MIZUHO BANK EUROPE N.V.

PART VII
Pillar 3 Disclosure 2024

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Acronym	Definition
AFM	De Autoriteit Financiële Markten
BCBS	Basel Committee on Banking Supervision
BIA	Basic Indicator Approach
CCB	Capital Conservation Buffer
CCR	Counterparty Credit Risk
CCyB	Coutercyclical Capital Buffer
CET1	Common Equity Tier 1
CRD V	Capital Requirements Directive V
CRM	Credit Risk Mitigation
CRR	Capital Requirements Regulation
DNB	De Nederlandsche Bank
EBA	European Banking Authority
ECB	European Central Bank
EU	European Union
EWIs	Early Warning Indicators
G-SII	Globally Systemically Important Institution
ICAAP	Internal Capital Adequacy Assessment Process
ILAAP	Internal Liquidity Adequacy Assessment Process
LCR	Liquidity Coverage Ratio
MHBK	Mizuho Bank Ltd.
MHFG	Mizuho Financial Group
NSFR	Net Stable Funding Ratio
O-SII	Other Systemically Important Institution
RWAs	Risk Weighted Assets
SA	Standardized Approach
SREP	Supervisory Review and Evaluation Process

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1. INTRODUCTION

1.1. Overview

This report sets out the Pillar 3 disclosures (the "report") for Mizuho Bank Europe N.V. (hereafter referred to as "MBE" or the "the Bank") as per 31 December 2024. The report should be read in conjunction with the Annual Report of 2024 of the Bank, which is registered with the Kamer van Koophandel (Dutch Chamber of Commerce).

MBE is a bank registered in the Netherlands, supervised by De Nederlandsche Bank (Dutch Central Bank, "DNB") and the Autoriteit Financiële Markten (Dutch Authority for the Financial Markets, "AFM"). Therefore, it needs to comply with the regulations on the Pillar 3 disclosure requirements of the Basel framework, implemented in the EU through the CRR. The requirements aim to promote market discipline and enable market participants to access key information relating to the Bank's regulatory capital and risk exposures.

MBE's Pillar 3 report has been formally approved by its Management Board and has been internally verified in accordance with the Bank's financial reporting and governance processes. It is not subject to an external audit. Considering the size and complexity of MBE's operations, it is the Bank's policy to disclose the information, on an annual basis. This disclosure will be made available on the website of Mizuho Financial Group. Finally, the financial statements in this report are presented in Euros. Values are rounded to the nearest Euro unless otherwise is stated.

1.2. Legal background

In January 2015, the Basel Committee on Banking Supervision ("BCBS") published "Standards - Revised Pillar 3 Disclosure Requirements". These requirements have been implemented in the European Union ("EU") law via Part Eight of the Capital Requirements Regulation ("CRR"). MBE qualifies as a "small and less complex institution" as per article 4 of the CRR. Therefore, Art. 433b of the CRR, clarifying the exact disclosure requirements for small and non-complex banks, is applicable to MBE. This report fulfils the requirements set out in the aforementioned article.

1.3. Bank Profile

MBE is a fully licensed bank, incorporated in the Netherlands. Through its EU Passport, the Bank provides the services and performs the activities for which it has been authorised in the Single European Market. MBE focuses on the markets in Benelux, Iberia and Central & Eastern Europe.

MBE was established in 1974 and is a 100% subsidiary of Mizuho Bank Ltd. ("MHBK"), which in turn is a wholly owned subsidiary of Mizuho Financial Group ("MHFG" or Mizuho Group). MBE has an operational branch in Madrid (Spain). The branches in Brussels (Belgium) and Vienna (Austria), which were still operational as per 31 December 2023, were closed during 2024. Branches in Frankfurt (Germany) and Paris (France) are operational as of February 2025. In total, MBE employs 147 full time equivalent (FTE) employees as of 31 December 2024.

MBE has a two-tier management system; the Management Board, consisting of 5 members (CEO, CFO, CRO, CCO and CBO), which is responsible for the day-to-day running of the Bank, and the Supervisory Board (consisting of 5 members), which performs a supervisory function for the Bank. MBE's Supervisory and Management Boards have set/delegated to set policy-level standards in accordance with the EU regulations and the EBA. For all governance arrangements and detailed policies on remuneration and diversity, please refer to the Annual Report.

The following chart presents MHFG's in-house company structure. Please refer to Annual Report Section 1.1 'Who we are' for overview of MHFG and more information on MHBK. For information on MBE's balance sheet, please refer to Annual Report Section 2.7 'Five years at a glance'.

Figure 1: In-house company structure of MHFG.

1.4. Statement by the management board

Overall, the management board confirms MBE has sound risk management practices in place, appropriate to the size and complexity of the bank and these practices are adequately reflected in this Pillar 3 report.

1.5. Disclaimer

This Pillar 3 information has been prepared purely for the purpose of explaining the basis on which MBE has prepared and disclosed certain capital requirements and information about the management of risks relating to those requirements and for no other purpose. It therefore does not constitute any form of financial statement on the business, nor does it constitute any form of contemporary or forward-looking record or opinion of the business.

Although Pillar 3 disclosures are intended to provide transparent capital disclosures on a common basis, the information contained in this document may not be directly comparable with other banks. This may be due to a number of reasons, the mix of business exposures among banks and the different waivers applied for and allowed by regulators for instance.

2. GOVERNANCE

2.1. Governance structure

MBE has a sound governance structure in place to ensure that it can achieve its set business strategy and manage its risks effectively. Responsibility for risk management resides at all levels of MBE from the Supervisory Board and the Risk Committee (RC) to each employee. In line with this approach, MBE adopts the three lines of defence governance model, based on which duties are segregated. This provides a clear division of activities and responsibilities in risk management at different levels within the Bank.

Ultimately, the Supervisory Board and its committees advise the Management Board on the management of MBE N.V. The Management Board is responsible for establishing, approving and periodically reviewing the strategy of the Bank and its governance framework. The Board oversees the senior management layer. The Board governance arrangements are complemented by an executive governance structure.

For a detailed overview of the governance structure of MBE N.V. please refer to section 2 and 3 of the Annual report.

2.2. Committee structure

The Management Board defines MBE's risk profile by establishing risk-based frameworks and targets for the individual areas. MBE has a Chief Risk Officer in place, under which the Risk Management Department falls. Within MBE, several committees and the Management Board play central roles in managing and maintaining the risk management framework. Key committees are set out below.

- **Risk Management Committee of the Management Board (RMC of MB):** The RMC of the MB is held on a quarterly basis and is aimed at monitoring and assessing all risks identified relating to the Bank's business activities. Its primary responsibility is to oversee and approve the bank-wide risk management practices. There are a few committees underlying the risk management committee, reporting into it on a quarterly basis.
- **Audit and Compliance Committee of the Supervisory Board (ACC of SB)**: It is the purpose of the ACC of SB to assist the SB in supervising the policies of the MB, particularly with respect to audit and compliance matters.
    - **Risk Committee of the Supervisory Board (RC of SB)**. The RC of SB assists the SB with the performance of its duties in all risk related matters.

For a detailed overview of the committee structure of MBE N.V. please refer to section 3.2. of the Annual report.

2.3. Remuneration policy

2.3.1. Introduction

MBE's remuneration policies reflect and support the banks' business plan, strategy, objectives, values and long-term interests of the Bank and stakeholders. The policy corresponds with sound and effective risk management and motivates employees to perform to high quality standards. It considers the interests of the customers, staff members, shareholders, other stakeholders and MBE as a company, and does not promote excessive risk taking. MBE's remuneration policy was last evaluated and adjusted in 2023 and is in line with all applicable local and European rules and regulations, being: (1) Capital Requirements as per CRR/CRD; (2) Dutch legal Act on Remuneration Policies of financial institutions[*], (3) the Dutch Corporate Governance Code and Banking Code, and (4) the EBA Guidelines on Sound Remuneration Policies. The filled remuneration templates can be found in Annex 2.

