NORINCHUKIN BANK EUROPE N.V.

Pillar III report 2023

Dedicated to **sustaining** all **life.**

Contents

1. Introduction

This document is the Pillar III disclosure for the Norinchukin Bank Europe N.V. (hereafter "NBE") and prepared in accordance with the requirements under the REGULATION (EU) No 575/2013. This report should be read in conjunction with our Annual report 2023. With these two reports we fulfil the disclosure requirements as laid down in the CRR (Capital Requirement Regulation) part eight (disclosures by the institution) and additional EBA guidelines.

Our Risk management foundation and approach are described in the Annual report 2023. However, in this Pillar III report we have included these sections which give a concise insight in our risk appetite and serves as background information to better understand the presented disclosures.

All amounts are prepared in thousands of euros (unless stated otherwise), which is NBE's functional and presentation currency.

When preparing the information presented in this report we have applied NBE's control framework to guarantee the quality. The templates presented in this report have been reconciled with submitted supervision reports to DNB such as Corep, Finrep, Encumbered Assets, LCR, NSFR and Leverage ratio.

We have used the official templates and the mapping tool provided by the EBA to prepare the disclosures. Due to the limited number of products and clients, the information that needs to be reported for this reporting period is limited. We do therefore not present the reporting templates with null nature (e.g. empty rows and columns) as those are not applicable for NBE in this document.

NBE started its banking operations in September 2020 with a limited number of products (like repurchase transactions, investments in EU Government bonds and withdrawable at the central bank) and a limited number of clients/counterparties. In 2021, 2022 and 2023 NBE expanded its business with project finance and corporate lending to customers in the exposure class Corporates. The risk profile of NBE was limited as NBE was primarily focused on building up its banking activities.

NBE does not hold any non-performing, forborne and past due exposures at the reporting date. Templates for these kinds of exposures are therefore not presented in this document.

For accounting purposes, a financial instrument is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial instrument have occurred since origination or purchase and it is no longer probable that the NBE will be able to collect all principal and interest amounts due in accordance with the contractual terms of the financial instrument.

NBE applies the standardized approach when determining the capital requirements, therefore the IRB (Internal Rating Based) related templates are not applicable for NBE. Rating agencies that are used by NBE under the Standardized approach include Standard & Poor's, Moody's and Fitch.

To determine the own funds requirements for operational risk NBE applies the Basic indicator approach as laid down in CRR article 315.

There is no difference in the basis of disclosure for prudential purposes and for accounting purposes. NBE has not consolidated any entity as it has no subsidiaries or other entities that fit the consolidation criteria.

Management Statement

NBE describes Risk Management as "taking necessary measures to adjust risks, i.e., uncertain factors involved in achieving the managerial strategies and business policies, to a permissible level". This objective is stipulated in the NBE's Risk Management Policy. The Risk Appetite Statement (hereafter "RAS") is essential to define the types and amount of risk that NBE is willing to take and considers acceptable in pursuit of its strategic objectives. The RAS identifies the risks related to the business strategy and defines the risk levels NBE is willing to expose itself to into three categories: Capital, Credit & Market Risk (including interest rate risk in banking book), Liquidity & Funding Risk as well as Non-Financial Risk.

Management deems the risk management systems put in place adequate with regard to the institution's profile and strategy.

For the period ended 31 December 2023, the risk profile of NBE was limited as 2023 has been a year to primarily build up its banking activities. NBE started its business in September 2020 with Euro Funding business and commenced F&A Banking business and Structured finance business in 2021, 2022 and 2023 for which its exposure to risk bearing positions was well within the limits of NBE's risk appetite indicators. During 2021, 2022 and 2023 a gradual increase in the loan portfolio occurred, but also well within the pre-defined risk appetite; credit risk has no significant increase. NBE is well capitalised for future expansion. For our Euro funding business with repo and reverse repo all transactions are collateralized with high quality European government bonds and credit risk is well mitigated due to such transactional profile.

One of the material risks for NBE is the interest rate risk in banking book, which arises from our investments of capital funds in long maturity fixed income European government bonds and Supranational, sub-sovereign and agencies bonds. The foreign currency risk is not actively taken as growth of financial business assets is funded with the same currency, and NBE has some foreign currency exposure which FX positions are mostly hedged. Liquidity & Funding Risk in NBE is managed within the RAS by monitoring liquidity positions and maintaining good level of high quality liquid collateral and cash. As for Non-Financial Risk, the risk profile "reputation risk" is not listed in a material risk category, reputational concerns were taken into consideration when the Risk Universe was constructed. NBE regards reputation damage as a potential secondary effect in the case that any risk materializes.

Overview of key metrics

NBE risk profile and risk positions are sound. Key metrics are well above minimum required levels. However due to the start-up nature of NBE the value of the key metric will decline but will be well above minimum levels. In the respective section we will provide a high level analyses of the movements of the key metrics in 2023 (compared to December 2022).

EU KM1 - Key metrics template

Amounts in thousands of euros unless otherwise stated.

		a	b	c	d	e
		2023-12-31	**2023-09-30**	**2023-06-30**	**2023-03-31**	**2022-12-31**
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	1,970,584	1,969,986	1,968,693	1,959,548	1,957,559
2	Tier 1 capital	1,970,584	1,969,986	1,968,693	1,959,548	1,957,559
3	Total capital	1,970,584	1,969,986	1,968,693	1,959,548	1,957,559
	Risk-weighted exposure amounts					
4	Total risk exposure amount	1,765,442	1,690,876	1,463,750	1,363,178	1,244,226
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	111,6%	116,5%	134,5%	143,8%	157,3%
6	Tier 1 ratio (%)	111,6%	116,5%	134,5%	143,8%	157,3%
7	Total capital ratio (%)	111,6%	116,5%	134,5%	143,8%	157,3%
	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 (%)	28,9%	30,5%	36,5%	39,8%	44,4%
EU 7b	of which: to be made up of CET1 capital (percentage points)	16,3%	17,2%	20,6%	22,4%	25,0%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	21,7%	22,9%	27,4%	29,9%	33,3%
EU 7d	Total SREP own funds requirements (%)*	36,9%	38,5%	44,5%	47,8%	52,4%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2,5%	2,5%	2,5%	2,5%	2,5%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0,0%	0,0%	0,0%	0,0%	0,0%
9	Institution specific countercyclical capital buffer (%)	0,6%	0,2%	0,2%	0,1%	0,1%
EU 9a	Systemic risk buffer (%)	0,0%	0,0%	0,0%	0,0%	0,0%
10	Global Systemically Important Institution buffer (%)	0,0%	0,0%	0,0%	0,0%	0,0%
EU 10a	Other Systemically Important Institution buffer (%)	0,0%	0,0%	0,0%	0,0%	0,0%
11	Combined buffer requirement (%)	3,1%	2,7%	2,7%	2,6%	2,6%
EU 11a	Overall capital requirements (%)	40,0%	41,2%	47,2%	50,5%	54,9%
12	CET1 available after meeting the total SREP own funds requirements (%)	74,7%	78,0%	90,0%	135,0%	148,5%

		a	b	c	d	e
		2023-12-31	**2023-09-30**	**2023-06-30**	**2023-03-31**	**2022-12-31**
	Leverage ratio					
13	Total exposure measure	4,165,942	4,027,310	3,700,862	3,502,725	3,376,077
14	Leverage ratio (%)	47,3%	48,9%	53,2%	55,9%	58,0%
	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 (%)	0,0%	0,0%	0,0%	0,0%	0,0%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0,0%	0,0%	0,0%	0,0%	0,0%
EU 14c	Total SREP leverage ratio requirements (%)	3,0%	3,0%	3,0%	3,0%	3,0%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	0,0%	0,0%	0,0%	0,0%	0,0%
EU 14e	Overall leverage ratio requirement (%)	3,0%	3,0%	3,0%	3,0%	3,0%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	3,855,361	3,807,751	3,791,312	3,752,674	3,815,972
EU 16a	Cash outflows - Total weighted value	1,348,510	1,304,993	1,303,599	1,299,947	1,292,646
EU 16b	Cash inflows - Total weighted value	71,711	65,989	61,908	58,557	64,657
16	Total net cash outflows (adjusted value)	1,276,798	1,239,004	1,241,691	1,241,389	1,227,989
17	Liquidity coverage ratio (%)	302%	307%	305%	302%	311%
	Net Stable Funding Ratio					
18	Total available stable funding	2,695,369	2,689,940	2,689,743	2,623,031	2,490,306
19	Total required stable funding	1,361,568	1,291,779	1,194,795	1,152,574	1,024,946
20	NSFR ratio (%)	198,0%	208,2%	225,1%	227,6%	243,0%

* Total SREP own funds requirements (%) is calculated as higher of (a) the minimum percentage required as per SREP or, (b) Minimum Capital amount in euros as per SREP expressed as a percentage of Total Risk Exposure Amount (TREA).

** There has been a restatement on amount of Deferred tax assets, Deferred tax liabilities, Retained earnings, and Net result for the year of prior year due to the implementation of amendments to IAS 12. This change is reflected in calculation of 2022Q4 as well as 2023Q4 however the calculations of rest of the quarters are without such adjustments.

Risk Exposure Amounts

NBE's Credit Risk Exposure increased predominantly due to the project finance and corporate lending business which started in 2021 and accelerated in 2022 as well as 2023. Operational Risk remained at the same level as 2022. Counterparty Credit risk is limited and relates entirely to the SFT business (repurchase and reverse repurchase transactions) via a Qualified Central Counterparty.

EU OV1 – Overview of total risk exposure amounts

		TOTAL RISK EXPOSURE AMOUNTS (TREA)	"TOTAL OWN FUNDS REQUIREMENTS"	TOTAL RISK EXPOSURE AMOUNTS (TREA)	"TOTAL OWN FUNDS REQUIREMENTS"
		a	c	b	d
		2023-12-31	2023-12-31	2022-12-31	2022-12-31
1	Credit risk (excluding CCR)	1,720,493	137,639	1,199,844	95,988
2	Of which the standardised approach	1,720,493	137,639	1,199,844	95,988
3	Of which the Foundation IRB (F-IRB) approach				
4	Of which slotting approach				
EU 4a	Of which equities under the simple riskweighted approach				
5	Of which the Advanced IRB (A-IRB) approach				
6	Counterparty credit risk - CCR	682	55	115	9
7	Of which the standardised approach				
8	Of which internal model method (IMM)				
EU 8a	Of which exposures to a CCP	682	55	115	9
EU 8b	Of which credit valuation adjust-ment - CVA				
9	Of which other CCR				
10	Not applicable				
11	Not applicable				
12	Not applicable				
13	Not applicable				
14	Not applicable				
15	Settlement risk				
16	Securitisation exposures in the non-trading book (after the cap)				
17	Of which SEC-IRBA approach				
18	Of which SEC-ERBA (including IAA)				
19	Of which SEC-SA approach				
EU 19a	Of which 1250% / deduction				
20	Position, foreign exchange and commodities risks (Market risk)				
21	Of which the standardised approach				
22	Of which IMA				
EU 22a	Large exposures				
23	Operational risk	44,267	3,541	44,267	3,541
EU 23a	Of which basic indicator approach	44,267	3,541	44,267	3,541
EU 23b	Of which standardised approach				
EU 23c	Of which advanced measure-ment approach				
24	Amounts below the thresholds for deduction (subject to 250% risk weight)				
25	Not applicable				
26	Not applicable				
27	Not applicable				
28	Not applicable				
29	**Total**	**1,765,442**	**141,235**	**1,244,226**	**99,538**

Consolidation scope

There are no differences between the accounting scope and the scope of prudential consolidation. Therefore, there are no differences between carrying value amounts presented in our Annual Report and the carrying values reported in regulatory scope. NBE has no subsidiaries. Therefore template LI3 is not disclosed. The Accounting scope is presented in our Annual Report in the section Basis for preparation.

The following tables gives insight in the regulatory risk categories and the risk framework.

EU LI1 - Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories 2023

	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Carrying values of items				
			Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
"Breakdown by asset clases according to the balance sheet in the published financial statements"							
Cash and balances with central banks	401,790	401,790	401,790				
Loans and advances to banks	8,529	8,529	4,039	1,990			2,500
Loans and advances to customers	1,295,526	1,295,526	1,295,526				
Debt Securities at amortized cost	1,410,009	1,410,009	1,410,009				
Property and equipment	545	545	545				
Intangible assets	169	169					169
Right-of-use assets	2,200	2,200	2,200				
Deferred tax assets	5,596	5,596					5,596
Other assets	7,771	7,771	7,771				
Total assets	**3,132,135**	**3,132,135**	**3,121,879**	**1,990**			**8,265**
Breakdown by liability classes according to the balance sheet in the published financial statements							
Due to banks	909,435	909,435		25,164			884,270
Due to customers	214,098	214,098					214,098
Lease liabilities	2,249	2,249					2,249
Current tax liabilities	1,065	1,065					1,065
Provisions	222	222					222
Deferred tax liabilities	568	568					568
Other liabilities	3,675	3,675					3,675
Total liabilities	**1,131,312**	**1,131,312**		**25,164**			**1,106,148**

EU LI1 - Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories 2022

	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Carrying values of items				
			Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
"Breakdown by asset clases according to the balance sheet in the published financial statements"							
Cash and balances with central banks	131,966	131,966	131,966				
Loans and advances to banks	7,423	7,423	2,559	2,364			2,500
Loans and advances to customers	917,728	917,728	917,728				
Debt Securities at amortized cost	1,435,342	1,435,342	1,435,342				
Property and equipment	848	848	848				
Intangible assets	236	236					236
Right-of-use assets	2,714	2,714	2,714				
Deferred tax assets	10,121	10,121					10,121
Other assets	6,010	6,010	6,010				
Total assets	**2,512,388**	**2,512,388**	**2,497,167**	**2,364**			**12,856**
Breakdown by liability classes according to the balance sheet in the published financial statements							
Due to banks	496,714	496,714					496,714
Due to customers	29,885	29,885					29,885
Lease liabilities	2,771	2,771					2,771
Current tax liabilities	1,422	1,422					1,422
Provisions	208	208					208
Deferred tax liabilities	700	700					700
Other liabilities	4,339	4,339					4,339
Total liabilities	**536,039**	**536,039**					**536,039**

