# Disclosure Report 2019

European Depositary Bank SA

- In reference to the disclosure requirements under Part Eight of Regulation (EU) No 575/2013 -

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# Disclosure index

The disclosure report of the European Depositary Bank S.A. complies to the following Regulations:

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| 2 | EBA/GL/2016/11 | - | Directorships and recruitment policy | Article 435 (2) | Section 1.3.2 |
| 3 | EBA/GL/2016/11 | EU LI2 | Main sources of differences between regulatory exposure amounts and carrying values in financial statements | Article 436 (b) | Section 1.3.3 |
| 4 | EBA/GL/2016/11 | EU LIA | Explanations of differences between accounting and regulatory exposure amounts | Article 436 (b) | Section 1.3.3 |
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| 47 | EBA/GL/2016/11 | EU MR4 | Comparison of VaR estimates with gains/losses | Article 455 (g) | Section 4.2 |
| 48 | EBA/GL/2017/01 | Annex I EU LIQA | Liquidity risk management | Article 435 (1) | Section 5.1 |
| 49 | EBA/GL/2017/01 | Annex II EU LIQ1 | LCR disclosure template | Article 435 (1)(f) | Section 5.2 |
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| 62 | EBA/GL/2014/08 | Annex 1 | Information on remuneration for all staff | Article 450 (1)(h) | Section 8.20 |
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# 1. Introduction

## 1.1. Regulatory Introduction

The current disclosure report as of the reporting date December 31, 2019 is published in accordance with Part 8 of the Basel III framework (Regulation (EU) No. 575/2013 - Capital Requirements Regulation (CRR)) and CRD IV (Capital Requirements Directive IV/ EU Directive 2013/36/EU). The report provides the content required by Articles 431 to 455 CRR on the regulatory and accounting structure, capital adequacy, risk profile and risk management system for the reporting period from January 01, 2019 to December 31, 2019 of the European Depositary Bank S.A. (hereinafter "EDB" or "the bank").

In accordance with Article 432 CRR, the information disclosed in this report is subject to the principle of materiality. Information that is legally protected or confidential is not subject to disclose. EDB is not a financial holding company within the meaning of Article 4 (1) No. 20 CRR. EDB does not comply the definition as G-SII (Global Systemic Important Institution) or O-SII (Global Systemic Important Institution).

The figures are based primarily on the CRR in part on Lux Gaap. Unless a different source is indicated, the Lux Gaap values are consistent with the financial statements for 2019 and the CRR values, such as capital requirements, gross credit volumes etc., are based on the values included in the financial statements as of December 31, 2019, audited values, which correspond to the submitted notifications. The other quantitative disclosures (LCR, leverage ratio, market price risks, etc.) are based on the reports submitted to the Commission de Surveillance du Secteur Financier (CSSF). Due to rounding, there may be minor discrepancies in this report in the calculation of totals and percentages. In the absence of relevant legislation, this report has not been audited by auditors. Nevertheless, the report contains disclosures that are required to be made in the audited financial statements of European Depositary Bank S.A. as of December 31, 2019.

In accordance with the requirements of Article 433 CRR, the disclosure report is updated annually.

## 1.2. Presentation of the Bank

### 1.2.1. Structure

European Depository Bank SA was formed as a joint stock corporation ("Société Anonyme") on February 15, 1973 by Prosper-Robert Elter, Notary.

The bank registered office is located at: L-5365 Munsbach, 3, Rue Gabriel Lippmann and is registered in the Commercial Registry of the City of Luxembourg under No B 10700.

The Bank is subject to regulatory supervision by the CSSF.

In the course of change of ownership, which was approved by the European Central Bank ("ECB") as of 1 February 2019, the bank's 100% shareholder became Lobra-2 S.á.r.l. Luxembourg, which is part of APEX Group Ltd (hereinafter referred to as "Apex"). Thereby EDB is closely affiliated with Apex as a wholly owned entity. Before its change of control the bank operated under the name M.M. Warburg & CO Luxemburg S.A.

### 1.2.2. Business model and activities

The object of the bank is to carry on the business of a bank. In that capacity, the bank is empowered to engage in all banking transactions and all operations which relate, in whatever way, to banking business, whether for its own account or for the account of third parties, and in particular: (a) to accept as deposits, and pay interest on, moneys belonging to third parties; (b) to grant loans of money and credit of any kind; (c) to negotiate bills of exchange and cheques; (d) to purchase and sell securities for its own account or for the account of third parties; (e) to hold in safe custody, and manage, securities for others; (f) to issue and trade in bonds, public notes and promissory notes; (g) to promote the issue of stocks, shares in companies, certificates, bonds and other securities, to subscribe for such securities in its own name or in the name of third parties and to place them publicly or privately; (h) to execute all international financial, cash and foreign currency transactions; (i) to assume and take on sureties, guarantees and other warranties for third parties; (j) to engage in cashless payment and clearing operations and (k) to carry on domestic and foreign documentary business. In addition, the bank may purchase, sell and encumber real property, accept, create and relinquish securities of any kind, acquire and dispose of interests, participations and holdings, and operate and set up businesses and other commercial enterprises, including any which may involve activity on the real property market, in so far as these are in some way related to the object of the bank or may serve to further the attainment of that object.

The Bank's activities focus on services for investment funds and securitisations, in particular with its depositary bank function and commission trading, as well as on business with institutional clients.

Private client business is limited to clients managed by external asset managers. Other services and professional private clients include commission trading in securities, derivative financial instruments and foreign exchange, custody of securities in free and pledged securities accounts and the execution of fiduciary transactions. In addition, the Bank offers Lombard loans to its clients.

The Bank's activities are largely focussed on Lombard lending to private clients advised by external asset managers, to professional private clients and companies and to investment funds as well as on the short-term pre-financing of capital calls for specialised investment funds against assignment of the payment claims within the maximum limits set according to the fund prospectus of each investment fund.)
In the deposit business, the Bank offers its clients deposits as call money (48-hour call) and time deposits in Euro and in all common foreign currencies.
Regarding dealing (other than in securities, i.e. currencies, interest rates, precious metals, commodities, credit derivatives, etc.) for own account, the primary business policy objective of the Sales/Treasury department is to secure the Bank's liquidity in compliance with the corresponding principles in Luxembourg.
For customer account, there was no direct contact between private clients in the sense of investment clients and the Sales/Treasury department. The external asset manager/professional client places orders with their client manager, which reviews these for compliance and the existence of all necessary documents and forwards them to the Sales/Treasury department for execution after entering them in the front-end module "Stock Exchange Module". If Sales/Treasury is the account manager, the department will enter the order directly into the IBSY system. Orders placed orally, by telephone, in writing or by telefax may only be executed if the account manager has satisfied himself of the identity of the client.
As part of the securities and derivatives transactions for the Bank's own account, the following products were used in the year under review: Bond trading (Variable/fixed-interest securities), Share trading, Fund trading (investment fund units), Derivatives trading (Foreign exchange forwards, Currency swaps)
Commission business in securities includes client commission business, for which the Bank conducts

transactions on account of professional clients, institutional clients or asset management, and the depositary bank business, for which the transactions are commissioned by (external) fund management.

The Bank is primarily active in the money market for its own account and holds securities mainly in its liquidity portfolio. Proprietary trading is also conducted to a very limited extent. The Bank has no activities in the areas of corporate finance, direct banking and payment and settlement systems.

The business strategy of the Apex Group Ltd., Bermuda, as superordinate company provides the framework for the business strategies of EDB. The core business areas are depositary banking, custodian banking, servicing of external asset managers and institutional client services. They include lending business and payment transaction services. The business model is driven by the liability side. Client deposits are intrinsic to the business model, especially those derived from specialised funds that, with regard to the orientation of the risk strategy on the assets side and for ensuring solvability, are distributed mainly to German sovereign issuers and counterparts as well as supranational issuers with a “0” (zero) risk weighting and German covered bonds issuers, to BCL and, fully secured in consideration of the ECB haircuts, to MMWB. The target customers for the aforementioned business are primarily institutional investors, fund initiators and fund management companies.

### 1.2.3. Governance

EDB’s organizational structure entails a distinction between Supervisory Board, Management Board as well as EDB’s departments, which are assigned to a specific member of the Management Board.

The Supervisory Board currently includes four members, namely Prof. Joseph Bannister(Member Board of Apex Fund Services UK), Peter Hughes (Founder and Chief Executive Officer, Apex) , David Carrick (Group Chief Financial Officer, Apex) and Roland Steies, being the successor of Georges Schmit, who was a member of the Supervisory Board until 25 January 2020. On the next organisational level Rüdiger Tepke and Stefan Forse form the Management Board.

#### Management Board

The Bank has a dual control structure and is managed by the Management Board, which consists of at least two members and is appointed by the Supervisory Board.

In particular, Rüdiger Tepke, in his function as Managing Director, is in charge of the following subjects:

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| Market Activity |
| Handling of customer complaints |
| Coordination of information flows with the subsidiaries |
| Domiciliation |
| Rules of conduct relating to the financial sector |
| Organization of administration and accounting |
| Internal Audit function |
| Single Customer View-System (as part of deposit guarantee scheme) |

Additionally, Stefan Forse, being the second member of the Management Board, is responsible for:

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| Organization of IT |
| Compliance function |
| Risk function |
| Monitoring of the implementation, of the European Securities and Markets Authority ("ESMA") guidelines on competence and knowledge assessment and the Circular |

The Management Board is responsible to ensure that the Bank has the internal audit mechanisms, technical infrastructure and human resources necessary to assure solid and prudent management (including risk management) within the framework of the rules and regulations.
The Management Board informs the Supervisory Board in detail, in writing and regularly, at least once a year, about the implementation, appropriateness, effectiveness and compliance with the rules and regulations.

The Bank's Supervisory Board bears the overall responsibility for the Bank and ensures that its business activity is ensured and that its going-concern is maintained with the help of this set of rules and regulations

The Supervisory Board instructs the Management Board to implement the strategies and guiding principles by means of policies and procedures and monitors their implementation, among other things by approving the policies.
The Supervisory Board is responsible for the continuous controlling of the activities of the Management Board. The Supervisory Board has the right to demand all information necessary in order to carry out these tasks. This includes the right to inspect the accounts, correspondence, minutes and other records of the Bank. Its rights and obligations are regulated in Articles 14-16 of the Articles of Association as amended.
The Supervisory Board carries out a critical evaluation of the rules and regulations at least once a year.

### Central steering committee

A crisis management team will act as a central steering committee, which includes the Management Board, the heads of the control functions, the security and information security officers and any department heads concerned.

### Audit committee

In accordance with Article 52 (5) a) of the Act of 23 July 2016 concerning auditing activities, the Bank has dispensed with the establishment of an audit committee, as Regulation (EU) No. 537/2014 is complied with Group level. The function of cooperation with the auditors provided for in the amended Circular CSSF 12/552 and the reporting of the Réviseur d'Entreprises agréé to the members of the Supervisory Board last took place at the Supervisory Board meeting on 10 May 2019.

### Outsourcing Committee

The purpose of the Outsourcing Committee is to enable European Depositary Bank SA including their Branches to properly manage the risks associated with outsourcing and ensure that the outsourcing of material functions does not impair the quality of their respective internal controls or ability to monitor ongoing compliance with their obligations and to ensure compliance with applicable law and regulatory requirements. The tasks of the

Committee comprises the coordination of decision making with respect to facilitating the resolution of EDB Outsourcing issues by providing a platform for discussion and coordination, including the exchange with Regional Management committees and representatives, establishing and maintaining a proper business organisation and supervision within the limits of the operations of EDB, adhering to the duty of legality with respect to the EDB including any local regulatory and legal requirement, guiding the activities of the firm in alignment with the represented Units' global strategies taking full account of the regional focus as well as the duty of legality and the duty to protect the brand. In addition the Committee's monitoring and control authority encompasses oversight and monitoring of EDB's outsourcing operations and the review and consideration of financial and non-financial risk on all outsourcing arrangements specifically the reputational and operational risks associated with outsourcing.

**Risk Committee**

A permanent Risk Committee has been set up to support the Bank's overall risk management system. It is made up of the members of the Management Board and those responsible for control functions as permanent members and meets at regular intervals. The Risk Committee monitors the overall risk situation using a risk catalogue and deals with current risk-relevant developments as well as with specific risk notifications made by employees, which specifically serve the purpose of improving the risk identification of operational risks and offer a possibility of bottom-up risk reports in addition to the top-down analysis in the context of self-assessment of operational risks. In addition to the possibility of risk alert notifications, whistleblowing is another early risk detection tool that enables the bank's employees, by means of which risks are escalated ad-hoc to the Chief Compliance Officer, openly or anonymously. If necessary, the Risk Committee initiates event-related actions and subsequently develops measures and recommendations to improve the risk situation by means of future risk avoidance, risk reduction or risk transfer. The permanently established body has a decisive influence on the assessment of the bank's risk-bearing capacity.

**Recovery and Resolution Planning Committee**

The objective of the EDB Recovery & Resolution Planning Committee ("RRPC") is the oversight of the Recovery Plan and approval its key inputs. Additionally, it establishes a Recovery Plan Team ("RP Team") and appoints its members. The EPRC also informs the RP Team about material changes to the bank, which might lead to ad hoc updates of the Recovery Plan. During a critical situation, the Recovery Plan Committee would discuss the nature of the critical event and evaluate potential recovery options whereas the ultimate decision to activate the options would remain with the two voting members being the Management Board.

Regarding the Resolution Planning the objectives of the RRPC are to ensure the Bank's compliance with resolution planning requirements, support the CSSF for the purpose of implementing CSSF's resolution decision and carrying out resolution activities as well as gathering, validation and delivery of information to CSSF and approval and starting of the communication process along to the communication plan. The RRPC consists of the management board as voting members and other key individuals from the bank such as the Chief Risk Officer, Chief Compliance Officer and Chief Internal Auditor. The Recovery Plan Committee is extended by the Recovery Plan Team and other subject matter experts in case of a critical situation.