[*] Wet Beloningsbeleid Financiele ondernemeningen of 28 januari 2015 - https://zoek.officielebekendmakingen.nl/stb-2015-45.html

2.3.2. Governance

MBE has a Remuneration policy document that clearly sets out the requirements and guidance regarding the remuneration of staff. The remuneration policy is subject to regular review by the Supervisory Board, and is formally approved by the shareholder of Mizuho Bank Europe N.V. The policy is maintained and managed by Human Resources Department within MBE, who acts as first line of defence when it comes to implementing and complying with the policy, and therefore periodically reviews the policy (in consultation with an external lawyer if needed) and independently reviewed by Internal Audit. The HR department reports risk and compliance issues related to remuneration to the Management Board, who is responsible to inform the Supervisory Board. The governance surrounding the Remuneration policy is in line with the internal three lines of defence model.

The Supervisory Board reviews the general principles of the policy, oversees its implementation by the Management Board and the remuneration related to the identified Staff. The Management Board independently decides on remuneration of non-identified Staff.

With regard to the determination of staff compensation, the Management Board structurally meets several times per year. In addition, the Supervisory Board structurally meets to review, discuss the remuneration of the identified staff and review, discuss and determine the remuneration of Management Board. MBE does not have a separate Remuneration Committee.

2.3.3. Remuneration of general staff

The remuneration of all staff members compromises of (i) a base salary, (2) benefits and (3) a variable/bonus component, which can be either be a performance related merit and/or discretionary bonus. The variable component for merit is calculated using a pre-defined formula. The Base Salary and the non-performance related benefits together form the fixed remuneration. To comply with regulations, the variable/bonus component shall for 50% be based on non-financial performance criteria. In theory there may be a guaranteed bonus component in certain exceptional cases. In principle, the variable remuneration granted per annum in respect of MBE's staff shall not exceed 20% of such person’s fixed remuneration (i.e. Base Salary plus Benefits but excluding employers pension contribution). Exceptions of the 20% cap can be applied to staff whose remuneration not solely result from a collective employment agreement.

Staff in control functions are independent from the business unit or units they oversee, have appropriate authority, and are remunerated in accordance with the achievement of the objectives set for their functions and independent of the performance from the business unit or units they oversee. MBE does not award discretionary pension contributions to its staff.

2.3.4. Remuneration of the Management Board

The remuneration of Management Board members compromises of (i) a base salary, (2) benefits and (3) a variable/bonus component related to company and personal performance which of the component shall for 50% be based on non-financial performance criteria. The members of the Management Board are considered as identified staff, and therefore their remuneration is reviewed and determined by the Supervisory Board. MBE does not award discretionary pension contributions to members of the Management Board.

3. RISK MANAGEMENT

3.1. The risk cycle

MBE has developed a robust risk management framework to ensure a pro-active approach in managing risks, to maintains sufficient capital and liquidity and to secure sustainable and stable business growth. The risk management framework is defined as the overall approach, including policies, processes, controls, and systems through which risk management is established, communicated, and monitored. In figure 2, the enterprise-wide risk cycle is presented, which explains the process that the Bank follows.

The measurements of risks are based on generally accepted and adequate methods. Additionally, stress testing is an important tool for analysing impact of negative events on the Bank's financial performance, balance sheet, capital and liquidity adequacy.

Figure 2: MBE's enterprise-wide risk cycle

The Enterprise risk management (ERM) framework is an overarching framework capturing the risk cycle that MBE follows. It starts with the identification of risks related to the business strategy and ends with monitoring and reporting on the most material risks and their set of limits. The cycle is executed on an annual basis. The process contains five steps, of which step 5 is a continuous process executed throughout the year.

The first step is the determination of the business strategy and business plan, where the bank sets out its goals for the short- and medium term. This step is not immediately risk related. Then, the risk identification step takes place, where relevant representatives of the lines of defence, as well as the Management Board, explore a broad spectrum of risks. The spectrum takes into consideration the economic outlook, regulatory risks and risks identified by MHFG to eventually determine risks for MBE. This results in a risk inventory. The risks in the inventory are assessed for impact and likelihood of occurring, determining the most material risks for MBE. In step 4, MBE sets the risk appetite levels for the most material risks. This is an important step, as MBE makes key decisions on risk quantification methodologies to determine limits on its key indicators. Other controls may be put in place to further control the risk. In the final step of the process, which is the most elaborate one, the risk is monitored on a regular (daily/monthly/quarterly) basis. MBE monitors and reports its key risk information internally as well as externally. Key considerations are that the Bank's strategy and the Bank's risk strategy should always align with each other. Also, the first as well as the second line of defence should be present in all steps. This risk management framework is appropriate to the size and complexity of MBE's business model and ensures that MBE manages risks in line with approved risk profile and risk appetite.

3.2. MBE Risk Appetite Framework

As a result of the risk identification and assessment of the ERM cycle, the MBE Risk Taxonomy is determined. The risk taxonomy classifies the risks that have been assessed as most material to the bank. The risks are categorized into a logical structure, distinguishing strategic, financial and non-financial (sub) risk categories.

The taxonomy is the starting point for MBE's risk appetite framework. The Management Board has established a clear and robust risk appetite framework for the bank to align the Bank's business model and risk-taking activities to the strategic objectives and stakeholder's expectations. The risk appetite statement (RAS) document consists of 2 elements: a risk appetite framework, which qualitatively, articulates the fundamental policy on management, business, financial and risk strategy, and sets out standards for determining the right levels for the risk appetite metrics in the RAS for MBE. It expresses the commitment by MBE senior management regarding the operation of the risk appetite framework and is shared with each department manager who is responsible for achieving the business strategy. The second element is the risk appetite statement itself, which is a document that determines risk levels that MBE is able and willing to accept for its most material risk. For all risk areas, the RAS quantitatively articulates the aggregate level and types of risk the bank is willing to tolerate, for the bank to achieve its business strategy and financial strategy.
More information about MBE's risk types and high-level risk appetite can be found in section 2.8 of the Annual report.

The RAS limits and other guidance levels are reported daily internally, and monthly to the Management Board by first- and second-line departments. All risk limits and guidance levels are reviewed at least annually. MBE's guideline levels are used as important indicators towards the Management Board but are not to be seen as absolute limits.

In general, MBE has a low-risk appetite in all risk areas and prefers to set its risk appetite limits conservatively. It operates a traditional banking business model, where it lends loans to corporates and receives funding from corporate customers and has no trading book. Therefore, it is also most exposed to the more "traditional" banking risks: credit risk, interest rate risk and liquidity risk on the financial side, and operational, IT and integrity risk on the non-financial side.

Risks are mitigated by applying sufficiently conservative policies on the business side, enabling a sustainable achievement of business targets and opportunities. This ensures that MBE maintains negligible non-performing exposure in its loan book, credit risk costs, and well-balanced assets and liabilities. More specifically:

- MBE prioritizes to maintain an adequate capital buffer, compliant to the regulatory requirements to ensure that the bank is able to absorb potential risks and maintain financial strength. MBE complies to having capital ratios well above the regulatory required minimum.
- For credit risk, MBE pursues maintaining a high-quality loan portfolio, by following active credit risk management at initiation and mitigation if required. MBE monitors its portfolio closely using (key) risk metrics tailored specifically to the needs of the bank. MBE aims to avoid concentrations on single counterparties as well as in sectors and aims to remain sufficiently diversified.
- Market risk for MBE is mostly due to interest rate risk in the banking book. This is monitored closely by the bank and MBE aims to have a controlled exposure amid market volatility. For this, the bank leverages on common hedging strategies.
- For liquidity risk, MBE aims to take a conservative approach by staying well above regulatory requirements, simultaneously limiting the cost of liquidity as much as possible. MBE keeps liquidity buffers that cover both normal and stressed circumstances.

