has established specific monitoring procedures which ensure the proper monitoring, identification and management of risks associated with excessive leverage. The Bank has established as an internal threshold limited at 4.50%, which is embedded in the risk appetite statement. The Bank monitors the leverage ratio on a quarterly basis, and it is reported to the Authorised Management and the Board of Directors. Results of the quarterly monitoring are used to calibrate the threshold on an ongoing basis.

As of December 31st, 2025, the Bank reported a leverage ratio equal to 8.51%.

Leverage Ratio breakdown

EU LR2 - LRCom: Leverage ratio common disclosure

Amounts in euros

		CRR leverage ratio exposures	
		12.31.2025	12.31.2024
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	669,951,489	757,088,204
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	0	0
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0	(66,268)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	0	0
5	(General credit risk adjustments to on-balance sheet items)	0	0
6	(Asset amounts deducted in determining Tier 1 capital)	0	0
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	669,951,489	757,021,936
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	0	0
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	0	0
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	0	0
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	0	0
EU-9b	Exposure determined under Original Exposure Method	83,476,176	76,412,405
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	0	0
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	0	0
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	0	0
11	Adjusted effective notional amount of written credit derivatives	0	0
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0	0
13	Total derivatives exposures	83,476,176	76,412,405
	Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	0	0
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	0	0
16	Counterparty credit risk exposure for SFT assets	0	0
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	0	0
17	Agent transaction exposures	0	0
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	0	0
18	Total securities financing transaction exposures	0	0
	Other off-balance sheet exposures		

19	Off-balance sheet exposures at gross notional amount	49,865,628	43,162,062
20	(Adjustments for conversion to credit equivalent amounts)	0	-
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	0	0
22	Off-balance sheet exposures	49,865,628	43,162,062
	Excluded exposures		
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) and point (ca) of Article 429a (1) CRR)	0	0
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off-balance sheet))	0	0
EU-22c	(-) Excluded exposures of public development banks - Public sector investments	0	0
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	0	0
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	0	0
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	0	0
EU-22g	(Excluded excess collateral deposited at triparty agents)	0	0
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a (1) CRR)	0	0
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a (1) CRR)	0	0
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	0	0
EU-22k	(Excluded exposures to shareholders according to Article 429a (1), point (da) CRR)	0	0
EU-22l	(Exposures deducted in accordance with point (q) of Article 429a (1) CRR)	0	0
EU-22m	(Total exempted exposures)	0	0
	Capital and total exposure measure		
23	Tier 1 capital	68,323,020	65,428,290
24	Total exposure measure	803,293,292	876,596,402
	Leverage ratio		
25	Leverage ratio	8.51%	7.46%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	8.51%	7.46%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	-%	-%
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	Full	Full
	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	*0*	*0*

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	*0*	*0*
30	Total exposure measures (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)	*0*	*0*
30a	Total exposure measures (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)	*0*	*0*
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)*	*0*	*0*
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)*	*0*	*0*

(*) Rows with no data are not disclosed

Table 10 : EU LR2 – LRCom: Leverage ratio common disclosure

Split-up of On Balance Sheet exposures (excluding derivatives, SFTs and exempted exposures)

Amounts in euros

		Leverage Ratio Exposure Value
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	669,951,489
EU-2	Trading book exposures	
EU-3	Banking book exposures, of which:	
EU-4	Covered bonds	
EU-5	Exposures treated as sovereigns	277,220,095
EU-6	Exposures to regional governments, MDB, international organizations and PSE NOT treated as sovereigns	
EU-7	Institutions	236,741,315
EU-8	Secured by mortgages of immovable properties	
EU-9	Retail exposures	733,558
EU-10	Corporate	141,224,763
EU-11	Exposures in default	
EU-12	Other exposures (e.g. equity, securitisations, and other non-credit obligation assets)	14,031,758

Table 11 : Split-up on Balance Sheet exposure

EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

Amounts in euros

	Summary of the reconciliation of accounting assets and exposures corresponding to the leverage ratio	31.12.25
1	Total assets as per published financial statements	697,815,495
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	–
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	–
4	(Adjustment for temporary exemption of exposures to central bank (if applicable))	–
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	–
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	–
7	Adjustment for eligible cash pooling transactions	–
8	Adjustments for derivative financial instruments	53,817,341
9	Adjustment for securities financing transactions (SFTs)	–
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	49,865,628
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	–
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) and point (ca) of Article 429a(1) CRR)	–
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	–
12	Other adjustments	1,794,828
13	**Leverage ratio total exposure measure**	**803,293,292**

Table 12 : EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

7. CREDIT AND COUNTERPARTY RISK

7.1. Definition

Credit and counterparty risk arise from the potential failure of the Bank's borrowers or counterparties to fulfil their obligations. This risk is the most significant risk faced by the Bank in terms of regulatory capital requirements that arise from its lending activities and its operations with various delegates (i.e. custodians for financial instruments and cash correspondents for local and foreign currencies).

7.2. Annual Evolution

During 2025, the Bank's credit portfolio recorded a significant growth of 23%, reflecting increased lending activity and continued support to its client base.

The Bank has maintained a sound liquidity position and adequate funding structure, enabling it to absorb the growth in lending without compromising its financial stability. Key prudential indicators remained within the established thresholds throughout the year, demonstrating the institution's ability to manage balance sheet expansion while preserving a prudent risk profile.

Overall, the growth observed in 2025 remains consistent with the Bank's risk appetite framework and has been managed in a controlled and sustainable manner, supported by strong liquidity buffers and adequate capital resources.

7.3. Credit and Counterparty Risk Management

Credit risk represents the Bank's largest regulatory capital requirement, although lending is not one of its core business activities. The risk is controlled through specific procedures that provide the Bank with qualitative and quantitative tools to monitor and limit credit risk in line with its established risk appetite.

7.3.1. Customer Lending Business

Credit lending is offered as part of the global services provided to private clients and well-recognized corporates and funds and is fully collateralized by cash deposits or asset portfolios mainly held in custody at the Bank. An internal procedure sets out the review and authorization steps for credit proposals, including individual risk evaluation and approval by the Bank's Credit Committee.

On customer loans business, the Bank reviews and approves each proposal based on the rule of full collateralization, to mitigate its credit risk exposure. Collateralization is usually in the form of:

- Pledge of assets, either cash or eligible assets (with specific haircut applied), deposited in the client´s accounts in the Bank, and pledged accordingly.

- First demand Bank Guarantees (mainly from the Parent Company) for the full amount of the loan granted.

Collateral accepted is formed mainly by cash deposits in major currencies (EUR, USD, or GBP) or assets which are considered as liquid (traded in major organized markets).

For those assets or currencies which doesn´t fulfil these conditions, a specific haircut is determined and applied according to the Group´s methodologies.

When assessing pledged assets, the Bank evaluates the pledged collateral, on an individual portfolio basis, and its ability to hold liquidity until the maturity of the lending facility it is related to. For this purpose, the Loan-to-Value (LTV) measurement is used as the basis for such evaluation.

As previously mentioned, the Bank has a very strict collateral policy related to lending and always requires a high level of collateralization when granting a loan. Assets pledged as collateral are evaluated individually and a haircut is applied individually according to the evaluation procedures of CAFG and applied automatically in the banking core system.

The value after haircut of each asset pledged will finally determine the overall value of the collateral and its effect in the LTV. The weighting therefore is not solely dependent on external credit ratings (provided by approved ECAIs), but on a series of factors which will ensure convertibility throughout the life of the loan.

Also, the Bank considers that the rules applied for collateral weighting purposes are stringent in terms of final value assigned for collateralization of each asset. This allows that in case of stressed conditions of the market, which would result in a drop of value in any pledged asset, the movement in the LTV will not be proportional to the actual value of the pledged asset.
The Bank ensures that in case of stress of the market, there will be enough time to adequate the composition of the collateral portfolio and, in such case, terminate and realize the credit exposure with an expectation of no-loss.

The loans portfolio is monitored on a monthly basis to ensure proper coverage by assessing the collateral in place. The Bank has also established specific procedures to manage in-arrears, forborne and defaulted loans, so escalation is done on a timely manner.

In the case of first demand Bank Guarantees granted by the Parent Company, the Bank requires 100% coverage with European or US government issued bonds, which will be pledged to ensure risk transfer. The value of the bonds is affected by an individual haircut, and their value is assessed daily.

The Bank applies general provisions to its lending portfolio as per the requirements of the IFRS9 impairment model, which considers the Expected Credit Losses (ECL) model. Under this model, the Bank applies a 12-month and a Lifetime ECL to all credits in the portfolio.

Finally, when deemed as necessary, the Bank will also apply specific impairments when: i) the collateral arrangements are insufficient and, ii) when there is specific evidence of events which might have an impact on the estimated future cash flows of the loans.

To maintain proper control over its credit exposure, the Bank has established procedures for the evaluation, acceptance, and monitoring of loans and advances to customers, as well as for monitoring exposure to counterparty risk. The Bank has also established specific controls, by client and by volume, to ensure that concentration risk is properly identified and mitigated before approving any credit risk intake.

At the year-end 2025, exposures secured by collateral represented 21.5% of total exposures disclosed in EU CR3. No exposures were reported as secured by financial guarantees or credit derivative.

EU CR3 - Credit risk mitigation techniques – overview

Amounts in euros

		Exposures unsecured – Carrying amount	Guaranteed exhibitions - Amount in books			
				Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Loans and advances	385,159,025	141,079,866	141,079,866	–	–
2	Representative values of debt	129,680,840	–	–	–	
3	Total exposures	514,839,865	141,079,866	141,079,866	–	–
4	Of which: dubious exposures	118,048	–	–	–	–
EU5	Of which: unpaid	–	–	-	-	-

(1) Information obtained from FINREP (Book amount).

Table 13 : EU CR3- Credit risk mitigation techniques – overview

7.3.2. Counterparty Exposure

The Bank uses a procedure of request and approval of individual exposure limits. Exposure limits are evaluated at CAFG level as an overall exposure strategy by counterparty and by country. Under this procedure, the Bank gets assigned exposure limits which can accommodate its individual business needs. Where needed, the Bank signs specific agreements which allows to mitigate the counterparty risk (ISDA, CSA, GMRA, but not limited to these).

The Bank monitors the usage of the granted limits by individual counterparty daily. The utilization is reported to the relevant departments in the Bank, as well as to the Group, on a daily basis. Where collateral arrangements are in place, the Bank only accepts cash (Euros).

A specific procedure has been established in the Bank to identify and escalate any overdraft in the established limits, where the reasons for the incident as well as the identification of remedial actions are communicated to the relevant departments, as well as to the Authorised Management. The monitoring and controls are done daily, and an activity report is submitted to the BoD on a quarterly basis.

7.4. NPL Management

The mission of NPL Management is to minimize losses arising from customers' failure to honour their payment obligations. To this end, the management priority is based on four basic principles:

- Prevention: involves detecting customers at risk of non-payment before an actual default occurs. The aim is to take early action and return the situation to normal before a default takes place.
- Customer Management: through a holistic view that considers all of the customer's positions and applies a recovery management model tailored to the segment and the stage of default

- Search for a solution: the aim is to maximise debt recovery as quickly as possible and at the lowest cost to the Bank, prioritising a recovery agreement through ongoing negotiation with the customer.
- Risk powers: decision on recovery solutions require an appropriate level of authority aligned with the risk policies.