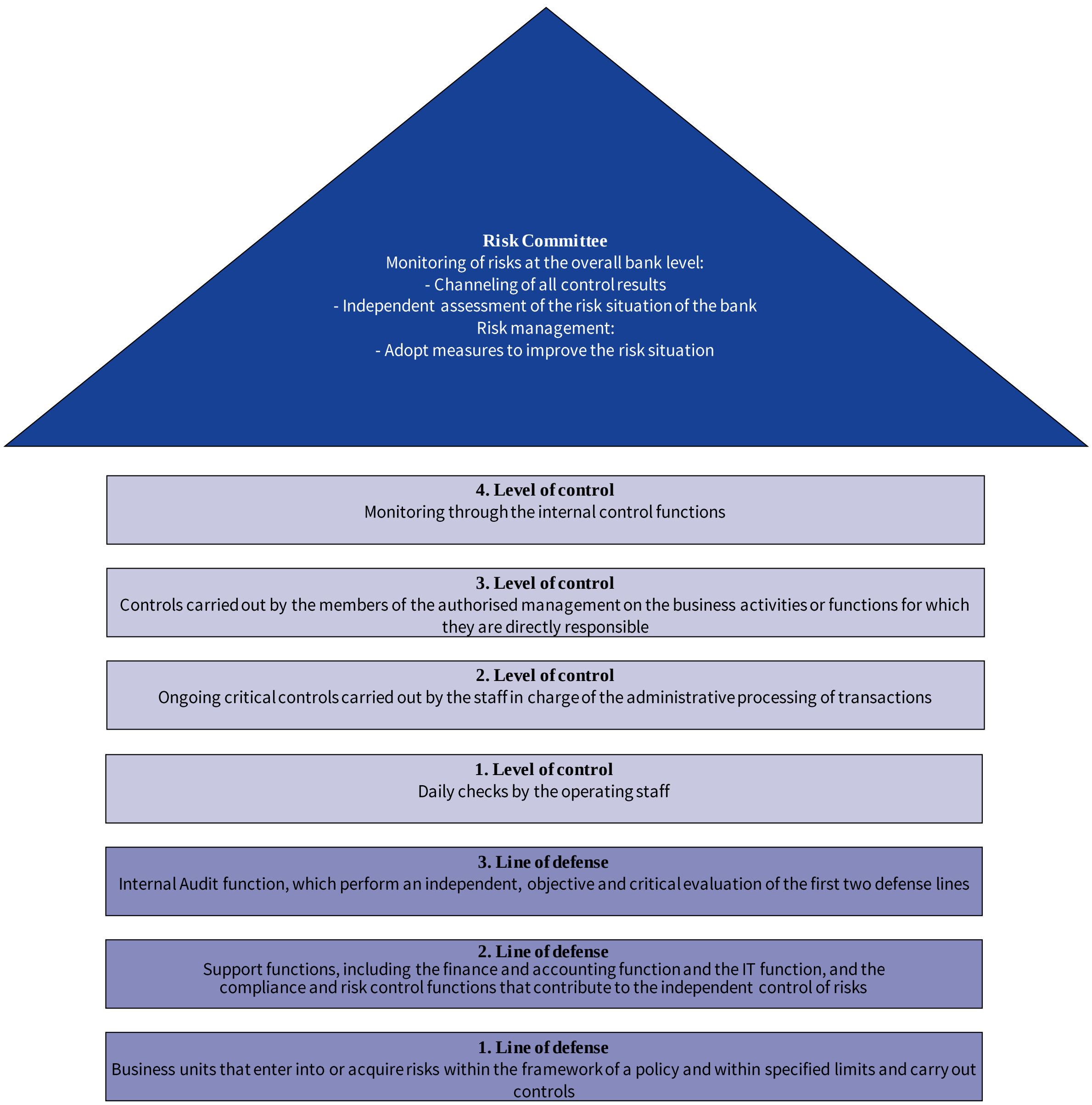
## 1.3. Risk management setup

### 1.3.1. General information on risk management, objectives and policies

***(CRR Article 435 (1))***

***Table 1: EU OVA – Institution risk management approach***

The Bank's risk management is based on three lines of defense and four levels of control within the framework of the strategies and guiding principles set by the Supervisory Board and the resulting limits in terms of internal governance. As a comprehensive monitoring body, the Bank has set up a risk committee.



The monitoring and control tasks assigned to the lines of defense with regard to risk management are fixed in writing in binding policies, charters and processes of the respective units of the company. These especially include clearly defined responsibilities, strict compliance with the principle of segregation of duties at all levels of the Bank as well as automatic controls and approvals integrated in the technical systems as per the four-eye principle.

The cooperation of the support and control functions of the second and third lines of defense serves to record the "Entirety of risks".

The risk strategy, which is supplemented by the credit risk and capital resources strategies, is closely aligned with the business strategy. The risk strategy is modelled in such a way as to limit and control the risks assumed so that they are consistent with the Bank's risk-bearing capacity and enable attractive equity return by adopting a conservative approach to assuming and constantly monitoring risks.

As part of overall bank management, the Supervisory Board reviews the risk strategy annually or in case of significant changes in the business structure on an ad hoc basis. In particular, the risk bearing capacity, the business policy starting position (determined by external and internal influencing factors), the results of the deviation and cause analysis, as well as the assessment of the risks associated with the banking business are included in the review of the strategy.

The capital resources strategy's top priority is to ensure that the institution is solvent and that there is adequate capital at all times. In accordance with the credit-risk strategy, the Bank's primary lending business is merely a supplementary business activity to the core business areas of depositary and custody services, serving of external asset managers and institutional client services. It focuses on low-risk, well-secured and less-processing-intensive loans to funds, clients of external asset managers, professional private clients and companies in which European Depositary Bank SA holds the depositary or custody function as well as to entities within the Apex Group.

The Bank uses a risk inventory, the risk committee, risk alert notifications of employees, operational event reporting, customer complaints, and Key Risk Indicators as instruments for the identification of risks.

In order to improve risk identification, in particular operational risks, all Bank employees are obliged to critically reflect on their responsibility and to report openly or anonymously any matters of which they become aware and from which risks arise or could arise.

For the Bank's credit risks, market price risks and operational risks, the Bank uses a value-at-risk to quantify the risk and for liquidity risks liquidity maturity balances. The risk values are consistently determined as value-at-risk (VaR) with a confidence level of 99.5% for the underlying present value orientated creditor protection approach.

Based on internal considerations of business and earnings planning and taking into account its business and risk strategy, the Bank annually applies for risk limits for the significant risk types credit risk, market price risk and operational risk for the following financial years as part of the limit review. Subsequently, by means of a Supervisory Board decision on the limit structure, risk limits are allocated and approved taking into account the risk-bearing capacity. The allocated risk limits result in the risk capital requirement, which is compared to the risk coverage potential within the framework of the risk-bearing capacity concept. The risk limit is also an expressions of banks risk appetise.

The Bank defines risk management as a permanent task with a focus on credit, market price and liquidity risks as well as operational risks. The Bank has implemented a risk control function. This is carried out by the Risk Controlling department, whose head of department, Mr Christian Ringelstein, has been appointed Chief Risk Officer in accordance with the amended Circular CSSF 12/552. The risk control function is additionally supported by the bodies of the risk committee and if necessary, by the crisis task force that can be convened ad-hoc as well as through risk relevant notifications by the Management Board, by the Chief Compliance Officer, by the Chief Internal Auditor and by the Bank's employees. I general, the main task of the internal control functions is to monitor compliance with all internal regulations and procedures that fall within their remit and to regularly assess their adequacy.

The specific purviews of the risk control function include the following responsibilities:

- Responsible for anticipating, identifying, measuring, tracking, monitoring and communicating the full range of risks that the Bank and its branches are exposed to and ensuring appropriate risk management
- Assist the Management Board in managing risks
- Information about a comprehensive picture of the risks, presentation of the risk-bearing capacity and the stress test program to the Management Board
- Responsible for a conservative qualitative and quantitative risk assessment and backtesting of valuations

The risks taken by EDB are configured and limited, as part of an active risk management system, in such a way that all material risks confronting the bank, besides the liquidity risk, i.e. credit risks, market price risks, and operational risks, are continuously covered by the bank's risk coverage potential by taking into account risk concentrations. Liquidity risk is limited by the Management Board in the form of minimum liquidity requirements. Alarm thresholds are also implemented for these risks, serving as early warning indicators and thus contributing to adherence to applicable limits. The Risk Controlling department constantly monitors the risks taken and regularly reports to the Management Board, the Supervisory Board and the Supervisory Authority. In this context, the risk reporting system presents the risks in terms of the utilisation of previously fixed limits.

Within the Risk Committee, Risk monitoring is based on a catalogue which allocates the individual risks to the following risk categories: Strategic risks; Market-price and liquidity risks; Operational risks; Credit risks. The design of the risk catalogue is understood as a dynamic process. Newly identified individual risks or risk characteristics are added to the risk catalogue and thus included in the future risk analysis.

The principles governing risk management and the methods and procedures put in place to evaluate risks, together with the risk values ascertained using those methods and procedures, are regularly examined and, where necessary, adjusted to ensure that they are adequate and plausible. With a view to monitoring and managing all of the risks confronting it, the bank, in addition to applying the above-mentioned risk limits, has also put in place, in respect of further risks and subclasses of risk, qualitative monitoring measures and, where appropriate, limits to be applied thereto.

The Bank's Management Board has established the underlying conditions for implementing the ICAAP through mandatory instructions and workflow descriptions, and has set them out in writing in the Bank's procedure manuals. In particular, these include clearly defined responsibilities, strict adherence to the principle of the separation of duties at all levels of the Bank, as well as internal controls and approvals under the four-eyes principle integrated into operational procedures and technical systems. In addition, the Bank has taken out insurances regarding transfers of possible operational risks with a high loss potential. The Bank's comprehensive rulebook is continuously updated and published on the intranet, where every employee is made aware of and can consult them. In order to support the ICAAP, the Bank has appointed a Risk Committee and has added processes to its rules and regulations. These processes concern operational events, client complaints, new products, outsourcing, non-transparent transactions, and amendments to the business strategy and/or the risk profile, and are designed to reveal any changes in the Bank's risk profile occurring throughout the year.

In accordance with Circular CSSF 11/506 ("Principles of a sound stress testing program"), EDB performs a thorough stress tests for all risks defined as significant. The analyses are based on hypothetical market scenarios, historic market scenarios or sensitivity analyses of individual risk factors. Hypothetical market scenarios are fictional scenarios defined by the Bank itself in which relevant risk factors are changed. The assumed market changes are selected in such a way that the individual changes to risk factors do not contradict or exclude one another. During a sensitivity analysis, just one risk factor is changed and the effect is analyzed. The spectrum is broadened by reverse stress tests. Unlike "normal" stress tests, reverse stress tests alter the most important risk factors to such an extent that the Bank incurs a loss that it can no longer bear, whereby the limit of risk-bearing capacity corresponds to the risk coverage potential established in the creditor protection approach. This way, the strength of the parameter change is established. As a rule, parameter changes leading to a inverse scenario are extremely unlikely – even unrealistic.

When the results are evaluated, it is assumed that the risk limits of the risks not subject to the stress test are utilised to capacity, i.e. 100%.

The Risk Controlling department produces a quarterly risk report to inform the Management, the Supervisory Boards, the Chief Compliance Officer and Chief Internals Auditor as well as the Apex Group Global Head of Governance, in detail of the overall risk situation regarding significant risks, including the extent to which the allocated risk limits and the risk coverage potential are at capacity. The risk report contains annotations, drawing attention to any risk concentrations, peculiarities in the reporting period, or transactions that deviate from the strategy. Moreover, this report focuses on the effects that stress tests in individual risk types have on the risk-coverage potential on cross-risk topics and on bank-wide risk management aspects.

In addition, a daily report is provided to the Management Board, the Sales/Treasury department, detailing the trading book and banking book positions entailing market price risks and their economic outcomes (Mark-to-Market [MtM]), and liquidity risks (liquidity maturity balances) drawn up as part of liquidity risk management.

The Bank's Risk Appetite articulates the overall tone from the top in pursuing risk across the Bank, thus supporting the Bank's risk culture in reinforcing the Bank's holistic Risk Management practices. The Economic environment, Regulatory requirements (Banking supervisory measures, local regulators, central banks) and the Competition (market practices and position of competition) are some examples of external influencing factors that will be taken into consideration while defining the risk appetite strategy. Liquidity position, Risk coverage potential, "People and Technology" and the Risk appetite of the Management board are key internal factors to be considered.

As a subsidiary of APEX Group Ltd., the European Depositary Bank SA is integrated in the group's risk governance framework with regard to the following committees:

**Apex Group Risk Committee:** The Group Risk Committee (GRC) has been established by the Group Board to properly implement a Risk Management program in order to ensure effective oversight on the Group's as well as subsidiary operations and Risk Management Framework. GRC is responsible for the roll out of the Enterprise Risk Management Program, the design Risk Management Policy Framework and the implementation of Risk Management practices to create a Risk Aware Organization. It is also responsible for providing direction and guidance to the Group as well as to various Apex subsidiaries concerning the institutionalization of Risk Committees.

**European Oversight Governance Committee:** The European Governance Oversight Committee (the "Committee") is established to oversee governance operations of all regulated European Apex Group Ltd. entities and of the European Depository Bank. The Committee will oversee each entity's management activities. It will have the authority under the ultimate and overall responsibility of the EDB on the implementation and maintenance of the business and risk strategy. This includes the risk appetite and risk management framework, an adequate and effective internal governance and control framework, adequate resourcing, remuneration and oversight on suitability assessments of the management bodies.

**EDB Risk Committee:** The Bank has established the permanent risk committee as superior body for strengthening the risk management. The objective of this committee is the monitoring of the risk profile of the Bank including its entities. Hence, it serves as an additional instrument of the management that comprehensively covers all risks across all levels of the Bank. In its function as "Group Subsidiary Risk Committee", the EDB Risk Committee will have the authority to conduct investigations into any matters of the subsidiary within its scope of responsibility. It will also oversee into location specific critical operational/business matters such as New Clients and Funds On-boarding, Termination, litigations etc.

**EDB Outsourcing Committee:** The purpose of the Outsourcing Committee is to enable European Depositary Bank SA including their Branches to properly manage the risks associated with outsourcing and ensure that the quality of the outsourced functions is not impaired. The tasks of the Committee compromises the coordination of decision making with respect to facilitating the resolution of EDB Outsourcing issues by providing a platform for discussion and coordination.

**EDB Branch Committees:** The Branch Committees exercises strategic control and supervision of EDB Branches in order to provide overall risk & capital management supervision. The Branch committees reinforce the supervision of EDB Branches and serve to enhance the information exchange with EDB in respect of business and market area strategies, regulatory matters and business priorities.

The Bank carries out an annual risk inventory for all its entities. Its objective is to ensure the effective control of all risks of the Bank with the aid of systematic risk management and to differentiate between material risks and non-material risks. This distinction is the basis for the further handling of risks in the procedures of the Bank. The material risks are quantified, limited and taken into account for the risk-bearing capacity calculation. In addition, alarm thresholds were implemented for these risks, which serve as early warning indicators and thus contribute to compliance with the limits. The principle of proportionality applies to non-material risks. The annual risk inventory ensures a regular review of the materiality nature of the risks.

Significant risks have been identified as being:

- Credit risk;
- Market risks;
- Operational risks;
- Liquidity risk.

For the Branches in Dublin and Malta only Operational Risks have been classified as significant.

