Anbang Belgium Holding

2022 RISK REPORT

CONTENTS

0. Introduction

Anbang Belgium Holding NV (“ABBH”) is a financial holding company in Belgium with one operating subsidiary: Bank Nagelmackers (“BN” or the “Bank”). ABBH is indirectly wholly owned by Dajia Insurance Group (the “Shareholder”). The Shareholder has its headquarters in Beijing, China and has established a presence in selected countries and regions around the world. The focus of the Belgian operations is to provide private banking and investment advice services but also personal banking services to core customers (private persons, liberal professions, self-employed, SME and institutional clients).

0.1. Highlights in 2022

The highlights of the risk profile and financial performance of 2022:

- On the consolidated level, ABBH has realized a gain of 89,3 mn euro in 2022. This result mainly stems from the (operational) results of BN (after elimination of the hedge-accounting results), the favorable evolution of the fair value of the IRS due to interest rate increases (ABBH does not apply hedge-accounting), and the impact of the appreciation of the USD/EUR exchange rate on the USD deposits.
- ABBH's consolidated capital ratio improved to 27,7% by the end of 2022, explained by the decreasing loan portfolio and RWA at Bank Nagelmackers in line with the stronger strategic focus on Asset under Management business. The capital ratio is comfortably above the total SREP Capital Requirement (TSCR) of 13,57% as of 31/12/22.
- On 31st December 2022, ABBH's consolidated Liquidity Coverage Ratio ("LCR") amounted to 318%, largely satisfying the minimum regulatory requirement in this accounting period.
- Bank Nagelmackers' IFRS net income after taxes for 2022 is -4,8 mn euro. The bank recorded an operational result of 37,2 mn euro before taxes, non-operational items amounted to -42,8 mn euro, and are related to accelerated amortizations of fair value adjustments in the context of the hedge-accounting.
- Bank Nagelmackers' Tier I capital ratio remained stable at 21,8% at 31st December 2022; the Own Funds were impacted by the unrealized capital losses on the bond portfolio, but the RWA also decreased along with the loan portfolio. The bank's LCR equally maintained a strong level of 258% end of 2022, and the bank's liquidity buffer was further strengthened in the beginning of 2023 with the closing of a new on-balance securitization of mortgages.
- The well-developed credit risk framework allowed the bank to manage the limited impact of the Covid crisis in the past years and more recently the energy crisis. As actual defaults and loan losses due to the Covid pandemic remained very limited, the bank released the related ECL provisions, but established ECL provisions in view of the uncertain economic context with volatile energy prices, inflation, threat of recession and geopolitical tensions.
- In the context of the focus on off-balance business, attention to sustainability is prominent in the Asset Management activities. Requirements of SFDR have been implemented in 2022, and further elaboration of the off-balance sustainability framework continues under the guidance of the Sustainability Committee (SC) within the Asset Management department. At the end of 2022, 79% of the in-house funds were already classified as funds with sustainability features (SFDR art 8). The sustainability framework for on-balance activities is being elaborated in accordance with the ECB Supervisory expectations on climate-related and environmental risks. As an organization, the bank also strives for more sustainable operations, and the move to a new more energy-efficient head office in 2022 was a milestone in this respect.

Below is an overview of the key metrics.

		a	e
		31/12/22	31/12/21
	Available own funds (amounts)		
1	Common Equity Tier 1 (CET1) capital	571.659	563.681
2	Tier 1 capital	0	0
	Tier 2 capital	25.000	25.000
3	Total capital	596.659	588.681
	Risk-weighted exposure amounts		
4	Total risk exposure amount	2.157.351	2.446.874
	Capital ratios (as a percentage of risk-weighted exposure amount)		
5	Common Equity Tier 1 ratio (%)	26,50%	23,04%
6	Tier 1 ratio (%)	26,50%	23,04%
7	Total capital ratio (%)	27,66%	24,06%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)		
8	Capital conservation buffer (%)	2,50%	2,50%
9	Institution specific countercyclical capital buffer (%)	0,01%	0,01%
11	Combined buffer requirement (%)	2,51%	2,51%
EU 11a	Overall capital requirements (%)	13,57%	13,57%
12	CET1 available after meeting the total SREP own funds requirements (%)	17,77%	14,31%
	Leverage ratio		
13	Total exposure measure	4.955.218	5.495.406
14	Leverage ratio (%)	11,54%	10,26%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total		
EU 14c	Total SREP leverage ratio requirements (%)	3,00%	3,00%
	Liquidity Coverage Ratio		
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	897.804	967.850
EU 16a	Cash outflows - Total weighted value	601.605	672.553
EU 16b	Cash inflows - Total weighted value	318.977	449.657
16	Total net cash outflows (adjusted value)	282.628	222.896
17	Liquidity coverage ratio (%)	317,66%	434,22%
	Net Stable Funding Ratio		
18	Total available stable funding	4.088.495	4.347.762
19	Total required stable funding	2.602.568	2.807.634
20	NSFR ratio (%)	157,09%	154,86%

0.2. Disclosure policy and scope of risk report

In line with its general communication policy, ABBH aims to be transparent when communicating to the market about its exposure to risk. Risk management information is therefore provided in the 2022 Risk Report of Anbang Belgium Holding NV.

ABBH is a financial holding company that resorts under Belgian law and is as a regulated entity under direct supervision of the National Bank of Belgium. The most important regulations governing risk and capital management are the Capital Requirements Regulation (CRR), including its applicable Regulatory Technical Standards and Implementing Technical Standards and EBA Guidelines, and the Belgian Banking law. The 2022 Risk Report is based on Basel III's third Pillar and compliant with the resulting disclosure requirements of the Capital Requirements Regulation (CRR). Requirements relating to activities that are not applicable/do not exist for ABBH are, therefore, not included. The disclosures mostly refer to the Basel III first Pillar risk metrics.

Information is disclosed at the highest consolidated level. As most risks at ABBH are managed at the legal entity level, additional information on Bank Nagelmackers is included. The scope of the reported information – which can differ according to the matter being dealt with – is clearly indicated. A comparison with the previous year is provided unless this is not possible due to differences in scope and/or methodology.

The information provided in this document has not been subject to an external audit. However, the disclosures have been checked for consistency with other existing reports and underwent a final screening by authorized Risk management and Finance representatives to ensure quality. In addition, the 2022 Risk Report was approved by the Executive Committee to ensure the appropriate approval of the management body as requested under Basel III.

Information disclosed under IFRS 7, which has been audited, is presented in ABBH's annual report. Broadly speaking, the information in the annual report corresponds with the information in this risk report, but a one-on-one comparison cannot always be made due to the different risk concepts used under IFRS and Basel III. In order not to compromise on the readability of this document, relevant parts of the annual report have been reproduced here.

This ABBH Risk Report is available in English on the public website of Bank Nagelmackers. As both ABBH and its subsidiary Bank Nagelmackers are non- listed institutions, this disclosure report is published on an annual basis in accordance with the Capital Requirement Regulation (CRR art 433c) and contains all the information relevant for assessing ABBH's risk profile and capital adequacy. Depending on market requirements, ABBH may, however, decide to provide more frequent updates.

0.3. Scope of application: reference overview

This report is designed to show the most important risks to which ABBH is exposed as well as its risk management framework.

For a number of topics, we refer to other reports in order to avoid too much overlap or duplication of information. This allows us to improve the readability of and to add value to the report. The table containing the topics where reference is made to other reports is shown below.

Table of reference other reports

Topic	Reports
General financial information	ABBH Annual Report 2022
General financial information	Bank Nagelmackers Annual Report 2022

The Pillar III disclosure guidelines are laid down by Part Eight of the CRR. The table below provides an overview where the various information can be found.

Table of reference to Part Eight of Regulation (EU) No 575/2013

CRR ref.	Description	Reference to ABBH section
Title I : General Principles		
Article 431	Disclosure requirements and policies	0
Article 432	Non-material, proprietary or confidential information	0
Article 433(c)	Frequency and scope of disclosures (by other institutions)	0
Title II : Technical criteria on transparency and disclosure		
Article 435	Risk management objectives and policies & Diversity policy	1
Article 436	Scope of application	1
Art 437/437(a)	Own funds (and eligible liabilities)	2
Article 438	Own fund requirements and RWA	2
Article 439	Exposure to counterparty credit risk	3
Article 440	Countercyclical capital buffers	2
Article 441	Indicators of global systemic importance	Not Applicable
Article 442	Exposures to credit risk and dilution risk	3
Article 443	Encumbered and unencumbered assets	7
Article 444	Use of the Standardised Approach	3
Article 445	Exposure to market risk	6
Article 446	Operational risk management	5
Article 447	Key metrics	0
Article 448	Exposures to interest rate risk on positions not held in the trading book	6
Article 449	Exposures to securitization positions	4
Article 449a	ESG risks	Not Applicable
Article 450	Remuneration policy	9
Article 451	Leverage ratio	8
Article 451a	Liquidity requirements	7
Title III: Qualifying requirements for the use of particular instruments or methodologies		
Article 452	Use of the IRB Approach to credit risk	Not Applicable
Article 453	Use of credit risk mitigation techniques	3
Article 454	Use of the AMA to operational risk	Not Applicable
Article 455	Use of internal market risk models	Not Applicable

0.4. Scope of application: consolidation

The table below provides with an overview of ABBH's IFRS and prudential consolidation scope.

Name of the entity	Method of accounting consolidation	Method of regulatory consolidation				Description of the entity
		Full consolidation	Proporional consolidation	Neither consolidated nor deducted	Deducted	
B-Arena	Full Consolidation	X				Securitisation vehicle
Unimo	Full Consolidation	X				Real estate company
Bank Nagelmackers	Full Consolidation	X				Credit Institution

Reconciliation between financial and prudential consolidation scope is as follows:

Template EU LI 1: Differences between accounting and regulatory scopes of consolidation and the mapping of financial statement categories with regulatory risk categories

	a	b	c	d	e	f	g
	Carrying values as reported in published financial statements	Carrying values under scope of regulatory consolidation	Carrying values of items				
Amounts in euro '000			Subject to the credit risk framework	Subject to the counterparty credit risk framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to capital requirements or subject to deduction from capital
Assets							
Cash, cash balances at central banks and other demand deposits from credit institutions	747.621	699.538	983.789				
Financial assets	0	0	0				
Amortised cost	3.575.041	3.623.124	3.334.324				
Fair value through other comprehensive income	381.237	381.237	363.429				
Fair value through profit or loss	62.433	62.433	103.645				
of which held for trading	62.433	62.433	103.645				
of which designated at fair value through profit or loss							
of which mandatory measured at fair value through profit or loss							
of which hedging derivatives							
Fair value adjustments of hedged items in portfolio hedge of interest rate risk-							
Reinsurer's share in technical provisions of insurance contracts and investment contracts with PDF	0	0	0	0	0	0	0
Tax assets	1.208	1.206	1.206	0	0	0	0
Current tax assets	446	446	446	0	0	0	0
Deferred tax assets	762	760	760	0	0	0	0
Non-current assets held for sale and assets associated with disposal groups	1.176	1.176	1.176	0	0	0	0
Investments in associated companies and joint ventures	0	0,00	0	0	0	0	0
Property, equipment and investment property	25.192	25.192	25.192	0	0	0	0
of which investment property	0			0	0	0	0
Goodwill and other intangible assets	4.625	4.625	0	0	0	0	4.625
Other assets	39.295	39.297	63.443	0	0	0	0
Total assets	**4.837.828**	**4.837.828**	**4.876.203**	**0**	**0**	**0**	**4.625**
Liabilities							
Financial liabilities							
Amortised cost	4.102.854	4.102.854	0				
of which leasing liabilities	16.490	16.490	0				
Fair value through profit or loss	0	0	0				
of which held for trading	0		0				
of which designated at fair value through profit or loss	0	0	0				
of which hedging derivatives	0	0	0				
Fair value adjustments of hedged items in portfolio hedge of interest rate risk	0	0	0				
Technical provisions of insurance contracts and investment contracts with DPF	0	0	0				
Tax liabilities	2.902	2.902	0				
Current tax liabilities	2.902	2.902	0				
Deferred tax liabilies	0	0	0				
Liabilities associated with disposal groups	0	0	0				
Provisions for risks and charges	2.703	2.703	0				
Provisions loan commitments and financial guarantees	209	209	0				
Other liabilities	61.098	61.098	0				
Total equity	0	0	0				
Share capital	365.062	365.062	0				
Share premium	0	0	0				
Revaluation reserves	-29.193	-29.191	0				
Available for sale - reserve	0	0	0				
Other comprehensive income	-29.553	-29.551	0				
Defined benefit obligation	359	359	0				
Owner occupied properties reserve	1	1	0				
Other reserves (incl retained earnings)	242.797	242.796	0				
Result of the year	89.309	89.309	0				
Minority interests	86	86	0				
Total liabilities	**4.837.828**	**4.837.828**					

Template EU LI 2: Main sources of differences between regulatory exposure amounts and carrying values in financial statements

		a	b	c	d	e
		Total	Items subject to:			
			Credit risk framework	Counterparty credit risk framework	Securitisation framework	Market risk framework
1	**Assets carrying value amount under the scope of regulatory consolidation (as per template EU LI 1)**	4.876.203	4.876.203	-	-	-
2	Liabilities carrying value amount under the regulatory scope of consolidation (as per template EU LI1)	-	-	-	-	-
3	Total net amount under the regulatory scope of consolidation	-	-			
4	Off-balance sheet amounts	166.813	166.813			
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 prudential filters	-	-			
9	Other differences not stated above	-	-			
10	**Exposure amounts considered for regulatory**	5.043.017	5.043.017	-	-	-

ABBH is required to comply with capital requirements under the CRR and the Belgian banking law. ABBH applies the standardized approach for credit and counterparty credit risk, for market risk, for operational risk and for credit valuation adjustment risk.

Financial instruments belonging to Bank Nagelmackers and to ABBH are accounted for in accordance with IFRS 9. For regulatory reporting, ABBH decided in 2020 to apply the IFRS 9 transitional arrangements foreseen under the CRR “quick fix” for the additional ECL provisions related to Covid-19, but since these provisions have been reversed in 2022, these transitional arrangements have become without object.

0.5. Declaration CRR article 435(e)

As required in Article 435€ of the CRR, the Executive Committee declares that it has taken adequate risk management measures that are necessary and appropriate for the bank’s profile and strategy. The risk management policies and organizational structure are considered to be appropriately designed to ensure that the risks are properly identified, analyzed, measured, monitored and managed. The Executive Committee strives to continuously improve its risk management procedures according to best practices.

1. Risk Management Governance & Diversity

1.1. Governance model

ABBH applies a risk governance model that is appropriate for its business and in line with laws and regulations. Effectiveness of the internal risk framework and the risk management function is assessed on a yearly basis by the Board of Directors.