These principles are there to prevent a default event from occurring or from exposures becoming classified as Stage 3, with the ensuing impact on the statement of profit or loss

7.4.1. Performing and non-performing exposures

Table EU CR1 shows a NPE balance totalling EUR 0.19 million, which is fully related to loans and advances.

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

Amounts in euros

	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral 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			
Cash balances in central banks and other demand deposits	**192,095,836**	**192,095,836**	**–**	**–**	**–**	**–**	**-16**	**-16**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Loans and advances	**334,032,701**	**333,821,980**	**210,721**	**195,360**	**–**	**195,360**	**-7,678**	**-7,364**	**-43**	**-77,313**	**–**	**-77,313**	**–**	**141,079,866**	**–**
Central banks	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
General governments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Credit institutions	192,184,750	192,184,750	–	–	–	–	–	–	–	–	–	–	–	–	–
Other financial corporations	133,342,710	133,133,998	208,712	191,820	–	191,820	-7,148	-6,835	-43	-76,575	–	-76,575	–	133,126,296	–
Non-financial corporations	7,771,516	7,769,506	2,009	3,540	–	3,540	-361	-361	-0	-738	–	-738	–	7,769,449	–
Of which SMEs	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Households	733,726	733,726	–	–	–	–	-168	-168	–	–	–	–	–	184,121	–

Debt securities	**129,765,758**	**129,765,758**	**–**	**–**	**–**	**–**	**- 84,918**	**- 84,918**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Central banks	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
General governments	129,765,758	129,765,758	–	–	–	–	- 84,918	- 84,918	–	–	–	–	–	–	–
Credit institutions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other financial corporations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Non-financial corporations	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Off-balance-sheet exposures	**49,865,628**	**–**	**–**	**–**	**–**	**–**	**179**	**178**	**2**	**1**	**–**	**–**	**–**	**–**	**–**
Central banks	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
General governments	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Credit institutions	–	–	–	–	–	–	–	–	–	–	–	–	–	–	–
Other financial corporations	46,745,404	–	–	–	–	–	42	40	2	1	–	–	–	–	–
Non-financial corporations	182,045	–	–	–	–	–	19	19	–	–	–	–	–	–	–
Households	2,938,179	–	–	–	–	–	119	119	–	–	–	–	–	–	–
Total	705,759,923	655,683,574	210,721	195,360	–	195,360	-92,433	-92,120	-42	-77,312	–	-77,313	–	141,079,866	–

Table 14 : EU CR1- Performing and non-performing exposures and related provisions

7.4.2. Variation in the volume of non-performing loans and advances

EU CR2 - Changes in the stock of non-performing loans and advances

Amounts in euros

		Gross carrying amount
010	**Initial stock of non-performing loans and advances**	**130,231**
020	Inflows to non-performing portfolios	102,191
030	Outflows from non-performing portfolios	(37,062)
040	Outflows due to write-offs	—
050	Outflow due to other situations	—
060	**Final stock of non-performing loans and advances**	**195,360**

Table 15 : EU CR2- Changes in the stock of non-performing loans and advances

7.4.3. Credit Quality of performing and non-performing exposures by days past due

The EU CQ3 table shows the credit quality of the Bank's exposures by ageing status, distinguishing current exposures from past-due and non-performing amounts.

EU CQ3 - Credit quality of performing and non-performing exposures by past due days

Amounts in euros

	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
Cash balances at central banks and other demand deposits	**192,095,836**	**192,095,836**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Loans and advances	**334,032,701**	**327,009,591**	**7,023,110**	**195,360**	**–**	**195,360**	**–**	**–**	**–**	**–**	**–**	**–**
Central banks	–	–	–	–	–	–	–	–	–	–	–	–
General governments	–	–	–	–	–	–	–	–	–	–	–	–
Credit institutions	192,184,750	192,184,750	–	–	–	–	–	–	–	–	–	–
Other financial corporations	133,342,710	126,330,942	7,011,767	191,820	–	191,820	–	–	–	–	–	–
Non-financial corporations	7,771,516	7,771,128	388	3,540	–	3,540	–	–	–	–	–	–
Of which SMEs	–	–	–	–	–	–	–	–	–	–	–	–
Households	733,726	722,771	10,955	–	–	–	–	–	–	–	–	–
Debt Securities	**129,765,758**	**129,765,758**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Central banks	–	–	–	–	–	–	–	–	–	–	–	–

General governments	129,765,758	129,765,758	–	–	–	–	–	–	–	–	–	–
Credit institutions	–	–	–	–	–	–	–	–	–	–	–	–
Other financial corporations	–	–	–	–	–	–	–	–	–	–	–	–
Non-financial corporations	–	–	–	–	–	–	–	–	–	–	–	–
Off-balance sheet exposures	**49,865,628**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
Central banks	–	–	–	–	–	–	–	–	–	–	–	–
General governments	–	–	–	–	–	–	–	–	–	–	–	–
Credit institutions	–	–	–	–	–	–	–	–	–	–	–	–
Other financial corporations	46,745,404	–	–	–	–	–	–	–	–	–	–	–
Non-financial corporations	182,045	–	–	–	–	–	–	–	–	–	–	–
Households	2,938,179	–	–	–	–	–	–	–	–	–	–	–
Total	**705,759,923.27**	**648,871,185.34**	**7,023,110.24**	**195,360.13**	**-**	**195,360.13**	**-**	**-**	**-**	**-**	**-**	**-**

Table 16 : EU CQ3 Credit quality of performing and non-performing exposures by past due days

As of 31 December 2025, the Bank identified a limited amount of non-performing exposures, exclusively related to loans and advances. These exposures remain isolated and are subject to close monitoring. Given their limited amount of EUR 195k, their impact on the Bank’s overall credit risk profile remains immaterial.

7.4.4. Credit Quality of exposure by geographical area

The EU CQ4 table shows the credit quality of the Bank's exposures by geographical area including non-performing exposures, accumulated impairments and provisions related to off-balance sheet commitments.

EU CQ4 - Credit quality of exposures by geography

Amounts in euros

	Gross carrying amount / nominal amount				Impairment of accumulated value	Provisions for financial commitments and guarantees granted off-balance sheet	Accumulated negative changes in fair value due to credit risk due to doubtful exposures
		Of which: non-performing		Of which: subject to impairment			
			Of which: defaulted				
On balance sheet exposures	656,089,656	195,360	–	656,089,656	(169,925)	–	–
Luxembourg	275,967,246	195,360	–	275,967,246	–	–	–
Andorra	201,837,482	–	–	201,837,482	–	–	–
Italy	93,778,904	–	–	93,778,904	(80,767)	–	–
Spain	37,994,313	–	–	37,994,313	(4,914)	–	–
Rest of the world	46,511,712	–	–	46,511,712	(84,244)	–	–
Off balance sheet exposures	49,865,628	–	–	–	–	180	–
Luxembourg	43,146,415	–	–	–	–	130	–
Cayman Island	4,269,104	–	–	–	–	–	–
Rest of the world	2,450,108	–	–	–	–	50	–
Total	705,955,283	195,360	–	656,089,656	(169,925)	180	–

Table 17 : EU CQ4- Credit quality of exposures by geography

In line with EU CQ3, the table confirms the limited level of non-performing exposures and shows that they are fully concentrated in Luxembourg.

7.4.5. Credit Quality of exposure by economic sector

The EU CQ5 table details the credit quality of the Bank's loans to non-financial companies by economic sector, showing the sectoral distribution of exposures and any associated non-performing amounts or impairments.

EU CQ5 - Credit quality of loans for non-financial companies by economic sector

Amounts in euros

		Gross carrying amount				Accumulated value determination	Accumulated negative changes in fair value due to credit risk due to non-performing exposures credit
			Of which: non-performing	Of which defaulted	Of which: loans and advances susceptible to impairment		
10	Agriculture, forestry and fishing	–	–	–	–	–	–
20	Mining and quarrying	–	–	–	–	–	–
30	Manufacturing	–	–	–	–	–	–
40	Supply of electricity, gas, steam and air conditioning	–	–	–	–	–	–
50	Water supply	–	–	–	–	–	–
60	Building	–	–	–	–	–	–
70	Wholesale and Retail	–	–	–	–	–	–
80	Transport and storage	–	–	–	–	–	–
90	Hostelry	–	–	–	–	–	–
100	Information and communications	–	–	–	–	–	–
110	Financial and insurance activities	2,066	–	–	2,066	(0)	–
120	Real estate activities	931,275	3,540	–	931,275	(55)	–
130	Professional, scientific and technical activities	6,838,174	–	–	6,838,174	(306)	–
140	Administrative activities and auxiliary services	–	–	–	–	–	–
150	Public administration and defense; social security and compulsory	–	–	–	–	–	–
160	Education	3,540	–	–	3,540	(738)	–
170	Health and social services activities	–	–	–	–	–	–
180	Artistic, recreational and entertainment activities	–	–	–	–	–	–
190	Other services	–	–	–	–	–	–
200	Total	7,775,056	3,540	–	7,775,056	(1,099)	–

Table 18 : EU CQ5- Credit quality of loans for non-financial companies by economic sector

In line with EU CQ3, the table confirms that non-performing exposures to non-financial corporations are very limited, amounting to EUR 3.5k and relating only to the real estate sector, while the portfolio is mainly concentrated in professional, scientific and technical activities.

