Pillar 3 Semi-Annual Report 2023

BANQUE INTERNATIONALE À LUXEMBOURG

Contents

List of acronyms

AFR	Available Financial Resources
A(F)-IRB	Advanced (Foundation) Internal Rating-Based
ALM	Asset and Liability Management
ASF	Available Stable Funding
AT1	Additional Tier 1 capital
BCL	Banque Centrale de Luxembourg
BCP	Business Continuity Plan
BoD	Board of Directors
BRC	Board Risk Committee
BRRD	Bank Recovery and Resolution Directive
BRNC	Board Remuneration & Nomination Committee
BRNC-N	Board Remuneration and Nominations Committee sitting in nomination matters
CAR	Compliance, Audit and Risk
CC	Crisis Committee
CCF	Credit Conversion Factor
CCP	Central Counterparty
CCR	Counterparty Credit Risk
CDS	Credit Default Swap
CEO	Chief Executive Officer
CET1	Common Equity Tier One
CRCU	Credit Risk Control Unit
CRMU	Credit Risk Management Unit
CRD	Capital Requirements Directive
CRM	Credit Risk Mitigation
CRO	Chief Risk Officer
CRR	Capital Requirements Regulation
CSA	Credit Support Annex
CSSF	Commission de Surveillance du Secteur Financier
CVA	Credit Valuation Adjustment
DTA	Deferred Tax Asset
EAD	Exposure At Default
EBA	European Banking Authority
ECAI	External Credit Assessment Institutions
ECAP	Economic Capital
ECB	European Central Bank
ECL	Expected Credit Loss
EL	Expected Loss
ESG	Environmental, Social and Governance
EUR	Euro
EVE	Economic Value Equity
ExCo	Executive Committee
FRM	Financial Risk Management
FRMD	Financial Risk Management Datamart
FTA	First Time Adoption
FX	Foreign Exchange
GIP	Gestion Intensive et Préventive
HQLA	High Quality Liquid Assets
HR	Human Resources
HTM	Held To Maturity
IAS	International Accounting Standards
ICAAP	Internal Capital Adequacy Assessment Process
ICC	Internal Control Committee
IFRS	International Financial Reporting Standards
ILAAP	Internal Liquidity Adequacy Assessment Process

IMM	Internal Model Method
IR	Interest Rate
IRRBB	Interest Rate Risk in the Banking Book
IRS	Internal Rating Systems
ISDA	International Swap and Derivative Association
IT	Information Technology
JST	Joint Supervisory Team
KPI	Key Performance Indicator
LCR	Liquidity Coverage Ratio
LDP	Low Default Portfolio
LR	Leverage ratio
LGD	Loss Given Default
L&R	Loans & Receivables
MCD	Mortgage Credit Directive
MCRE	Maximum Credit Risk Exposure
MIS	Management Information System
MMB	Member of the Management Board
MMU	Model Management Unit
MOC	Monthly Operational Committee
MRT	Material Risk Takers
NACE	Nomenclature statistique des Activités économiques dans la Communauté Européenne
NCA	National Competent Authorities
NII	Net Interest Income
NMD	Non-Maturing Deposits
NPC	New Products Committee
NPE	Non-Performing Exposures
NSFR	Net Stable Funding Ratio

OBS	Off-Balance Sheet
ORM	Operational Risk Management
OTC	Over-the-counter
PD	Probability of Default
P&L	Profit and Loss
QIS	Quantitative Impact Study
SA	Standardised Approach
SASB	Sustainable Accounting Standards Board
SFT	Securities Financing Transaction
SC	Security Committee
SNB	Swiss National Bank
SSM	Single Supervisory Mechanism
SRB	Single Resolution Board
SRM	Single Resolution Mechanism
STE	Short Term Exercise
RAF	Risk Appetite Framework
RAS	Risk Appetite Statement
RCSA	Risk Control Self-Assessment
RPC	Risk Policy Committee
RSF	Required Stable Funding
RWA	Risk Weighted Assets
TFM	Treasury and Financial Markets
TLTRO	Targeted Longer-Term Refinancing Operations
TRIM	Targeted Review of Internal Models
VaR	Value at Risk
WAL	Weighted Average Life

EBA semi-annual tables and templates[1]

Reference	Name	Regulation (EU) No 575/2013 (CRR) articles	Section of the semi-annual report
EU KM1	Key metrics (at consolidated group level)	Article 447 (a) to (g) and point (b) of Article 438	Section 1
EU OV1	Overview of RWAs	Article 438 (c)-(f)	Section 1.1.2
EU CC1	Composition of regulatory own funds	Point (a) of Article 437	Section 1.1.1
EU CC2	Reconciliation of regulatory own funds to balance sheet in the audited financial statements	Point (a) of Article 440	Section 1.1.1
EU CCyB1	Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer	Point (a) of Article 440	Section 1.1.4
EU CCyB2	Amount of institution-specific countercyclical capital buffer	Point (b) of Article 440	Section 1.1.4
EU LR1	LRSum: Summary reconciliation of accounting assets and leverage ratio exposures	Point (b) of Article 451(1)	Section 1.2
EU LR2	LRCom: Leverage ratio common disclosure	Article 451(3) - Rows 28 to 31a Points (a), (b) and (c) of Article 451(1) and Article 451(2) - Rows up to row 28	Section 1.2
EU LR3	LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	Point (b) of Article 451(1)	Section 1.2
EU CR10	IRB (specialized lending and equities)	Point (e) of Article 438	Section 1.1.3
EU KM2	Key metrics - MREL and, where applicable, G-SII requirement for own funds and eligible liabilities	–	Section 1.3
EU TLCA1	Composition - MREL and, where applicable, G-SII requirement for own funds and eligible liabilities	–	Section 1.3
EU iLAC	Internal loss absorbing capacity: internal MREL and, where applicable, requirement for own funds and eligible liabilities for non-EU G-SIIs	–	Not applicable for the Bank
EU TLAC2	Creditor ranking - Entity that is not a resolution entity	–	Not applicable for the Bank
EU TLCA3	Creditor ranking - resolution entity	–	Section 1.3
EU CQ5	Credit quality of loans and advances by industry	Points (c) and (e) of Article 442	Section 2.1.1
EU CR1-A	Maturity of exposures	Point (g) of Article 442	Section 2.1.2
Eu CR1	Performing and non-performing exposures and related provisions	Points (c) and (f) of Article 442	Section 2.1.3
EU CQ1	Credit quality of forborne exposures	Points (c) and (e) of Article 442	Section 2.2.1
EU CQ4	Quality of non-performing exposures by geography	Points (c) and (e) of Article 442	Section 2.2.1
EU CR2	Changes in the stock of non-performing loans and advances	Point (f) of Article 442	Not applicable for the Bank
EU-SEC4	Securitisation exposures in the non-trading book and associated regulatory capital requirements – institution acting as investor	Point (k)(ii) of Article 449	Section 2.8
EU-SEC5	Exposures securitised by the institution - Exposures in default and specific credit risk adjustments	Point (l) of Article 449	Not applicable for the Bank
EU MR1	Market risk under the standardised approach	Article 445	Section 3.4
EU MR2-A	Market risk under the IMA	Point (e) of Article 455	N/A. The Bank uses the standardised approach.
EU MR2-B	RWA flow statements of market risk exposures under the IMA	Point (h) of Article 438	N/A. The Bank uses the standardised approach.
EU MR3	IMA values for trading portfolios	Point (d) of Article 455	N/A. The Bank uses the standardised approach.
EU MR4	Comparison of VaR estimates with gains/losses	Point (g) of Article 455	Section 3.1
EU IRRBBA	Qualitative information on interest rate risks of non-trading book activities	Article 448	Section 3.3
EU IRRBB1	Interest rate risks of non-trading book activities	Article 448	Section 3.3.4
LIQ1	Quantitative information of LCR	Article 451a(2)	Section 3.2.1
LIQB	On qualitative information on LCR, which complements template EU LIQ1	Article 451a(2)	Section 3.2.1
LIQ2	Net Stable Funding Ratio	Article 451a(3)	Section 3.2.2
Template 1	Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity	Article 449a	Section 5
Template 2	Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral	Article 449a	Section 5
Template 3	Banking book - Climate change transition risk: Alignment metrics	Article 449a	Not presented for Q2 2023
Template 4	Banking book - Climate change transition risk: Exposures to top 20 carbon-intensive firms	Article 449a	Section 5
Template 5	Banking book - Climate change physical risk: Exposures subject to physical risk	Article 449a	Section 5
Template 6	Summary of GAR KPIs	Article 449a	Not presented for Q2 2023
Template 7	Mitigating actions: Assets for the calculation of GAR	Article 449a	Not presented for Q2 2023
Template 8	GAR (%)	Article 449a	Not presented for Q2 2023
Template 9	Mitigating actions: BTAR	Article 449a	Not presented for Q2 2023
Template 10	Other climate change mitigating actions that are not covered in the EU Taxonomy	Article 449a	Not presented for Q2 2023

[1] In accordance with the publication EBA/GL/2016/11, version 2.

Introduction

This document gives information on the risk management of Banque Internationale à Luxembourg (hereafter "BIL" or "the Bank") as of 30 June 2023. The purpose of Pillar 3 of the Basel framework is to enrich the minimum requirements of funds (Pillar 1) and the process of prudential supervision (Pillar 2) with a set of data complementing the financial communication.

This report meets the consolidated disclosure requirements related to the Part Eight of Regulation (EU) No 575/2013 (EBA/ GL/2016/11 and EBA/ITS/2020/04), known as the Capital Requirements Regulation (CRR) as well as Circular CSSF 23/830 and CSSF Regulation 18-03 as amended on the adoption of the European Banking Authority (EBA) Guidelines, thereby satisfying the regulatory prudential framework applicable to credit institutions. The final Guidelines on Disclosure of Non-Performing and Forborne Exposures (EBA/ GL/2022/13) and the Technical Standards (ITS) on prudential disclosures on ESG risks in accordance with Article 449a CRR are also taken into account.

Unless otherwise stated, the figures disclosed in this report are expressed in millions of euros. Data are provided at a consolidated level, including subsidiaries and branches of BIL Group. In addition to this document, the annual report is available on BIL's website (https://www.bil.com/fr/groupe-bil/documentation/Pages/donnees-financieres.aspx).

As the ultimate parent company, BIL is a banking group located in Luxembourg at 69, route d'Esch, L-2953 Luxembourg and counts about 2,000 employees. BIL is present in Luxembourg, Switzerland, and China.

This BIL group's Pillar 3 semi-annual disclosure Report is divided into five sections:

- The Bank's capital management and capital adequacy
- The credit risk management and provides detailed breakdowns of the Bank's credit risk exposures
- The assessment of market risk
- A focus on the Recovery Plan/resolution Plan activities
- A status on the ESG Risk framework

1. Own funds and capital adequacy

The aim of capital management is to ensure BIL's solvency and sustained profitability targets, while complying with regulatory capital requirements. The Bank's ratios exceed these requirements, thereby reflecting the ability to adhere to the Basel requirements.

BIL monitors its solvency using rules and ratios issued by the Basel Committee on Banking Supervision and the European Capital Requirements Regulation.

These ratios (Common Equity Tier 1 capital ratio, Tier 1 capital ratio and Total capital ratio) compare the amount of regulatory capital, eligible in each category, with BIL Group's total weighted risks.

As of 30 June 2023, the breakdown of prudential capital requirement is as follows:

Capital Requirement	30/06/2023	31/12/2022
Mimimum requirements (Pillar 1): CET1	4.50%	4.50%
Pillar 2 requirement: CET1	1.27%	1.13%
Combined buffer requirement	3.47%	3.36%
of which capital conservation buffer	*2.50%*	*2.50%*
of which O-SII buffer	*0.50%*	*0.50%*
of which countercyclical capital buffer	*0.47%*	*0.36%*
OVERALL CET1 CAPITAL REQUIREMENT	**9.23%**	**8.99%**
Mimimum requirements (Pillar 1): Tier 1	6.00%	6.00%
Pillar 2 requirement: Tier 1	1.69%	1.50%
Combined buffer requirement	3.47%	3.36%
OVERALL TIER 1 CAPITAL REQUIREMENT	**11.16%**	**10.86%**
Mimimum requirements (Pillar 1): Total capital	8.00%	8.00%
Pillar 2 requirement: Total capital	2.25%	2.00%
Combined buffer requirement	3.47%	3.36%
OVERALL TOTAL CAPITAL REQUIREMENT	**13.72%**	**13.36%**

As of 30 June 2023, the CET1 ratio of the Bank stands at 13.63%[2] and the total capital ratio at 18.59%. Compared to year-end 2022 (table below), the CET1 ratio's decrease (down 40 basis point) is mainly due prudential filters increase (mainly stemming from new core banking system investments and a decrease of transitional provisions related to introduction of IFRS9).

Half-Year Capital Ratios (Solvency Ratio)		
	31/12/2022	30/06/2023
Common Equity Tier 1 Ratio	14.03%	13.63%
Tier 1 Ratio	15.71%	15.31%
Capital Adequacy Ratio	18.04%	18.59%

[2] We could also mention that in case of the hypothetical inclusion of the year-to-date 2023 result and the year-to-date dividend (respectively 103 million and 40 million) in the semi-annual ratios, the CET1 ratio will be at a level of 14.24% and Total Capital ratio at 19.19%.

The table below provides a comprehensive view of key prudential metrics covering the Bank's available capital (including buffer requirements and ratios), its risk-weighted assets (RWA), leverage ratio (LR), liquidity coverage ratio (LCR) and net stable funding ratio (NSFR).

TABLE KM1: KEY METRICS AT CONSOLIDATED GROUP LEVEL (IN EUR MILLION)

(in EUR million)

		30/06/2023	31/03/2023
		a	b
		T	T-1
	Available own funds (amounts)		
1	Common Equity Tier 1 (CET1) capital	1,422.92	1,448.13
2	Tier 1 capital	1,597.92	1,623.13
3	Total capital	1,940.06	1,966.48
	Risk-weighted exposure amounts		
4	Total risk exposure amount	10,436.59	10,732.30
	Capital ratios (as a percentage of risk-weighted exposure amount)		
5	Common Equity Tier 1 ratio (%)	13.63%	13.49%
6	Tier 1 ratio (%)	15.31%	15.12%
7	Total capital ratio (%)	18.59%	18.32%
6a	Fully loaded ECL accounting model Tier 1 ratio (%)	15.58%	
7	Total capital ratio (%)	17.98%	
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)		
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.25%	2.25%
EU 7b	*of which: to be made up of CET1 capital (percentage points)*	*1.27%*	*1.27%*
EU 7c	*of which: to be made up of Tier 1 capital (percentage points)*	*1.69%*	*1.69%*
EU 7d	Total SREP own funds requirements (%)	10.25%	10.25%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)		
8	Capital conservation buffer (%)	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.47%	0.41%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer (%)	0.50%	0.50%
11	Combined buffer requirement (%)	3.47%	3.41%
EU 11a	Overall capital requirements (%)	13.72%	13.66%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.86%	7.72%
	Leverage ratio		
13	Total exposure measure	33,294.04	34,313.17
14	Leverage ratio (%)	4.78%	4.71%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)		
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%
EU 14b	*of which: to be made up of CET1 capital (percentage points)*	*0.00%*	*0.00%*
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)		
EU 14d	Leverage ratio buffer requirement (%)	0.00%	0.00%
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%
	Liquidity Coverage Ratio		
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	9,907.74	10,482.50
EU 16a	Cash outflows - Total weighted value	6,972.15	8,035.22
EU 16b	Cash inflows - Total weighted value	555.11	616.76
16	Total net cash outflows (adjusted value)	6,417.04	7,418.46
17	Liquidity coverage ratio (%)	154.4%	141.3%
	Net Stable Funding Ratio		
18	Total available stable funding	18,322.50	18,384.55
19	Total required stable funding	14,751.88	15,118.68
20	NSFR ratio (%)	124.20%	121.60%

1.1 Regulatory capital adequacy (Pillar I)

1.1.1 Regulatory Capital

According to the Basel III rules and the phasing-out of some prudential filters, the Bank's regulatory capital consists of:

- CET 1 capital: capital instruments, share premiums, retained earnings, including the case may be partial current year profit (in accordance with article 26 (2) of Regulation 575/2013 in conjunction with commission regulated delegation EU 241/2014 and ECB decision ECB/2015/4), foreign currency translation adjustment less intangible assets, defined benefit pension fund and deferred tax assets that rely on future probability;
- Tier 1 capital: CET 1 capital and Additional Tier 1 capital. The AT1 capital is represented by the issue of EUR 175 million of Fixed Rate Resettable Callable Additional Tier 1 Capital Notes at rate of 5.250%, on 14 November 2019;
- Tier 2 capital: eligible portion of subordinated long-term debt.

The following table details the transitional own funds disclosure in accordance with Annex VI of the Regulation (EU) No 1423/2013:

	Common Equity Tier 1 capital : instruments and reserves	(A) AMOUNT AT DISCLOSURE DATE	(B) REGULATION (EU) No 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) No 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) 575/2013
1	Capital instruments and the related share premium accounts	906.64	26 (1), 27, 28, 29, EBA list 26 (3)	N/A
	of which: Instrument type 1	906.64	EBA list 26 (3)	N/A
2	Retained earnings	905.71	26 (1) (c)	N/A
3	Accumulated other comprehensive income (and other reserves, to include unrealised gains and losses under the applicable accounting standards)	242.55	26 (1)	N/A
3a	Funds for general banking risk		26 (1) (f)	N/A
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1		486 (2)	N/A
	Public sector capital injections grandfathered until 1 January 2018		483 (2)	N/A
5	Minority interests (amount allowed in consolidated CET1)		84, 479, 480	N/A
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	.00	26 (2)	N/A
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**2,054.90**		**N/A**

Common Equity Tier 1 capital : instruments and reserves		(A) AMOUNT AT DISCLOSURE DATE	(B) REGULATION (EU) No 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) No 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) 575/2013
Common Equity Tier 1 capital : regulatory adjustments				
7	Additional value adjustments (negative amount)	-107.74	34, 105	N/A
8	Intangible assets (net of related tax liability) (negative amount)	-331.35	36 (1) (b), 37, 472 (4)	N/A
9	Empty set in the EU			N/A
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-113.43	36 (1) (c), 38, 472 (5)	N/A
11	Fair value reserves related to gains or losses on cash flow hedges	-2.59	33 (a)	N/A
12	Negative amounts resulting from the calculation of expected loss amounts	-1.90	36 (1) (d), 40, 159, 472 (6)	N/A
13	Any increase in equity that results from securitised assets (negative amount)		32 (1)	N/A
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-1.52	33 (1) (b) (c)	N/A
15	Defined-benefit pension fund assets (negative amount)	-21.67	36 (1) (e), 41, 472 (7)	N/A
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	.00	36 (1) (f), 42, 472 (8)	N/A
17	Holdings of the CET1 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, 472 (9)	N/A
18	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		36 (1) (h), 43, 45, 46, 49 (2) (3), 79, 472 (10)	N/A
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		36 (1) (i), 43, 45, 47, 48 (1) (b), 49 (1) to (3), 79, 470, 472 (11)	N/A
20	Empty set in the EU			N/A
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)	N/A
20b	of which: qualifying holdings outside the financial sector (negative amount)		36 (1) (k) (i), 89 to 91	N/A
20c	of which: securitisation positions (negative amount)		36 (1) (k) (ii) 243 (1) (b) 244 (1) (b) 258	N/A
20d	of which: free deliveries (negative amount)		36 (1) (k) (iii), 379 (3)	N/A
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)		36 (1) (c), 38, 48 (1) (a), 470, 472 (5)	N/A
22	Amount exceeding the 15% threshold (negative amount)		48 (1)	N/A
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		36 (1) (i), 48 (1) (b), 470, 472 (11)	N/A

Common Equity Tier 1 capital : instruments and reserves		(A) AMOUNT AT DISCLOSURE DATE	(B) REGULATION (EU) No 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) No 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) 575/2013
24	Inclusion in Common Equity Tier 1 capital of transitory prescriptions of the article 473bis of the EU Regulation 2017/2395 (as modified by the EU Regulation 2020/873)	.00	473 bis	N/A
25	of which: deferred tax assets arising from temporary differences		36 (1) (c), 38, 48 (1) (a), 470, 472 (5)	N/A
25a	Losses for the current financial year (negative amount)		36 (1) (a), 472 (3)	N/A
25b	Foreseeable tax charges relating to CET1 items (negative amount)		36 (1) (l)	N/A
26	Regulatory adjustments applied to Common Equity Tier 1 in respect of amounts subject to pre-CRR treatment			N/A
26a	Regulatory adjustments relating to unrealised gains and losses pursuant to Articles 467 and 468			N/A
	Of which: ... filter for unrealised loss 1		467	N/A
	Of which: ... filter for unrealised loss 2		467	N/A
	Of which: ... filter for unrealised gain 1		468	N/A
	Of which: ... filter for unrealised gain 2		468	N/A
26b	Amount to be deducted from or added to Common Equity Tier 1 capital with regard to additional filters and deductions required pre CRR	.00	481	N/A
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)		36 (1) (j)	N/A
27a	Other regulatory adjustments	-51.78		
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**-631.98**		**N/A**
29	**Common Equity Tier 1 (CET1) capital**	**1,422.92**		**N/A**
Additional Tier 1 (AT1) capital: instruments				
30	Capital instruments and the related share premium accounts	175.00	51, 52	N/A
31	of which: classified as equity under applicable accounting standards	175.00		N/A
32	of which: classified as liabilities under applicable accounting standards	.00		N/A
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)	N/A
	Public sector capital injections grandfathered until 1 January 2018		483 (3)	N/A
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, 480	N/A
35	of which: instruments issued by subsidiaries subject to phase out		486 (3)	N/A
36	Additional Tier 1 (AT1) capital before regulatory adjustments	175.00		N/A
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, 475 (2)	N/A
38	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, 475 (3)	N/A
39	Direct and indirect holdings by the institution 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, 475 (4)	N/A

	Common Equity Tier 1 capital : instruments and reserves	(A) AMOUNT AT DISCLOSURE DATE	(B) REGULATION (EU) No 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) No 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) 575/2013
40	Direct and indirect holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		56 (d), 59, 79, 475 (4)	N/A
41	Regulatory adjustments applied to Additional Tier 1 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)			N/A
41a	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013		472, 473(3)(a), 472 (4), 472 (6), 472 (8) (a), 472 (9), 472 (10) (a), 472 (11) (a)	N/A
41b	Residual amounts deducted from Additional Tier 1 capital with regard to deduction from Tier 2 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013		477, 477 (3), 477 (4) (a)	N/A
41c	Amount to be deducted from or added to Additional Tier 1 capital with regard to additional filters and deductions required pre CRR		467, 468, 481	N/A
42	Qualifying T2 deductions that exceed the T2 capital of the institution (negative amount)		56 (e)	N/A
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**			**N/A**
44	**Additional Tier 1 (AT1) capital**	**175.00**		**N/A**
45	**Tier 1 capital (T1=CET1+AT1)**	**1,597.92**		**N/A**
Tier 2 (T2) capital: instruments and provisions				
46	Capital instruments and the related share premium accounts	342.14	62, 63	N/A
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)	N/A
	Public sector capital injections grandfathered until 1 January 2018		483 (4)	N/A
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 and 34) issued by subsidiaries and held by third parties		87, 88, 480	N/A
49	of which: instruments issued by subsidiaries subject to phase out		486 (4)	N/A
50	Credit risk adjustments		62 (c) & (d)	N/A
51	**Tier 2 (T2) capital before regulatory adjustments**	**342.14**		**N/A**
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, 477 (2)	N/A
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, 477 (3)	N/A
54	Direct and indirect holdings by the institution 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 (c), 69, 70, 79, 477 (4)	N/A
54a	Of which new holdings not subject to transitional arrangements			N/A
54b	Of which holdings existing before 1 January 2013 and subject to transitional arrangements			N/A