Main elements in the ABBH risk governance model:

- The Board of Directors, supported by the Risk Committee, which decides on the risk appetite including the consolidated risk strategy . It is also responsible for oversight, the development of a sound and consistent group-wide risk culture, based on a full understanding of the risks the group faces and how they are managed, taking into account the group risk appetite.
- A decentralized approach where the subsidiary Board of Directors and Risk Committee supervise and the Executive Committee implements an the independent risk function of the bank within the framework of the group.
- In order to strengthen the voice of the risk function and to ensure that the decision-making bodies of the business are appropriately challenged on matters of risk management and receive expert advice, ABBH has deployed an independent Chief Risk Officer (CRO) throughout the group. Close collaboration with the business is assured since the CRO, as CRO of the subsidiary, takes part in the subsidiary decision-making process and, if necessary, can exercise a veto. Independence of the CRO is achieved through a functional reporting line to the respective entity's Board of Directors, via the Risk Committee.
- Risks of ABBH and Bank Nagelmackers are managed at the highest level via the Executive Committees and via dedicated activity-based internal risk committees with a solid governance structure and risk awareness culture.
- Risk-aware staff act as the first line of defence for conducting a sound risk management in the group.
- Risk Management department has a number of responsibilities, including monitoring risks at an overarching level, guidance and challenge of the first line's risk management, developing risk frameworks and advising/ reporting on issues handled by the Executive Committee and the risk committees.
- The risk management function of Bank Nagelmackers feeds ABBH with the necessary information.
- The independent risk management function together with the independent compliance function act as a second line of defence, while Internal Audit is the third line.

Relevant risk management bodies:

- ABBH and Bank Nagelmackers Executive Committees:
  - make proposals to the Board of Directors about risk and capital strategy, risk appetite, and the general concept of the risk management framework;
  - decide on the integrated and risk-type-specific risk management frameworks and monitors their implementation throughout the bank;
  - act as the leading risk committee, covering material issues that are channelled via the specific internal risk committees;
  - monitor the major risk exposure to ensure conformity with the risk appetite.

- Bank Nagelmackers internal risk committees:
  - The Asset Liability Committee assists the Executive Committee of Bank Nagelmackers in the domain of (integrated) balance sheet management. It handles matters related to ALM and liquidity risk. The ALCO governance allows the second line to escalate to the Executive Committee when there is a disagreement in view of IRRBB and liquidity risks.
  - The Credit Review Committee is chaired by the CRO and responsible for 2nd line monitoring and management of the credit risk in the loan portfolios and advises the Executive Committee for the Credit Policies.
  - The Operational Risk Committee, chaired by the CRO, is responsible for the strategic and tactical follow-up and monitoring of the non-financial risks within Bank Nagelmackers. It support the Executive Committee in monitoring and strengthening the quality and effectiveness of the bank's operational and ICT risk management framework.
  - The Risk forum and the special ICT Risk forum are platforms between the Risk Management department and the first-line departments for recurring awareness-raising, monitoring and management of operational and ICT & security risks respectively.
  - When appropriate, dedicated working groups comprising risk and business-side representatives are set up to deal with emerging risks or unexpected developments in an integrated way (covering all risk types).

1.2. Risk culture

The Risk function within ABBH has taken several initiatives to foster a strong risk culture and to put the risk in the hearts and minds of everyone. Having a good risk culture means that risk awareness is a key element of ABBH's corporate culture.

Setting the right tone at the top is a necessary condition for a good risk culture throughout the organization. The group has appointed an independent Chief Risk Officer, who is a member of the Executive Committee as well as the Board of Directors. This ensures that the message of the risk function is always heard.

Within ABBH, the Risk Appetite Statement is discussed thoroughly at the level of the Board of Directors, assuring that the risk appetite is supported by the Executive Committee and senior management and set in a way that is understandable for the employees as well as regulatory supervisors. The risk appetite defines the boundaries of risk tolerance to be respected by the various businesses when approving new loans, investments, products, services, processes and tools or when changing existing ones.

It is important for ABBH that the incurred risks are in line with the risk appetite framework and that the appropriate mitigation measures are in place.

Therefore, the group applies a traditional three lines of defence model for risk management. The first line responsible for taking and managing risks is the business side of the entity.

Risk officers advise and support the business side on a daily basis, helping to manage the risk-return balance of their activities. This approach helps to create a strong risk culture and to make risk part of the thought process of each staff member, while also assuring the independence of the risk function. Because the world is constantly changing, risks are screened and new upcoming risks are proactively analysed on a regular basis. Climate change and in a broader context ESG and cyber-related risks are considered significant new risks.

Three lines of defence

The three lines of defence concept is used to implement the risk management system throughout the ABBH group. Senior management and governing bodies collectively have responsibility and accountability for setting the organization's objectives, defining strategies to achieve those objectives, and establishing governance structures and processes to best manage the risks in accomplishing those objectives. The Three Lines of Defence model is implemented with the active support and guidance of ABBH's governing body and senior management. A key focus is to strengthen compliance and risk management processes, including investments in human and IT resources, to keep pace with increasing regulation and supervisory expectations.

The roles and responsibilities of the different parties within this concept are highlighted below.

First line of defence: **operations**
The business side takes full responsibility for its risks, having to deal with them and putting the necessary controls in place. This involves allocating sufficient priority and capacity to risk topics, making sure that the quality of risk self-assessments is adequate, and performing the right controls in the right manner.

Second line of defence: **risk function**
The risk function, as part of the second line of defence, makes independent assessments of the risks ABBH faces and on the way they are mitigated and identifies, measures and reports risks. Without taking over primary responsibility from the first line, the risk function provides an adequate degree of certainty that the first-line control function is keeping risks under control. To do this consistently while adhering to high standards, the risk function develops, imposes and monitors consistent implementation of methods or frameworks and tools to identify, measure and report on risks. The second-line risk function also supports the consistent implementation of the risk policies, the risk frameworks, etc., throughout the group, and supervises how they are applied. To make sure that its voice is heard, the risk function also has a veto right that can be exercised in the different committees where major decisions are taken.

The second line of defence also includes the independent compliance function aiming to prevent the group from being exposed to AML and other compliance risks or suffering reputation risk through non-compliance with the prevailing laws, regulations or internal rules.

Furthermore, the Investigations department assures a 2nd line monitoring of compliance with internal and regulatory rules at the points of sales by means of risk-driven, standardized and documented controls.

Third line of defence: **internal audit function**
The third line of defence (internal audit) gives assurances to the Boards of Directors that the overall internal control environment is effective and that policies and processes are in place, effective and consistently applied throughout the group.

1.3. Risk appetite

The overall management responsibility of a financial institution can be defined as managing capital, liquidity, return (income versus costs) and all types of financial and non-financial risks, which in particular arise from the special situation of a bank's transformation role of converting deposits into loans and other assets. Taking risks and transforming risks is an integral part – and hence an inevitable consequence of – the business of a financial institution. Therefore, ABBH does not aim to eliminate all the risks involved (zero risk tolerance) but instead looks to identify, control and manage them in order to make optimal use of its available capital (i.e. risk-taking as a means of creating value).

ABBH defines risk appetite as the amount and type of risk that it is able and willing to accept in pursuit of its strategic objectives. It is a key instrument in the overall (risk) management function of the ABBH group, as it helps us to better understand and manage risks by explicitly expressing – both qualitatively and quantitatively – how much and what kind of risk the company is willing to take.

The ability to accept risk (also referred to as risk capacity) is limited both by financial constraints (available capital, liquidity profile, etc.) and non-financial constraints (regulatory requirements, EU and national legislative provisions, etc.), whereas the willingness to accept risk depends on the interests of the various stakeholders (shareholders, creditors, employees, management, regulators, clients, etc.). A key component in defining risk appetite is, therefore, an understanding of the organization's key stakeholders and their expectations.

Risk appetite within ABBH is set out in a Risk Appetite Statement ("RAS"), which is produced at both group and subsidiary level. The RAS reflects the view of the Board of Directors and top management on risk-taking in general, and on the acceptable level and composition of risks that ensure coherence with the desired return. For the main risk drivers and subcategories, KRI are defined within the RAS.

The risk appetite specification and related thresholds per risk driver define the long-term upper boundary for ABBH. The limits are further cascaded down via specific limits that are consistent with the long-term upper boundary but can be set lower.

1.4. Diversity policy

ABBH and Bank Nagelmackers are diverse along many dimensions. Our diversity encompasses differences in ethnicity, gender, language, age, sexual orientation, religion, socio-economic status, physical and mental ability, thinking styles, experience, and education. Diversity is expressed through management's commitment to equality and the treatment of all individuals with respect. When the Bank selects candidates for employment, promotion, training or any other benefit, it is on the basis of their aptitude, ability, skills and merits.

Commitment to diversity is led by the Board of Directors. The Executive Committee is responsible for ensuring that our diversity policy is articulated in the day to day running and the strategic direction of the Bank.

The Nomination Committee is responsible for setting a target for the representation of the under-represented gender in the Board of Directors. For July 2026 the target minimum for the underrepresented gender in the Board of Directors is set at least 33%. The gender diversity target is considered "soft" in the sense that no replacements or additions will be forced solely for the purpose of achieving the gender diversity target. As of 31/12/22, 2 out of 8 Directors of ABBH and 2 out of 9 directors of Bank Nagelmackers are female.

2. Capital adequacy

Capital adequacy (or solvency) risk is the risk that the capital base of the group or the bank would fall below regulatory capital requirements or below a level needed to cover economic risks. In practice, this entails checking solvency against the minimum regulatory requirements and internally defined minimum solvency targets. Capital adequacy is approached from both a regulatory and internal perspective.

2.1. Solvency at the group level

We report the solvency of the group and the bank based on IFRS data and according to the rules imposed by the regulator. For the ABBH group, this implies that we calculate our solvency ratios based on CRR II/CRD V.

The minimum solvency ratios required under CRR II/CRD V are 4,5% for the common equity tier-1 (CET1) ratio, 6% for the tier-1 capital ratio and 8% for the total capital ratio (i.e. Pillar 1 minimum ratios).

As a result of its Supervisory Review and Evaluation Process (SREP), the competent supervisory authority (in ABBH's case, the NBB) can require that higher minimum ratios be maintained (= Pillar 2 requirements) because, for instance, not all risks are appropriately reflected in the regulatory Pillar 1 calculations. Following the latest SREP, the NBB formally notified ABBH of its decision (applicable from 31 December 2021) to set the Pillar 2 requirement at 3,07%, to be covered by at least 56,25 % CET1 capital and 75 % additional Tier 1 capital. The NBB does not impose any Pillar 2 guidance as the capital depletion of the supervisory stress test is limited and does not cause any breach or any capital shortfall based on regulatory capital requirements.

The capital conservation buffer stands at 2,5%, and the countercyclical buffer for Belgium remains 0%. ABBH and its subsidiary are considered to be financial institutions that are not domestically systemically important and therefore no additional capital buffer for systemically importance applies.

Altogether, this brings the CET1 requirement 31 December 2022 to 8,73%, the Tier 1 required capital to 10,80% and the minimum required total capital ratio to 13,57%. ABBH exceeds this requirement: at year-end 2022 the CET1 and Tier 1 capital ratio came to 26,5% and the total capital ratio was 27,7%, which represented a capital buffer of 303,9 Mn euro relative to the minimum requirement of 13,57%.

ABBH is a holding company with no direct banking business or customers. It has a capital policy to provide financial security through solid capitalization in its operating subsidiary.

A detailed calculation of the ABBH group's solvency ratios is given below.

Solvency calculations	**ABBH**		**ABBH**	
IFRS euro '000	**dec/22**		**dec/21**	
Total eligible own funds		**596.659**		**588.681**
Tier I capital		571.659		563.681
Tier II capital		25.000		25.000
Capital requirements				
-Credit risk	1.923.979		2.174.187	
-Market risk	114.282		122.246	
-Operational risk	112.148		121.800	
-CVA	5.042		4.510	
-DTA	1.900		24.132	
Total		**2.157.351**		**2.446.874**
Solvency ratio		**27,66%**		**24,06%**
Tier I – ratio		**26,50%**		**23,04%**
Common equity tier I		**26,50%**		**23,04%**
Leverage ratio		**11,54%**		**10,26%**

The own funds were impacted by the addition of the 2021 profit on the one hand and the unrealized losses on the bond portfolio due to increased interest rates on the other hand. The 2022 profit of euro 89,3 Mn is only added to the capital after the annual accounts are approved by the Annual General Meeting of Shareholders (May 2023).

The RWA for credit risk decreased together with the loan portfolio of Bank Nagelmackers. Market risk is related to the reinvestment of the remaining cash from the sale of Fidea, which is partially invested in foreign currencies and in an equity fund, in line with the treasury preferences of the Shareholder. ABBH nor BN have any trading activities.

More details on own funds and RWA are included in the tables in the section below.

The difference in the solvency ratio outcome between BN and ABBH is driven partly by the absence of hedge accounting in ABBH and the adjustment for the so-called Purchase Price Adjustment, a correction that arose from the acquisition of BN at a price below the book value. The latter is included in the retained earnings.