7.5. Own Fund Requirements for Credit Risk

EU CR4 - Standardized approach - Credit risk exposure and CRM effects

Amounts in euros

		Exposures before CCF and CRM		Exposures post CCF and CRM		RWAs and RWA density	
	Exposure classes	On-balance-sheet amount	Off-balance-sheet amount	On-balance-sheet amount	Off-balance-sheet amount	RWAs	RWA density
1	Central governments or central banks	277,220,095	–	575,085,032	3,265,777	–	0.0%
2	Non-central government public sector entities	–	–	–	–	–	0.0%
EU 2a	Regional governments or local authorities	–	–	–	–	–	0.0%
EU 2b	Public sector entities	–	–	–	–	–	0.0%
3	Multilateral development banks	–	–	–	–	–	0.0%
EU 3a	International organizations	–	–	–	–	–	0.0%
4	Institutions	251,816,907	–	49,979,426	–	7,844,466	15.7%
5	Covered bonds	–	–	–	–	–	0.0%
6	Corporates	209,625,347	46,927,449	113,597,892	15,680,252	110,153,952	85.2%
6.1	Of which: Specialized Lending	–	–	–	–	–	0.0%
7	Subordinated debt exposures and equity	–	–	–	–	–	0.0%
EU 7a	Subordinated debt exposures	–	–	–	–	–	0.0%
EU 7b	Equity	–	–	–	–	–	0.0%
8	Retail	733,558	2,938,179	733,558	1,562,966	1,543,088	67.2%
9	Secured by mortgages on immovable property and ADC exposures	–	–	–	–	–	0.0%
9.1	Secured by mortgages on residential immovable property - non IPRE	–	–	–	–	–	0.0%

9.2	Secured by mortgages on residential immovable property - IPRE	–	–	–	–	–	0.0%
9.3	Secured by mortgages on commercial immovable property - non IPRE	–	–	–	–	–	0.0%
9.4	Secured by mortgages on commercial immovable property - IPRE	–	–	–	–	–	0.0%
9.5	Acquisition, Development and Construction (ADC)	–	–	–	–	–	0.0%
10	Exposures in default	–	–	–	–	–	0.0%
EU 10a	Claims on institutions and corporates with a short-term credit assessment	–	–	–	–	–	0.0%
EU 10b	Collective investment undertakings (CIU)	–	–	–	–	–	0.0%
EU 10c	Other assets	12,236,929	–	12,236,929	–	12,176,052	99.5%
12	Total	751,632,836	49,865,628	751,632,836	20,508,996	131,717,558	17.1%

*Counterparty risk is also included

Table 19 : EU CR4 - Standardized approach - Credit risk exposure and CRM effects

EU CR5 - Standardised approach (EAD)

Amounts in thousands of euros

	Exposure classes	Risk weight												Total	Of which unrated
		0%	10%	20%	30%	40%	50%	75%	100%	150%	250%	400%	1250%		
1	Central governments or central banks	578,351	–	–	–	–	–	–	–	–	–	–	–	578,351	–
2	Non-central government public sector entities	–	–	–	–	–	–	–	–	–	–	–	–	–	–
3	Multilateral development banks	–	–	–	–	–	–	–	–	–	–	–	–	–	–
4	Institutions	11,951	–	35,640	2,388	–	–	–	–	–	–	–	–	49,979	–
5	Covered bonds	–	–	–	–	–	–	–	–	–	–	–	–	–	–
6	Corporates	19,124	–	–	–	–	–	–	110,154	–	–	–	–	129,278	–
6.1	Of which: Specialised Lending	–	–	–	–	–	–	–	–	–	–	–	–	–	–
7	Subordinated debt exposures and equity	–	–	–	–	–	–	–	–	–	–	–	–	–	–
EU 7a	Subordinated debt exposures	–	–	–	–	–	–	–	–	–	–	–	–	–	–
EU 7b	Equity	–	–	–	–	–	–	–	–	–	–	–	–	–	–
8	Retail exposures	239	–	–	–	–	–	2,057	–	–	–	–	–	2,297	–
9	Secured by mortgages on immovable property and ADC exposures	–	–	–	–	–	–	–	–	–	–	–	–	–	–
10	Exposures in default	–	–	–	–	–	–	–	–	–	–	–	–	–	–
EU 10a	Claims on institutions and corporates with a short-term credit assessment	–	–	–	–	–	–	–	–	–	–	–	–	–	–
EU 10b	Collective investment undertakings (CIU)	–	–	–	–	–	–	–	–	–	–	–	–	–	–
EU 10c	Other assets	61	–	–	–	–	–	–	12,176	–	–	–	–	12,237	–
EU 11c	Total	609,726	–	35,640	2,388	–	–	2,057	122,330	–	–	–	–	772,142	–

*Counterparty risk is also included

Table 20 : EU CR5- Standardised approach (EAD)

8. MARKET RISK

8.1. Definition

Market risk is the risk of changes in market prices, currencies or other economic factors that could cause a reduction in the value of assets or portfolio of assets. Market risk can arise from open market positions (either long or short) or imperfectly hedged positions. The Bank's exposure to market risk is mainly concentrated in foreign exchange rates.

8.2. Market Risk Management

The Bank does not own a trading portfolio and as such is not subject to capital requirements to cover position risks. However, the bank is exposed to currency risk as it holds cash in different currencies.

The Bank's policy regarding the decisions to take foreign exchange positions is conservative and is to have enough cash to cover small operations from clients. However, an exchange risk on corporate credit lines as well as hedging spot/forward positions initiated by the clients, still exist. To control this market risk, the Risk Management department performs daily checks on the foreign currency exposure in the banking book against a specific currency.

8.3. Own Fund Requirements for Market Risk

As of 31 December 2025, the Bank had own funds requirements for market risk of EUR 124,346.64, corresponding to a total risk exposure amount of EUR 1,554,333.00.

9. OPERATIONAL RISK

9.1. Definition

Operational risk is defined as the risk of direct or indirect loss resulting from inadequate or failed internal processes, people, and systems or from external events. The objective of the administration structure of the Bank is to ensure the business functions and to have available the necessary support for their operations.

9.2. Annual Evolution

In Euros '000	2024 Total	As of 1Q2025	As of 2Q2025	As of 3Q2025	As of 4Q2025
Number of Incidents	***67***	17	32	48	64
Total amount (no positives)	***129,540***	76,803	83,193	136,963	188,179
Total amount (CAM ROP)	***90,407***	76,801	83,191	136,961	188,177

Table 21 : Operational incident per Quarter

9.3. Operational Risk Management

The Bank has in place an operational risk management framework which promotes the need to timely identify and assess the activities, processes, and systems which are a potential source of operational risk related losses. The framework, as a consequence, promotes the self-identification and evaluation across all the processes of the Bank, as well as the implementation of a 4-eyes principle to limit risk as much as possible.

For monitoring purposes, the Bank has set up a database tool developed by the Parent Company whose methodology is known and accepted by the Bank. The purpose of the tool is centralising all reported operational risk incidents in order to ensure the collection of the entire incidents as well as to monitor the operational risk profile of the Bank.

Consequently, all operational incidents (with and without a financial impact) are assessed and logged, in the form of an incident report. The incident report framework eases controlling the deficiencies through all the processes, better adapting risk management processes and refining back testing work.

The monitoring of this database is ensured by the Risk Management Department of the Bank, who ensures the collection and registration of all operational incidents through the database, based on report incidents received by the responsible business lines.

9.4. Own Fund Requirements for Operational Risk

Following the entry into force of CRR3, the Bank replaced the previous Basic Indicator Approach ("BIA") with the single Standardised Approach for Operational Risk ("SA-OR"), based on the Business Indicator ("BI") and the Business Indicator Component ("BIC").

EU OR2 - Business Indicator, components and subcomponents

Amounts in euros

		a	b	c	d
	BI and its subcomponents	**2025**	**2024**	**2023**	**Average value**
1	Interest, lease and dividend component (ILDC)				9,116,560
EU 1	ILDC related to the individual institution/consolidated Group (excluding entities considered by Article 314(3)				9,116,560
1a	Interest and lease income	–	–	–	–
1b	Interest and lease expense	–	–	–	–
1c	Total assets/Asset component	–	–	–	–
1d	Dividend income/dividend component	–	–	–	–
2	Services component (SC)				24,880,419
2a	Fee and commission income	–	–	–	–
2b	Fee and commission expense	–	–	–	–
2c	Other operating income	–	–	–	–
2d	Other operating expense	–	–	–	–
3	Financial component (FC)				1,288,692
3a	Net profit or loss applicable to trading book (TB)	–	–	–	–
3b	Net profit or loss applicable to banking book (BB)	–	–	–	–
EU 3c	Approach followed to determine the TB/BB boundary (PBA or accounting approach)	–	–	–	–

4	Business Indicator (BI)				35,285,672
5	Business indicator component (BIC)				4,234,281

Disclosure on the BI:		
6a	BI gross of excluded divested activities	35,285,672
6b	Reduction in BI due to excluded divested activities	–
EU 6c	Impact in BI of mergers/acquisitions	–

Table 22 : EU OR2 - Business Indicator, components and subcomponents

The total capital requirement for operational risk amounted, at the end of December 2025, to EUR 4.2 million.

EU OR3 - Operational risk own funds requirements and risk exposure amounts

Amounts in euros

		a
1	Business Indicator Component (BIC)	4,234,280.66
EU1	Alternative Standardised Approach (ASA) Own Funds Requirements (OROF) under Article 314(4)	-
2	Not applicable	
3	Minimum Required Operational Risk Own Funds Requirements (OROF)	4,234,280.66
4	**Operational Risk Exposure Amounts (REA)**	**52,928,508.25**

Table 23 : EU OR3- Operational risk own funds requirements and risk exposure amounts

The Bank bases its operational risk framework on the Principles for a Sound Management of Operational Risk from the Basel Committee in applying the Risk and Control Self-Assessment (“RCSA”) practice to analyse its risk profile as well as the adequacy of its control to cover it.

10. LIQUIDITY AND FUNDING RISK

10.1. Definition

Liquidity risk represents the risk that the Bank is unable to meet its financial obligations as they fall due or can only do so at excessive cost. Funding risk is the risk that stable funding resources are insufficient to support assets, leading to excessive reliance on unstable or volatile funding. The Bank's liquidity risk management objective is to ensure that sufficient high-quality liquid assets (HQLA) are maintained to withstand severe stress scenarios, while preserving a conservative and diversified funding structure consistent with its business strategy and risk appetite.

10.2. Annual Evolution

The Bank's liquidity position strengthened further during 2025. The Liquidity Coverage Ratio (LCR) rose from 119.61% on 31 December 2024 to 154.89% on 31 December 2025, and the Net Stable Funding Ratio (NSFR) rose from 236.03% to 338.46% over the same period. Both ratios remained comfortably above the regulatory minimum requirement of 100% throughout 2025, demonstrating the Bank's strong liquidity position and stable funding profile.

Metric	31 Dec 2024	31 Dec 2025	Change (∆)
LCR (%)	119.61%	**154.89%**	+35.3 pp
NSFR (%)	236.03%	**338.46%**	+102.4 pp
Total HQLA (in EUR)	489,110,566	**406,336,106**	–16.9%
Total cash outflows (in EUR)	572,910,479	**380,490,010**	–33.6%
Total cash inflows (in EUR)	163,971,348	**118,149,779**	–28.0%
NSFR Available Stable Funding (ASF) (in EUR)	87,085,881	**139,087,352**	+59.7%
NSFR Required Stable Funding (RSF) (in EUR)	36,896,070	**41,094,335**	+11.4%

Table 24 : Annual Evolution of Key Liquidity Metrics (Internal)

The increase in the LCR and NSFR was mainly driven by a revised Operational Deposits methodology, applied with effect from 30 December 2025 and aligned with Article 27 of Delegated Regulation (EU) 2015/61, together with lower gross cash outflows. The revised methodology refined the identification and classification of operational deposits in accordance with Article 27 of Delegated Regulation (EU) 2015/61, resulting in lower recognised LCR cash outflows while leaving the Bank's underlying liquidity resources and funding profile unchanged. The HQLA stock decreased as a result of the scheduled amortisation of Level 1 sovereign securities rather than asset disposals or any deterioration in asset quality. Maturing proceeds were retained as central-bank reserves and correspondent balances pending reinvestment, meaning that the reduction reflected balance-sheet optimisation rather than any weakening of the Bank's liquidity position.

The Bank maintained liquidity well above both regulatory requirements and its internal liquidity risk appetite throughout the reporting period. The funding profile remained predominantly customer-deposit based, with limited reliance on wholesale funding markets and no structural dependence on secured market funding. These characteristics continued to support a resilient liquidity profile under both normal and stressed conditions. No material liquidity events, funding disruptions or breaches of regulatory or internal liquidity limits occurred during the reporting period.