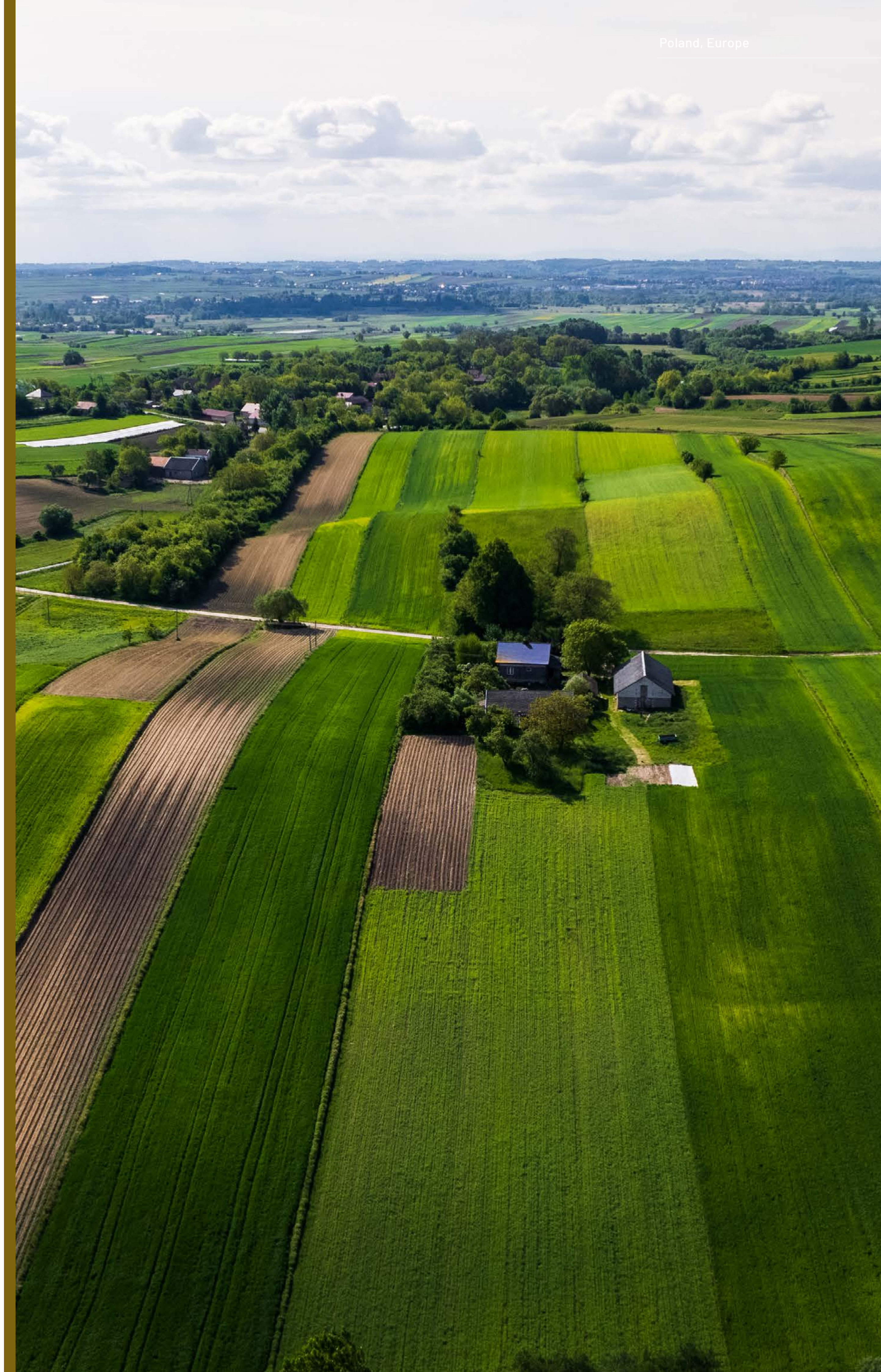
EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements 2023

		a	b	c	d	e
		Total	Items subject to			
			Credit risk framework	Securitisation framework	CCR framework	Market risk framework
1	Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	**3,149,034**	3,121,879		27,155	
2	Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)					
3	Total net amount under the scope of prudential consolidation	**3,149,034**	3,121,879		27,155	
4	Off-balance-sheet amounts	**3,970,475**	3,970,475			
5	*Differences in valuations*					
6	*Differences due to different netting rules, other than those already included in row 2*					
7	*Differences due to consideration of provisions*					
8	*Differences due to the use of credit risk mitigation techniques (CRMs)*	**-3,000.000**	-3,000.000			
9	*Differences due to credit conversion factors*	**-485,237**	-485,237			
10	*Differences due to Securitisation with risk transfer*					
11	*Other differences*					
12	Exposure amounts considered for regulatory purposes	**3,634,271**	3,607,116		27,155	

EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements 2022

		a	b	c	d	e
		Total	Items subject to			
			Credit risk framework	Securitisation framework	CCR framework	Market risk framework
1	Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	**2,499,532**	2,497,167		2,364	
2	Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)					
3	Total net amount under the scope of prudential consolidation	**2,499,532**	2,497,167		2,364	
4	Off-balance-sheet amounts	**3,689,839**	3,689,839			
5	*Differences in valuations*					
6	*Differences due to different netting rules, other than those already included in row 2*					
7	*Differences due to consideration of provisions*					
8	*Differences due to the use of credit risk mitigation techniques (CRMs)*	**-3,000.000**	-3,000.000			
9	*Differences due to credit conversion factors*	**-344,920**	-344,920			
10	*Differences due to Securitisation with risk transfer*					
11	*Other differences*					
12	Exposure amounts considered for regulatory purposes	**2,844,451**	2,842,087		2,364	

Off balance amounts are weighted with the respective Credit Conversion Factors.



NBE Risk management

Introduction

NBE faces a wide range of uncertainties which need to be understood and managed so that NBE can achieve its objectives.

All activities of NBE involve risk: each decision made or action taken incorporates some element of risk and has an impact on NBE's performance (whether safety, financial, operational or reputational). The successful management of this risk, across all divisions and levels, specific functions, projects and activities increases the likelihood that NBE will achieve its strategic objectives. Risk is defined as 'possible occurrence of any event which may produce a negative result to the management of operations (causing some kind of losses)', this definition is aligned with The Norinchukin Bank's definition as defined in the Basic Policies of Risk Management. Uncertainty involving upside (positive) influence must also be included in risk, as per NBE's Risk Management Policy.

The purpose of risk management is described as taking necessary measures to adjust risks to a permissible level. For risk management to be effective, NBE is committed to apply the following principles:

- Every employee at NBE is responsible for the effective management of risk.
- Risk management creates and protects value, and is an essential element of the overall governance of NBE.
- NBE applies risk management consistently and on a systematic basis in all divisions and functions.
- NBE adequately allocates resources to risk management activities.
- NBE ensures that all employees have necessary training, skills and assistance to undertake effective risk management.
- NBE uses the best available information to regularly monitor and report on the status of risk it faces.
- NBE is dynamic, iterative and responsive in its approach to change.
- NBE implements a clear IT infrastructure based on a sound and prudent data quality framework in order to ensure the accuracy and reliability of risk data.

Risk Management Framework and Governance

The Risk Management Framework ("RMF") is established to meet the objective of Risk Management stated above. The RMF is defined as "a set of components that provide the foundations and organizational arrangements for designing, implementing, monitoring, reviewing and continuously improving risk management throughout the organization".

The RMF provides a robust and consistent approach to risk management across NBE's organization in order to manage its risk profile in line with its Risk Appetite. It stipulates individual and collective accountabilities for risk management and risk oversight and establishes a common risk language to assign the risks to which NBE is exposed to.

The RMF of NBE is implemented through a "Three Lines" model in line with industry standards. The model defines clear responsibilities and accountabilities and ensures that effective independent assurance activities take place covering key decisions. For each Line, NBE applies a systematic approach to assessing risk.

First Line

The business, the First Line, has the primary responsibility for risk decisions, assessing and controlling the risks within their areas of accountability. They are required to establish effective governance and control frameworks for their business to comply with requirements of this policy, to maintain appropriate risk management skills, mechanisms and toolkits and to act within NBE's Risk Appetite parameters.

Second Line

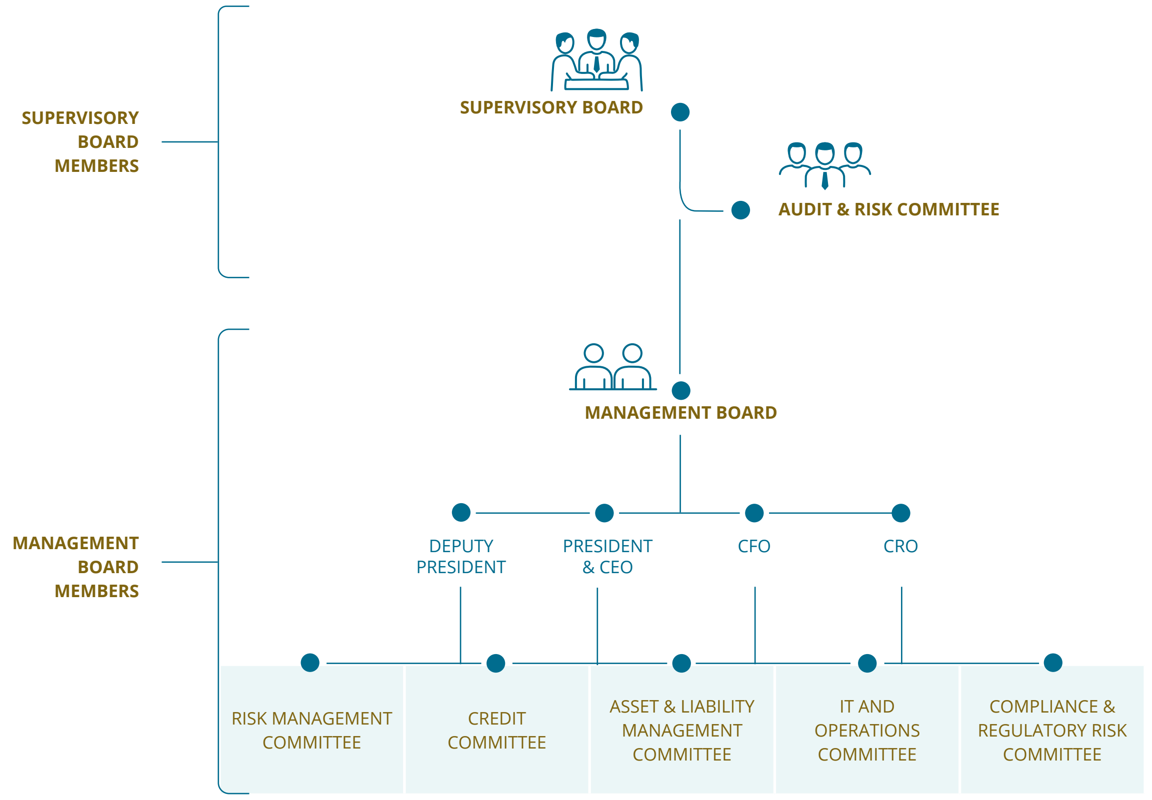
The Risk Management function, a Second Line function, is providing oversight and independent challenge to the effectiveness of risk decisions taken by the business. Additionally, it provides advice and guidance by reviewing, challenging and periodic reporting on the risk profile of NBE. The Compliance function is also considered a Second Line function and is responsible for defining NBE's integrity related policies, such as the Financial Crime Policy in line with global and local laws and regulations and oversight and challenge to assure that policies are adhered to. Other functions that are considered Second Line are: IT security in the IT & Operations Division, and parts of the Finance & Tax Division.

Third Line

The Internal Audit function as Third Line, provides independent and objective assurance of the organization's corporate governance, internal controls, compliance and risk management systems. This assurance task covers all elements of the organization's internal control and risk management system: i.e. risk identification, risk assessment and response to communication of risk related information and thus includes the effectiveness and efficiency of the internal controls in the processes created and performed in the First and Second Line. The Second Line and the Third Line have direct access to the ARC of NBE.

Risk Management Committees

To assist the Supervisory Board in fulfilling its responsibilities, the ARC was established. For the Management Board to fulfil its responsibilities, five risk management committees were established to ensure the adequate risk management, namely the Risk Management Committee, the Credit Committee, the Asset and Liability Management Committee, the IT and Operation Committee, and the Compliance and Regulatory Risk Committee. The outline below depicts the committee structure.



Supervisory Board

The Supervisory Board reviews, evaluates and approves the design and calibration of the RAS at least annually, or more frequently in the event of significant changes in the internal or external environment. The Supervisory Board holds the CEO and other senior management accountable for the RAS. The Supervisory Board ensures that the risk appetite remains consistent with NBE's long-term strategy and that the annual business plans are in line with the approved risk appetite.

Audit and Risk Committee

It is the purpose of the ARC to support the Supervisory Board in its oversight of the policies of the Management Board, particularly with respect to the RMF and control systems, including audit and compliance matters. To that effect it shall prepare the discussion and decision-making within the Supervisory Board with respect to these items. The ARC will also assist the Management Board by providing advice related to ensuring the integrity of NBE's Financial Statements, NBE's compliance with legal and regulatory requirements, the external auditor's qualifications and independence and the performance of NBE's Internal Audit function and external auditor.

Management Board

The Management Board is accountable for NBE's Risk Appetite. The Management Board manages the Risk Appetite and the associated RMF & tools and ensures that those tools are embedded into the key business processes. Moreover, the Management Board monitors the evolution of NBE's risk profile to ensure that it remains in line with the RAS that is approved by the Supervisory Board.

Risk Management Committee

This committee has, as its sole and exclusive function, responsibility for the risk management policies of NBE's operations and oversight of the operation of NBE's RMF. The committee assists the Management Board in fulfilling its oversight responsibilities with regard to the Risk Appetite of NBE, the risk management and compliance framework and the governance structure that supports it. Since 2023 the oversight responsibility includes climate and environmental risk. The Risk Management Committee is chaired by the CRO, and composed by the Management Board members and heads of relevant divisions.

Credit Committee

This committee has responsibility for the credit risk management policies of the NBE's operations and oversight of the operation of the NBE's credit risk management framework. The committee will assist the Management Board in fulfilling its oversight responsibilities with regard to the Risk Appetite of NBE, the credit risk management and compliance framework and the governance structure that supports it. The Credit Committee also assesses the individual credit risk taking activities and review credit portfolio including climate-related and environmental risks. The Credit Committee is chaired by the CRO, and composed by the Management Board members and heads of relevant divisions.

Asset and Liability Management Committee

This committee is mandated to take decisions on the interest rate risk in NBE's Banking Book, currency, liquidity and funding risk profile of NBE within the parameters set by the Management Board. The committee will assist the Management Board by preparing advice on decisions that have impact on the liquidity and funding risk profile of NBE. The committee will advise the Management Board on appropriate measures. The Asset and Liability Management Committee is chaired by the Deputy President, and composed by the Management Board members and heads of relevant divisions.

IT and Operation Committee

This committee is mandated to review and discuss on operation and IT matters. Responsibilities amongst others are to advise the Management Board on the management of the outsourcing risk, the review of the Business Continuity Plan ("BCP") and the monitoring of operational risk incidents. The IT and Operation Committee is chaired by the CFO and composed of the Management Board members and heads of relevant divisions.

Compliance and Regulatory Risk Committee

This committee assists the Management Board in its oversight of developments in the field of integrity and regulatory compliance, as well as legal matters. Furthermore the committee assists the Management Board on its integrity risk management capabilities, amongst others through the periodical review of the Systematic Integrity Risk Analysis ("SIRA") and it monitors the progress of the Compliance year plan. The Compliance and Regulatory Risk Committee is chaired by the head of Legal and Compliance Division and composed of the Management Board members and heads of relevant divisions.