In addition to the measures outlined above, the Bank has established further supportive procedures to control the entirety of the risks. These include limit cataloguing, monitoring of Key Risk Indicators, controlling of outsourcing, risk analysis of new products, risk monitoring of participations, monitoring of unusual and non-transparent business activities and crisis management. These procedures and instruments complete the picture of the Bank's overall risk situation and also serve as a means of early risk detection:

- **Limit catalogue:** The Bank´s regulatory and relevant internal limits are compiled in a limit catalogue for the purpose of risk steering. For each limit, the limit catalogue specifies the monitoring department and the control instance. Beside the escalation routines already installed, limit exceedances that lie beyond the reporting threshold specified in the limit catalogue, must be escalated to the Chief Risk Officer, who analyses and comments the reports and supervises the measures envisaged for avoiding limit exceedances in the future. In the context of a risk-oriented audit, the processes are checked by the Bank´s Internal Audit department or external auditors.
- **Key Risk Indicators:** EDB performs a group-wide monitoring and reporting of the bank´s key risk indicators. The key risk indicators are separated into several categories and provide an overview and information on the areas that are currently subject to risk. Threshold values or traffic light schemes provide information on the current risk assessment.
- **Outsourcings:** EDB is obliged to define, implement and apply an outsourcing policy. The Management Board has the overall responsibility for any outsourcing activity and the proper management of the risks associated with outsourcing. In order to achieve a prudent governance of the outsourcing activities an Outsourcing Committee is installed.
- **New Products:** The term „new product" discribes all changes of business activities with regard to market coverage, customer reach, products, and services. The "New Product Process" (NPP) of European Depositary Bank SA (EDB), including its branches, and serves the implementation of new products. The aim is to minimise risks from new products through process reliability and to ensure that the obligations associated with the product are fulfilled. The process is divided into three phases: The NPP initiation under the responsibility of the initiator, the NPP pre-analysis under the responsibility of Risk Controlling department and the implementation phase under the responsibility of one or more designated department heads or a project manager.
  If in the context of the New Business Acquisition & Acceptance Process a new product shows up the departments Relationship Management, Sales & Treasury and Heads of the Branches are obliged to initiate a NPP ad hoc. In addition the departments Relationship Management, Sales & Treasury and Heads of the Branches have the opportunity to proactively determine the need for new products for the EDB and its branches in the future
- **Partcipations:** Participations are part of the annual risk inventory and are included as a shareholder/participation risk under the credit risk. In addition to taking the book value of the participations into account when calculating the CVaR on a quarterly basis, risk monitoring by the risk

control and compliance functions is performed more stringently for the participations deemed to be material. As a risk monitoring procedure, the annual financial statements of the material participations are actively provided annually by the management office of the participation. In addition, risk monitoring during the year is ensured by the submitted quarterly risk reports and a notification obligation for the participations. The control functions take note of the reports and any ad-hoc risk notifications are received by the control functions and any abnormalities are escalated to the Management Board. The information on the shareholdings is supplemented by the report of the Management Board based on its performance of supervisory board mandates relating to the participations. Participation risks are also integrated as individual risks in the risk catalogue of the Risk Committee and are therefore monitored on an ongoing basis

- **Monitoring of unusual and non-transparent business activities:** Unusual or non-transparent business activities are defined as business activities carried out by means of especially designated legal entities or in areas with deficits in transparency or which do not meet international banking standards. The whistleblowing and risk reporting systems set up at the Bank ensure that such transactions are reported to the compliance function. Reports of unusual or non-transparent transactions are immediately forwarded to the risk control function. It examines whether the risks resulting from the reported business activities are controlled by the procedures available to the Bank and can therefore be adequately managed and gives its opinion on risk assessment and compatibility with the risk strategy. In addition, in the context of product control for new business activities, a review is carried out to determine whether it is an unusual or non-transparent business activity as defined above.

**Crisis Management:** The Crisis Management Committee, which is chaired by the Management Board, is responsible for all stress situations at the Bank. This applies in particular to security issues, business interruptions as well as financial and reputational risks. In the event of any special incidents affecting the safety of the company, its employees and guests, business operations, the balance sheet and the profit and loss account and reputation, the Management Board must be contacted and the crisis management team convened. The "Chef de Situation" nominated by the Crisis Task Force and the persons appointed by him have access to all resources necessary for solving the situation, irrespective of the normally existing division of departments and line structures. The aim of all measures taken in the event of a crisis is to ensure that both the technical operation of all functions and business operations can be continued within a reasonably short period of time.
In this context, each department has to draw up and regularly update a contingency plan. The Crisis Task Force is responsible for the coordination of the measures to be taken from the respective contingency plans.

### 1.3.2. Directorships and recruitment policy

***(CRR Article 435 (2))***

***Table 2: Directorships and recruitment policy***

Recruitment policy and diversity strategy for the selection of members of the Management Board (Article 435 (2) points (b) and (c) CRR)

Only those persons who possess the qualifications to be management board members and meet all the stock market/banking regulatory supervision requirements may be appointed to the Management Board of the Bank. The Supervisory Board identifies and appoints only those candidates that meet the requirements with regards to expertise, experience and knowledge while ensuring diversity across the management board. At December 31, 2019, the Management Board of European Depositary Bank SA consisted of two members. The regulatory separation into Front Office and Credit Operations is guaranteed.

The Management Board and the Supervisory Board are informed about the development of the Bank’s business activities by means of a reporting system (MIS).
The risk control function informs the Management Board immediately of any serious problems and irregularities. In addition, it draws up an annual report about the recommendations, notes and decisions prepared during the year.

The Management Board covers the following additional directorships

| Name | number of executive (managed role) directorships | number of non-executive (supervisory role) directorships |
|---|---|---|
| Rüdiger Tepke | 3 | 1 |
| Stefan Forse | 3 | 0 |

### 1.3.3. Scope of application

***(CRR Article 436 (b))***

In the framework of accounting and prudential purposes, the bank has to fulfil requirements on individual level.

# 2. Own funds and capital adequacy

## 2.1. Own funds composition

***(CRR Article 437 (1))***

***Table 3: Capital instruments' main features template***

The bank has only CET1 capital which consists of

- Subscribed capital amounts to €13,000k.
- Retained earnings amounts €16,764k, including free reserves about €11.733k.
- Accumulated other comprehensives income amounts and other reserves amounts €4,349k.

Less

- Additional value adjustments amount €391k (prudent valuation),
- Intangible assets (net of related tax liability) amount €1,737k
- Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities amount €89k (Nestor Investment Management S.A., Quint Essence Capital S.A.).

***Template 1: Own funds disclosure template***

| Own funds disclosure template | | | Regulation (EU) No 575/2013 Article Reference |
|---|---|---|---|
| **Amounts in € thousand** | | | |
| **Common Equity Tier 1 capital: instruments and reserves** | | | |
| 1 | Capital instruments and the related share premium accounts | 13,000 | 26 (1) (a), (b), 27, 28, 29 |
| | of which: Shares of a public limited liability company (Actions d'une société anonyme) | *13,000* | EBA list 26 (3) |
| | | | EBA list 26 (3) |
| | | | EBA list 26 (3) |
| 2 | Retained earnings | 16,764 | 26 (1) (c) |
| 3 | Accumulated other comprehensive income (and other reserves) | 4,349 | 26 (1) |
| 3a | Funds for general banking risk | | 26 (1) (f) |
| 4 | Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1 | | 484 (2) |
| 5 | Minority interests (amount allowed in consolidated CET1) | | 84 |
| 5a | Independently reviewed interim profits net of any foreseeable charge or dividend | | 26 (2) |

| | | | |
|---|---|---|---|
| 6 | Common Equity Tier 1 capital before regulatory adjustments | 34,113 | **Sum of rows 1 to 5a** |
| Common Equity Tier 1 (CET1) capital before regulatory adjustments | | | |
| 7 | Additional value adjustments (negative amount) | -391 | 34, 105 |
| 8 | Intangible assets (net of related tax liability) (negative amount) | -1,736 | 36 (1) (b), 37 |
| 9 | Empty set in the EU | | |
| 10 | Deferred tax assets that rely on future probability 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 (1) (a) |
| 12 | Negative amounts resulting from the calculation of expected loss amounts | | 36 (1) (d), 40, 159 |
| 13 | Any increase in equity that results from securitised assets (negative amount) | | 32 (1) |
| 14 | Gains or losses on liabilities valued at fair value resulting from changes in own credit standing | | 33 (1) (b) |
| 15 | Defined-benefit pension fund assets (negative amount) | | 36 (1) (e), 41 |
| 16 | Direct and indirect holdings by an institution of own CET1 instruments (negative amount) | | 36 (1) (f), 42 |
| 17 | Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount) | | 36 (1) (g), 44 |
| 18 | Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 1O % threshold and net of eligible short positions) (negative amount) | | 36 (1) (h), 43, 45, 46, 49 (2) (3), 79 |
| 19 | Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 1O % threshold and net of eligible short positions) (negative amount) | -89 | 36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79 |
| 20 | Empty set in the 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) |
| 20b | of which: qualifying holdings outside the financial sector (negative amount) | | 36 (1) (k) (i), 89 to 91 |

| | | | |
|---|---|---|---|
| 20c | of which: securitisation positions (negative amount) | | 36 (1) (k) (ii), 243 (1) (b), 244 (1) (b), 258 |
| 20d | of which: free deliveries (negative amount) | | 36 (1) (k) (iii), 379 (3) |
| 21 | Deferred tax assets arising from temporary differences (amount above 1O % threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount) | | 36 (1) (c), 38, 48 (1) (a) |
| 22 | Amount exceeding the 15 % threshold (negative amount) | | 48 (1) 470 (2) |
| 23 | of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities | -89 | 36 (1) (i), 43, 45, 47, 48 (1) (b) |
| 24 | Empty set in the EU | | |
| 25 | of which: deferred tax assets arising from temporary differences | | 36 (1) (c), 38, 48 (1) (a) |
| 25a | Losses for the current financial year (negative amount) | | 36 (1) (a) |
| 25b | Foreseeable tax charges relating to CET1 items (negative amount) | | 36 (1) (l) |
| 27 | Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount) | | 36 (1) (j) |
| **28** | **Total regulatory adjustments to Common Equity Tier 1 (CET1)** | 2,217 | Sum of rows 7 to 20a, 21, 22 and 25a to 27 |
| **29** | **Common Equity Tier 1 (CET1) capital** | 31,897 | Row 6 minus row 28 |
| **Additional Tier 1 (AT1) capital: instruments** | | | |
| 30 | Capital instruments and the related share premium accounts | | 51, 52 |
| 31 | of which: classified as equity under applicable accounting standards | | |
| 32 | of which: classified as liabilities under applicable accounting standards | | |
| 33 | Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1 | | 486 (3) |
| 34 | Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties | | 85, 86 |
| 35 | of which: instruments issued by subsidiaries subject to phase out | | 486 (3) |
| **36** | **Additional Tier 1 (AT1) capital before regulatory adjustments** | | Sum of rows 30, 33 and 34 |

| | | | |
|---|---|---|---|
| **Additional Tier 1 (AT1) capital: regulatory adjustments** | | | |
| 37 | Direct and indirect holdings by an institution of own AT1 instruments (negative amount) | | 52 (1) (b), 56 (a), 57 |
| 38 | Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount) | | 56 (b), 58 |
| 39 | Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount) | | 56 (c), 59, 60, 79 |
| 40 | Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount) | | 56 (d), 59, 79 |
| 41 | Empty set in the EU | | |
| 42 | Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount) | | 56 (e) |
| **43** | **Total regulatory adjustments to Additional Tier 1 (AT1) capital** | | Sum of rows 37 to 42 |
| **44** | **Additional Tier 1 (AT1) capital** | | Row 36 minus row 43 |
| **45** | **Tier 1 capital (T1 = CET1 + AT1)** | 31,897 | Sum of row 29 and row 44 |
| **Tier 2 (T2) capital: instruments and provisions** | | | |
| 46 | Capital instruments and the related share premium accounts | | 62 (a) (b), 63 to 65, 66 (a), 67 |
| 47 | Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 | | 486 (4) |
| 48 | Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties | | 87, 88 |
| 49 | of which: instruments issued by subsidiaries subject to phase out | | 486 (4) |
| 50 | Credit risk adjustments | | 62 (c) & (d) |
| **51** | **Tier 2 (T2) capital before regulatory adjustments** | | |

| | | | |
|---|---|---|---|
| **Tier 2 (T2) capital: regulatory adjustments** | | | |
| 52 | Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount) | | 63 (b) (i), 66 (a), 67 |
| 53 | Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount) | | 66 (b), 68 |
| 54 | Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10 % threshold and net of eligible short positions) (negative amount) | | 66 point (c), 68 to 70 and 79 |
| 55 | Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount) | | 66 point (d), 68, 69 and 79 |
| 56 | Empty set in the EU | | |
| **57** | **Total regulatory adjustments to Tier 2 (T2) capital** | | Sum of rows 52 to 56 |
| **58** | **Tier 2 (T2) capital** | | Row 51 minus row 57 |
| **59** | **Total capital (TC = T1 + T2)** | 31,897 | Sum of row 45 and row 58 |
| **60** | **Total risk weighted assets** | 167,032 | |
| **Capital ratios and buffers** | | | |
| 61 | Common Equity Tier 1 (as a percentage of total risk exposure amount) | 19.1% | 92 (2) (a) |
| 62 | Tier 1 (as a percentage of total risk exposure amount) | 19.1% | 92 (2) (b) |
| 63 | Total capital (as a percentage of total risk exposure amount) | 19.1% | 92 (2) (c) |
| 64 | Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic risk buffer, plus systemically important institution buffer expressed as a percentage of risk exposure amount) | 4,438 | CRD 128, 129, 130, 131, 133 |
| 65 | of which: capital conservation buffer requirement | 4,176 | |
| 66 | of which: countercyclical buffer requirement | 262 | |
| 67 | of which: systemic risk buffer requirement | | |
| 67a | of which: Global Systemically Important Institution (G-811) or Other Systemically Important Institution (0-811) buffer | | |
| 68 | Common Equity Tier 1 available to meet buffers (as | 11.1% | CRD 128 |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| | | | |
|---|---|---|---|
| | a percentage of risk exposure amount) | | |
| 69 | [non relevant in EU regulation] | | |
| 70 | [non relevant in EU regulation] | | |
| 71 | [non relevant in EU regulation] | | |
| **Amounts below the thresholds for deduction (before risk weighting)** | | | |
| 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), 46, 45 56 (c), 59, 60 66 (c), 69, 70 |
| 73 | Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 10 % threshold and net of eligible short positions) | 89 | 36 (1) (i), 45, 48 |
| 74 | Empty set in the EU | | |
| 75 | Deferred tax assets arising from temporary differences (amount below 1O % threshold, net of related tax liability where the conditions in Article 38 (3) are met) | | 36 (1) (c), 38, 48 |
| **Applicable caps on the inclusion of provisions in Tier 2** | | | |
| 76 | Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap) | | 62 |
| 77 | Cap on inclusion of credit risk adjustments in T2 under standardised approach | | 62 |
| 78 | Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap) | | 62 |
| 79 | Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach | | 62 |
| **Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)** | | | |
| 80 | - Current cap on CET1 instruments subject to phase out arrangements | | 484 (3), 486 (2) & (5) |
| 81 | - Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities) | | 484 (3), 486 (2) & (5) |
| 82 | - Current cap on AT1 instruments subject to phase out arrangements | | 484 (4), 486 (3) & (5) |
| 83 | - Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities) | | 484 (4), 486 (3) & (5) |
| 84 | - Current cap on T2 instruments subject to phase out arrangements | | 484 (5), 486 (4) & (5) |
| 85 | - Amount excluded from T2 due to cap (excess over cap after redemptions and maturities) | | 484 (5), 486 (4) & (5) |

## 2.2. Capital adequacy

The following principles apply to the calculation of capital requirements:

- Credit risk is calculated using the standardised approach;
- The Bank's receivables from natural persons are assigned to the "Receivables from companies" exposure class;
- The calculation of the credit equivalent amounts for measuring the counterparty risk from derivative instruments is based on the market valuation method;
- The Bank uses the simplified method to calculate the commodity price risk;
- The Bank uses the basic indicator approach to measure operational risk;
- For an investment (Metropolitan Trading Corporation S.A., METRACO), the Bank makes use of the option, following approval by the CSSF on 10 January 2002, not to deduct it from its equity, but to weight it at 100% when calculating the risk exposure for counterparty risk.