10.3. Liquidity and Funding Risk Management

10.3.1. Liquidity risk management strategies and processes

The management of liquidity risk is governed by the Bank's Liquidity Risk Management Procedure, which sets out the Bank's liquidity standards in full, including stress testing and scenario analysis. The Bank performs institution-specific, market-wide and combined liquidity stress scenarios, including reverse liquidity stress testing, to assess the resilience of its liquidity position under severe but plausible conditions. The outcomes of liquidity stress tests are used to assess the adequacy of the liquidity buffer, validate liquidity risk appetite, calibrate Recovery Plan trigger levels, review contingency funding actions and support the annual ILAAP. Material findings are reported to the Treasury Committee, Authorised Management and the Board and are incorporated into liquidity risk management decisions where appropriate.

The Bank's commercial strategy, increasingly focused on Funds Services, Depositary Banking and Private Clients, has shifted its liquidity profile towards a higher concentration of current accounts from corporate, institutional and private clients, including external SICAVs. The funding strategy is calibrated to this profile while ensuring that liquid resources remain available to cover outflows in a timely manner, through:

- Careful forecasting of cash flows and maintenance of sufficient liquidity and/or funding lines in anticipation of future requirements.
- Maintenance of sufficient high-quality liquid assets and other liquidity resources to meet expected and stressed liquidity needs in accordance with the Bank's liquidity risk appetite.
- Diversification of the investment portfolio by issuer, maturity and instrument type.
- Proactive liquidity stress testing, including reverse stress testing, performed at least quarterly.

The Bank's funding strategy seeks to maintain appropriate diversification by funding source, depositor type, currency and contractual maturity while remaining aligned with its predominantly customer-deposit-funded business model. Treasury also monitors diversification across customer sectors, individual counterparties and behavioural funding characteristics to avoid excessive dependence on any single funding source or maturity bucket, consistent with the Bank's funding strategy and liquidity risk appetite.

Although customer deposits remain the principal funding source, the Bank maintains access to contingent liquidity through central-bank eligible collateral, interbank facilities and other funding sources available under its CRD. The Bank also maintains diversification across funding tenors by monitoring contractual and behavioural maturities of customer deposits and wholesale funding. Treasury periodically reviews the funding profile to avoid excessive refinancing concentrations at any single maturity horizon and to ensure that funding remains aligned with the Bank's liquidity risk appetite and business strategy. Funding concentrations are monitored through internal concentration metrics and behavioural analysis to ensure that no individual funding source creates excessive liquidity risk.

The Bank's overall Liquidity Risk Appetite is defined as low/moderate and conservative, consistent with its business strategy and its focus on Funds Services, Depositary Banking and Private Clients.

Funding Profile and Concentration

As at 31 December 2025, the Bank's funding profile comprised 76.8% private-sector deposits and 23.2% deposits from credit institutions (2024: 84.7% and 15.3%), with a currency composition of 59.0% EUR, 36.4% USD, 1.8% GBP and 2.8% other currencies. The Gross Loan-to-Deposit ratio was 43.02%, demonstrating that customer deposits comfortably exceeded the loan portfolio. Approximately 60.2% of customer deposits were open-ended, consistent with the Bank's operational deposit model.

Funding concentration reflects the Bank's business model rather than reliance on a small number of counterparties. The largest balances consist primarily of operational institutional deposits and intragroup cash-pooling arrangements, which have historically demonstrated stable behavioural characteristics. Behavioural stability is assessed using historical retention analysis, depositor behaviour and stress assumptions rather than contractual maturities alone. Concentration risk is monitored through depositor concentration metrics, behavioural analysis and early warning indicators and remains within the approved liquidity risk appetite. The Bank also maintains contingent liquidity sources, including central-bank eligible collateral and interbank facilities, reducing dependence on any single funding channel.

10.3.2. Asset encumbrance

Asset encumbrance occurs when assets are pledged as collateral or are subject to any arrangement to secure, collateralise or credit-enhance any transaction. In accordance with Article 443 of the CRR and the EBA Pillar 3 Implementing Technical Standards (Commission Implementing Regulation (EU) 2021/637, Annexes XXXV and XXXVI), the Bank discloses qualitative and quantitative information on its asset encumbrance profile. The quantitative disclosures below are derived from the supervisory Asset Encumbrance reporting templates (AE-ASS, AE-COL and AE-ADV) submitted to the competent authority, and from supervisory templates F32.01, F32.02 and F36.01.

The Bank maintained a zero-encumbrance profile and had no outstanding repo transactions, covered bond programmes or securitisations. Consequently, its sovereign bond portfolio remained fully available, where eligible, for outright sale, repo transactions or central-bank refinancing, supporting balance-sheet flexibility and liquidity resilience.

10.3.2.1. Table EU AE1 — Encumbered and Unencumbered Assets

As of 31 December 2025, the Bank had no encumbered assets and reported an asset encumbrance ratio of 0.00%. All assets reported in template EU AE1 were therefore unencumbered, with no material sources of encumbrance identified. Unencumbered assets amounted to EUR 697.8 million, of which EUR 277.2 million were eligible for central-bank refinancing, including EUR 129.7 million of debt securities issued by general governments and EUR 147.5 million of other eligible assets.

EU AE1 - Encumbered and unencumbered assets

Amounts in euros

		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
		10	30	40	50	60	80	90	100
10	Assets of the reporting institution	–	–	–	–	697,815,495	277,220,095	–	–
30	Equity instruments	–	–	–	–	–	–	–	–
40	Debt securities	–	–	–	–	129,680,840	129,680,840	124,839,326	124,839,326
50	of which: covered bonds	–	–	–	–	–	–	–	–
60	of which: securitisations	–	–	–	–	–	–	–	–
70	of which: issued by general governments	–	–	–	–	129,680,840	129,680,840	124,839,326	124,839,326
80	of which: issued by financial corporations	–	–	–	–	–	–	–	–
90	of which: issued by non-financial corporation	–	–	–	–	–	–	–	–
120	Other assets (1)	–	–			568,134,655	147,539,255		

Table 25 : EU AE1- Encumbered and unencumbered assets

10.3.2.2. Table EU AE2 — Collateral Received and Own Debt Securities Issued

The Bank receives collateral as part of its normal banking activities, principally in connection with treasury transactions and collateral management arrangements. Template F32.02 distinguishes between collateral that is encumbered, collateral that is available for encumbrance, and collateral that is not available for encumbrance; the Bank's position as of 31 December 2025 was as follows:

EU AE2 - Collateral received and own debt securities issued

Amounts in euros

		Fair value of encumbered collateral received, or own debt securities issued		Unencumbered: Fair value of collateral received, or own debt securities issued available for encumbrance	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
130	**Collateral received by the reporting institution**	**–**	**–**	**137,017,322**	**–**
140	Loans on demand	–	–	–	–
150	Equity instruments	–	–	–	–
160	Debt securities	–	–	137,017,322	–
170	of which: covered bonds	–	–	–	–
180	of which: securitisations	–	–	–	–
190	of which: issued by general governments	–	–	137,017,322	–
200	of which: issued by financial corporations	–	–	–	–
210	of which: issued by non-financial corporations	–	–	–	–
220	Loans and advances other than loans on demand	–	–	–	–
230	Other collateral received	–	–	–	–
240	**Own debt securities issued other than own covered bonds or securitisations**	**–**	**–**	**–**	**–**
241	**Own covered bonds and asset-backed securities issued and not yet pledged**	**–**	**–**	**–**	**–**
250	TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	–	–	–	–

Table 26 : EU AE2- Collateral received and own debt securities issued

All collateral received comprised sovereign debt securities. None was re-used or re-pledged during the reporting period and therefore did not contribute to asset encumbrance. The Bank had no own debt securities available for encumbrance.

10.4. Quantitative Aspects

10.4.1. Table EU LIQ1 — Quantitative information on LCR

The table below reproduces the EU LIQ1 template in the format set out in EBA ITS Annex XIII, on a 12-month rolling average basis as of 31 December 2025. Note that the figures in this template are calculated on a 12-month rolling average basis as required by the EBA ITS and therefore differ from the point-in-time, 31 December 2025 regulatory reporting figures used in the Annual Evolution section above (LCR of 154.89% and HQLA of EUR 406.3 million). The 12-month average LCR of 128% and average HQLA of EUR 477.8 million reflect liquidity levels throughout the year, including periods prior to the year-end Operational Deposits methodology change and the associated improvement in the ratio.

	Total unweighted value (average)	Total unweighted value (average)	Total unweighted value (average)	Total unweighted value (average)	Total weighted value (average)	Total weighted value (average)	Total weighted value (average)	Total weighted value (average)
EUR thousands	31.12.2025	30.09.2025	30.06.2025	31.03.2025	31.12.2025	30.09.2025	30.06.2025	31.03.2025
Annual	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS								
Total high-quality liquid assets (HQLA)	477,843	474,351	449,906	406,629	477,843	474,351	449,906	406,629
CASH OUTFLOWS								
Retail deposits and deposits from small business customers, of which:	6,801	6,713	6,490	6,456	1,360	1,343	1,298	1,291
Stable deposits	—	—	—	—	—	—	—	—
Less stable deposits	6,801	6,713	6,490	6,456	1,360	1,343	1,298	1,291
Unsecured wholesale funding	527,696	525,143	502,335	451,904	499,111	501,740	478,360	428,904
Operational deposits (all counterparties) and deposits in networks of cooperative banks	26,716	20,787	19,789	16,884	6,679	5,197	4,947	4,221
Non-operational deposits (all counterparties)	500,981	504,356	482,546	435,020	492,432	496,543	473,412	424,683
Unsecured debt	—	—	—	—	—	—	—	—
Secured wholesale funding	0	0	0	0	0	0	0	0
Additional requirements	66,880	67,128	67,621	60,363	40,740	41,310	41,663	34,448
Outflows related to derivative exposures and other collateral requirements	24,355	25,194	25,747	18,834	24,355	25,194	25,747	18,834
Outflows related to loss of funding on debt products	—	—	—	—	—	—	—	—
Credit and liquidity facilities	42,524	41,934	41,874	41,529	16,384	16,116	15,916	15,614
Other contractual funding obligations	—	—	—	—	—	—	—	—
Other contingent funding obligations	943	951	967	977	—	—	—	—
TOTAL CASH OUTFLOWS	—	—	—	—	541,211	544,393	521,321	464,643

CASH INFLOWS								
Secured lending (eg reverse repos)	—	—	—	—	—	—	—	—
Inflows from fully performing exposures	134,396	131,685	127,253	119,448	133,881	131,170	126,737	118,933
Other cash inflows	24,152	25,046	25,623	18,842	24,152	25,046	25,623	18,842
(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)	—	—	—	—	—	—	—	—
(Excess inflows from a related specialized credit institution)	—	—	—	—	—	—	—	—
TOTAL CASH INFLOWS	158,548	156,731	152,876	138,290	158,033	156,216	152,361	137,775
Fully exempt inflows	—	—	—	—	—	—	—	—
Inflows Subject to 90% Cap	—	—	—	—	—	—	—	—
Inflows Subject to 75% Cap	158,548	156,759	153,380	138,737	158,033	156,230	152,613	137,999
TOTAL ADJUSTED VALUE								
LIQUIDITY BUFFER					477,843	474,351	449,906	406,629
TOTAL NET CASH OUTFLOWS					383,178	388,163	368,708	326,644
LIQUIDITY COVERAGE RATIO (%)					125%	122 %	122 %	124 %