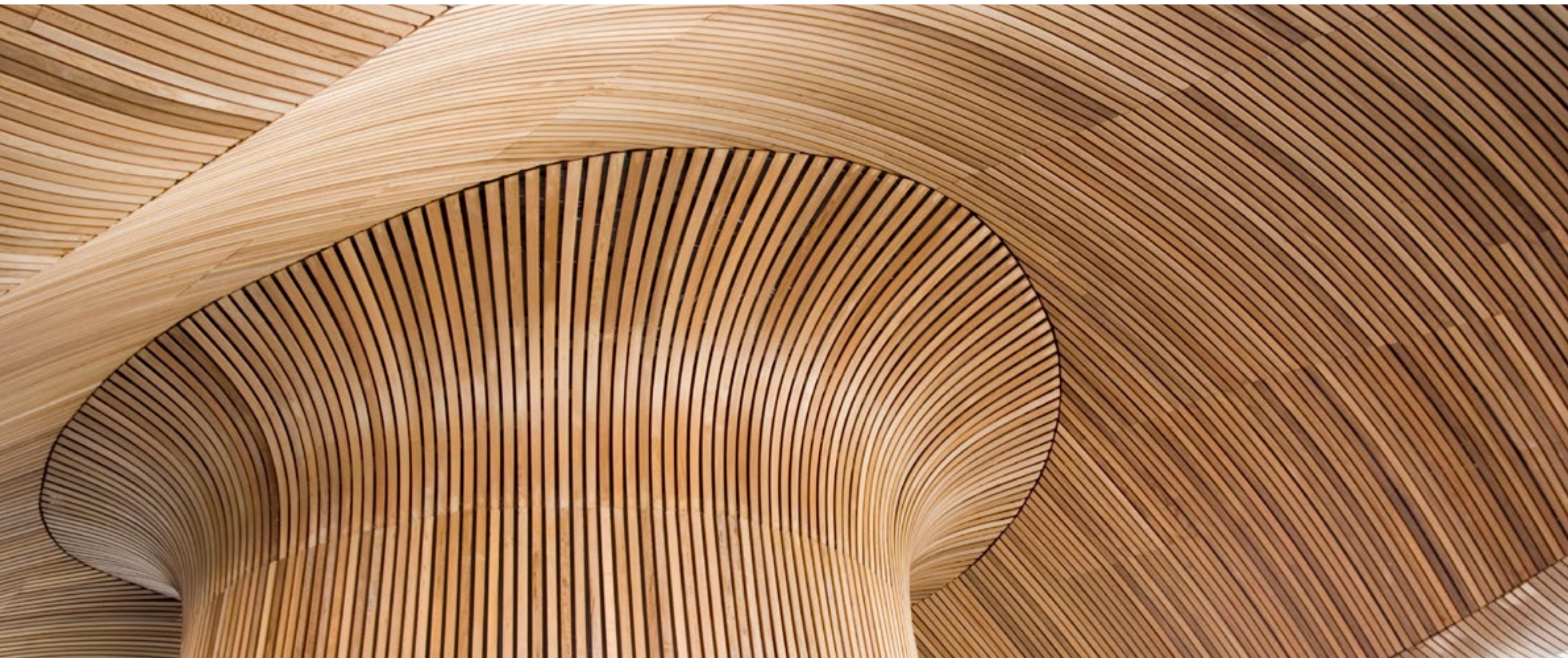
Template Reconciliation IFRS Equity and CRR Tier 1 Capital

Amounts in '000 euro	**31/12/2022**	**31/12/2021**
Issued Capital	365.062	365.062
Financial Assets at fair value through Other Comprehensive Income	-29.551	6.173
Owner Occupied Properties Reserve	1	1
Net Defined Benefit Obligations	359	-527
Other Reserves	0	0
Retained Earnings	332.104	243.062
Minority Interests	86	86
Shareholders' Equity - IFRS Annual Report	**668.061**	**613.858**
	0	0
Adjustments:	0	0
(-) part of interim or year-end profit not eligible	-89.309	-38.767
Non-controlling interests	-86	-86
Tier 1 core capital before application of prudential filters	578.666	575.005
	0	0
Prudential filters :	0	0
(-) Increases in equity resulting from securitised assets	0	0
Cash flow hedge reserve	0	0
Cumulative gains and losses due to changes in own credit risk on fair valued liabilities	0	0
Fair value gains and losses arising from the institution's own credit risk related to derivative liabilities	0	0
(-) Value adjustments due to the requirements for prudent valuation	-444	-400
(-) Goodwill	0	0
(-) Other intangible assets	-4.625	-2.856
(-) Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities	0	-6.404
(-)Defined benefit pension fund assets	0	0
(-) Qualifying holdings outside the financial sector which can alternatively be subject to a 1250% risk weight	0	0
Other transitional adjustments to CET1 Capital	0	0
(-) CET1 instruments of financial sector entities where the institution has a significant investment	0	0
(-) Securitisation positions which can alternatively be subject to a 1250% risk weight	0	0
CET1 capital elements or deductions - other	-1.939	-1.663
Tier 1 core capital after application of prudential filters	571.659	563.681

Own Funds Disclosure Template

Own funds disclosure template (31/12/2022, euro '000)		
Common Equity Tier 1 capital: instruments and reserves		
1	Capital Instruments and the related share premium accounts	365.062
	of which : voting ordinary shares	365.062
2	Retained earnings	242.796
3	Accumulated other comprehensive income (and other reserves)	-29.191
3a	Funds for general banking risk	0
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	0
5	Minority interests (amount allowed in consolidated CET1)	0
5a	Independently reviewed interim profits net of any foreseeable charge or dividend	0
6	Common Equity Tier 1 capital before regulatory adjustments	578.666
Common Equity Tier 1 capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	
8	Intangible assets (net of related tax liability) (negative amount)	4.625
9	(-) Value adjustments due to the requirements for prudent valuation	444
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	0
11	Fair value reserves related to gains or losses on cash flow hedges	0
12	Negative amounts resulting from the calculation of expected loss amounts	0
13	Any increase in equity that results from securitised assets (negative amount)	0
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	0
15	Defined-benefit pension fund assets (negative amount)	0
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	0
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)	0
18	Direct, indirect and synthetic holdings of the CET 1 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) (negtative amount)	0
19	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where the institution have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negtative amount)	0
20	Other transitional adjustments to CET1 Capital	0
20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	0
20b	of which : qualifying holdings outside the financial sector (negative amount)	0
20c	of which : securitisation positions (negative amount)	0
20d	of which : free deliveries (negative amount)	0
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	0
22	Amount exceeding the 15% threshold (negative amount)	0
23	of which: direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	0
24	(-) CET1 instruments of financial sector entities where the institution has a significant investment	0
	CET1 capital elements or deductions - other	1.939
25	which: deferred tax assets arising from temporary differences	0
25a	Losses for the current financial year (negative amount)	0
25b	Foreseeable tax charges relating to CET1 items (negative amount)	0
27	Qualifying AT1 deductions that exceed the AT1 capital of the institution (negative amount)	0
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	7.007
29	Common Equity Tier 1 (CET1) capital	571.659

Additional Tier 1 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) and the related share premium accounts subject to phase out from AT1	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minoirty 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 capital: regulatory adjustments		
37	Direct and indirect 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	Diret, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment inthose 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 institutionhas a significant investment in those entities (net of eligible short positions) (negative amount)	
41	Empty set in the EU	
42	Qualifyint T2 deductions that exceed the T2 capital of the institution (negative amount)	
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital	
44	Additional Tier 1 (AT1) capital	
45	Tier 1 capital (T1 = CET1+AT1)	571.659
Tier 2 (T2) capital: instruments and provisions		
46	Capital instruments and the related share premium accounts	
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subjet to phase out from T2	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in row 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	25.000
Tier 2 (T2) capital: regulatory adjustments		
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)	
53	Holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	
55	Diret and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short position) (negative amount)	
56	Empty set in the EU	
57	Total regulatory adjustments to Tier 2 (T2) capital	
58	Tier 2 (T2) capital	
59	Total capital (TC = T1 + T2)	571.659
60	Total risk weighted assets	2.157.351



Capital ratios and buffers	
61	Common Equity Tier 1 (as a percentage of total risk exposure amount)
62	Tier 1 (as a percentage of total risk exposure amount)
63	Total capital (as a percentage of total risk exposure amount)
64	Institution specific buffer requirement (CET1 requirement in accordance with article 92 (1) (a) conservation buffer and countercyclical buffer requirements plus systemic risk buffer, plus syst important institution buffer expressed as a percentage of risk exposure amount)
65	of which: capital conservation buffer requirement
66	of which: countercyclical buffer requirement
67	of which: systemic risk buffer requirement
67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Instit buffer
68	Common Equity Tier 1 available to meet buffers ((as a percentage of total risk exposure amount
69	[non relevant in EU regulation]
70	[non relevant in EU regulation]
71	[non relevant in EU regulation]
Amounts below the thresholds for deduction (before risk weighting)	
72	Direct and indirect holdings of the capital of financial sector entities where the institution does n significant investment in those entities (amount below 10% threshold and net of eligible short po
73	Direct and indirect holdings by the institution of the CET1 instruemnts of financial sector entities institution has a significant investment in those entities (amount below 10% threshold and net of positions)
74	Empty set in the EU
75	Deferred tax assets arising from temporary differences (amount below 10% threshold, net of re where the conditions in Article 38 (3) 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 application of the cap)

Template EU OV1: Overview of Risk Weighted Assets (RWA)

Amounts in euro '000		RWAs	
		31/12/2022	31/12/2021
1	Credit risk (excluding CCR)	1.923.979	2.174.187
2	Of which standardised approach (SA)	1.923.979	2.174.187
3	Of which foundation IRB (FIRB) approach	0	0
4	Of which advanced IRB (AIRB) approach	0	0
5	Of which equity IRB under the simple risk-weighted approach or the IMA	0	0
6	CCR	5.042	4.510
7	Of which marked to market	0	0
8	Of which original exposure	0	0
9	Of which the standardised approach	0	0
10	Of which internal model method (IMM)	0	0
11	Of which exposure amount for contributions to the default fund of a CCP	0	0
12	Of which CVA	5.042	4.510
13	Settlement risk	0	0
14	Securitisation exposures in banking book (after the cap)	0	0
15	Of which IRB approach	0	0
16	Of which IRB supervisory formula approach (SFA)	0	0
17	Of which internal assessment approach (IAA)	0	0
18	Of which standardised approach	0	0
19	Market risk	114.282	122.246
20	Of which standardised approach	114.282	122.246
21	Of which IMA	0	0
22	Large exposures	0	0
23	Operational risk	112.148	121.796
24	Of which basic indicator approach	0	0
25	Of which standardised approach	112.148	121.796

Amount of institution-specific countercyclical capital buffer

Amounts in euro '000		31/12/2022
10	Total risk exposure amount	5.060.146
20	Institution specific countercyclical buffer rate	0,01%
30	Institution specific countercyclical buffer requirement	2.695

Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer

	Country	General credit exposures		Trading book exposure		Securitisation exposure		Own funds requirements					
		Exposure value for SA	Exposure value IRB	Sum of long and short position of trading book	Value of trading book exposure for internal models	Exposure value for SA	Exposure value for IRB	Of which: General credit exposures	Of which: Trading book exposures	Of which: Securitisation exposures	Total	Own funds requirement weights	Countercyclical capital buffer rate
		010	020	030	040	050	060	070	080	090	100	110	120
010	Breakdown by country												
	Belgium	4.334.553						128.899					0,00%
	France	69.117						1.201					0,00%
	United Kingdom	135.232						800					1,00%
	Luxemburg	143.991						2.398					0,50%
	Other	377.253						20.621					0,00%
020	Totaal	5.060.146						153.918					0,01%

Exposures on other countries stem from the investment portfolio and the location of a number of financial counterparties.

2.2. MREL ratio

ABBH and BN fall under the application of the BRRD via the Banking Law. For LSI's, the NBB acts as the National Resolution Authority under the Single Resolution Mechanism. ABBH itself is not submitted to a MREL (Minimum Requirement for Own Funds and Eligible Liabilities), the MREL requirement applies to the statutory level of Bank Nagelmackers. The NBB has updated its resolution plan and the MREL thresholds. MREL requirements for Bank Nagelmackers are set both in terms of Total Risk Weighted Exposure (TREA) and Leverage Ratio Exposure (LRE) and are calibrated as follows:

	TREA	LRE
MREL requirement	14,00%	4,25%
Combined Buffer Requirement (CBR)	2,50%	
MREL requirement + CBR	16,50%	

These limits apply as of 1/1/24 and intermediate limits have been defined. The Bank complies already with the final MREL limits with its Common Equity Tier 1 capital. At 31/12/22, BN's Own Funds and Eligible Liabilities represented 21,2% in terms of TREA and 8,5% in terms of LRE.

Table M01.1 - Eligible Liabilities and Own Funds (amounts in EUR)	Original amount of Eligible Liabilities and Own Funds issued	Gross outflow of Eligible Liabilities and	Outstanding amount of Eligible Liabilities and Own	o/w issued under third country law
	c1	c2	c3	c6
ELIGIBLE LIABILITIES	0	0	0	0
Structured notes >= 1 year	0	0	0	0
Senior unsecured liabilities >= 1 year	0	0	0	0
Senior non-preferred liabilities >= 1 year	0	0	0	0
Subordinated liabilities (not recognised as own funds) >= 1 year	0	0	0	0
Other Eligible Liabilities >= 1 year	0	0	0	0
OWN FUNDS	403.356	0	403.356	0
CET1	403.356	0	403.356	0
o/w capital instruments/share capital	378.383	0	378.383	0
o/w instruments ranking pari passu with ordinary shares	0	0	0	0
AT1	0	0	0	0
o/w (part of) subordinated liabilities recognised as own funds	0	0	0	0
Tier2	0	0	0	0
o/w (part of) subordinated liabilities recognised as own funds	0	0	0	0
ELIGIBLE LIABILITIES and OWN FUNDS	376.287	0	376.287	0

Table M01.2 - Additional information	Amount
Total Liabilities and Own Funds (TLOF)	4.587.116
Total Risk Exposure Amount (TREA) Fully Loaded	1.905.431
Leverage Exposure (TEM)	4.730.167

2.3. Solvency of Bank Nagelmackers

In the table below, we have provided summarised solvency information for Bank Nagelmackers. As is the case for the ABBH group, the solvency of Bank Nagelmackers is calculated based on the applicable Capital requirements Regulation and the transposition of applicable CRD provisions into Belgian legislation. Credit risk is the main source of capital requirements, there is no market risk at the level of Bank Nagelmackers.

Solvency calculations	**Bank Nagelmackers**		**Bank Nagelmackers**	
IFRS euro '000	**dec/22**		**dec/21**	
Total eligible own funds		**408.260**		**451.249**
Capital requirements				
-Credit risk	1.717.780		1.945.546	
-Market risk	n.a.		n.a.	
-Operational risk	112.148		121.800	
-CVA	5.042		4.510	
-DTA	35.567		8.848	
Total		**1.870.537**		**2.080.704**
Solvency ratio		**21,83%**		**21,69%**
Tier I – ratio		**21,83%**		**21,69%**
Common tier I		**21,83%**		**21,69%**
Leverage ratio		**8,58%**		**8,55%**

Solvency remains stable at a high level with 2 underlying evolutions: the RWA for credit risk decrease together with the smaller loan portfolio and the capital decreases due to the unrealized losses on the bond portfolio, which is largely classified as HTCS. This decrease in value is the result of the rise in market interest rates. Stress testing shows that even with further sharp rises in interest rates, the capital ratio remains compliant with all regulatory and internal limits. These evolutions impacted the leverage ratio in a similar way.

2.4. ICAAP

Bank Nagelmackers and ABBH have an internal capital adequacy assessment process to assess that the Bank and the holding hold sufficient capital to cover their risks. This process is embedded in the business planning and risk management processes.

The ICAAP starts from the risk appetite and risk profile of the Bank and the holding. The risk appetite indicates to what extent BN and ABBH are willing and capable to take risks in the pursuit of their (business) objectives. The risk appetite is defined in the Risk Appetite Statement approved by the Board of Directors. The risk profile is the actual level of risk the group is exposed to. This is observed through the quantitative and qualitative risk monitoring and reported to the Risk Committee and Board of Directors. If the risk profile exceeds the risk appetite, remedial actions must be taken.