During the year, everytime EDB fullfilled the own funds requirements according to Article 92 of Regulation (EU) No 575/2013 (CRR). EDB complied to the Total Capital Ratio about 8%, additionally the Capital Conservation Buffer amounts additionally 2.5% and the EDB specific Countercyclical Capital Buffer of additionally about 0.2%. EDB has to obligate a ratio higher than 10.7%. EDB has been set the internal limit on 17%.

In accordance with Regulation (EU) No. 575/2013, the Bank constantly meets the following two criteria in order to apply the capital ratio during the financial year:

- The average volume of the trading portfolio over the past twelve months may not exceed 5% and may not exceed 6% of the business volume;
- The average volume of the trading portfolio over the last twelve months may not exceed EUR 15 million and may at most amount to EUR 20 million.

The ICAAP serves to provide a coherent overview of the Bank's risk situation and the systematic con-sideration of risks that may threaten the company's ability to continue as a going concern or may negatively influence its future development.

In this context, the adequacy of the internal capital and the constant safeguarding of the institution's liquidity are paramount for ensuring its solvability. The ICAAP must be designed in such a way as to enable the Bank to assess to what extent its internal capital can adequately cover all risks to which it is or may be exposed. Consequently, the ICAAP supplements the simplified and integrated ratios required by the regulator. With regard to the completeness of risk identification, this objective is driven by the motivation to ensure that the Bank is able to continue as a going concern by always having adequate capital and being in a comfortable liquidity position.

### 2.2.1. Capital requirements

***(CRR Article 438 (c)-(f))***

***Template 2: EU OV1 Overview of RWAs***

| | | | Amounts in € thousand | | |
|---|---|---|---|---|---|
| **CRR-Reference** | **Line** | **Name** | **RWAs** | | **Minimum capital requirements** |
| | | | T | T-1 | T |
| | 1 | Credit risk (excluding CCR) | 81,969 | 78,220 | 6,558 |
| Article 438(c)(d) | 2 | Of which the standardised approach | 81,969 | 78,220 | 6,558 |
| Article 438(c)(d) | 3 | Of which the foundation IRB (FIRB) approach | | | |
| Article 438(c)(d) | 4 | Of which the advanced IRB (AIRB) approach | | | |
| Article 438(d) | 5 | Of which equity IRB under the simple risk-weighted approach or the IMA | | | |
| Article 107 Article 438(c)(d) | 6 | CCR | 24,930 | 23,642 | 1,995 |

| | | | | | |
|---|---|---|---|---|---|
| Article 438(c)(d) | 7 | Of which mark to market | | | |
| Article 438(c)(d) | 8 | Of which original exposure | | | |
| | 9 | Of which the standardised approach | 24,930 | 23,642 | 1,995 |
| | 10 | Of which internal model method (IMM) | | | |
| Article 438(c)(d) | 11 | Of which risk exposure amount for contributions to the default fund of a CCP | | | |
| Article 438(c)(d) | 12 | Of which CVA | 4,825 | 7,148 | 386 |
| Article 438(e) | 13 | Settlement risk | | | |
| Article 449(o)(i) | 14 | Securitisation exposures in the banking book (after the cap) | | | |
| | 15 | Of which IRB approach | | | |

| | | | | | |
|---|---|---|---|---|---|
| | 16 | Of which IRB supervisory formula approach (SFA) | | | |
| | 17 | Of which internal assessment approach (IAA) | | | |
| | 18 | Of which standardised approach | | | |
| Article 438 (e) | 19 | Market risk | 930 | 995 | 74 |
| | 20 | Of which the standardised approach | 930 | 995 | 74 |
| | 21 | Of which IMA | | | |
| Article 438(e) | 22 | Large exposures | | | |
| Article 438(f) | 23 | Operational risk | 54,378 | 47,775 | 4,350 |
| | 24 | Of which basic indicator approach | 54,378 | 47,775 | 4,350 |
| | 25 | Of which standardised approach | | | |

| | | | | | |
|---|---|---|---|---|---|
| | 26 | Of which advanced measurement approach | | | |
| Article 437(2), Article 48 and Article 60 | 27 | Amounts below the thresholds for deduction (subject to 250% risk weight) | | | |
| Article 500 | 28 | Floor adjustment | | | |
| | **29** | **Total** | **167,032** | **157,780** | 13,363 |

### 2.2.2. Capital buffers

***(CRR Article 440 (a,b))***

***Template 3: Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer***


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| Row | | Exposures in € thousand | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | General credit exposures | | Trading book exposures | | Securitisation exposure | | Own funds requirements | | | | Own funds requirement weights | Countercyclical capital buffer rate |
| | | Exposure value for SA | Exposure Value for IRB | Sum of long and short position of trading book | Value of trading book exposure for internal models | Exposure value for SA | Exposure value for IRB | Of which: General Credit exposures | Of which: Trading book exposures | Of which: Securitisation exposures | Total | | |
| | | 010 | 020 | 030 | 040 | 050 | 060 | 070 | 080 | 090 | 100 | 110 | 120 (in %) |
| 010 | Breakdown by country | | | | | | | | | | | | |
| | BM | 5.7 | | | | | | 0.5 | | | 0.5 | 0.01% | 0.00% |
| | CA | 249.5 | | | | | | 20.0 | | | 20.0 | 0.31% | 0.00% |
| | CH | 657.2 | | | | | | 52.6 | | | 52.6 | 0.81% | 0.00% |
| | DE | 98,655.6 | | | | | | 1,870.2 | | | 1,870.2 | 28.71% | 0.00% |
| | ES | 1,046.7 | | | | | | 83.7 | | | 83.7 | 1.29% | 0.00% |
| | FR | 463.6 | | | | | | 37.1 | | | 37.1 | 0.57% | 0.25% |
| | GB | 224.6 | | | | | | 18.0 | | | 17.9 | 0.27% | 1.00% |
| | HK | 6,213.1 | | | | | | 497.0 | | | 497.1 | 7.63% | 0.20% |
| | IT | 220.6 | | | | | | 17.6 | | | 17.6 | 0.27% | 0.00% |
| | LU | 47,748.5 | | | | | | 3,312.7 | | | 3,312.7 | 50.86% | 0.00% |
| | US | 7,546.3 | | | | | | 603.7 | | | 603.7 | 9.27% | 0.00% |
| 20 | **Total** | 163,031.4 | | | | | | 6,513.1 | | | 6,513.1 | 100.00% | |

***Template 4: Amount of institution-specific countercyclical capital buffer***

| | | Amounts in € thousand |
|---|---|---|
| Row | | Column |
| | | 010 |
| 010 | Total risk exposure amount | 167,032 |
| 020 | Institution specific countercyclical buffer rate | 0.16% |
| 030 | Institution specific countercyclical buffer requirement | 262 |

## 2.3. Leverage ratio

***(CRR Article 450)***

***Table 4: LRQua: General qualitative information about leverage***

The leverage ratio is impacted mainly by the departments "Sales and Treasury" and Credit department.

Monitoring of the leverage ratio will be covered by the department Accounting and Financial Reporting and will reported regularly in the supervisory board meeting to the management-board and supervisory-board.

If the department Accounting and Financial Reporting detect a breach of the regulatory limit of the ratio, Internal processes defined that the head of "Sales and Treasure" has to comment the figures and have to create a plan to improve the ratio.

It is to be considered, that cause of the fact, that the leverage ratio is currently only under observation, no further internal limits or stronger short-term processes to steer this ratio are in place. This is as well the reason for only to note the leverage ratio in the current Recovery Plan and that EDB will comply the regulatory requirements from July 2021.

In 2020, the bank will increase their focus on this ratio to fulfil this requirement from July 2021. It is planned to increase own funds to comply comfortable the Ratio.

The main trigger for the leverage ratio is the behaviours of our clients for deposits their liquidity at the EDB and EDB have to reinvest at BCL or in high liquid securities. Own funds are nearly stable.

***Template 5: LRSum: Summary reconciliation of accounting assets and leverage ratio exposures***

| | | **Applicable amount in € thousand** |
|---|---|---|
| 1 | Total assets as per published financial statements | 1,740,466 |
| 2 | Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation | |
| 3 | (Adjustment for fiduciary assets recognized on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013) | |
| 4 | Adjustments for derivative financial instruments | 33,257 |

| | | |
|---|---|---|
| 5 | Adjustment for securities financing transactions (SFTs) | |
| 6 | Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures) | 1,934 |
| EU - 6a | (Adjustment for intragroup exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(7) of Regulation (EU) No 575/2013) | |
| EU - 6b | (Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with Article 429(14) of Regulation (EU) No 575/2013) | |
| 7 | Other adjustments | 10,941 |
| **8** | **Leverage ratio total exposure measure** | **1,786,598** |

***Template 6: LRCom: Leverage ratio common disclosure***

| | | CRR leverage ratio exposures in € thousand |
|---|---|---|
| **On-balance sheet exposures (excluding derivatives and SFTs** | | |
| 1 | On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral) | 1,731,729 |
| 2 | (Asset amounts deducted in determining Tier 1 capital) | -1,825 |
| **3** | **Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)** | 1,729,904 |
| **Derivative exposures** | | |
| 4 | Replacement cost associated with all derivatives transactions (ie net of eligible cash variation margin) | 21,503 |
| 5 | Add-on amounts for PFE associated with all derivatives transactions (mark- to-market method) | 33,256 |


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| | | |
|---|---|---|
| EU - 5a | Exposure determined under Original Exposure Method | |
| 6 | Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework | |
| 7 | (Deductions of receivables assets for cash variation margin provided in derivatives transactions) | |
| 8 | (Exempted CCP leg of client-cleared trade exposures) | |
| 9 | Adjusted effective notional amount of written credit derivatives | |
| 10 | (Adjusted effective notional offsets and add-on deductions for written credit derivatives) | |
| **11** | **Total derivatives exposures (sum of lines 4 to 10)** | 54,759 |
| | **SFT exposures** | |
| 12 | Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions | |
| 13 | (Netted amounts of cash payables and cash receivables of gross SFT assets) | |
| 14 | Counterparty credit risk exposure for SFT assets | |
| EU - 14a | Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429b(4) and 222 of Regulation (EU) No 575/2013 | |
| 15 | Agent transaction exposures | |
| EU-15a | (Exempted CCP leg of client-cleared SFT exposure) | |
| **16** | **Total securities financing transaction exposures (sum of lines 12 to 15a)** | |
| | **Other off-balance sheet exposures** | |
| 17 | Off-balance sheet exposures at gross notional amount | 4,777 |
| 18 | (Adjustments for conversion to credit equivalent amounts) | -2,842 |
| **19** | **Other off-balance sheet exposures (sum of lines 17 and 18)** | 1,935 |
| | **Exempted exposures in accordance with Article 429(7) and (14) of Regulation (EU) No 575/2013 (on and off balance sheet)** | |
| EU-19a | (Intragroup exposures (solo basis) exempted in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet)) | |
| EU-19b | (Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet)) | |

| Capital and total exposure measure | | |
|---|---|---|
| 20 | Tier 1 capital | 31,897 |
| **21** | **Leverage ratio total exposure measure (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)** | 1,786,598 |
| **Leverage ratio** | | |
| **22** | **Leverage ratio** | 1.79% |
| **Choice on transitional arrangements and amount of derecognized fiduciary items** | | |
| EU-23 | Choice on transitional arrangements for the definition of the capital measure | |
| EU-24 | Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) No 575/2013 | |

***Template 7: LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)***

| | | **CRR leverage ratio exposures<br>In € thousand** |
|---|---|---|
| EU-1 | Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which: | 1,731,729 |
| EU-2 | Trading book exposures | |
| EU-3 | Banking book exposures, of which: | 1,731,729 |
| EU-4 | Covered bonds | 83,643 |
| EU-5 | Exposures treated as sovereigns | 1,511,416 |
| EU-6 | Exposures to regional governments, MDB, international organisations and PSE **not** treated as sovereigns | |
| EU-7 | Institutions | 87,738 |
| EU-8 | Secured by mortgages of immovable properties | |
| EU-9 | Retail exposures | |

| | | |
|---|---|---|
| EU-10 | Corporate | 42,336 |
| EU-11 | Exposures in default | |
| EU-12 | Other exposures (e.g. equity, securitisations, and other non-credit obligation assets) | 6,596 |

# 3. Credit risk

## 3.1. Credit risk management

***(CRR Article 435 (1))***

***Table 5: EU CRA - General qualitative information about credit risk***

Credit risk defines the risk of loss of assets as a result of partial or complete default of asset positions with different characteristics in the form of counterparty, settlement, issuer, investment & shareholder and country risk.

The lending business is a business activity complementary to the bank's core business activities. The credit risk comprises receivables and credit equivalents from customers and banks as well as securities receivables from issuers.

To limit credit risks, the Management Board approves specified limits, which are applied for in coordination by the departments Sales/Treasury and Custody Operations for money market transactions, foreign currency transactions, securities and derivative transactions.

Regularly assessed collaterals are an important instrument for minimising risk. In accordance with the credit risk strategy, the Bank's lending business focuses on lombard loans for external managed private customers with assets deposited with the Bank and short-term loans to investment funds, for which the Bank has the depositary Bank function. In addition, loans may also be granted to entities within the Apex Group.

The Bank considers its foreign currency loans defined in the CSSF Circular CSSF 12/538 and the related risks to be insignificant in view of the low proportion of non-currency congruent collateralised foreign currency loans in the balance sheet total and in view of the intended monitoring of systemic risks as originating from the circular. The mandatory requirements of the circular are implemented by the binding organisational instructions in the bank's regulations.

For the Bank's holdings in interest-bearing securities and promissory note loans, it observes issuer limits as well as the list of approved products in its own-account trading. New investments are made for the purpose of maturity transformation within the meaning of an available liquidity buffer of highly liquid assets in order to strengthen the solvency ratio, primarily in zero-solvency securities of German government and multilateral issuer and covered bonds of German issuers. Most securities in the liquidity reserve are exclusively qualified as collaterals for open market operations of the European Central Bank. On the reporting date, the current ratings of the exchange tradable securities are in investment grade.

Credit Risk Management prepares a monthly report of exposures (counterparty default risk report) that are overdrawn and/or have a lending value shortfall and submit it to the Management Board for information and approval. The report also includes all doubtful receivables, overdrafts of issuers, overdraft of country limits and overdrafts of risk limits set for shadow banking entities.

Continuous credit monitoring is carried out by the responsible customer advisor and the Credit Risk Management team in order to identify changes in the credit rating early on. The Credit Risk Management team monitors compliance with the competences and the timely repayment of overdrafts on an ongoing basis and reports this as part of the allocation of competences. In addition, the exposures are monitored daily for collateral value shortfall, with any underfunding re-ported as part of the competence allocation and also communicated to the Chief Risk Officer, once the internally defined threshold values are reached.