For non-financial risks, such as operational risks, IT risks, regulatory risk, HR risk and integrity risk, MBE focusses on limiting operational losses and has a fully-fledged framework in place to limit these losses. MBE has dedicated first- and second-line staff in office to monitor and control risks on e.g. Information security, Outsourcing risks and Data management. With regards to IT risk, we anticipate the IT framework to be enhanced through the implementation DORA. Operational Risk includes periodic identification and maintenance of risks and controls relating to internal and external fraud, employment practices and workplace safety, clients' products and business practices, damage to physical assets, business disruption and system failures, execution, delivery and process management and others. All risks are mapped against the risk (sub) categories from MBE's Risk Inventory.

4. KEY METRICS

(in € millions)		31 December 2024	30 September 2024	30 June 2024	31 March 2024	31 December 2023
Available own funds (amounts)						
1	Common Equity Tier 1 (CET1) capital	5,320	1,120	1,120	620	560
2	Tier 1 capital	5,320	1,120	1,120	620	560
3	Total capital	5,322	1,122	1,122	622	562
Risk-weighted exposure amounts						
4	Total risk-weighted exposure amount	4,834	3,897	2,885	2,720	2,959
Capital ratios (as a percentage of risk-weighted exposure amount)						
5	Common Equity Tier 1 ratio (%)	110.06%	28.74%	38.82%	22.79%	18.93%
6	Tier 1 ratio (%)	110.06%	28.74%	38.82%	22.79%	18.93%
7	Total capital ratio (%)	110.10%	28.79%	38.89%	22.86%	19.01%
Additional own funds requirements based on SREP (as a percentage of risk-weighted exposure amount)						
EU 7a	Additional CET1 SREP requirements (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 7b	Additional AT1 SREP requirements (%)	0.80%	0.80%	0.80%	0.80%	0.80%
EU 7c	Additional T2 SREP requirements (%)	1.10%	1.10%	1.10%	1.10%	1.10%
EU 7d	Total SREP own funds requirements (%)	12.40%	12.40%	12.40%	12.40%	12.40%
Combined buffer requirement (as a percentage of risk-weighted exposure amount)						
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.65%	0.63%	0.74%	0.42%	0.39%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer	0.00%	0.00%	0.00%	0.00%	0.00%
11	Combined buffer requirement (%)	3.15%	3.13%	3.24%	2.92%	2.89%
EU 11a	Overall capital requirements (%)	15.55%	15.53%	15.64%	15.32%	15.29%

12	CET1 available after meeting the total SREP own funds requirements (%)	10.55%	10.53%	10.64%	10.32%	6.61%
Leverage ratio						
13	Leverage ratio total exposure measure	12,401	1,120	1,120	5,684	6,526
14	Leverage ratio	42.90%	14.84%	17.27%	10.90%	8.58%
Additional own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)						
EU 14a	Additional CET1 leverage ratio requirements (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14b	Additional AT1 leverage ratio requirements (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14c	Additional T2 leverage ratio requirements (%)	Not applicable	Not applicable	Not applicable	Not applicable	Not applicable
EU 14d	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
EU 14e	Applicable leverage buffer	0	0	0.00	0	0
EU 14f	Overall leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	5,982	2,344	2,249	1,824	2,296
EU 16a	Cash outflows - Total weighted value	2,734	3,180	2,718	2,816	2,467
EU 16b	Cash inflows - Total weighted value	1,547	1,848	1,471	1,811	1,385
16	Total net cash outflows (adjusted value)	1,187	1,333	1,247	1,005	1,082
17	Liquidity coverage ratio (%)	503.99%	175.89%	180.36%	181.46%	212.26%
Net Stable Funding Ratio						
18	Total available stable funding	7,070	3,200	2,729	2,036	2,566
19	Total required stable funding	2,847	2,437	1,782	1,766	1,888
20	NSFR ratio (%)	248.34%	131.29%	153.18%	115.32%	135.93%

Table 1: EU KM1 - Key Metrics MBE N.V. per 31 Dec 2024 (in € millions)

5. OWN FUNDS

5.1. Total risk exposure amounts

(in € millions)		Total risk exposure amounts (TREA)		Total own funds requirements
		2024	2023	T
1	**Credit risk (excluding CCR)**	**4,340**	**2,636**	**347**
2	Of which the standardised approach	4,340	2,636	347
3	Of which the Foundation IRB (F-IRB) approach			
4	Of which slotting approach			
EU 4a	Of which equities under the simple risk weighted approach			
5	Of which the Advanced IRB (A-IRB) approach			
6	**Counterparty credit risk - CCR**	**161**	**88**	**13**
7	Of which the standardised approach	161	87	13
8	Of which internal model method (IMM)			
EU 8a	Of which exposures to a CCP			
EU 8b	Of which credit valuation adjustment - CVA	29	1	2
9	Of which other CCR			
10	Not applicable			
11	Not applicable			
12	Not applicable			
13	Not applicable			
14	Not applicable			
15	**Settlement risk**			
16	**Securitisation exposures in the non-trading book (after the cap)**	**142**	**112**	**11**
17	Of which SEC-IRBA approach			
18	Of which SEC-ERBA (including IAA)			
19	Of which SEC-SA approach			
EU 19a	Of which 1250% / deduction			
20	**Position, foreign exchange and commodities risks (Market risk)**			
21	Of which the standardised approach			
22	Of which IMA			
EU 22a	**Large exposures**			
23	**Operational risk**	**162**	**123**	**13**
EU 23a	Of which basic indicator approach	162	123	13
EU 23b	Of which standardised approach			

EU 23c	Of which advanced measurement approach			
24	Amounts below the thresholds for deduction (subject	5	7	0
25	Not applicable			
26	Not applicable			
27	Not applicable			
28	Not applicable			
29	**Total**	**4,834**	**2,959**	**387**

Table 2: EU OV1 - MBE's TREAs per Dec-24 (in € millions)

5.2. Composition of regulatory own funds

MBE's own funds are composed of Common Equity Tier 1 ("CET1") capital and Tier 2 ("T2") capital. The own funds are €5,322M as of 31 December 2024. The CET1 capital of €5,320M contains capital instruments and share premium as well as retained earnings, which are €4,896M and €425M respectively as of December 2024. T2 capital contains only fully paid up, directly issued capital instruments which is €2M as of December 2024.

(in € millions)	Dec-24	Dec-23
Own funds	**5,322**	**562**
Tier 1 Capital	**5,320**	**560**
Capital instruments and share premium	4,896	196
Retained Earnings	425	365
Tier 2 Capital	**2**	**2**

Table 3: Composition of MBE's regulatory own funds (in € millions)

MBE's capital management objective is to always be compliant with regulatory capital requirements and the reassurance that the Bank has sufficient capital to cover the risks of its business and to support its strategy. The ultimate responsibility for capital management resides with the Management Board.

Required regulatory capital is based on the minimum required capital (i.e. Pillar 1) and the additional capital required under Pillar 2. The table below describes how minimum required capital (Pillar 1) and economic capital (Pillar 2) are determined. According to the Basel III rules on capital requirements, the total capital ratio corresponds to a minimum of 8% of the sum of RWAs as calculated under Pillar 1. Under Pillar 2, add-ons on top of Pillar 1 are provided, calculated as part of the ICAAP, known as economic capital. The methodologies applied for identifying risk types and determining required capital are in the table below.