Capital serves as a buffer to absorb extreme losses that fall outside the "normal" expectations. In the ICAAP a number of representative stress events are developed in line with the risk appetite and risk profile of BN and ABBH for the different types of risk. BN and ABBH thus determine the amount of its internal required economic capital, namely the capital must be at least equal to the loss of value or income arising from the various simulated stress events.

The ICAAP now also includes an exhaustive assessment of the potential impact of different physical and transition risks due to climate change on the asset quality and foresees economic capital for the most material risks.
The economic capital requirement calculated using these stressed scenarios indicates that the Economic Capital is below the regulatory Total Capital Requirement that BN and ABBH are exposed to, where the first Pillar is based on the standardized approach.

2.5. Stress testing

Stress testing is an important risk management tool that supports risk identification and quantification, risk monitoring and limit setting. A wide range of stress tests are performed throughout the group: recurring and ad hoc stress tests, stress tests that focus on specific risks and impacts and integrated stress tests including multiple risk events and their impacts on all aspects of the company's financial and risk position, stress tests with different levels of severity and reverse stress testing.

Most stress tests are executed on the level of the operational subsidiary, where the operational business takes place, next to specific stress tests on the level of ABBH. It is taken into consideration that stress tests performed by the Bank have generally a similar impact on the capitalization of ABBH.

Stress testing is part of the regular internal risk management and monitoring processes and is a key element in the ICAAP and ILAAP to assess the adequacy of available capital and liquidity, and in the Recovery Plan to assess the adequacy of recovery options. Stress testing also supports the identification of sensitivities and vulnerabilities in the business plan. The Bank furthermore provides input to the NBB for regulatory stress tests in the context of the SREP.

Stress testing is an important risk management tool that adds value both to strategic processes and day-to-day risk management (risk identification, risk appetite, and limit setting, etc.). As such, stress testing is an integral part of our risk management framework, and an important building block of our ICAAP and ILAAP. In addition, certain stress testing is prescribed by various regulators. The most relevant of these are the LSI stress test performed by the NBB and various ad-hoc requests by the NBB.

We define stress testing as a management decision supporting process that encompasses various techniques which are used to evaluate the potential negative impact on the (financial) condition of ABBH and/or its subsidiary, caused by specific event(s) and/or movement(s) in risk factors ranging from plausible to extreme, exceptional or implausible.

As such, it is an important tool in identifying sources of vulnerability and hence in assessing whether available capital and liquidity is adequate to cover the risks. That is why business planning also includes sensitivities to critical assumptions used in the base case plan. These sensitivities and stress tests are designed to provide assurance that:

- the decisions regarding the financial plan and regarding risk appetite and limit setting are not only founded on a base case but that they also take account of the impact of deviations from macroeconomic and financial market assumptions;
- capital and liquidity at a group level remain acceptable under adverse conditions.

The resulting capital and liquidity ratios are compared to internal and regulatory capital targets.

Even more severe scenarios and sensitivities – both with idiosyncratic and macro-economic dimension - are calculated in the context of the recovery plan. These scenarios focus on events that lead to a (near-) breach of the regulatory capital requirements. As such, the recovery plan provides another insight into key vulnerabilities of the group and the mitigating actions that management could implement should the defined stress materialize.

Numerous other stress tests are run within ABBH that provide valuable information for assessing the capital and liquidity adequacy of the group. They include regulatory stress tests, ad hoc integrated and risk-type or portfolio-specific stress tests at the subsidiary level. Stress tests relate among others to credit risks, interest risks, operational risks, liquidity risks, and in 2022 focus was also put on the development of more comprehensive stress testing of ESG risk drivers. Relevant stress test impacts are valuable inputs for defining sensitivities in business planning and risk appetite statements, completing the feedback loop.

3. Credit Risk Management

3.1. Credit risk management

Credit risk is the potential negative deviation from the expected value of a financial instrument arising from the non-payment or non-performance by a contracting party (for instance a borrower), due to that party's insolvency, inability or lack of willingness to pay or perform, or to events or measures taken by the political or monetary authorities of a particular country (country risk). Credit risk thus encompasses default risk and country risk but also includes migration risk, which is the risk for adverse changes in credit ratings.

3.1.1. Management of the loan portfolio

Largely three-quarters of the loan portfolio are mortgage loans. Mortgage lending is highly collateralized: 95,5% has an indexed LTV below 80% per 2022 year-end. Additionally to our prudent practices on the LTV, BN sets high importance to the repayment capacity of the borrower in our credit approval process.

Non-mortgage lending mainly concerns professional loans (investment credits and straight loans) and is focused on liberal and self-employed professions, family run SMEs whose management is personally known, and institutional entities. Professional loans are only granted within our knowledge and risk limits, and are subject to an individual creditworthiness analysis based on quantitative and qualitative elements.

For the large majority of loans, the credit approval process is organized independently from the commercial function. After the assessment of the application, a staged decision-making structure is applied whereby the Credit Committee intervenes for higher amounts or deviations from limits in the credit policy. Some mortgages and consumer loans are approved by the commercial function with the support of an internal scoring system. The credit department, which is independent of the point of sales, calibrates this scoring model and controls the completeness and accuracy of this type of mortgage loan applications.

The annual review process consists of an individual credit quality assessment for a risk-based selection of our loan portfolio. Depending on the review Credit department may choose to convert mandates, reduce limits, revalue collateral, recognise manual unlikeliness-to-pay (UTP) triggers etc. The outcome of these reviews is reported to the Credit Review Committee.

Late payments are monitored by a specific department Pre-Litigation. The main delays are reported to the Pre-Litigation Committee that supervises the timely termination of the contract and the transfer to the Litigation department . They also initiate collateral revaluation and conversion of mandates and assess UTP triggers. The Litigation department sets and adjusts specific provisions and is responsible for the recovery. Part of BN's mortgages are serviced by Stater, which has its own (Pre-)Litigation department. The bank monitors this process through a regular data feed and challenging between Stater and BN.

Risk Management is responsible for the 2nd line monitoring of the loan portfolio and reports to management in the Credit Review Committee. The 2nd line monitoring focusses on portfolio composition, internal ratings, collateral position, LTVs, real estate prices, arrears, defaults, NPL, litigations, provisions, and loan loss ratio for the main segments (mortgages and non-mortgages). Other metrics are included if deemed relevant. Credit policy is tightened in case negative signals are observed.

ESG

The development and management of an ESG framework for on-balance activities is driven by the Credit Review Committee, with a focus on the potential impact of climate-related and environmental risk drivers on credit risk.

As part of the development of an ESG risk management framework for the loan portfolio, efforts now focus on the collection and supplementing of data to assess the materiality of climate-related and environmental risk drivers. Obtaining EPC for new mortgage loans is a regulatory requirement and is closely monitored and reported. At the same time, measures are also taken to manage potential risks, such as the requirement of a higher residual income when purchasing an energy-inefficient house. Also with regard to flooding risk, the bank enriched its databases and performs stress tests.

3.1.2. Management of the investment portfolio and financial counterparties

BN has implemented a clear governance structure on the management and follow-up of the investment portfolio:

- The investment policy of Bank Nagelmackers is defined by the Executive Committee, within the Risk Appetite set by the Board of Directors.
- The investment portfolio does not have a trading objective and is, therefore, part of the Banking Book.
- Within this framework and the guidelines from the Alco, investments are proposed and approved in the Treasury Committee and are executed by the department ALM & Treasury.
- The back-office securities checks if the transactions reported by the department ALM & Treasury are in line with the transactions presented by the counterparties.
- The composition of the investment portfolio is reported to the monthly ALM committee and the intermediate Treasury Committee, who carefully reviews the portfolio composition and ratings.

Also, exposures to financial counterparties are managed and monitored according to well-defined governance:

- The financial counterparty policy defines maximum exposure limits in function of the rating of the counterparty.
- Transactions can only be conducted with financial counterparties approved by the ALM committee.
- Derivative and repo transactions are only conducted with counterparties for which an ISDA, CSA and/or GMRA have been signed. As all outstanding derivatives are centrally cleared, the credit risk on these instruments is marginal.
- The exposures to financial institutions linked to the daily cash management as well as financial derivatives and deposits at banks are reported to the Treasury Committee and the ALM committee.

3.2. Total exposure to credit risk

Exposures are broken down according to types of credit exposure:

- On-balance-sheet assets: this category contains assets whose contract is booked on the balance sheet.
- Off-balance-sheet assets: this category contains assets whose contract is not booked on the balance sheet (eg undrawn part of a mortgage loan or credit line, bank guarantees).
- Derivatives: this category contains exposure arising from derivative transactions, in particular, Interest Rate Swaps (IRS). In the reporting, no netting is applied between the cleared IRS and received collateral.

Table: Composition of credit risk exposure

Total Credit Risk Exposure (euro '000)	31/12/2022	31/12/2021
Total on-balance	4.772.559	5.395.123
Total off-balance	166.813	162.713
Total derivatives	103.645	12.393
Total Credit Risk Exposure	**5.043.017**	**5.570.229**

3.3. Breakdown credit risk per risk class

The table in the next section shows the exposure calculated via the Standardised approach broken down per exposure type. The exposure types are those defined for the purpose of regulatory reporting according to the Standardised approach:

- **Sovereign**: claims on central authorities and governments and other assets weighted at 0% (such as Cash and Cash at central banks).
- **PSE**: claims on Public Sector Entities.
- **Institutions**: claims on banks.
- **Corporates**: claims on all corporations, including small and medium-sized enterprises that are treated as corporate clients.
- **Retail**: claims on retail clients (including SMEs not qualifying for treatment as corporate clients). Most of these claims are related to the part of mortgage loans secured by a mortgage mandate.
- **Secured by real estate**: claims that are (fully) covered by real estate collateral via mortgages. These are extracted from the above categories (mostly retail or corporate).
- **Default**: all exposure that it is more than 90 days in arrears or considered unlikely to pay. All default exposure is extracted from all the other categories.
- **High risk**: includes by definition claims on buy/build-to-sell real estate projects. Past due and equity exposure are excluded.
- **CIU**: claims on Collective Investment Undertakings.
- **Equity**: Shares.
- **Other**: all other claims (e.g. other assets).

Exposures are reported gross, after application of (i) guarantees by substitution, (ii) the Credit Conversion Factor, and before collateral application.

The table shows the exposures as reported on 31 December 2022. The “High risk” class consists entirely of loans financing the construction of real estate “buy and/or build to sell”, which have been allocated to this class in accordance with the regulatory requirement and supervisory expectations.

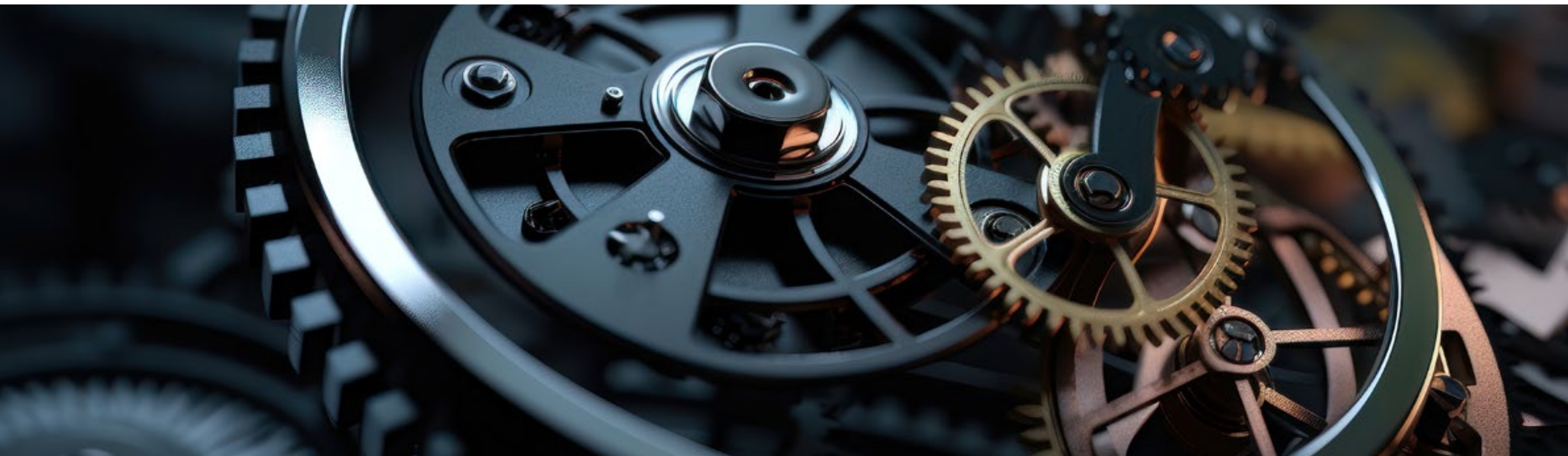
3.4. Breakdown credit risk per country

Template EU CRB-C: Total net amount of exposures

		a	b	c	d	f	g	e	f
	Amounts in euro '000	Belgium	France	Luxemburg	United Kingdom	Germany	USA	Other Countries	Total
7	Central governments or central banks	758.308	41.069	0	0	0	0	137.152	936.528
8	Regional governments or local authorities	0	0	0	0	0	0	0	0
9	Public sector entities	16	0	0	0	0	0	0	16
10	Multilateral development banks	0	0	0	0	0	0	0	0
11	International organisations	0	0	0	0	0	0	0	0
12	Institutions	92.082	0	139.293	132.150	69.274	28.535	20.722	482.056
13	Corporates	273.977	16.300	0	101	11.103	0	15.362	316.842
14	Retail	688.241	1.910	414	475	1	86	4.024	695.150
15	Secured by mortgages on immovable property	2.414.460	5.077	4.258	2.504	459	984	15.454	2.443.195
16	Exposures in default	33.945	51	0	0	0	0	1	33.997
17	Items associated with particularly high risk	40.931	0	0	0	0	0	0	40.931
18	Covered bonds	10.304	4.705	0	0	0	0	3.738	18.747
19	Claims on institutions and corporates with a short-term credit assessment	0	0	0	0	0	0	0	0
20	Collective investments undertakings	0	0	25	0	0	0	13.454	13.479
21	Equity exposures	509	0	0	0	0	0	0	509
22	Other exposures	61.566	0	0	0	0	0	0	61.566
23	**Total standardised approach**	**4.374.339**	**69.112**	**143.990**	**135.229**	**80.836**	**29.605**	**209.905**	**5.043.017**
24	**Total**	**4.374.339**	**69.112**	**143.990**	**135.229**	**80.836**	**29.605**	**209.905**	**5.043.017**

The loan portfolio is almost entirely concentrated in Belgium. Exposures on other countries stem from the investment portfolio (7 EU countries and CA) and the location of a number of financial counterparties.

The Bank has a UK based qualified central clearing counterparty for its interest rate swaps. There is currently no need to move the existing portfolio of cleared derivatives as the European Commission determined that the UK framework applicable to CCPs is equivalent to the EU framework, for a period up till 30/06/25, and ESMA recognized the UK CCP as a Third Country CCP under the EMIR supervisory framework.