Table 27 : EU LIQ1 - Quantitative information on LCR

10.4.2. Table EU LIQ2 — Net Stable Funding Ratio (NSFR)

The table below reproduces the EU LIQ2 template in the format set out in EBA ITS Annex XIII. As with EU LIQ1, the 31 December 2025 results are as follows:

		31.12.2025					30.09.2025					30.06.2025					30.03.2025				
		Unweighted value by residual maturity				Weighted value	Unweighted value by residual maturity				Weighted value	Unweighted value by residual maturity				Weighted value	Unweighted value by residual maturity				Weighted value
	(in currency amount)	No maturity	< 6 months	6 months to < 1 year	≥ 1year		No maturity	< 6 months	6 months to < 1 year	≥ 1year		No maturity	< 6 months	6 months to < 1 year	≥ 1year		No maturity	< 6 months	6 months to < 1 year	≥ 1year	
	AVAILABLE STABLE FUNDING (ASF) ITEMS																				
1	Capital items and instruments	68,323	—	—	—	68,323	68,009	—	—	—	68,009	67,573	—	—	—	67,573	65,793	—	—	—	65,793
2	Own funds	68,323	—	—	—	68,323	68,009	—	—	—	68,009	67,573	—	—	—	67,573	65,793	—	—	—	65,793
3	Other capital instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
4	Retail deposits	—	5,759	—	—	5,184	—	6,616	—	—	5,955	—	7,760	—	—	6,984	—	6,310	—	—	5,679
5	Stable deposits	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Less stable deposits	—	5,759	—	—	5,184	—	6,616	—	—	5,955	—	7,760	—	—	6,984	—	6,310	—	—	5,679
7	Wholesale funding:	—	553,928	4,796	—	65,581	—	507,430	2,813	—	20,148	—	655,319	2,862	—	17,919	—	669,879	5,222	—	16,605
8	Operational deposits	—	109,476	—	—	54,738	—	21,468	—	—	10,734	—	21,460	—	—	10,730	—	15,383	—	—	7,692
9	Other wholesale funding	—	444,452	4,796	—	10,843	—	485,962	2,813	—	9,414	—	633,859	2,862	—	7,189	—	654,496	5,222	—	8,914
10	Interdependent liabilities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	Other liabilities:	1,520	31,411	—	—	—	2,089	31,909	—	—	—	—	14,802	—	—	—	—	15,555	—	—	—
12	NSFR derivative liabilities	1,520	—	—	—	—	2,089	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	All other liabilities and capital instruments not included in the above categories	—	31,411	—	—	—	—	31,909	—	—	—	—	14,802	—	—	—	—	15,555	—	—	—
14	**Total available stable funding (ASF)**	—	—	—	—	139,087	—	—	—	—	94,112	—	—	—	—	92,476	—	—	—	—	88,078

		31.12.2025					30.09.2025					30.06.2025					30.03.2025				
	(in currency amount)	Unweighted value by residual maturity				Weighted value	Unweighted value by residual maturity				Weighted value	Unweighted value by residual maturity				Weighted value	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1 year	≥ 1year		No maturity	< 6 months	6 months to < 1 year	≥ 1year		No maturity	< 6 months	6 months to < 1 year	≥ 1year		No maturity	< 6 months	6 months to < 1 year	≥ 1year	
	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:	—	362,664	15,300	796	31,730	—	317,089	3,495	839	27,845	—	382,351	2,600	877	29,037	—	377,709	5,294	903	27,278
18	Performing securities financing transactions with financial customers collateralized by Level 1 HQLA subject to 0% haircut	—	139,086	—	—	—	—	82,784	—	—	—	—	135,591	—	—	—	—	155,233	—	—	—
19	Performing securities financing transactions with financial customers collateralized by other assets and loans and advances to financial institutions	—	220,991	10,102	73	27,224	—	229,449	—	74	23,019	—	240,999	—	74	24,174	—	218,465	—	74	21,920
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:	—	2,587	5,198	722	4,507	—	4,856	3,495	766	4,826	—	5,762	2,600	803	4,864	—	4,010	5,294	829	5,358
21	With a risk weight of less than or equal to 35% under the Basel II Standardized 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 Standardized 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	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
25	Interdependent assets	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
26	Other assets:	—	28,767	—	—	6,918	—	25,272	—	—	6,792	—	57,703	—	—	9,432	—	33,186	—	—	9,516
27	Physical traded commodities	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
29	NSFR derivative assets	—	—	—	—	—	—	—	—	—	—	—	970	—	—	970	—	2,514	—	—	2,514
30	NSFR derivative liabilities before deduction of variation margin posted	—	16,591	—	—	830	—	12,985	—	—	649	—	44,233	—	—	2,212	—	18,520	—	—	926
31	All other assets not included in the above categories	—	12,176	—	—	6,088	—	12,286	—	—	6,143	—	12,500	—	—	6,250	—	12,152	—	—	6,076
32	Off-balance sheet items	—	48,928	—	—	2,446	—	54,353	—	—	2,718	—	37,896	—	—	1,895	—	46,062	—	—	2,303
33	**Total RSF**	—	—	—	—	41,094	—	—	—	—	37,355	—	—	—	—	40,364	—	—	—	—	39,097
34	**Net Stable Funding Ratio (%)**	—	—	—	—	338.46%	—	—	—	—	251.94%	—	—	—	—	229.10%	—	—	—	—	225.28%

Table 28 **: EU LIQ2 - Net Stable Funding Ratio (NSFR)**

11. INTEREST RATE RISK

11.1. Definition

Interest Rate Risk in the Banking Book (IRRBB) refers to the current and prospective risk to both the economic value of the Bank's equity (EVE) and its Net Interest Income (NII) arising from adverse movements in interest rates affecting banking book positions. The Bank's banking book consists primarily of retail and corporate deposits, interbank placements, loans to corporates, lombard loans and a portfolio of fixed-rate debt securities.

CSRBB is the risk of loss in value of credit-risk-bearing instruments arising from changes in credit spreads. It is monitored separately from IRRBB, given that movements in credit spreads are driven by issuer- and market-specific factors distinct from the general level of interest rates.

11.2. Annual Evolution

11.2.1. IRRBB

At 31 December 2024, structural interest rate risk was low relative to the Bank's capital base, with EVE sensitivity of +1.16% of Tier 1 capital under a +200bp parallel shock and –2.66% under a –200bp parallel shock, both well within the supervisory outlier threshold of ±15% of Tier 1 capital.

During 2025 the Bank continued enhancing its IRRBB measurement framework through improvements to behavioural assumptions and balance sheet modelling. As at 31 December 2025, the Bank's IRRBB exposures remained within the supervisory outlier thresholds prescribed under the applicable EBA framework throughout the year. Changes observed during the year primarily reflected normal balance sheet developments and refinements to behavioural assumptions applied to non-maturing deposits. The parallel up scenario generated the largest reduction in Economic Value of Equity (EVE) at year-end, while remaining within the applicable supervisory threshold; this is explained by the Bank's net asset-side duration position, with the fixed-rate bond portfolio and behaviourally long-dated current accounts together exposing the balance sheet to a fall in economic value when rates rise. The parallel-down scenario, conversely, represented the worst Net Interest Income (NII) outcome, reflecting the Bank's structurally low remuneration of current accounts: a fall in rates compresses the spread the Bank earns on its asset base without a corresponding reduction in funding cost, since non-interest-bearing deposits cannot reprice further downward. As at 31 December 2025, the worst NII outcome was the parallel-down scenario at –1.83% of Tier 1 capital, equivalent to a EUR 1.25 million reduction in projected net interest income, within both the internal and regulatory thresholds. Net Interest Income (NII) sensitivity remained within the Bank's approved risk management framework at year-end and reflected the interest rate characteristics of the banking book portfolio.

Throughout 2025, all IRRBB measures remained within both the Bank's internal risk appetite and the applicable supervisory outlier thresholds. The Bank's structural interest rate risk profile therefore remained consistent with its conservative balance-sheet structure and did not require any material management intervention during the reporting period.

11.2.2. CSRBB

As at 31 December 2025, the EVE impact across the Bank's bond holdings ranged between –1.73% and +1.30% under spread-widening and spread-narrowing scenarios respectively, with no bonds maturing within the one-year horizon and the NII metric therefore nil. Based on its internal assessment, CSRBB remained limited throughout the reporting period and was appropriately managed within the Bank's risk management framework; given that the EVE metric is well below the supervisory benchmark in both scenarios and the NII metric is nil. Based on the Bank's internal assessment, CSRBB does not give rise to any additional internal capital requirement and remains appropriately managed within the existing risk management framework. The Bank does not currently maintain specific quantitative Board-approved risk appetite limits for CSRBB. Instead, exposures are assessed through periodic measurement, management judgement and supervisory assessment, reflecting the limited size and low complexity of the banking book investment portfolio.

11.3. Structural interest rate risk management

The objective of the Bank's IRRBB framework is to ensure that structural interest rate risk remains within the approved risk appetite while supporting sustainable earnings generation and protecting the economic value of the banking book. IRRBB is managed through prudent balance sheet positioning, regular stress testing and ongoing monitoring of both economic value and earnings sensitivity. The Bank seeks to maintain a balanced structural interest rate profile by aligning the repricing characteristics of assets and liabilities within the limits established under the Risk Appetite Framework. New products and material balance-sheet initiatives are assessed for their potential impact on IRRBB before implementation through the Bank's product approval and governance processes.

Throughout 2025, the Bank focused on enhancing the IRRBB Framework. Notably, significant progress was made in completing the Master Remediation Plan at the Group level, strengthening the awareness of the first line of control in implementing tools to improve the monitoring of IRRBB drivers. This also involved enhancing the information provided to the Treasury Committee and the ARC Committee, as well as developing a new NMD behavioural model and an updated methodology for identifying operational deposits and calculating excess.

11.4. Quantitative Aspects

11.4.1. Table EU IRRBB1 — Interest rate risk of non-trading book activities

The table below presents the Bank's IRRBB sensitivities as at 31 December 2025 under the supervisory interest rate shock scenarios prescribed by the EBA. Amounts are shown in EUR thousands.

Period (Amounts in thousands of euros)	ΔEVE	ΔNII[1]
	Changes of the economic value of equity	Changes of the net interest income
	31.12.2025	31.12.2025
Parallel Up	(6,885)	317

[1] A negative ΔEVE denotes a reduction in economic value. NII is disclosed for the two parallel shocks only, in accordance with EBA/RTS/2022/10. Tier 1 capital at 31 December 2025: approximately EUR 68.3 million.