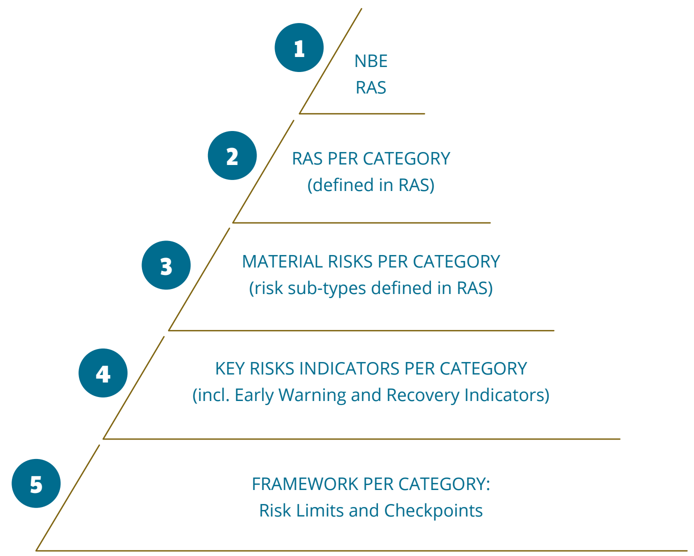
Risk Appetite

NBE aims to maintain a robust financial base in order to ensure stable Euro funding for the parent by constraining its risk-taking activities.

The RAS is essential to define the types and amount of risk that NBE is willing to take and considers acceptable in pursuit of its strategic objectives. The RAS describes the consistent approach to risk management. It identifies the risks related to the business strategy and defines the level of risk NBE is willing to expose itself to. The RAS defines in a qualitative and quantitative manner the level of risk that NBE is willing to take. Therefore, the statement includes limit-setting and determines thresholds on the quantitative indicators. The risks are managed in accordance with the limits and thresholds set.

The Risk Management Division monitors the risk positions of NBE against its risk appetite and reports on a periodic basis to the Risk Management Committee. NBE periodically reviews and updates its RAS.

The figure below represents the conceptual framework of the RAS. First, the overarching risk appetite for NBE is defined (Dimension 1), followed by RAS for each risk category defined in NBE's Risk Universe (Dimension 2). Statements for each category specify the level of risk that NBE is willing to take.



NBE defines a set of material risk types with corresponding Key Risk Indicators for each risk category (Dimension 3). Key Risk Indicators are measures indicating the development of a certain material risk (Dimension 4). To ensure that the RAS is adhered to, the framework which supports RAS is established (Dimension 5).

As stated above, the RAS is based upon all risk categories in the risk universe. The risk universe is defined as the collection of material risks which could affect NBE achieving its business objectives. ESG risks manifest themselves in other defined risk types. As such ESG risks are not separately defined in the risk taxonomy of NBE but as part of the other defined risk types. In view of its business activities, NBE has identified the following risks as relevant risks in its foreseeable banking operations.

RISK UNIVERSE

Category 1 Capital, Credit & Market Risk	Strategic Risk	Insufficient Capitalization
	Credit Risk	Credit Concentration Risk
	Interest Rate Risk in the Banking Book	
Category 2 Liquidity & Funding Risk	Cash Flow Risk	Market Liquidity Risk
	Intraday Liquidity Risk	
Category 3 Non-Financial Risk	Process Risk	Business Continuity Risk
	Regulatory Compliance & Integrity Risk	Outsourcing Risk
	Cyber Security Risk	

The risk of not achieving overarching goals and/or profitability targets is considered to remain within appetite as the progress for setting up and enlarging the banking operations according to the business plan is satisfactory.

1

Category 1 – Capital, Credit & Market Risk
In accordance with the risk profile of NBE, the risks identified as material risks in the Capital, Credit and Market Risks Category are listed below:

- *Risk of Excessive Leverage or Insufficient Capitalisation;* risk resulting from low capital levels or high leverage. Not having enough capital to comfortably meet regulatory and internal requirements may require unintended corrective measures to its business plan, including distressed selling of assets which might result in losses or in valuation adjustments to its remaining assets.
- *Strategic Risk;* risk that overarching goals (including sustainable profitability goals), aligned with and supporting the organization's mission are not achieved and sound businesses at the Bank is not maintained. Financially, this may entail that volumes decline or margins may shrink, with no opportunity to offset the revenue declines with a reduction in costs.
- *Credit Risk;* risk of losses caused by a decrease in or loss of value of assets (including off-balance-sheet assets) due to the deterioration in financial position of borrowers.
- *Credit Concentration Risk;* risk stemming from a large single exposure or group of exposures that are adversely impacted by similar variations in conditions, events, or circumstances.
- *Interest Rate Risk in NBE's Banking Book;* risk arising from maturity differences between bank assets and liabilities in NBE's Banking Book by differing interest rates used for pricing and differing repricing points.
- *Climate and Environmental risks;* risks stemming from climate and environmental change and which translate into more original risk categories like an increase in credit risk or increased market risk. Given the importance for stakeholders also strategic risk and reputational risk are impacted.

For the period ended 31 December 2023, the risk profile of NBE has changed little compared to the previous year. NBE started its business in September 2020 with Global Investment business and Euro Funding business for which its exposure to risk bearing positions was well within the limits of NBE's risk appetite indicators. During 2023 the focus was on a gradual increase of the loan portfolio and to remain well within the pre-defined risk appetite.

2

Category 2 – Liquidity & Funding Risk
Liquidity & Funding Risks consist of the following material risks:

- *Cash Flow Risk;* risk of having difficulties securing necessary funds due to a mismatch between investment and funding durations or unexpected cash outflows, the risk of incurring losses by being forced to raise funds at significantly higher funding costs than normal.
- *Market Liquidity Risk;* risk of experiencing losses by not being able to trade in the financial markets due to market turmoil or by being forced to trade under significantly less favourable conditions than normal.
- *Intraday Liquidity Risk;* the risk arising from short-term liquidity risk within a day from payment/ settlement activities.

For the period ended 31 December 2023, similar to category 1 risks, the risk profile of NBE was limited as 2023 has been a year to build up banking activities further. Due to the low and hedged nature of the foreign currency exposures the foreign currency liquidity risk was also very limited and not recognized as a material risk in the risk universe.

Due to the large available liquidity buffers because NBE is still building up the balance sheet, liquidity and funding risks remained low, as shown by the healthy LCR and NSFR ratios.

For more information on the maturity calendar of NBE's financial assets and liabilities reference is made to Note 27 of the Financial Statements.

3

Category 3 – Non-Financial Risk
The non-financial risk category is broadly defined as those risks not categorized in the category 1 or the category 2 and consists of the following material risks:

- *Process Risk;* risk of loss resulting from inadequate or failed internal processes, people and systems or from external events, and includes legal and data protection risk.
- *Business Continuity Risk;* risk of loss arising from disruption of business or system failures including system outage.
- *Outsourcing Risk;* risk of loss from the authorized entity's use of a third party (the "outsourcing service provider") to perform activities that would normally be undertaken by the authorized entity, now or in the future. The supplier may itself be an authorized or unauthorized entity. This risk includes loss from system outage, data loss etc.
- *Cyber Security Risk;* risk of loss related to technical infrastructure or the use of technology within an organization.
- *Regulatory Compliance & Integrity Risk;* threat of damage to reputation, existing or future equity or results of an institution as a result of inadequate compliance with legal requirements covering a broad range of Compliance and Integrity risk topics.

For the period ended 31 December 2023, similar to category 1 and category 2 risks, the risk profile of NBE was limited as 2023 has been a year to build up banking activities further, as NBE started its business in September 2020.

It should be noted that, while "reputation risk" is not listed in a material risk category, reputational concerns were taken into consideration when the Risk Universe was constructed. NBE regards reputation damage as a potential secondary effect in the case that any risk materializes. Managing potential reputational effects is therefore considered to be interweaved throughout the RMF.

There were no operational incidents with significant losses in 2023, similar to previous years. The number of smaller incidents also remained stable. NBE has an annual Risk Control Self- Assessment (RCSA) process for the assessment of risks and controls.

Regulatory compliance & integrity risk are addressed, amongst others, by minimizing ex-post impact through information gathering of such changes, appropriate management of the compliance framework and timely and appropriate disclosure. During the annual SIRA process all risks and controls are assessed.

On Incident Register, there are 18 records which is recorded in 2023 and within ICT and Security domain. All of these record`s severity classified as either Level 1 (Lowest Level of Incident) or Close Call (Not an incident). Everyday new threads and risks are arising on Security Domain. Because of this nature of the topic, ICT and Security processes needs continues attention.

2. Own Funds

NBE currently has only tier 1 capital and holds no additional tier 1 or tier 2 capital. All shares of NBE are held by the parent company, The Norinchukin Bank. In the table below a breakdown of our CET1 Capital, Risk Weighted Assets and the capital ratios are presented. We have not included template “EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments” in this report because NBE has only ordinary shares.

Capital adequacy

Our Internal Capital Adequacy Assessment Process (ICAAP) determines the amount of capital needed to ensure a strong capital base which is key for our success. NBE ensures that capital adequacy requirements are met at all times. When determining our capital adequacy we take the future plans (business case) into account and ensure that sufficient capital is available to support our strategy.

NBE applies the standardized approach when determining the capital requirements for credit risk, counterparty credit risk and market risk. For the operational Risk NBE applies the Basic Indicator approach. NBE’s CET1 ratio amounts to 112% (2022; 157%). The high CET1 ratio reflects the fact that we just started our business. Our CET1 ratio will decline further in the future due to the expected growth of our business.

Capital risk

For capital risk, the most important measures are the CET1 ratio, the Total Risk/Internal Capital ratio and Leverage ratio. The shareholder has provided NBE with sufficient capital, leaving NBE well capitalised for future expansion. NBE ensures and monitors the adequacy of the capital and the prudential ratios to meet the regulatory requirements.

EU CC1 - Composition of regulatory own funds

		31-12-2023	31-12-2022	(b)
		Amounts	Amounts	Source based on reference numbers/ letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	2,000,000	2,000,000	CC2 -23
	of which: Instrument type 1			
	of which: Instrument type 2			
	of which: Instrument type 3			
2	Retained earnings	-23,651	-32,083	CC2 - 25
3	Accumulated other comprehensive income (and other reserves)			
EU-3a	Funds for general banking risk			
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1			
5	Minority interests (amount allowed in consolidated CET1)			
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend			
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	1,976,348	1,967,916	
	Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)			
8	Intangible assets (net of related tax liability) (negative amount)	-169	-236	CC2 - 6
9	Not applicable			
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-5,596	-10,121	CC2 - 10
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value			
12	Negative amounts resulting from the calculation of expected loss amounts			
13	Any increase in equity that results from securitised assets (negative amount)			
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing			
15	Defined-benefit pension fund assets (negative amount)			
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)			
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)			

		31-12-2023	31-12-2022	(b)
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)			
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)			
20	Not applicable			
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative			
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)			
EU-20c	of which: securitisation positions (negative amount)			
EU-20d	of which: free deliveries (negative amount)			
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)			
22	Amount exceeding the 17,65% threshold (negative amount)			
23	of which: 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			
24	Not applicable			
25	of which: deferred tax assets arising from temporary differences			
EU-25a	Losses for the current financial year (negative amount)			
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)			
26	Not applicable			
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)			
27a	Other regulatory adjustments			
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	-5,764	-10,357	
29	Common Equity Tier 1 (CET1) capital	1,970,584	1,957,559	
Additional Tier 1 (AT1) capital: instruments				
30	Capital instruments and the related share premium accounts			
31	of which: classified as equity under applicable accounting standards			
32	of which: classified as liabilities under applicable accounting standards			
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1			

		31-12-2023	31-12-2022	(b)
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1			
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1			
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			
35	of which: instruments issued by subsidiaries subject to phase out			
36	Additional Tier 1 (AT1) capital before regulatory adjustments			
Additional Tier 1 (AT1) capital: regulatory adjustments				
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)			
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)			
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)			
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)			
41	Not applicable			
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)			
42a	Other regulatory adjustments to AT1 capital			
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital			
44	Additional Tier 1 (AT1) capital			
45	Tier 1 capital (T1 = CET1 + AT1)	1,970,584	1,957,559	
Tier 2 (T2) capital: instruments				
46	Capital instruments and the related share premium accounts			
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR			
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2			
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2			
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties			
49	of which: instruments issued by subsidiaries subject to phase out			
50	Credit risk adjustments			
51	Tier 2 (T2) capital before regulatory adjustments			

		31-12-2023	31-12-2022	(b)
Tier 2 (T2) capital: regulatory adjustments				
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)			
53	Direct, indirect and synthetic 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)			
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)			
54a	Not applicable			
55	Direct, indirect and 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)			
56	Not applicable			
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)			
EU-56b	Other regulatory adjustments to T2 capital			
57	Total regulatory adjustments to Tier 2 (T2) capital			
58	Tier 2 (T2) capital			
59	Total capital (TC = T1 + T2)	1,970,584	1,957,559	
60	Total Risk exposure amount	1,765,442	1,244,226	
Capital ratios and requirements including buffers				
61	Common Equity Tier 1 capital	111,6%	157,3%	
62	Tier 1 capital	111,6%	157,3%	
63	Total capital	111,6%	157,3%	
64	Institution CET1 overall capital requirements	23,8%	32,0%	
65	of which: capital conservation buffer requirement	2,5%	2,5%	
66	of which: countercyclical capital buffer requirement	0,6%	0,1%	
67	of which: systemic risk buffer requirement			
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement			
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	16,3%	25,0%	
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	74,7%	148,5%	
National minima (if different from Basel III)				
69	Not applicable			
70	Not applicable			
71	Not applicable			

		31-12-2023	31-12-2022	(b)
Amounts below the thresholds for deduction (before risk weighting)				
72	Direct and indirect holdings of own funds and eligible liabilities 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)			
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 17.65% thresholds and net of eligible short positions)			
74	Not applicable			
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)			
Applicable caps on the inclusion of provisions in Tier 2				
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)			
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	21,515	14,999	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)"			
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach			
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)				
80	Current cap on CET1 instruments subject to phase out arrangements			
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)			
82	Current cap on AT1 instruments subject to phase out arrangements			
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)			
84	Current cap on T2 instruments subject to phase out arrangements			
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)			

EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements

		31-12-2023		31-12-2022	
		a	b	a	b
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Balance sheet as in published financial statements	Under regulatory scope of consolidation
		As at period end	As at period end	As at period end	As at period end
Assets - Breakdown by asset classes according to the balance sheet in the published financial statements					
1	Cash and balances with central banks	401,790	401,790	131,966	131,966
2	Loans and advances to banks	8,529	8,529	7,423	7,423
3	Loans and advances to customers	1,295,526	1,295,526	917,728	917,728
4	Debt Securities at amortized cost	1,410,009	1,410,009	1,435,342	1,435,342
5	Property and equipment	545	545	848	848
6	Intangible assets	169	169	236	236
7	Right-of-use assets	2,200	2,200	2,714	2,714
8	Contract assets				
9	Current tax assets				
10	Deferred tax assets	5,596	5,596	10,121	10,121
11	Other assets	7,771	7,771	6,010	6,010
12	**Total assets**	**3,132,135**	**3,132,135**	**2,512,388**	**2,512,388**
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements					
14	Due to banks	909,435	909,435	496,714	496,714
15	Due to customers	214,098	214,098	29,885	29,885
16	Debt issued and other borrowed funds				
17	Lease liabilities	2,249	2,249	2,771	2,771
18	Current tax liabilities	1,065	1,065	1,422	1,422
19	Deferred tax liabilities	568	568	700	700
20	Other liabilities	3,897	3,897	4,547	4,547
21	**Total liabilities**	**1,131,312**	**1,131,312**	**536,039**	**536,039**
Shareholders' Equity					
22	Shareholders' equity				
23	Issued capital	2,000,000	2,000,000	2,000,000	2,000,000
24	Share premium				
25	Retained earnings	-23,651	-23,651	-32,083	-32,083
26	Result for the year	24,474	24,474	8,432	8,432
27	Legal reserves				
28	Other reserves				
29	**Total shareholders' equity**	**2,000,823**	**2,000,823**	**1,976,349**	**1,976,349**


The Netherlands, Europe

Countercyclical buffer

EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer 2023

		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures	**Total exposure value**	Own fund requirements				Risk-weighted	Own fund requirements	Countercyclical
		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	Exposure value for non-trading book		Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	**Total**	exposure amounts	weights (%)	buffer rate (%)
010	**Breakdown by country:**													
	BE	149,055					**149,055**	11,924			**11,924**	149,055	8,7%	
	DE	474,387					**474,387**	37,951			**37,951**	474,387	27,6%	0,75%
	FR	849,311					**849,311**	67,945			**67,945**	849,311	49,4%	0,50%
	JP													
	LU	51,522					**51,522**	4,122			**4,122**	51,522	3,0%	0,50%
	NL	263,247					**263,247**	15,512			**15,512**	193,899	11,3%	1,00%
020	**Total**	**1,787,522**					**1,787,522**	**137,454**			**137,454**	**1,718,174**		

EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer 2022

		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures	**Total exposure value**	Own fund requirements				Risk-weighted	Own fund requirements	Countercyclical
		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	Exposure value for non-trading book		Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	**Total**	exposure amounts	weights (%)	buffer rate (%)
010	**Breakdown by country:**													
	BE	155,181					**155,181**	12,414			**12,414**	155,181	12,9%	
	DE	206,608					**206,608**	16,529			**16,529**	206,608	17,2%	
	FR	565,222					**565,222**	45,218			**45,218**	565,222	47,2%	
	JP													
	LU	126,611					**126,611**	10,064			**10,064**	125,805	10,5%	0,50%
	NL	213,594					**213,594**	11,643			**11,643**	145,540	12,1%	
020	**Total**	**1,267,214**					**1,267,214**	**95,868**			**95,868**	**1,198,356**		

EU CCyB2 - Amount of institution-specific countercyclical capital buffer

		31-12-2023	31-12-2022
1	Total risk exposure amount	1,765,442	1,244,266
2	Institution specific countercyclical capital buffer rate	0,6%	0,1%
3	Institution specific countercyclical capital buffer requirement	10,276	653

3. Leverage ratio

The leverage ratio is a measure that allows for the assessment of institutions' exposure to the risk of excessive leverage. The leverage ratio is calculated as the capital measure divided by the exposure measure. The leverage ratio of NBE as per December 31, 2023 47% (2022; 58%) is well above the minimum required leverage ratio of 3%. In the following tables the leverage ratio exposure measure, capital measure and several breakdowns are provided.

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

		31-12-2023	31-12-2022
		Applicable amount	Applicable amount
1	Total assets as per published financial statements	3,132,135	2,512,388
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation		
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)		
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))		
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)"		
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting		
7	Adjustment for eligible cash pooling transactions		
8	Adjustment for derivative financial instruments		
9	Adjustment for securities financing transactions (SFTs)	-1,990	-2,364
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	1,085,237	944,920
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)		
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)		
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-70,830	-70,873
12	Other adjustments	21,391	-7,993
13	**Total exposure measure**	**4,165,942**	**3,376,077**

EU LR2 - LRCom: Leverage ratio common disclosure

		CRR LEVERAGE RATIO EXPOSURES	
		a	b
		2023-12-31	2022-12-31
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	3,157,299	2,512,388
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework		
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)		
4	Adjustment for securities received under securities financing transactions that are recognised as an asset		
5	(General credit risk adjustments to on-balance sheet items)		
6	(Asset amounts deducted in determining Tier 1 capital)	-5,764	-10,357
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**3,151,535**	**2,502,031**
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)		
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach		
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions		
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach		
EU-9b	Exposure determined under Original Exposure Method		
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)		
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)		
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original Exposure Method)		
11	Adjusted effective notional amount of written credit derivatives		
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)		
13	**Total derivatives exposures**		
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	26,678,610	25,000,294
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-26,678,610	-25,000,294
16	Counterparty credit risk exposure for SFT assets		
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR		
17	Agent transaction exposures		
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)		
18	Total securities financing transaction exposures		
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	3,970,696	3,690,047
20	(Adjustments for conversion to credit equivalent amounts)	-2,885,459	-2,745,128
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)		
22	**Off-balance sheet exposures**	**1,085,237**	**944,920**

		CRR LEVERAGE RATIO EXPOSURES	
		a	b
		2023-12-31	2022-12-31
Excluded exposures			
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)		
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	-70,830	-70,873
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)		
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)		
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units)): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)		
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)		
EU-22g	(Excluded excess collateral deposited at triparty agents)		
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)		
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)		
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)		
EU-22k	**(Total exempted exposures)**	**-70,830**	**-70,873**
Capital and total exposure measure			
23	Tier 1 capital	1,970,584	1,957,559
24	**Total exposure measure**	**4,165,942**	**3,376,077**
Leverage ratio			
25	Leverage ratio (%)	47.3%	58.0%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	47.3%	58.0%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	47.3%	58.0%
26	Regulatory minimum leverage ratio requirement (%)	3.0%	3.0%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)		
EU-26b	of which: to be made up of CET1 capital		
27	Leverage ratio buffer requirement (%)		
EU-27a	Overall leverage ratio requirement (%)	3.0%	3.0%

		CRR LEVERAGE RATIO EXPOSURES	
		a	b
		2023-12-31	2022-12-31
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure		
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 receivables		
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		
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)	4,165,942	3,376,077
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)	4,165,942	3,376,077
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)	47.3%	58.0%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	47.3%	58.0%

EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		31-12-2023	31-12-2022
		CRR leverage ratio exposures	CRR leverage ratio exposures
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**3,086,469**	**2,441,515**
EU-2	Trading book exposures		
EU-3	Banking book exposures, of which:	3,086,469	2,441,515
EU-4	Covered bonds		
EU-5	Exposures treated as sovereigns	1,742,791	1,499,580
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns		
EU-7	Institutions	33,129	6,783
EU-8	Secured by mortgages of immovable properties		
EU-9	Retail exposures		
EU-10	Corporates	1,296,528	918,118
EU-11	Exposures in default		
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	14,021	17,034

4. Credit Risk

Credit Risk is described as the possibility that counterparty in loan or derivative contract will fail to fulfil its commitments according to agreed-upon terms and leading in a financial loss to NBE. Credit risk sources includes counterparty credit risk, concentration risk at different levels, country risk, transaction structure risk, collateral mismatch, and so on.

Credit risk is managed by NBE within the set up rules in its own policy and procedures, which are in line with external regulatory expectations, and where applicable within context of the global internal policies. Credit granting rules, counterparty credit risk, transaction assessment, ceiling approval conditions, credit risk monitoring, consolidated credit risk management, operational flow and processes, etc. are all in place within the context of internal credit risk frameworks.

NBE, as an independent entity, has its own independent risk appetite, credit risk assessment process and credit granting authority body, while it takes into consideration to be aligned with the Norinchukin Bank's consolidated credit risk principles. NBE comprehensively manages credit risk on an entire credit portfolio basis as well as on individual credit basis.

NBE accepts internal credit rating system and model of The Norinchukin Bank, and where applicable endorses these ratings internally. It also acknowledges practices (for project finance loans) from the Norinchukin Bank in the assignment and assessment of internal credit ratings. Each credit rating corresponds to the likelihood that counterparty will fail to fulfil contractual obligations, according to The Norinchukin Bank's internal credit rating scheme (i.e. probability of default - PD). Credit risk factors (PD, LGD, and EAD) are used for ECL calculation.

NBE implemented ceiling rules to reduce the chance of credit over-concentration. To prevent over-concentration on credit exposure, total credit exposure for each ceiling segment is monitored on a regular basis. Counterparty ceilings are set for the obligors (project finance on transaction basis) based on their creditworthiness and risk appetite. Project finance ceiling is determined and classified individually according to the degree of their repayment risks, and assessed on transaction basis. Financial institution and corporate ceilings are established in accordance with the assigned internal ratings and exposures are managed within those allocated ceilings. NBE adhere limitation defined in its risk appetite.

Country risk is managed centrally within the Norinchukin Bank's set of guidelines and limits are defined globally. Country ceiling for sovereign exposures may not be set for countries that have advanced and stable economies, and when the highest rating can be assigned. Ceilings are set for sovereign exposures in higher-risk countries in accordance with the sovereign's internal ratings.

Credit Concentration Risk is the risk stemming from a large single exposure or group of exposures that are adversely impacted by similar variations in conditions, events, or circumstances that impact the position of the bank's risk profile. NBE assesses the overall composition and efficiency of credit portfolios (e.g. sectoral, geographic, rating, climate-related and environmental risks) in addition to single name concentration or group of connected counterparties. Within defined risk appetite threshold limits, credit risk concentration is actively monitored.

Impairment allowance – Expected credit losses:
NBE aims to maintain sufficient level of reserves to cover its incurred losses. For accounting purposes NBE recognises a loss allowance for expected credit losses on financial assets measured at either amortized cost or fair value with changes through comprehensive income (FVOCI) and off-balance facilities based on IFRS 9. In Accounting Policy for the impairment on financial assets, expected credit loss approach is further elaborated (please refer to the Annual report 2023).

All the financial assets and off-balance facilities were classified as Stage 1 as per 31 December 2023 as there has been no significant increase in credit risk since initial recognition. The expected credit loss allowance was booked for debt securities, loans to customers, and off-balance loan commitments as per 31 December 2023 which were all measured at amortized cost. Loans and advances to banks consisted of only of low credit risk and short term instruments (please refer to Note 3 of the Financial Statements). Off-balance facilities consisted of the credit facility to The Norinchukin Bank (€3 billion) which was collateralized by the securities borrowed from the parent and loan commitments to customers (please refer to Note 22 of the Financial Statements).

Past due assessment
The key considerations for the loan impairment determination are whether any principal or interest payments are past due, or if there are any identified issues in counterparties' cash flows, credit rating downgrades, or breach of the original contract terms.

Past-due loans are closely tracked, and default is deemed to occur, among other things, if the obligor is unlikely to pay its credit obligations, without recourse by NBE to actions such as realizing security and/or obligor is past due more than 90 days on any material credit obligation to NBE.

Credit quality

Credit quality of NBE's assets is sound. There are no non-performing, forborne and past due exposures.
All exposures are categorized as stage 1.

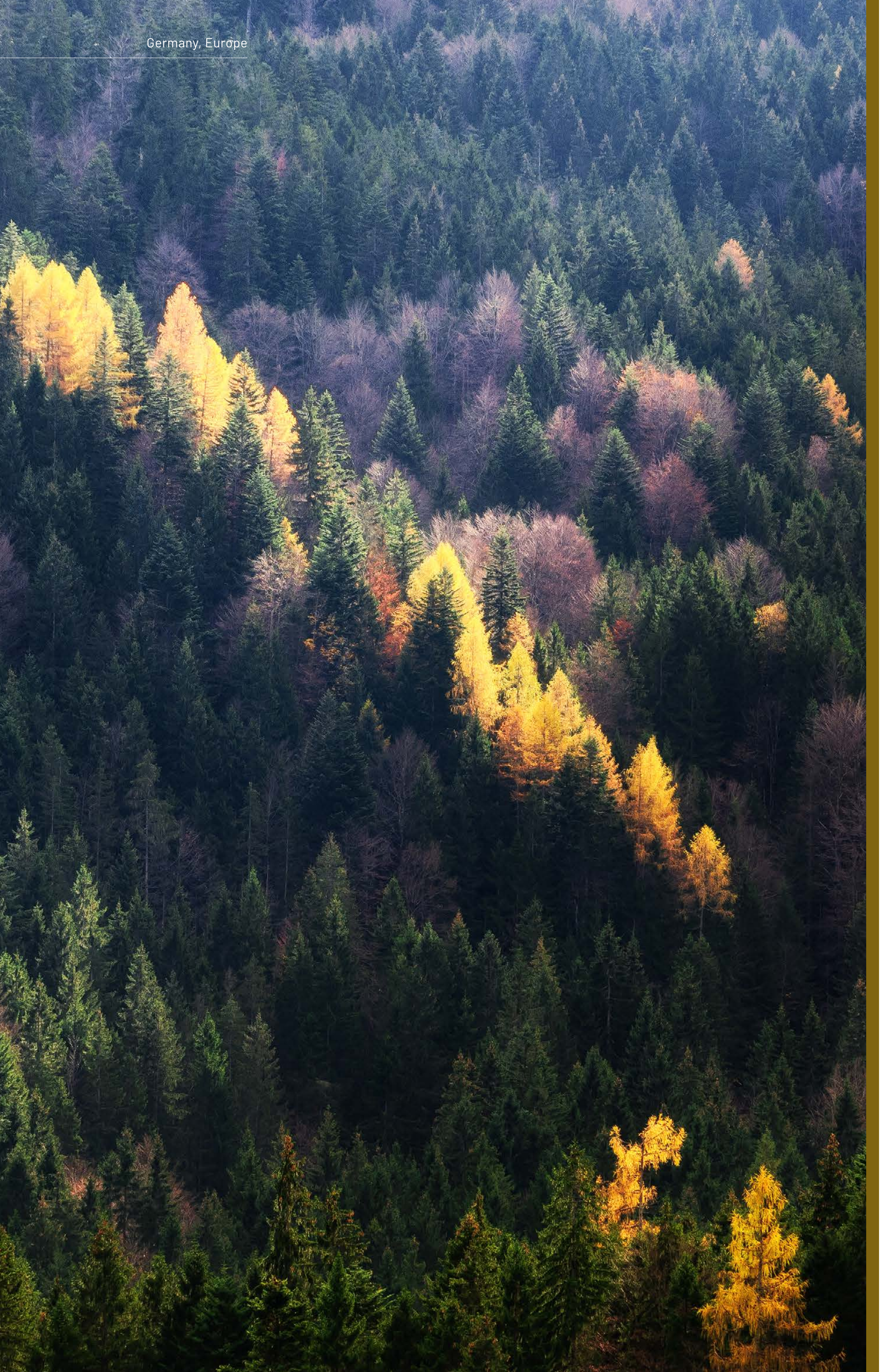
EU CR1 - Performing and non-performing exposures and related provisions 2023