3.5. Breakdown credit risk per maturity

Template EU CRB-E: Maturity of exposures

Template EU CRB-E: Maturity of exposures

	Amounts in euro '000	a	b	c	d	e	f
		Net exposure value					
		On demand	< = 1 year	> 1 year < = 5 years	> 5 years	No stated maturity	Total
7	Central governments or central banks	657.020	14.255	125.287	139.966	0	936.528
8	Regional governments or local authorities	0	0	0	0	0	0
9	Public sector entities	0	16	0	0	0	16
10	Multilateral development banks	0	0	0	0	0	0
11	International organisations	0	0	0	0	0	0
12	Institutions	153.043	196.687	46.521	85.806	0	482.056
13	Corporates	12.900	92.507	74.184	137.038	213	316.842
14	Retail	1.997	107.511	140.792	444.850	0	695.150
15	Secured by mortgages on immovable property	0	86.265	199.020	2.157.909	0	2.443.195
16	Exposures in default	7.391	397	1.587	24.623	0	33.997
17	Items associated with particularly high risk	0	30.984	2.410	7.537	0	40.931
18	Covered bonds	0	7.345	11.401	0	0	18.747
19	Claims on institutions and corporates with a short-term credit assessment	0	0	0	0	0	0
20	Collective investment undertakings	0	0	0	0	13.479	13.479
21	Equity exposures	0	0	0	0	509	509
22	Other exposures	36.374	0	0	0	25.192	61.566
23	**Total standardised approach**	**868.725**	**535.967**	**601.201**	**2.997.729**	**39.394**	**5.043.017**
24	**Total**	**868.725**	**535.967**	**601.201**	**2.997.729**	**39.394**	**5.043.017**

Exposures to the central bank and institutions are mostly on demand (besides a number of term deposits, investments in bonds from Financials, and IRS exposures). The investment portfolio and the loan portfolio feature longer maturities, in line with the Bank's transformation function.

3.6. Breakdown credit risk per asset category

31/12/2022

euro '000	Total Exposure Value	Risk Weighted Exposure	Capital Requirement
Lending Portfolio	3.304.168	1.533.427	122.674
Loan commitments	166.813	56.628	4.530
Investment Portfolio	393.585	202.543	16.203
Other	1.178.451	131.381	10.510
TOTAL	**5.043.017**	**1.923.979**	**153.918**

31/12/2021

euro '000	Total Exposure Value	Risk Weighted Exposure	Capital Requirement
Lending Portfolio	3.700.697	1.709.669	136.774
Loan commitments	162.713	59.732	4.779
Investment Portfolio	397.837	240.453	19.236
Other	1.308.982	164.333	13.147
TOTAL	**5.570.229**	**2.174.187**	**173.935**

3.6.1. Credit exposure in the lending portfolio

Amounts in euro '000	31/12/2022 Exposure Value	31/12/2022 Default	31/12/2021 Exposure Value	31/12/2021 Default
Mortgage loans	2.528.207	20.549	2.827.779	19.097
Term Loans	491.538	147	566.470	15.454
Straight loans	198.374	4.751	215.261	2.541
Other loans	86.049	8.863	91.187	6.599
Subtotal on balance	**3.304.168**	**34.310**	**3.700.697**	**43.691**
Loan commitments	166.900	153	162.774	450
TOTAL	**3.471.067**	**34.462**	**3.863.472**	**44.141**

*Loan commitments excluding bank guarantees

The loan portfolio decreased in 2022, as well as the amount of defaulted loans, reflecting respectively the impact of the strategic focus and the prudent lending policy.

3.6.2. Credit exposure in the investment portfolio

BN is mostly invested in sovereign bonds. ABBH has invested part of the remaining cash from the sale of Fidea in liquid bonds and deposits at financial counterparties, next to a previous investment as seeding money in an equity fund launched by BN.

Template Credit Risk in investment portfolio

		31/12/2022			31/12/2021		
	Amounts in euro '000	Exposure Value	Risk-weighted Assets	Capital Requirement	Exposure Value	Risk-weighted Assets	Capital Requirement
16	Central governments or central banks	276.731	-	-	310.402	-	-
17	Regional governments or local authorities	-	-	-	-	-	-
18	Public sector entities	-	-	-	-	-	-
19	Multilateral development banks	-	-	-	-	-	-
20	International organisations	-	-	-	-	-	-
21	Institutions	24.989	11.609	929	-	-	-
22	Corporates	59.130	48.037	3.843	39.841	34.532	2.763
23	of which: SMEs	-	-	-	-	-	-
24	Retail	-	-	-	-	-	-
25	of which: SMEs	-	-	-	-	-	-
26	Secured by mortgages on immovable property	-	-	-	-	-	-
27	of which: SMEs	-	-	-	-	-	-
28	Exposures in default	-	-	-	-	-	-
29	Items associated with particularly high risk	-	-	-	-	-	-
30	Covered bonds	18.747	1.875	150	30.899	3.090	247
31	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
32	Collective investments undertakings	13.479	140.512	11.241	16.186	202.322	16.186
33	Equity exposures	509	509	41	509	509	41
34	Other exposures	-	-	-	-	-	-
35	**Total standardised approach**	**393.585**	**202.543**	**16.203**	**397.837**	**240.453**	**19.236**
36	**Total**	**393.585**	**202.543**	**16.203**	**397.837**	**240.453**	**19.236**

3.6.3. Other credit exposure

The biggest part of other credit exposures consists of deposits at the NBB and nostro accounts, deposits at other banks and counterparty credit related exposures linked to derivatives (in the reporting table hereunder, no netting is applied between the cleared IRS and received collateral).

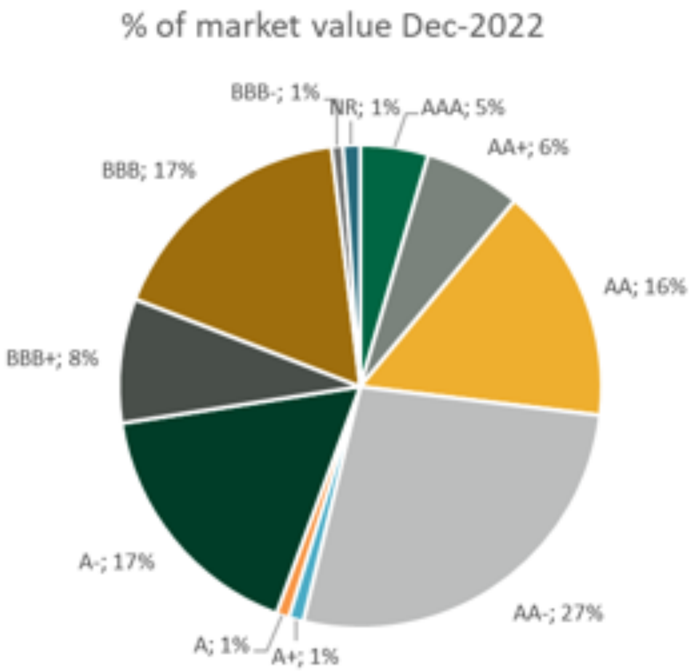
31/12/2022 in euro '000	Amounts	Total Exposure Value	Risk Weighted Exposure	Capital Requirement
Deposits financial institutions (incl NBB)		945.402	57.795	4.624
Derivatives & cash collateral		141.256	9.962	797
Tax assets & cash		34.910	6.741	539
Property, plant & equipment		25.192	25.192	2.015
Other assets & accrued income		31.691	31.691	2.535
TOTAL		**1.178.451**	**131.381**	**10.510**

31/12/2021 in euro '000	Amounts	Total Exposure Value	Risk Weighted Exposure	Capital Requirement
Deposits financial institutions (incl NBB)		1.185.393	95.480	7.638
Derivatives & cash collateral		41.734	8.378	670
Tax assets & cash		21.380	0	0
Property, plant & equipment		15.727	15.727	1.258
Other assets & accrued income		44.748	44.748	3.580
TOTAL		**1.308.982**	**164.333**	**13.147**

For monitoring purposes, ECL provisions and capital calculations related to the investment portfolio and financial counterparties, reference is made to ratings from Moody's, S&P or Fitch. In the case of split ratings, the second best rating is determining, and a bond specific rating has priority over the issuer rating.

The investment portfolio is mainly invested in sovereign and other government bonds (72%), with smaller positions in corporate bonds (14%) and financial institutions (11%, of which half covered bonds). Investment graded bonds represent 99% of the total portfolio and unrated bonds only 1%.

All exposures to financial counterparties concern investment graded banks, only NBB has no rating.



3.7. Credit risk mitigation

Template EU CR4: Standardised approach - Credit risk exposure and CRM effects

		a	b	c	d	e	f	g	h
		Exposures before CCF and CRM			**Exposures post-CCF and CRM**			**RWAs and RWA**	
	Exposure classes Amounts in euro '000	On-balance sheet amount	Off-balance sheet amount	Derivates	On-balance sheet amount	Off-balance sheet amount	Derivates	RWAs	RWA density
1	Central governments or central banks	936.454	74	-	936.454	37	-	-	0,0%
2	Regional governments or local authorities	0	-	-	0	-	-	0	0,0%
3	Public sector entities	-	16	-	-	8	-	2	20,0%
4	Multilateral development banks	-	-	-	-	-	-	-	0,0%
5	International organisations	-	-	-	-	-	-	-	0,0%
6	Institutions	353.048	10	128.998	353.048	5	128.998	86.057	17,9%
7	Corporates	290.996	25.846	-	289.989	10.319	-	246.863	82,2%
8	Retail	589.658	105.492	0	583.281	50.510	0	434.712	68,6%
9	Secured by mortgages on immovable property	2.421.384	21.811	-	2.420.884	10.906	-	869.419	35,8%
10	Exposures in default	33.891	106	-	33.888	42	-	37.222	109,7%
11	Items associated with particularly high risk	27.474	13.457	-	26.969	6.315	-	49.926	150,0%
12	Covered bonds	18.747	-	-	18.747	-	-	1.875	10,0%
13	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	0,0%
14	Collective investment undertakings	13.479	-	-	13.479	-	-	140.512	1042,4%
15	Equity exposures	509	-	-	509	-	-	509	100,0%
16	Other exposures	61.566	-	-	61.566	-	-	56.883	92,4%
17	**Total**	**4.747.205**	**166.813**	**128.998**	**4.738.813**	**78.142**	**128.998**	**1.923.979**	**38,9%**

Next to a thorough assessment of the creditworthiness of loan applications, the Bank also applies a strict policy with regard to required collateral to further secure the credit risk in its lending portfolio. Most collateral consists of mortgage inscriptions and mortgage mandates on real estate. The mandates do not qualify for a lower risk weight under the standardised approach of the CRR. Other types of movable collateral such as pledge on private banking portfolios represent a smaller but increasing part of the obtained collateral, and for these types of collateral, BN does not apply credit risk mitigation for regulatory capital purposes, meaning that, despite the presence of economic movable collateral, the risk weighted assets are calculated in a very conservative way.

Template EU CR3-A: Disclosure of CRM techniques

Amounts in euro '000		a	b	c	d	e
		Exposures unsecured - carrying amount	Exposures secured - carrying amount	Exposures secured by collateral	Exposures secured by financial guarantees	Exposures secured by credit derivatives
1	Total Loans	881.924	2.422.244	2.413.852	8.392	0
2	Total debt securities	374.838	18.747	0	0	0
3	**Total exposures**	1.256.762	2.440.991	2.413.852	8.392	0
4	of which defaulted	20.361	27.283	27.280	3	0

Template EU CR5: Standardized approach

Exposures post-CCF and CRM

	Exposure classes Amounts in euro '000	**Risk weight** 0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Other	Deducted	**Total**
1	Central governments or central banks	936.491	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	936.491
2	Regional governments or local authorities	-	-	-	-	0	-	-	-	-	-	-	-	-	-	-	-	0
3	Public sector entities	-	-	-	-	8	-	-	-	-	-	-	-	-	-	-	-	8
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	103.641	-	-	350.736	-	27.675	-	-	-	-	-	-	-	-	-	482.051
7	Corporates	-	-	-	-	987	-	13.159	-	-	285.948	213	-	-	-	-	-	300.308
8	Retail	-	-	-	-	-	-	-	-	633.791	-	-	-	-	-	-	-	633.791
9	Secured by mortgages on immovable property	-	-	-	-	-	2.201.555	190.493	-	-	39.741	-	-	-	-	-	-	2.431.789
10	Exposures in default	-	-	-	-	-	-	-	-	-	27.345	6.584	-	-	-	-	-	33.930
11	Items associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	33.284	-	-	-	-	-	33.284
12	Covered bonds	-	-	-	18.747	-	-	-	-	-	-	-	-	-	-	-	-	18.747
13	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Collective investment undertakings	-	-	-	-	-	-	-	-	-	-	-	-	-	13.479	-	-	13.479
15	Equity exposures	-	-	-	-	-	-	-	-	-	509	-	-	-	-	-	-	509
16	Other items	4.683	-	-	-	-	-	-	-	-	56.883	-	-	-	-	-	-	61.566
17	**Total**	**941.174**	**103.641**	**-**	**18.747**	**351.731**	**2.201.555**	**231.327**	**-**	**633.791**	**410.427**	**40.082**	**-**	**-**	**13.479**	**-**	**-**	**4.945.953**

BN uses the risk weights of 35% and 50% for the part of its loans that are secured by mortgage inscription on respectively residential and commercial real estate up to LTV of 80% and 60%.

3.8. Impaired credit exposure

Forbearance measures

In order to avoid a situation where an obligor facing temporary financial difficulties ends up defaulting, the bank can decide to renegotiate its loans and grant forbearance measures in accordance with internal policy guidelines.

Forbearance measures consist of concessions towards a borrower facing, or about to face, financial difficulties. In most cases, it involves a temporary capital moratorium.

After a forbearance measure has been decided upon, a forbearance tag is attached to the file in the credit systems for identification, monitoring and reporting purposes.

In accordance with IFRS 9 requirements, a facility tagged as “forborne” will always be allocated to “Stage 2” (please note that this only applies to non-defaulted clients, since defaulted clients are always classified in “Stage 3”). Forborne exposures should be classified as ”in default” if they become more then 30 days past-due (instead of 90 days for “normal” exposures).

The forbearance classification shall be discontinued and the forbearance-flag disappears automatically 24 months after a “probation period” during which there has been no >30 days past-due incident for the concerned contract. Also in case of a second restructuring, the probation period starts again from the date of the latest forbearance measure.

At the end of 2022 forborne loans accounted for 1,03% (2021: 2,14%) of our total loan portfolio. The decrease is explained by the fact that the forbearance files granted in the context of the Covid-19 pandemic eventually became performing again after the probation period for the most part.