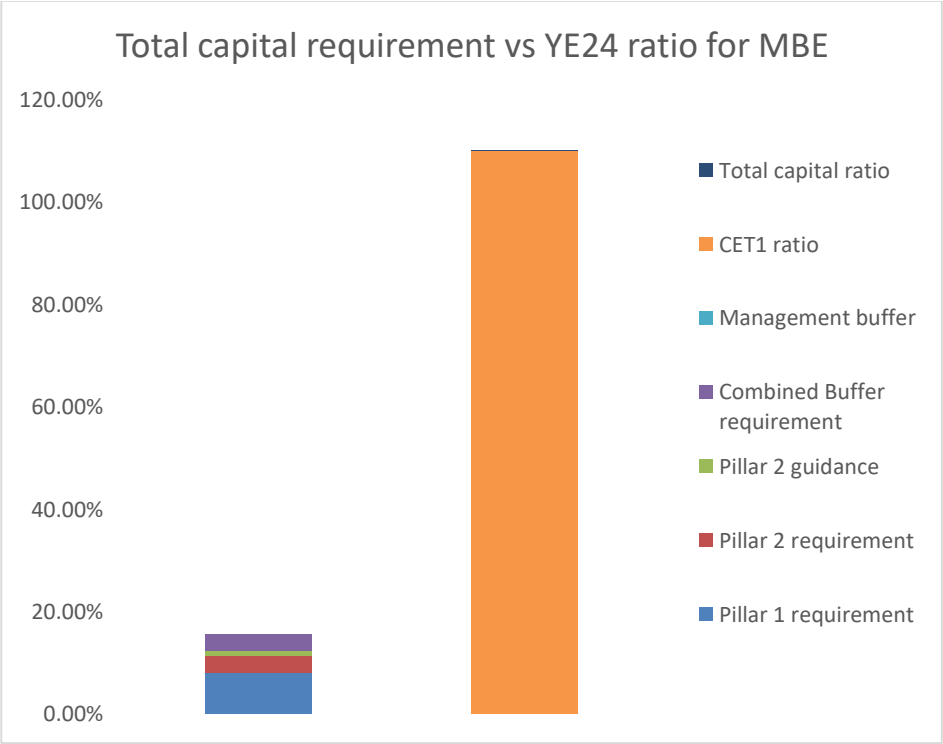
	Pillar 1	Amount	Pillar 2	Add-on	Total
Credit Risk	Standardised Approach	A	Pillar 1 Plus Approach Concentration risk Scenario analysis	B	A+B
CVA Risk	Standardised Approach	A	N/A	N/A	A
Market Risk	Standardised Approach	A	N/A	N/A	A
Operational Risk	Basic Indicator Approach	A	Scenario analysis	B	A+B
Interest Rate Risk (banking book)	N/A	N/A	Earning/Equity at Risk	B	B
Liquidity Risk	N/A	N/A	N/A	N/A	N/A
Other Risk	N/A	N/A	Business model risk, Business model analysis. Residual risk Climate and environmental related risks	B	B
	Minimum Required Capital	C	Economic capital		D

Table 4: Overview of methodologies for determining capital

Table 2 shows the bank's total risk weighted asset amount (EUR 4,834M) The main component of MBE's Pillar 1 RWAs is represented by RWAs related to credit risk (followed by Operational risk (EUR 162M).

5.3. Capital Requirements

MBE calculates the CET1 capital ratio and the total capital ratio as per the CRR requirements, and the requirements laid out in the SREP decision made by its regulator on capital and liquidity adequacy. As shown in the "Metrics" table, MBE is compliant with both of these regulatory limits which are set in the CRR. MBE has a Pillar 1 requirement of 4.5% of RWA, and a P2 requirement of 3.4% as a result of the SREP process. Additionally, the bank holds 1.0% as part of Pillar 2 guidance, 2.5% of Capital Conservation Buffer, which is fixed and unconditional for all banks. Furthermore, MBE holds 0.65% of Countercyclical Capital Buffer ("CCyB"). The CCyB requires firms to build up capital when the aggregate credit growth is judged to be associated with a build-up of system-wide risk, in order to ensure that the banking system has a sufficient buffer of capital which can protect it against future losses. The aforementioned buffer can be drawn down in order to absorb losses during stressed periods. MBE has calculated its firm-specific CCyB rate, as a weighted average of the buffer rates in effect, in the jurisdictions to which it has a relevant credit exposure, subject to a maximum total of 2.5% of risk-weighted exposures. The CCyB of MBE as of 4Q2024 is 0.65%. MBE is not classified as a global systemically important bank (G-SIB) and hence does not have a requirement to hold a G-SIB buffer. The Bank is also not defined as an Other Systemically Important Institutions (O-SII) and hence does not have a requirement to hold an O-SII buffer. The CRD IV buffer combines the capital conservation buffer and countercyclical buffer that must be met with CET1 capital. The graph below presents the overall capital requirement (15.55%) and its categories.



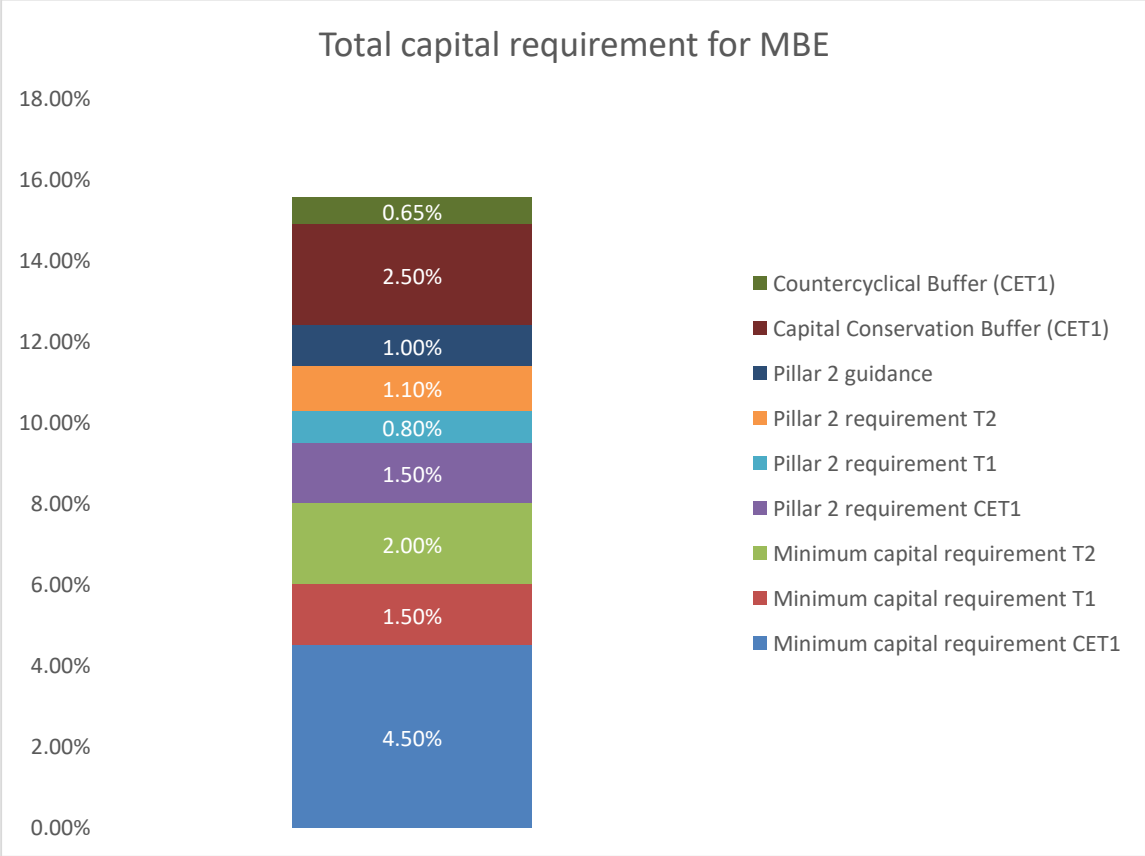


Figure 3: Total capital requirement for MBE

5.4. Capital adequacy & transferability

Capital adequacy is determined by assessing whether the available capital is sufficient to cover required capital. The ratios are regulatory driven (As explained in section 5.3) and are applicable to MBE; in table 2 it can be observed that MBE comfortably complies to the ratios as required.