With the Bank's ICAAP the risk limit for credit risks for the loan portfolio is based on the allocated risk-bearing capacity limit. Unexpected losses, i.e. losses exceeding the expected amount, are measured against this limit. Furthermore, a surcharge for migration risks is applied to the limit resulting from the selected method as part of the risk-bearing capacity approach. In principle, all positions with counterparty risk are included in the portfolio analysis when determining CVaR. The unexpected loss is defined by the credit value at risk (CVaR) as the 99.5% quantile of the loss distribution of the bank's credit portfolio. The migration risk surcharge is calculated as the difference between the expected loss of the actual portfolio and the expected loss of the actual credit portfolio of all borrowers simultaneously shifted by a certain number of rating classes. The number of the shifted rating classes is derived from historical migration analyses of the credit portfolio. The calculation is carried out using the internal credit risk model, into which the unsecured portions and default probabilities of the individual borrowers as well as correlations (via an industry/ sector classification) flow. In addition, a central additional condition is that the regulatory limitation of capital requirements regulation must always be complied with.

## 3.2. Credit exposure

***(CRR Article 442, 444)***

***Table 6: EU CRD Qualitative disclosure requirements on institutions' use of external credit ratings under the standardized approach for credit risk***

EDB uses rating information from Fitch Ratings for the Exposures Classes Central Governments or central Banks, regional governments or local authorities and public sector entities.

EDB follows the regulatory requirements regarding mapping between credit quality steps and rating like table mentioned below:

| **Eligible ECAIs** | | Fitch |
|---|---|---|
| **Mapping to credit quality steps - Long term credit assessment** | 1 | AAA to AA- |
| | 2 | A+ to A- |
| | 3 | BBB+ to BBB- |
| | 4 | BB+ to BB- |
| | 5 | B+ to B- |
| | 6 | CCC+ and below |


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*Template 8: EU CRB-B Total and average net amount of exposures*

| | | Exposures in € thousand | |
|---|---|---|---|
| | | a | b |
| | | **Net value of exposures at the end of the period** | **Average net exposures over the period** |
| 1 | Central governments or central banks | | |
| 2 | Institutions | | |
| 3 | Corporates | | |
| 4 | Of which: Specialised lending | | |
| 5 | Of which: SMEs | | |
| 6 | Retail | | |
| 7 | Secured by real estate property | | |
| 8 | SMEs | | |
| 9 | Non-SMEs | | |
| 10 | Qualifying revolving | | |
| 11 | Other retail | | |
| 12 | SMEs | | |
| 13 | Non-SMEs | | |
| 14 | Equity | | |
| **15** | **Total IRB approach** | | |
| 16 | Central governments or central banks | 1,225,079 | 1,083,368 |
| 17 | Regional governments or local authorities | 108,898 | 120,991 |
| 18 | Public sector entities | 104,106 | 93,935 |
| 19 | Multilateral development banks | 81,397 | 59,075 |
| 20 | International organisations | | |
| 21 | Institutions | 113,119 | 155,054 |
| 22 | Corporates | 93,383 | 93,864 |
| 23 | Of which: SMEs | | |
| 24 | Retail | | |
| 25 | Of which: SMEs | | |
| 26 | Secured by mortgages on immovable property | | |
| 27 | Of which: SMEs | | |
| 28 | Exposures in default | | |
| 29 | Items associated with particularly | | |

| | | | |
|---|---|---|---|
| | high risk | | |
| 30 | Covered bonds | 83,643 | 100,786 |
| 31 | Claims on institutions and corporates with a short-term credit assessment | | |
| 32 | Collective investments undertakings | | |
| 33 | Equity exposures | 256 | 3,133 |
| 34 | Other exposures | 6,340 | 13,345 |
| **35** | **Total standardized approach** | 1,816,221 | 1,723,551 |
| **36** | **Total** | 1,816,221 | 1,723,551 |

Template 9: EU CRB-C - Geographical breakdown of exposure

| | In € million | **Luxem-bourg** | **Germany** | **United King-dom** | **Ireland** | **Rest of EU** | **Switzer-land** | **Total Europe** | **Hong-kong** | **USA** | **Other Countries** | **Total Rest of World** | **Total** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Central governments or central banks | | | | | | | | | | | | |
| 2 | Institutions | | | | | | | | | | | | |
| 3 | Corporates | | | | | | | | | | | | |
| 4 | Retail | | | | | | | | | | | | |
| 5 | Equity | | | | | | | | | | | | |
| **6** | **Total IRB approach** | | | | | | | | | | | | |
| 7 | Central governments or central banks | 1,217.0 | 3.8 | | | | 0.9 | 1,221.7 | | 3.4 | | 3.4 | 1,225.1 |
| 8 | Regional governments or local authorities | | 108.9 | | | | | 108.9 | | | | | 108.9 |
| 9 | Public sector entities | | 104.1 | | | | | 104.1 | | | | | 104.1 |
| 10 | Multilateral development banks | | | | | | | | | | 81.4 | 81.4 | 81.4 |
| 11 | International organisations | | | | | | | | | | | | |
| 12 | Institutions | 27.1 | 45.0 | 10.8 | 9.4 | 0.8 | 0.5 | 93.6 | | 19.6 | | 19.6 | 113.2 |
| 13 | Corporates | 61.3 | 15.2 | 0.2 | | 1.7 | 0.7 | 79.1 | 6.2 | 7.7 | 0.3 | 14.2 | 93.3 |
| 14 | Retail | | | | | | | | | | | | |

| | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 15 | Secured by mortgages on immovable property | | | | | | | | | | | | |
| 16 | Exposures in default | | | | | | | | | | | | |
| 17 | Items associated with particularly high risk | | | | | | | | | | | | |
| 18 | Covered bonds | | 83.6 | | | | | 83.6 | | | | | 83.6 |
| 19 | Claims on institutions and corporates with a short-term credit assessment | | | | | | | | | | | | |
| 20 | Collective investments undertakings | | | | | | | | | | | | |
| 21 | Equity exposures | 0.3 | | | | | | 0.3 | | | | | 0.3 |
| 22 | Other exposures | 6.3 | | | | | | 6.3 | | | | | 6.3 |
| **23** | **Total standardised approach** | 1,312.0 | 360.6 | 11.0 | 9.4 | 2.5 | 2.1 | 1,697.6 | 6.2 | 30.7 | 81.7 | 118.6 | 1,816.2 |
| **24** | **Total** | 1,312.0 | 360.6 | 11.0 | 9.4 | 2.5 | 2.1 | 1,697.6 | 6.2 | 30.7 | 81.7 | 118.6 | 1,816.2 |

***Template 10: EU CRB-D Concentration of exposures by industry or counterparty types***

| In € thousand | **Public sector** | **Financial sector** | **Non-financial Sector** | **Total** |
|---|---|---|---|---|
| Central governments or central banks | 8,363 | 1,216,716 | | 1,225,079 |
| Regional governments or local authorities | 108,898 | | | 108,898 |
| Public sector entities | 104,106 | | | 104,106 |
| Multilateral development banks | | 81,397 | | 81,397 |
| International organisations | | | | |
| Institutions | | 113,119 | | 113,119 |
| Corporates | | 72,712 | 20,671 | 93,383 |
| Retail | | | | |
| Secured by mortgages on immovable property | | | | |
| Exposures in default | | | | |
| Items associated with particularly high risk | | | | |
| Covered bonds | | 83,643 | | 83,643 |
| Claims on institutions and corporates with a short-term credit assessment | | | | |
| Collective investments undertakings | | | | |
| Equity exposures | | 256 | | 256 |
| Other exposures | | | 6,340 | 6,340 |
| **Total** | 221,367 | 1,567,843 | 27,011 | 1,816,221 |

Template 11: EU CRB-E Maturity of exposures

| | Net exposure value in € thousand | | | | | |
|---|---|---|---|---|---|---|
| residual maturity | On demand | <= 1 year | > 1 year <= 5 years | > 5 years | No stated maturity | Total |
| Central governments or central banks | | | | | | |
| Institutions | | | | | | |
| Corporates | | | | | | |
| Retail | | | | | | |
| Equity | | | | | | |
| **Total IRB approach** | | | | | | |
| Central governments or central banks | 1,217,016 | | | 8,063 | | 1,225,079 |
| Regional governments or local authorities | | 38,006 | 70,892 | | | 108,898 |
| Public sector entities | | 34,021 | 70,085 | | | 104,106 |
| Multilateral development banks | | 1,336 | 80,061 | | | 81,397 |
| International organizations | | | | | | |
| Institutions | 88,032 | 25,087 | | | | 113,119 |
| Corporates | 36,062 | 57,016 | 305 | | | 93,383 |
| Retail | | | | | | |
| Secured by mortgages on immovable property | | | | | | |
| Exposures in default | | | | | | |
| Items associated with particularly high risk | | | | | | |
| Covered bonds | | 42,946 | 40,697 | | | 83,643 |
| Claims on institutions and corporates with a short-term credit assessment | | | | | | |

Collective investments undertakings

| | | | | | | |
|---|---|---|---|---|---|---|
| Equity exposures | | | | | 256 | 256 |
| Other exposures | | | | | 6,340 | 6,340 |
| **Total standardised approach** | | | | | | |
| **Total** | 1,341,110 | 198,412 | 262,040 | 8,063 | 6,596 | 1,816,221 |

## 3.3. Credit risk adjustments

***(CRR Article 442)***

***Template 12: EU-CR1-A Credit quality of exposures by exposure class and instrument***

| | | Exposures in € thousand | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Gross carrying values of | | Specific credit risk adjustment (c) | General credit risk adjustment (d) | Accumulated write-offs (e) | Credit risk adjustment charges of the period (f) | Net values |
| | | Defaulted exposures (a) | Non-defaulted exposures (b) | | | | | (g) = (a+b-c-d) |
| 1 | Central governments or central banks | | | | | | | |
| 2 | Institutions | | | | | | | |
| 3 | Corporates | | | | | | | |
| *4* | *Of which: Specialised lending* | | | | | | | |
| *5* | *Of which: SMEs* | | | | | | | |
| 6 | Retail | | | | | | | |
| *7* | *Secured by real estate property* | | | | | | | |
| *8* | *SMEs* | | | | | | | |
| *9* | *Non-SMEs* | | | | | | | |
| *10* | *Qualifying revolving* | | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 11 | Other retail | | | | | | | |
| *12* | *SMEs* | | | | | | | |
| *13* | *Non-SMEs* | | | | | | | |
| 14 | Equity | | | | | | | |
| **15** | **Total IRB approach** | | | | | | | |
| 16 | Central governments or central banks | | 1,225,079 | | | | | 1,225,079 |
| 17 | Regional governments or local authorities | | 108,899 | 1 | | | | 108,898 |
| 18 | Public sector entities | | 104,106 | | | | | 104,106 |
| 19 | Multilateral development banks | | 81,398 | 1 | | | | 81,397 |
| 20 | International organisations | | | | | | | |
| 21 | Institutions | | 113,135 | 16 | | | | 113,119 |
| 22 | Corporates | | 93,453 | 70 | | | | 93,383 |
| *23* | *Of which: SMEs* | | | | | | | |
| 24 | Retail | | | | | | | |
| *25* | *Of which: SMEs* | | | | | | | |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 26 | Secured by mortgages on immovable property | | | | | | | |
| *27* | *Of which: SMEs* | | | | | | | |
| 28 | Exposures in default | | | | | | | |
| 29 | Items associated with particularly high risk | | | | | | | |
| 30 | Covered bonds | | 83,654 | 11 | | | | 83,643 |
| 31 | Claims on institutions and corporates with a short-term credit assessment | | | | | | | |
| 32 | Collective investments undertakings | | | | | | | |
| 33 | Equity exposures | | 256 | | | | | 256 |
| 34 | Other exposures | | 6,340 | | | | | 6,340 |
| **35** | **Total standardised approach** | | 1,816,320 | 99 | | | | 1,816,221 |
| **36** | **Total** | | 1,816,320 | 99 | | | | 1,816,221 |

| | | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| 37 | Of which: Loans | | 1,353,767 | 81 | | | | 1,353,686 |
| 38 | Of which: Debt securities | | 378,057 | 13 | | | | 378,044 |
| 39 | Of which: Off-balance-sheet exposures | | 84,496 | 5 | | | | 84,491 |

***Table 7: EU CRB-A – Additional disclosure related to the credit quality of assets***

*EDB defines loans and receivables as past due if the counterparty does not follows any payment requirement within 30 days from due date.*

*EDB does not use a delimited definition of "past due" for invoicing purposes.*

*In 2019 the Bank has no past-due exposures.*

*EDB define exposures as "non-performing" and "impaired" when EDB anticipate that a contractual partner is no longer able to meet his/her obligations to service his/her debt over the long term or is in breach of contractual obligations under the loan agreement.*

*Relation to IFRS 9, all relevant positons of the portfolio of the EDB are categorised in stage 1.*

*The Bank follows the approach to assign all Level 1-loans the internal rating category up to 7; Level 2 instruments are assigned the rating categories 12-15, depending on their individual risk liability. Level 3 instruments are assigned to internal risk category 16 (default). The portfolio values reported as off-balance are to be included in the impairment calculation.*

*According to IFRS 9.5.5.11, an increased risk of default exists if an instrument has payments due that are 30 days or more past due. This assumption can be refuted. The Bank follows the presumption of the standard and considers the period to be appropriate. Accordingly, instruments with overdue payments of 30 days or more should be reclassified from Level 1 to Level 2.*

*According to IFRS 9.B.5.5.37, an instrument is considered to be in default if it has interest or principal payments due that are 90 days or more past due. However, banks can rebut this presumption if they can adequately substantiate a shorter or longer "past due" as the cause of default. The bank does not have adequate data to rebut the presumption of default and considers the timeframe envisaged to be reasonable. Similar to this definition of default, instruments where payments are 90 days or more past due are automatically reclassified to Level 3.*

*The department Accounting Opening Clients and Investors / Credit Risk monitored the time period regarding potential past-due cases.*

According to IFRS 9.B5.5.28, *expected credit losses* are *a probability-weighted estimate of credit losses (i.e. the present value of all defaults) over the expected life of the financial instrument. A payment default is the difference between the payments that are contractually owed to an entity and the payments that the entity expects to receive. Because expected credit losses take into account the amount and timing of payments, a credit loss occurs even if the enterprise expects to receive payment in full but later than contractually agreed.*

For all Level 1 and Level 2 instruments, unless otherwise described, the ECL is calculated using a statistical approach based on the parameters described in the previous sections. For Level 1 instruments, the ECL is based on a period of one year (12M), whereas for Level 2 instruments the calculation takes into account the respective residual maturity of the instruments (lifetime). The general formula can be described as follows:

$$\mathrm{ECL} = \sum_{t=1}^{n} \frac{\mathrm{MPD}_t * \mathrm{LGD}_t * \mathrm{EAD}_t}{(1+\mathrm{EIR})^t}.$$


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The related terms are defined as follows:

| | |
|---|---|
| t | Remaining term |
| $EAD_t$ | Exposure at default at the time of default |
| $MPD_t$ | Marginal PD for the period t |
| $LGD_t$ | LGD at end of period t |
| $(1 + EIR)^t$ | Discount factor at the end of period t. |

The application of the discount factor is only of secondary importance in the MMWBLU, as there are hardly any transactions with premium / discount in the portfolio. The effect on the determination of the ECL would be marginal and therefore should not be taken into account.