	Common Equity Tier 1 capital : instruments and reserves	(A) AMOUNT AT DISCLOSURE DATE	(B) REGULATION (EU) No 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) No 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) 575/2013
55	Direct and indirect synthetic 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 (d), 69, 79, 477 (4)	N/A
56	Regulatory adjustments applied to Tier 2 in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)			N/A
56a	Residual amounts deducted from Tier 2 capital with regard to deduction from Common Equity Tier 1 capital during the transitional period pursuant to article 472 of Regulation (EU) No 575/2013		472, 472(3)(a), 472 (4), 472 (6), 472 (8), 472 (9), 472 (10) (a), 472 (11) (a)	N/A
	Of which items to be detailed line by line, e.g. material net interim losses, intangibles, shortfall of provisions to expected losses, etc			N/A
56b	Residual amounts deducted from Tier 2 capital with regard to deduction from Additional Tier 1 capital during the transitional period pursuant to article 475 of Regulation (EU) No 575/2013		475, 475 (2) (a), 475 (3), 475 (4) (a)	N/A
	Of which items to be detailed line by line, e.g. reciprocal cross holdings in AT1 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc			N/A
56c	Amount to be deducted from or added to Tier 2 capital with regard to additional filters and deductions required pre CRR		467, 468, 481	N/A
	Of which: ... possible filter for unrealised losses		467	N/A
	Of which: ... possible filter for unrealised gains		468	N/A
	Of which:...		481	N/A
57	Total regulatory adjustments to Tier 2 (T2) capital			N/A
58	Tier 2 (T2) capital	342.14		N/A
59	Total capital (TC=T1+T2)	1,940.06		N/A
59a	Risk weighted assets in respect of amounts subject to pre-CRR treatment and transitional treatments subject to phase out as prescribed in Regulation (EU) No 575/2013 (i.e. CRR residual amounts)			N/A
	Of which:... items not deducted from CET1 (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Deferred tax assets that rely on future profitability net of related tax liability, indirect holdings of own CET1, etc)		472, 472 (5), 472 (8) (b), 472 (10) (b), 472 (11) (b)	N/A
	Of which:...items not deducted from AT1 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Reciprocal cross holdings in T2 instruments, direct holdings of non-significant investments in the capital of other financial sector entities, etc.)		475, 475 (2) (b), 475 (2) ©, 475 (4) (b)	N/A
	Items not deducted from T2 items (Regulation (EU) No 575/2013 residual amounts) (items to be detailed line by line, e.g. Indirect holdings of own T2 instruments, indirect holdings of non-significant investments in the capital of other financial sector entities, indirect holdings of significant investments in the capital of other financial sector entities etc)		477, 477 (2) (b), 477 (2) (c), 477 (4) (b)	N/A
60	**Total risk weighted assets**	**10,436.59**		**N/A**

Common Equity Tier 1 capital : instruments and reserves		(A) AMOUNT AT DISCLOSURE DATE	(B) REGULATION (EU) No 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) No 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) 575/2013
Capital ratios and buffers				
61	Common Equity Tier 1 (as a percentage of risk exposure amount)	13.63%	92 (2) (a), 465	N/A
62	Tier 1 (as a percentage of risk exposure amount)	15.31%	92 (2) (b), 465	N/A
63	Total capital (as a percentage of risk exposure amount)	18.59%	92 (2) (c)	N/A
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) plus capital conservation and countercyclical buffer requirements, plus systemic buffer, plus the systemically important institution buffer (G-SII or O-SII buffer), expressed as a percentage of risk exposure amount)	3.47%	CRD 128, 129, 140	N/A
65	of which: capital conservation buffer requirement	2.50%		N/A
66	of which: countercyclical buffer requirement	0.47%		N/A
67	of which: systemic risk buffer requirement	0.00%		N/A
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer	0.50%	CRD 131	N/A
68	Common Equity Tier 1 available to meet buffers (as a percentage of risk exposure amount)	7.87%	CRD 128	N/A
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)	3.89	36 (1) (h), 45, 46, 472 (10) 56 (c), 59, 60, 475 (4), 66 (c), 69, 70, 477 (4)	N/A
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)	4.36	36 (1) (i), 45, 48, 470, 472 (11)	N/A
74	Empty set in the EU			N/A
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	25.10	36 (1) (c), 38, 48, 470, 472 (5)	N/A
Applicable caps on the inclusion of provisions in Tier 2				
76	Credit risk adjustments included in Tier 2 in respect of exposures subject to standardized approach (prior to the application of the cap)		62	N/A
77	Cap on inclusion of credit risk adjustments in T2 under standardized approach	35.64	62	N/A
78	Credit risk adjustments included in Tier 2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)		62	N/A
79	Cap on inclusion of credit risk adjustments in T2 under internal ratings-based approach	39.22	62	N/A
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2013 and 1 Jan 2022)				
80	Current cap on CET1 instruments subject to phase out arrangements		484 (3), 486 (2) & (5)	N/A

Common Equity Tier 1 capital : instruments and reserves		(A) AMOUNT AT DISCLOSURE DATE	(B) REGULATION (EU) No 575/2013 ARTICLE REFERENCE	(C) AMOUNTS SUBJECT TO PRE-REGULATION (EU) No 575/2013 TREATMENT OR PRESCRIBED RESIDUAL AMOUNT OF REGULATION (EU) 575/2013
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		484 (3), 486 (2) & (5)	N/A
82	Current cap on AT1 instruments subject to phase out arrangements		484 (4), 486 (3) & (5)	N/A
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		484 (4), 486 (3) & (5)	N/A
84	Current cap on T2 instruments subject to phase out arrangements		484 (5), 486 (4) & (5)	N/A
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		484 (5), 486 (4) & (5)	N/A

Reconciliation between Regulatory Capital and Shareholders' equity as per Financial Statements, as required by Annex I of the Regulation (EU) No 1423/2013:

TEMPLATE EU CC2 – RECONCILIATION OF REGULATORY OWN FUNDS TO BALANCE SHEET IN THE AUDITED FINANCIAL STATEMENTS

Solvency Ratios (in EUR)	30/06/2023	References to 2023 Half Year Financial Statements	Comments
Subscribed capital	146,108,270	Consolidated balance sheet	
Additional paid-in capital	760,527,961	Consolidated balance sheet	
Treasury shares	0	Consolidated balance sheet	
Reserves and retained earnings	905,713,631	Consolidated balance sheet	
Eligible Net Income included in regulatory capital	0	Consolidated balance sheet	The ECB published on February 4, 2015, its decision ECB/2015/4 referring to the condition under which credit institutions are permitted to include interim or year-end profits in Common Equity Tier 1 capital in accordance with Article 26(2) of Regulation EU 575/2013 and in conjunction with commission regulated delegation EU 241/2014.
Gains and losses not recognised in the consolidated statement of income	242,545,230	Consolidated balance sheet	
Regulatory and transitional adjustments[1]	(631,979,459)	cf hereunder	
TOTAL CET1	1,422,915,634		
Additional Tier 1 instrument (issued on November 14, 2019)	175,000,000	Consolidated balance sheet	Notional amount is taken into consideration.
TOTAL Tier 1	1,597,915,634		
Subordinated liabilities	342,143,990	Note 4.3 of the consolidated fiinancial statements	Difference due to application of Art 64 of Regulation EU 575/2013
TOTAL CAPITAL	1,940,059,623		

[1]REGULATORY AND TRANSITIONAL ADJUSTMENTS – COMMON EQUITY TIER 1	30/06/2023	References to 2023 Half Year Financial Statements	Comments
Goodwill and intangible assets	(331,345,642)	Consolidated balance sheet	Difference due to prudential treatment of sofware assets - Application of amended Delegated Regulation EU 241/2014.
Deferred tax assets that rely on future probability	(113,429,651)	Consolidated balance sheet	Difference due to application of Article 38 (3) of Regulation EU 575/2013.
Fair value reserves related to gains or losses cash flow hedges	(2,592,724)	Consolidated statement of changes in equity	
Gains or losses on liabilities at fair value resulting from own credit risk	(1,523,501)	Note 6.2.2.7 of the consolidated fiinancial statements	
Additional Value Adjustment	(107,742,648)		Information not disclosed in the financial statements - Application of Art 34 of Regulation EU 575/2013,
Defined benefit pension fund assets	(21,670,105)		Information not disclosed in the financial statements.
Tansional provisions related to IFRS 9	7,456,234		Information not disclosed in the financial statements - Application of Art 473bis of Regulation EU 2017/2395 as modified by Regulation EU 2020/873.
IRB shortfall	(1,896,913)		Information not disclosed in the financial statements.
Unrealized gains on investment properties	(22,359,351)		Information not disclosed in the financial statements.
Other Regulatory adjustments	(36,875,158)		Insufficient coverage for non-performing exposures and Irrevocable Payment Commitment filter.
TOTAL REGULATORY AND TRANSITIONAL ADJUSTMENTS ON COMMON EQUITY TIER 1	(631,979,459)		

1.1.2 Risk Weighted Assets

In accordance with Article 138 (c) to (f) of the Regulation (EU) No 575/2013 (CRR), the following table shows Risk Weighted Assets (RWA) and regulatory capital requirements broken down by risk types and model approaches compared to the previous reporting period on a quarterly basis. The capital requirements have been obtained by applying 8% to the corresponding RWA.

TEMPLATE EU OV1 – OVERVIEW OF RWAS (IN EUR MILLION)

		30/06/2023	31/03/2023	30/06/2023
		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		T	T-1	T
1	Credit risk (excluding CCR)	9,166.29	9,579.23	733.30
2	Of which the standardised approach	2,669.91	2,816.90	213.59
3	Of which the Foundation IRB (F-IRB) approach	1,058.65	1,244.22	84.69
4	Of which slotting approach	2,109.25	2,166.98	168.74
EU 4a	Of which equities under the simple risk weighted approach	0.01	0.01	0.00
5	Of which the Advanced IRB (A-IRB) approach	2,863.09	2,886.21	229.05
6	Counterparty credit risk - CCR	220.67	104.93	17.65
7	Of which the standardised approach	49.66	48.32	3.97
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	44.30	44.32	3.54
EU 8b	Of which credit valuation adjustment - CVA	22.02	11.15	1.76
9	Of which other CCR	104.68	1.13	8.37
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)	35.17	26.21	2.81
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	35.17	26.21	2.81
19	Of which SEC-SA approach	-	-	-
EU 19a	Of which 1250% / deduction	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	13.92	21.40	1.11
21	Of which the standardised approach	13.92	21.40	1.11
22	Of which IMA	-	-	-
EU 22a	Large exposures	-	-	-
23	Operational risk	1,000.54	1,000.54	80.04
EU 23a	Of which basic indicator approach	-	-	-
EU 23b	Of which standardised approach	1,000.54	1,000.54	80.04
EU 23c	Of which advanced measurement approach	-	-	-
24	Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	-	-	-
25	Not applicable	-	-	-
26	Not applicable	-	-	-
27	Not applicable	-	-	-
28	Not applicable	-	-	-
29	TOTAL	10,436.59	10,732.30	834.93

The Bank's total RWAs amounted to EUR 10.43 billion as 30 June 2023, compared to EUR 10.73 billion as of 31 March 2023. The overall decrease of about EUR 30 million mainly reflects decrease in credit risk RWA.

1.1.2.1 Weighted risks

Since the setup of the Basel framework, the Bank has been compliant with capital requirements related to credit, market, operational and counterparty risk and publishing its solvency ratios.

For credit risk, BIL Group has decided to use the Advanced-Internal Rating Based (A-IRB) approach for its main counterparties (i.e. SMEs and Retail) to compute associated risk weighted assets (RWA). The Bank has adopted the Advanced – Foundation (A-FOU) approach on the Large Corporates exposures while Sovereign and Institution related exposures are subject to Standardised method. When it comes to Market Risk, the Bank has adopted the Standardised method; this choice is based on the Bank's moderate trading activity, whose main purpose is to serve BIL's customers for the purchase or sale of bonds, foreign currencies, equities and structured products. The Standardised method is also used for the calculation of the risk weights related to operational risks.

1.1.3 Specialised lending and equity exposures in the banking book

In compliance with the last paragraph of Article 438 of the Regulation (EU) No 575/2013 (CRR), the following table shows risk-weighted exposure amounts.

TEMPLATE EU CR10 - SPECIALISED LENDING AND EQUITY EXPOSURES UNDER THE SIMPLE RISK WEIGHTED APPROACH

(in EUR million)		SPECIALISED LENDING: INCOME-PRODUCING REAL ESTATE AND HIGH VOLATILITY COMMERCIAL REAL ESTATE (SLOTTING APPROACH)					
Regulatory categories	**Remaining maturity**	**On-balancesheet exposure**	**Off-balancesheet exposure**	**Risk weight**	**Exposure value**	**Risk weighted exposure amount**	**Expected loss amount**
		a	b	c	d	e	f
Category 1	Less than 2.5 years	75.94	17.52	50%	76.58	40.18	-
	Equal to or more than 2.5 years	256.54	133.98	70%	334.29	240.37	1.34
Category 2	Less than 2.5 years	729.21	169.04	70%	777.80	553.05	3.11
	Equal to or more than 2.5 years	766.38	339.56	90%	950.15	871.15	7.60
Category 3	Less than 2.5 years	141.05	12.95	115%	142.13	169.58	3.98
	Equal to or more than 2.5 years	184.15	31.11	115%	201.41	229.99	5.64
Category 4	Less than 2.5 years	-	0.02	250%	-	-	-
	Equal to or more than 2.5 years	-	4.93	250%	2.46	4.93	0.20
Category 5	Less than 2.5 years	14.15	1.11	-	14.15	-	7.08
	Equal to or more than 2.5 years	6.75	3.14	-	8.32	-	4.16
TOTAL	**Less than 2.5 years**	**960.36**	**200.64**		**1,010.66**	**762.81**	**14.17**
	Equal to or more than 2.5 years	**1,213.81**	**512.72**		**1,496.64**	**1,346.43**	**18.93**

TEMPLATE EU CR10.5

(in EUR million)	SPECIALISED LENDING: INCOME-PRODUCING REAL ESTATE AND HIGH VOLATILITY COMMERCIAL REAL ESTATE (SLOTTING APPROACH)					
Regulatory categories	**On-balancesheet exposure**	**Off-balancesheet exposure**	**Risk weight**	**Exposure value**	**Risk weighted exposure amount**	**Expected loss amount**
	a	b	c	d	e	f
Private equity exposures	0.01	-	190%	0.01	0.01	0.00
Exchange-traded equity exposures	-	-	290%	-	-	-
Other equity exposures	-	-	370%	-	-	-
TOTAL	**0.01**	**-**		**0.01**	**0.01**	**0.00**

Own funds and capital adequacy

1.1.4 Countercyclical capital buffer disclosure template

In accordance with Article 440 (a) and (b) in the CRR, the following tables disclose the amount of the Bank's specific countercyclical buffer as well as the geographical distribution of credit exposures relevant for its calculation in the standard format as set out in Commission Delegated Regulation (EU) 2015/1555.

1.1.4.1 Institution specific

The following table shows an overview of the Bank's countercyclical exposure and buffer requirements (in EUR million):

1	Total risk exposure amount	10,436.59
2	Institution specific countercyclical capital buffer rate	0.4677%
3	Institution specific countercyclical capital buffer requirement	48.81

The final bank-specific buffer add-on rate (i.e. the weighted average of countercyclical capital buffer rates in jurisdictions to which the Bank has private sector credit exposures) applies to bank-wide total RWA (including credit, market, and operational risk). Countercyclical capital buffer rates are determined by Basel Committee member jurisdictions.

As per 30 June 2023, the institution-specific countercyclical capital buffer stood at 0.47%.

1.1.4.2 Geographical distribution of credit exposures relevant for the calculation

The geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer is disclosed in the table below:

	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures – Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
Breakdown by country:													
ALGERIA	-	0.00	-	-	-	0.00	0.00	-	-	0.00	0.00	0.00%	0.00%
ANDORRA	-	1.80	-	-	-	1.80	0.09	-	-	0.09	1.10	0.01%	0.00%
ARGENTINA	-	1.44	-	-	-	1.44	0.06	-	-	0.06	0.81	0.01%	0.00%
AUSTRALIA	56.90	0.79	-	-	-	57.69	0.51	-	-	0.51	6.33	0.07%	0.00%
AUSTRIA	-	35.38	-	-	-	35.38	0.71	-	-	0.71	8.88	0.10%	0.00%
BAHAMAS	0.00	3.55	-	-	-	3.55	0.15	-	-	0.15	1.89	0.02%	0.00%
BAHRAIN	-	1.89	-	-	-	1.89	0.01	-	-	0.01	0.10	0.00%	0.00%
BARBADOS	-	0.02	-	-	-	0.02	-	-	-	-	-	0.00%	0.00%
BELGIUM	55.59	597.03	-	-	13.96	666.58	19.58	-	0.11	19.70	246.20	2.87%	0.00%
BELIZE	-	4.78	-	-	-	4.78	0.02	-	-	0.02	0.26	0.00%	0.00%
BERMUDA	0.01	0.57	-	-	-	0.58	0.01	-	-	0.01	0.08	0.00%	0.00%
BRAZIL	0.00	0.01	-	-	-	0.01	0.00	-	-	0.00	0.01	0.00%	0.00%
BRUNEI DARUSSALAM	0.01	-	-	-	-	0.01	0.00	-	-	0.00	0.01	0.00%	0.00%
BULGARIA	-	0.03	-	-	-	0.03	0.00	-	-	0.00	0.00	0.00%	1.50%
CAMBODIA	-	0.16	-	-	-	0.16	0.00	-	-	0.00	0.00	0.00%	0.00%
CANADA	156.60	2.19	-	-	-	158.79	1.34	-	-	1.34	16.80	0.20%	0.00%
CAYMAN ISLANDS	25.99	1.51	-	-	-	27.51	2.21	-	-	2.21	27.57	0.32%	0.00%
CHILE	-	0.05	-	-	-	0.05	0.00	-	-	0.00	0.00	0.00%	0.00%
CHINA	24.63	6.94	-	-	-	31.57	2.21	-	-	2.21	27.66	0.32%	0.00%
COOK ISLAND	-	0.00	-	-	-	0.00	0.00	-	-	0.00	0.00	0.00%	0.00%
CROATIA	-	0.21	-	-	-	0.21	0.00	-	-	0.00	0.02	0.00%	0.50%
CURACAO	-	0.21	-	-	-	0.21	-	-	-	-	-	0.00%	0.00%
CYPRUS	0.12	63.09	-	-	-	63.21	1.45	-	-	1.45	18.12	0.21%	0.00%
CZECH REPUBLIC	13.52	1.84	-	-	-	15.36	1.15	-	-	1.15	14.43	0.17%	2.50%
DENMARK	0.27	5.76	-	-	-	6.03	0.19	-	-	0.19	2.38	0.03%	2.50%
EGYPT	-	0.33	-	-	-	0.33	0.00	-	-	0.00	0.03	0.00%	0.00%
ESTONIA	-	0.06	-	-	-	0.06	0.00	-	-	0.00	0.00	0.00%	1.00%
FINLAND	1.43	7.73	-	-	-	9.16	1.06	-	-	1.06	13.19	0.15%	0.00%
FRANCE (INCLUDING DOM-TOM)	440.84	1,279.63	-	-	90.52	1,810.99	72.94	-	0.72	73.66	920.78	10.72%	0.50%

	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
GEORGIA	-	1.01	-	-	-	1.01	0.00	-	-	0.00	0.00	0.00%	0.00%
GERMANY	81.36	459.54	-	-	39.22	580.13	20.19	-	0.31	20.50	256.28	2.98%	0.75%
GHANA	-	0.00	-	-	-	0.00	0.00	-	-	0.00	0.00	0.00%	0.00%
GIBRALTAR	4.68	8.03	-	-	-	12.71	0.39	-	-	0.39	4.89	0.06%	0.00%
GREECE	-	5.00	-	-	-	5.00	0.05	-	-	0.05	0.69	0.01%	0.00%
GUERNESEY	0.06	3.89	-	-	-	3.94	0.08	-	-	0.08	0.96	0.01%	0.00%
HONG KONG	150.56	26.36	-	-	-	176.92	12.38	-	-	12.38	154.73	1.80%	0.00%
HUNGARY	1.72	0.77	-	-	-	2.49	0.07	-	-	0.07	0.87	0.01%	0.00%
ICELAND	-	0.09	-	-	-	0.09	0.00	-	-	0.00	0.01	0.00%	2.00%
INDIA	-	0.03	-	-	-	0.03	0.00	-	-	0.00	0.00	0.00%	0.00%
INDONESIA	-	0.01	-	-	-	0.01	0.00	-	-	0.00	0.00	0.00%	0.00%
IRAN, ISLAMIC REPUBLIC OF	-	0.00	-	-	-	0.00	0.00	-	-	0.00	0.00	0.00%	0.00%
IRELAND	-	0.75	-	-	19.09	19.85	0.01	-	0.15	0.16	2.04	0.02%	0.50%
ISRAEL	-	14.61	-	-	-	14.61	0.03	-	-	0.03	0.39	0.00%	0.00%
ITALY	8.20	32.43	-	-	32.73	73.36	1.56	-	0.47	2.02	25.29	0.29%	0.00%
JAPAN	9.77	0.33	-	-	-	10.10	0.39	-	-	0.39	4.90	0.06%	0.00%
JERSEY	15.08	0.15	-	-	-	15.23	1.21	-	-	1.21	15.09	0.18%	0.00%
KAZAKSTAN	-	0.05	-	-	-	0.05	0.00	-	-	0.00	0.00	0.00%	0.00%
KENYA	-	0.17	-	-	-	0.17	0.00	-	-	0.00	0.04	0.00%	0.00%
KOREA, REPUBLIC OF	0.00	0.01	-	-	-	0.01	0.00	-	-	0.00	0.00	0.00%	0.00%
KUWAIT	-	0.14	-	-	-	0.14	0.00	-	-	0.00	0.00	0.00%	0.00%
LATVIA	-	0.14	-	-	-	0.14	0.00	-	-	0.00	0.01	0.00%	0.00%
LEBANON	-	4.92	-	-	-	4.92	0.13	-	-	0.13	1.65	0.02%	0.00%
LIECHTENSTEIN	-	8.54	-	-	-	8.54	0.19	-	-	0.19	2.36	0.03%	0.00%
LITHUANIA	-	0.01	-	-	-	0.01	0.00	-	-	0.00	0.00	0.00%	0.00%
LUXEMBOURG	1,228.24	13,704.53	-	-	100.57	15,033.34	473.46	-	0.80	474.26	5,928.26	69.01%	0.50%
MACAU	0.00	0.00	-	-	-	0.00	0.00	-	-	0.00	0.00	0.00%	0.00%
MACEDONIA, FORMER YUGOSLAV REP.	-	0.00	-	-	-	0.00	0.00	-	-	0.00	0.00	0.00%	0.00%
MADAGASCAR	-	0.01	-	-	-	0.01	0.00	-	-	0.00	0.01	0.00%	0.00%
MALAYSIA	-	1.17	-	-	-	1.17	0.01	-	-	0.01	0.08	0.00%	0.00%
MALTA	5.07	27.96	-	-	-	33.03	1.74	-	-	1.74	21.78	0.25%	0.00%
MARSHALL ISLANDS	-	2.92	-	-	-	2.92	0.04	-	-	0.04	0.47	0.01%	0.00%
MAURITIUS	-	5.77	-	-	-	5.77	0.08	-	-	0.08	0.99	0.01%	0.00%
MEXICO	-	0.01	-	-	-	0.01	0.00	-	-	0.00	0.00	0.00%	0.00%