MBE monitors its capital adequacy for the Bank to pursue its strategy in a prudent and viable manner. On a daily basis, the Finance department provides the Management Board and other internal stakeholders with an overview of the latest solvency position and Middle Office & BSD is responsible for the solvency projection.

Regarding capital transferability, MBE is a bank having its registered office in the Netherlands. As such Article 3:96 sub 1a is applicable that reads: no bank having its registered office in the Netherlands may, except after obtaining a declaration of no objection from the Dutch Central Bank, or in cases referred to in Section 3:97(1), from our Minister: a. reduce its equity capital through a repayment of capital or a distribution of reserves, or make a distribution from the provision for general banking risks referred to in Section 424 of Book 2 of the Dutch Civil code.

The capital planning process ensures a clear insight in the required capital and available capital and an optimal balance between economic capital and investments. And the capital planning is subject to two overall considerations: optimization of the Bank's risk and maximization of earnings. On a yearly basis the overall capital plan is developed by PRM based on the risk profile and the projected business for the year. During this process, the required capital levels are confirmed.

5.5. Economic capital and ICAAP

Next to the required regulatory capital, MBE determines the economic capital, which is the internally determined capital required to absorb losses given a certain confidence interval. The economic capital model considers the available capital as compared to the internally required capital level. The economic capital is determined as part of the ICAAP. The ICAAP represents the Bank's views on the necessary Pillar 2 capital requirements, which are the Bank's capital requirements for the non-covered, or not fully covered, risks under Pillar 1.

The ICAAP is carried out on an annual basis with the aim to ensure that the Bank has in place sufficient risk management processes and systems to identify, measure and manage the Bank's total risk exposure. are formalised in the ICAAP document which includes the risk management framework and the ICAAP document developed by the Bank is approved by the Management Board and Supervisory Board in the preparation of SREP, which is performed on a bi-annual basis by MBE's home supervisor. The results of the ICAAP analysis of solvency and Pillar 2 risks for the Bank. In completing the ICAAP assessment, MBE considers as Pillar 2 capital requirement the regulatory requirement set by its supervisor DNB.

MBE performs two full sets of stress tests: MBE's own defined stress tests and the (mandatory) regulatory stress tests. An additional add-on is based on the outcome from stressing mainly the following non-exhaustive factors/scenarios: portfolio-wide multiple rating notches downgrade; downgrade of MHBK; default of largest exposure.

6. PILLAR 1 RISKS

6.1. Credit risk

At MBE, credit risk arises principally from loans and advances to customers and from holdings of debt securities. Additionally, it arises from commitments, guarantees, letters of credit and counterparty credit risk in derivatives contracts. Therefore, the Bank's credit risk exposures consist of both on-balance sheet and off-balance sheet exposures. Furthermore, there are two types of credit risk especially important to MBE: Concentration risk, as MBE's main business focusses on Japanese companies (in Europe) as well as non-Japanese customers, and Counterparty Credit Risk, because of MBE's share in (plain vanilla) derivative contracts. All derivatives are separately evaluated and carried as assets or liability, depending on its fair value. Derivative contracts are included in trading financial instrument lines of assets and liabilities. Changes in the fair value are included in the Statement of profit or loss, under Gains or (-) losses on trading financial assets and liabilities. Cost price hedge accounting is applied.

MBE manages its credit risk exposures through credit transaction as well as portfolio management. The main metrics used to monitor credit risk are the non-performing exposures, the large exposures and the sector Herfindahl-Hirschman Index (HHI) concentration risk. MBE applies the Standardized Approach (SA) to determine credit risk under Pillar 1. For each facility, the net positions and the RWA is calculated, based on its external credit rating and the applicable credit conversion factor (CCF). Counterparties without any rating are weighted at 100%.

The EU CRR (Capital Requirement Regulations) II model provided for the Standardised Approach is based on banks with well diversified portfolios (portfolio invariance). MBE is a relatively small bank with larger counterparties. Thus, applying the standard Basel II model could result in an understatement of the risk exposure. Consequently, to determine capital adequacy for credit risk under Pillar 2, MBE applies the 'Pillar 1 Plus' method. In this method credit risk as determined under Pillar 1 is assessed and adjusted for concentration risk and counterparty risk. For more information, please refer to section 5.9 'Risk Management' of the Annual Report.

The Portfolio Management Committee ("PMC") and RC review the policies and are responsible for the overall management of credit risk. The credit risk policies include limits on asset quality, concentration risk, intragroup exposures and large exposures to individual borrowers or groups of borrowers. MBE's senior management is responsible for the Bank's business units' appropriate execution of the credit risk related policies. The compliance status for key limits/guidance levels (Solvency, Large Exposures) credit risk is reported daily. Trends and performance versus specified thresholds for credit risk are regularly reported and discussed on committees. Business units are responsible for day-to-day management of existing credit exposures, and for periodic review of the client related risks.

The limit/guideline levels for credit concentration risk are monitored monthly and reported in the PMC. The responsible department in MBE for monitoring and reporting on this guideline level is RMD.

6.1.1. Credit Risk Adjustments and Credit/Debit Valuation Adjustment

Risk valuation assessment are measurements aimed at reflecting the credit risk of the counterparty (CVA).

6.1.2. Use of Eligible Credit Assessment Institutions ("ECAIs")

The RWAs are calculated using the external ratings provided by (EBA approved) ECAIs. To calculate the regulatory capital requirements under the standardized approach, MBE uses eligible external ratings which are applied to all relevant exposure classes mentioned in the standardized approach. If more than one rating is available for a specific counterparty, the selection criteria as set out in Article 138 CRR are applied to determine the relevant risk weight for the capital calculation.

6.1.3. Leverage

The leverage ratio is a non-risk-based leverage ratio and is calculated by dividing Tier 1 capital by the bank's average total consolidated exposures (sum of the exposures of all assets and non-balance sheet items). Banks are expected to maintain a leverage ratio in excess of 3% under Basel III. MBE calculates the leverage ratio on a quarterly basis and reports it to DNB. MBE comfortably meets the minimum requirement with a ratio of 42.90% in 4Q2024. Leverage ratio has been incorporated into risk appetite framework and denominated as one of the risk appetite metrics.

6.2. Market risk

As MBE is not involved in trading, it does not hold material positions in equity, debt instruments and commodities for trading purposes. Any open FX positions, stemming from regular client activity, are hedged through currency swaps with the MHBK London Branch. MBE does hold small positions in foreign currencies as a result of immaterial positions that cannot be closed due to their limited size (resulting from rounding errors and interest payments in foreign currencies). After considering foreign currency derivatives, the Bank has no material net exposure to foreign exchange rate fluctuations.

For each foreign currency the net open position (in EUR) is calculated. The highest of the summed net short position and summed net long position provides the total net long position. If the total net long position is more than 2% of available capital, the required capital is calculated as 8% of net long position. In case the net open position of FX is less than 2% of available capital, a solvency requirement does not apply.

The net open position of FX amounted to € 31k as per 31 Dec 24. A solvency requirement therefore does not apply. MBE is therefore exempted from calculating market risk capital requirements.

Internal limits are established for open FX-positions. The Treasury Department ('TD') is in charge of monitoring and managing the above-mentioned risks and limits while RMD monitors and reports daily and intraday to TD as well as the Management Board. The escalation process in case of any potential breach in the limits has been included in the Market Risk Management Policy by RMD and Treasury Operational Policy by TD. The risks and limits related to market risk are also reported and discussed on the monthly Asset and Liability Management Committee ("ALCo") and quarterly RC. For more information, please refer to section 5.9.9 'Market Risk' of the Annual Report.