For Level 2 instruments, the ECL shall be calculated at lifetime. To do this, the existing 1-year PD would be adjusted by extrapolating it to the remaining term. When extrapolating the PD, however, you also have to take into account that no default event has occurred in the past term of the transaction. For this reason, additional parameters from the event time analysis (survival function) would have to be taken into account in the extrapolation. Since the MMWBL does not expect to have to use the lifetime ECL, no further models have yet been developed for this.

For Level 3 instruments, an individual assessment is carried out by Expert Judgement.

***Template 13: EU CR1-B Credit quality of exposures by industry or counterparty types***

| | Exposures in € thousand | | | | | | |
|---|---|---|---|---|---|---|---|
| | Gross carrying values of | | Specific credit risk adjustment (c) | General credit risk adjustment (d) | Accumulated write-offs | Credit risk adjustment charges of the period | Net values |
| | Defaulted exposures (a) | Non-defaulted exposures (b) | | | | | (a+b-c-d) |
| Financial | | 1,672,002 | -53 | | | | 1,671,949 |
| Non-Financial | | 144,318 | -46 | | | | 144,272 |
| **Total** | | 1,816,320 | -99 | | | | 1,816,221 |

***Template 14: EU CR1-C Credit quality of exposures by geography***

| | | Exposures in € thousand | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | **Gross carrying values of** | | **Specific credit risk adjustment (c)** | **General credit risk adjustment (d)** | **Accumulated write-offs (e)** | **Credit risk adjustment charges of the period (f)** | **Net values** |
| | | **Defaulted exposures (a)** | **Non-defaulted exposures (b)** | | | | | **(a+b-c-d)** |
| 1 | *USA* | | 30,834 | 34 | | | | 30,800 |
| 2 | *Germany* | | 360,607 | 33 | | | | 360,574 |
| 3 | *Luxembourg* | | 1,312,111 | 26 | | | | 1,312,085 |
| 4 | *Hongkong* | | 6,217 | 4 | | | | 6,213 |
| 5 | United Kingdom | | 10,991 | 1 | | | | 10,990 |
| 7 | *Others* | | 95,560 | 1 | | | | 95,559 |
| **11** | **Total** | | 1,816,320 | 99 | | | | 1,816,221 |

***Template 15: EU CR1-E Non-performing and forborne exposures***

EDB did not have any non-performing or forborne exposures.

***Template 16: EU CR2-A Changes in the stock of general and specific credit risk adjustments***

| | Amounts in € thousand | |
|---|---|---|
| | **Accumulated specific credit risk adjustment** | **Accumulated general credit risk adjustment** |
| **Opening balance** | 132 | |
| Increases due to amounts set aside for estimated loan losses during the period | 39 | |
| Decreases due to amounts reversed for estimated loan losses during the period | 72 | |
| Decreases due to amounts taken against accumulated credit risk adjustments | | |
| Transfers between credit risk adjustments | | |
| Impact of exchange rate differences | | |
| Business combinations, including acquisitions and disposals of subsidiaries | | |
| Other adjustments | | |
| **Closing balance** | 99 | |
| Recoveries on credit risk adjustments recorded directly to the statement of profit or loss | | |
| Specific credit risk adjustments directly recorded to the statement of profit or loss | | |

***Template 17: EU CR2-B Changes in the stock of defaulted and impaired loans and debt securities***

EDB did not have any defaulted loans or debt securities.

## 3.4. Credit risk mitigation techniques

***(CRR Article 453)***

***Table 8: EU CRC – Qualitative disclosure requirements related to CRM techniques***

The Bank applies the Financial Collateral Comprehensive Method for Credit Risk Mitigation technique (EU 575/2013 CRR, article 223 and uses mainly cash collaterals, positions of margins relating to derivatives transactions and debt securities etc.

No further collaterals like immovable property, receivables, leasing, other physical collateral, guarantees, any types of credit derivatives are in use. EDB did not use balance sheet netting agreements. Controling and considering of collaterals apply to the risk management process is controlled by the team of Credit Risk. This team monitored as well the utilization of internal limits.

EDB used FlexFinance (Fernbach) and ABACUS360 (BearingPoint) as supporting application to manage valuations and eligibility of collaterals.

***Template 18: EU CR3 CRM techniques – Overview***

| | **Exposures in € thousand** | | | | |
|---|---|---|---|---|---|
| | **Exposures unsecured – Carrying amount** | **Exposures secured – Carrying amount** | **Exposures secured by collateral** | **Exposures secured by financial guarantees** | **Exposures secured by credit derivatives** |
| Total loans | 1,338,428 | 15,258 | 15,258 | 0 | 0 |
| Total debt securities | 378,044 | 0 | 0 | 0 | 0 |
| **Total exposures** | 1,716,472 | 15,258 | 15,258 | 0 | 0 |
| Of which defaulted | 0 | 0 | 0 | 0 | 0 |


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*Template 19: EU CR4 – Standardised approach – Credit risk exposure and CRM effects*

| | | Exposures in € thousand | | | | | |
|---|---|---|---|---|---|---|---|
| | | a | b | c | d | e | f |
| | | Exposures before CCF and CRM | | Exposures post CCF and CRM | | RWAs and RWA density | |
| | | On-balance-sheet amount | Off-balance-sheet amount | On-balance-sheet amount | Off-balance-sheet amount | RWAs | RWA density |
| | **Exposure classes** | | | | | | |
| 1 | Central governments or central banks | 1,217,016 | 8,063 | 1,217,015 | 8,063 | - | - |
| 2 | Regional government or local authorities | 108,898 | - | 108,898 | - | - | - |
| 3 | Public sector entities | 104,106 | - | 104,106 | - | - | - |
| 4 | Multilateral development banks | 81,397 | - | 81,397 | - | - | - |
| 5 | International organisations | - | - | - | - | - | - |
| 6 | Institutions | 87,738 | 25,381- | 84,923 | - | 16,985 | 20.7% |
| 7 | Corporates | 42,336 | 51,047 | 30,039 | 20,242 | 50,281 | 61.3% |
| 8 | Retail | - | - | - | - | - | - |
| 9 | Secured by mortgages on immovable property | - | - | - | - | - | - |
| 10 | Exposures in default | - | - | - | - | - | - |
| 11 | Exposures associated with particularly high risk | - | - | - | - | - | - |
| 12 | Covered bonds | 83,643 | - | 83,644 | - | 8,364 | 10.2% |
| 13 | Institutions and corporates with a short-term credit assessment | - | - | - | - | - | - |
| 14 | Collective investment undertakings | - | - | - | - | - | - |
| 15 | Equity | 256 | - | - | - | - | - |
| 16 | Other items | 6,340 | - | 6,340 | - | 6,340 | 7.7% |
| **17** | **Total** | 1,731,730 | 84,491 | 1,716,361 | 39,115 | 81,970 | 100.0% |

## Template 20: EU CR5 Standardised approach

| Exposure classes | Risk weight in € million | | | | | | | | | | | | | | | | Total (q) | Of which rated (r) |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | 0% (a) | 2% (b) | 4% (c) | 10% (d) | 20% (e) | 35% (f) | 50% (g) | 70% (h) | 75% (i) | 100% (j) | 150% (k) | 250% (l) | 370% (m) | 1250% (n) | Others (o) | Deducted (p) | | |
| Central governments or central banks | 1,225.1 | | | | | | | | | | | | | | | | 1,225.1 | 1,225.1 |
| Regional government or local authorities | 108.9 | | | | | | | | | | | | | | | | 108.9 | 108.9 |
| Public sector entities | 104.1 | | | | | | | | | | | | | | | | 104.1 | 104.1 |
| Multilateral development banks | 81.4 | | | | | | | | | | | | | | | | 81.4 | 81.4 |
| International organisations | | | | | | | | | | | | | | | | | | |
| Institutions | | | | | 95.7 | | | | | | | | | | | | 95.7 | |
| Corporates | | | | | | | | | | 73.0 | | | | | | | 73.0 | |

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Retail | | { | | | | | | | | | | | | | | | | |
| Secured by mortgages on immovable property | | | | | | | | | | | | | | | | | | |
| Exposures in default | | | | | | | | | | | | | | | | | | |
| Exposures associated with particularly high risk | | | | | | | | | | | | | | | | | | |
| Covered bonds | | | | 83.6 | | | | | | | | | | | | | 83.6 | |
| Institutions and corporates with a short-term credit assessment | | | | | | | | | | | | | | | | | | |
| Collective investment undertakings | | | | | | | | | | | | | | | | | | |
| Equity | | | | | | | | | | 0.3 | | | | | | | 0,.3 | |

| | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Other items** | | | | | | | | | | 6.3 | | | | | | | 6.3 | |
| **Total** | 1,519.5 | | | 83.6 | 95.7 | | | | | 79.6 | | | | | | | 1,778.4 | 1,519.5 |

## 3.5. Counterparty credit risk

***(CRR Article 439)***

***Table 9: EU CCRA - Qualitative disclosure requirements related to CCR***

EDB defines Counterparty credit risk' or 'CCR' as the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows.

The calculation of the credit equivalent amounts for measuring the counterparty risk from derivative instruments is based on the market valuation method;

The credit approval process for counterparty risks from derivative counterparty default risk positions do not differ from Credit approval process of other types of credit. The approval process is congruent. The decisions are made according to the two-vote principle (market vote and back office vote). For customers or bank counterparties will be offered a maximum of flexibility after analysis of their economic. The Company has granted a credit line, which must be backed by agreed collateral, if necessary. Possible collateral is taken into account with appropriate risk discounts. Based on the daily market valuation method and in consideration of add-on products determined by banking supervisory authorities. Amounts are offset against the counterparty limit set for the customer or bank counterparty. The credit equivalent amount determined in this way is credited analogously to the other types of credit. There are separate limit types for derivative counterparty default risk positions. If the credit limit is exceeded due to market valuation, the customer is entitled to a cash payment in arrears according to the credit agreement or obliged to provide other suitable securities. A position value offset (netting) is usually contractually agreed. The securities can be withdrawn in case of changes in favour of the customer. Market developments can be released again. If the required additional payment or the provision of security is even after a reminder, the risk position is not closed by the bank within the agreed time frame and any collateral. Any remaining debit balance of the counterparty is claimed. If, despite all the measures taken, the balance proves to be irrecoverable, the creation of risk provisioning.

In order to ensure efficient corporate governance and to reinforce risk management, the Bank adheres to the concept of three lines of defence. The internal control functions, which are subdivided into the risk control function, the compliance function and the internal audit function, form an integral part of the risk monitoring system. They examine the business and operations of the Bank, taking into account both scope and risk. This enables negative developments and vulnerabilities to be detected at an early stage.

EDB did not comply to any netting agreements for regulatory purposes and have not any credit derivatives exposures.

***Template 21: EU CCR1 Analysis of CCR exposure by approach***

| | | Exposures in € thousand | | | | | | |
|---|---|---|---|---|---|---|---|---|
| | | Notional | Replacement cost / current market value | Potential future credit exposure | EEPE | Multiplier | EAD post CRM | RWAs |
| 1 | Mark to market | | 21,503 | 33,256 | | | 54,759 | 24,930 |
| 2 | Original exposure | | | | | | | |
| 3 | Standardised approach | | | | | | | |
| 4 | IMM (for derivatives and SFTs) | | | | | | | |
| 5 | Of which securities financing transactions | | | | | | | |
| 6 | Of which derivatives and long settlement transactions | | | | | | | |
| 7 | Of which from contractual cross-product netting | | | | | | | |
| 8 | Financial collateral simple method (for SFTs) | | | | | | | |
| 9 | Financial collateral comprehensive method (for SFTs) | | | | | | | |
| 10 | VaR for SFTs | | | | | | | |
| **11** | **Total** | | | | | | | 24,930 |

***Template 22: EU CCR2 CVA capital charge***

| | | Exposures in € thousand | |
|---|---|---|---|
| | | **Exposure value** | **RWAs** |
| **1** | Total portfolios subject to the advanced method | | |
| **2** | (i) VaR component (including the 3× multiplier) | | |
| **3** | (ii) SVaR component (including the 3× multiplier) | | |
| **4** | All portfolios subject to the standardised method | 27,125 | 4,825 |
| **EU4** | Based on the original exposure method | | |
| **5** | **Total subject to the CVA capital charge** | 27,125 | 4,825 |

***Template 23: EU CCR3 Standardised approach - CCR exposures by regulatory portfolio and risk***

| Exposure classes | **Risk weight in € thousand** | | | | | | | | | | | **Total** | **of which unrated** |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | a)0% | b)2% | c)4% | d)10% | e)20% | f)50% | g)70% | h)75% | i)100% | j)150% | k)Others | | |
| Central governments or central banks | | | | | | | | | | | | | |
| Regional government or local authorities | | | | | | | | | | | | | |
| Public sector entities | | | | | | | | | | | | | |
| Multilateral development banks | | | | | | | | | | | | | |
| International organisations | | | | | | | | | | | | | |
| Institutions | | | | | 10,810 | | | | | | | 10,810 | |
| Corporates | | | | | | | | | 22,768 | | | 22,768 | |
| Retail | | | | | | | | | | | | | |
| Institutions and corporates with a short-term credit assessment | | | | | | | | | | | | | |
| Other items | | | | | | | | | | | | | |
| **Total** | | | | | 10,810 | | | | 22,768 | | | 33,578 | **Sum of the above** |

## 3.6. Asset encumbrance

***(CRR Article 443)***

***Table 10: Qualitative information on asset encumbrance***

Assets are considered as encumbered if they are not freely available to the institution. Encumbered assets are present, for example, when they secure other transactions and refinancing, such as the collateralization of potential obligations from the derivatives business.

EDB provides collateral about EUR 49m mainly to the previous parent M.M. Warburg and to clients to cover movements of mark et values of derivatives transactions. There are no secured financing transactions like repurchase contracts and agreements, securities lending or other of secured lending.

As well, EDB did not have any direct relationship to Central Counterparties (“CCPs”).

Due the high volume of deposits by our clients, EDB did not receive any Central Bank facilities where collateral has to be provided.

No transaction of securitisation structures or covered bonds issuance are made by EDB where securities were to be pledged.