	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
MONACO	-	133.49	-	-	-	133.49	3.01	-	-	3.01	37.63	0.44%	0.00%
MONTENEGRO	-	0.00	-	-	-	0.00	0.00	-	-	0.00	0.00	0.00%	0.00%
MOROCCO	0.13	1.93	-	-	-	2.07	0.03	-	-	0.03	0.40	0.00%	0.00%
NETHERLANDS	42.61	111.30	-	-	-	153.91	4.65	-	-	4.65	58.15	0.68%	1.00%
NEW ZEALAND	27.82	0.41	-	-	-	28.23	0.24	-	-	0.24	3.05	0.04%	0.00%
NIGERIA	-	0.01	-	-	-	0.01	0.00	-	-	0.00	0.00	0.00%	0.00%
NORWAY	1.11	59.89	-	-	-	61.00	0.78	-	-	0.78	9.76	0.11%	2.50%
OTHER	3.56	0.09	-	-	-	3.65	0.09	-	-	0.09	1.10	0.01%	0.00%
PANAMA	-	14.25	-	-	-	14.25	0.37	-	-	0.37	4.58	0.05%	0.00%
PARAGUAY	-	0.04	-	-	-	0.04	0.00	-	-	0.00	0.03	0.00%	0.00%
PERU	-	0.03	-	-	-	0.03	0.00	-	-	0.00	0.00	0.00%	0.00%
PHILIPPINES	-	0.03	-	-	-	0.03	0.00	-	-	0.00	0.00	0.00%	0.00%
POLAND	0.34	42.32	-	-	-	42.65	2.94	-	-	2.94	36.76	0.43%	0.00%
PORTUGAL	0.02	22.64	-	-	-	22.66	0.45	-	-	0.45	5.59	0.07%	0.00%
QATAR	111.16	80.99	-	-	-	192.14	5.56	-	-	5.56	69.52	0.81%	0.00%
ROMANIA	-	0.06	-	-	-	0.06	0.00	-	-	0.00	0.01	0.00%	0.50%
RUSSIAN FEDERATION	-	12.94	-	-	-	12.94	0.31	-	-	0.31	3.90	0.05%	0.00%
SAINT KITTS AND NEVIS	-	0.30	-	-	-	0.30	0.00	-	-	0.00	0.01	0.00%	0.00%
SAINT VINCENT AND THE GRENADINES	-	0.01	-	-	-	0.01	0.00	-	-	0.00	0.01	0.00%	0.00%
SAINT-BARTHELEMY	-	0.03	-	-	-	0.03	0.00	-	-	0.00	0.00	0.00%	0.00%
SAMOA	-	0.00	-	-	-	0.00	0.00	-	-	0.00	0.00	0.00%	0.00%
SAN MARINO	-	0.01	-	-	-	0.01	-	-	-	-	-	0.00%	0.00%
SAUDI ARABIA	-	1.59	-	-	-	1.59	0.01	-	-	0.01	0.15	0.00%	0.00%
SERBIA	-	0.00	-	-	-	0.00	0.00	-	-	0.00	0.00	0.00%	0.00%
SEYCHELLES	-	5.97	-	-	-	5.97	0.47	-	-	0.47	5.89	0.07%	0.00%
SINGAPORE	50.03	31.08	-	-	-	81.11	6.05	-	-	6.05	75.59	0.88%	0.00%
SLOVAKIA	-	0.04	-	-	-	0.04	0.00	-	-	0.00	0.00	0.00%	1.00%
SLOVENIA	-	0.04	-	-	-	0.04	0.00	-	-	0.00	0.00	0.00%	0.00%
SOUTH AFRICA	0.00	1.50	-	-	-	1.50	0.02	-	-	0.02	0.22	0.00%	0.00%
SPAIN	85.54	73.34	-	-	25.23	184.11	3.69	-	0.24	3.93	49.09	0.57%	0.00%
SURINAME	-	0.00	-	-	-	0.00	0.00	-	-	0.00	0.00	0.00%	0.00%
SWEDEN	0.33	26.79	-	-	-	27.12	0.82	-	-	0.82	10.27	0.12%	2.00%

	a	b	c	d	e	f	g	h	i	j	k	l	m
	General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
SWITZERLAND	73.29	294.28	-	-	-	367.58	15.72	-	-	15.72	196.49	2.29%	0.00%
TAIWAN	-	0.56	-	-	-	0.56	0.00	-	-	0.00	0.00	0.00%	0.00%
THAILAND	-	5.25	-	-	-	5.25	0.06	-	-	0.06	0.72	0.01%	0.00%
TUNISIA	0.05	0.01	-	-	-	0.06	0.00	-	-	0.00	0.05	0.00%	0.00%
TURKEY	-	12.45	-	-	-	12.45	0.22	-	-	0.22	2.74	0.03%	0.00%
UKRAINE	-	0.24	-	-	-	0.24	0.00	-	-	0.00	0.03	0.00%	0.00%
UNITED ARAB EMIRATES	3.01	38.44	-	-	-	41.45	1.42	-	-	1.42	17.73	0.21%	0.00%
UNITED KINGDOM(NOT NORM.ISD/MAN)	150.34	146.85	-	-	-	297.19	7.52	-	-	7.52	94.06	1.09%	0.00%
UNITED STATES	103.85	25.74	-	-	-	129.58	5.94	-	-	5.94	74.27	0.86%	0.00%
URUGUAY	0.00	0.31	-	-	-	0.31	0.01	-	-	0.01	0.09	0.00%	0.00%
VENEZUELA	-	0.03	-	-	-	0.03	-	-	-	-	-	0.00%	0.00%
VIET NAM	-	0.02	-	-	-	0.02	0.00	-	-	0.00	0.00	0.00%	0.00%
VIRGIN ISLANDS, BRITISH	56.16	86.96	-	-	-	143.12	8.33	-	-	8.33	104.17	1.21%	0.00%
TOTAL	**2,990.03**	**17,558.56**	**-**	**-**	**321.33**	**20,869.91**	**684.43**	**-**	**2.81**	**687.24**	**8,590.53**	**100.00%**	

1.2 Leverage ratio

The leverage ratio (LR) was introduced by the Basel Committee to serve as a simple and non-risk-based ratio to complete the existing risk-based capital requirements[3].

The Basel III leverage ratio is defined as the capital measure divided by the total exposure, with this ratio expressed as a percentage and having to exceed a minimum of 3%.

The capital measure for the leverage ratio is the Tier 1 capital taking account transitional arrangements[4]. The total exposure corresponds to the sum of the following exposures: (a) on-balance sheet exposure, (b) derivative exposure, (c) securities financing transaction (SFT) exposure, and (d) off-balance sheet (OBS) items.

The following tables below disclose the key metrics related to the Leverage ratio.

TEMPLATE EU LR1 - LRSUM: SUMMARY RECONCILIATION OF ACCOUNTING ASSETS AND LEVERAGE RATIO EXPOSURES

(In EUR million)		a
		Applicable amount
1	Total assets as per published financial statements	30,801.01
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	0.00
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	0.00
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	0.00
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	0.00
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	0.00
7	Adjustment for eligible cash pooling transactions	0.00
8	Adjustment for derivative financial instruments	611.86
9	Adjustment for securities financing transactions (SFTs)	-118.99
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	2,259.57
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-86.35
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	0.00
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	0.00
12	Other adjustments	-173.06
13	TOTAL EXPOSURE MEASURE	33,294.04

[3] Final draft ITS amending ITS on LR Disclosure (EBA-ITS-2014-04-rev1).
[4] The capital measure for the leverage ratio is the Tier 1 capital of the risk-based capital framework as defined in paragraphs 49 to 96 of the Basel III framework taking account of the transitional arrangements. The Basel Committee is using the transition period to monitor banks' leverage ratio data on a semi-annual basis to assess whether the proposed design and calibration of a minimum Tier 1 leverage ratio of 3% is appropriate over a full credit cycle and for different types of business models.

TEMPLATE EU LR2 - LRCOM: LEVERAGE RATIO COMMON DISCLOSURE

		30/06/2023	31/12/2022
		CRR leverage ratio exposures	
		a	b
(In EUR million)		T	T-1
	On-balance sheet exposures (excluding derivatives and SFTs)		
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	29,898.92	31,451.09
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	0.00	0.00
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	0.00	0.00
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	0.00	0.00
5	(General credit risk adjustments to on-balance sheet items)	-77.22	-90.59
6	(Asset amounts deducted in determining Tier 1 capital)	-639.44	-659.36
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	29,182.26	30,701.14
	Derivative exposures		
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	916.63	1,031.10
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	0.00	0.00
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	412.67	373.86
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	0.00	0.00
EU-9b	Exposure determined under Original Exposure Method	0.00	0.00
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	0.00	0.00
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	0.00	0.00
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	0.00	0.00
11	Adjusted effective notional amount of written credit derivatives	0.00	0.00
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	0.00	0.00
13	**Total derivatives exposures**	1,329.30	1,404.96
	Securities financing transaction (SFT) exposures		
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	742.22	1,093.75
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-416.45	-769.82
16	Counterparty credit risk exposure for SFT assets	278.10	80.15
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	0.00	0.00
17	Agent transaction exposures	0.00	0.00
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	0.00	0.00
18	**Total securities financing transaction exposures**	603.87	404.08

(In EUR million)		30/06/2023 CRR leverage ratio exposures a T	31/12/2022 b T-1
	Other off-balance sheet exposures		
19	Off-balance sheet exposures at gross notional amount	5,300.60	5,389.76
20	(Adjustments for conversion to credit equivalent amounts)	-3,050.17	-3,043.73
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)	-9.13	-10.23
22	**Off-balance sheet exposures**	2,250.44	2,346.03
	Excluded exposures		
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	0.00	0.00
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	0.00	0.00
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	0.00	0.00
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	0.00	0.00
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	0.00	0.00
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-71.84	-81.92
EU-22g	(Excluded excess collateral deposited at triparty agents)	0.00	0.00
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	0.00	0.00
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	0.00	0.00
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	0.00	0.00
EU-22k	(Total exempted exposures)	-71.84	-81.92
	Capital and total exposure measure		
23	**Tier 1 capital**	1,590.46	1,619.19
24	**Total exposure measure**	**33,294.04**	**34,774.29**
	Leverage ratio		
25	Leverage ratio (%)	4.78%	4.66%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	4.78%	4.66%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	4.78%	4.66%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%
EU-26b	of which: to be made up of CET1 capital	0.00%	0.00%
27	Leverage ratio buffer requirement (%)	0.00%	0.00%
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%

(In EUR million)		30/06/2023 CRR leverage ratio exposures a T	31/12/2022 b T-1
	Choice on transitional arrangements and relevant exposures		
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Fully loaded	Fully loaded
	Disclosure of mean values		
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	378.51	284.93
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	325.77	323.93
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	33,346.78	34,735.29
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	33,346.78	34,735.29
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4.77%	4.66%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	4.77%	4.66%

TEMPLATE EU LR3 - LRSPL: SPLIT-UP OF ON BALANCE SHEET EXPOSURES (EXCLUDING DERIVATIVES, SFTS AND EXEMPTED EXPOSURES)

(In EUR million)		a CRR leverage ratio exposures
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	29,770.25
EU-2	Trading book exposures	16.49
EU-3	Banking book exposures, of which:	
EU-4	Covered bonds	428.37
EU-5	Exposures treated as sovereigns	8,250.75
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	1,256.97
EU-7	Institutions	1,868.44
EU-8	Secured by mortgages of immovable properties	8,042.50
EU-9	Retail exposures	3,008.28
EU-10	Corporates	5,269.79
EU-11	Exposures in default	334.98
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	1,293.68

At 30 June 2023, BIL Group's leverage ratio stood at 4.78% (fully phased-in definition), compared with year-end 2022 level of 4.66%. This level is supported by the Bank's limited use of derivatives and securities financing transactions. The composition of BIL Group's exposure reflects its business model, based on a commercial orientation.

In EUR million	31/12/2022	30/06/2023
Tier 1 Capital	1 619	1 590
Total Exposure	34 774	33 294
LEVERAGE RATIO	4,66%	4,78%

The Bank considers the leverage ratio in its capital and financial planning to ensure that levels are consistent with the Basel leverage ratio requirement. The Bank actively manages its balance sheet size through its Financial Markets desks of which the Treasury and ALM desks by limiting interbank operations. The leverage ratio is discussed on a regular basis at senior management level as it is part of the Bank's Risk Appetite framework.

1.3 Minimum Requirement for own funds and Eligible Liabilities (MREL)

Where the bail-in tool is envisaged as part of the resolution plan under the Bank Recovery and Resolution Directive (BRRD), the resolution authorities will require banks to raise and hold the capital resources (Eligible Liabilities) that will be either written- down or converted into equity ("bailed-in") as part of the resolution. MREL is the amount of the bail-inable liabilities that banks have to maintain as per their resolution plan. Since 2022, the SRB has requested that BIL fulfil two MREL ratios: There are calculated (i) as the amount of own funds and eligible liabilities expressed as a percentage of the Total RWA (MREL RWA) and, (ii) as the amount of own funds and eligible liabilities expressed as a percentage of the Total exposures of the Leverage ratio (MREL TEM). At the end of June 2023, the respective values of these two ratios versus their requirements are (rounded):

- MREL RWA: 45% versus a requirement of 21.31%
- MREL TEM: 14% versus a requirement of 5.9%

- To note that these figures reflect the impact of the prior permissions as per EBA Q&A 6576 and EBA Consultation Paper amending the ITS on disclosures and reporting on MREL dated 7 July 2023.

TEMPLATE EU KM2:
KEY METRICS – MREL AND, WHERE APPLICABLE, G-SII REQUIREMENT FOR OWN FUNDS AND ELIGIBLE LIABILITIES

G-SII requirements data are not applicable for the Bank.

		Minimum requirement for own funds and eligible liabilities (MREL)	G-SII Requirement for own funds and eligible liabilities (TLAC)				
		a	b	c	d	e	f
	(In EUR million)	T	T	T-1	T-2	T-3	T-4
	Own funds and eligible liabilities, ratios and components						
1	Own funds and eligible liabilities	4,709,161,833					
EU-1a	Of which own funds and subordinated liabilities	2,493,673,253					
2	Total risk exposure amount of the resolution group (TREA)	10,436,587,918					
3	Own funds and eligible liabilities as a percentage of TREA (row1/row2)	45%					
EU-3a	Of which own funds and subordinated liabilities	24%					
4	Total exposure measure of the resolution group	33,301,496,607					
5	Own funds and eligible liabilities as percentage of the total exposure measure	14%					
EU-5a	Of which own funds or subordinated liabilities	7%					
6a	Does the subordination exemption in Article 72b(4) of the CRR apply? (5% exemption)						
6b	Pro-memo item - Aggregate amount of permitted non-subordinated eligible liabilities in-struments If the subordination discretion as per Article 72b(3) CRR is applied (max 3.5% exemption)						
6c	Pro-memo item: If a capped subordination exemption applies under Article 72b (3) CRR, the amount of funding issued that ranks pari passu with excluded liabilities and that is recognised under row 1, divided by funding issued that ranks pari passu with excluded Liabilities and that would be recognised under row 1 if no cap was applied (%)						
	Minimum requirement for own funds and eligible liabilities (MREL)						
EU-7	MREL requirement expressed as percentage of the total risk exposure amount	21.31%					
EU-8	Of which to be met with own funds or subordinated liabilities						
EU-9	MREL requirement expressed as percentage of the total exposure measure	5.90%					
EU-10	Of which to be met with own funds or subordinated liabilities						

TEMPLATE EU TLAC1 – COMPOSITION – MREL AND, WHERE APPLICABLE, G-SII REQUIREMENT FOR OWN FUNDS AND ELIGIBLE LIABILITIES

		a	b	c
	(In EUR million)	Minimum requirement for own funds and eligible liabilities (MREL)	G-SII requirement for own funds and eligible liabilities (TLAC)	Memo item: Amounts eligible for the purposes of MREL, but not TLAC
	Own funds and eligible liabilities and adjustments			
1	Common Equity Tier 1 capital (CET1)	1,422,915,634		
2	Additional Tier 1 capital (AT1)	175,000,000		
3	Empty set in the EU			
4	Empty set in the EU			
5	Empty set in the EU			
6	Tier 2 capital (T2)	342,143,990		
7	Empty set in the EU			
8	Empty set in the EU			
11	Own funds for the purpose of Articles 92a CRR and 45 BRRD	1,940,059,623		
	Own funds and eligible liabilities: Non-regulatory capital elements			
12	Eligible liabilities instruments issued directly by the resolution entity that are subordinated to excluded liabilities (not grandfathered)	544,994,373		
EU-12a	Eligible liabilities instruments issued by other entities within the resolution group that are subordinated to excluded liabilities (not grandfathered)	-		
EU-12b	Eligible liabilities instruments that are subordinated to excluded liabilities, issued prior to 27 June 2019 (subordinated grandfathered)	8,011,077		
EU-12c	Tier 2 instruments with a residual maturity of at least one year to the extent they do not qualify as Tier 2 items	608,180		
13	Eligible liabilities that are not subordinated to excluded liabilities (not grandfathered pre cap)	2,132,329,576		
EU-13a	Eligible liabilities that are not subordinated to excluded liabilities issued prior to 27 June 2019 (pre-cap)	83,159,004		
14	Amount of non subordinated instruments eligible, where applicable after application of Article 72b (3) CRR	2,769,102,210		
15	Empty set in the EU			
16	Empty set in the EU			
17	Eligible liabilities items before adjustments	2,769,102,210		
EU-17a	Of which subordinated	0		
	Own funds and eligible liabilities: Adjustments to non-regulatory capital elements			
18	Own funds and eligible liabilities items before adjustments	4,709,161,833		
19	(Deduction of exposures between MPE resolution groups)			
20	(Deduction of investments in other eligible liabilities instruments)			
21	Empty set in the EU			
22	Own funds and eligible liabilities after adjustments	4,709,161,833		
EU-22a	Of which own funds and subordinated	1,940,059,623		

		a	b	c
	(In EUR million)	Minimum requirement for own funds and eligible liabilities (MREL)	G-SII requirement for own funds and eligible liabilities (TLAC)	Memo item: Amounts eligible for the purposes of MREL, but not TLAC
	Risk-weighted exposure amount and leverage exposure measure of the resolution group			
23	Total risk exposure amount	10,436,587,918		
24	Total exposure measure	33,301,496,607		
	Ratio of own funds and eligible liabilities			
25	Own funds and eligible liabilities (as a percentage of total risk exposure amount)	45.12%		
EU-25a	Of which own funds and subordinated	18.59%		
26	Own funds and eligible liabilities (as a percentage of total exposure measure)	14.14%		
EU-26a	Of which own funds and subordinated	5.83%		
27	CET1 (as a percentage of TREA) available after meeting the resolution group's requirements	7.49%		
28	Institution-specific combined buffer requirement			
29	of which: capital conservation buffer requirement			
30	of which: countercyclical buffer requirement			
31	of which: systemic risk buffer requirement			
EU-31a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer			
	Memorandum items			
EU-32	Total amount of excluded liabilities referred to in Article 72a(2) CRR			

Own funds and capital adequacy

TEMPLATE EU TLAC3A – CREDITOR RANKING – RESOLUTION ENTITY

		Insolvency ranking										
		1	2	3	5	6	7	8	9	10	12	Sum of 1 to n
	(In EUR million)	(most junior)										
1	Description of insolvency ranking (free text)	Common Equity Tier 1	Subordinated Additional Tier 1	Subordinated Tier 2	Unsecured claims resulting from debt instruments, in accordance with Art. 152(3) of the law of 18 December 2015 concerning the failing of banks and certain investment firms (Senior non-preferred debt)	Unsecured senior debt (except rank 5), including eligible deposits (except ranks 7 and 9) and including the part of secured instruments which is uncollateralized	Part of the eligible deposits held by natural persons and SME's exceeding the level of guarantee provided by article 171 of the law of 18 December 2015 concerning the failing of banks and certain investment firms; Deposits of natural persons and SME's which would have been eligible if they had not been done by branches located in third countries of EU institutions	Covered deposits: Luxembourg Deposit Guarantee Fund subrogated in the rights and obligations covered by Part III, Title II of the law of 18 December 2015 concerning the failing of banks and certain investment firms	Unpaid wages/salaries of employees referring to the last 6 months and amounting to a maximum of six times the minimum social salary, except rank 12 (super-privilege of employees claims)	Luxembourg treasury (direct taxes and VAT) and of	Liabilities secured by a charge, pledge, mortgage	
2	Liabilities and own funds	1,422,915,634	175,000,000	342,752,170	763,518,037	17,473,202,295	4,820,699,479	81,945,689	4,529,380,422	42,155,718	416,146,939	30,067,716,382
3	of which excluded liabilities	0	0	0	0	282,316,496		81,945,689	4,529,380,422	42,155,718	416,146,939	5,351,945,264
4	Liabilities and own funds less excluded liabilities	1,422,915,634	175,000,000	342,752,170	763,518,037	17,190,885,799	4,820,699,479	0	0	0	0	24,715,771,118
5	Subset of row 4 that are own funds and liabilities potentially eligible for meeting MREL	1,422,915,634	175,000,000	342,752,170	553,005,450	2,507,424,654						5,001,097,908
6	of which residual maturity ≥ 1 year < 2 years				92,362,543	1,079,917,394						1,172,279,937
7	of which residual maturity ≥ 2 year < 5 years		175,000,000	50,149,009	326,972,682	1,077,198,434						1,629,320,125
8	of which residual maturity ≥ 5 years < 10 years			292,603,161	50,628,472	277,968,242						621,199,875
9	of which residual maturity ≥ 10 years, but excluding perpetual securities				83,041,752	72,340,584						155,382,337
10	of which perpetual securities	1,422,915,634										1,422,915,634

Own funds and capital adequacy

TEMPLATE EU TLAC3B – CREDITOR RANKING – RESOLUTION ENTITY

(In EUR million)		Insolvency ranking 1 (most junior)	2	3	5	6	Sum of 1 to n
1	Description of insolvency ranking (free text)	Common Equity Tier 1	Subordinated Additional Tier 1	Subordinated Tier 2	Unsecured claims resulting from debt instruments, in accordance with Art. 152(3) of the law of 18 December 2015 concerning the failing of banks and certain investment firms (Senior non-preferred debt)	Unsecured senior debt (except rank 5), including eligible deposits (except ranks 7 and 9) and including the part of secured instruments which is uncollateralized	
2	Empty set in the EU						
3	Empty set in the EU						
4	Empty set in the EU						
5	Own funds and liabilities potentially eligible for meeting MREL	1,422,915,634	175,000,000	342,752,170	553,005,450	2,507,424,654	5,001,097,908
6	of which residual maturity ≥ 1 year < 2 years				92,362,543	1,079,917,394	1,172,279,937
7	of which residual maturity ≥ 2 year < 5 years		175,000,000	50,149,009	326,972,682	1,077,198,434	1,629,320,125
8	of which residual maturity ≥ 5 years < 10 years			292,603,161	50,628,472	277,968,242	621,199,875
9	of which residual maturity ≥ 10 years, but excluding perpetual securities				83,041,752	72,340,584	155,382,337
10	of which perpetual securities	1,422,915,634					1,422,915,634

2. Credit risk

Credit risk represents the potential loss (reduction in value of an asset or payment default) that BIL may incur because of a deterioration in the solvency of any counterparty.

2.1 Credit risk exposure

The metrics used to measure risk exposure may differ from accounting metrics.

(1) Gross carrying amount:
The accounting value before any allowance/impairments and CRM techniques are not taken into consideration. In the context of IFRS9, it refers to amortised cost of financial asset, before adjusting for any loss allowance.