6.3. Operational risk

Under Pillar 1, MBE applies the Basic Indicator Approach to determine the minimum required capital for operational risk. The own fund requirement is then 15% of the three-year average of this indicator. For the Bank the relevant indicator is mainly composed of net interest income and net fee and commission income, resulting in gross income. The RWA for Operational risk is EUR 161.9 M per dec-24: the total own fund requirement under Pillar 1 equals EUR 12.9 M.

MBE performs qualitative scenario-analyses to assess whether the calculated minimum required capital for operational risk is sufficient. MBE examined the loss scenario for all loss event categories with the advanced approach for operational risk. The capital requirement for operational risk is therefore recognized under Pillar 2.

MBE has Operational Risk Management Charter in place to codify MBE's approach to operational risk. Operational Risk Management Policy describes the key principles of operational risk management within MBE and the tools used to identify, assess, mitigate and monitor operational risks. Additionally, MBE has a Business Continuity Plan ("BCP") in place which details the necessary steps to continue the Bank's minimum operations in the short term. BCP recovery procedures are reviewed and tested annually.

The primary responsibility for the development and implementation of controls to address operational risk is assigned to (senior) managers within each business unit. This responsibility is supported by the development of compliance to the Bank's overall standards for the management of operational risk. Legislation and regulation in the financial sector continued to be subject to rapid change and increasing complexity. To this end, at MBE there have been significant investment in systems and processes in order to ensure the efficient business operations and controlled conduct of our business.

Banking activities		a	b	c	D	e
		Relevant indicator			Own funds requirements	Risk exposure amount
		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)	59,569,000	73,535,000	125,883,000	12,949,350	161,866,875
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	n/a	n/a	n/a	n/a	n/a
3	*Subject to TSA:*	n/a	n/a	n/a		
4	*Subject to ASA:*	n/a	n/a	n/a		
5	Banking activities subject to advanced measurement approaches AMA	n/a	n/a	n/a	n/a	n/a

Table 5: OR1 - MBE's operational risk P1 requirement per Dec-24

7. PILLAR 2 RISKS

7.1. ICAAP

MBE capitalises following pillar 2 risks based on quantitative/qualitative analysis which is analysed as part of MBE's ICAAP and approved by DNB. MBE's ICAAP methodology involves identifying key risks and assessing key risks, which are assessed to be insufficiently captured by the Pillar 1 regulatory requirements. For each of such risks, a capital add-on is applied on top of the regulatory capital requirements. The following risks are identified and capitalised as part of the ICAAP:

- Interest rate risk in the banking book
- Credit Concentration risk
- Operational risk (add-on)
- Business model risk & Profitability

7.2. Interest rate risk (banking book)

The primary forms of interest rate risk banks are typically exposed to are repricing risk (timing differences in the maturity for fixed-rate and repricing of products), yield curve risk (changes in the slope and shape of the yield curve), basis risk (imperfect correlation in the adjustment of the rates earned and paid on different instruments with otherwise similar repricing characteristics) and optionality (instruments with embedded options).

To MBE, mainly repricing risk and yield curve risk apply. MBE holds open interest rate positions related to its loan/deposit book. This implies that adverse changes in interest rates can negatively affect MBE's asset value and/or net interest income. According to internal policy, MBE needs to manage these transactions on a full cover basis and only open interest rate position within one year is allowed. Thus, the interest rate risk exposure for MBE is limited.

IRRBB is determined by assessing the maximum possible loss due to changes in interest rate. For this, the effect of a sudden parallel shift of the yield curve of 200 basis points is considered to be a shock MBE should be able to cover under normal business conditions. The risk is monitored and reported on a daily and intraday basis through the risk metrics present value of basis point ("PVBP"), 10BPV and unrealised Profit and Loss (P&L) to capture the sensitivity of the balance sheet to the shift of the yield curve. Net Interest Income ("NII) and economic value of equity ("EVE") are the two main stress testing risk metrics used by MBE to analyse the impact of defined interest rate scenarios have on the Bank's profitability and equity value.

Overall, the Bank aims to use matched currency funding and usually converts fixed rate instruments to floating rate to better manage the duration in the asset book.

The Management Board retains ultimate responsibility for the effective management of IRRBB. ALCo proactively manages IRRBB and TD & RMD provides strategic insights and motivation in managing IRRBB to ALCo through appropriate risk reporting and analytics. For more information, please refer to Section 5.9.10 'Interest Rate Risk' of the Annual Report.

7.3. Credit concentration risk

Credit concentration risk is a sub-risk to credit risk and poses the risk of losses arising as a result of concentrations of exposures due to imperfective diversification. MBE capitalise concentration risk for Single name, Sector and Geographic. MBE monitors and manages its concentration risk using the HHI, to this end it utilizes the public PRA methodology to determine capitalization.

7.4. Operational risk (P2 add-on)

Based on MBE's internal loss scenarios and RAS, an add-on for operation risk is determined, and recognized under Pillar 2. The own funds requirement for operational risk is calculated as 15% of the average over three years of the relevant indicator as described in CRR Article 316. Operational events resulting in credit losses are part of the credit risk calculation. In 2024, MBE has not had any material or potentially material operational risk loss events. Operational risk losses continue to be within the acceptable level.

7.5. Business model risk

In the past 3 years MBE has achieved sustainable income despite a tough economic environment, driven by low interest rate and increasing competition. MBE's good relationship with its customer base made possible to preserve constant income. Nonetheless, the bank does prudently take into account a shortfall in its net profit, due to MBE's idiosyncratic business model. To this end, MBE analyses the income concentration, recurring vs. non-recurring income, and cost-to-income ratios in different scenarios. The average 3-year loss in the most severe scenario is then taken as the Pillar 2 add on for business model risk.

8. LIQUIDITY AND FUNDING RISK

8.1. Definition and Descriptions

Liquidity risk is defined as the inability of an institution to fund increases in assets and meet obligations as they come due, without incurring unacceptable losses. Being adequately liquid at all times is one of the threshold conditions for banks to operate in the Netherlands.

MBE has a strong relation with the MHBK Group with regards to its liquidity risk management strategy. As part of MHBK's overall centralized liquidity governance framework, an active strategy is in place aimed at improving overall fund management efficiency by the creation of central treasury hubs on each continent. In Europe, the group has centralized its treasury function in the London branch of MHBK, therefore it effectively functions as the main supplier of EUR and GBP denominated funds within the group. On a worldwide level, the MHBK branch in New York functions as the treasury hub for the Americas, thereby indirectly serving as the main source of USD denominated funding with the branch having direct access to the Federal Reserve open market transactions. The Tokyo HO serves as a global and Asia orientated hub, thereby serving as the main provider of JPY denominated funding. This approach ensures a flexible, efficient and optimal management of hedging, cash & liquidity management and the relocation or attracting of funds to regions where these funds can be most effectively deployed.

Funding risk is the that the bank runs to meet its longer-term financial obligations. In the extent of this, MBE also considers refinancing risk under funding risk. MBE has a simple funding profile, with funding maturing in the short- mid and longer term.

8.2. Methodology

MBE manages liquidity risk on both an operational basis, as well as on a contingency basis. For both views, the bank has identified key risk drivers, measurement metrics and techniques that fit the to the bank. The Bank manages liquidity and funding risks using the liquidity risk management framework. The framework includes the identification of risk drivers like wholesale funding risk, cross-currency risk or stable funding risk, the monitoring of key metrics like the (intraday) funding gap, LCR, NSFR, survival period, early warning indictors and challenging the adequacy of liquidity arrangements by using stress tests and the ILAAP. In addition, a CFP has been developed to provide a framework for detecting an upcoming liquidity event with predefined EWIs and actions for preventing temporary or longer-term liquidity disruptions.