*Template 24: Encumbered and unencumbered assets*

| | | Exposures in € thousand | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | | In EUR thousand<br><br>Carrying amount of the encumbered assets | | Fair value of encumbered assets | | Carrying amount of the unencumbered assets | | Fair value of unencumbered assets | |
| | | | Of which notionally eligible EHQLA and HQLA | | Of which notionally eligible EHQLA and HQLA | | Of which EHQLA and HQLA | | Of which EHQLA and HQLA |
| | | 010 | 030* | 040 | 050* | 060 | 080* | 090 | 100* |
| **010** | **Assets of the reporting institution** | 49,045 | | | | 1,691,159 | | | |
| 030 | Equity instruments | | | | | 27 | | | |
| 040 | Debt securities | 47,415 | | 47,414 | | 330,629 | | 330,629 | |
| 050 | of which: covered bonds | 30,034 | | 30,034 | | 135,006 | | 135,006 | |
| 060 | of which: asset-backed securities | | | | | | | | |
| 070 | of which: issued by general governments | 17,381 | | 17,381 | | 195,623 | | 195,623 | |
| 080 | of which: issued by financial corporations | 30,034 | | 30,034 | | 135,006 | | 135,006 | |
| 090 | of which: issued by non-financial corporations | | | | | | | | |
| 120 | Other assets | 1,630 | | | | 1,360,503 | | | |
| 121 | of which: loans redeemable at any time | | | | | 1,304,454 | | | |

*Template 25: Collateral received*

| | | Exposures in € thousand | | | |
|---|---|---|---|---|---|
| | | 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 |
| | | 010 | 030* | 040 | 060* |
| **130** | **Collateral received by the reporting institution** | | | | |
| 140 | Loans on demand | | | | |
| 150 | Equity instruments | | | | |
| 160 | Debt securities | | | | |
| 170 | of which: covered bonds | | | | |
| 180 | of which: asset-backed securities | | | | |
| 190 | of which: issued by general governments | | | | |
| 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 | | | | |
| 231 | of which: … | | | | |
| **240** | **Own debt securities issued other than own covered bonds or asset-backed securities** | | | | |
| **241** | **Own covered bonds and asset-backed securities issued and not yet pledged** | | | | |
| **250** | **TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED** | 49,045 | | | |


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## Template 26: Sources of encumbrance

| | | Amounts in € thousand | |
|---|---|---|---|
| | | **Matching liabilities, contingent liabilities or securities lent** | **Assets, collateral received and own debt securities issued other than covered bonds and ABSs** |
| | | 010<br>[The median values of the item 'Matching liabilities, contingent liabilities or securities lent' as reported in column 010 of Template F 32.04 (AE-SOU) of Annex XVI to Implementing Regulation (EU) No 680/2014. Fair value disclosed is the median value of the different fair values observed at the end of each reporting period considered for the computation of the median. Liabilities without any associated funding, such as derivatives, shall be included]. | 030<br>[The amount of the assets, collateral received and own securities issued other than covered bonds and asset-backed securities that are encumbered as a result of the different types of transactions hereby reported. To ensure consistency with the criteria in Templates A and B, assets of the institution registered in the balance sheet shall be disclosed at the median value of their carrying amount, whereas re-used collateral received and encumbered own securities issued other than covered bonds and asset-backed securities shall be disclosed at the median value of their fair value. Fair value disclosed is the median value of the different fair values observed at the end of each reporting period considered for the computation of the median. Assets encumbered without matching liabilities shall also be included]. |
| ***010*** | **Carrying amount of selected financial liabilities**<br><br>The median value of the item 'Carrying amount of selected financial liabilities' as reported in row 010 of Template F 32.04 (AE-SOU) of Annex XVI to Implementing Regulation (EU) No 680/2014. | 5,501 | 53,132 |
| | | | |

# 4. Market risk

## 4.1. Market risk management

***(CRR Article 435)***

***Table 11: EU MRA - Qualitative disclosure requirements related to market risk***

The Bank defines market price risk as the risk of potential losses due to unfavourable fluctuations in interest rates, prices, currencies and volatility. Market price risks arise from price changes in securities held in the Bank's own portfolio as well as open foreign exchange positions and the negative effects of changes in the interest rate structure as part of maturity transformation.

The following types of transaction are processed in money market and foreign exchange trading with banks:

- Spot foreign exchange transactions;
- Currency option transactions;
- Foreign exchange forwards;
- Currency swaps;
- Other financial instruments.

The Bank uses a value-at-risk (VaR) method based on a Monte Carlo simulation in order to quantify the market price risks associated with the banking book and minor trading positions.

For the daily management and monitoring of the potential market price risks, the VaR calculation is based on a confidence interval of 99% and a holding period of 1 day (standard VaR). For the purposes of the risk-bearing capacity, a conversion to the 99.5% quantile and a holding period of 60 days is applied. The VaR is calculated for the total portfolio and for the individual sub-portfolios, the liquidity portfolio, trading portfolio, foreign exchange portfolio and money market portfolio.

A risk limitation system approved by the Management Board and the Supervisory Board is employed to limit market risks separately according to the respective sub-portfolios. The relevant resolutions were submitted to us. Apart from the VaR, negative Mark-to-Market results accumulated in the course of the year also lead to a reduction of the open/unused limit. Hence, possible losses in the current financial year are limited to the approved risk limits.

In addition to the regulatory IRRBB stress test, which is performed on a monthly basis, several other stress tests are carried out on a quarterly basis and are integrated in the quarterly risk report. These contain several sensitivity analyses, each with different parameters for the banking and trading books for share price risk, foreign currency risk and interest rate risk, with both directions of change being examined (e.g. rising and falling prices). In addition, several historical and hypothetical scenarios are examined, based on stress situations that have occurred in the past.

***Table 12: Disclosure requirements related to IRRBB***

The Bank defines interest rate risk as the loss risk from non-congruent refinancing, if interest rate structures change.

The Bank introduced a stress test to assess interest rate risk in connection with non-trading activities in accordance with the amended Circular CSSF 08/338. This scenario is currently based on the assumption of an interest rate increase or decrease of 200 basis points.

EDB reports IRRBB on a semi annually basis to the CSSF.

The calculation is carried out for all interest-sensitive positions in the Bank's own portfolio in accordance with the concept described in Section 9.2.2.1 for calculating VaR using the relevant risk parameters.

The interest-bearing securities are included in the risk model individually for each security position.

The money market transactions are taken into consideration per currency and aggregated per maturity date according to their fixed interest period. Maturity dates are combined in the maturity bands “<= 1 month”; “> 1 month <= 3 months”; “> 3 months <= 6 months”; “> 6 months <= 1 year” and “> 1 year”. As part of daily market price risk assessment, the balance sheet accounts due on demand (client accounts, nostro, margin accounts) and call deposits are also taken into account.

As result, the unlikely increase of all interest rates by 200 basis points would lead to a significant change in the assets and a significant negative impact on the bank’s interest income.. The Bank is below the regulatory limit of a 20% change in economic value, from which on is to expect that measures are taken by the supervisory authorities. With regard to the negative impact on the Bank's interest income, a positive contribution would still be achieved compared with the interest income of EUR 6.5 million generated in the year under review.

## 4.2. Market risk exposure

***(CRR Article 445, 455 (e) (g)***

***Template 27: EU MR1 Market risk under the standardised approach***

Concerning Market risk under the standardised approach, EDB helds foreign exchange risks about €930 thousand and required capital about €74 thousand.

# 5. Liquidity risk

## 5.1. Liquidity risk management

***(CRR Article 435 (1))***

***Table 13: EU LIQA on liquidity risk management***

The Bank defines the term liquidity as institution liquidity, i.e. the ability to meet the payment obligations at all times and in full. In particular, it is understood as the short-term (dispositive) liquidity. Short term liquidity considers the disposition of nostro accounts, short term utilization of credit facilities, FX Spot transactions or similar transactions.

In addition to the short-term, long-term (strategic) liquidity must also be taken into account. This is based on forecasted incoming and outgoing payments by the Bank. The aim is to ensure constant ability to pay in order to maintain normal business operations. This part considers especially the managing of the own securties portfolio.
In addition to the bank-specific refinancing risk, the Bank also considers market liquidity risk, i.e. the risk of being unable to realize transactions on time or on less favourable terms than expected due to insufficient market depth or market disruption.

In accordance with regulatory requirements, Risk Controlling has implemented a liquidity monitoring procedure. In addition, the liquidity risk is also analysed within the risk inventory and reported by the Accounting department as a key figure of the liquidity coefficient LCR. Liquidity management planning is monitored by means of a daily gap analysis in Risk Controlling. The liquidity maturity statements, prepared for this purpose, take into account, in addition to all balance sheet items and the irrevocable loan commitments and guarantees provided also the repayment flows from derivatives and are integrated into the daily management information system.
In view of the regulatory requirements regarding liquidity risks related to foreign currencies, an FX structure limit has been set up for the material foreign currencies, which limits the risks arising from the maturity mismatch of material currencies.

At the end of each month, historical and hypothetical or inverse stress tests are carried out, which simulate the liquidity position in extreme situations in order to identify possible liquidity bottlenecks.

Through modification of the deposit base assumptions and market prices, but also through simulation of idiosyncratic extreme situations, the results of hypothetical and historical stress scenarios are ascertained.

In order to carry out inverse stress tests, based on classical stress tests, the extent to which negative effects of the risk driver - deposit deduction, collapse of prices of eligible securities and drawing of open commitments - would lead to an insolvency on the following day. This is simulated for the individual risk drivers on the basis of extreme scenarios of the individual risk parameters and for mixed scenarios.

The aim is to ensure that the Bank remains liquid for at least one month in a stress scenario.
As part of the MIS, the Management Board and the employees responsible for liquidity management and monitoring are informed of the results of all stress tests within the daily report for end of month, the members of the Supervisory Board as part of the quarterly risk report. In addition, the Management Board is informed about LCR in a separate report of the daily balance sheet

In liquidity crises, it is particularly important for the Bank to be able to implement problem-solving processes and measures quickly and effectively. To this end, the Bank has developed and approved a liquidity emergency plan.

The bank Management Body approved that the banks liquidity risk management system are adequate with regard to bank profile and strategy.

Liquidity risk is part of the risk management framework and is considered in the restrained Risk Appetite of the Bank.

## 5.2. Liquidity risk exposure

**(CRR Article 435 (1) (f))**

***Template 28: LCR disclosure template on quantitative information of LCR which complements Article 435 (1f) CRR (Annex II)***

| | | Values in € thousand | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| **Scope of consolidation (solo/consolidated)** | | **Total unweighted value (average)** | | | | **Total weighted value (average)** | | | |
| **Currency and units (XXX million)** | | | | | | | | | |
| Quarter ending on (DD Month YYY) | | Q1 | Q2 | Q3 | Q4 | Q1 | Q2 | Q3 | Q4 |
| Number of data points used in the calculation of averages | | | | | | | | | |
| High-quality liquid assets | | | | | | | | | |
| 1 | Total high-quality liquid assets (HQLA) | | | | | 1,073.7 | 1,160.7 | 1,512.6 | 1,517.7 |
| Cash-Outflows | | | | | | | | | |
| 2 | Retail deposits and deposits from small business customers, of which: | 12.6 | 12.6 | 13.1 | 10.8 | 1.2 | 1.2 | 1.2 | 1.0 |
| 3 | Stable deposits | 4.3 | 4.3 | 4.5 | 3.5 | 0.2 | 0.2 | 0.2 | 0.2 |
| 4 | Less stable deposits | 8.3 | 8.3 | 8.6 | 7.3 | 1.0 | 1.0 | 1.0 | 0.8 |

| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 5 | Unsecured wholesale funding | 1,343.5 | 1,444.2 | 1,805.6 | 1,657.1 | 633.9 | 648.7 | 1,086.0 | 932.6 |
| 6 | Operational deposits (all counterparties) and deposits in networks of cooperative banks | 932.5 | 1,053.5 | 948.3 | 955.0 | 233.1 | 263.4 | 237.1 | 238.8 |
| 7 | Non-operative deposits (all counterparties) | 410.9 | 390.7 | 857.3 | 702.1 | 400.8 | 385.3 | 848.9 | 693.8 |
| 8 | Unsecured debt | | | | | | | | |
| 9 | Secured wholesale funding | | | | | | | | |
| 10 | Additional requirements | 5.0 | 6.5 | 7.1 | 4.8 | 3.2 | 0.4 | 3.6 | 3.1 |
| 11 | Outflows related to derivative exposures and other collateral requirements | | 0.3 | | | | 0.4 | | |
| 12 | Outflows related to loss of funding on debt products | | | | | | | | |
| 13 | Credit and liquidity facilities | 5.0 | 6.2 | 7.1 | 4.8 | 3.2 | 0.4 | 3.6 | 3.1 |
| 14 | Other contractual funding obligations | 2.2 | 2.0 | 2.1 | 2.2 | | | | |
| 15 | Other contingent funding obligations | | | | | | | | |
| 16 | **TOTAL CASH OUTFLOWS** | | | | | 638.3 | 650.3 | 1,090.8 | 936.7 |
| Cash-Inflows | | | | | | | | | |
| 17 | Secured lending (e.g. reverse repos) | | | | | | | | |
| 18 | Inflows from fully performing exposures | 136.8 | 76.7 | 118.7 | 88.8 | 124.3 | 72.3 | 86.1 | 5.4 |
| 19 | Other cash inflows | 0.8 | 11.0 | 16.2 | 10.3 | 0.8 | 11.0 | 16.2 | 10.3 |
| EU-19a | (Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies) | | | | | | | | |
| EU-19b | (Excess inflows from a related specialized credit institution) | | | | | | | | |
| 20 | **Total Cash Inflows** | 137.6 | 87.7 | 134.9 | 99.1 | 125.1 | 83.3 | 102.3 | 15.7 |
| EU-20a | Fully exempt inflows | | | | | | | | |
| EU-20b | Inflows subject to 90% cap | | | | | | | | |
| EU- | Inflows subject to 75% | 137.6 | 87.7 | 134.9 | 99.1 | 125.1 | 83.3 | 102.3 | 15.7 |


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| | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| 20c | cap | | | | | | | | |
| TOTAL ADJUSTED VALUE | | | | | | | | | |
| 21 | LIQUIDITY BUFFER | | | | | 1,073.7 | 1,160.7 | 1,512.6 | 1,517.7 |
| 22 | TOTAL NET CASH OUTFLOWS | | | | | 513.2 | 570.2 | 988.5 | 920.9 |
| 23 | LIQUIDITY COVERAGE RATIO (%) | | | | | 209.2% | 203.7% | 153.0% | 164.8% |

***Table 14: EU LIQ 1 Qualitative information on LCR which complements the LCR disclosure template***

The reform package of CRD IV/CRR (Directive 2013/36/EU, Regulation (EU) No. 575/2013) introduced new liquidity ratios LCR and NSFR. The LCR was amended once more by the Delegated Regulation (EU) 2015/61 and subsequently by Circular CSSF 16/640.

According to Part 6 of Regulation (EU) No. 575/2013, financial institutions are required to prepare a monthly liquidity report and submit it to the supervisory authorities.

The liquidity report contains a list of liquid assets and the net outflow of funds within the next 30 days.

The Liquidity Coverage Ratio assesses the ability of the Bank to maintain sufficient levels of liquidity buffers that are adequate to survive any possible imbalance between liquidity inflows and outflows under gravely stressed conditions over a period of thirty days.

The preparation of the LCR reporting is based on data extracted from IBSY (Corebanking Software) to ABACUS360 (Reporting application).

The mainly elements of the LCR are on the one side the high volume of deposits from our clients (funds) and on the other side investments of EDB either in high liquid and rated assets (securities) and deposit with the BCL.

The regulation provides for the LCR calculation to be made separately also for significant currencies. Foreign currencies exceeding 5% of total deposits are to be handled as significant currencies. EDB calculated the ratio mainly in EUR, USD and GBP.

Regulatory requirements state that the bank must maintain a quota of 100%. The bank determined an internal limit to 150%.

# 6. Operational risk

***(CRR Article 435, 446)***

***Table 15: General qualitative information about operational risk***

Operational risk is defined as the risk of losses due to the inadequacy or failure of internal procedures, people and systems or as a result of external events.

Operational risks contain as well legal risks and compliance risks.

Legal risk describes potential disadvantages by erroneous or unshaped contracts between Bank and Client /Counterparty.

Compliance risk is to violate of valid laws and regulatory requirements.