(2) Net value of exposure: for on-balance-sheet items, the net value is the gross carrying value of exposure less allowances/impairments.

(3) The credit risk exposure measure known as exposure-at-default (EAD), which is used for the calculation of regulatory capital requirements includes (a) current and potential future exposures, and (b) credit risk mitigants (CRM) covering those exposures (under the form of netting agreements, financial collateral for derivatives and repo exposures, and guarantees for others).

2.1.1 Exposure breakdown by industry sector

Pursuant to Article 442 (e) of the CRR, the below table shows the net value of exposure broken down by exposure class and industry at end of June 2023. The industry classification is based on NACE codes (NACE (Nomenclature des Activités Économiques dans la Communauté Européenne) is a European industry standard classification system for classifying business activities). The table comprises figures obtained using both the Standardised and the Advanced methods.

TEMPLATE EU CQ5: CREDIT QUALITY OF LOANS AND ADVANCES TO NON-FINANCIAL CORPORATIONS BY INDUSTRY

		a	b	c	d	e	f
		Gross carrying value of				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
	(in EUR million)		Of which non-performing	Of which defaulted	Of which loans and advances subject to impairment		
010	Agriculture, forestry and fishing	15,659,621	777,488	777,488	15,659,621	-123,778	0
020	Mining and quarrying	2,497,424	757	757	2,497,424	-6,184	0
030	Manufacturing	444,582,839	7,709,039	7,709,039	444,582,839	-4,010,587	0
040	Electricity, gas, steam and air conditioning supply	155,779,789	34,633,282	34,633,282	155,779,789	-25,932,230	0
050	Water supply	38,210,063	0	0	38,210,063	-293,323	0
060	Construction	1,234,430,079	18,347,453	18,347,453	1,234,430,079	-17,436,748	0
070	Wholesale and retail trade	329,069,835	14,994,186	14,994,186	329,069,835	-11,012,405	0
080	Transport and storage	120,325,599	8,991,687	8,991,687	120,325,599	-5,227,739	0
090	Accommodation and food service activities	353,148,820	27,056,091	27,056,091	353,148,820	-7,679,075	0
100	Information and communication	136,264,402	8,466,538	8,466,538	136,264,402	-5,899,123	0
110	Financial and insurance actvities	61,651,499	0	0	61,651,499	-605,729	0
120	Real estate activities	2,314,980,091	121,105,712	121,105,712	2,314,980,091	-60,182,118	0
130	Professional, scientific and technical activities	338,520,862	39,723,444	39,723,444	338,520,862	-18,688,144	0
140	Administrative and support service activities	152,356,315	11,534,292	11,534,292	152,356,315	-7,247,720	0
150	Public administration and defense, compulsory social security	12,111,921	0	0	12,111,921	-91,066	0
160	Education	2,598,157	2,765	2,765	2,598,157	-16,002	0
170	Human health services and social work activities	85,404,494	443,148	443,148	85,404,494	-413,897	0
180	Arts, entertainment and recreation	6,158,746	104,108	104,108	6,158,746	-192,373	0
190	Other services	252,818,131	4,155,786	4,155,786	252,818,131	-4,130,531	0
200	**Total**	**6,056,568,687**	**298,045,776**	**298,045,776**	**6,056,568,687**	**-169,188,772**	**0**

2.1.2 Exposure breakdown by residual maturity

Pursuant to Article 442 (f) of the CRR, the below table shows the net value of exposure broken down by exposure classes and residual maturities at end of June 2023. It comprises figures obtained using both the Standardised and the Advanced methods.

TEMPLATE EU CR1-A: MATURITY OF EXPOSURES

		a	b	c	d	e	f
		Net exposure value					
	(in EUR million)	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	1,568,964,753	4,905,838,647	1,976,506,612	8,851,244,518	-	17,302,554,530
2	Debt securities	-	1,334,084,322	3,774,024,743	3,945,762,552	-	9,053,871,617
3	**Total**	**1,568,964,753**	**6,239,922,969**	**5,750,531,355**	**12,797,007,070**	**-**	***26,356,426,147***

2.1.3 Credit quality of exposures

Pursuant to Article 442 (g) of the CRR, table EU CR1 below provides a breakdown of defaulted and non-defaulted exposures by regulatory exposure classes and industries respectively. It comprises figures obtained using both the Standardised and the Advanced methods. The Bank books specific credit risk adjustment and general credit risk adjustment.

TEMPLATE EU CR1: PERFORMING AND NON-PERFORMING EXPOSURES AND RELATED PROVISIONS

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
	(in EUR million)		Of which stage 1	Of which stage 2		Of which s tage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005	Cash balances at central banks and other demand deposits	2,511,511,153	0	248,418	0	0	0	-49,268	0	-16,023	0	0	0	0	0	0
010	**Loans and advances**	**17,022,434,917**	**13,675,598,457**	**3,346,836,460**	**601,200,564**	**678,684**	**509,690,185**	**-71,429,637**	**-31,537,964**	**-39,891,674**	**-249,651,314**	**-461**	**-249,650,853**	**0**	**13,025,885,581**	**319,028,109**
020	*Central banks*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
030	*General governments*	21,715,474	11,085,836	10,629,638	0	0	0	-1,230	-117	-1,113	0	0	0	0	0	0
040	*Credit institutions*	854,480,697	854,469,125	11,572	210,137	0	210,137	-45,521	-44,176	-1,346	-31,037	0	-31,037	0	9,120,772	0
050	*Other financial corporations*	2,342,389,259	2,175,494,366	166,894,893	139,980,469	0	139,980,469	-9,384,979	-7,529,327	-1,855,652	-89,783,084	-461	-89,782,623	0	1,260,662,151	45,742,569
060	*Non-financial corporations*	5,758,522,911	4,463,183,550	1,295,339,361	298,045,776	678,684	297,367,092	-52,640,756	-21,261,068	-31,379,688	-116,548,016	0	-116,548,016	0	4,454,011,885	156,445,303
070	*Of which SMEs*	1,843,961,261	1,283,440,238	560,521,023	147,953,866	0	147,953,866	-24,670,923	-7,768,772	-16,902,151	-80,999,375	0	-80,999,375	0	1,641,932,258	51,544,440
080	*Households*	8,045,326,576	6,171,365,580	1,873,960,996	162,964,182	0	72,132,487	-9,357,151	-2,703,276	-6,653,875	-43,289,177	0	-43,289,177	0	7,302,090,773	116,840,237
090	**Debt securities**	**9,045,363,533**	**8,986,398,268**	**58,965,265**	**0**	**0**	**0**	**-7,053,699**	**-5,486,674**	**-1,567,025**	**0**	**0**	**0**	**0**	**0**	**0**
100	*Central banks*	417,452,614	417,452,614	0	0	0	0	-2	-2	0	0	0	0	0	0	0
110	*General governments*	4,701,250,329	4,680,279,322	20,971,007	0	0	0	-2,308,116	-2,198,536	-109,580	0	0	0	0	0	0
120	*Credit institutions*	2,375,324,412	2,344,330,154	30,994,258	0	0	0	-1,866,717	-1,801,817	-64,900	0	0	0	0	0	0
130	*Other financial corporations*	564,802,866	564,802,866	0	0	0	0	-787,499	-787,499	0	0	0	0	0	0	0
140	*Non-financial corporations*	986,533,312	979,533,312	7,000,000	0	0	0	-2,091,365	-698,820	-1,392,545	0	0	0	0	0	0

Credit Risk

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions							Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			Accumulated partial write-off	On performing exposures	On non-performing exposures
	(in EUR million)		Of which stage 1	Of which stage 2		Of which s tage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
150	**Off-balance-sheet exposures**	**4,594,232,063**	**4,063,407,950**	**530,824,113**	**47,595,600**	**357,058**	**47,238,542**	**9,125,950**	**4,305,323**	**4,820,627**	**2,742,045**	**273**	**2,741,772**		**0**	**0**
160	*Central banks*	0	0	0	0	0	0	0	0	0	0	0	0		0	0
170	*General governments*	125,131,914	99,986,892	25,145,022	1,085,796	0	1,085,796	132,532	79,588	52,944	78,986	0	78,986		0	0
180	*Credit institutions*	253,228,706	253,188,442	40,264	128,343	0	128,343	3,238	1	3,237	0	0	0		0	0
190	*Other financial corporations*	836,804,455	800,152,250	36,652,205	21,331	0	21,331	1,965,731	601,860	1,363,871	0	0	0		0	0
200	*Non-financial corporations*	1,375,471,167	1,141,680,589	233,790,578	41,226,261	15,418	41,210,843	4,765,501	2,238,308	2,527,193	2,572,644	0	2,572,644		0	0
210	*Households*	2,003,595,821	1,768,399,777	235,196,044	5,133,869	341,640	4,792,229	2,258,948	1,385,566	873,382	90,415	273	90,142		0	0
220	TOTAL	33,173,541,667	26,725,404,676	3,936,874,256	648,796,164	1,035,742	556,928,727	-69,406,655	-32,719,315	-36,654,095	-246,909,269	-188	-246,909,081	0	13,025,885,581	319,028,109

2.2 Forbearance, impairment, past due and provisions

2.2.1 Information on forborne exposure and non-performing loans

Forborne exposures

BIL closely monitors its forborne exposures, notably in line with 2018 EBA Guidelines on Disclosure of Non-Performing and Forborne Exposures (EBA/GL/2018/10).

According to the EBA definition: *"Forborne exposures are debt contracts in respect of which forbearance measures have been extended. Forbearance measures consist of concessions towards a debtor facing or about to face difficulties in meeting their financial commitments ("financial difficulties")."* These measures include the granting of extensions, postponements, renewals or changes in credit terms and conditions, including the repayment plan.

When these criteria are met, the credit files are flagged as restructured and are added to a list closely followed by a dedicated department of the Bank called "Gestion Intensive et Préventive".

For all counterparties, dedicated analyses are carried out at single credit file level to identify those that should be classified as forborne according to the regulatory definition. The granting of the forbearance measure is set up to avoid an impairment.

For credit files in forbearance and in case of early repayment, the costs related to these transactions are either borne by the debtor (in one shot or spread over the term of the new loan) or recognised directly in the Bank's profit and loss.

TEMPLATE EU CQ1: CREDIT QUALITY OF FORBORNE EXPOSURES

		a	b	c	d	e	f	g	h
	(In EUR million)	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne	Of which defaulted	Of which impaired	On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
005	Cash balances at central banks and other demand deposits	0	0	0	0	0	0	0	0
010	Loans and advances	275,654,362	246,631,813	246,631,813	246,631,813	-6,204,695	-89,426,847	410,835,133	152,380,633
020	*Central banks*	0	0	0	0	0	0	0	0
030	*General governments*	0	0	0	0	0	0	0	0
040	*Credit institutions*	0	0	0	0	0	0	0	0
050	*Other financial corporations*	2,578,464	44,299,801	44,299,801	44,299,801	-9	-16,131,719	26,777,211	24,198,757
060	*Non-financial corporations*	224,133,173	137,842,045	137,842,045	137,842,045	-6,103,846	-59,892,797	284,128,401	71,795,859
070	*Households*	48,942,725	64,489,967	64,489,967	64,489,967	-100,840	-13,402,331	99,929,521	56,386,017
080	Debt Securities	0	0	0	0	0	0	0	0
090	Loan commitments given	10,359,924	15,925,372	15,925,372	0	206,055	4,925	0	0
100	Total	286,014,286	262,557,185	262,557,185	246,631,813	-5,998,640	-89,421,922	410,835,133	152,380,633

Non-performing exposures

According to the EBA definition, Non-Performing Exposures (NPE) correspond to files classified in default, or in pre-litigation (past due period > 90 days) or all files from counterparties whose pre-litigated exposure represent at least 20% of their total exposure.

Exposures in respect of which a default is considered to have occurred and exposures that have been identified as impaired (IFRS) are always considered as NPE.

EMPLATE EU CQ4: QUALITY OF NON-PERFORMING EXPOSURES BY GEOGRAPHY

		a	b	c	d	e	f	g
	(In EUR million)	Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which subject to impairment			
				Of which defaulted				
010	**On-balance-sheet exposures**	**26,668,999,016**	**601,200,564**	**601,200,564**	**26,668,999,016**	**-328,134,650**		**0**
020	LUXEMBOURG	12,888,685,691	351,874,734	351,874,734	12,888,685,691	-198,724,387		0
030	FRANCE	3,471,314,551	84,015,540	84,015,540	3,471,314,551	-44,025,500		0
040	BELGIUM	1,826,919,337	9,092,662	9,092,662	1,826,919,337	-4,318,448		0
050	CANADA	852,282,144	0	0	852,282,144	-398,087		0
060	*Country N*	7,629,797,292	156,217,628	156,217,628	7,629,797,292	-80,668,229		0
070	*Other countries*	0	0	0	0	0		0
080	**Off-balance-sheet exposures**	**4,641,827,663**	**47,595,600**	**24,717,004**			**11,867,995**	
090	LUXEMBOURG	3,187,634,945	17,380,882	7,296,359			9,690,181	
100	FRANCE	225,509,092	4,261,192	3,746,182			478,669	
110	SWITZERLAND	138,164,390	651,188	620,188			65,416	
120	UNITED KINGDOM	131,103,789	1,166	1,166			272,834	
130	*Country N*	959,415,447	25,301,172	13,053,109			1,360,895	
140	*Other countries*	0	0	0			0	
150	**Total**	**31,310,826,679**	**648,796,164**	**625,917,568**	**26,668,999,016**	**-328,134,650**	**11,867,995**	**0**

2.3 Credit risk mitigation

2.3.1 Overview of credit risk mitigation techniques

Pursuant to Article 453 (f) and (g) of Regulation (EU) No 575/2013 (CRR), the below table provides an overview of the credit exposure covered by Basel III-eligible credit risk mitigation (CRM) – after regulatory haircuts - and includes all collateral and financial guarantees used as credit risk mitigants for all secured exposures, irrespective of whether the standardised approach or IRB approach is used for RWA calculations. This table also includes the carrying amounts of the total population which are in default. Unsecured exposures (column a) represent the carrying amount of credit risk exposures (net of credit risk adjustments) that do not benefit from a CRM technique, regardless of whether this technique is recognised in the CRR. Exposures secured (column b) represent the carrying amount of exposures that have at least one associated CRM mechanism (collateral, financial guarantees).

TEMPLATE EU CR3 – CRM TECHNIQUES OVERVIEW: DISCLOSURE OF THE USE OF CREDIT RISK MITIGATION TECHNIQUES

		a	b	c	d	e
	(in EUR million)	Unsecured carrying amount	Secured carrying amount	Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
1	Loans and advances	6,469,102,725	13,344,913,690	11,824,388,390	1,520,525,301	1,520,525,301
2	Debt securities	9,038,092,787	0	0	0	
3	Total	15,507,195,512	13,344,913,690	11,824,388,390	1,520,525,301	1,520,525,301
4	*Of which non-performing exposures*	32,521,141	319,028,109	265,905,841	53,122,268	53,122,268
EU-5	*Of which defaulted*	0	0			

The Bank does not have any credit derivatives as credit risk mitigants.

TEMPLATE EU CQ7 – COLLATERAL OBTAINED BY TAKING POSSESSION AND EXECUTION PROCESSES

		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)	0	0
020	Other than PP&E	0	0
030	*Residential immovable property*	0	0
040	*Commercial Immovable property*	0	0
050	*Movable property (auto, shipping, etc.)*	0	0
060	*Equity and debt instruments*	0	0
070	*Other collateral*	0	0
080	**Total**	**0**	**0**

2.4 Standardised approach

2.4.1 Standardised approach – Credit risk exposure and credit risk mitigation effects

The following table shows credit risk exposure before credit conversion factor (CCF) and credit risk mitigation (CRM) and the exposure-at-default (EAD)[5] broken down by exposure classes and with a split in on- and off-balance sheet exposures, under the standardised approach.

Exposures subject to the counterparty credit risk (CCR) and securitisation risk framework are excluded from this template. RWA density expresses the ratio of total risk-weighted exposures, post CCF and CRM.

TEMPLATE EU CR4 – CREDIT RISK EXPOSURE AND CRM EFFECTS

		a	b	c	d	e	f
	(in EUR million)	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWAs	RWAs density (%)
	Exposure classes						
1	Central governments or central banks	4,017.75	89.26	4,993.36	151.31	92.36	1.80%
2	Regional government or local authorities	3,565.40	53.99	3,854.85	24.69	190.86	4.92%
3	Public sector entities	820.91	238.27	607.75	1.32	38.67	6.35%
4	Multilateral development banks	893.19	-	896.69	0.07	-	0.00%
5	International organisations	214.39	-	214.39	-	-	0.00%
6	Institutions	1,740.32	110.45	906.74	25.40	361.52	38.78%
7	Corporates	1,495.05	1,156.02	1,265.41	274.49	1,425.49	92.57%
8	Retail	4.33	7.32	4.22	2.49	4.86	72.53%
9	Secured by mortgages on immovable property	72.51	-	70.88	-	66.70	94.11%
10	Exposures in default	16.42	7.13	16.42	0.02	18.60	113.14%
11	Exposures associated with particularly high risk	47.79	0.02	47.79	-	71.69	150.00%
12	Covered bonds	428.40	-	428.40	-	43.24	10.09%
13	Institutions and corporates with a short-term credit assessment	230.38	46.02	225.10	9.20	93.06	39.72%
14	Collective investment undertakings	-	-	-	-	-	0.00%
15	Equity	30.43	-	30.43	-	76.07	250.00%
16	Other items	527.42	0.03	518.69	0.01	186.78	36.01%
17	**TOTAL**	**14,104.69**	**1,708.51**	**14,081.11**	**489.00**	**2,669.91**	**18.32%**

[5] After CCF and CRM.

2.4.2 Standardised approach – exposures by asset classes and risk weights

Pursuant to Article 444 (e) of Regulation (EU) No 575/2013 (CRR), the following table shows the exposure-at-default post conversion factor and risk mitigation broken down by exposure classes and risk weights, under the standardised approach.

Exposures subject to the counterparty credit risk and securitisation risk framework are excluded from this template.

TEMPLATE EU CR5 – STANDARDISED APPROACH

	(in EUR million)	Risk weight															Total	Of which unrated
	Exposure classes	**0%**	**2%**	**4%**	**10%**	**20%**	**35%**	**50%**	**70%**	**75%**	**100%**	**150%**	**250%**	**370%**	**1250%**	**Others**		
1	Central governments or central banks	5,004.74	-	-	-	109.84	-	-	-	-	2.69	-	27.06	-	-	0.34	**5,144.67**	-
2	Regional government or local authorities	2,925.24	-	-	-	954.30	-	-	-	-	-	-	-	-	-	-	**3,879.54**	3,831.62
3	Public sector entities	512.06	-	-	-	32.77	-	64.23	-	-	-	-	-	-	-	-	**609.06**	570.39
4	Multilateral development banks	896.76	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**896.76**	896.76
5	International organisations	214.39	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**214.39**	214.39
6	Institutions	-	-	-	-	347.74	-	583.71	-	-	0.69	-	-	-	-	-	**932.14**	570.62
7	Corporates	-	-	-	-	66.72	-	114.03	-	-	1,354.13	-	5.02	-	-	-	**1,539.90**	1,469.54
8	Retail exposures	-	-	-	-	-	-	-	-	6.71	-	-	-	-	-	-	**6.71**	6.71
9	Exposures secured by mortgages on immovable property	-	-	-	-	-	-	2.64	-	-	68.24	-	-	-	-	-	**70.88**	70.25
10	Exposures in default	-	-	-	-	-	-	-	-	-	12.12	4.32	-	-	-	-	**16.44**	16.12
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	47.79	-	-	-	-	**47.79**	47.79
12	Covered bonds	-	-	-	424.39	4.01	-	-	-	-	-	-	-	-	-	-	**428.40**	385.16
13	Exposures to institutions and corporates with a short-term credit assessment	-	-	-	-	100.60	-	121.66	-	-	11.90	0.13	-	-	-	-	**234.30**	141.25
14	Units or shares in collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**-**	-
15	Equity exposures	-	-	-	-	-	-	-	-	-	-	-	30.43	-	-	-	**30.43**	30.43
16	Other items	331.91	-	-	-	-	-	-	-	-	186.78	-	-	-	-	-	**518.70**	518.70
17	**TOTAL**	**9,885.11**	**-**	**-**	**424.39**	**1,615.97**	**-**	**886.28**	**-**	**6.71**	**1,636.56**	**52.25**	**62.50**	**-**	**-**	**0.34**	**14,570.11**	**8,769.72**

2.5. Advanced Internal Ratings Based approach (A-IRB)

The exposure data included in the quantitative disclosures is that used for calculating the Bank's regulatory capital requirements. In what follows and unless otherwise stated, exposures will thus be expressed in terms of Exposure-at-Default (EAD).

2.5.1. Credit risk exposures by exposure class and PD range

According to Article 452 (d-g) of Regulation (EU) No 575/2013 (CRR), the following tables provide the main parameters used for the calculation of capital requirements for IRB models and show the exposure classes according to PD grades.

It should be noted that Corporates-Specialised Lending exposure class is not reported here. For Specialised Lending Income Producing Real Estate (IPRE) and Land Acquisition, Development and Construction (ADC) exposures, even though they are treated under the slotting methodology which falls into a category of the A-IRB Approach, they don't have PD or LGD data, and supervisory slotting risk weights are applied. The EAD and RWA of Specialised Lending exposures as of June 2023 are EUR 2,507.3 million and EUR 2,109.2 million respectively.

Additionally, Equity – Simple Risk Weight Approach exposure is also treated under the A-IRB Approach, while risk weights (190%, 290% and 370%) are applied and PD/LGD data is not available. This type of exposure has EUR 165.8 million and EUR 465.4 million at 30 June 2023.