To ensure funding in situations where bank is in urgent need of cash and the normal funding sources do not suffice, the Bank holds a liquidity buffer that consists of ECB eligible debt securities and highly liquid assets. The Bank has also implemented stress tests that have a realistic basis in the Bank's operating environment to further measure the Bank's ability to withstand different and adverse scenarios of stressed operating environments.

The Management Board reviews the Bank's risk appetite annually with regards to liquidity risk and defines the liquidity risk appetite by setting/resetting limits for applied liquidity risk measures. Furthermore, the Management Board also discusses the Bank's balance sheet with respect to liquidity position in their monthly meetings. The ALCo is responsible for deciding on strategies, policies and practices on liquidity risk in accordance with the risk appetite while considering key business units, products, legal structures and regulatory requirements.

8.3. ILAAP

Finally, in order to assess the adequacy of the liquidity risk management practices, MBE carries out a holistic ILAAP process annually based on the EBA guidelines, DNB's ILAAP Policy Rule and submits the required documentation to DNB for purposes of the SREP. The internal process, governance and consultative dialogue with the regulatory supervisory body required to meet the ILAAP rules are similar to the ICAAP. The objective of the ILAAP is to monitor the liquidity adequacy on a continuous basis and implement liquidity risk management as a continuous process within the business. Stress-testing is performed to assess whether the available liquidity is adequate under stress scenarios. The outcome of ILAAP is considered an integral aspect of management decisions within MBE.

8.4. Control and Monitoring

The stock of high-quality liquid assets (HQLA) is under the control of the Treasury Department. RMD is responsible for developing, enhancing and communicating an effective and consistent liquidity risk management framework across the Bank to ensure appropriate liquidity risk policies are in place to identify, measure, control and monitor such risks. The Bank's Internal Audit department assesses whether the liquidity management process is designed properly and operating effectively. RMD regularly evaluates the Bank's liquidity position, monitors internal and external events and factors that may affect the liquidity position and ensures compliance with the Bank's policies.

There are clear escalation procedures to be applied if there is a danger that the lower limit of any early warning indicators is breached. MBE adopts the traffic light system of warning signals that lead to an increased level of alert with respect to the liquidity situation.

8.5. Stress Testing

Besides determining liquidity adequacy under normal business conditions, an essential aspect of the liquidity adequacy assessment process is the determination of liquidity adequacy under stressed conditions (i.e. extreme but plausible events). Various stress tests have been constructed to measure how different scenarios affect the liquidity position and liquidity risk of the Bank. The stress test scenarios defined are in line with the requirements in relevant regulations and guidelines. The objective of stress testing is therefore to know MBE's liquidity needs under stressed conditions and determine the adequacy of the liquidity buffer. Furthermore, this creates a better understanding of the liquidity risk and improves decision making, in accordance with the liquidity risk appetite/profile. The combined stress scenario is considered as the most severe scenario of the three and is the basis on which MBE's liquidity needs and corresponding buffer is calculated. DNB sets the survival period of 6 months for MBE; however, MBE sets internal limit for 7 months. The stress tests are conducted daily.

9. ANNEXES

9.1. Annex 1 – Risk inventory

Risk type	Definition
Credit Risk	MBE defines credit risk as the current or prospective threat to an institution's earnings and capital as a result of counterparty's failure to comply with a financial or other contractual obligation in respect of the institution, including the possibility of restrictions on or impediments to the transfer of payments from abroad. MBE provides credit to corporate clients with focus on the European and Japanese market.
Concentration Risk	Sector or geographical concentrations arise when a number of counterparties are engaged in similar business activities or activities in the same geographic region. These activities could be disrupted in a similar manner, if non-favourable changes in economic, political or other macroeconomic factors occur. Which in turn could hurt their ability to meet contractual obligations. Single name concentration arises when the bank portfolio is largely exposed in a few clients.
Counterparty credit risk	In MBE, CCR arises mainly from derivative contracts. Majority of MBE's derivative financial instruments consist of vanilla derivatives: foreign currency spot and forward contracts, FX swaps, interest rate swaps and currency swaps which are initially recognized at cost, with subsequent measurement to their fair value at each balance sheet date.
Market Risk	Market risk is defined as the current or prospective threat to an institution's earnings and capital as a result of movements in market prices. For Pillar 1, market risk is determined in relation to foreign exchange (FX), equity, traded debt instruments and commodities.
Liquidity Risk	The inability of an institution to fund increases in assets and meet obligations as they come due, without incurring unacceptable losses.
Interest Rate risk	Interest Rate Risk in the Banking Book ("IRRBB") is the risk a bank faces due to interest rate re-pricing mismatches (i.e. fixed-rate versus floating-rate assets or liabilities) and maturity mismatches between its assets and liabilities. Interest rate risk is the exposure of a bank's financial condition to adverse movements in interest rates.
Operational Risk	Operational risk is the risk of direct or indirect losses arising from deficiencies or failures in internal processes, human factor or from external systems and events. This definition includes legal risks but does not include strategic or reputational risks.
Business and Profitability risk	Business model risk is defined as the risk of a shortfall on net profit which may arise from potential gaps in MBE's idiosyncratic business model. In the past 3 years MBE has achieved sustainable income even though a tough economic environment, driven by low interest rate and increasing competition. MBE's good relationship with its customer base made possible to preserve constant income.

9.2. Annex 2 - Quantitative information on remuneration

			a	b	c	d
			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	2	4	11	1
2		Total fixed remuneration	142,995	715,421	1,624,746	172,381
3		Of which: cash-based	142,995	715,421	1,624,746	172,381
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests	n/a	n/a	n/a	n/a
5		Of which: share-linked instruments or equivalent non-cash instruments	n/a	n/a	n/a	n/a
EU-5x		Of which: other instruments	n/a	n/a	n/a	n/a
6		(Not applicable in the EU)				
7		Of which: other forms	n/a	n/a	n/a	n/a
8		(Not applicable in the EU)				
9	Variable remuneration	Number of identified staff	2	4	11	1
10		Total variable remuneration	0	168,193	225,696	17,070
11		Of which: cash-based	0	168,193	225,696	17,070
12		Of which: deferred	0	0	0	0
EU-13a		Of which: shares or equivalent ownership interests	n/a	n/a	n/a	n/a
EU-14a		Of which: deferred	n/a	n/a	n/a	n/a
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	n/a	n/a	n/a	n/a
EU-14b		Of which: deferred	n/a	n/a	n/a	n/a
EU-14x		Of which: other instruments	n/a	n/a	n/a	n/a
EU-14y		Of which: deferred	n/a	n/a	n/a	n/a
15		Of which: other forms	n/a	n/a	n/a	n/a
16		Of which: deferred	n/a	n/a	n/a	n/a
17	Total remuneration (2 + 10)		142,995	883,614	1,850,442	189,451

Table 6: EU REM 1 - MBE awarded remuneration to identified staff

		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - Number of identified staff	0	0	0	0
2	Guaranteed variable remuneration awards -Total amount	0	0	0	0
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	0	0	0	0
	Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	0	0	0	0
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	0	0	0	0
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - Number of identified staff	0	0	0	0
7	Severance payments awarded during the financial year - Total amount	0	0	0	0
8	Of which paid during the financial year	0	0	0	0
9	Of which deferred	0	0	0	0
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	0	0	0	0
11	Of which highest payment that has been awarded to a single person	0	0	0	0