The Bank addresses operational risks by clearly defined competences and responsibilities. The identification, mitigation and avoidance of operational risks is carried out by continuously updating the documentation of all essential work processes, competences and responsibilities in the regulations as well as detailed instructions from the departments. Strict adherence to the principle of segregation of functions at all levels of the bank, as well as internal controls and approvals, which are integrated into workflows and technical systems, on the basis of the dual control principle, constitute other important aspects of the risk mitigation. By maintaining a Business Recovery Centre and setting up backup workstations, the Bank has taken precautionary measures to mitigate the risks associated with an IT failure. In order to maintain a high level of availability and performance of the systems, the Bank also continuously invests in the IT infrastructure. These measures are accompanied by insurance policies (e. g. electronics insurance or small machinery insurance).

The Bank addresses legal risks by extensive use of standard and standardised contracts, the review of individual contracts on a regular basis and  the regular update of wording and various clauses of contracts, as applicable, according to the prevailing legislation and business practices, with recourse being had for this to the expertise of external legal advisers..

The bank continuously improves the range of instruments designed to combat money laundering, the financing of terrorism and white-collar crime. In this context all employees receive regular trainings on the prevention of money laundering and the financing of terrorism as well as training on fraud prevention. For the purpose of risk transfer, the Bank has concluded insurance policies, in order to reduce operational risk, to cover damages resulting from computer misuse, counterfeiting and fraudulent acts and to cover personal injury, material damage and financial loss, for which the Bank could be held liable under statutory liability provisions. The Bank has taken out a Professional Indemnity, D&O and comprehensive crime insurance policies (including cyber excess policy), which serve to provide coverage for claims for damages arising from the operating business or for the company managers against financial losses.

In response to changing influencing factors, Risk Controlling conducts an expert survey, called operational risk Self-Assessment, at annual intervals in order to identify existing and latent operational risks and to use the parameters probability of occurrence and financial impact to assess them. To calculate the potential damage, a value-at-risk for operational risks is calculated using a Monte-Carlo simulation. The method used in the internal model is the loss distribution approach, combining the results of Self-assessments with stochastic actuarial distribution assumptions. Operational risk is understood as the 99.5% quantile of the distribution of possible losses incurred by the Bank based on operational events within one year. This defines the value-at –risk of operational risks to which a corresponding risk capital is allocated. In addition, a stress test is calculated that assumes a higher correlation between operational events.

From an organisational point of view, it is ensured that all operational events (losses and earnings) resulting from processing errors are reported to the Accounting & Financial Reporting department by the causer. The Compliance, Internal Audit and Risk Controlling departments receive a copy.

Events, whose loss or gain exceeds EUR 500, are recorded in the loss database for risk monitoring by the Accounting & Financial Reporting department.

In order to manage risk, measures are defined for reporting loss events and given a deadline for processing, which is monitored by the Internal Audit department and, in the event of a risk-limit exceedance, by the Risk Controlling department. In addition, risk management measures can be adopted by the Risk Committee, as operational events are discussed at the regular meetings of this body. Additional alarm thresholds for operational risk are in place within the framework of the risk-bearing capacity.

Regarding legal and reputations risk, the Bank has its own Legal department. Externally, the Bank is advised and represented by lawyers based in Luxembourg. In order to identify legal risks at an early stage, the Bank has set up a complaint management system within the meaning of CSSF Regulation No. 16-07. The Complaints Management system provides, among other things, the possibility to escalate cases of complains to the CSSF and monitoring their careful and prompt processing by the appointed Complaints Manager.

The Bank has implemented adequate measures to prevent money laundering and terrorist financing and the CCO's money laundering risk analysis states that at this time it can be assumed that the Bank's risk of misuse for money laundering and/or terrorist financing purposes is rather low due to the Bank's size, client and product structure and the sensitivity of its employees to unusual or suspicious transactions. Accordingly, no reputational damage resulting from AUL/CFT is currently visible.

The bank management body approved that the banks operational risk management system are adequate with regard to bank profile and strategy.

# 7. Other risks

## 7.1. Exposures in equities in the banking book

***(CRR Article 447)***

***Table 16: Qualitative information on exposures in equities in the banking book***

**Participations**

The item relates to the following company as of 31 December 2019:

| | 31/12/2019 | | | 31/12/2018 | |
|---|---|---|---|---|---|
| | Share | T€ | | T€ | |
| Quint:Essence Capital S.A. | 20.0% | 26.7 | | 26.7 | |
| | | 26.7 | | 26.7 | |

**Shares in affiliated undertakings**

The capital in affiliated undertakings relates to the following companies as of 31 December 2019:

| | 31/12/2019 | | | 31/12/2018 | |
|---|---|---|---|---|---|
| | **Share** | T€ | | T€ | |
| Metropolitan Trading Corporation S.A. | 100.0% | 256.0 | | 6,010.0 | |
| Nestor Investment Management S.A. | 51.0% | 61.9 | | 61.9 | |
| | | 317.9 | | 6,071.9 | |

The shares of Quint Essence Capital S.A. are classified as Theses shares are classified as financial assets designated at fair value through profit and loss, the shares of Metropolitan Trading Corporation S.A. and Nestor Investment Management S.A. as Available for sale.

The valuations of the shares based on expertises.

Shares in affiliated companies “Metropolitan Trading Corporation 5A." were reduced because the investment company also sold the building and land in July 2019.

## 7.2. Exposures to securitization positions

***(CRR Article 449)***

***Table 17: Qualitative information about exposure to securitization positions***

EDB did not have any business activities in securitization.

# 8. Remuneration

## 8.1. Qualitative information on remuneration

### 8.1.1. Remuneration policy

***(CRR Article 450 (1))***

***Table 18: General information on remuneration policy***

A remuneration policy is in place and published in the Organizational Handbook. This policy is approved both by the Management Board as well as by the Supervisory Board and shared with the CSSF according to the statutory guidelines. The disclosure requirements are respected in this remuneration police. European Depositary Bank has established a remuneration policy in line with regulatory requirements, which will be approved by the Supervisory Board. The Management Board prepares an annual report on the procedure for deciding on variable remuneration, which is made available to the Bank's control functions. The information communicated to the Management Board regarding the Bank's general risk profile in accounting and risk controlling is taken into account. The Internal Audit department's review on compliance with the remuneration policy by the Management Board did not identify any objections.

### 8.1.2. Identification of staff

***(CRR Article 450 (1))***

***Table 19: Identification of staff***

| CRR reference | Disclosure requirements as per EBA/GL/2015/22 |
|---|---|
| Article 450 (1) | Institutions should disclose how they have applied the requirements on remuneration policies and variable remuneration, including the requirements set out in Commission Delegated Regulation (EU) No 604/2014. |
| Article 450 (1) | Institutions should disclose the number of identified staff broken down by business area, senior management and other identified staff and an explanation of significant changes of these numbers. |

The management board is responsible for the determination of the identified staff. In a second step both the management board and the supervisory board have to approve the final list of identified staff. This procedure is also included in the remuneration policy which clearly points out who is classified as identified employee.

The determination of the identified staff is included in the remuneration policy. The remuneration of employees of control units is set-up in such a way that a reasonable qualitative and quantitative staffing is ensured.

The determination is done on a regular basis – both once within the annual review of the Organizational Handbook and with regards to the yearly reporting towards the CSSF.

### 8.1.3. Decision-making process used for determining the remuneration policy

***(CRR Article 450 (1) (a))***

***Table 20: Information on decision making for determining remuneration policy***

The remuneration policy is developed by the management board and the Human Resources department taking into consideration the statutory/ legal requirements as well as the group wide approaches. The supervisory board is responsible for approving and releasing this policy once drafted/ updated.

Human Resources reviewed the remuneration policy annually as part of the regular OHB review process and adjusted it if necessary.

Adjustments are discussed with the Management Board and final approval is given by the Supervisory Board.

### 8.1.4. Link between pay and performance

***(CRR Article 450 (1) (b))***

***Table 21: Information on the link between pay and performance***

Both the fixed salaries as well as variable bonus payments are linked to the individual performance as well as the performance of the group and the entity itself. When deciding on merit increases or bonus payments of the individual the previous performance review results are taken into consideration while the overall budget available for all employees in scope is determined by the group depending on the overall financial results.

Part of the bi-annual performance review is the evaluation of the core values of the group and hence performance related payments are also relating to the adherence to the group's core values. Additionally, there is a strict guideline that those employees having documented disciplinary measures are not entitled to variable bonus payments or fixed salary increases.

Generally all employees being employed within the frame of a permanent contract and who have passed their probationary period successfully are entitled for a variable bonus payment. However, as mentioned above the payment of such a variable bonus is clearly depending on the individuals' outstanding performance. The maximum entitlement for various employee groups (CBA related employments, Non-CBA related employments, control functions, etc.) is clearly documented in the remuneration policy.

All employees being employed within the frame of a permanent contract and having passed their probationary period successfully are participating in the bi-annual performance review. During the performance review three parts are evaluated: the objectives set for the year; the competencies required for the job as well as the values of the group.

For all those evaluation areas a scale from 1 to 4 is used so that the evaluation cannot be done on a "stick to the golden middle" rule and the final scoring of all criteria will determine the overall performance of the employee.

### 8.1.5. Most important design characteristics of the remuneration system

***(CRR Article 450 (1) (c))***

***Table 22: Most important design characteristics of the remuneration system***

A proportionate application (proportionality principle) of principles is in accordance with the requirements of the remuneration regulation of the CSSF/EBA

The compensation structure of the bank, including those of the supervisory bodies, is clearly below the remuneration levels mentioned under the article 38-10 of the act dated 23.07.2015, which requires a separate disclosure.

The managing directors are responsible for setting up appropriate remuneration systems for the employees. Setting up the remuneration systems of the board of directors is the responsibility of the chairperson of the supervisory board.

It is ensured that the control units shall be compensated in a way that is independent from the business units controlled by them and only in accordance with the attained objectives associated with their assignments, irrespective of the performances in the business areas that are controlled by them. Variable bonus payments of a significant amount (min. 25% of their total remuneration) will be split over three years.

Variable remunerations of employees not falling under the CBA (non- pay scale employees) are not determined „automatically"due to transactions, financial statements etc., but decisions are taken individually case by case. The parameters to be considered for this are primarily the overall economic performance of the bank as well as the group, taking a long-term perspective , the degree of target attainment against the budget of the section or of the department and the individual performance of the employee including the degree of attainment of the agreed upon targets. Thus, conflicting interests between short-term and long-term targets are avoided.

The variable remunerations of the managing directors are based upon a multi-year evaluation. The chairperson of the supervisory board determines an annual amount for the evaluation of the variable remuneration for the managing directors after the completion of the financial year taking into consideration the total performance of the bank in the previous year and in the two years before as well as the individual performances of the managing directors. The variable bonus is paid entirely in the form of money or stocks/ stock options, if these are granted on a contractual basis. In the context of accepting an assignment as managing director, a guaranteed variable remuneration for an amount of up to 50% of the determined annual amount can be paid for the first year of employment.

A bonus payment of significant amount, defined as bonus payment of an amount of 100% of the basic remuneration or greater, is paid over a period of three years.

In this case, payment of eligible amounts is as follows:

50% each of the determined annual amount is paid, 25% each of the annual amount for the previous and the current financial year at the time of payment are held in prospect as variable remuneration for the managing directors however without providing the right for claiming this payment. These amounts are paid one respectively two years after the determination along with the 50% of the current annual amount.

As per circular CSSF 15/601 the variable remuneration shall not exceed 100% of the fixed remuneration. Provided that the amount does not exceed 200% of the fixed component, a higher amount can be approved by the shareholders, owners or associates of the institute. The CSSF must be notified of every approval of a higher value.

The incentive systems used, especially the remuneration systems, are in accordance with the objectives of the group and the bank which are defined in the strategies. They are developed in such a way that negative stimulations for the managing directors as well as the employees to get into excessively high-risk positions are avoided. Employees, who have received a variable bonus payment, are obliged to reimburse this partially or in whole, if these compensation claims can be asserted against the employee as per the civil law.

Bonus payments are generally paid in the form of money as stocks and/or stock options are not granted for employees. An exception is made with regards to the members of the management board in case this is contractually agreed.

### 8.1.6. Ratios between fixed and variable remuneration

***(CRR Article 450 (1) (d))***

***Table 23: The ratios between fixed and variable remuneration***

| **Employee group** | **Ratio between fixed and variable remuneration** |
|---|---|
| Employees falling under the CBA | max. variable bonus: 2 monthly gross salaries p.a. |
| Control functions: | max. variable bonus: 25% of the total remuneration |
| Employees not falling under the CBA | max. variable bonus: 30% of the total remuneration |
| Managing Directors | max. variable bonus (according to EBA): 100% of the total remuneration |

The adherence to those ratios is controlled by the Internal Audit department on a yearly basis, when the remuneration report is created.

No ratios higher than 100% were applicable during the last years.

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

***(CRR Article 450 (1) (e))***

***Table 24: Performance criteria for variable remuneration***

Variable bonus payments are generally paid in the form of money (please see above), no shares/ options are provided.

All employees being employed within the frame of a permanent contract who have passed their probationary period successfully and who are not in a notice period at the point of the payment of the variable bonus are entitled to receive a variable bonus. Whether they receive a variable bonus or not is then depending on their individual performance as well as the overall group performance.

As variable bonus payments are paid at the sole discretion of the company this can be set at zero any time.

### 8.1.8. Main parameters and rationale for any variable component scheme and any other non-cash benefits

***(CRR Article 450 (1) (f))***

***Table 25: The main parameters and rationale for any variable component scheme and any other cash benefits***

The main parameters and the rationale for long-term incentive plans and additional non-cash benefits is set by the group depending on the overall development of the group.

Currently no fixed objectives, max. amounts, etc. are agreed contractually in order to keep the variable bonus payment fully discretionary.

## 8.2. Quantitative information on remuneration

***(CRR Article 450 (1) (h) (i))***

| For the year 2019 | | | | |
|---|---|---|---|---|
| | | Amounts in € thousand | | |
| **Employee Group** | Total fix income: | Total variable income: | Total remuneration | % of variable remuneration: |
| Non-CBA | 4,126 | 1,756 | 5,882 | 29,85% |
| CBA | 7,170 | 282 | 7,452 | 3,79% |

(CBA = Collective Bargaining Agreement)

N° of beneficiaries CBA: 146 in total, whereby only 86 employees received a variable remuneration

N° of beneficiaries Non-CBA: 44 in total, whereby 38 employees received a variable remuneration

According to the remuneration policy all variable bonus payments were done in the form of money.

Deferred bonus payments:

| | | |
|---|---|---|
| Vested | T€ 863 in the years 2019 and 2020 | 50,97% |
| Unvested | T€ 830 in the year 2021 | 49,03% |

Severance payments in 2019:

N° of beneficiaries: 4 employees

Total amount of severance payments: T€ 648

No employee received a remuneration of EUR 1 million in 2019.

***Template 29: Information on remuneration for all staff***

| | Total | Control function | Treasury | Others | bargaining employee | bargaining employee |
|---|---|---|---|---|---|---|
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |

There are no identified staff remunerated EUR 1 million or more per financial year

# 9. Appendices

## Appendix: List of regulatory tables and templates

**Qualitative information**

**Quantitative information**




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