		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
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005	Cash balances at central banks and other demand deposits	405,829	405,829													
010	Loans and advances	1,300,491	1,300,491					-474	-474						183,358	
020	Central banks															
030	General governments															
040	Credit institutions	4,490	4,490												1,990	
050	Other financial corporations	204,232	204,232					-92	-92							
060	Non-financial corporations	1,091,768	1,091,768					-383	-383						181,367	
070	Of which SMEs	534,045	534,045					-272	-272							
080	Households															
090	Debt securities	1,410,040	1,410,040					-31	-31							
100	Central banks															
110	General governments	1,339,210	1,339,210					-31	-31							
120	Credit institutions															
130	Other financial corporations	70,830	70,830					0	0							
140	Non-financial corporations															
150	Off-balance-sheet exposures	3,970,696	3,970,696					-222	-222						3,000,000	
160	Central banks															
170	General governments															
180	Credit institutions	3,000,000	3,000,000												3,000,000	
190	Other financial corporations	27,160	27,160					-9	-9							
200	Non-financial corporations	943,536	943,536					-213	-213							
210	Households															
220	**Total**	**7,087,056**	**7,087,056**					**-727**	**-727**						**3,183,358**	

EU CR1 - Performing and non-performing exposures and related provisions 2022

		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
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005	Cash balances at central banks and other demand deposits	134,525	134,525													
010	Loans and advances	923,028	923,028					-435	-435						116,857	
020	Central banks															
030	General governments															
040	Credit institutions	4,864	4,864												2,364	
050	Other financial corporations	180,206	180,206					-65	-65							
060	Non-financial corporations	737,957	737,957					-370	-370						114,492	
070	Of which SMEs	148,971	148,971					-94	-94							
080	Households															
090	Debt securities	1,435,373	1,435,373					-31	-31							
100	Central banks															
110	General governments	1,364,500	1,364,500					-31	-31							
120	Credit institutions															
130	Other financial corporations	70,873	70,873					0	0							
140	Non-financial corporations															
150	Off-balance-sheet exposures	3,690,047	3,690,047					-208	-208						3,000,000	
160	Central banks															
170	General governments															
180	Credit institutions	3,000,000	3,000,000												3,000,000	
190	Other financial corporations	50,094	50,094					-21	-21							
200	Non-financial corporations	639,954	639,954					-187	-187							
210	Households															
220	**Total**	**6,182,973**	**6,182,973**					**-675**	**-675**						**3,116,857**	

NBE has no non-performing loans and advances therefore we have not disclosed templates CR2 and CR2a.



Credit Risk Mitigation

Offsetting financial instruments

NBE offsets financial assets and financial liabilities in the statement of financial position when there is a legally enforceable right to offset the recognized amounts and when there is an intention to either settle on a net basis, or to realize the assets and settle the liabilities simultaneously. Currently the only financial instruments in scope of offsetting are repurchase transactions ("repos") and reverse repurchase transactions ("reverse repos"). Counterparties of both repos and reverse repos have the same counterparty (a central clearing institution) after novation.

Collateral

NBE has received collateral for a committed facility (off-balance) to the parent company. The collateral received consists of high quality EUR tradable bonds.
For reverse repurchase transaction NBE accepts only high quality European government bonds.
The eligibility and value of the collateral is evaluated regularly.

Guarantees

NBE has received a limited number of guarantees, which relates to corporate lending in the exposure class corporates. NBE has no credit derivatives.

The is no market or credit risk concentrations within the credit risk mitigation taken.

EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques 2023

		UNSECURED CARRYING AMOUNT	SECURED CARRYING AMOUNT			
				Of which secured by collateral	Of which secured by financial guarantees	
						Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	1,522,962	183,358	1,990	181,367	
2	Debt securities	1,410,040				
3	**Total**	**2,933,002**	**183,358**	**1,990**	**181,367**	
4	Of which non-performing exposures					
EU-5	Of which defaulted					

EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques 2022

		UNSECURED CARRYING AMOUNT	SECURED CARRYING AMOUNT			
				Of which secured by collateral	Of which secured by financial guarantees	
						Of which secured by credit derivatives
		a	b	c	d	e
1	Loans and advances	940,696	116,857	2,364	114,492	
2	Debt securities	1,435,373				
3	**Total**	**2,376,069**	**116,857**	**2,364**	**114,492**	
4	Of which non-performing exposures					
EU-5	Of which defaulted					

Forborne exposures and non-performing loans

NBE has no non-performing loans and advances therefore we have not disclosed templates CQ1 Credit quality of forborne exposures and CQ2 Quality of forbearance.

EU CQ3 - Credit quality of performing and non-performing exposures by past due days 2023

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due =< 30 days	Past due > 30 days =< 90 days		Unlikely to pay that are not past due or are past due =< 90 days	Past due > 90 days =< 180 days	Past due > 180 days =< 1 year	Past due > 1 year =< 2 years	Past due > 2 years = < 5 years	Past due > 5 years =< 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other demand deposits	405,829	405,829										
010	Loans and advances	1,300,491	1,300,491										
020	Central banks												
030	General governments												
040	Credit institutions	4,490	4,490										
050	Other financial corporations	204,232	204,232										
060	Non-financial corporations	1,091,768	1,091,768										
070	Of which SMEs	534,045	534,045										
080	Households												
090	Debt securities	1,410,040	1,410,040										
100	Central banks												
110	General governments	1,339,210	1,339,210										
120	Credit institutions												
130	Other financial corporations	70,830	70,830										
140	Non-financial corporations												
150	Off-balance-sheet exposures	3,970,696											
160	Central banks												
170	General governments												
180	Credit institutions	3,000,000											
190	Other financial corporations	27,160											
200	Non-financial corporations	943,536											
210	Households												
220	**Total**	**7,087,056**	**3,116,360**										

EU CQ3 - Credit quality of performing and non-performing exposures by past due days 2022

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due =< 30 days	Past due > 30 days =< 90 days		Unlikely to pay that are not past due or are past due =< 90 days	Past due > 90 days =< 180 days	Past due > 180 days =< 1 year	Past due > 1 year =< 2 years	Past due > 2 years =< 5 years	Past due > 5 years =< 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central banks and other demand deposits	134,525	134,525										
010	Loans and advances	923,028	923,028										
020	Central banks												
030	General governments												
040	Credit institutions	4,864	4,864										
050	Other financial corporations	180,206	180,206										
060	Non-financial corporations	737,957	737,957										
070	Of which SMEs	148,971	148,971										
080	Households												
090	Debt securities	1,435,373	1,435,373										
100	Central banks												
110	General governments	1,364,500	1,364,500										
120	Credit institutions												
130	Other financial corporations	70,873	70,873										
140	Non-financial corporations												
150	Off-balance-sheet exposures	3,690,047											
160	Central banks												
170	General governments												
180	Credit institutions	3,000,000											
190	Other financial corporations	50,094											
200	Non-financial corporations	639,954											
210	Households												
220	**Total**	**6,182,973**	**2,492,925**										

EU CQ4 - Quality of non-performing exposures by geography 2023

		a	b	c	d	e	f	g
		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	3,116,360			3,116,360	-505		
	BE	145,663			145,663	-33		
	DE	328,937			328,937	-96		
	ES	565,127			565,127	-31		
	FR	1,381,078			1,381,078	-259		
	JP							
	LU	39,560			39,560	-63		
	NL	655,995			655,995	-24		
080	Off-balance-sheet exposures	3,970,696					-222	
	BE	6,883						
	DE	295,738					-80	
	ES							
	FR	635,933					-141	
	JP	3,000,000						
	LU	24,050					0	
	NL	8,092						
150	**Total**	**7,087,056**			**3,116,360**	**-505**	**-222**	

EU CQ4 - Quality of non-performing exposures by geography 2022

		a	b	c	d	e	f	g
		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	2,492,925			2,492,925	-467		
	BE	148,627			148,627	-44		
	DE	175,558			175,558	-68		
	ES	569,843			569,843	-31		
	FR	1,223,013			1,223,013	-231		
	JP							
	LU	36,336			36,336	-49		
	NL	339,548			339,548	-43		
080	Off-balance-sheet exposures	3,690,047					-208	
	BE	13,197					-2	
	DE	214,561					-68	
	ES							
	FR	425,808					-138	
	JP	3,000,000						
	LU	28,389					0	
	NL	8,092						
150	**Total**	**6,182,973**			**2,492,925**	**-467**	**-208**	

EU CQ5 - Credit quality of loans and advances to non-financial corporations by industry 2023

		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
010	Agriculture, forestry and fishing						
020	Mining and quarrying						
030	Manufacturing	168,196			168,196	-5	
040	Electricity, gas, steam and air conditioning supply	552,472			552,472	-214	
050	Water supply						
060	Construction	61,811			61,811	-12	
070	Wholesale and retail trade	49,175			49,175	-1	
080	Transport and storage						
090	Accommodation and food service activities						
100	Information and communication	200,362			200,362	-131	
110	Financial and insurance activities	59,751			59,751	-19	
120	Real estate activities						
130	Professional, scientific and technical activities						
140	Administrative and support service activities						
150	Public administration and defense, compulsory social security						
160	Education						
170	Human health services and social work activities						
180	Arts, entertainment and recreation						
190	Other services						
200	**Total**	**1,091,768**			**1,091,768**	**-383**	

EU CQ5 - Credit quality of loans and advances to non-financial corporations by industry 2022

		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
010	Agriculture, forestry and fishing						
020	Mining and quarrying						
030	Manufacturing	76,686			76,686	-3	
040	Electricity, gas, steam and air conditioning supply	423,265			423,265	-221	
050	Water supply						
060	Construction	57,504			57,504	-20	
070	Wholesale and retail trade	39,418			39,418	0	
080	Transport and storage						
090	Accommodation and food service activities						
100	Information and communication	141,084			141,084	-127	
110	Financial and insurance activities						
120	Real estate activities						
130	Professional, scientific and technical activities						
140	Administrative and support service activities						
150	Public administration and defense, compulsory social security						
160	Education						
170	Human health services and social work activities						
180	Arts, entertainment and recreation						
190	Other services						
200	**Total**	**737,957**			**737,957**	**-370**	

NBE has not obtained any collateral for these transactions and therefore templates CQ6, CQ7 and CQ8 are not disclosed.

Risk weighted assets

In the following table we present the exposures and risk weighted assets. The risk weights are in accordance with the credit quality steps in Article 113 to Article 134 of the CRR (Regulation (EU) 575/2013).

EU CR4 – standardised approach – Credit risk exposure and CRM effects 2023

	EXPOSURE CLASSES	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 (%)
		a	b	c	d	e	f
1	Central governments or central banks	1,813,621		1,813,621			
2	Regional government or local authorities						
3	Public sector entities						
4	Multilateral development banks						
5	International organisations						
6	Institutions	33,129	3,000,000	33,129		2,319	7%
7	Corporates	1,296,528	970,475	1,296,528	485,237	1,712,417	96%
8	Retail						
9	Secured by mortgages on immovable property						
10	Exposures in default						
11	Exposures associated with particularly high risk						
12	Covered bonds						
13	Institutions and corporates with a short-term credit assessment						
14	Collective investment undertakings						
15	Equity						
16	Other items	5,757		5,757		5,757	100%
17	**Total**	**3,149,035**	**3,970,475**	**3,149,035**	**485,237**	**1,720,493**	**47%**

EU CR4 – standardised approach – Credit risk exposure and CRM effects 2022

	EXPOSURE CLASSES	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 (%)
		a	b	c	d	e	f
1	Central governments or central banks	1,570,453		1,570,453			
2	Regional government or local authorities						
3	Public sector entities						
4	Multilateral development banks						
5	International organisations						
6	Institutions	6,783	3,000,000	6,783		1,489	22%
7	Corporates	918,118	689,839	918,118	344,920	1,194,179	95%
8	Retail						
9	Secured by mortgages on immovable property						
10	Exposures in default						
11	Exposures associated with particularly high risk						
12	Covered bonds						
13	Institutions and corporates with a short-term credit assessment						
14	Collective investment undertakings						
15	Equity						
16	Other items	4,176		4,176		4,176	100%
17	**Total**	**2,499,531**	**3,689,839**	**2,499,531**	**344,920**	**1,199,844**	**42%**

EU CR5 – standardised approach 2023

	EXPOSURE CLASSES	RISK WEIGHT															TOTAL	OF WHICH UNRATED
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	1,813,621															1,813,621	
2	Regional government or local authorities																	
3	Public sector entities																	
4	Multilateral development banks																	
5	International organisations																	
6	Institutions		27,155			4,039		1,936									33,129	
7	Corporates							138,696			1,643,069						1,781,765	1,625,093
8	Retail exposures																	
9	Exposures secured by mortgages on immovable property																	
10	Exposures in default																	
11	Exposures associated with particularly high risk																	
12	Covered bonds																	
13	Exposures to institutions and corporates with a short-term credit assessment																	
14	Units or shares in collective investment undertakings																	
15	Equity exposures																	
16	Other items										5,757						5,757	5,757
17	**Total**	**1,813,621**	**27,155**			**4,039**		**140,632**			**1,648,826**						**3,634,272**	**1,630,850**

EU CR5 – standardised approach 2022

	EXPOSURE CLASSES	RISK WEIGHT															TOTAL	OF WHICH UNRATED
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	1,570,453															1,570,453	
2	Regional government or local authorities																	
3	Public sector entities																	
4	Multilateral development banks																	
5	International organisations																	
6	Institutions		2,364			2,559		1,859									6,783	
7	Corporates							137,717			1,125,321						1,263,038	1,125,321
8	Retail exposures																	
9	Exposures secured by mortgages on immovable property																	
10	Exposures in default																	
11	Exposures associated with particularly high risk																	
12	Covered bonds																	
13	Exposures to institutions and corporates with a short-term credit assessment																	
14	Units or shares in collective investment undertakings																	
15	Equity exposures																	
16	Other items										4,176						4,176	4,176
17	**Total**	**1,570,453**	**2,364**			**2,559**		**139,577**			**1,129,497**						**2,844,450**	**1,129,497**

Counterparty Credit Risk

NBE has a limited amount subject to counterparty credit risk and relates entirely to the Securities Financing transactions (SFT) business (repurchase and reverse repurchase transactions via a Qualified Central Counterparty). NBE does not expect that the exposures to the QCCP will increase significantly. Required capital for counterparty credit risk is marginal. Assigning internal capital for credit risk is included in the internal capital adequacy assessment process.