Template 1: Credit quality of forborne exposures

		a	b	c	d	e	f	g	h
Amounts in euro '000		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
1	Loans and advances	24.603	9.309	9.210	9.309	-76	-1.290	32.409	7.996
2	*Central banks*								
3	*General governments*								
4	*Credit institutions*								
5	*Other financial corporations*								
6	*Non-financial corporations*	11.266	5.714	5.616	5.714	-38	-1.107	15.736	4.607
7	*Households*	13.337	3.594	3.594	3.594	-38	-183	16.673	3.389
8	Debt Securities								
9	Loan commitments given								
10	***Total***	24.603	9.309	9.210	9.309	-76	-1.290	32.409	7.996

Non-performing and impaired credit risk exposure

The default definition used under IFRS 9 Stage 3 and the default definition used for ABBH's RWA Credit Risk under the standardized approach are consistent[1] and in line with EU Regulation 2018/171 for the materiality threshold for credit obligations past due and the EBA Guidelines 2016/07 on the application of the default definition.

Template 3: Credit quality of performing and non-performing exposures by past due days

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
	Amounts in euro '000		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
1	Loans and advances	3.562.440	3.561.004	1.436	47.968	17.165	2.835	3.120	2.424	5.618	6.085	10.721	46.803
2	*Central banks*	34	34	0	0	0	0	0	0	0	0	0	0
3	*General governments*	316	316	0	0	0	0	0	0	0	0	0	0
4	*Credit institutions*	288.085	288.085	0	0	0	0	0	0	0	0	0	0
5	*Other financial corporations*	61.483	61.483	0	319	0	0	0	0	0	0	319	319
6	*Non-financial corporations*	625.953	625.948	5	25.454	9.715	570	1.423	793	1.309	4.551	7.094	24.572
7	*Of which SMEs*	616.869	616.864	5	25.408	9.714	570	1.423	793	1.306	4.551	7.050	24.527
8	*Households*	2.586.569	2.585.138	1.431	22.194	7.451	2.264	1.697	1.631	4.309	1.533	3.308	21.912
9	Debt securities	397.260	397.260	0	0	0	0	0	0	0	0	0	0
10	*Central banks*	0	0	0	0	0	0	0	0	0	0	0	0
11	*General governments*	329.279	329.279	0	0	0	0	0	0	0	0	0	0
12	*Credit institutions*	21.763	21.763	0	0	0	0	0	0	0	0	0	0
13	*Other financial corporations*	0	0	0	0	0	0	0	0	0	0	0	0
14	*Non-financial corporations*	46.217	46.217	0	0	0	0	0	0	0	0	0	0
15	Off-balance-sheet exposures	228.452			724								0
16	*Central banks*	0			0								0
17	*General governments*	4.955			0								0
18	*Credit institutions*	10			0								0
19	*Other financial corporations*	57.396			0								0
20	*Non-financial corporations*	106.865			616								0
21	*Households*	59.227			108								0
22	***Total***	4.188.152	3.958.264	1.436	48.692	17.165	2.835	3.120	2.424	5.618	6.085	10.721	46.803

[1] due to timing differences in the reporting processes, minor differences may still arise

Template 4 : performing and non-performing exposures and related provisions

	Amounts in euro '000	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			
1	Loans and advances	3.562.440	3.047.715	514.725	47.968	1.255	46.714	-3.201	-772	-2.429	-14.239	-23	-14.216	0	3.116.416	28.458
2	*Central banks*	*34*	*34*	*0*	*0*	0	0	*0*	0	0	*0*	0	0	0	0	0
3	*General governments*	*316*	*179*	*137*	*0*	0	0	*0*	0	0	*0*	0	0	0	233	0
4	*Credit institutions*	*288.085*	*288.085*	*0*	*0*	0	0	*0*	0	0	*0*	0	0	0	0	0
5	*Other financial corporations*	*61.483*	*46.560*	*14.923*	*319*	0	319	*-308*	-12	-297	*-294*	0	-294	0	10.150	0
6	*Non-financial corporations*	*625.953*	*354.751*	*271.202*	*25.454*	141	25.313	*-1.532*	-143	-1.389	*-9.300*	-7	-9.294	0	560.662	11.540
7	*Of which SMEs*	*616.869*	*346.412*	*270.457*	*25.410*	141	25.268	*-1.530*	-142	-1.388	*-9.251*	-7	-9.244	0	551.649	11.540
8	*Households*	*2.586.569*	*2.358.106*	*228.463*	*22.194*	1.113	21.081	*-1.360*	-617	-743	*-4.645*	-17	-4.628	0	2.545.371	16.917
9	Debt securities	397.260	396.444	816	0	0	0	-68	-27	-41	0	0	0	0	0	0
10	*Central banks*	*0*	*0*	*0*	0	0	0	0	0	0	0	0	0	0	0	0
11	*General governments*	*329.279*	*329.279*	*0*	0	0	0	0	0	0	0	0	0	0	0	0
12	*Credit institutions*	*21.763*	*21.763*	*0*	0	0	0	0	0	0	0	0	0	0	0	0
13	*Other financial corporations*	*0*	*0*	*0*	0	0	0	0	0	0	0	0	0	0	0	0
14	*Non-financial corporations*	*46.217*	*45.401*	*816*	0	0	0	-68	-27	-41	0	0	0	0	0	0
15	Off-balance-sheet exposures	***228.452***	***209.845***	***18.607***	***724***	***2***	***722***	***0***	***0***	***0***	***0***	***0***	***0***			
16	*Central banks*	*0*	***0***	***0***	*0*	***0***	***0***	*0*	***0***	***0***	*0*	***0***	***0***			
17	*General governments*	*4.955*	*4.947*	*7*	*0*	*0*	*0*	*0*	***0***	***0***	*0*	***0***	***0***			
18	*Credit institutions*	*10*	*10*	*0*	*0*	*0*	*0*	*0*	***0***	***0***	*0*	***0***	***0***			
19	*Other financial corporations*	*57.396*	*57.396*	*0*	*0*	*0*	*0*	*0*	***0***	***0***	*0*	***0***	***0***			
20	*Non-financial corporations*	*106.865*	*90.551*	*16.314*	*616*	*0*	*616*	*0*	***0***	***0***	*0*	***0***	***0***			
21	*Households*	*59.227*	*56.941*	*2.286*	*108*	*2*	*106*	*0*	***0***	***0***	*0*	***0***	***0***			
22	***Total***	***4.188.152***	***3.654.004***	***534.148***	***48.692***	***1.256***	***47.436***	***-3.269***	***-799***	***-2.470***	***-14.239***	***-23***	***-14.216***	***0***	***3.116.416***	***28.458***

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

	Amounts in euro '000	Accumulated specific credit risk	Accumulated general credit risk adjustment
1	Opening balance	**23.828**	
2	Increases due to amounts set aside for estimated loan losses during the period	811	
3	Decreases due to amounts reversed for estimated loan losses during the period	- 3.862	
4	Decreases due to amounts taken against accumulated credit risk adjustments	- 3.648	
5	Transfers between credit risk adjustments	-	
6	Impact of exchange rate differences	-	
7	Business combinations, including acquisitions and disposals of subsidiaries	-	
8	Other adjustments	-	
9	**Closing balance**	**17.129**	
10	Recoveries on credit risk adjustments recorded directly to the statement of profit or loss	-	
11	Specific credit risk adjustments recorded directly to the statement of profit or loss	-	

The decrease of provisions is explained by the reversal of past provisions on loan litigations based on realized recoveries, more limited provisions for new loan litigations based on good collateral, and the decrease of the ECL provisions parallel with the decrease of the loan portfolio. As actual defaults and loan losses due to the Covid pandemic remained very limited, the bank released the related ECL provisions, but established ECL provisions in view of the uncertain economic context with volatile energy prices, inflation, threat of recession and geopolitical tensions.

4. Securitisations

The Bank issues securitizations through its securitization vehicle B-Arena. The notes issued to fund the mortgages are kept on-balance by the Bank and the senior notes which are ECB eligible can serve as a means for generating additional liquidity. These fully retained securitization transactions do not aim a significant risk transfer but are done to strengthen the liquidity buffer. Hence, no capital relief is pursued.

At the end of 2022, there was no outstanding securitization after the call of B-Arena IV in October 2022. BN prepared a new securitization B-Arena V, of which the senior notes became ECB-eligible in February 2023.

BN and ABBH hold no investments in other RMBS or ABS.

5. Non-financial risks

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people and systems or from external events. Within our operational risk section, legal and compliance risks are included.

Bank Nagelmackers applies the standardized approach to calculate capital requirements for operational risk. For that purpose, the Bank's gross income is allocated to 4 business lines: Retail banking, Commercial banking, Retail brokerage, and Asset Management. The capital charge of 9,0 mn euro represents 12,2% of the total gross income in 2022.

Bank Nagelmackers provides conventional banking services with a focus on investment services and asset management, but also related to savings, lending and payments. These are activities and processes the Bank has ample experience with, and for which measures have been taken for adequate control of operational risks, following the 3 lines of defense approach.

5.1. Operational and IT risk

The primary responsibility for managing operational risks lies with the business, who is responsible to identify and monitor its operational risks and implement the necessary mitigating measures such as documenting processes in procedures, applying separation of duties and 4 eyes controls, automating processes and embedding controls in the design of the IT applications.

For more systematic identification of operational incidents, better prioritization of remediation and general strengthening of the risk awareness, the Risk Management department implemented an incident database in which all operational incidents are reported by a network of risk correspondents in all business departments and the sales network.

The data are processed and presented during the monthly Riskforum meeting of line managers, attended by the 2nd and 3rd line risk functions including the CRO as well. Significant operational incidents and identified gaps in the control framework are discussed and remediation is decided and monitored. The presentation to / minutes of the Riskforum are presented to the Executive Committee.

Risk assessment is also integrated when developing or adapting new products, services, distribution channels and when starting material new projects, for which specific procedures have been drafted that define the governance for development and approval of product and projects, provide templates for a structured process, and that ensure that the risk functions are involved. Final approval to launch a product or project can only be given by the Executive Committee, on the basis of a completed file. A process of periodic review of products is also set up and for the most material projects a post project review is foreseen in case of significant budget overrun or delay in delivering the project.

The control of outsourced activities, including use of cloud computing, is set up in the procurement procedure which defines the criteria and process for assessing and contracting outsourcing. Final decision on outsourcing is taken by the Executive Committee. A register of outsourcing is established and a periodic evaluation of outsourcings is initiated and challenged by Risk Management who reports on the results of the evaluation to the Executive Committee.

Particular attention is paid to the risks related to IT and IT Security, which are followed in the ICT Riskforum. This is a monthly meeting of IT managers, with Risk Management and Internal Audit, which discusses IT (security) risk and control issues and advises IT Management. The bank has a dedicated IT Security officer and team that is responsible for collection, analysis and remediation of security incidents and performance of regular security scans. The IT Security officer is also assisted by an external security partner for monitoring external threats and evolutions, and vulnerability assessments. IT security controls include among other things, secure configuration of hard- and software and regular patching, multi layered malware inspection, firewalls (application and network), authentication and role based access control, controlled use of administrator privileges, penetration tests, and network segmentation.

The bank features a full BCP/DRP. Both at Risk Management and IT, specific officers have been appointed who are in charge of maintaining, updating and organizing annual testing of the BCP and DRP. The BCP/DRP procedures are updated with changes in the IT architecture and completed with additional risk scenarios. A steering group including the aforementioned officers, involved managers and Internal Audit discusses the test planning and results. The BCP is approved by the Executive Committee, and an annual reporting on business continuity management is presented to the BoD.

Risks regarding the accuracy of financial reporting are governed by a set of controls, and the reporting is audited by the Auditor.

A new Operational Risk Committee has been established in 2022 for a strategic and tactical follow up and monitoring of the non-financial risks within BN under the umbrella of operational risk. This committee meets on a quarterly basis and includes next to the risk functions also the Executive Committee, with their greater involvement and support for operational risk management in the bank and its continued development.

5.2. Compliance and conduct risk

Bank Nagelmackers has developed a framework to follow-up and manage compliance risks. Bank Nagelmackers has a dedicated compliance officer who monitors all changes in legislations within his domain and pro-actively advocates these within the bank.

For AML, the bank has procedures, systems and operational processes in place, that are aligned with AML V and supplemented with regular awareness-raising memos and training courses:

- The client identification and KYC system and control is centralized, with account blocking on which the various client applications (payments, loans, insurance) automatically join and also portfolio management contracts can only be drafted if the client identification is (still) OK.
- The risk scoring methodology has been reviewed in 2022 and is implemented in the IT systems.
- Automated controls as to whether new clients are listed on any UN, EU, OFAC or Belgian sanctions list take place in real time in Fronteo. In addition, NetReveal (Norkom) monitors on a D+1 basis compliance with the UN, EU, OFAC and Belgian sanctions lists, including the counterparties of our clients.
- Major investments in setting up and strengthening ex-ante screening were finalized with the commissioning of the Safer Payments application in March ‘23 for the screening of all (standard) outgoing payments. Incoming payments in USD are also screened ex ante against OFAC.
- NetReveal controls on a D+1 basis each client transaction to or from countries subject to financial embargos. With respect to our investment products, compliance with international sanctions and embargos is ensured with the Six tool.
- Procedures, work instructions, audit trails, and controls on the proper functioning of the systems are in place.
- Specific risk situations, namely large cash deposits, depositing of securities and repatriation of assets are embedded in the operational processes.
- Compliance realizes the FIU notifications independently. Every year, Compliance issues an AML report to the Executive Committee and the Board of Directors.
- Compliance has implemented a periodical Enterprise Wide Risk Assessment (EWRA) process.

An important point of attention is compliance with MIFID and regulation related to investment sales in general. A support tool for investment advice (Personal Investment Advisor, PIA) is used in the sales network, with a system embedded control that investment advices are Mifid-compliant. A dedicated Mifid-manager is appointed who is 1st line responsible for maintaining the Mifid control framework, reporting on the Mifid risks and coordinating implementation of the necessary adjustments in response to new regulation, such as the integration of sustainability preferences in the suitability assessments. A Mifid steering with business and risk functions together with the CCO oversees the Mifid control framework, based, among other things, on a set of Mifid indicators.

GDPR compliance is also an important priority and further efforts to embed protection of personal data in all processes and IT systems of the bank are guided by the bank’s DPO with support from the Compliance

department. Annual transversal action plans are defined with responsibilities and actions set towards the first line. Its execution is closely monitored and reported to the Executive Committee by the DPO. Projects which may give raise to significant privacy risks are subject to an analysis by the DPO (and eventually a DPIA).