TEMPLATE EU CR6 – IRB APPROACH – CREDIT RISK EXPOSURES BY EXPOSURE CLASS AND PD RANGE

(in EUR million)	a	b	c	d	e	f	g	h	i	j	k	l	m
A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CRM and post CCF	Exposure weighted average PD (%)	Number of obligators	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
Corporate – SME	0.00 to < 0.15	0,11	0,00	0,00%	0,11	0,06%	1,00	17,17%	0,00	0,01	0,00%	0,00	**-0,00**
	0.00 to < 0.10	0,11	0,00	0,00%	0,11	0,06%	1,00	17,17%	0,00	0,01	0,00%	0,00	**-0,00**
	0.10 to < 0.15	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	0,00
	0.15 to < 0.25	1,16	0,11	0,00%	1,28	0,23%	14,00	17,17%	0,00	0,18	0,00%	0,00	**-0,00**
	0.25 to < 0.50	101,98	24,53	0,00%	137,03	0,43%	115,00	7,66%	0,00	14,94	0,00%	0,05	**-0,05**
	0.50 to < 0.75	65,75	31,92	0,00%	86,36	0,64%	119,00	7,72%	0,00	11,24	0,00%	0,04	**-0,16**
	0.75 to < 2.50	354,83	162,40	0,00%	416,91	2,01%	405,00	8,96%	0,00	75,76	0,00%	0,73	**-0,67**
	0.75 to < 1.75	93,95	70,62	0,00%	116,09	1,36%	116,00	10,06%	0,00	22,55	0,00%	0,16	**-0,07**
	1.75 to < 2.5	260,88	91,79	0,00%	300,82	2,25%	289,00	8,53%	0,00	53,22	0,00%	0,57	**-0,61**
	2.50 to < 10.00	401,17	152,24	0,00%	463,60	4,10%	435,00	5,13%	0,00	60,96	0,00%	1,00	**-1,81**
	2.5 to < 5	296,42	127,14	0,00%	349,78	3,09%	316,00	5,12%	0,00	43,40	0,00%	0,57	**-1,37**
	5 to < 10	104,75	25,11	0,00%	113,82	7,22%	119,00	5,13%	0,00	17,55	0,00%	0,43	**-0,43**
	10.00 to < 100.00	151,98	30,26	0,00%	168,53	17,61%	165,00	6,10%	0,00	48,78	0,00%	2,08	**-1,51**
	10 to < 20	90,52	20,11	0,00%	102,18	11,59%	67,00	4,17%	0,00	17,51	0,00%	0,51	**-0,36**
	20 to < 30	42,05	9,51	0,00%	46,33	21,31%	80,00	9,48%	0,00	22,00	0,00%	0,92	**-0,79**
	30.00 to < 100.00	19,41	0,64	0,00%	20,02	39,78%	18,00	8,11%	0,00	9,28	0,00%	0,65	**-0,36**
	100.00 (Default)	101,44	27,33	0,00%	83,35	98,82%	58,00	10,25%	0,00	51,88	0,00%	41,09	**-41,08**
SUBTOTAL (exposure class)		**1.178,43**	**428,81**		**1.357,17**					**263,74**		**45,00**	**-45,28**

Credit Risk

(in EUR million)	a	b	c	d	e	f	g	h	i	j	k	l	m
F-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CRM and post CCF	Exposure weighted average PD (%)	Number of obligators	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
Corporate – SME	0.00 to < 0.15	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	**0,00**
	0.00 to < 0.10	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	**0,00**
	0.10 to < 0.15	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	0,00
	0.15 to < 0.25	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	**0,00**
	0.25 to < 0.50	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	**0,00**
	0.50 to < 0.75	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	**0,00**
	0.75 to < 2.50	19,59	10,00	0,00%	21,64	0,86%	2,00	45,00%	0,00	17,01	0,00%	0,08	**–0,11**
	0.75 to < 1.75	19,59	10,00	0,00%	21,64	0,86%	2,00	45,00%	0,00	17,01	0,00%	0,08	**–0,11**
	1.75 to < 2.5	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	**0,00**
	2.50 to < 10.00	133,48	2,19	0,00%	135,12	4,80%	1,00	37,61%	0,00	154,10	0,00%	2,44	**–10,78**
	2.5 to < 5	133,48	2,19	0,00%	135,12	4,80%	1,00	37,61%	0,00	154,10	0,00%	2,44	**–10,78**
	5 to < 10	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	**0,00**
	10.00 to < 100.00	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	**0,00**
	10 to < 20	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	**0,00**
	20 to < 30	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	**0,00**
	30.00 to < 100.00	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	**0,00**
	100.00 (Default)	23,86	12,31	0,00%	33,09	100,00%	2,00	36,72%	0,00	0,00	0,00%	0,50	**–0,50**
SUBTOTAL (exposure class)		**176,92**	**24,50**		**189,85**					**171,11**		**3,03**	**–11,39**

(in EUR million)	a	b	c	d	e	f	g	h	i	j	k	l	m
A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CRM and post CCF	Exposure weighted average PD (%)	Number of obligators	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
Corporate – Other	0.00 to < 0.15	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	**0,00**
	0.00 to < 0.10	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	**0,00**
	0.10 to < 0.15	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	0,00
	0.15 to < 0.25	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	**0,00**
	0.25 to < 0.50	0,00	2,51	0,00%	0,38	0,48%	2,00	13,10%	0,00	0,14	0,00%	0,00	**0,00**
	0.50 to < 0.75	21,88	48,42	0,00%	42,93	0,66%	8,00	7,96%	0,00	8,99	0,00%	0,02	**–0,07**
	0.75 to < 2.50	44,47	58,32	0,00%	79,12	1,85%	25,00	9,36%	0,00	25,15	0,00%	0,13	**–0,22**
	0.75 to < 1.75	6,44	20,05	0,00%	19,02	1,30%	8,00	13,10%	0,00	8,47	0,00%	0,03	**–0,01**
	1.75 to < 2.5	38,02	38,27	0,00%	60,10	2,02%	17,00	8,17%	0,00	16,68	0,00%	0,10	**–0,21**
	2.50 to < 10.00	39,62	108,12	0,00%	85,62	3,29%	30,00	11,87%	0,00	34,79	0,00%	0,33	**–0,15**
	2.5 to < 5	29,69	88,94	0,00%	69,18	2,65%	23,00	12,29%	0,00	27,21	0,00%	0,23	**–0,09**
	5 to < 10	9,94	19,18	0,00%	16,44	5,98%	7,00	10,11%	0,00	7,58	0,00%	0,10	**–0,06**
	10.00 to < 100.00	0,27	0,87	0,00%	0,81	11,41%	4,00	10,05%	0,00	0,47	0,00%	0,01	**–0,01**
	10 to < 20	0,24	0,75	0,00%	0,71	10,26%	1,00	9,64%	0,00	0,39	0,00%	0,01	**–0,01**
	20 to < 30	0,04	0,11	0,00%	0,10	20,00%	3,00	13,10%	0,00	0,08	0,00%	0,00	**–0,00**
	30.00 to < 100.00	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	**0,00**
	100.00 (Default)	0,01	0,04	0,00%	0,03	100,00%	1,00	11,01%	0,00	0,02	0,00%	0,00	**0,00**
SUBTOTAL (exposure class)		**106,25**	**218,27**		**208,88**					**69,56**		**0,49**	**–0,45**

Credit Risk

(in EUR million)	a	b	c	d	e	f	g	h	i	j	k	l	m
F-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CRM and post CCF	Exposure weighted average PD (%)	Number of obligators	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
Corporate – Other	0.00 to < 0.15	636,75	281,98	0,00%	719,29	0,08%	40,00	45,00%	0,00	244,44	0,00%	0,27	**-0,29**
	0.00 to < 0.10	340,88	197,75	0,00%	402,50	0,04%	22,00	45,00%	0,00	89,95	0,00%	0,07	**-0,08**
	0.10 to < 0.15	295,87	84,23	0,00%	316,79	0,14%	18,00	45,00%	0,00	154,49	0,00%	0,20	-0,20
	0.15 to < 0.25	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	**0,00**
	0.25 to < 0.50	203,35	49,58	0,00%	184,50	0,31%	17,00	44,99%	0,00	136,53	0,00%	0,26	**-0,27**
	0.50 to < 0.75	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	**0,00**
	0.75 to < 2.50	301,43	128,25	0,00%	334,19	0,86%	31,00	44,90%	0,00	391,14	0,00%	1,29	**-1,96**
	0.75 to < 1.75	301,43	128,25	0,00%	334,19	0,86%	31,00	44,90%	0,00	391,14	0,00%	1,29	**-1,96**
	1.75 to < 2.5	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	**0,00**
	2.50 to < 10.00	69,95	82,77	0,00%	84,51	4,09%	12,00	30,44%	0,00	107,34	0,00%	1,04	**-1,80**
	2.5 to < 5	69,95	72,18	0,00%	83,87	4,09%	10,00	30,33%	0,00	106,49	0,00%	1,03	**-1,74**
	5 to < 10	0,00	10,59	0,00%	0,64	3,75%	2,00	45,00%	0,00	0,85	0,00%	0,01	**-0,06**
	10.00 to < 100.00	0,33	0,00	0,00%	0,00	0,00%	1,00	0,00%	0,00	0,00	0,00%	0,00	**-0,00**
	10 to < 20	0,33	0,00	0,00%	0,00	0,00%	1,00	0,00%	0,00	0,00	0,00%	0,00	**-0,00**
	20 to < 30	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	**0,00**
	30.00 to < 100.00	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	**0,00**
	100.00 (Default)	23,03	3,06	0,00%	21,48	90,78%	5,00	45,00%	0,00	3,38	0,00%	9,12	**-9,07**
SUBTOTAL (exposure class)		**1.234,86**	**545,65**		**1.343,98**					**882,84**		**11,98**	**-13,39**

(in EUR million)	a	b	c	d	e	f	g	h	i	j	k	l	m
A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CRM and post CCF	Exposure weighted average PD (%)	Number of obligators	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
Retail – Secured by immovable property SME	0.00 to < 0.15	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	**0,00**
	0.00 to < 0.10	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	**0,00**
	0.10 to < 0.15	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	0,00
	0.15 to < 0.25	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	**0,00**
	0.25 to < 0.50	6,25	0,08	0,00%	6,32	0,38%	22,00	12,47%	0,00	0,43	0,00%	0,00	**-0,00**
	0.50 to < 0.75	9,10	4,31	0,00%	13,41	0,60%	27,00	9,96%	0,00	1,64	0,00%	0,01	**-0,02**
	0.75 to < 2.50	31,95	3,17	0,00%	35,12	2,16%	117,00	11,56%	0,00	7,89	0,00%	0,09	**-0,03**
	0.75 to < 1.75	7,24	2,47	0,00%	9,71	1,62%	40,00	12,52%	0,00	2,53	0,00%	0,02	**-0,01**
	1.75 to < 2.5	24,71	0,70	0,00%	25,41	2,37%	77,00	11,19%	0,00	5,37	0,00%	0,07	**-0,02**
	2.50 to < 10.00	81,32	6,20	0,00%	87,52	4,26%	197,00	11,58%	0,00	35,82	0,00%	0,43	**-0,09**
	2.5 to < 5	75,71	6,18	0,00%	81,89	3,90%	181,00	11,58%	0,00	32,82	0,00%	0,37	**-0,08**
	5 to < 10	5,61	0,01	0,00%	5,62	9,38%	16,00	11,53%	0,00	3,00	0,00%	0,06	**-0,01**
	10.00 to < 100.00	43,26	3,69	0,00%	46,94	22,75%	107,00	11,48%	0,00	37,97	0,00%	1,22	**-0,15**
	10 to < 20	13,97	0,28	0,00%	14,25	11,26%	46,00	11,56%	0,00	10,28	0,00%	0,19	**-0,03**
	20 to < 30	19,73	3,41	0,00%	23,13	22,64%	37,00	11,50%	0,00	20,30	0,00%	0,60	**-0,07**
	30.00 to < 100.00	9,56	0,00	0,00%	9,56	40,14%	24,00	11,32%	0,00	7,38	0,00%	0,43	**-0,05**
	100.00 (Default)	4,65	0,68	0,00%	5,33	100,00%	22,00	1,03%	0,00	3,33	0,00%	0,67	**-0,67**
SUBTOTAL (exposure class)		**176,53**	**18,12**		**194,65**					**87,08**		**2,42**	**-0,97**

(in EUR million)	a	b	c	d	e	f	g	h	i	j	k	l	m
A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CRM and post CCF	Exposure weighted average PD (%)	Number of obligators	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
Retail – Secured by immovable property non-SME	0.00 to < 0.15	1.169,73	99,21	0,00%	1.268,85	0,10%	5.152,00	10,70%	0,00	36,63	0,00%	0,13	–0,17
	0.00 to < 0.10	426,66	51,18	0,00%	477,75	0,06%	2.364,00	10,73%	0,00	9,62	0,00%	0,03	–0,11
	0.10 to < 0.15	743,07	48,03	0,00%	791,10	0,12%	2.788,00	10,68%	0,00	27,01	0,00%	0,10	-0,05
	0.15 to < 0.25	197,25	14,63	0,00%	211,88	0,23%	419,00	10,76%	0,00	11,88	0,00%	0,05	–0,02
	0.25 to < 0.50	1.160,91	44,08	0,00%	1.204,99	0,34%	3.177,00	10,71%	0,00	89,44	0,00%	0,44	–0,11
	0.50 to < 0.75	2.329,83	98,01	0,00%	2.427,83	0,65%	4.854,00	10,75%	0,00	286,02	0,00%	1,69	–0,77
	0.75 to < 2.50	1.084,19	45,00	0,00%	1.129,15	1,98%	1.943,00	10,75%	0,00	267,93	0,00%	2,39	–0,96
	0.75 to < 1.75	293,71	21,92	0,00%	315,62	1,63%	589,00	11,32%	0,00	72,33	0,00%	0,58	–0,17
	1.75 to < 2.5	790,49	23,08	0,00%	813,52	2,12%	1.354,00	10,52%	0,00	195,60	0,00%	1,81	–0,79
	2.50 to < 10.00	997,18	52,55	0,00%	1.049,65	4,82%	1.986,00	11,08%	0,00	439,62	0,00%	5,61	–1,62
	2.5 to < 5	660,65	46,87	0,00%	707,52	4,39%	1.370,00	11,10%	0,00	283,49	0,00%	3,45	–1,03
	5 to < 10	336,53	5,68	0,00%	342,13	5,72%	616,00	11,04%	0,00	156,13	0,00%	2,16	–0,60
	10.00 to < 100.00	402,28	13,77	0,00%	416,03	16,16%	638,00	10,88%	0,00	273,24	0,00%	7,34	–2,02
	10 to < 20	267,04	8,91	0,00%	275,93	11,78%	437,00	10,74%	0,00	167,74	0,00%	3,49	–1,03
	20 to < 30	129,10	4,86	0,00%	133,96	24,11%	191,00	11,19%	0,00	101,28	0,00%	3,60	–0,97
	30.00 to < 100.00	6,14	0,00	0,00%	6,14	39,72%	10,00	10,49%	0,00	4,22	0,00%	0,26	–0,02
	100.00 (Default)	93,45	1,62	0,00%	95,08	100,00%	272,00	0,22%	0,00	59,42	0,00%	14,75	–14,75
SUBTOTAL (exposure class)		**7.434,83**	**368,87**		**7.803,44**					**1.464,18**		**32,42**	**–20,42**

(in EUR million)	a	b	c	d	e	f	g	h	i	j	k	l	m
A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CRM and post CCF	Exposure weighted average PD (%)	Number of obligators	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
Retail – Other SME	0.00 to < 0.15	0,58	0,07	0,00%	0,65	0,06%	17,00	17,36%	0,00	0,03	0,00%	0,00	–0,00
	0.00 to < 0.10	0,58	0,07	0,00%	0,65	0,06%	17,00	17,36%	0,00	0,03	0,00%	0,00	–0,00
	0.10 to < 0.15	0,00	0,00	0,00%	0,00	0,00%	0,00	0,00%	0,00	0,00	0,00%	0,00	0,00
	0.15 to < 0.25	2,20	3,28	0,00%	5,47	0,23%	479,00	16,69%	0,00	0,57	0,00%	0,00	–0,00
	0.25 to < 0.50	13,94	8,37	0,00%	19,22	0,38%	141,00	12,73%	0,00	1,47	0,00%	0,01	–0,01
	0.50 to < 0.75	18,87	19,63	0,00%	34,33	0,63%	1.515,00	16,00%	0,00	6,01	0,00%	0,03	–0,10
	0.75 to < 2.50	62,86	52,95	0,00%	98,97	2,16%	1.787,00	13,05%	0,00	18,17	0,00%	0,28	–0,15
	0.75 to < 1.75	13,39	13,10	0,00%	24,96	1,62%	970,00	14,58%	0,00	6,01	0,00%	0,06	–0,03
	1.75 to < 2.5	49,47	39,85	0,00%	74,00	2,35%	817,00	12,53%	0,00	12,15	0,00%	0,22	–0,12
	2.50 to < 10.00	77,90	49,89	0,00%	110,28	5,30%	1.426,00	13,70%	0,00	25,41	0,00%	0,78	–0,44
	2.5 to < 5	59,30	33,90	0,00%	81,99	4,09%	1.231,00	14,03%	0,00	19,66	0,00%	0,47	–0,29
	5 to < 10	18,60	15,98	0,00%	28,30	8,81%	195,00	12,74%	0,00	5,75	0,00%	0,32	–0,15
	10.00 to < 100.00	37,10	10,00	0,00%	43,27	22,04%	523,00	15,18%	0,00	18,55	0,00%	1,46	–0,69
	10 to < 20	16,01	6,77	0,00%	20,81	13,06%	313,00	14,61%	0,00	6,85	0,00%	0,39	–0,14
	20 to < 30	11,72	2,38	0,00%	12,48	22,67%	148,00	15,45%	0,00	5,90	0,00%	0,44	–0,30
	30.00 to < 100.00	9,36	0,85	0,00%	9,97	39,99%	62,00	16,01%	0,00	5,79	0,00%	0,64	–0,25
	100.00 (Default)	18,88	0,98	0,00%	17,52	100,00%	595,00	15,64%	0,00	10,95	0,00%	8,27	–8,27
SUBTOTAL (exposure class)		**232,33**	**145,16**		**329,71**					**81,15**		**10,84**	**–9,66**

(in EUR million)	a	b	c	d	e	f	g	h	i	j	k	l	m
A-IRB	PD range	On-balance sheet exposures	Off-balance-sheet exposures pre-CCF	Exposure weighted average CCF	Exposure post CRM and post CCF	Exposure weighted average PD (%)	Number of obligators	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	Risk weighted exposure amount after supporting factors	Density of risk weighted exposure amount	Expected loss amount	Value adjustments and provisions
Retail - Other non - SME	0.00 to < 0.15	310,19	336,42	0,00%	565,25	0,09%	47.043,00	12,26%	0,00	20,52	0,00%	0,06	**-0,08**
	0.00 to < 0.10	128,37	179,68	0,00%	285,58	0,06%	31.353,00	12,14%	0,00	7,48	0,00%	0,02	**-0,02**
	0.10 to < 0.15	181,82	156,74	0,00%	279,67	0,12%	15.690,00	12,39%	0,00	13,04	0,00%	0,04	-0,06
	0.15 to < 0.25	30,72	24,45	0,00%	52,55	0,23%	1.720,00	11,46%	0,00	3,73	0,00%	0,01	**-0,01**
	0.25 to < 0.50	431,78	159,90	0,00%	534,16	0,34%	16.961,00	13,59%	0,00	54,38	0,00%	0,24	**-0,19**
	0.50 to < 0.75	297,24	104,93	0,00%	374,92	0,64%	11.236,00	14,74%	0,00	61,02	0,00%	0,35	**-1,11**
	0.75 to < 2.50	655,31	307,23	0,00%	781,70	2,04%	4.531,00	31,14%	0,00	377,98	0,00%	5,03	**-1,44**
	0.75 to < 1.75	65,76	56,14	0,00%	92,23	1,63%	997,00	15,89%	0,00	23,41	0,00%	0,24	**-0,17**
	1.75 to < 2.5	589,55	251,09	0,00%	689,47	2,10%	3.534,00	33,18%	0,00	354,57	0,00%	4,79	**-1,27**
	2.50 to < 10.00	735,42	181,06	0,00%	820,59	4,63%	6.448,00	12,83%	0,00	203,30	0,00%	4,93	**-3,47**
	2.5 to < 5	682,73	173,04	0,00%	763,22	4,55%	5.176,00	12,65%	0,00	185,53	0,00%	4,43	**-3,03**
	5 to < 10	52,69	8,02	0,00%	57,37	5,72%	1.272,00	15,30%	0,00	17,76	0,00%	0,50	**-0,44**
	10.00 to < 100.00	93,64	7,84	0,00%	100,34	17,22%	1.886,00	13,88%	0,00	40,04	0,00%	2,46	**-3,26**
	10 to < 20	50,97	4,32	0,00%	55,05	11,61%	1.475,00	12,85%	0,00	17,47	0,00%	0,82	**-1,38**
	20 to < 30	39,87	3,45	0,00%	42,42	22,98%	395,00	15,23%	0,00	21,10	0,00%	1,49	**-1,55**
	30.00 to < 100.00	2,80	0,06	0,00%	2,86	39,72%	16,00	13,72%	0,00	1,46	0,00%	0,16	**-0,33**
	100.00 (Default)	212,60	7,52	0,00%	218,26	100,00%	2.885,00	15,46%	0,00	136,41	0,00%	82,34	**-82,34**
SUBTOTAL (exposure class)		**2.766,90**	**1.129,35**		**3.447,77**					**897,38**		**95,42**	**-91,89**

TEMPLATE EU CR7-A – IRB APPROACH – DISCLOSURE OF THE EXTENT OF THE USE OF CRM TECHNIQUES

	(in EUR million)	a	b	c	d	e	f	g	h	i	j	k	l	m	n
			Credit risk Mitigation techniques											Credit risk Mitigation methods in the calculation of RWEAs	
		Total exposures	**Funded credit Protection (FCP)**									**Unfunded credit Protection (UFCP)**		**RWEA without substitution effects (reduction effects only**	**RWEA with substitution effects (both reduction and sustitution effects)**
	A-IRB		Part of exposures covered by **Financial Collaterals (%)**	Part of exposures covered by **Other eligible collaterals (%)**	Part of exposures covered by **Immovable property Collaterals (%)**	Part of exposures covered by **Receivables (%)**	Part of exposures covered by **Other physical collateral (%)**	Part of exposures covered by **Other funded credit protection (%)**	Part of exposures covered by **Cash on deposit (%)**	Part of exposures covered by **Life insurance policies (%)**	Part of exposures covered by **Instruments held by a third party (%)**	Part of exposures covered by **Guarantees (%)**	Part of exposures covered by **Credit Derivatives (%)**		
1	Central governments and central banks	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-
2	Institutions	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-
3	Corporates	4,073.35	1.83%	71.44%	71.44%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2,436.70	2,442.55
3.1	*Of which Corporates – SMEs*	1,357.17	1.50%	48.95%	48.95%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	257.52	263.74
3.2	*Of which Corporates – Specialised lending*	2,507.30	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2,109.25	2,109.25
3.3	*Of which Corporates – Other*	208.88	0.33%	22.48%	22.48%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	69.93	69.56
4	Retail	11,775.58	37.37%	192.74%	192.74%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	2,529.79	2,529.79
4.1	*Of which Retail – Immovable property SMEs*	194.65	0.65%	96.56%	96.56%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	87.08	87.08
4.2	*Of which Retail – Immovable property non-SMEs*	7,803.44	1.19%	96.18%	96.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1,464.18	1,464.18
4.3	*Of which Retail – Qualifying revolving*	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	-	-
4.4	*Of which Retail – Other SMEs*	329.71	6.35%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	81.15	81.15
4.5	*Of which Retail – Other non-SMEs*	3,447.77	29.18%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	897.38	897.38
5	**Total**	**15,848.93**	**7.21%**	**53.03%**	**53.03%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**4,966.49**	**4,972.34**
	F-IRB														
1	Central governments and central banks	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-
2	Institutions	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-
3	Corporates	1,533.83	2.04%	67.27%	67.27%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	1,053.06	1,053.95
3.1	*Of which Corporates – SMEs*	189.85	0.00%	67.03%	67.03%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	171.11	171.11
3.2	*Of which Corporates – Specialised lending*	-	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%		-
3.3	*Of which Corporates – Other*	1,343.98	2.04%	0.24%	0.24%	0.00%	0.00%		0.00%	0.00%	0.00%	0.00%	0.00%	881.95	882.84
4	**Total**	**1,533.83**	**1.79%**	**8.51%**	**8.51%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**0.00%**	**1,053.06**	**1,053.95**

2.5.2 RWA flow statements of credit risk exposures under the IRB approach

According to Article 438 (h) of Regulation (EU) No 575/2013 (CRR), the following table provides a flow statement explaining variations in the credit RWAs between Q1 2023 and Q2 2023.