EU CCR1 – Analysis of CCR exposure by approach 2023

		a	b	c	d	e	f	g	h
		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)				1.4				
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)					27,155	27,155	27,155	543
5	VaR for SFTs								
6	**Total**					**27,155**	**27,155**	**27,155**	**543**

EU CCR1 – Analysis of CCR exposure by approach 2022

		a	b	c	d	e	f	g	h
		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)				1.4				
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)					2,364	2,364	2,364	47
5	VaR for SFTs								
6	**Total**					**2,364**	**2,364**	**2,364**	**47**

EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights 2023

	EXPOSURE CLASSES	RISK WEIGHT											
		a	b	c	d	e	f	g	h	i	j	k	l
		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		27,155										27,155
7	Corporates												
8	Retail												
9	Institutions and corporates with a short-term credit assessment												
10	Other items												
11	**Total exposure value**		**27,155**										**27,155**

EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights 2022

	EXPOSURE CLASSES	RISK WEIGHT											
		a	b	c	d	e	f	g	h	i	j	k	l
		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		2,364										2,364
7	Corporates												
8	Retail												
9	Institutions and corporates with a short-term credit assessment												
10	Other items												
11	**Total exposure value**		**2,364**										**2,364**

EU CCR8 – Exposures to CCPs 2023

		a	b
		Exposure value	RWEA
1	**Exposures to QCCPs (total)**		**1,225**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	27,155	543
3	(i) OTC derivatives		
4	(ii) Exchange-traded derivatives		
5	(iii) SFTs	27,155	543
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	2,500	682
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		

EU CCR8 – Exposures to CCPs 2022

		a	b
		Exposure value	RWEA
1	**Exposures to QCCPs (total)**		**162**
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	2,364	47
3	(i) OTC derivatives		
4	(ii) Exchange-traded derivatives		
5	(iii) SFTs	2,364	47
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	2,500	115
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		


France, Europe

5. Liquidity Risk

Risk Appetite Statement for Liquidity

The liquidity risk appetite of NBE is defined in order to maintain the NBE's business model. It is composed of two sets of statements, qualitative and quantitative, and covers a statement which is applied in extreme stress situations. When NBE changes its business strategy, it updates its liquidity risk appetite, if necessary.

With stress testing the robustness and resiliency of the NBE's liquidity adequacy is assessed.

Liquidity Risk Management Strategy

The NBE's liquidity risk management covers the following two risk categories which are in line with the Parent's risk management as a whole, those risk categories cover European regulatory terms such as the Liquidity risk (adequate liquidity resources for short to medium term) and Funding risk (prudent funding profile for medium to long term).

Cash flow (Funding and liquidity) risk
The risk of having difficulties securing necessary funds due to a mismatch between investment and funding durations or unexpected cash outflows, or the risk of incurring losses by being forced to raise funds at significantly higher funding costs than normal. The cash flow risk includes the short-term liquidity risk within the day (intraday liquidity risk).

Market liquidity risk
The risk of experiencing losses by not being able to trade in the financial markets due to market turmoil or by being forced to trade under significantly less favourable conditions than normal occasions.

Risk Governance for Liquidity Risk Management

Liquidity Risk Management Governance of NBE describes roles and responsibilities of the involved parties of the periodical and continuous liquidity risk management processes.

The Treasury Division as First Line is responsible for (1) drafting of the NBE's annual funding plan. In drafting these plans, the Treasury Division collaborates closely with the Treasury & Forex Division of the Parent, which is responsible for drafting its funding plan and contingency liquidity plan. The division is also responsible for (2) the execution of the funding operations in accordance with the approved limits and funding plans, (3) market reviews and (4) communication with trade counterparties.

The Risk Management division, as the Second Line, is responsible for monitoring the funding operations and adherence to the approved Risk Appetite Statements, Liquidity Risk indicators and accompanying thresholds. It also is responsible for the annual revision of the contingency liquidity plan. It produces periodical monitoring reports which are reported to the ALM Committee.

The ALM Committee is responsible for review of (1) the annual funding plan and (2) the contingency liquidity plan. The ALM Committee is also responsible for (3) liquidity monitoring and adherence to the liquidity risk appetite, and (4) reviewing liquidity stress testing results. The Risk Management Committee is responsible for review of the annual revisions of the (1) liquidity risk appetite, (2) liquidity risk management framework, and (3) ILAAP. After the review and discussion the Committee gives a preliminary approval and sends the documents for the final approval to the Management Board and Supervisory Board.

The Management Board is responsible for the approval of (1) funding plan, (2) contingency liquidity plan, (3) liquidity risk appetite, (4) ILAAP and (5) liquidity risk management framework.

The Supervisory Board is informed and ultimately approves the liquidity risk appetite and ILAAP.
The Internal Audit division performs periodical audits on the framework, policies and associated processes with regard to liquidity risk management and provides their conclusions to the Management and Supervisory Board.

Liquidity Risk Management metrics

Key regulatory liquidity metrics that NBE monitors are the Liquidity Coverage Ratio (LCR), the Net Stable Funding Ratio (NSFR) and the survival horizon.

- *Liquidity Coverage Ratio (LCR)* – a regulatory requirement to maintain a buffer of highly liquid assets (HQLA) against liquidity outflows in a stress scenario over a 30 day period defined by the regulator.
- *Net Stable Funding Ratio (NSFR)* – a regulatory requirement to maintain a stable funding profile in relation to NBE's on- and off-balance sheet activities.
- *Survival horizon* – a regulatory requirement to maintain positive excess liquidity over the horizon of 6 months during assumed stressed circumstances.

Using those indicators, NBE will control short-term cash-flow risk (LCR), structural funding risk (NSFR) and medium-term liquidity (survival horizon).

Contingency Liquidity Plan

The NBE's Contingency Liquidity Plan (CLP) is developed in order to adequately address (un)expected liquidity stress events triggered by internal or external factors. The plan contains:

a. possible internal and external factors that could lead to a liquidity stress event and may trigger the activation of the CLP,
b. contingency measures that the NBE could implement in case of a stress event,
c. local early warning indicators (EWIs) that will be determined in order to identify deteriorating local market circumstances in a timely manner and to decide quickly upon the actions that should be taken by the NBE,
d. a description of the CLP activation procedure which determines the steps that will be taken to determine and execute the NBE's action plan, and
e. an annual CLP review to ensure that the CLP is adequate. The plan is consistent with that of the contingency liquidity plan of the Parent.

Liquidity Coverage Ratio

NBE ensures a liquidity position via amongst others sufficient unencumbered high quality Liquid assets (liquidity buffer). The liquidity coverage ratio (LCR), which is presented below, is one of the key liquidity metrics NBE uses to manage the liquidity position. The average LCR (2023; 302%) is well above the minimum of 100%. The LCR is predominantly driven by unencumbered high quality Liquid assets (liquidity buffer) which consists of level 1 assets (amongst others EU central governments bonds and withdrawable central bank reserves). Furthermore the LCR is driven by credit and liquidity facilities. Since the start of our business, in September 2020, the LCR is well above 100%, as NBE is in the process of building up its business.

EU LIQ1 - Quantitative information of LCR

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYY)	31-12-2023	30-09-2023	30-06-2023	31-03-2023	31-12-2023	30-09-2023	30-06-2023	31-03-2023
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)					3,855,361	3,807,751	3,791,312	3,752,674
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:								
3	Stable deposits								
4	Less stable deposits								
5	Unsecured wholesale funding	126,913	53,964	45,140	32,141	97,336	37,448	31,927	25,586
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks								
7	Non-operational deposits (all counterparties)	126,913	44,592	22,644	11,690	97,336	28,076	9,432	5,135
8	Unsecured debt		24,992	37,493	24,995		24,992	37,493	24,995
9	Secured wholesale funding								
10	Additional requirements	3,000,000	3,000,000	3,000,000	3,000,000	1,200,000	1,200,000	1,200,000	1,200,000
11	Outflows related to derivative exposures and other collateral requirements								
12	Outflows related to loss of funding on debt products								
13	Credit and liquidity facilities	3,000,000	3,000,000	3,000,000	3,000,000	1,200,000	1,200,000	1,200,000	1,200,000
14	Other contractual funding obligations	53	54	54	53				
15	Other contingent funding obligations	129,057	128,355	125,989	133,711	83,619	80,028	76,993	76,493
16	**Total cash outflows**					**1,348,510**	**1,304,993**	**1,303,599**	**1,299,947**
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	17,691,560	16,626,684	14,821,401	13,600,949				
18	Inflows from fully performing exposures	128,034	116,969	110,208	101,985	71,711	65,989	61,908	58,557
19	Other cash inflows								
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)								
EU-19b	(Excess inflows from a related specialised credit institution)								
20	**Total cash inflows**	**17,819,594**	**16,743,652**	**14,931,609**	**13,702,934**	**71,711**	**65,989**	**61,908**	**58,557**
EU-20a	Fully exempt inflows								
EU-20b	Inflows subject to 90% cap								
EU-20c	Inflows subject to 75% cap	17,819,594	16,743,652	14,931,609	13,702,934	71,711	65,989	61,908	58,557
TOTAL ADJUSTED VALUE									
EU-21	**Liquidity buffer**					**3,855,361**	**3,807,751**	**3,791,312**	**3,752,674**
22	**Total net cash outflows**					**1,276,798**	**1,239,004**	**1,241,691**	**1,241,389**
23	**Liquidity coverage ratio**					**302%**	**307%**	**305%**	**302%**

Net stable Funding

In the following table the Net Stable Funding Ratio (NSFR) is presented.

EU LIQ2 - Net Stable Funding Ratio - December 2023

In accordance with Article 451a(3) CRR		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	1,976,348				1,976,348
2	Own funds	1,976,348				1,976,348
3	Other capital instruments					
4	Retail deposits					
5	Stable deposits					
6	Less stable deposits					
7	Wholesale funding:		513,351		610,182	717,231
8	Operational deposits					
9	Other wholesale funding		513,351		610,182	717,231
10	Interdependent liabilities					
11	Other liabilities:		5,856	266	1,656	1,789
12	NSFR derivative liabilities					
13	All other liabilities and capital instruments not included in the above categories		5,856	266	1,656	1,789
14	**Total available stable funding (ASF)**					2,695,369
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool					
16	Deposits held at other financial institutions for operational purposes					
17	Performing loans and securities:		**230,610**	**11,335**	**1,059,610**	**1,148,806**
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		1,990			
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		23,108	10,332	916,016	923,493
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		205,512	1,002	143,594	225,312
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk					
22	Performing residential mortgages, of which:					
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk					
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products					
25	Interdependent assets					
26	Other assets:		15,892	271	10,447	14,238
27	Physical traded commodities					
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs"				2,500	2,125
29	NSFR derivative assets					
30	NSFR derivative liabilities before deduction of variation margin posted					
31	All other assets not included in the above categories		15,892	271	7,947	12,113
32	Off-balance sheet items		3,248,928	124,253	597,293	198,524
33	**Total RSF**					**1,361,568**
34	**Net Stable Funding Ratio (%)**					**198%**

EU LIQ2 - Net Stable Funding Ratio - December 2022

In accordance with Article 451a(3) CRR		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	1,967,916				1,967,916
2	Own funds	1,967,916				1,967,916
3	Other capital instruments					
4	Retail deposits					
5	Stable deposits					
6	Less stable deposits					
7	Wholesale funding:		29,885		496,714	511,657
8	Operational deposits					
9	Other wholesale funding		29,885		496,714	511,657
10	Interdependent liabilities					
11	Other liabilities:		7,000	280	10,593	10,733
12	NSFR derivative liabilities					
13	All other liabilities and capital instruments not included in the above categories		7,000	280	10,593	10,733
14	**Total available stable funding (ASF)**					2,490,306
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool					
16	Deposits held at other financial institutions for operational purposes					
17	Performing loans and securities:		**125,619**	**17,713**	**779,318**	**821,708**
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		2,364			
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		16,626	16,711	636,354	646,372
20	Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		106,629	1,002	142,964	175,336
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk					
22	Performing residential mortgages, of which:					
23	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk					
24	Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products					
25	Interdependent assets					
26	Other assets:		6,332	284	15,813	18,746
27	Physical traded commodities					
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs"				2,500	2,125
29	NSFR derivative assets					
30	NSFR derivative liabilities before deduction of variation margin posted					
31	All other assets not included in the above categories		6,332	284	13,313	16,621
32	Off-balance sheet items		3,201,253	90,663	397,923	184,492
33	**Total RSF**					**1,024,946**
34	**Net Stable Funding Ratio (%)**					**243%**

Encumbered assets

A limited amount of assets is encumbered. All encumbered assets relate to transactions via A QCCP including contributions to the default fund.