In the context of the emphasis on the sustainable character of BN and its product offering, compliance with SFDR is prominent in the activities of the Asset Management department. Requirements of SFDR have been implemented, and further elaboration of the sustainability framework continues under the guidance of the Sustainability Committee (SC) within the Asset Management department. The SC is responsible for determining the Responsible Investment and Sustainability Risk Policy, including exclusions, proxy voting, stewardship & engagement. The SC defines the sustainable investment methodology and is responsible for monitoring, controlling and reporting that investment solutions (funds/portfolios) are aligned with the committee decisions, as defined in the Sustainability Risk Policy. At the end of 2022, 79% of the in-house funds were classified as funds with sustainability features (SFDR art 8).

5.3. Second line and Third line control activities

Next to the follow-up of operational incidents and risks through the incident database, Risk Management as a 2nd line department also organizes bank wide risk and control self-assessments. The self-assessments relate to 18 key processes divided in 70 control objectives (CO) which aim to cover all risks to be controlled and all regulation to comply with. Each CO is assigned to the manager responsible for the concerned controls and for the self-assessment of the adequacy and execution of these controls and the definition of remedial measures in case of gaps in the control framework. The quality of the self-assessments is challenged by the control functions, the implementation of remediation is monitored by Risk Management. The Report of the senior management on the assessment of the internal control (VIC, Verslag Interne Controle) is drafted on the basis of these self-assessments.

In 2022, Risk Management has also launched a project to take the 2nd line monitoring of the investment risks in the portfolios managed by Asset Management to a higher level. First, the focus was on the asset management of the in-house funds, for which a risk appetite framework and limit system has been developed and approved by the Board of Directors of the funds, and the monitoring of these limits is implemented via Bloomberg. The results of the follow-up are reported to a new committee between Risk Management and Asset Management. In 2023, this deeper monitoring will be further extended to portfolios under discretionary management.

The Investigations department assures a 2nd line monitoring of compliance with internal and regulatory rules at the points of sales (including private bankers and the customer support center) by means of risk-driven, standardized and documented controls. Results are reported to the POS and commercial management, with close follow-up of remediation in case of bad score. A half-yearly high-level reporting of the main observations by Investigations is presented to the Executive Committee. Investigations also gives particular attention to the risk of fraud in its control program.

The 2nd line management of compliance risks is conducted by the Compliance department. Key aspects include AML, Mifid, market integrity and conflicts of interest, and GDPR. In response to the increasing regulatory and supervisory expectations, the staffing for Compliance, in particular AML, has been increased.

The management of legal risks - e.g. regarding the drafting of contracts - is regulated in a procedure defining the interaction between the Legal department and the other departments. Legal disputes are governed by centralization in the Legal department and collaboration with expert lawyers.

Finally, the management of risks is assessed in 3rd line by Internal Audit, performing audits in all departments of the bank according to a risk-driven audit plan covering all activities, processes and major projects. Audits on IT are outsourced to a specialized service provider. On that basis Internal Audit gives an independent opinion on the bank's risk management and formulates recommendations where necessary, of which they follow up the implementation.

The 2nd and 3rd line risk functions regularly report to the Executive Committee and to the Board of Directors (and more specifically to the Risk Committee and the Audit Committee), enabling these bodies to direct and to monitor the bank's (operational) risk profile and risk management. Recurring reporting to the BoD and its committees includes:

- quarterly reporting of the main operational incidents and risks of the bank by Risk Management to the Risk Committee and annual reporting of the VIC
- annual reporting of the compliance risk and control assessment and compliance plan to the BoD, and half yearly reporting on progress of execution of the compliance plan
- quarterly reporting of the main audit observations and progress of remediation by Internal Audit to the Audit Committee.

6. Market Risk Management

Given that neither ABBH nor BN have trading activities, all market risk management comments in this section are considered as being part of the banking book (non-trading book).

6.1. Market risk management

Market risk can be defined as the risk of losses in on and off-balance sheet positions arising from adverse movements in market prices.

BN has no trading activities. Regulation (EU) No 575/2013 defines the trading portfolio as "all positions in financial instruments and commodities taken by an institution, either with the intention to trade or to hedge positions that are taken with the intention to trade. " When we look at the balance sheet of BN, there are no Financial assets or liabilities held for trading side.

Since BN has no trading book exposures, there are no capital requirements for market risk as a result of trading activities. The main market risk is the interest rate risk in the banking book. The IRS concluded to hedge the IRRBB are accounted as trading assets/liabilities at ABBH holding level because the holding does not apply hedge accounting.

At the holding level, additional market risk arises from the reinvestment of the remaining cash from the sale of Fidea, which is partially invested in foreign currencies and in an equity fund. In 2022 part was also invested in a bond portfolio.

6.2. Exposure to interest rate risk

A governance process has been established by the bank in order to ensure timely identification, measurement, reporting and management of interest rate risk exposures of the bank. The following process has been developed within Bank Nagelmackers:

- Finance is in charge of the production of IRRBB indicators. As per EBA's guidelines on the management of IRRBB, those indicators include:
    - Economic value and net interest income based indicators
    - Regulatory and internal modelling based indicators
    - Sensitivities and stress scenarios.
- The level of interest rate risk is monitored against the regulatory and internal limits which have been set in the Risk Appetite Statement.
- ALM & Treasury is in charge of the operational implementation of the interest rate management strategies. Hedging of the interest rate risk is done primarily by the opening or unwinding of interest rate swaps or via duration management of the bond portfolio. It is noteworthy that ALM & Treasury cannot act on its own; any hedging transaction needs to be approved by the ALCO prior to its execution. ALM & Treasury is also in charge of setting out the IRRBB hedging policy.
- Risk Management is responsible to provide the bank with a complete and accurate insight into interest rate risk in its banking book. It designs the IRRBB indicators produced by MID/Finance and followed up by the ALCO, owns the IRRBB models (mortgage loans prepayments, non-maturing deposits) and sets out the ALM governance and IRRBB monitoring policy.
- ALM Committee: is composed of the Executive Committee members and the heads of ALM & Treasury, Risk Management and Finance, with an input from the Chief Economist on markets and economy. The ALCO is in charge of IRRBB management, which includes closely monitoring it and also deciding upon actions to hedge it. When a hedging actions needs to be executed, the ALCO grants a precise execution mandate to ALM & Treasury
- The final responsibility in IRRBB management lies within the Executive Committee who validates all policies (ALM governance, IRRBB hedging, IRRBB risk monitoring), and decisions of the ALCO.

The Bank uses an externally developed ALM-tool (RiskPro) to quantify interest rate risk. RiskPro allows a precise calculation of the interest rate risk of the Bank and allows us to perform a wide variety of scenario simulations. RiskPro is used within the bank to calculate the evolution of the NPV and expected earnings of the Bank, under diverse portfolio- and interest rate scenarios and the results are evaluated. Calculations include a dynamic CPR-model, a tariff function forecasting client rates on saving accounts in function of the market rates, and a NMD-model for internal calibration of the duration of saving and sight accounts.

The level of interest rate risk is monitored against the regulatory and internal limits which have been set in the Risk Appetite Statement.

By means of the regulatory Standardized Outlier Test (SOT) banks need to assess the impact of a number of interest rate change scenario's (both parallel shifts and non-parallel interest change scenario's) on the value of its assets and liabilities. The interest rate scenarios used are the different scenarios prescribed by EBA.
The results of the regulatory reporting with regard to the sensitivity of NPV, are provided below (31/12/2022 data):

	in EUR '000 000			in % of Tier I		
NBB report/settings	**repricing**	**Cap**	**Δ EVE**	**repricing Tier 1**	**Cap Tier 1**	**Δ EVE Tier 1**
EBA Parallel +200BP	- 13	- 51	- 63	-3,1%	-12,5%	-15,6%
EBA Parallel -200BP	- 7	44	38	-1,6%	10,9%	9,2%
EBA Shorts Rates Up +250BP	37	5	42	9,1%	1,3%	10,3%
EBA Shorts Rates Down -250BP	- 40	- 6	- 46	-9,8%	-1,6%	-11,4%
EBA Steepening -250BP/+100BP	- 46	- 30	- 76	-11,4%	-7,3%	-18,7%
EBA Flattening +250BP/-100BP	44	20	64	10,8%	4,9%	15,8%

BN has also developed its own internal model to test the potential impact interest rate movements can have. These internal stress tests are reported in the ALM Report on a monthly basis and are calculated with the application of product-specific discounting and the internal NMD-model. BN monitors and steers its interest rate risk primarily on the basis of this internal view.

The results of the internal reporting with regard to the sensitivity of NPV, are provided below (31/12/2022 data):

	in EUR '000 000			in % of Tier I		
Internal report/settings	repricing	Cap	Δ EVE	repricing Tier 1	Cap Tier 1	Δ EVE Tier 1
EBA Parallel +200BP	- 19	- 22	- 41	-4,6%	-5,4%	-10,0%
EBA Parallel -200BP	9	12	21	2,1%	3,0%	5,1%
EBA Shorts Rates Up +250BP	0	14	15	0,1%	3,5%	3,6%
EBA Shorts Rates Down -250BP	- 1	- 16	- 17	-0,3%	-3,9%	-4,2%
EBA Steepening -250BP/+100BP	- 10	- 25	- 35	-2,5%	-6,2%	-8,7%
EBA Flattening +250BP/-100BP	8	21	28	1,8%	5,1%	6,9%

BN monitors also the swap spread risk it is exposed to. The sensitivity of the bond portfolio in an internal stress test calibrated on the most severe historical spread movements is presented in the monthly ALM report. Changes in the OLO spread have opposite impacts on the OLOs in the bond portfolio and the NPV of the variable mortgages in the loan portfolio, which reprice with the OLO. The accounting impact of the value changes of the bond portfolio is also monitored.

6.3. Exposure to other market risks

Except for interest rate risk and swap spread risk, the group also is exposed to potential losses stemming from an unfavorable evolution of FX and stock markets. At Bank Nagelmackers, there is a limited risk appetite for FX and equity risk and there are no material positions in the forex nor equity markets. ABBH's risk policy sets an appetite for FX risk and equity risk at holding level for the reinvestment of the remaining cash from the sale of Fidea, in line with the shareholders preferences.

6.3.1. FX risk

Forex transactions at Bank Nagelmackers are only concluded in order to hedge client positions. Intraday- and overnight limits for the total risk positions in foreign currency are very limited. The net exposure at 31/12/2021 was 0,9 mn euro as currency positions are largely offset.
At ABBH, there was currency risk resulting from interbank term deposits in foreign currencies (mainly USD and to a lesser extent CAD and HKD). These come from the excess liquidity held at the holding after the sale of Fidea.

		ALL POSITIONS		NET POSITIONS		POSITIONS SUBJECT TO CAPITAL CHARGE (Including redistribution of unmatched positions in non-reporting currencies subject to special treatment for matched positions)			OWN FUNDS REQUIREMENTS	TOTAL RISK EXPOSURE AMOUNT
		LONG	SHORT	LONG	SHORT	LONG	SHORT	MATCHED		
		0020	0030	0040	0050	0060	0070	0080	0090	0100
0010	TOTAL POSITIONS IN NON-REPORTING CURRENCIES	253.581	133.633	122.252	2.304	122.246	-	-	9.780	122.246
0020	Currencies closely correlated	606	599	6	-	-	-	-	-	-
0025	of which: reporting currency	-	-	-	-	-	-	-	-	-
	All other currencies (including CIUs treated as different)									
0190	of which CAD	5.524	-	5.524	-					
0380	of which USD	219.829	126.241	93.588	-					
0410	of which HKD	21.143	-	21.143	-					

6.3.2. Equity risk

Forex transactions at Bank Nagelmackers are only concluded in order to hedge client positions. Intraday- and overnight limits for the total risk positions in foreign currency are very limited. The net exposure at 31/12/2022 was 0,3 Mn euro as currency positions are largely offset.

At ABBH, there was currency risk resulting from interbank term deposits in foreign currencies (mainly USD and to a lesser extent CAD and HKD).

		ALL POSITIONS		NET POSITIONS		POSITIONS SUBJECT TO CAPITAL CHARGE (Including redistribution of unmatched positions in non-reporting currencies subject to special treatment for matched positions)			OWN FUNDS REQUIREMENTS	TOTAL RISK EXPOSURE AMOUNT
		LONG	SHORT	LONG	SHORT	LONG	SHORT	MATCHED		
		0020	0030	0040	0050	0060	0070	0080	0090	0100
0010	TOTAL POSITIONS IN NON-REPORTING CURRENCIES	175.734	63.402	114.292	1.960	114.282	-	-	9.143	114.282
0020	Currencies closely correlated	579	568	11	-	-	-	-	-	-
0025	of which: reporting currency	-	-	-	-	-	-	-	-	-
	All other currencies (including CIUs treated as									
0190	of which CAD	347	-	347	-					
0380	of which USD	156.072	57.389	98.682	-					
0410	of which HKD	13.475	-	13.475	-					

6.3.2 Equity risk

Bank Nagelmackers has a tiny participation in other companies (5 in total). On 31/12/2022, total value of the equity participations is around 0,2 Mn euro.

Limited investments in mutual funds only happened to support the introduction by the bank of a new mutual fund. On 31/12/2022, the total position in mutual funds amounted to 0,03 Mn euro. The bank invested in 18 own Nagelmackers funds, and mainly for voting rights.

ABBH invested seeding money in an equity fund launched by BN in 2021. This investment has a value of 13,5 mn euro at 31/12/22.

7. Liquidity Risk Management

7.1. Liquidity risk management

7.1.1. Liquidity risk profile

The Bank is almost entirely funded by client deposits. To address the risk of significant outflows of client deposits, the Bank invests part of its funding in a liquidity buffer consisting of highly liquid securities (investment portfolio) and cash in order to be able to quickly generate liquidity if necessary. The investment portfolio mainly consists of EU sovereign bonds, as well as smaller amounts of covered bonds, investment grade corporate bonds, and own RMBS securitizations (none outstanding end of 2022). These securities allow for quick liquidity creation by secured lending or outright sales.

The liquidity of the Bank is exposed to market movements (of interest rates and spreads) which can decrease the value of the liquidity buffer and generate (cash) collateral outflows (both impacts can offset each other partially).

In order to strengthen its liquidity position, the Bank collateralizes part of its loan portfolio via an SPV (B-Arena) that issues RMBS that are kept on-balance as collateral for possible ECB financing. A new securitization being prepared in 2022 was closed in January 2023. Covered lending through securitization is the principal additional funding option next to client deposits.

A 3-year funding plan is drafted with a forecast of client and non-client assets and liabilities to ensure future sufficient funding and liquidity of the Bank.

7.1.2. Liquidity risk governance

The risk management processes for liquidity and funding are designed under the final responsibility of the Board of Directors, who defines and monitors the risk strategy and appetite, which are implemented by the Executive Committee.

First line management responsibility for liquidity and funding risk is attributed to the ALM & Treasury department that is in charge of (intra)daily treasury management, management of the liquidity buffer and the non-client funding. ALM & Treasury department also performs forward-looking monitoring of expected liquidity evolutions for timely identification of possible funding needs and initiation of control measures such as securitization.