Parallel down (SOT)	2,443	(1,250)
Steepener (SOT)	585	
Flattener (SOT)	(2,136)	
Short rate up	(4,034)	
Short rate down (SOT)	1,667	

Table 29 : EU IRRBB1 — Interest rate risk of non-trading book activities

Positive values represent increases in Economic Value of Equity (EVE) or Net Interest Income (NII), while negative values represent reductions. The reported sensitivities reflect instantaneous supervisory interest rate shocks applied to the banking book in accordance with the applicable EBA framework.

12. CLIMATE-RELATED AND ENVIRONMENTAL RISK

12.1. Definition

The Bank defines Climate-related and environmental risks as the risk arising from an institution's exposures to credit loans, asset under management of corporate & fund services and other types of services that may be affected by, or contribute to, the negative impacts of environmental factors, such as climate change and other forms of environmental degradation. In this context, further segmentation is envisaged for CRE (Climate-Related and Environmental) risks:

- Physical Risks, which refer to the financial impact of a changing climate, including more frequent extreme weather events and gradual changes in climate, as well as of environmental degradation. Physical risk is categorized as :
    - Acute, when it arises from extreme events; or
    - Chronic, when it arises from progressive shifts, such as increasing temperatures, sea-level rises, etc.
- Transition risks, which refer to an institution's financial loss that may result, directly or indirectly, from policy restrictions, technology evolution, changing client preferences in the process of adjustment towards a lower-carbon and more environmentally sustainable economy.

12.2. Annual Evolution

In the course of 2025, The Bank has carried out a risk identification process based on the Bank's sub-risk categories of the risk taxonomy to detect where the Climate-related and environmental risks could have an impact.

			Transition Risk			Physical Risk - Acute			Physical Risk - Chronic		
Risk Category	Sub-risk Category (level	Sub-risk Category (level 2)	T.R. - ST (<1Y)	T.R. - MT (1-5Y)	T.R. - LT (>5Y)	P.R.A. - ST (<1Y)	P.R.A. - MT (1-5Y)	P.R.A. - LT (>5Y)	P.R.C. - ST (<1Y)2	P.R.C. - MT (1-5Y)	P.R.C. - LT (>5Y)
ESG	Environmental Risk	Credit risk	No	Yes	Yes	No	No	No	No	No	No
ESG	Environmental Risk	Country Risk	No	No	Yes	No	No	No	No	No	No
ESG	Environmental Risk	Counterparty Risk	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
ESG	Environmental Risk	Concentration Risk	No	No	Yes	Yes	Yes	Yes	No	No	No
ESG	Environmental Risk	ICT	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
ESG	Environmental Risk	Model risk	No	Yes	Yes	No	No	No	No	No	No
ESG	Environmental Risk	Conduct Risk	No	Yes	Yes	Yes	Yes	Yes	No	No	No
ESG	Environmental Risk	HR Risk	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No
ESG	Environmental Risk	Settlement Risk	No	No	Yes	Yes	No	No	No	No	No
ESG	Environmental Risk	Funding liquidity risk	No	Yes	Yes	No	No	Yes	No	No	No
ESG	Environmental Risk	Market liquidity risk	No	No	Yes	Yes	Yes	Yes	No	No	No
ESG	Environmental Risk	FX risk	No	Yes	Yes	No	No	No	No	No	No
ESG	Environmental Risk	IRRBB	Yes	Yes	Yes	No	No	No	No	No	No
ESG	Environmental Risk	Business Risk	No	Yes	Yes	Yes	Yes	Yes	No	Yes	Yes
ESG	Environmental Risk	Reputational	No	Yes	Yes	Yes	Yes	Yes	No	No	No
ESG	Environmental Risk	Legal	No	Yes	Yes	Yes	Yes	Yes	No	No	No
ESG	Environmental Risk	Compliance	Yes	Yes	Yes	Yes	Yes	Yes	No	No	No
ESG	Social Risk	-	No	No	No	No	No	No	No	No	No
ESG	Governance Risk	-	No	No	No	No	No	No	No	No	No

Table 30 : Materiality assessment

12.3. Climate-Related and Environmental Risk Management

Following the results of risk identification process, the Bank performed a qualitative materiality assessment on each applicable CRE risk drivers. Such assessment integrated the Bank's business model, risk exposures, and expert judgment and the primary objective is to assess the severity and probability of the applicable transmission channels. The Bank's operational risk framework is employed as the basis for defining the qualitative materiality assessment approach for CRE risks ensuring consistency across different risk categories' assessments.

In accordance with CSSF Circular 21/773, the Bank has incorporated CRE risk drivers into its business strategy and risk appetite framework. In this context, during 2025 the Bank implemented two key monitoring indicators (KMIs) to monitor exposures identified within the transmission channel related to business and concentration risk, as presented in the table below:

Risk Category	Internal Risk metric	Assessment Value	Assessment Date
	KMI title		
Climate-Related and Environmental Risk	% of Assets under custody exposed to high climate impact sectors	0.14%	31/12/2025
	Net revenue generated from business activities exposed to material transition risk	48,714 €	31/12/2025

Table 31 : Key monitoring indicators for CRE

13. REMUNERATION DISCLOSURE

Context, Objectives and Scope of Application

The Bank has adopted a Remuneration Policy (hereinafter the "Policy") which defines and describes its remuneration principles and practices in accordance with European and Luxembourg regulatory requirements on remuneration, including but not limited to:

- Articles 38-5 to 38-11 of the Law of 5 April 1993 on the financial sector ("LFS"), as amended;
- Regulations (EU) 2019/2088 and 2019/876 concerning disclosure requirements and Implementing Regulation 2021/637 laying down publication technical standards;
- Commission Delegated Regulation (EU) 2021/923 on qualitative and quantitative criteria to identify categories of staff whose professional activities have a significant impact on the institution's risk profile;
- CSSF Circulars 22/797, 15/622, 23/841, 12/522 (as amended);
- EBA Guidelines on sound remuneration policies under Directive 2013/36/EU (EBA/GL/2021/04).

In addition, this Policy is aligned with the overarching framework of the Crèdit Andorrà Financial Group on remuneration policies and practices.

The general principles of this Policy apply to all employees of the Bank.

Guiding Principles and Objectives

The Policy aims at promoting sound and effective risk management and discouraging risk-taking behaviours that would exceed the Bank's risk appetite. It is consistent with the Bank's and Group's economic strategy, objectives, values and long-term interests, and includes measures to prevent conflicts of interest.

The Policy is based on five key guiding principles:

- **Sound and Effective Risk Management**

  The Policy and associated remuneration practices are intended to protect the long-term interests of the Bank's clients, employees, shareholders and the Bank's financial sustainability in the long run. Variable remuneration is defined so as not to undermine the Bank's sound capital base.

- **Attractive, Competitive and Merit-Based Remuneration**

  In order to ensure client satisfaction and protection remain central to its philosophy, the Bank aims to attract, retain and motivate talented individuals in their respective areas. Remuneration conditions are designed to be market-aligned and attractive.

  Fixed remuneration is defined in a non-discretionary way and reflects the employee's level of professional experience, skills, and responsibilities.

- **Alignment Between Performance, Risks and Variable Remuneration**

  Variable remuneration, while an integral part of the Bank's remuneration conditions, is linked to effective performance and subject to strict evaluation rules to avoid behaviors leading to excessive or misaligned risk-taking.

- **Responsible Conduct**

  This Policy encourages responsible conduct by all staff, particularly those providing client services, and ensures fair treatment of clients and avoidance of conflicts of interest in client relations. Moreover, the Bank ensures that remuneration and performance evaluations are not designed in a way that would compromise its obligation to act in the best interest of clients.

- **Principle of Neutrality**

  To ensure equal treatment and pay for all employees, the Bank considers each employee's skills, qualifications, and experience, and guarantees equal pay for equal work or work of equal value, irrespective of gender or gender identity.

13.1. RISK PROFILE AND MATERIAL RISK TAKERS

Bank Activities

The Bank has been operating in Luxembourg since 2010, employs fewer than 130 staff, and is primarily active in asset servicing, and to a lesser extent, in private banking. The Bank has no subsidiaries, nor branches, does not engage in proprietary trading, and acts solely as an agent for its clients.

The Bank is not active in investment banking and does not issue consumer or mortgage loans, except for personal loans granted to employees under employment contracts.

Identification of Material Risk Takers (MRTs)

Each year, and on a continuous basis as specific events arise (e.g., appointments, new hires, organizational changes, or other relevant developments), the Bank carries out a detailed analysis to identify staff whose professional activities may have a material impact on the Bank's risk profile: these are the Material Risk Takers" (MRTs) or the "Identified Staff".

This process, which is conducted in strict compliance with regulatory requirements and guidelines, is initiated by the Human Resources department, subsequently reviewed by the Risk Management and Compliance departments, the Executive Committee, the Nomination & Remuneration Committee, and ultimately approved by the Bank's Board of Directors.

Retained MRTs are informed of their status at the start of the Performance Year.

As of 31 December 2025, the list of Material Risk Takers was as follows

Category	Number of Material Risk Takers
Management Body – Supervisory Function	**5**
Management Body – Management Function	**3**
Senior Management and other Material Risk Takers - **Head of Depositary Development** - **Head of Business Development** - **Head of Central Administration**	**8**

Category	Number of Material Risk Takers
- Head of Depositary and Paying Agent Services - Head of Client & Investor Services - Head of Finance & General Services - Head of IT - Head of Human Resources	
Control Functions - Chief Internal Auditor - Chief Risk Officer - Chief Compliance Officer	3
Total	**19**

Table 32 : Material Risk takers

Application of the Proportionality Principle

Considering that:

- The Bank's activities remain limited to the Group's core businesses of asset servicing, and to a lesser extent, private banking;
- The Bank applies a conservative risk management approach, resulting in limited exposure to risks;
- The Bank is of relatively small size, and has no subsidiaries nor branches;
- The Bank's internal organization is simple, and decisions are made in a collective and traceable manner;
- The Bank's asset value has remained below EUR 5 billion for the past four years;

the Bank chose to apply the proportionality principle (art. 94 (3a) CRD, art. 38-6 (2a) LFS), hereby neutralizing for all Material Risk Takers the requirements concerning:

- The payment of at least 50% of variable remuneration in financial instruments (and the related retention obligations);
- The deferral of at least 40% of variable remuneration over 4 to 5 years (and the related ex-post risk adjustments (malus))

13.2. PERFORMANCE MANAGEMENT

Performance Evaluation System

The Bank conducts an annual performance evaluation for all staff members, at all levels. This evaluation is used both to support career development and to determine eligibility for variable remuneration.

At the beginning of each financial year (or Performance Year), every employee agrees on their objectives with their line manager. These objectives are derived from the Group's and the Bank's mission, guiding principles, and vision, as well as the operational goals of the relevant department. They take into account expected results at three levels: (i) the Bank, (ii) the employee's department, and (iii) the individual employee.

Objectives play a key role in performance management and personal development planning. They are defined, wherever possible, according to the SMART framework (Specific, Measurable, Achievable, Realistic, Time-bound).

Objectives include both quantitative and qualitative components, are weighted as per their relevance and reflect a longer-term perspective beyond the annual performance period.