TEMPLATE EU CR8 – RWEA FLOW STATEMENTS OF CREDIT RISK EXPOSURES UNDER THE IRB APPROACH

		a
	(in EUR million)	**Risk weighted exposure amount**
1	**Risk weighted exposure amount as at the end of the previous reporting period**	**6,533.71**
2	Asset size (+/-)	**7.30**
3	Asset quality (+/-)	-49.21
4	Model updates (+/-)	0.00
5	Methodology and policy (+/-)	0.00
6	Acquisitions and disposals (+/-)	0.00
7	Foreign exchange movements (+/-)	0.00
8	Other (+/-)	**–0.12**
9	**Risk weighted exposure amount as at the end of the reporting period**	**6,491.68**

2.6 Provisions

The overall results of the ECLs calculation for BIL in June 2023 are as follows:

												Mar 2023		Jun 2023		2022 Q4				
	ECL					Gross Exposure (1)			Net Exposure (2)			Coverage ratio				ECL		Coverage ratio		
		Mar 2023		Jun 2023	Jun 2023 vs Mar 2023		Jun 2023	Jun 2023 vs Mar 2023		Jun 2023	Jun 2023 vs Mar 2023	"ECL/ Gross Expo"	"ECL/ Net Expo"	"ECL/ Gross Expo"	"ECL/ Net Expo"			"ECL/ Gross Expo"	"ECL/ Net Expo"	ECL Jun2023 - 2022 Q4
Stage1	**47%**	**58,11**	**31%**	**42,01**	**-16,10**	**87%**	**28.595**	**-900**	**94%**	**18.209**	**-729**	**0,20%**	**0,31%**	**0,15%**	**0,23%**	**54%**	**64,00**	**0,21%**	**0,34%**	**-21,99**
ECL Model - RCO (3)	47%	58,15	30%	40,75	-17,40									0,14%	0,22%	54%	64,13			-23,38
ow Scenario impact		*4,07*		*2,77*	*-1,30*												*4,28*			*-1,51*
MO Outreach Program RRE (4)	0%	-0,04	0%	-	0,04											0%	-0,13			0,13
Finding 7 OSI - LGD Mortgage (5)	0%	-	1%	1,26	1,26											0%	-			1,26
Stage2	**27%**	**33,37**	**34%**	**45,81**	**12,45**	**12%**	**3.997**	**151**	**6%**	**1.163**	**114**	**0,87%**	**3,18%**	**1,15%**	**3,94%**	**29%**	**34,53**	**1,08%**	**3,72%**	**11,29**
ECL Model - RCO	27%	33,46	29%	39,14	5,68									0,98%	3,36%	29%	34,61			4,53
ow Scenario impact		*1,26*		*1,07*	*-0,19*												*1,20*			*-0,13*
ow outreach program_old RRE		-		*0,34*	*0,34*												-			*0,34*
ow outreach program_new Property Developers		-		*6,44*	*6,44*												-			*6,44*
ow Special mention list		-		*0,95*	*0,95*												-			*0,95*
ow Others		-		*0,39*	*0,39*												-			*0,39*
MO Outreach Program RRE	0%	-0,09	0%	-	0,09											0%	-0,09			0,09
Finding 7 OSI - LGD Mortgage	0%	-	5%	6,67	6,67											0%	-			6,67
Stage3	**26%**	**32,01**	**36%**	**48,73**	**16,72**	**1%**	**178**	**15**	**0%**	**62**	**30**	**19,65%**	**98,80%**	**27,33%**	**78,69%**	**18%**	**21,08**	**11,64%**	**76,23%**	**27,65**
ECL Model - RCO	5%	6,42	18%	25,18	18,76									14,12%	40,66%	5%	5,43			19,75
ow Scenario impact		*0,01*		*0,01*	*-0,00*												*0,04*			*-0,03*
MO Outreach Program RRE	1%	1,85	0%	-	-1,85											2%	1,97			-1,97
Finding 7 OSI - LGD Mortgage	8%	10,10	7%	9,87	-0,23											0%	-			9,87
Probation Period Adjustment (6)	11%	13,64	10%	13,68	0,04											11%	13,68			-
Total BIL GROUP	**100%**	**123,49**	**100%**	**136,55**	**13,06**	**100%**	**32.771**	**-734**	**100%**	**19.434**	**-586**	**0,37%**	**0,62%**	**0,42%**	**0,70%**		**119,60**	**0,36%**	**0,60%**	**16,94**
ECL Model - RCO		98,03		105,07	7,04									0,32%	0,54%		104,17			0,90
ow Scenario impact		*5,34*		*3,85*	*-1,49*												*5,52*			*-1,67*
MO Outreach Program		1,72		-	-1,72												1,75			-1,75
Finding 7 OSI - LGD Mortgage		10,10		17,80	7,70												-			17,80
Probation Period Adjustment		13,64		13,68	0,04												13,68			-

'(1) Collateral excluded
'(2) Collateral included meaning deducted from Total Exposure On balance and Off Balance sheet multiplied by Conversion Credit Factor
'(3) ECL amount produced by the satellite "RCO Impairment" of the Moody software
'(4) Management Overlay Outreach Program (Factory simulation - accounting adjustment)
'(5) Finding 7 OSI - LGD Mortgage - Secured Stage 3 and Unsecured Stage 1 & 2 (CDS simulation - accounting adjustment)
'(6) Probation Period Adjustment (accounting adjustment)

2.7 Counterparty credit risk

2.7.1 Analysis of CCR exposures by model approach

As displayed, due to the new European Capital Requirements Regulation (CRRII) in force since June 2021, the Bank uses the SA-CCR method to measure the exposure value of derivatives subject to capital requirements for CCR.

TEMPLATE EU CCR1 - ANALYSIS OF CCR EXPOSURE BY APPROACH

		a	b	c	d	e	f	g	h
	(in EUR million)	Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1	EU - Original Exposure Method (for derivatives)	-	-		1.4	-	-	-	-
EU-2	EU - Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	16.25	72.21		1.4	215.83	123.85	123.85	78.41
2	IMM (for derivatives and SFTs)			-		-	-	-	-
2a	*Of which securities financing transactions netting sets*			-		-	-	-	-
2b	*Of which derivatives and long settlement transactions netting sets*			-		-	-	-	-
2c	*Of which from contractual cross-product netting sets*			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					69.37	-	-	-
5	VaR for SFTs					-	-	-	-
6	**TOTAL**					**285.20**	**123.85**	**123.85**	**78.41**

2.7.2 CVA capital charge

Pursuant to Article 439 (h) of Regulation (EU) No 575/2013 (CRR), the following table provides the exposure value and risk exposure amount of transactions subject to capital requirements for credit valuation adjustment. The standardised approach is used to calculate the CVA capital charge.

TEMPLATE EU CCR2 - TRANSACTIONS SUBJECT TO OWN FUNDS REQUIREMENTS FOR CVA RISK

		a	b
	(in EUR million)	Exposure value	RWEA
1	Total transactions subject to the Advanced method	-	-
2	(i) VaR component (including the 3× multiplier)		-
3	(ii) stressed VaR component (including the 3× multiplier)		-
4	Transactions subject to the Standardised method	107.52	22.02
EU-4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-
5	**Total transactions subject to own funds requirements for CVA risk**	**107.52**	**22.02**

2.7.3 Exposures to CCP

The below table presents an overview of exposures and capital requirements to central counterparties arising from transactions, margins and contributions to default funds.

TEMPLATE EU CCR8 - EXPOSURES TO CCPS

		a	b
	(in EUR million)	Exposure value	RWEA
1	**Exposures to QCCPs (total)**		**44.30**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	1,107.46	44.30
3	(i) OTC derivatives	1,107.46	44.30
4	(ii) Exchange-traded derivatives	-	-
5	(iii) SFTs	-	-
6	(iv) Netting sets where cross-product netting has been approved	-	-
7	Segregated initial margin	-	
8	Non-segregated initial margin	-	-
9	Prefunded default fund contributions	-	-
10	Unfunded default fund contributions	-	-
11	**Exposures to non-QCCPs (total)**		**-**
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	-	-
13	(i) OTC derivatives	-	-
14	(ii) Exchange-traded derivatives	-	-
15	(iii) SFTs	-	-
16	(iv) Netting sets where cross-product netting has been approved	-	-
17	Segregated initial margin	-	
18	Non-segregated initial margin	-	-
19	Prefunded default fund contributions	-	-
20	Unfunded default fund contributions	-	-

2.7.4 Standardised approach – CCR exposures by exposure class and risk weight

According to Article 444 (e) of the Regulation (EU) No 575/2013 (CRR), the following table provides the counterparty credit risk exposures under the standardised approach broken down by risk weights and regulatory exposure classes. "Unrated" includes all exposures for which a credit assessment by a nominated External Credit Assessment Institutions (ECAI) is not available and they therefore receive the standard risk weight according to their exposure classes as described in the CRR.

TEMPLATE EU CCR3 – STANDARDISED APPROACH – CCR EXPOSURES BY REGULATORY EXPOSURE CLASS AND RISK WEIGHTS

		a	b	c	d	e	f	g	h	i	j	k	l
		Risk Weight											
	Exposure classes	0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
1	Central governments or central banks	-	-	-	-	-	-	-	-	-	-	-	-
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	1,107.46	-	268.90	46.71	-	-	-	-	-	1,423.07
7	Corporates	-	-	-	-	-	0.02	-	-	50.93	-	-	50.95
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	14.18	26.61	-	-	4.70	-	-	45.49
10	Other items	-	-	-	-	-	-	-	-	-	0.04	-	0.04
11	**Total exposure value**	**-**	**-**	**1,107.46**	**-**	**283.08**	**73.34**	**-**	**-**	**55.63**	**0.04**	**-**	**1,519.56**

2.7.5 IRB approach – CCR exposures by exposure class and risk weight

According to point (l) of Article 439 referring to point (g) of Article 452 of Regulation (EU) No 575/2013 (CRR), the following table provides the counterparty credit risk exposures under the IRB approach broken down by exposure classes and PD scale.

TEMPLATE EU CCR4 - IRB APPROACH – CCR EXPOSURES BY PORTFOLIO AND PD SCALE

		a	b	c	d	e	f	g
(in EUR million)	PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount
Corporates (F-IRB)	0.00 to < 0.15	0,26	0,03%	3	45%	3,0000	0,05	19,40%
	0.15 to < 0.25	-	0,00%	-	0%	-	-	0,00%
	0.25 to < 0.50	0,88	0,31%	2	45%	3,0000	0,65	74,02%
	0.50 to < 0.75	-	0,00%	-	0%	-	-	0,00%
	0.75 to < 2.50	2,57	0,87%	1	45%	3,0000	3,02	117,65%
	2.5 to < 10.00	-	0,00%	-	0%	-	-	0,00%
	10.00 to < 100.00	0,04	13,98%	4	45%	3,0000	0,10	291,23%
	100 (Default)	-	0,00%	-	0%	-	-	0,00%
	SUBTOTAL	**3,75**	**0,80%**	**10**	**45%**	**3,0000**	**3,82**	**102,11%**

		a	b	c	d	e	f	g
(in EUR million)	PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount
Corporates (A-IRB)	0.00 to < 0.15	-	0,00%	-	0%	-	-	0,00%
	0.15 to < 0.25	-	0,00%	-	0%	-	-	0,00%
	0.25 to < 0.50	-	0,00%	-	0%	-	-	0,00%
	0.50 to < 0.75	0,38	0,66%	1	13%	1,0000	0,08	22,39%
	0.75 to < 2.50	-	0,00%	-	0%	-	-	0,00%
	2.5 to < 10.00	0,72	9,05%	2	26%	2,0000	0,34	84,33%
	10.00 to < 100.00	0,22	10,26%	1	13%	1,0000	0,10	45,32%
	100 (Default)	-	0,00%	-	0%	-	-	0,00%
	SUBTOTAL	**1,31**	**10,83%**	**4**	**26%**	**2,0000**	**0,52**	**79,44%**

		a	b	c	d	e	f	g
(in EUR million)	PD scale	Exposure value	Exposure weighted average PD (%)	Number of obligors	Exposure weighted average LGD (%)	Exposure weighted average maturity (years)	RWEA	Density of risk weighted exposure amount
Corporates (F-IRB)	0.00 to < 0.15	0,76	0,11%	26	13%	-	0,04	4,80%
	0.15 to < 0.25	-	0,00%	1	0%	-	-	0,00%
	0.25 to < 0.50	0,52	0,27%	4	13%	-	0,05	9,26%
	0.50 to < 0.75	0,26	0,62%	8	17%	-	0,05	19,37%
	0.75 to < 2.50	2,38	4,11%	109	29%	-	0,60	46,49%
	2.5 to < 10.00	1,02	4,69%	19	13%	-	0,28	27,26%
	10.00 to < 100.00	-	0,00%	-	0%	-	-	0,00%
	100 (Default)	-	0,00%	-	0%	-	-	0,00%
	SUBTOTAL	**4,94**	**2,98%**	**167**	**30%**	**-**	**1,02**	**40,30%**
Total (all CCR relevant exposure classes)		**10,00**	**3,37%**	**181**	**59%**	**3,0000**	**5,36**	**126,71%**

2.7.6 Impact of netting and collateral held on exposure value for derivatives and SFTs

According to Article 439 (e) of Regulation (EU) No 575/2013 (CRR), the following table presents information on counterparty credit risk exposure and the impact of netting and collateral held, as well as the composition of collateral used in both derivatives transactions and securities financing transactions (SFT).

The below table discloses a breakdown of all types of collateral posted or received to support or reduce CCR exposures related to derivatives and SFT.

TEMPLATE EU CCR5 – COMPOSITION OF COLLATERAL FOR EXPOSURES TO CCR

		a	b	c	d	e	f	g	h
		Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
	(in EUR million)	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	**Cash – domestic currency**	-	29.34	-	244.87	-	0.00	-	-
2	**Cash – other currencies**	-	-	-	-	-	-	-	-
3	**Domestic sovereign debt**	-	-	-	-	-	-	-	-
4	**Other sovereign debt**	-	-	-	-	-	-	-	-
5	**Government agency debt**	-	-	-	-	-	69.37	-	-
6	**Corporate bonds**	-	-	-	-	-	-	-	-
7	**Equity securities**	-	-	-	-	-	-	-	-
8	**Other collateral**	-	-	-	-	-	9,067.46	-	-
9	**TOTAL**	**–**	**29.34**	**–**	**244.87**	**–**	**9,136.83**	**–**	**–**

2.8 Securitisation exposures

The following disclosures refer to traditional securitisations held in the banking book and regulatory capital on these exposures calculated according to the Basel III standardised approaches to securitisation exposures.

BIL's role in the securitisation process is that of Investor where it has about EUR 321.33 million of asset-backed securities (ABS) on a total portfolio of EUR 9.1 billion.

Additional quantitative data are disclosed in the two tables below.

TEMPLATE EU-SEC1 – SECURITISATION EXPOSURES IN THE NON-TRADING BOOK

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Institution acts as originator							Institution acts as sponsor				Institution acts as investor			
	(in EUR million)	Traditional				Synthetic		Sub-total	Traditional		Synthetic	Sub-total	Traditional		Synthetic	Sub-total
		STS		Non-STS		of which SRT			STS	NON-STS			STS	NON-STS		
1	Total exposures												321.33	–	–	321.33
2	**Retail (total)**												**220.63**	**–**	**–**	**220.63**
3	residential mortgage												15.41	-	-	15.41
4	credit card												15.00	-	-	15.00
5	other retail exposures												190.22	-	-	190.22
6	re-securitisation												-	-	-	-
7	**Wholesale (total)**												**100.70**	**–**	**–**	**100.70**
8	loans to corporates												-	-	-	-
9	commercial mortgage												-	-	-	-
10	lease and receivables												100.70	-	-	100.70
11	other wholesale												-	-	-	-
12	re-securitisation												-	-	-	-

TEMPLATE EU-SEC4– SECURITISATION EXPOSURES IN THE NON-TRADING BOOK AND ASSOCIATED REGULATORY CAPITAL REQUIREMENTS - INSTITUTION ACTING AS INVESTOR

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	EU-p	EU-q
		Exposure values (by RW bands/deductions)					Exposure values (by regulatory approach)				RWEA (by regulatory approach)				Capital charge after cap			
	(in EUR million)	≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW/ deductions	SEC-IRBA (including IAA)	SEC-ERBA	SEC-SA	1250% RW/ deductions	SEC-IRBA (including IAA)	SEC-ERBA	SEC-SA	1250% RW/ deductions	SEC-IRBA (including IAA)	SEC-ERBA	SEC-SA	1250% RW/ deductions
1	**Total exposures**	**314.33**	**7.00**	**-**	**-**	**-**		**321.33**				**35.17**				**2.81**		
2	Traditional securitisation	314.33	7.00	-	-	-		321.33				35.17				2.81		
3	Securitisation	314.33	7.00	-	-	-		321.33				35.17				2.81		
4	Retail underlying	213.63	7.00					220.63				25.10				2.01		
5	Of which STS	213.63	7.00					220.63				25.10				2.01		
6	Wholesale	100.70						100.70				10.07				0.80		
7	Of which STS	100.70						100.70				10.07				0.80		
8	Re-securitisation																	
9	Synthetic securitisation																	
10	Securitisation																	
11	Retail underlying																	
12	Wholesale																	
13	Re-securitisation																	

3. Market risk

3.1 Market risk exposure

In the first half 2023, BIL Group's market risk indicators remained stable compared to end 2022.

FINANCIAL MARKETS

Global trading VaR (10 days, 99%) (in EUR million)	31/12/2022	30/06/2023
Average	0.09	0.13
End of period	0.12	0.14
Maximum	0.29	0.29
Limit	2.00	1.00

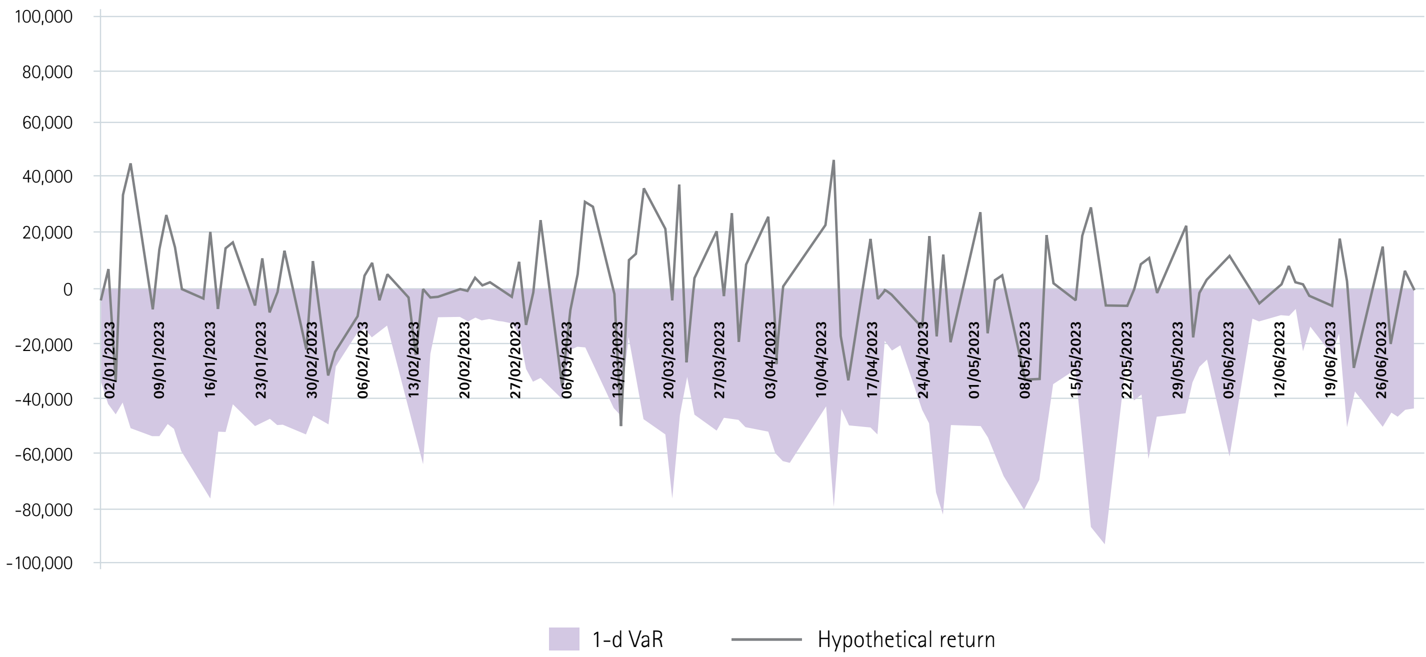
BIL continues to follow a prudent approach in the context of increase in interest rates level and geopolitical tensions in Eastern Europe (war Ukraine/Russia).

The Trading market activities Value at Risk (VaR) limit has been lowered to reflect the business strategy evolution (focus on client flows management, servicing, offering access to competitive pricing and optimising profitability with lower risk profile).

During the first half of 2023, one downward back-testing exception occurred and is explained by the recent financial market volatilities:

VaR date	1-d VaR (EUR)	Hypothetical P&L (EUR)	Comment
14/03/2023	- 50 014.32	- 46 280.50	The back-testing breach on the global trading perimeter was mainly caused by the decrease of EUR/USD (-1,76%) impacting the spot & FOREX Options positions.

The comparison of VaR (1-d, 99%) estimates with gains/losses is presented as follows:



3.2 Liquidity risk

3.2.1 Liquidity Coverage Ratio

As the main short-term liquidity reference indicator, the Liquidity Coverage Ratio (LCR) requires the Bank to hold sufficient High-Quality Liquid Assets (HQLA) to cover its total net cash outflows over 30 days. The methodology of the ratio is compliant with the CRR (Delegated Act based on art. 462 of the CRR).

It is worth mentioning that the LCR has an impact on the asset structure as well as the funding profile of the Bank. LCR forecasts therefore become an integral part of the decision-making process of the Management Bodies.

The LCR has slightly increased from 153% as at 31 December 2022 to 154% as at 30 June 2023.

(in EUR billion)	31/12/2022	30/06/2023
Stock of HQLA	10.77	9.91
Net Cash Outflows	7.03	6.42
LCR ratio	153%	154%
Regulatory limit	100%	
Internal limit	110%	
Trigger	115%	

For further details, please refer to the templates LIQ1 elaborated in line with the circular CSSF 18/676 on LCR disclosure below.