Table 7:EU REM 2 - Special payments for identified staff

		a	b	c	d	e	f	EU - g	EU - h
	Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	MB Supervisory function	0	0	0	0	0	0	0	0
2	Cash-based	0	0	0	0	0	0	0	0
3	Shares or equivalent ownership interests	0	0	0	0	0	0	0	0
4	Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
5	Other instruments	0	0	0	0	0	0	0	0
6	Other forms	0	0	0	0	0	0	0	0
7	MB Management function	0	0	0	0	0	0	0	0
8	Cash-based	0	0	0	0	0	0	0	0
9	Shares or equivalent ownership interests	0	0	0	0	0	0	0	0

10	Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
11	Other instruments	0	0	0	0	0	0	0	0
12	Other forms	0	0	0	0	0	0	0	0
13	Other senior management	0	0	0	0	0	0	0	0
14	Cash-based	0	0	0	0	0	0	0	0
15	Shares or equivalent ownership interests	0	0	0	0	0	0	0	0
16	Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
17	Other instruments	0	0	0	0	0	0	0	0
18	Other forms	0	0	0	0	0	0	0	0
19	Other identified staff	0	0	0	0	0	0	0	0
20	Cash-based	0	0	0	0	0	0	0	0
21	Shares or equivalent ownership interests	0	0	0	0	0	0	0	0
22	Share-linked instruments or equivalent non-cash instruments	0	0	0	0	0	0	0	0
23	Other instruments	0	0	0	0	0	0	0	0
24	Other forms	0	0	0	0	0	0	0	0
25	Total amount	0	0	0	0	0	0	0	0

Table 8: EU REM3 - Deferred remuneration

		a
	EUR	Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	n/a
2	1 500 000 to below 2 000 000	n/a
3	2 000 000 to below 2 500 000	n/a
4	2 500 000 to below 3 000 000	n/a
5	3 000 000 to below 3 500 000	n/a
6	3 500 000 to below 4 000 000	n/a
7	4 000 000 to below 4 500 000	n/a
8	4 500 000 to below 5 000 000	n/a
9	5 000 000 to below 6 000 000	n/a
10	6 000 000 to below 7 000 000	n/a
11	7 000 000 to below 8 000 000	n/a
x	To be extended as appropriate, if further payment bands are needed,	

Table 9: EU REM4 - MBE's remuneration > EUR 1M per year

		a	b	c	d	e	f	g	h	i	j
		Management body remuneration			Business areas						-
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	Total number of identified staff										
2	Of which: members of the MB	3	3	6							
3	Of which: other senior management							11			
4	Of which: other identified staff							1			
5	Total remuneration of identified staff	142,995	883,614	1,026,609				2,039,893			
6	Of which: variable remuneration	0	168,193	168,193				242,766			
7	Of which: fixed remuneration	142,995	715,421	1,194,802				1,797,127			

Table 10: EU REM5 - MBE's Identified Staff

9.3. Annex 3 – Disclosure requirements for small and non-complex institution

The requirements for small and non-complex institution for pillar 3 reporting are set out in Art, 433b of the CRR. See the table below.

Req,	**Legal text**
Art, 433(b)(1): Small and non-complex institutions shall disclose the information outlined below with the following frequency:	
(a) On an annual basis the information referred to in:	
i. points (a), (e) and (f) of Article 435(1);	Art, 435(1): institutions shall disclose their risk management objectives and policies for each separate category of risk, including the risks referred to in this Title, those disclosures shall include: (a) strategies and processes to manage these risks;
	i. a declaration approved by the management body on the adequacy of the risk management arrangements of the relevant institution providing assurance that the risk management systems put in place are adequate with regard to the institution's profile and strategy;
	ii. a concise risk statement approved by the management body succinctly describing the relevant institution's overall risk profile associated with the business strategy; that statement shall include: i. key ratios and figures providing external stakeholders a comprehensive view of the institution's management of risk, including how the risk profile of the institution interacts with the risk tolerance set by the management body;
	ii. information on intragroup transactions and transactions with related parties that may have a material impact on the risk profile of the consolidated group;

ii, point (d) of Article 438	The total risk-weighted exposure amount and the corresponding total own funds requirement determined in accordance with Article 92, to be broken down by the different risk categories set out in Part Three and, where applicable, an explanation of the effect on the calculation of own funds and risk-weighted exposure amounts that results from applying capital floors and not deducting items from own funds
iii. points (a) to (d), (h) to (j) of Article 450(1)	(a) information concerning the decision-making process used for determining the remuneration policy, as well as the number of meetings held by the main body overseeing remuneration during the financial year, including, where applicable, information about the composition and the mandate of a remuneration committee, the external consultant whose services have been used for the determination of the remuneration policy and the role of the relevant stakeholder;
	(b) Information about the link between pay of the staff and their performance;
	(c) the most important design characteristics of the remuneration system, including information on the criteria used for performance measurement and risk adjustment, deferral policy and vesting criteria;
	(d) The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) of Directive 2013/36/EU;
	(h) Aggregate quantitative information on remuneration, broken down by senior management and members of staff whose professional activities have a material impact on the risk profile of the institutions, indicating the following: i. the amounts of remuneration awarded for the financial year, split into fixed remuneration including a description of the fixed components, and variable remuneration, and the number of beneficiaries;
	ii. the amounts and forms of awarded variable remuneration, split into cash, shares, share-linked instruments and other types separately for the part paid upfront and the deferred part;
	iii. the amounts of deferred remuneration awarded for previous performance periods, split into the amount due to vest in the financial year and the amount due to vest in subsequent years;
	iv. the amount of deferred remuneration due to vest in the financial year that is paid out during the financial year, and that is reduced through performance adjustments;

	v. The guaranteed variable remuneration awards during the financial year, and the number of beneficiaries of those awards
	vi. the severance payments awarded in previous periods, that have been paid out during the financial year;
	vii. the amounts of severance payments awarded during the financial year, split into paid upfront and deferred, the number of beneficiaries of those payments and highest payment that has been awarded to a single person;
	(i) the number of individuals that have been remunerated EUR 1 million or more per financial year, with the remuneration between EUR 1 million and EUR 5 million broken down into pay bands of EUR 500 000 and with the remuneration of EUR 5 million and above broken down into pay bands of EUR 1 million;
	(j) upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management,
(b) on a semi-annual basis the key metrics referred to in Article 447	Art, 447: Institutions shall disclose the following key metrics in a tabular format: (a) the composition of their own funds and their own funds requirements as calculated in accordance with article 92; (b) The total risk exposure amount as calculated in accordance with Article 92(3); (c) here applicable, the amount and composition of additional own funds which the institutions are required to hold in accordance with point (a) of Article 104(1) of Directive 2013/36/EU (d) their combined buffer requirement which the institutions are required to hold in accordance with Chapter 4 of Title VII of Directive 2013/36/EU; (e) heir leverage ratio and the total exposure measure as calculated in accordance with Article 429 (f) The following information in relation to their liquidity coverage ratio as calculated in accordance with the delegated act referred to in Article 460(1): i. the average or averages, as applicable, of their liquidity coverage ratio based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period; ii. the average or averages, as applicable, of total liquid assets, after applying the relevant haircuts, included in the liquidity buffer pursuant to the delegated act referred to in Article 460(1), based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period; iii. the averages of their liquidity outflows, inflows and net liquidity outflows as calculated pursuant to the delegated act referred to in Article 460(1), based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period (g) the following information in relation to their net stable funding requirement as calculated in accordance with Title IV of Part Six; i. the net stable funding ratio at the end of each quarter of the relevant disclosure period;

	ii. the available stable funding at the end of each quarter of the relevant disclosure period; iii. the required stable funding at the end of each quarter of the relevant disclosure period; (h) their own funds and eligible liabilities ratios and their components, numerator and denominator, as calculated in accordance with Articles 92a and 92b and broken down at the level of each resolution group, where applicable,
2. By way of derogation from paragraph 1 of this Article, small and non-complex institutions that are non-listed institutions shall disclose the key metrics referred to in Article 447 on an annual basis.	