For certain roles such as Relationship Managers, while quantitative financial targets may be set, these are always balanced with qualitative objectives related to compliance with internal rules, ethics, anti-money laundering procedures, integrity, and teamwork. From a general standpoint, the Bank always ensures appropriate procedures are in place to prevent conflicts of interest for employees who interact with clients, whether directly or indirectly.

Finally, the evaluation criteria of employees in Control Functions (Compliance, Risk Management, Internal Audit) are linked solely to function-related objectives and are consequently completely independent of the performance of the business areas they control.

Link Between Performance and Variable Remuneration

In conjunction with the *top-down* process aiming at defining the available bonus pool at the level of the Bank (described in the next section), the individual performance review results in a mathematical scoring that is directly linked with the determination of the individual variable remuneration amount. This process is performed by the team managers under the guidance and leadership of Human Resources and the Executive Committee.

The Nomination and Remuneration Committee and, ultimately, the Board of Directors oversee the evaluation process and review and validate the variable remuneration of Material Risk Takers.

13.3. BONUS ALLOCATION PROCESS

The process for determining the global bonus pool at the level of the Bank is established as follows:

- The Executive Committee, with the support from the Finance and Risk Management departments, determines the global variable remuneration pool on the basis of *inter alia* historical data, the Bank's financial results for the Performance Year, budget forecasts, and any exceptional factors, and pays specific attention to avoid any negative impact on the Bank's sound capital base in the short, medium, or long term.
- The global bonus pool so defined is then reviewed by the Nomination & Remuneration Committee before being submitted to the Board of Directors for final approval.

As mentioned earlier, variable remuneration is contingent not only on individual performance evaluations but also on the financial situation of the Group, the Bank, and the relevant departments. At all times, the Bank ensures that the payment of variable remuneration does not jeopardize its financial stability. As such, poor financial results may lead to a general reduction or elimination of the bonus pool, regardless of individual performance.

Variable remuneration is never guaranteed, neither in principle nor in amount.

13.4. REMUNERATION STRUCTURE

Structure and Equal Treatment

The Bank offers its employees a remuneration structure based on two components: fixed and variable remuneration. The Bank also ensures compliance with regulatory requirements concerning gender pay equality for identical positions, while taking into account years of experience and/or seniority.

More broadly, the Bank guarantees that all employees are treated equally, without any form of distinction, exclusion, restriction, or preference, whether direct or indirect, based on age, sex, sexual orientation, marital status, religion, language, ethnic or national origin, physical or mental disability, pregnancy or parental status, personal beliefs, political opinions, or trade union affiliation or activities.

Fixed Remuneration

Fixed remuneration consists of an annual base salary paid monthly and is determined based on the employee's role, responsibilities, competencies, expertise, and experience.

The Bank applies the remuneration conditions defined by the Luxembourg Collective Bargaining Agreement for banking employees, where relevant.

Fixed remuneration also includes certain non-discretionary, non-performance-related fringe benefits (such as supplementary health insurance, disability/death insurance, etc.).

Variable Remuneration

As previously mentioned, variable remuneration is linked to performance evaluation at the individual, departmental, and Bank levels through both quantitative and qualitative criteria, aligning employees' interests with those of the Bank's stakeholders.

Fixed and variable remuneration components are appropriately balanced. Fixed remuneration represents a sufficiently high proportion of total compensation to allow the Bank's full discretion over bonus payments. As such, the Bank reserves the right to reduce or cancel variable remuneration in the event of unsatisfactory performance at the individual, departmental, or institutional level.

The remuneration of employees in Control Functions (Compliance, Risk Management, Internal Audit) is predominantly fixed to reflect the nature of their responsibilities.

Environmental, social, and governance (ESG) risks are also taken into account in assessing both fixed and variable remuneration.

Variable Remuneration Rules and Limits

For all employees, where applicable, variable remuneration is paid between March and May of the year following the Performance Year.

All staff members are required to commit not to use personal hedging strategies or insurance linked to remuneration or liability to undermine the risk alignment embedded in their remuneration terms.

With regard to the variable remuneration of Material Risk Takers, the Bank applies the following limits:

Category	Maximum Variable Remuneration (% of Fixed)	Comments
Management Body – Supervisory Function	**N/A**	**Board Members do not receive variable remuneration**
Management Body – Management Function	**100%**	**-**

Senior Management and Other Material Risk Takers	**100%**	**-**
Control Functions - **Chief Internal Auditor** - **Chief Risk Officer** - **Chief Compliance Officer**	**30%**	**-**

Table 33 : Variable remuneration per risk taker

13.5. SPECIAL CLAUSES

Adjustments to Variable Remuneration

The Bank reserves the right to apply a clawback clause to variable remuneration already paid in the event of proven fraud, misconduct, or gross error by the staff member, including breaches of the Code of Conduct or other internal rules.

Guaranteed Variable Remuneration

Guaranteed variable remuneration (e.g. welcome bonus) is exceptional and may only be granted upon recruitment of new staff, and is limited to the first year of employment, provided the institution has a sound and solid capital base.

Guaranteed variable remuneration is not permitted in the context of employment termination. Any severance payments will reflect actual sustained performance and may not reward failure or misconduct.

Long Term Incentive Plan (LTIP)

The Bank has introduced the possibility of offering a Long-Term Incentive Plan (LTIP) to a very limited number of key contributors who play a major role in the Bank's value creation. Eligibility is assessed by the Nomination & Remuneration Committee and submitted to the Board of Directors for approval.

Objectives are evaluated over a multi-year period and based on the Bank's value creation, as well as individual performance and behaviour. If conditions are met, eligible participants receive a cash award, 60% of which is deferred pro rata over three years to allow for ex-post risk adjustments such as malus and clawbacks.

Discretionary Pension Benefits

The Bank does not offer discretionary pension benefits.

13.6. GOVERNANCE

The Board of Directors

The Board of Directors adopts and periodically reviews the general principles of the Remuneration Policy and is responsible for overseeing its implementation. It also approves any subsequent material exemptions and changes to the Policy and carefully considers and monitors their effects.

The Board ensures that the Policy and remuneration practices align with the institution's overall corporate governance framework, corporate culture, business strategy, risk appetite framework, and long-term interests.

The Board considers input from all relevant functions involved in remuneration, including Control Functions and Human Resources, regarding the design, implementation, and oversight of the Policy.

The Board ensures that the Policy and remuneration practices are reviewed annually by the Internal Audit department to ensure compliance with applicable regulations and effectiveness.

The Board is supported in these responsibilities by the Nomination & Remuneration Committee, which assists particularly with matters relating to the remuneration governance framework, including the oversight of performance assessment and remuneration of Material Risk Takers, and the Heads of Control Functions. The Board is responsible for reviewing and approving the Committee's recommendations on these matters.

In 2025, no significant changes occurred with regards to the Remuneration Policy.

The Nomination & Remuneration Committee

The Nomination & Remuneration Committee assists the Board of Directors in fulfilling its responsibilities under the applicable legal and regulatory framework. More precisely, the Committee plays a central role in nomination and remuneration-related matters by supporting the Board in:

- The selection, appointment, succession planning, and dismissal of members of the Board of Directors, the Authorised Management, Key Function Holders and Material Risk Takers;
- The design, maintenance, and oversight of the Remuneration Policy, ensuring that it is aligned with the institution's risk profile, business strategy, long-term interests, and values;
- The definition and regular review of remuneration packages and incentive structures for members of the Board of Directors, the Authorised Management, Key Function Holders and Material Risk Takers;
- Ensuring that the Policy is gender-neutral, supports equal pay for equal work, and complies with the institution's diversity and inclusion commitments;
- Overseeing the performance evaluation process for Material Risk Takers, including the Heads of Control Functions;
- Ensuring the Policy is reviewed at least annually and recommending updates to the Board of Directors as needed;
- Reviewing public disclosures on remuneration;
- Assessing the effectiveness and appropriateness of remuneration structures, including the application of ex-post risk adjustment tools such as malus and clawback.

As of 31 December 2025, the Committee is composed of 4 permanent members selected from the Board of Directors, as follows:

Name	Role	Nature
Jean-Pascal Nepper	Chairman	Independent Director
Esteban Jorge Estevez	Deputy Chairman	Group Director
Geoffroy Bazin	Member	Independent Director
Anne-Sophie Minaldo	Member	Independent Director

Table 34 : The Nomination & Remuneration Committee

The Committee may involve in its work and invite to its meetings any person whose contribution it deems useful, such as the Head of the Human Resources Department, another Board Member or an independent external expert.

In 2025, the services of an external provider, HACA Partners Sàrl, were engaged to support the performance of the annual internal audit of the Remuneration Policy.

In 2025, the Nomination and Remuneration Committee held 6 meetings.

The Executive Committee

Under the supervision of the Board and the Nomination & Remuneration Committee, and supported by Human Resources and Control Functions, the Executive Committee is responsible for the operational implementation of the Remuneration Policy.

Human Resources & Control Functions

The roles and responsibilities of Human Resources and Control Functions in developing and reviewing the Policy are as follows:

- **Human Resources**

  Human Resources contribute actively to defining and maintaining the Policy, including but not limited to, the remuneration structure, the aspect of gender neutrality, remuneration levels and incentive schemes, the performance management and evaluation process, and the identification of Material Risk Takers.

- **Compliance**

  The Compliance Function ensures that the Policy, both in its design and implementation, complies with applicable laws, internal rules, and policies. It reports any compliance risks or breaches to the Board and takes an active part in the identification process of Material Risk Takers.

- **Risk Management**

  The Risk Management Function provides the necessary information to define appropriate risk-adjusted performance measures and to assess how the variable remuneration structure impacts the Bank's risk profile and appetite. The Risk Management function also plays an active role in the identification process of Material Risk Takers and in the definition process of the global variable remuneration pool. Finally, the Risk Management Function validates and assesses data related to risk adjustment and is invited to attend meetings of the Nomination and Remuneration Committee on these matters.

- **Internal Audit**

  The Internal Audit Function conducts an independent review of the design, implementation, and effects of the Bank's Remuneration Policy on its risk profile, as well as of how these effects are managed, and reports its findings to the Board of Directors. This review includes an analysis of whether the Remuneration Policy is gender neutral.

13.7. Appendix

13.7.1. EU REM1 - Remuneration awarded for the financial year

EU REM1 - Remuneration awarded for the financial year

Amounts in euro

	Remuneration amount		MB Supervisory function	MB Management function	Other senior management	Other identified staff
1		**Number of identified staff**	**5***	**3****	**11**	**–**
2	**Fixed remuneration**	**Total fixed remuneration**	**260,800**	**1,320,163**	**2,548,254**	**–**
3		Of which: cash-based	–	1,128,054	2,292,544	–
EU-5a		Of which: shares or equivalent ownership interests	–	–	–	–
EU-5b		Of which: share-linked instruments or equivalent non-cash instruments	–	–	–	–
EU-6x		Of which: other instruments	–	–	–	–
7		Of which: other forms	–	192,109	255,710	–
9	**Variable remuneration**	**Number of identified staff**	**5**	**3**	**11**	**–**
10		**Total variable remuneration**	**–**	**289,632**	**1,284,395**	**–**
11		Of which: cash-based	–	289,632	1,134,395	–
12		Of which: deferred	–	–	150,000	–
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	_	_	_	_
15	Of which: other forms	_	_	_	_
16	Of which: deferred	_	_	_	_
17	**Total remuneration**	**260,800**	**1,609,795**	**3,832,649**	**–**

Table 35 : EU REM1 - Remuneration awarded for the financial year

* The CEO of the Bank, while also a member of the Supervisory function, has been accounted for in the Management function.