Market Risk

TEMPLATE EU LIQ1 – QUANTITATIVE INFORMATION OF LCR

(in EUR billion)		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	**Quarter ending on (DD Month YYY)**	**30 June 2023**	**31 March 2023**	**31 December 2022**	**30 September 2022**	**30 June 2023**	**31 March 2023**	**31 December 2022**	**30 September 2022**
EU 1b	**Number of data points used in the calculation of averages**	12	12	12	12	12	12	12	12
	HIGH-QUALITY LIQUID ASSETS								
1	Total high-quality liquid assets (HQLA)					11203.705	11463.518	11413.088	11128.304
	CASH – OUTFLOWS								
2	Retail deposits and deposits from small business customers, of which:	9484.3012	9577.525	9655.6208	9695.4587	901.72258	929.70778	955.09238	966.30399
3	*Stable deposits*	4083.7012	4156.8547	4125.0107	4071.708	204.18506	207.84273	206.25054	203.5854
4	*Less stable deposits*	4931.4343	5114.8701	5310.2061	5437.9882	697.53752	721.86504	748.84185	762.71859
5	Unsecured wholesale funding	8991.7593	9265.6273	9284.5067	9168.8817	6639.9358	6888.3016	6881.6499	6763.0335
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	0	0	0	0	0	0	0	0
7	*Non-operational deposits (all counterparties)*	8751.2831	9058.1322	9130.5117	9047.342	6399.4596	6680.8065	6727.6549	6641.4938
8	*Unsecured debt*	240.47622	207.49511	153.99504	121.53974	240.47622	207.49511	153.99504	121.53974
9	*Secured wholesale funding*					31.153389	53.750098	39.138056	30.732967
10	Additional requirements	3424.0956	3388.6044	3382.4459	3407.7507	794.59056	770.66933	726.60135	673.59797
11	*Outflows related to derivative exposures and other collateral requirements*	347.82247	324.31624	287.37207	254.27263	347.82247	324.31624	287.37207	254.27263
12	*Outflows related to loss of funding on debt products*	0	0	0	0	0	0	0	0
13	*Credit and liquidity facilities*	3076.2732	3064.2882	3095.0738	3153.4781	446.76808	446.35309	439.22928	419.32534
14	Other contractual funding obligations	0	0	0	0	0	0	0	0
15	Other contingent funding obligations	1076.1167	1119.7972	1146.5801	1164.1693	10.761167	11.197972	11.465801	11.641693
16	TOTAL CASH OUTFLOWS					8378.1635	8653.6268	8613.9475	8445.3101
	CASH – INFLOWS								
17	Secured lending (e.g. reverse repos)	196.54969	153.91208	70.328894	10.511058	27.8509	21.455258	10.172279	2.4211516
18	Inflows from fully performing exposures	607.5346	554.6862	546.79456	504.16655	429.13137	381.25364	375.85107	345.10472
19	Other cash inflows	891.15546	921.66556	966.1251	1014.7635	217.80262	218.33323	226.3739	232.50215
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)					0	0	0	0
EU-19B	(Excess inflows from a related specialised credit institution)					0	0	0	0
20	TOTAL CASH INFLOWS	1695.2398	1630.2638	1583.2486	1529.4411	674.7849	621.04212	612.39725	580.02801
EU-20A	*Fully exempt inflows*	0	0	0	0	0	0	0	0
EU-20B	*Inflows subject to 90% cap*	0	0	0	0	0	0	0	0
EU-20C	*Inflows subject to 75% cap*	1695.2398	1630.2638	1583.2486	1529.4411	674.7849	621.04212	612.39725	580.02801
	TOTAL ADJUSTED VALUE								
EU-21	**LIQUIDITY BUFFER**					**11203.705**	**11463.518**	**11413.088**	**11128.304**
22	**TOTAL NET CASH OUTFLOWS**					**7703.3786**	**8032.5846**	**8001.5502**	**7865.2821**
23	**LIQUIDITY COVERAGE RATIO**					**1.459225**	**1.4288048**	**1.4276856**	**1.4163083**

3.2.2 Net Stable Funding Ratio

he NSFR, reflecting the long-term liquidity position of an institution, requires the available amount of stable funding to exceed the required amount of stable funding over a one-year period of extended stress.

The NSFR remains stable during the first half of 2023.

(in EUR billion)	31/12/2022	30/06/2023
Available Stable Funding (ASF)	18.46	18.32
Required Stable Funding (RSF)	14.98	14.75
NSFR ratio	123%	124%
Regulatory limit	100%	
Internal limit	104%	
Internal trigger	106%	

For further details, please refer to the templates LIQ2 disclosed below.

TEMPLATE EU LIQ2: NET STABLE FUNDING RATIO

(in currency amount)		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
	Available stable funding (ASF) Items					
1	**Capital items and instruments**	**2229895092**	**0**	**0**	**342143990**	**2572039082**
2	*Own funds*	2229895092	0	0	342143990	2572039082
3	*Other capital instruments*		0	0	0	0
4	**Retail deposits**		**9251193523**	**217163588**	**645121981.7**	**9361043436**
5	Stable deposits		3888001092	0	0	3693601037
6	*Less stable deposits*		5363192431	217163588	645121981.7	5667442398
7	**Wholesale funding:**		**11424524926**	**806769830**	**493885426.7**	**3915494426**
8	*Operational deposits*		0	0	0	0
9	*Other wholesale funding*		11424524926	806769830	493885426.7	3915494426
10	Interdependent liabilities		0	0	0	0
11	**Other liabilities:**	**0**	**1683234730**	**580237696**	**2183804664**	**2473923512**
12	*NSFR derivative liabilities*	0				
13	*All other liabilities and capital instruments not included in the above categories*		1683234730	580237696	2183804664	2473923512
14	**Total available stable funding (ASF)**					**18322500456**

Market Risk

(in currency amount)		a	b	c	d	e
		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
	Required stable funding (RSF) Items					
15	**Total high-quality liquid assets (HQLA)**					**325538075.6**
EU-15a	**Assets encumbered for a residual maturity of one year or more in a cover pool**		0	0	0	0
16	**Deposits held at other financial institutions for operational purposes**		0	0	0	0
17	**Performing loans and securities:**		**2378706493**	**1183882466**	**14647920951**	**12954289490**
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		0	0	0	0
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		802590745.2	141782014	1036795161	1172620355
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		1227531186	733250756	6614386428	10552791355
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		0	0	0	3950171921
22	*Performing residential mortgages, of which:*		270496668	164811737	5742334951	0
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		270496668	164811737	5742334951	0
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		78087894.48	144037960	1254404411	1228877780
25	**Interdependent assets**		**0**	**0**	**0**	**0**
26	**Other assets:**		**890486619.8**	**0**	**973741929.3**	**1310022173**
27	*Physical traded commodities*				0	0
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*			212930264.5		180990724.8
29	*NSFR derivative assets*					
30	*NSFR derivative liabilities before deduction of variation margin posted*			326007105.3		16300355.27
31	*All other assets not included in the above categories*		351549250	0	973741929.3	1112731093
32	**Off-balance sheet items**		**4205407208.93**	**0.00**	**0.00**	**162034865.95**
33	**Total RSF**					**14751884605**
34	**Net Stable Funding Ratio (%)**					**1.242044725**

3.3 Interest rate risk in the banking book

Interest Rate Risk in the Banking Book (IRRBB) refers to the current or prospective risk to a Bank's capital and its earnings, arising from the impact of adverse movements in interest rates on its banking book.

Two complementary methods measure the impacts of changes on the IRRBB: the changes in Economic Value of Equity (EVE) and the changes in expected Net Interest Income (NII).

3.3.1 Monitoring of Economic Value of Equity

BIL defines its EVE measure as the measure of changes in the net present value of all interest rate sensitive instruments resulting from interest rate movements.

The EVE measurement is defined as the difference of the current EVE and expected EVE under an alternative stress scenario. The Supervisory Outlier Test (SOT) defines eight stress scenarios for EVE measurement: a parallel instant shift of the yield curve of +200bp and -200bp, two additional parallel shocks (up and down), a yield curve flattening and steepening and two short term shock scenarios.

3.3.2 Monitoring of Net Interest Income

BIL defines its NII measure as the measure of changes in expected future profitability within a one-year time horizon resulting from interest rate movements. In addition, a comprehensive earning measure has been introduced to assess the impacts resulting from interest rate movements on NII and market value of instruments at Fair Value through Profit and Loss and Other Comprehensive Income.

The NII and earnings measurements are defined as the difference between expected NII/earnings under a base scenario and expected NII/earnings under an alternative stress scenario (parallel instant shift of the yield curve of +200bp and -200bp).

3.3.4 IRRBB Outcomes

The tables below display the outcomes of the supervisory shock scenarios and qualitative information on interest rate risks of non-trading book activities.

TEMPLATE EU IRRBB1 - INTEREST RATE RISKS OF NON-TRADING BOOK ACTIVITIES

	Supervisory shock scenarios	a	b	c	d
		Changes of the economic value of equity		**Changes of the net interest income**	
		Current period	**Last period**	**Current period**	**Last period**
1	Parallel up	-77.1	-49.2	56.3	78.7
2	Parallel down	34.9	10.8	-55.4	-78.6
3	Steepener	-50.2	-60.8		
4	Flattener	23.1	30.9		
5	Short rates up	11.1	24		
6	Short rates down	-23.3	-50.4		

TEMPLATE EU IRRBBA - INTEREST RATE RISK OF NON-TRADING BOOK ACTIVITIES

	Qualitative information - free format		Legal basis
(a)	A description of how the institution defines IRRBB for purposes of risk control and measurement	Interest Rate Risk in the Banking Book (IRRBB) refers the potential decline in the Bank's earnings and Economic Value resulting from unfavorable shifts in interest rates affecting the value of interest rate-related exposures or outcomes tied to interest rates (such as Profit/Loss and OCI reserve).	Article 448(1), point (e)
(b)	A description of the institution's overall IRRBB management and mitigation strategies	The Bank defines its risk appetite for IRRBB in terms of the acceptable impact of fluctuating interest rates on both earnings and Economic Value (EV). Based on the risk appetite statement, the Bank defines a set of limits and triggers on the earnings risk and EV measure at both local and consolidated levels. The Bank actively monitors and strives to reduce its natural commercial gap, basis and option risks. The interest rate gap risk is managed in a perspective of systematic interest rate sensitivity reduction accompanying the commercial activity. This entails: • Maintaining a neutral interest rate sensitivity corridor (between 0 and 50million) from an Economic Value of Equity (EVE) perspective with a 100 basis points parallel shift for Asset and Liability Management (ALM) activities. • Adhering to the prescribed Risk Appetite triggers and limits for EVE (Economic Value of Equity) and NII (Net Interest Income) in both parallel and non-parallel shift scenarios. Derivative instruments are used to mitigate IRRBB exposures. Fixed income financial assets and liabilities are also used to steer the structural interest rate position of the Bank on a longer-term horizon.	Article 448(1), point (f)
(c)	The periodicity of the calculation of the institution's IRRBB measures, and a description of the specific measures that the institution uses to gauge its sensitivity to IRRBB	BIL has procedures to identify, measure, monitor and control the risks. A systematic monitoring, measurement and control is performed at least quarterly, whereas the identification is performed as an ongoing process with a fine granularity.	Article 448(1), points (e) (i) and (v); Article 448(2)
(d)	A description of the interest rate shock and stress scenarios that the institution uses to estimate changes in the economic value and in net interest income (if applicable)	The Supervisory Outlier Test (SOT) defines eight stress scenarios for EVE measurement: a parallel instant shift of the yield curve of +200bp and -200bp, two additional parallel shocks (up and down), a yield curve flattening and steepening and two short term shock up and down scenarios. • The shocks are applied for each material currency; • A floor is applied for each scenario and currency starting with -100 bp for the overnight maturity and an increase by 5 bp per year (eventually reaching a floor of 0% for maturities of 20 years and more). • When calculating the aggregated EVE change for each shock scenario, the Bank adds together any negative and positive changes occurring in each currency. Positive changes are weighted by a factor of 50%. In addition to the regulatory IR scenarios, the Bank applies two internal scenarios (stagflation situation and historical financial crisis 2008). For the NII, The Bank consider the difference between expected NII/earnings under a base scenario and expected NII/earnings under an alternative stress scenario (parallel instant shift of the yield curve of +200bp and -200bp).	Article 448(1), point (e) (iii); Article 448(2)
(e)	A description of the key modelling and parametric assumptions different from those used for disclosure of template EU IRRBB1 (if applicable)		Article 448(1), point (e) (ii); Article 448(2)
(f)	A high-level description of how the bank hedges its IRRBB, as well as the associated	Macro and micro interest rate hedging are used to hedge the Bank IRRBB.	Article 448(1), point (e) (iv); Article 448(2)
(g)	A description of key modelling and parametric assumptions used for the IRRBB measures in template EU IRRBB1 (if applicable)	The EVE measurement is a calculation assuming a run-off balance sheet. The change in present value includes any repayment or repricing of principal. The interest payments are limited to: • The RTP portion (i.e. the LTP spread and any other specific spread, such as the commercial margin, are excluded of the EV measure) for the commercial assets and liabilities; • The initial reference rate (i.e. excluding the potential liquidity premium, credit spread and other spread components) for the financial instruments (assets, liabilities and derivatives). • The non-performing exposures (net of provisions) are part of the EV measure based on their expected cash-flows and their timing if the NPE ratio is greater than 2%; • The contractual floors are considered in the calculation and concern floating rate notes (assets and liabilities) and commercial loans. The earnings risk is calculated assuming a constant balance sheet over a 1-year horizon, where maturing or repricing cash flows are replaced by new cash flows with identical features with regard to the amount and the repricing period). The earnings risk includes expected cash flows arising from all interest rate-sensitive instruments and products in the Banking Book. The earnings measures and the associated risk are not limited to the Rate Transfer Pricing (RTP) but include also the Liquidity Transfer Pricing (LTP) and the commercial margin. Forward rates are used to determine the future refixing rates. The treatment of automatic options (cap and floors) is scenario dependent. The treatment of behavioral options is independent of the specific interest rate scenario. The puttable structured products are called on the first call date and the callable structured products are repaid on their maturity date.	Article 448(1), point (c); Article 448(2)
(h)	Explanation of the significance of the IRRBB measures and of their significant variations since previous disclosures	The rise in interest rates over the past year negated the impact of both regulatory and product-specific floor for the shock down scenario, leading to a breach of the Net Interest Income (NII) internal RAF limit. Remedial measures have been implemented, primarily involving financial market strategies aimed at mitigating the decline in NII after a parallel shift down scenario. These measures includes the unwinding of asset swap hedges, the implementation of new Fair Value Hedge strategies on Treasury deposits and Cash Flow Hedge on Floating Rates Notes. Consequently, the NII sensitivity has decreased to EUR -55M as at end of June 2023. The NII hedging actions have moderately impacted the Economic Value of Equity (EVE), which remains far from the internal trigger.	Article 448(1), point (d)
(i)	Any other relevant information regarding the IRRBB measures disclosed in template EU IRRBB1 (optional)		
(1) (2)	Disclosure of the average and longest repricing maturity assigned to non-maturity deposits	The average repricing maturity for non-maturity-deposits was 2.2 years for EUR and 1.3 years for USD. The longest repricing maturity was 10 years for EUR and 5 years for USD.	Article 448(1), point (g)

3.4 Assessment of the regulatory capital requirement

All market risks are treated under the Basel III standardised approach. The table below presents the Bank's regulatory capital requirements broken down by risk type at the end June 2023.

TEMPLATE EU MR1 - MARKET RISK UNDER THE STANDARDISED APPROACH

	31/12/2022 RWAs and Capital requirements		30/06/2023 RWAs and Capital requirements	
OUTRIGHT PRODUCTS				
Interest rate risk (general and specific)	8	1	9	1
Equity risk (general and specific)	-	-	0	0
Foreign exchange risk	9	1	5	0
Commodity risk				
OPTIONS				
Simplified approach				
Delta-plus method				
Scenario approach				
Securitisation (specific risk)				
Total	**17**	**1**	**14**	**1**

4. Focus on BRRD matters

The Bank is currently finalising the update of its 2023 Recovery Plan, which will be submitted to the supervisory authorities by the end of September 2023.

The Bank has enhanced the Recovery Options section by adding additional Recovery Options as compared to the 2022 Recovery Plan, which increased the usability of the plan in crisis situations. Moreover, the Bank has continued to enhance the operationalisation of the Recovery Plan, notably through dry-run exercises covering all steps of the Recovery Process (the dry-run sessions will take place in November 2023). On the other hand, the Bank succeeded in addressing internally all the ECB comments received on the 2022 Recovery Plan Exercise and developed the 2023 Exercise in line with the latest Regulatory guidelines, including the EBA's Final Report entitled "Guidelines on the overall recovery capacity in recovery planning" issued on 19 July 2023.

Regarding the resolution part, a detailed version of BIL's Resolution Plan was provided to the Bank by the Single Resolution Board (SRB) in December 2022. It highlights the fact that BIL is on track to become fully resolvable in light of the phase-in of the Expectations for Banks (EfBs) and MREL policy principles, and must continue to work on a range of resolution matters, the most notable of which is the operationalisation of the Preferred Resolution Strategy. The Bank has enhanced its Resolution Plan framework accordingly and continues to work on these matters.

The resolution program and its various pillars continue to be the subject of several dry-runs, management simulations and walkthroughs in 2023 as work is ongoing to implement the Bank's Resolution Testing Programme. This is further complemented with the different training projects the Bank is engaged in to provide stakeholders with a clear understanding of the regulatory framework surrounding resolution planning in general and BIL's Resolution Plan in particular.

5. Focus on ESG framework

BIL is committed to the sustainable development of its activities and those of its clients. The Bank has a clear sustainability strategy, integrated fully in the Bank's Energise Create Together 2025 Strategy, and is making indisputable progress in the sustainable action that it takes. BIL has been working on a concrete ESG roadmap for more than two years. The support of a dedicated ESG team and the engagement of the Bank's key stakeholders have enabled the roll-out of the first short and medium-term actions, regulatory projects and ambitions.

In early 2023, BIL, enhanced its ESG governance by creating a new ESG Strategic Steering Committee which now covers all ESG projects. The main objective is to further involve the business side of the Bank to drive this transformation, not only from a regulatory perspective, but also from a commercial and strategic approach.

Hence, the Towards Sustainability Committee has been complemented with a top-level decision-making committee composed of seven permanent members, also members of the Executive Committee and the Group Head of Sustainability.

The ESG Strategic Steering Committee meets every six weeks to manage all initiatives. It manages the ESG strategic programme for BIL Group. The Committee does not interfere with existing governance bodies and ensures that decisions are submitted to the appropriate governance body (e.g., New Product Committee (NPC), Asset Liability Management Committee (ALCO), Green Bond Committee, etc.) and that the Bank's management bodies are regularly informed with regards the ESG programme implementation. Data management and training were identified as the main enablers of the ESG programme, with dedicated resources to assist the programme.

The ESG programme, is organised around three pillars to support and implement the Bank's sustainability strategy:

- ESG Strategy & Governance: implies ESG target setting, client engagement approaches and integration of ESG aspects in business model and strategy, as expected by the regulator ;

- ESG products and services: as a financial intermediary, BIL plays a crucial role in transforming corporate models, by integrating ESG considerations into the financial instruments and solutions offered to its clients and therefore contributing towards the transition through the investments offered to clients and the projects the Bank finances. The Bank's objective is twofold: identify material ESG risks to which clients are exposed and identify growth opportunities in line with the Bank's business ambition of becoming a key transition facilitator;

- ESG at Corporate level: includes all projects that involve the integration of ESG factors into the Bank's processes or activities without direct impact on clients, as well as the more "traditional" Corporate Social Responsibility (CSR) initiatives (donations & community support, social & environmental impact). The Towards Sustainability Committee, a bi-monthly meeting with the entire ESG community, remains a regular platform for exchange and information on ESG initiatives throughout the Bank.

During the first half of this year, the following achievements can be mentioned for each pillar:

5.1 ESG strategy and governance

To ensure ESG awareness and ownership at Executive Committee and Board level, two dedicated ESG sessions were organised for the Bank's management bodies:

- On 7 February 2023, the Executive Committee and the Board of Directors attended an ESG training session focusing on the ESG regulatory landscape, which provided an in-depth look at the regulations with which the Bank must comply and explained the opportunities, challenges and interdependencies arising from them;

- On 6 March 2023, the Executive Committee held an in-depth workshop to discuss ESG objectives and climate strategy. The purposes of the objectives are threefold: (i) To support our clients in their transition: The Bank wants to support its customers in their transition by redirecting investments towards more sustainable technologies and businesses and provide the private capital which is needed for the transition, (ii) To address our own transition commitments: As an entity, we have also the responsibility to engage our own transition in order to be consistent with and contribute to individuals' needs and society's goals, as expressed by the Sustainable Development Goals, the Paris Climate Agreement, relevant national and regional frameworks (3rd Luxembourg National Plan on Sustainable Development) and other stakeholders (investors, regulator, shareholders, etc.) and, (iii) To reduce ESG Risks: ESG Risks, and more especially environmental risks, are considered as a top risk requiring the upmost attention of banks. The banks are exposed to ESG risks through their entity but also and above all through the counterparties they finance or invest in. By supporting our clients into their transition, we mainly mitigate the transition risks to which we are indirectly exposed to, leading to negative financial impact through a variety of classical risks of which Credit Risk, Market Risk and Reputational Risk.

13 objectives were discussed, divided into 5 categories: (i) Reducing financed emissions, (ii) Integrating ESG into business objectives, (iii) Improving environmental impact, (iv) Improving social impact and (v) ensuring good governance. The Management body approved the proposed categories of objectives and gave their support to continue working on more quantitative objectives to present them to the Strategy Committee and the Board of Directors in the second semester of 2023.

At the same time, the ESG programme is also coordinating the creation of an ESG dashboard that will enable the Bank's management bodies to guide the Bank through an increasingly complex sustainability landscape and support decision-making processes over the coming years by addressing the following issues: (i) Information relating to the Bank's balance sheet (such as loans, derivatives transactions, investments) and, (ii) Information relating to the Bank's commercial operations.

- Moreover, in line with its commitment to transparency, BIL published its second sustainability report prepared in accordance with the standards of the Global Reporting Initiative (GRI). In addition, and for the first time, the Bank published the report relating to the United Nations Principles for Responsible Banking (UN PRB), to which BIL is a signatory since 2021;

- To prepare for the next reporting exercise, BIL launched its second stakeholder engagement plan in May 2023 (the previous plan dates from April 2021) to confirm or identify new sustainability themes in its materiality matrix, which will form the framework for the 2023 non-financial reporting exercise. The results are currently being analysed and will feed into the reporting process in the second half of the year;

- The Bank has also prepared its 'Communication on Progress' report in line with its signature of the United Nations Global Compact in November 2021. This report should be submitted before the end of 2023 ;

- Finally, the Bank launched a solicited rating process to obtain an external assessment of its ESG performance and implementation roadmap. The Bank has chosen to be assessed by Sustainalytics and is in the process of collecting data.

Focus on ESG framework

5.2 ESG products and services

One of BIL's priorities in 2023 continues to be on regulatory requirements. After the implementation of Level 1 requirements, BIL has been working on the Level 2 requirements of the European Regulation (EU) 2019/2088, the so-called Sustainable Finance Disclosure Regulation (SFDR) regarding website, pre-contractual and periodic reporting disclosures. The last milestone for this regulation was the mandatory statement on the Principal Adverse Impacts (PAI) of the Bank's investment decisions, which can be found here:
https://www.bil.com/Documents/documentation-legale/sustainability-factors-en.pdf.

The statement describes how the Group considers Principal Adverse Impacts (PAIs) of its investment decisions on sustainability factors, it summarises investment due diligence policies in relation to the associated processes and shows the calculation of the PAI indicators:

- The ESG programme also launched a new initiative in April 2023 to define a sustainable investment framework. This framework will make it possible to classify direct lines as sustainable (or not) and thus broaden the current ESG investment offer, which is currently limited to Article 8 with principal adverse impact consideration and Article 9 funds (as defined by SFDR). To do this, criteria must be defined to assess that the investment makes a positive contribution to an environmental or social objective, provided that such investments do not significantly harm any one of those objectives and that the investee companies follow good governance practices (SFDR definition (Art. 2.17)). Delivery is scheduled in the second semester of 2023;

- With regard to MiFID ESG, sessions were held in February and March 2023 to train all investment advisors on ESG topics, including the MiFID ESG obligations. These were followed by voluntary training for personal and private bankers, which took place in May 2023 to ensure the correct collection of sustainability preferences. Once the Bank's new core banking system is up and running, further training with representatives from the front offices is planned;

- In March 2023, BIL entered into a contract with an additional ESG Data Provider to meet the need for data solutions. This new partnership will enable BIL to access important ESG data to primarily meet mandatory reporting requirements. This data will also feed into other investment projects and initiatives.

The Bank launched its first allocation and impact report relating to its 2022 green bond activity. The report has been reviewed by external auditors and is available on the Bank's website:
https://www.bil.com/Documents/EMTN/Allocation-and-Impact-Report-31122022.pdf.

Green bonds continued to successfully attract investors with EUR 155 million raised during the first semester of 2023. Total green bonds outstanding at 30 June 2023 amounted to EUR 247 million equivalent.

In terms of developing its sustainable product offering, the Bank received CSSF approval for two additional funds: BIL Invest Equities Europe and BIL Invest Bonds EUR Corporate Investment Grade, which now qualify as Article 8 funds as defined by the SFDR. These funds consider principal adverse impacts, which make them eligible for customers who have expressed a preference for sustainability. The Bank now has six BIL Invest Funds, which qualify as Article 8 funds with consideration of principal adverse impacts. Of these, four (BIL Invest Patrimonial Funds) are in the process of renewing the LuxFLAG label for 2023, and two other funds newly approved as Article 8 funds by the CSSF are in the process of applying for the LuxFLAG label for 2023.