EU AE1 - Encumbered and unencumbered assets 2023

		CARRYING AMOUNT OF ENCUMBERED ASSETS		FAIR VALUE OF ENCUMBERED ASSETS		CARRYING AMOUNT OF UNENCUMBERED ASSETS		FAIR VALUE OF UNENCUMBERED ASSETS	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	050	060	080	090	100
010	Assets of the reporting institution	41,894	31,564			3,090,241	1,776,444		
030	Equity instruments								
040	Debt securities	31,564	31,564	26,926	26,926	1,378,445	1,378,445	1,169,022	1,169,022
050	of which: covered bonds								
060	of which: securitisations								
070	of which: issued by general governments	31,564	31,564	26,926	26,926	1,307,615	1,307,615	1,107,854	1,107,854
080	of which: issued by financial corporations					70,830	70,830	61,168	61,168
090	of which: issued by non-financial corporations								
120	Other assets	10,330				1,711,795	397,999		

EU AE1 - Encumbered and unencumbered assets 2022

		CARRYING AMOUNT OF ENCUMBERED ASSETS		FAIR VALUE OF ENCUMBERED ASSETS		CARRYING AMOUNT OF UNENCUMBERED ASSETS		FAIR VALUE OF UNENCUMBERED ASSETS	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	050	060	080	090	100
010	Assets of the reporting institution	5,449				2,506,224	1,564,358		
030	Equity instruments								
040	Debt securities					1,435,342	1,435,342	1,140,560	1,140,560
050	of which: covered bonds								
060	of which: securitisations								
070	of which: issued by general governments					1,364,469	1,364,469	1,083,633	1,083,633
080	of which: issued by financial corporations					70,873	70,873	56,927	56,927
090	of which: issued by non-financial corporations								
120	Other assets	5,449				1,070,882	129,016		

EU AE2 - Collateral received and own debt securities issued 2023

		FAIR VALUE OF ENCUMBERED COLLATERAL		UNENCUMBERED	
		received or own debt securities issued		Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQ-LA and HQLA		of which EHQLA and HQLA
		010	030	040	060
130	Collateral received by the reporting institution			4,044,744	2,593,790
140	Loans on demand				
150	Equity instruments				
160	Debt securities			4,044,744	2,593,790
170	of which: covered bonds				
180	of which: securitisations			902,841	
190	of which: issued by general governments			419,699	419,699
200	of which: issued by financial corporations			3,625,045	2,174,091
210	of which: issued by non-financial corpora-tions				
220	Loans and advances other than loans on demand				
230	Other collateral received				
240	Own debt securities issued other than own covered bonds or securitisations				
241	Own covered bonds and asset-backed securi-ties issued and not yet pledged				
250	**Total assets, collateral received and own debt securities issued**	**41,894**	**31,564**		

EU AE2 - Collateral received and own debt securities issued 2022

		FAIR VALUE OF ENCUMBERED COLLATERAL		UNENCUMBERED	
		received or own debt securities issued		Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally eligible EHQ-LA and HQLA		of which EHQLA and HQLA
		010	030	040	060
130	Collateral received by the reporting institution			3,959,314	2,450,359
140	Loans on demand				
150	Equity instruments				
160	Debt securities			3,959,314	2,450,359
170	of which: covered bonds				
180	of which: securitisations			989,853	
190	of which: issued by general governments			386,132	386,132
200	of which: issued by financial corporations			3,573,182	2,064,227
210	of which: issued by non-financial corpora-tions				
220	Loans and advances other than loans on demand				
230	Other collateral received				
240	Own debt securities issued other than own covered bonds or securitisations				
241	Own covered bonds and asset-backed securi-ties issued and not yet pledged				
250	**Total assets, collateral received and own debt securities issued**	**5,449**			

Template EU AE3 - Sources of encumbrance

			2023-12-31		2022-12-31
		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securi-ties issued other than covered bonds and secu-ritisations encumbered	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securi-ties issued other than covered bonds and secu-ritisations encumbered
		010	030	010	030
010	Carrying amount of selected financial liabilities	25,164	31,564		

6. **Market Risk**

The most important market risk is interest rate risk in the banking book (IRRBB). NBE has no trading activities. NBE has marginal foreign currency exposures. Assets in foreign currencies are funded in the respective currency, mitigating the foreign exchange risk.

NBE has no Risk Weighted Exposure amounts, therefore template MR1 is not disclosed.

Interest rate risk

Interest rate risk is calculated and IRRBB results are frequently monitored and reported. IRRBB is the current or prospective risk to both earnings and economic value arising from adverse movements in interest rates that affect interest rate sensitive instruments. In assessing NBE's exposure to IRRBB, the bank considers two different approaches: changes in Economic Value of Equity (EVE) and changes in Net Interest Income (NII). ΔEVE is a measure of the change in the net-present value of the balance sheet under a range of yield curve stress scenarios. It is a long-term measure, assessing the impact over the remaining life of the balance sheet, while changes in expected earnings (i.e. changes in NII). ΔNII is a short-medium term measure, assessing the impact to earnings over a defined time period, in case of NBE this is 1 and 2 years. In accordance with EBA Guidelines (EBA/GL/2018/02), NBE measures its exposure to six standardized yield-curve shocks. Interest rate risk is calculated and IRRBB results are monthly monitored and reported to the Asset and Liability Management Committee.

The main driver for the IRRBB position is the investment portfolio which consists of high quality Government Bonds with a duration of approximately 6.9 years. This positions explains the risk for rising interest rates. The investment portfolio is valued at Held to Maturity. The loan portfolios have a much shorter duration with a variety of variable tenors. The management and measurement methods have not changed in the past year.

The following table shows a sensitivity analysis of interest rate risk in relation to equity as well as net interest income.

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 (1 year)	
		31 Dec 2023	31 Dec 2022	31 Dec 2023	31 Dec 2022
1	Parallel up	-151,777	-154,642	18,873	15,328
2	Parallel down	175,804	182,960	-18,698	-15,081
3	Steepener	-38,420	-48,200		
4	Flattener	13,842	23,689		
5	Short rates up	-33,397	-25,618		
6	Short rates down	34,417	26,271		

7. Operational Risk

To determine the own funds requirements for operational risk NBE applies the Basic indicator approach as laid down in CRR article 315.

EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts 2023

Banking activities		a	b	c	d	e
		Relevant indicator			Own funds requirements	Risk exposure amount
		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)	-832	15,933	31,285	3,541	44,267
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches					
3	*Subject to TSA:*					
4	*Subject to ASA:*					
5	Banking activities subject to advanced measurement approaches AMA					

EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts 2022

Banking activities		a	b	c	d	e
		Relevant indicator			Own funds requirements	Risk exposure amount
		Year-3	Year-2	Last year		
1	Banking activities subject to basic indicator approach (BIA)	-832	15,933	31,285	3,541	44,267
2	Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches					
3	*Subject to TSA:*					
4	*Subject to ASA:*					
5	Banking activities subject to advanced measurement approaches AMA					

8. Remuneration

The Supervisory Board is responsible for approving, monitoring, and maintaining the Remuneration Policy and overseeing its implementation to ensure it is fully operational as intended. The Supervisory Board determines and oversees the remuneration of the members of the Management Board, approves the remuneration of the Head of Internal Audit, and oversees the remuneration of the senior officers in control functions, including the Risk Management and Compliance function. The Supervisory Board also approves the remuneration of employees other than the members of the Management Board. The remuneration for employees other than Management Board is proposed by the Management Board. In 2023 one meeting to oversee and/or determine the remuneration was held.

The remuneration of NBE employees consists of two elements: fixed remuneration and variable remuneration.

Fixed remuneration

Fixed remuneration primarily reflects relevant professional experience and organizational responsibility as set out in an employee's job description as part of the terms of employment. The compensation (fixed fee) for members of the Supervisory Board will be determined on the basis of their roles and responsibilities. If a member of the Supervisory Board is also a board member or executive officer of The Norinchukin Bank, no compensation will be paid by NBE. In line with The Norinchukin Bank's rules and/or regulations, this member should only receive compensation from The Norinchukin Bank.

Variable remuneration

Variable remuneration reflects a risk adjusted performance as well as performance in excess of that required to fulfil the employee's job description as part of the terms of employment. At least 50% of the variable remuneration is based on non-financial performance criteria such as strategic goals, customer satisfaction, leadership, management skills, compliance with the Risk Management Policy of NBE, creativity, and motivation. While financial performance criteria, such as NBE's financial/business results, are a part of the performance assessment, non-financial performance criteria form a large part of the performance assessment in order to not incentivize excessive risk taking and to contribute to NBE's long-term business continuity.

Bonus Cap

NBE establishes appropriate ratios between the fixed and the variable component of the total remuneration, whereby the following principles apply:

- The variable component shall not exceed 20% of the fixed component of the total remuneration for each employee in principle.
- If the remuneration for an employee does not entirely follow the Collective Labor Agreement ("CLA") Banks standards, its variable component is not capped at 20% of the fixed component of the total remuneration for each employee. However, it is capped at 100% of the fixed component, provided that in any case, NBE's total variable component for employees concerned shall not exceed 20% of the total fixed component of NBE's total remuneration.

Recruitment and diversity

The Management body is recruited/selected based on fit and proper assessments, in which is taken into consideration knowledge, skills, experience, background as well as diversity elements in line with our recruitment policy.

NBE aims to be diverse in every aspect related to diversity. Therefore NBE strives to increase (gender) diversity in the management body where possible. General ambition would be in line with regulatory goals.

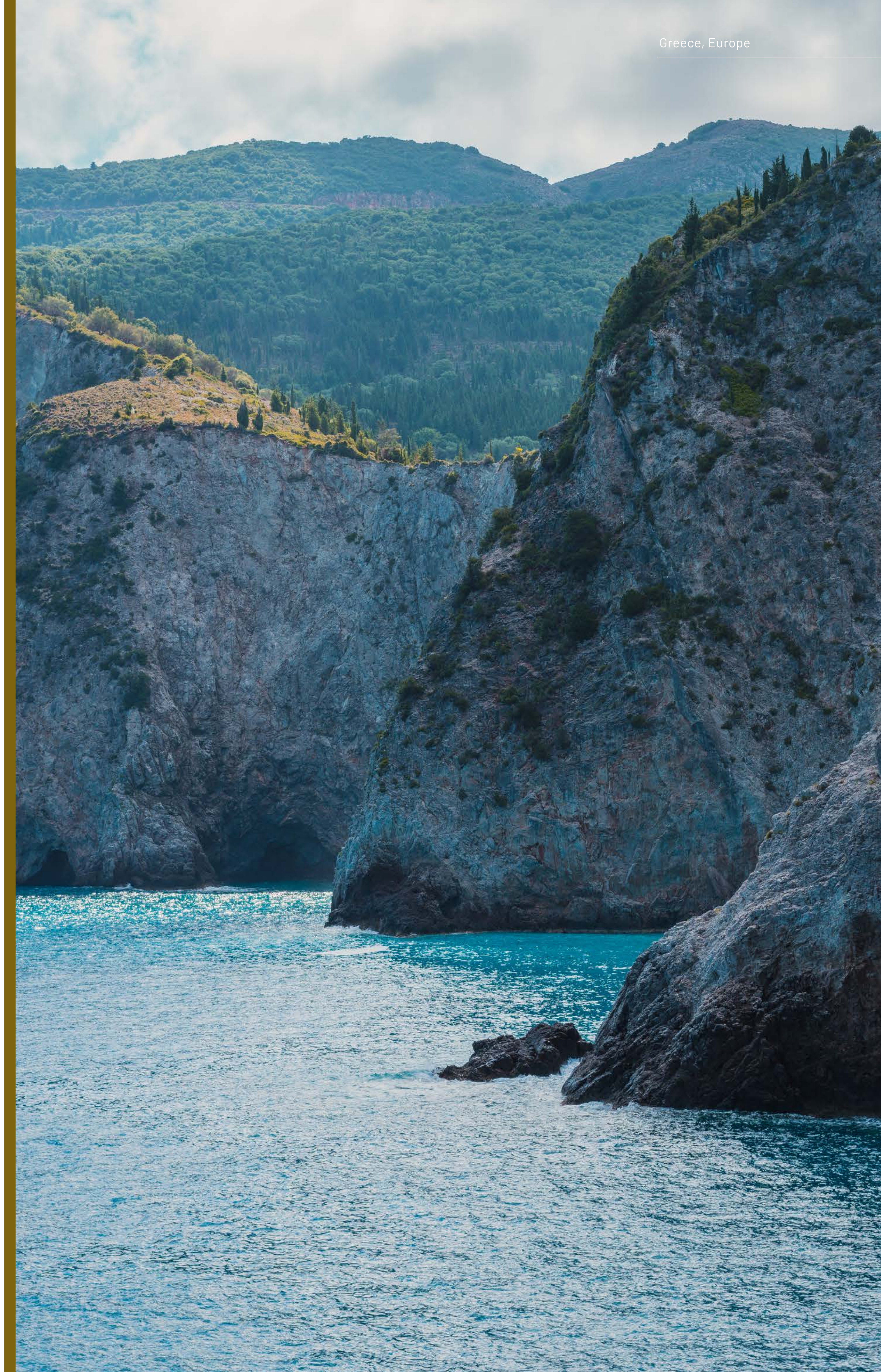
EU REM1 - Remuneration awarded for the financial year 2023

			a	b	c	d
			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	**Fixed remuneration**	Number of identified staff	4	4	12	
2		Total fixed remuneration	90	1,377	2,786	
3		Of which: cash-based	90	1,377	2,786	
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests				
5		Of which: share-linked instruments or equivalent non-cash instruments				
EU-5x		Of which: other instruments				
6		(Not applicable in the EU)				
7		Of which: other forms				
8		(Not applicable in the EU)				
9	**Variable remuneration**	Number of identified staff		3	11	
10		Total variable remuneration		35	101	
11		Of which: cash-based		35	101	
12		Of which: deferred				
EU-13a		Of which: shares or equivalent ownership interests				
EU-14a		Of which: deferred				
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments				
EU-14b		Of which: deferred				
EU-14x		Of which: other instruments				
EU-14y		Of which: deferred				
15		Of which: other forms				
16		Of which: deferred				
17	**Total remuneration (2 + 10)**		**90**	**1,412**	**2,887**	

EU REM1 - Remuneration awarded for the financial year 2022

			a	b	c	d
			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	**Fixed remuneration**	Number of identified staff	4	4	12	
2		Total fixed remuneration	90	1,252	2,556	
3		Of which: cash-based	90	1,252	2,556	
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests				
5		Of which: share-linked instruments or equivalent non-cash instruments				
EU-5x		Of which: other instruments				
6		(Not applicable in the EU)				
7		Of which: other forms				
8		(Not applicable in the EU)				
9	**Variable remuneration**	Number of identified staff	4	4	12	
10		Total variable remuneration		34	84	
11		Of which: cash-based		34	84	
12		Of which: deferred				
EU-13a		Of which: shares or equivalent ownership interests				
EU-14a		Of which: deferred				
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments				
EU-14b		Of which: deferred				
EU-14x		Of which: other instruments				
EU-14y		Of which: deferred				
15		Of which: other forms				
16		Of which: deferred				
17	**Total remuneration (2 + 10)**		**90**	**1,286**	**2,640**	

NBE has no special payments to Identified Staff, no deferred remuneration and no remuneration of 1 million or more therefore templates REM2, REM3 and REM4 are not included in this document.



EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff) 2023

		a	b	c	d	e	f	g	h	i	j
		Management body remuneration			**Business areas**						
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	**Total**
1	Total number of identified staff										**20**
2	Of which: members of the MB	4	4	8							
3	Of which: other senior management				4			5	3		
4	Of which: other identified staff										
5	Total remuneration of identified staff	90	1,412	1,502	1,066			1,018	804		**4,390**
6	Of which: variable remuneration		35	35	30			52	19		**136**
7	Of which: fixed remuneration	90	1,377	1,467	1,035			966	785		**4,253**

EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff) 2022

		a	b	c	d	e	f	g	h	i	j
		Management body remuneration			**Business areas**						
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	**Total**
1	Total number of identified staff										**20**
2	Of which: members of the MB	4	4	8							
3	Of which: other senior management				4			4	4		
4	Of which: other identified staff										
5	Total remuneration of identified staff	90	1,286	1,376	941			879	821		**4,017**
6	Of which: variable remuneration		34	34	29			32	24		**118**
7	Of which: fixed remuneration		1,252	1,252	912			847	797		**3,808**

EU REMA - Remuneration policy

QUALITATIVE DISCLOSURES
Information relating to the bodies that oversee remuneration. Disclosures shall include:
• The remuneration of other Employees than the members of the Management Board shall be proposed by the Management Board, taking into account all relevant criteria pursuant to this Remuneration Policy and, having regard of the input from the function holders referred to in paragraph 4.3 below, submitted for approval to the Supervisory Board.
• Risk Management function and Compliance function will provide effective input in accordance with their roles into the setting of bonus pools, performance criteria and remuneration awards where those functions have concerns regarding the impact on Employees behaviour and the riskiness of the business undertaken.
• The Risk Management function will assist with and inform on the definition of suitable risk adjusted performance measures (including ex post adjustments), as well as with assessing how the variable remuneration structure affects the risk profile and culture of the Bank. The Risk Management function will validate and assess risk adjustment data.
• The Compliance function should analyse how the Remuneration Policy affects the Bank's compliance with legislation, regulations, internal policies and risk culture and should report all identified compliance risks and issues of non-compliance to the Management Board and Supervisory Board. The findings of the Compliance function should be taken into account by the Supervisory Board during the approval, review procedures and oversight of the Remuneration Policy.
• The Internal Audit division should carry out an independent review of the design, implementation and effects of the Remuneration Policy on the risk profile of the Bank and the way these effects are managed.
• The Human Resources function should participate in and inform on the design and the evaluation of the Remuneration Policy for the Bank, including the remuneration structure, the aspect of gender neutrality, remuneration levels and incentive schemes, in a way that would not only attract and retain Employees within the Bank's needs but also ensure that the Remuneration Policy is aligned with the Bank's risk profile.
Information relating to the design and structure of the remuneration system for identified staff. Disclosures shall include:
• The Bank has Identified Staff whose professional activities have a material impact on the Bank's risk profile and to whom specific requirements apply as follows. The variable remuneration for Identified Staff is in principle capped at 10% of the fixed annual remuneration to the extent that its remuneration entirely follows CLA Banks standards. In any case, the variable remuneration for Identified Staff is capped at 100% of the fixed annual remuneration.
• The gender-neutral fixed remuneration of Identified Staff (which includes MB members) reflects their professional experience and organisational responsibility taking into account the level of education, the degree of seniority, the level of expertise and skills, the constraints (e.g. social, economic, cultural or other relevant factors) and job experience, the relevant business activity. To ensure alignment of the total remuneration with market practice, a salary scale system is utilized and the proposed grading and remuneration level is benchmarked via an external consultancy firm.
• The remuneration for an expatriate employee, who is employed by the parent bank (The Norinchukin Bank, the sole shareholder of the Bank), is based on the salary-scale system as is used by the parent bank pursuant to the parent bank's policy, provided that, for remuneration regarding his or her activities for the Bank, this Remuneration Policy will apply as well. For expatriate employees a secondment contract with the parent is established that agrees what costs are born by NBE.
• Employees in internal control functions will be independent and have sufficient resources, knowledge and experience to perform their tasks and will have sufficient authority. They will be remunerated on the basis of the achievement of the objectives of their function, independent of the results of the business activities they supervise.
• Before paying out the variable remuneration, an assessment of the performance and, if necessary, an ex post risk adjustment will be applied to align variable remuneration to additional risks that have been identified or materialised.
• Variable remuneration shall only be paid out or vest, as applicable, if this is sustainable given the financial situation of the Bank and if the performance of the Bank, the business unit and the relevant Employee justifies payment of variable remuneration.
Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration. Disclosures shall include:
• The Bank will set appropriate performance measurements to evaluate Employees' individual performances. Annual salary increases will be based on the result of individual performance evaluations. The assessment is completed on an individual by individual basis and is supported with a comprehensive company-wide process under which risk and performance related events are identified and assessed, whereby all relevant facts and circumstances are investigated and adjustments to performance assessments and/or the remuneration itself are made as appropriate. The Bank will use performance rating scales for the individual performance evaluations and increment in annual salary increases for each Employee are based on his/her rating scale.

QUALITATIVE DISCLOSURES
Description of the ways in which the institution seeks to adjust remuneration to take account of long term performance. Disclosures shall include:
• The Bank is entitled to reclaim remuneration in whole or in part insofar as the payment has been made on the basis of incorrect information about the achievement of the targets underlying the remuneration. The reclaim may also be filed on behalf of the Bank by the Supervisory Board or by a representative appointed by the shareholders meeting.
• The Bank will reduce or reclaim the amount of a variable remuneration awarded to a natural person under its responsibility in case of: • Fraud or other conduct with intent or severe negligence which led to significant losses to the Bank or; • Failure to meet appropriate standards of suitability and integrity.
The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit in accordance with point (f) of Article 450(1) CRR. Disclosures shall include:
• Where remuneration is performance related, the total amount of remuneration is based on a combination of the assessment of the performance of the individual and of the business unit concerned and of the overall results of the Bank. When assessing individual performance, financial and non-financial criteria are taken into account. Individual performance criteria is based on the Employee's job description and would be set out in an individual annual performance target.
• At least 50% of the variable remuneration is based on non-financial performance criteria such as strategic goals, customer satisfaction, leadership, management skills, compliance with the Risk Management Policy of the Bank, creativity and motivation. While financial performance criteria, such as the Bank's financial/business results, is a part of the performance assessment, non-financial performance criteria would make up a large part of the performance assessment in the light of the notion that the performance criteria should not incentivise excessive risk taking and therefore should contribute to the Bank's long term business continuity.
• 'The Bank will set the appropriate ratios between the fixed and the variable component of the total remuneration, whereby the following principles apply: • The variable component shall not exceed 20% of the fixed component of the total remuneration for each Employee in principle. • If the remuneration for an Employee does not or not entirely follow Collective Labor Agreement (CLA) Banks standards, its variable component is not capped at 20% of the fixed component of the total remuneration for each Employee, however, it is capped at 100% of the fixed component, provided that in any case, the Bank's total variable component for Employees concerned shall not exceed 20% of the total fixed component of the Bank's total remuneration.
• The allocation of variable remuneration will be related to the Bank's long-term objectives.
• The Bank will ensure that Employees will not to use personal hedging strategies or remuneration- and liability- related insurances to undermine the risk alignment effects as embedded in the remuneration arrangements.

9. Appendix: **Disclosure index**

Overview of pillar III templates including which are applicable and which not. Qualitative templates/tables are not presented separately but are included in the narratives, except for template REMA Remuneration policy.

DISCLOSURE INDEX				
NAME OF TEMPLATE	Applicable		Disclosed in the Pillar III report	Qualitative
EU OV1 – Overview of risk weighted exposure amounts	Yes		Section Introduction	No
EU KM1 - Key metrics template	Yes		Section Introduction	No
EU INS1 - Insurance participations	No	NBE has no such participations		Na
EU INS2 - Financial conglomerates information on own funds and capital adequacy ratio	No	NBE has no such own funds requirements		Na
EU OVC - ICAAP information	Yes		Section Introduction	Yes
EU OVA - Institution risk management approach	Yes		Section Introduction	Yes
EU OVB - Disclosure on governance arrangements	Yes		Section Introduction	Yes
EU LI1 - Differences between accounting and regulatory scopes of consolidation and mapping of financial statement categories with regulatory risk categories	Yes		Section Introduction	no
EU LI2 - Main sources of differences between regulatory exposure amounts and carrying values in financial statements	Yes		Section Introduction	no
EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity)	Yes		Section Introduction	no
EU LIA - Explanations of differences between accounting and regulatory exposure amounts	Yes		Section Introduction	Yes
EU LIB - Other qualitative information on the scope of application	Yes		Section Introduction	Yes
EU PV1: Prudent valuation adjustments (PVA)	No	NBE has no PVA adjustments		Na
EU CC1 - Composition of regulatory own funds	Yes		Section Own Funds	No
EU CC2 - reconciliation of regulatory own funds to balance sheet in the audited financial statements	Yes		Section Own Funds	No
EU CCA: Main features of regulatory own funds instruments and eligible liabilities instruments	Yes		Section Own Funds	No
EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer	Yes		Section Own Funds	No

DISCLOSURE INDEX			
NAME OF TEMPLATE	Applicable	Disclosed in the Pillar III report	Qualitative
EU CCyB2 - Amount of institution-specific countercyclical capital buffer	Yes	Section Own Funds	No
EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures	Yes	Section Leverage Ratio	No
EU LR2 - LRCom: Leverage ratio common disclosure	Yes	Section Leverage Ratio	No
EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	Yes	Section Leverage Ratio	No
EU LRA: Free format text boxes for disclosure on qualitative items	Yes	Section Leverage Ratio	Yes
EU LIQA - Liquidity risk management	Yes	Section Liquidity Risk	Yes
EU LIQ1 - Quantitative information of LCR	Yes	Section Liquidity Risk	No
EU LIQB on qualitative information on LCR, which complements template EU LIQ1	Yes	Section Liquidity Risk	Yes
EU LIQ2: Net Stable Funding Ratio	Yes	Section Liquidity Risk	No
EU CRA: General qualitative information about credit risk	Yes	Section Credit Risk	Yes
EU CRB: Additional disclosure related to the credit quality of assets	Yes	Section Credit Risk	Yes
EU CR1: Performing and non-performing exposures and related provisions	Yes	Section Credit Risk	No
EU CR1-A: Maturity of exposures	Yes	Section Credit Risk	No
EU CR2: Changes in the stock of non-performing loans and advances	Yes	Section Credit Risk	No
EU CR2a: Changes in the stock of non-performing loans and advances and related net accumulated recoveries	Yes	Section Credit Risk	No
EU CQ1: Credit quality of forborne exposures	Yes	Section Credit Risk	No
EU CQ2: Quality of forbearance	Yes	Section Credit Risk	No
EU CQ3: Credit quality of performing and non-performing exposures by past due days	Yes	Section Credit Risk	No
EU CQ4: Quality of non-performing exposures by geography	Yes	Section Credit Risk	No
EU CQ5: Credit quality of loans and advances by industry	Yes	Section Credit Risk	No
EU CQ6: Collateral valuation - loans and advances	Yes	Section Credit Risk	No
EU CQ7: Collateral obtained by taking possession and execution processes	Yes	Section Credit Risk	No
EU CQ8: Collateral obtained by taking possession and execution processes – vintage breakdown	Yes	Section Credit Risk	No
EU CRC – Qualitative disclosure requirements related to CRM techniques	Yes	Section Credit Risk	Yes
EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques	Yes	Section Credit Risk	No
EU CRD – Qualitative disclosure requirements related to standardised model	Yes	Section Credit Risk	Yes
EU CR4 – standardised approach – Credit risk exposure and CRM effects	Yes	Section Credit Risk	No
EU CR5 – standardised approach	Yes	Section Credit Risk	No

DISCLOSURE INDEX

NAME OF TEMPLATE	Applicable		Disclosed in the Pillar III report	Qualitative
EU CRE – Qualitative disclosure requirements related to IRB approach	No	NBE applies the standardized approach		Yes
EU CR6 – IRB approach – Credit risk exposures by exposure class and PD range	No	NBE applies the standardized approach		Na
EU CR6-A – Scope of the use of IRB and SA approaches	No	NBE applies the standardized approach		Na
EU CR7 – IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques	No	NBE applies the standardized approach		Na
EU CR7-A – IRB approach – Disclosure of the extent of the use of CRM techniques	No	NBE applies the standardized approach		Na
EU CR8 – RWEA flow statements of credit risk exposures under the IRB approach	No	NBE applies the standardized approach		Na
EU CR9 –IRB approach – Back-testing of PD per exposure class (fixed PD scale)	No	NBE applies the standardized approach		Na
EU CR9.1 –IRB approach – Back-testing of PD per exposure class (only for PD estimates according to point (f) of Article 180(1) CRR)	No	NBE applies the standardized approach		Na
EU CR10 – Specialised lending and equity exposures under the simple riskweighted approach	No	NBE applies the standardized approach		Na
EU CCRA – Qualitative disclosure related to CCR	Yes		Section Counterparty Credit Risk	Yes
EU CCR1 – Analysis of CCR exposure by approach	Yes		Section Counterparty Credit Risk	No
EU CCR2 – Transactions subject to own funds requirements for CVA risk	No	NBE has no CVA Risk		Na
EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights	Yes		Section Counterparty Credit Risk	No
EU CCR4 – IRB approach – CCR exposures by exposure class and PD scale	No	NBE applies the standardized approach		Na
EU CCR5 – Composition of collateral for CCR exposures	Yes		Section Counterparty Credit Risk	No
EU CCR6 – Credit derivatives exposures	No	NBE has no such exposures		Na
EU CCR7 – RWEA flow statements of CCR exposures under the IMM	No	NBE applies the standardized approach		Na
EU CCR8 – Exposures to CCPs	Yes		Section Counterparty Credit Risk	No
EU-SECA - Qualitative disclosure requirements related to securitisation exposures	No	NBE has no such exposures		Na
EU-SEC1 - Securitisation exposures in the non-trading book	No	NBE has no such exposures		Na
EU-SEC2 - Securitisation exposures in the trading book	No	NBE has no such exposures		Na
EU-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor	No	NBE has no such exposures		Na
EU-SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor	No	NBE has no such exposures		Na
EU-SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments	No	NBE has no such exposures		Na

DISCLOSURE INDEX

NAME OF TEMPLATE	Applicable		Disclosed in the Pillar III report	Qualitative
EU MRA: Qualitative disclosure requirements related to market risk	Yes		Section Market Risk	Yes
EU MR1 - Market risk under the standardised approach	Yes		Section Market Risk	No
EU MRB: Qualitative disclosure requirements for institutions using the internal Market Risk Models	No	NBE applies the standardized approach		Na
EU MR2-A - Market risk under the internal Model Approach (IMA)	No	NBE applies the standardized approach		Na
EU MR2-B - RWA flow statements of market risk exposures under the IMA	No	NBE applies the standardized approach		Na
EU MR3 - IMA values for trading portfolios	No	NBE applies the standardized approach		Na
EU MR4 - Comparison of VaR estimates with gains/losses	No	NBE applies the standardized approach		Na
EU ORA - Qualitative information on operational risk	Yes		Section 7 Operational Risk	Yes
EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts	Yes		Section 7 Operational Risk	No
EU REMA - Remuneration policy	Yes		Section 8 Remuneration	Yes
EU REM1 - Remuneration awarded for the financial year	Yes		Section 8 Remuneration	No
EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)	Yes		Section 8 Remuneration	No
EU REM3 - Deferred remuneration	Yes		Section 8 Remuneration	No
EU REM4 - Remuneration of 1 million EUR or more per year	Yes		Section 8 Remuneration	No
EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)	Yes		Section 8 Remuneration	No
EU AE1 - Encumbered and unencumbered assets	Yes		Section Liquidity Risk	No
EU AE2 - Collateral received and own debt securities issued	Yes		Section Liquidity Risk	No
EU AE3 - Sources of encumbrance	Yes		Section Liquidity Risk	No
EU AE4 - Accompanying narrative information	Yes		Section Liquidity Risk	Yes
EU IRRBB1 - Interest rate risks of non-trading book activities	Yes		Section Market Risk	No
EU IRRBBA - Qualitative information on interest rate risks of non-trading book activities	Yes		Section Market Risk	Yes
EU IRRBBA - Qualitative information on interest rate risks of non-trading book activities	Yes		Section Market Risk	Yes

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