** There has been a new member in the Management function since September 1, 2025.

13.7.2. EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

N/A - No employee received special payments

EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

Amounts in thousands of euro

		a	b	c	d
	Special payments	MB Supervisory function	MB Management function	Other senior management	Other identified staff
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - Number of identified staff	–	–	–	–
2	Guaranteed variable remuneration awards -Total amount	–	–	–	–
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	–	–	–	–
	Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	–	–	–	–
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	–	–	–	–
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - Number of identified staff	–	–	–	–
7	Severance payments awarded during the financial year - Total amount	–	–	–	–
8	Of which paid during the financial year	–	–	–	–
9	Of which deferred	–	–	–	–
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	–	–	–	–
11	Of which highest payment that has been awarded to a single person	–	–	–	–

Table 36 : EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

13.7.3. EU REM3 - Deferred remuneration

EU REM3 Deferred remuneration

Amounts in thousands of euro

	Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which vested in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment to deferred remuneration that was due to vest in future performance years	Total amount of amendment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	**MB Supervisory function**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
2	Cash-based	–	–	–	–	–	–	–	–
3	Shares or equivalent ownership interests	–	–	–	–	–	–	–	–
4	Share-linked instruments or equivalent non-cash instruments	–	–	–	–	–	–	–	–
5	Other instruments	–	–	–	–	–	–	–	–
6	Other forms	–	–	–	–	–	–	–	–
7	**MB Management function**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
8	Cash-based	–	–	–	–	–	–	–	–
9	Shares or equivalent ownership interests	–	–	–	–	–	–	–	–
10	Share-linked instruments or equivalent non-cash instruments	–	–	–	–	–	–	–	–
11	Other instruments	–	–	–	–	–	–	–	–
12	Other forms	–	–	–	–	–	–	–	–
13	**Other senior management**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

14	Cash-based	–	–	–	–	–	–	–	–
15	Shares or equivalent ownership interests	–	–	–	–	–	–	–	–
16	Share-linked instruments or equivalent non-cash instruments	–	–	–	–	–	–	–	–
17	Other instruments	–	–	–	–	–	–	–	–
18	Other forms	–	–	–	–	–	–	–	–
19	**Other identified staff**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**
20	Cash-based	–	–	–	–	–	–	–	–
21	Shares or equivalent ownership interests	–	–	–	–	–	–	–	–
22	Share-linked instruments or equivalent non-cash instruments	–	–	–	–	–	–	–	–
23	Other instruments	–	–	–	–	–	–	–	–
24	Other forms	–	–	–	–	–	–	–	–
25	**Total amount**	**–**	**–**	**–**	**–**	**–**	**–**	**–**	**–**

Table 37 : EU REM3 - Deferred remuneration

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

EU REM4 Remuneration of 1 million EUR or more per year

	EUR	a
		Identified staff that are high earners as set out in Article 450(i) (Nº of beneficiaries)
1	1 000 000 to below 1 500 000	1

empty rows are not disclosed.

Table 38 : EU REM4 - Remuneration of 1 million EUR or more per year

13.7.5. EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

EU REM5 Template based on reporting Remuneration Benchmarking and covering Article 450(1)(g) for disclosure of remuneration

Amounts in euro

		Management body remuneration			Business areas						Total
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	
1	**Total number of staff:**										**11**
2	Of which: members of the MB	5	3	8							
3	Of which: other senior management	—	—	—	—	—	5	3	3	—	
4	Of which: other identified staff	—	—	—	—	—	—	—	—	—	
5	**Total remuneration**	**260,800**	**1,609,795**	**1,870,595**	**—**	**—**	**2,781,786**	**708,886**	**341,977**	**—**	
6	Of which: variable remuneration	—	289,632	289,632	—	—	1,099,704	121,639	63,052	—	
8	Of which: fixed remuneration	260,800	1,320,163	1,580,963	—	—	1,682,082	587,247	278,925	—	

Table 39 : EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

Creand©
Wealth & Securities

ANNEX OF ADDITIONAL TABLES

The following annex provides additional regulatory tables that complement the information presented in the main Pillar 3 report.

EU CC1 – Composition of Regulatory Own Funds

EU CC1 - Composition of regulatory own funds

Amounts in euros

		Amount to information date	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 capital : instruments and reserves			
1	Capital instruments and the related share premium accounts	27,500,000	26 (1), 27, 28, 29
2	Retained earnings	29,722,680	26 (1) (c)
3	Accumulated other comprehensive income (and other reserves)	11,100,340	26 (1)
5	Minority interests (amount allowed in consolidated CET1)	–	84
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	–	26 (2)
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	68,323,020	
Common Equity Tier 1 capital : regulatory adjustments		—	
7	Additional value adjustments (negative amount)	–	34, 105
8	Intangible assets (net of related tax liability) (negative amount)	–	36 (1) (b), 37
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	–	33 (a)
12	Negative amounts resulting from the calculation of expected loss amounts	–	36 (1) (d), 40, 159
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
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-20c	of which: securitisation positions (negative amount)	–	36 (1) (k) (ii), 243 (1) (b), 244 (1) (b), 258
27a	Other regulatory adjustments.	–	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	–	
29	Common Equity Tier 1 (CET1) capital	68,323,020	
Additional Tier 1 (AT1) capital: instruments			
30	Equity instruments and the corresponding share premium accounts	–	51, 52
32	Of which: classified as liabilities under applicable accounting standards	–	–
36	Additional Tier 1 capital before regulatory adjustments	–	–
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct and indirect holdings of own additional Tier 1 capital instruments by an entity (negative amount)	–	52 (1) (b), 56 (a), 57
43	Total regulatory adjustments to Additional Tier 1 capital	–	—
44	Additional Tier 1 capital (AT1)	–	—
45	Tier 1 capital (Tier 1 = CET1+AT1)	68,323,020	—
Tier 2 (T2) capital: instruments and provisions			
46	Equity instruments and the corresponding share premium accounts	–	62, 63
50	Credit Risk Adjustments	–	62 (d)
51	Tier 2 capital before regulatory adjustments	–	—
Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings of its own Tier 2 capital instruments by the entity (negative amount)	–	63 (b) (i), 66 (a), 67
57	Total regulatory adjustments to Tier 2 (T2) capital	–	
58	Tier 2 (T2) capital	–	—
59	Total capital (TC=T1+T2)	68,323,020	—
60	Total risk weighted assets	213,426,030	—
Capital ratios and requirements including buffers			
61	Common Equity Tier 1	32.01 %	92 (2) (a)
62	Tier 1	32.01 %	92 (2) (b)
63	Total capital	32.01 %	92 (2) (c)
64	Institution CET1 overall capital requirements	9.27 %	CRD 128, 129, 130,131,133
65	of which: capital conservation buffer requirement	2.50 %	
66	of which: countercyclical capital buffer requirement	0.58 %	
67	of which: systemic risk buffer requirement	— %	
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	— %	
67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.69 %	
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	24.01 %	CRD 128
Amounts below deduction thresholds (before risk weighing)			
72	Direct and indirect holdings of the capital of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	–	36 (1) (h), 45, 46, 56 (c), 59, 60, 66 (c), 69, 70

Creand©
Wealth & Securities

73	Direct and indirect holdings of Common Equity Tier 1 instruments of financial sector entities when the entity maintains a significant investment in those entities (amount below the 17.65% threshold and net of admissible short positions).	–	36 (1) (i), 45, 48
75	Deferred tax assets arising from temporary differences (amount below the 10% threshold, net of related tax liabilities, provided that the conditions established in article 38, paragraph 3 are met)	–	36 (1) (c), 38, 48
Applicable limits in relation to the inclusion of provisions in Tier 2 capital			
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

Table 40 : EU CC1- Composition of regulatory own funds

EU KM1 – Key Metrics

EU KM1 - Key metrics

Amounts in euros

		31.12.25	31.12.24
Available capital (amounts)			
1	Common Equity Tier 1 (CET1) capital	68,323,020.29	65,428,289.56
2	Tier 1 capital	68,323,020.29	65,428,289.56
3	Total capital	68,323,020.29	65,428,289.56
Risk-weighted exposure amounts			
4	Total risk-weighted assets (RWA)	213,426,030.06	179,925,122.87
4a	Total risk exposure pre-floor	213,426,030.06	179,925,122.87
Capital ratios (as a percentage of risk-weighted exposure amount)			
5	Common Equity Tier 1 ratio (%)	32.0%	36.4%
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	32.0%	36.4%
6	Tier 1 ratio (%)	32.0%	36.4%
6b	Tier 1 ratio considering unfloored TREA (%)	32.0%	36.4%
7	Total capital ratio (%)	32.0%	36.4%
7b	Total capital ratio considering unfloored TREA (%)	32.0%	36.4%
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)			
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	3.0%	3.0%
EU 7e	of which: to be made up of CET1 capital (percentage points)	1.7%	1.7%
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	2.3%	2.3%
EU 7g	Total SREP own funds requirements (%)	11.0%	11.0%

Creand© Wealth & Securities

Combined buffer requirement (as a percentage of risk-weighted exposure amount)			
8	Capital conservation buffer (%)	2.5%	2.5%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.0%	0.0%
9	Institution specific countercyclical capital buffer (%) [1]	0.6%	0.6%
EU 9a	Systemic risk buffer (%)	0.0%	0.0%
10	Global Systemically Important Institution buffer (%)	0.0%	0.0%
EU 10a	Other Systemically Important Institution buffer	0.0%	0.0%
11	Combined buffer requirement (%)	3.1%	3.1%
EU 11a	Overall capital requirements (%)	14.1%	14.1%
12	CET1 available after meeting the total SREP own funds requirements (%)	24.0%	28.4%
Leverage ratio			
13	Total exposure measure	803,293,292.41	876,596,401.86
14	Basel III leverage ratio (%) (row 2 / row 13)	8.5%	7.5%
Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)			
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 %	3 %
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%	3%
Liquidity Coverage Ratio [2]			
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	477,842,542.8	346,675,850.8
EU 16a	Cash outflows - Total weighted value	541,210,966.7	473,335,951.2
EU 16b	Cash inflows - Total weighted value	158,032,610.9	215,170,061.3
16	Total net cash outflows (adjusted value)	383,178,355.8	258,165,890.8
17	Liquidity coverage ratio (%)	125 %	134 %
Net Stable Funding Ratio [3]			
18	Total available stable funding	139,087,352.4	87,085,881.4
19	Total required stable funding	41,094,335.3	36,896,070.4
20	NSFR ratio (%)	338 %	236 %

(1) 12-month average LCR

Table 41 : EU KM1 - Key metrics