Other sustainable financing initiatives and new product developments are in the pipeline and should see the light of day by the end of 2023.

With regard to green financing initiatives, the Bank has worked jointly on its product and service offering for retail and corporate customers.

As far as individual customers are concerned, a roadmap has been drawn up to develop the Bank's green financing offering. As a first step, the Bank has focused on increasing the visibility of its existing green loans. A brand-new page dedicated to "Green Loans" went live on the website in July 2023, showcasing a new partnership with a Luxembourg artisan to support customers wishing to install photovoltaic installations and heat pumps. In a second phase, the Bank will consider how to develop this offer in terms of both products and services.

- The Bank internal ESG lending workgroup also looked at the process for collecting clients' energy performance certificates to guarantee the collection of this documentation, which is becoming an essential part of the Bank's physical and transition risk management, regulatory reporting requirements and will also be used for future pricing reflections

As regards the corporate segment, workshops were organised to clarify the role of advisors in supporting our customers in terms of energy transition, and in assessing ESG-related risks and opportunities. Next steps have been defined as follows: (i) Corporate advisors will be trained to discuss transition plans with their clients and, (ii) A transition assessment questionnaire will be drafted.

The launch of the questionnaire and the first customer engagement meetings will take place after the Bank goes live with its new core banking system. Advisors will start with corporate clients with the highest Greenhouse Gas (GHG) emissions.

- As in 2022, BIL launched the calculation of its financed emissions in order to monitor progress as well as help reflect on its climate strategy. Results are expected in the second semester of 2023.

- The Risk teams also continued working on enhancing the risk management framework:

  - o ESG Borrower Assessment: this is a qualitative methodology used to classify a counterparty's exposures using an ESG Credit Impact Score, a combination of the Sector Materiality Score, the Counterparty Score and the Transaction Score. It is the overall assessment used in the credit decision. The Bank will use the ESG Credit Impact Score as an additional consideration alongside the existing credit score. After a pilot period, the assessment was put in production in May 2023 to be applied to all MidCorp and Corporates on a risk-based approach. By the end of this year, it is also foreseen to extend this assessment to the Real Estate sector

  - o BIL's Investment Portfolio also continues to integrate Environmental and Social (E/S) considerations, where Green, Social and Sustainable bonds now account for 20.16% of the total Portfolio, for a total amount of EUR 1,811 million as of 30 June 2023

  - o In line with the lesson learned from the 2022 ECB Climate Risk Stress Testing Exercise and the ESG Thematic review recommendation (Recommendation: "BIL should introduce the use of advanced and forward-looking quantification methods to measure its climate-related risk exposure for different sectors with a focus on transition risk (stress testing scenarios in order to challenge the business strategy)", the Risk teams have performed a set of ESG scenarios[6]. The exercise is a first view on the potential impacts of ESG drivers (focusing on the Climate & Environmental side-C&E) on classical financial risks: Credit Risk, Market Risk and Liquidity Risk. The other risks of which non-financial risks as the Operational Risk, Compliance Risk, etc. will be contemplated later in 2023 (S2 2023). It should be mentioned that we speak about ESG factors/drivers impacting classical risks and not ESG Risks. Indeed, as defined in the EBA Report on management and supervision of ESG risks for credit institutions and investment firms (June 2021), ESG factors are not a new risk category but impact the classical ones as described on the right., In a nutshell:

    - ■ Credit Risk: BIL has measured for Credit Risk, ESG impacts on GDP, Unemployment, Inflation, Equity and Interest rate (including a view by sector of activity). These variables are used in order to forecast the ECL (RWA projections will be contemplated later in 2023/2024). As for the classical ECL forecasts, The Risk teams have used Moody's data buffet (with specific ESG scenarios). Moody's scenarios are based on the state-of-the-art scenarios provided by NGFS. To note that at this stage three scenarios out of NGFS's six scenarios are used in Moody's models. In this sense, BIL analyses are based on Moody's latter models, which are: (i) Up – Early Policy +1.5°C with Carbon Dioxin Remove (CDR), corresponding to NGFS orderly scenario, (ii) Down – Late Policy +1.5°C with Carbon Dioxin Remove (CDR), corresponding to NGFS disorderly scenario (also call Delayed +1.5°C) and, (iii) Base – Current Policy + 3°C, corresponding to NGFS Current Policies scenario:

      - ◻ For the Current Policy: the ECL increase in the long term as no policies are introduced to limit the climate change;

      - ◻ Late Policy: the ECL follow the same dynamic as under the Current Policy scenario until 2030. Then, the implementation of new policies to catch-up on the decarbonization leads to a more disruptive transition and a recession starts early 2030s, resulting in a sharp increase in the ECL. A slow recovery is then observed from mid-2030s leading to a stabilization and reduction of ECL over the long term;

      - ◻ Early Policy: Governments continue the efforts to implement climate change policies, resulting in ECL increase in the short term. But over the long term, the scenario outperforms the other ones. The ECL decrease over the long term.

[6] These projections are currently done in a quarterly fashion.

Focus on ESG framework

- Market Risk: BIL quantification of its ESG impacts on market risk is currently based on EIOPA's scenario. It is consequent to highlight that this scenario is the result of ECB and ESRB collaboration based on the NGFS's scenarios. EIOPA's scenario corresponds to the Disorderly scenario of the NFGS, in which, policies are implemented late, creating instantaneous economic shock with sharp rises in carbon prices, and triggering transitional risks translated to shocks on financial variables of which Equity indexes and Credit Risk Spreads. The Risk teams have applied this scenario to the Bank bond portfolio and the Bank participation: Globally, the market value depletion due to this scenario is less than 5%
- Liquidity Risk: The main idea of the approach as suggested in a paper of Banca di Italia is to apply the SASB classification (ESG classification method) on our depositors with the following scenario: "The need for some counterparties to incur some expenses in order to finance their green transitions could lead to a reduction of their deposits". The process to obtain the Liquidity Risk exposure was established according to the following method: (i) Liability exposures are classified by type of counterparties based on SASB classification (based on NACE codes) and, (ii) Sectors are allocated by ESG scores, to which sensitivity tests (% outflows) are applied. At this stage, it leads to small decrease of the LCR (NSFR will be included in the second semester of 2023/2024)

5.3 ESG at corporate level

In anticipation of the upcoming Corporate Sustainability Due Diligence Directive (CSDDD), a first gap analysis has been completed to identify how due diligence on human rights would affect bank processes. Four main scopes have been identified: (i)) Management of Human Capital, (ii)) Client processes, (iii) Assessment of Human Rights Violations in Investment, Onboarding and Lending Processes and (iv) Procurement where the Bank needs to ensure that suppliers behave in a way that is consistent with human rights.

The procurement team has been trained to take ESG factors into account in the procurement process and will revise the procurement policy to incorporate these best practices.

- In terms of diversity, to mark International Women's Day, BIL signed the "Women in Finance Charter", supported by the Ministry of Finance, to promote greater participation by women at all levels of organisations in the Luxembourg financial sector. By signing this charter, BIL is committed to achieving a better balance in the representation of women and men, particularly in its management and senior management functions;
- As part of the Diversity Day, BIL organised an interactive conference on intercultural communication, with the aim of raising awareness of cultural differences and the added value of cultural diversity within a team. BIL also renewed its sponsorship of Luxembourg Pride held at the beginning of July;
- The Bank also took part in the "Relais pour la Vie", organised by the Cancer Foundation, with the support of in-house communities BIL Runners and BIL Volunteers. BIL employees supported the BIL Runners team by donating over EUR 3,000 to the Cancer Foundation;
- Following the terrible earthquake that hit Turkey and Syria in February 2023, BIL responded to the urgent need expressed by the Turkish Embassy by organising an in-house charity collection enabling the equivalent of three vans to be donated to aid those affected;
- Within the framework of the "Woch vun de Suen", BIL employees devoted some of their time to introduce young primary school children to financial literature. BIL also welcomed around 15 students from Lycée Michel-Rodange, who were able to interact with several employees of the Bank from different departments. In particular, to learn about the missions and operations of a bank in general, but also about the role of the financial sector in sustainable development, and more specifically what BIL does in terms of sustainability;
- In the first half of 2023, BIL also implemented the carbon footprint of canteen meals. Every first week of the month, the carbon footprint of the meals served in the canteen is displayed to raise employees' awareness of the carbon footprint of their diets;
- The Bank also launched its third exercise of its carbon footprint measurement aimed at a more detailed calculation on a broader scope;
- Finally, BIL continued to roll out initiatives and communications to raise awareness of sustainable development, including monthly 'mYCo2' workshops enabling all employees to calculate their personal carbon footprint and understand the global challenges that the Bank and society are facing.

Details of the Bank's commitments and the various initiatives undertaken to meet its commitments can be found in the Bank's Sustainability report available on www.bil.com.

5.4 Quantitative templates

TEMPLATE 1: BANKING BOOK- CLIMATE CHANGE TRANSITION RISK: CREDIT QUALITY OF EXPOSURES BY SECTOR, EMISSIONS AND RESIDUAL MATURITY

The template is realised taking into account the previous assessment made by CDP (2022 report- 2023 report not yet available) on the GHG scopes 1/2/3.

	Sector/subsector	EU area				Non-EU area			
		Gross carrying amount (thousand euro)	GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)			Gross carrying amount (thousand euro)	GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		
				Of which Scope 1 financed emissions	Of which Scope 2 financed emissions			Of which Scope 1 financed emissions	Of which Scope 2 financed emissions
		010	040	050	060	070	100	110	120
1	**Exposures towards sectors that highly contribute to climate change***	**6,716,948.66**	**2333781.13**	**567987.43**	**108040.26**	**468238.58**	**3219124.06**	**835891.79**	**69979.80**
2	**A - Agriculture, forestry and fishing**	**119325.00**	**54009.05**	**5222.81**	**2298.31**	**2775.00**	**39304.71**	**9065.82**	**5691.10**
3	**B - Mining and quarrying**	**2991.00**	**89110.31**	**14180.76**	**6232.37**	**3205.55**	**1068.52**	**249.32**	**142.47**
4	*B.05 - Mining of coal and lignite*	0.00	0.00	0.00	0.00	13.57	4.52	1.06	0.60
5	*B.06 - Extraction of crude petroleum and natural gas*	0.00	0.00	0.00	0.00	3.01	1.00	0.23	0.13
6	*B.07 - Mining of metal ores*	1142.00	14605.00	4786.97	1161.26	1421.49	473.83	110.56	63.18
7	*B.08 - Other mining and quarrying*	1794.00	25409.96	5860.93	3679.22	1.25	0.42	0.10	0.06
8	*B.09 - Mining support service activities*	55.00	49095.35	3532.86	1391.89	1766.22	588.74	137.37	78.50
9	**C - Manufacturing**	**625161.66**	**1753609.01**	**321822.12**	**76201.42**	**174987.03**	**3066333.72**	**750411.45**	**56144.96**
10	*C.10 - Manufacture of food products*	76338.47	18329.06	2105.42	1581.76	49598.00	11908.60	1367.91	1027.69
11	*C.11 - Manufacture of beverages*	11566.03	19992.89	1127.02	2261.28	69.00	119.27	6.72	13.49
12	*C.12 - Manufacture of tobacco products*	24129.65	5687.27	2629.45	547.01	0.00	0.00	0.00	0.00
13	*C.13 - Manufacture of textiles*	7465.01	843.50	210.40	281.64	0.00	0.00	0.00	0.00
14	*C.14 - Manufacture of wearing apparel*	1011.34	4975.92	99.36	555.31	0.00	0.00	0.00	0.00
15	*C.15 - Manufacture of leather and related products*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16	*C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials*	48250.01	217.38	72.24	52.45	2678.56	837.64	308.82	286.85
17	*C.17 - Manufacture of pulp, paper and paperboard*	57.95	86775.55	43401.80	17390.89	4.56	6828.83	3415.52	1368.58
18	*C.18 - Printing and service activities related to printing*	14280.56	11050.12	5526.85	2214.58	0.00	0.00	0.00	0.00
19	*C.19 - Manufacture of coke oven products*	187.90	986747.75	246740.59	13653.17	559.93	2940400.70	735260.06	40684.95
20	*C.20 - Production of chemicals*	57107.10	24166.21	8909.65	8275.58	29691.45	12564.63	4632.36	4302.69
21	*C.21 - Manufacture of pharmaceutical preparations*	589.58	544.92	77.26	93.53	33386.40	30857.26	4374.96	5296.10
22	*C.22 - Manufacture of rubber products*	66850.53	14643.25	600.87	776.40	76.90	16.84	0.69	0.89
23	*C.23 - Manufacture of other non-metallic mineral products*	27581.62	15140.93	268.45	4834.42	0.00	0.00	0.00	0.00
24	*C.24 - Manufacture of basic metals*	38717.90	13694.68	242.81	4372.64	149.74	52.96	0.94	16.91
25	*C.25 - Manufacture of fabricated metal products, except machinery and equipment*	29405.22	15963.26	283.03	5096.98	6561.36	3561.97	63.15	1137.32
26	*C.26 - Manufacture of computer, electronic and optical products*	5084.26	14626.39	259.33	4670.12	0.00	0.00	0.00	0.00
27	*C.27 - Manufacture of electrical equipment*	19854.48	89705.46	223.66	746.89	36642.87	16555.79	412.79	1378.44
28	*C.28 - Manufacture of machinery and equipment n.e.c.*	69586.69	290785.74	1202.71	3687.73	9449.71	39488.02	163.32	500.79
29	*C.29 - Manufacture of motor vehicles, trailers and semi-trailers*	88824.93	104917.91	3878.84	3738.43	0.00	0.00	0.00	0.00
30	*C.30 - Manufacture of other transport equipment*	10881.22	10875.28	1399.42	450.97	7.55	7.55	0.97	0.31
31	*C.31 - Manufacture of furniture*	1302.08	9108.26	1172.04	377.69	0.00	0.00	0.00	0.00
32	*C.32 - Other manufacturing*	18432.44	9451.92	1216.26	391.94	6111.01	3133.65	403.23	129.94
33	*C.33 - Repair and installation of machinery and equipment*	7656.69	5365.36	174.67	150.00	0.00	0.00	0.00	0.00

	Sector/subsector	EU area				Non-EU area			
		Gross carrying amount (thousand euro)	GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)			Gross carrying amount (thousand euro)	GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		
				Of which Scope 1 financed emissions	Of which Scope 2 financed emissions			Of which Scope 1 financed emissions	Of which Scope 2 financed emissions
		010	040	050	060	070	100	110	120
34	**D - Electricity, gas, steam and air conditioning supply**	**156134.00**	**277738.55**	**206343.76**	**6065.95**	**24892.00**	**44279.07**	**32896.80**	**967.08**
35	*D35.1 - Electric power generation, transmission and distribution*	156134.00	277738.55	206343.76	6065.95	24892.00	44279.07	32896.80	967.08
36	*D35.11 - Production of electricity*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
37	*D35.2 - Manufacture of gas; distribution of gaseous fuels through mains*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	*D35.3 - Steam and air conditioning supply*	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
39	**E - Water supply; sewerage, waste management and remediation activities**	**6575.00**	**10287.20**	**7481.11**	**843.25**	**36966.00**	**57836.76**	**42060.31**	**4740.95**
40	**F - Construction**	**1541540.00**	**32514.22**	**4128.94**	**837.07**	**12675.00**	**265.27**	**32.51**	**6.37**
41	*F.41 - Construction of buildings*	1218776.00	15132.87	2426.28	585.24	8336.00	103.50	16.59	4.00
42	*F.42 - Civil engineering*	84353.00	8364.76	819.41	121.20	92.00	1.14	0.18	0.04
43	*F.43 - Specialised construction activities*	238411.00	9016.59	883.26	130.64	4247.00	160.62	15.73	2.33
44	**G - Wholesale and retail trade; repair of motor vehicles and motorcycles**	**629902.00**	**61781.37**	**2420.87**	**4776.78**	**8334.00**	**140.98**	**17.03**	**33.94**
45	**H - Transportation and storage**	**610358.00**	**5144.80**	**962.37**	**874.54**	**9196.00**	**6702.50**	**809.50**	**1613.75**
46	*H.49 - Land transport and transport via pipelines*	181087.00	967.13	116.81	232.85	327.00	240.79	29.08	57.97
47	*H.50 - Water transport*	651.00	479.36	57.90	115.42	8771.00	6458.51	780.03	1555.00
48	*H.51 - Air transport*	294789.00	814.74	98.40	196.16	94.00	0.26	0.03	0.06
49	*H.52 - Warehousing and support activities for transportation*	129674.00	1964.75	578.29	108.89	4.00	2.95	0.36	0.71
50	*H.53 - Postal and courier activities*	4157.00	918.81	110.97	221.22	0.00	0.00	0.00	0.00
51	**I - Accommodation and food service activities**	**501312.00**	**24360.64**	**3115.59**	**2455.37**	**32159.00**	**1562.73**	**199.86**	**157.51**
52	**L - Real estate activities**	**2523650.00**	**25225.98**	**2309.11**	**7455.20**	**163049.00**	**1629.81**	**149.19**	**481.67**
53	**Exposures towards sectors other than those that highly contribute to climate change***	**19375711.00**				**5312793.00**			
54	**K - Financial and insurance activities**	**8341350.00**				**2829429.00**			
55	**Exposures to other sectors (NACE codes J, M - S)**	**11034361.00**				**2483364.00**			
56	**TOTAL**	**26092659.66**							
57	**Coverage of portfolio with use of proxies (according to PCAF) (in %)**		100%				100%		

* In accordance with the Commission delegated regulation EU) 2020/1818 supplementing regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks -Climate Benchmark Standards Regulation - Recital 6: Sectors listed

TEMPLATE 2: BANKING BOOK - CLIMATE CHANGE TRANSITION RISK: LOANS COLLATERALISED BY IMMOVABLE PROPERTY - ENERGY EFFICIENCY OF THE COLLATERAL

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Counterparty sector	Total gross carrying amount amount (in MEUR)															
			Level of energy efficiency (EP score in kWh/m² of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
			0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m² of collateral) estimated
1	**Total EU area**	**5860**	**3007**	**188**	**470**	**690**	**1504**	**0**	**2487**	**521**	**101**	**87**	**470**	**690**	**1504**	**0**	**0**
2	Of which Loans collateralised by commercial immovable property	442	227	14	35	52	113	0	188	39	8	7	35	52	113	0	0
3	Of which Loans collateralised by residential immovable property	5418	2780	174	435	638	1391	0	2299	481	93	81	435	638	1391	0	0
4	Of which Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
5	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	5860	3007	188	470	690	1504	0								0	0
6	**Total non-EU area**	**33**	**17**	**1**	**3**	**4**	**8**	**0**	**14**	**3**	**1**	**0**	**3**	**4**	**8**	**0**	**0**
7	Of which Loans collateralised by commercial immovable property	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
8	Of which Loans collateralised by residential immovable property	33	17	1	3	4	8	0	14	3	1	0,5	3	4	8	0	0
9	Of which Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
10	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	33	16,93505	1,061449	2,648026	3,885562	8,4699098	0								0	0

TEMPLATE 5: BANKING BOOK - CLIMATE CHANGE PHYSICAL RISK: EXPOSURES SUBJECT TO PHYSICAL RISK

1. Identification of the main exposures by countries with the top 10 covering about 92% of the total exposures

Country	Gross carrying amount	Percentage of the total exposure	TOP 10 Exposures per Country (percentage over the total except Supra-National and Supra-European)
LU	16.197.854.314	50,82%	92%
FR	3.693.213.648	11,59%	
DE	2.416.224.513	7,58%	
BE	1.931.044.419	6,06%	
CH	1.540.091.256	4,83%	
ES	1.031.022.079	3,23%	
CA	934.671.098	2,93%	
US	821.801.470	2,58%	
GB	395.246.633	1,24%	
NL	279.920.859	0,88%	

2. Based on this top 10 country exposures and referencing the data sources provided by GFDRR – Think Hazard!, we have this matrix to assess the country level of Physical Risk

SOURCE THINK HAZARD: HAZARD LEVEL

Country	River flood	Urban flood	Coastal flood	Earthquake	Water scarcity	Extreme heat	Landslide	Wildfire
LU	HIGH	MEDIUM		MEDIUM	MEDIUM	LOW	MEDIUM	HIGH
FR	HIGH	HIGH	HIGH	MEDIUM	MEDIUM	MEDIUM	HIGH	HIGH
DE	HIGH	HIGH	HIGH	MEDIUM	MEDIUM	MEDIUM	MEDIUM	MEDIUM
BE	HIGH	MEDIUM	HIGH	MEDIUM	MEDIUM	LOW	LOW	HIGH
CH	HIGH	HIGH		MEDIUM	LOW	LOW	HIGH	MEDIUM
ES	HIGH	HIGH	HIGH	MEDIUM	MEDIUM	MEDIUM	HIGH	HIGH
CA	HIGH	HIGH	HIGH	HIGH	VERY LOW	MEDIUM	HIGH	HIGH
US	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH	HIGH
GB	HIGH	MEDIUM	HIGH	LOW	LOW	LOW	MEDIUM	HIGH
NL	HIGH	HIGH	HIGH	MEDIUM	MEDIUM	LOW	VERY LOW	HIGH

3. With this level of information and keeping a conservative view since the geographical coverage is only done by country, we fulfil the following table maximining the global risk, to have a first high-level view of the exposures impacted by Physical Risk. To note that in 2024 the next step will be a more granular assessment on the geographical location of the counterparty and/or the collateral, and a discrimination among the economic sectors and their sensitivity to the different type of physical risk (Acute and Chronic)

a	b	c	d	e	f	g	h	i	j	k	l
Variable: Geographical area subject to climate change physical risk - acute and chronic events	**Gross carrying amount (M EUR)**										
		of which exposures sensitive to impact from climate change physical events									
		Breakdown by maturity bucket									
		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity)	of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	ECL out of mana-gement overlay (mainly stage 1 & 2)	Specific Provision (Stage 3)
A - Agriculture, forestry and fishing	118	22	23	56	17	16				0,3	
B - Mining and quarrying	3	2	0,1	1	0,5	14				0,001	
C - Manufacturing	649	475	65	74	35	8				2	
D - Electricity, gas, steam and air conditioning supply	156	27	50	72	7	14				1	
E - Water supply; sewerage, waste management and remediation activities	7	2	0,1	0,9	4	20				0,03	
F - Construction	1544	996	172	269	107	10				18	
G - Wholesale and retail trade; repair of motor vehicles and motorcycles	624	351	55	125	93	11		No distinction at this stage		3	174
H - Transportation and storage	617	134	109	34	340	18				0,9	
L - Real estate activities	2520	1233	357	796	133	11				33	
Loans collateralised by residential immovable property	5429	417	492	1877	2643	20				3	
Loans collateralised by commercial immovable property	441	79	92	249	21	15				0,4	

Conclusion

Considering an economic environment that raises several challenges for the banking sector, the Bank has committed to support the national economy and its businesses, and as a key player in Luxembourg, coordinated its efforts with other Luxembourgish banks.

In this context, the current capital and liquidity situation allowed the Bank to navigate successfully through the semester of the year 2023. The Bank will continue to ensure that it has sufficient financial resources to cover all relevant risks and will be able to maintain continuity of its operations on an ongoing basis, as well as to sustainably execute its business strategy.

Banque Internationale à Luxembourg SA

69, route d'Esch
L-2953 Luxembourg
RCS Luxembourg B-6307
T: (+352) 4590 -1
F: (+352) 4590-2010

www.bil.com

BIL 1856 BANQUE INTERNATIONALE À LUXEMBOURG