Second line monitoring responsibility is attributed to the Risk Management department that is in charge of monitoring and stress testing of the liquidity and funding risks and their management, including compliance to regulatory and internal limits.

Monitoring and management of liquidity risks are discussed at the bi-weekly Treasury Committee and the monthly and ad hoc ALM Committee that makes policy advice to the Executive Committee.

7.2. LCR and NSFR

The LCR is monitored and discussed in each monthly ALM committee. In this ratio, the Bank's High-Quality Liquid Assets are compared with a stressed net outflow (1-month horizon). The outflow percentages per client group are given by the regulator. The minimum regulatory requirement is to have an LCR ratio of above 100%. As shown by the table below, the LCR ratio was comfortably above the minimum regulatory requirement per year-end, and this was also the case on a continuous basis during the year.

Expected LCR evolution under the business and funding plan is assessed and stress tested to ensure ongoing compliance with the regulatory and internal limits. The bank has developed its own comprehensive liquidity stress tests within its ILAAP, and wants to keep its LCR above the regulatory minimum even after such hypothetical stress events.

LCR Ratio

Amounts in euro '000	Total weighted value	
	31 December 2022	31 December 2021
Liquidity buffer	897.804	967.850
Total net cash outflows	282.628	222.896
Liquidity coverage ratio (%)	**318%**	**434%**

In the NSFR, the Bank's stable funding is compared with the medium-to-long term assets (1-year horizon). This ratio is reported and monitored in the ALM Committee. At year-end 2021, the NSFR was 157% and comfortable above the minimum requirement of 100% expected by the regulator.

Net Stable Funding Ratio

Amounts in euro '000	31 December 2022	31 December 2021
Totaal available stable funding	4.088.495	4.347.762
Totaal required stable funding	2.602.568	2.807.634
Net Stable Funding Ratio	**157%**	**155%**

7.3. Asset encumbrance

The Bank only encumbers assets when required for margining of derivatives, drawing upon credit lines and secured funding transactions. The Bank has a liquidity line at the NBB based on the collateral that is posted at the NBB, but the collateral is only "encumbered" to the extent the credit line is really used.

BN also renders part of its mortgages liquid via the creation of RMBS (via B-Arena) that are fully retained on the balance sheet.

Possible encumbrance must always respect the limits for the broad and narrow Asset Encumbrance Ratio. End of 2022, the bank's broad and narrow AER amounted to respectively 145% and 133%, well above the applicable regulatory early warning thresholds of 135% and 100%.

Template A – Encumbered and unencumbered assets

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of non-encumbered assets		Fair value of non-encumbered 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	035	040	055	060	085	090	105
010	**Assets of the reporting institution**	**26.697**	**24.759**	**0**	**0**	**4.811.131**	**291.514**	**0**	
020	Loans on demand	1.939	0	0	0	692.916	0	0	
030	Equity instruments	0	0	0	0	14.202	0	14.202	0
040	Debt securities	24.759	24.759	24.759	24.759	372.433	291.514	369.767	288.888
050	of which: covered bonds	0	0	0	0	21.734	21.734	21.734	21.734
060	of which: asset-backed securities	0	0	0	0	0	0	0	0
070	of which: issued by general governments	24.759	24.759	24.759	24.759	304.520	269.780	268.137	267.154
080	of which: issued by financial corporations	0	0	0	0	21.763	21.734	35.889	21.734
090	of which: issued by non-financial corporations	0	0	0	0	46.149	0	65.741	0
100	Loans and advances other than loans on demand	0	0	0	0	3.592.968	0	0	
110	of which: mortgage loans	0	0	0	0	2.927.480	0	0	
120	Other assets	0	0	0	0	138.612	0	0	

Template B – Collateral received

		Fair value of encumbered collateral received or own debt securities issued		Unencumbered Fair value of collateral received or own debt securities issued available for encumbrance	
			of which notionally elligible EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	060
130	**Collateral received by the reporting**	60.549	0	0	0
140	Loans on demand	60.549	0	0	0
150	Equity instruments	0	0	0	0
160	Debt securities	0	0	0	0
170	of which: covered bonds	0	0	0	0
180	of which: asset-backed securities	0	0	0	0
190	of which: issued by general governments	0	0	0	0
200	of which: issued by financial corporations	0	0	0	0
210	of which: issued by non-financial corporations	0	0	0	0
220	Loans and advances other than loans on demand	0	0	0	0
230	Other collateral received	0	0	0	0
240	**Own debt securities issued other than own covered bonds or asset-backed securities**	0	0	0	0
250	**TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT**	**87.247**	**24.759**	0	0

Template C – Sources of encumbrance

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		010	030
010	**Carrying amount of selected financial liabilities**	**0,00**	**78.358**
020	Derivatives	0,00	78.358
030	of which: Over-The-Counter	0,00	78.358
040	Deposits	**0,00**	**0**
050	Repurchase agreements	0,00	0
070	Collateralised deposits other than repurchase agreements	0,00	0
090	Debt securities issued	0,00	0
120	**Other sources of encumbrance**	**0,00**	**8.889**
130	Nominal of loan commitments received	0,00	1.939
140	Nominal of financial guarantees received	0,00	0
150	Fair value of securities borrowed with non cash-collateral	0,00	6.950
160	Other	0,00	0
170	**TOTAL SOURCES OF ENCUMBRANCE**	**0,00**	**87.247**

7.4. Internal Liquidity Adequacy Assessment Process

Within the ILAAP, the Bank assesses the liquidity and funding risks that it is exposed to and the measures to monitor and manage those risks. The ILAAP describes and assesses the liquidity risk governance framework, the liquidity risk profile and metrics, liquidity buffer management, intraday liquidity management, the funding plan, stress testing, and the contingency funding plan. The ILAAP is a process where all stakeholders are involved and which allows taking appropriate actions when needed.

The ILAAP concludes that the liquidity and funding position of the Bank remains sound with an ample liquidity buffer and a deposit portfolio that evolves in line with the strategic focus on off-balance services. The liquidity risk management framework is embedded in the Bank's governance and business and is adequate taking into account the risk profile.

8. Leverage

CRR/CRD requires credit institutions to calculate, report and monitor their leverage ratios. The leverage ratio is a supplementary, non-risk based measure to contain the build-up of leverage. It is calculated as a percentage of Tier-1 capital relative to the total on and off-balance sheet exposure (not risk-weighted). The legal minimum leverage ratio is 3%, the actual leverage ratio of ABBH consolidated at 2022 year-end was 11,5%, indicating a low level of leverage.

Table LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

		Applicable Amounts
1	Total assets as per published financial statements	4.837.828
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory consolidation	0
3	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio exposure measure in accordance with Article 429(13) of Regulation (EU) No 575/2013 "CRR")	-4.625
4	Adjustments for derivative financial instruments	41.212
5	Adjustments for securities financing transactions "SFTs"	0
6	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	79.015
EU-6a	(Adjustment for intragroup exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (7) of Regulation (EU) No 575/2013)	0
EU-6b	(Adjustment for exposures excluded from the leverage ratio exposure measure in accordance with Article 429 (14) of Regulation (EU) No 575/2013)	0
7	Other adjustments	1.788
8	**Total leverage ratio exposure**	4.955.218

Table LRCom: Leverage ratio common disclosure		
		CRR leverage ratio exposures
	On-balance sheet exposures (excluding derivatives and SFTs)	
1	On-balance sheet items (excluding derivatives, SFTs and fiduciary assets, but including collateral)	4.837.732
2	(Asset amounts deducted in determining Tier 1 capital)	-4.625
3	**Total on-balance sheet exposures (excluding derivatives, SFTs and fiduciary assets) (sum of lines 1 and 2)**	4.833.108
	Derivative exposures	
4	Replacement cost associated with *all* derivatives transactions (ie net of eligible cash variation margin)	87.406
5	Add-on amounts for PFE associated with *all* derivatives transactions (mark-to-market method)	16.239
EU-5a	Exposure determined under Original Exposure Method	
6	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	
7	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	
8	(Exempted CCP leg of client-cleared trade exposures)	
9	Adjusted effective notional amount of written credit derivatives	
10	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	
11	**Total derivative exposures (sum of lines 4 to 10)**	103.645
	Securities financing transaction exposures	
12	Gross SFT assets (with no recognition of netting), after adjusting for sales accounting transactions	
13	(Netted amounts of cash payables and cash receivables of gross SFT assets)	
14	Counterparty credit risk exposure for SFT assets	
EU-14a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Article 429b (4) and 222 of Regulation (EU) No 575/2013	
15	Agent transaction exposures	
EU-15a	(Exempted CCP leg of client-cleared SFT exposure)	
16	**Total securities financing transaction exposures (sum of lines 12 to 15a)**	0
	Other off-balance sheet exposures	
17	Off-balance sheet exposures at gross notional amount	166.817
18	(Adjustments for conversion to credit equivalent amounts)	-87.802
19	**Other off-balance sheet exposures (sum of lines 17 to 18)**	79.015
	Exempted exposures in accordance with CRR Article 429 (7) and (14) (on and off balance sheet)	
EU-19a	(Exemption of intragroup exposures (solo basis) in accordance with Article 429(7) of Regulation (EU) No 575/2013 (on and off balance sheet))	
EU-19b	(Exposures exempted in accordance with Article 429 (14) of Regulation (EU) No 575/2013 (on and off balance sheet))	
	Capital and total exposures	
20	**Tier 1 capital**	571.659
21	**Total leverage ratio exposures (sum of lines 3, 11, 16, 19, EU-19a and EU-19b)**	4.955.218
	Leverage ratio	
22	**Leverage ratio**	11,54%
	Choice on transitional arrangements and amount of derecognised fiduciary items	
EU-23	Choice on transitional arrangements for the definition of the capital measure	
EU-24	Amount of derecognised fiduciary items in accordance with Article 429(11) of Regulation (EU) NO 575/2013	

Table LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)		
		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	4.772.559
EU-2	Trading book exposures	0
EU-3	Banking book exposures, of which:	4.772.559
EU-4	Covered bonds	18.747
EU-5	Exposures treated as sovereigns	936.454
EU-6	Exposures to regional governments, MDB, international organisations and PSE NOT treated as sovereigns	0
EU-7	Institutions	378.402
EU-8	Secured by mortgages of immovable properties	2.421.384
EU-9	Retail exposures	606.591
EU-10	Corporate	274.063
EU-11	Exposures in default	33.891
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	103.028

9. Remuneration Policy

9.0. Introduction

Both ABBH and BN further referred to as “Institution”, have a well-managed, compliant and sustainable remuneration policy. This section gives disclosures on the remuneration rules and guidelines and is applicable to both Institutions.

9.1. Regulatory Framework

The Remuneration Policy has been established in compliance with the applicable rules and regulations covering remuneration at credit institutions. For clarification, the current regulatory framework includes:

1) the directive 2013/36/UE of the European Parliament dated June 26, 2013, as amended from time to time and for the last time by the Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending Directive 2013/36/EU (“CRD V”) (hereinafter the “CRD”);
2) the European Commission Delegated Regulation 2021/923 dated March 25, 2021 supplementing the CRD with regard to regulatory technical standards setting out the criteria to define managerial responsibility, control functions, material business units and a significant impact of a material business unit’s risk profile, and setting out criteria for identifying staff members or categories of staff whose professional activities have an impact on the institution’s risk profile that is comparably as material as that of staff members or categories of staff referred to in article 92 (3) of the CRD;
3) the European Banking Authority Guidelines on sound remuneration policies under the CRD, as amended from time to time, and for the last time on July 2, 2021;
4) the law on the legal status and supervision of credit institutions and stockbroking firms dated April 25, 2014 (M.B. May 7, 2014), as amended from time to time and notably by the law implementing CRD V dated July 11, 2021 (M.B. July 23, 2021);
5) the NBB Circular NBB_2021_30 of 7 December 2021 on sound remuneration policies.

9.2. High-level principles

In compliance with the rules and regulations referred above, the Bank rewards performance while:

- safeguarding a healthy and efficient risk management;
- taking into consideration sustainability aspects, including the implementation of relevant ESG risk factors according to the sustainability risk policy;
- preventing risks being taking exceeding the Bank’s tolerance levels including environmental, social and governance (ESG) risk-related objectives;
- matching the Bank’s strategy, goals, values and long-term interest; and
- preventing conflict of interest.

Furthermore, the Remuneration policy is gender neutral. It respects the principle of equal pay for male and female workers for equal work or work of equal value.

9.3. Governance

9.3.1. The Board
The Board of Directors of the Institution (the Board) has adopted this Remuneration Policy and is responsible for (i) maintaining it, as well as (ii) overseeing its implementation.

In particular, the Board shall determine and oversee the remuneration of the Executive Committee members.

9.3.2. The Remuneration Committee
The Remuneration Committee's responsibilities are listed in the Banking Act of 25 April 2014 and in the Corporate Governance Memorandum of the Bank.

In addition to the support, advice, and preparation of the Board's decisions in connection with this Remuneration Policy, the Remuneration Committee will directly oversee the remuneration of identified staff, and recommend to the Board accordingly, as required by the Banking Act of 25 April 2014 and by the Corporate Governance Memorandum.

The Remuneration Committee should, where appropriate, collaborate with other committees of the Board, in particular the Risk Committee in relation to the matching the remuneration policies and practices of the Institution with the Institution's risk, capital, liquidity as well as the likelihood and timing of earnings, as required by the Banking Act of 25 April 2014 and by the Corporate Governance Memorandum.

The following functions will be involved as well, contributing their respective expertise or providing additional safeguards as to the compliance with this Remuneration Policy and with the relevant regulation:
- the HR function;
- the Risk function;
- the Compliance function;
- the Internal Audit function.

The Committee meets as often as it determines, but no less frequently than yearly.

9.3.3. The Risk Committee
The Risk Committee examines whether the incentives in terms of variable remuneration are coherent with the sound management of risks, of the own funds requirements and of liquidity, taking into account the profitability prospects.

9.3.4. Identified staff
It is the responsibility of the Institution to identify members of staff of which the professional activities have or may have a material impact on the risk profile of the Institution. The Institution will annually conduct a self-assessment in this regard.

Such self-assessment will be documented at least once per year, setting out:
- the rationale of the self-assessment and the scope;
- the approach used to assess risks emerging from the Institution's business strategy and activities;
- the role and responsibilities of the different corporate bodies and internal functions involved in the self-assessment; and
- the identification outcome.

The self-assessment shall be performed at the initiative of the HR function, aided and advised by the Risk and Compliance functions. The self-assessment will be submitted to and approved by the Executive Committee and discussed within the Risk committee and Remuneration Committee. Final approval is given by the Board of Directors.

In the identification process, the criteria as set out in in the European Commission Delegated Regulation 2021/923 dated 25 March 2021 will apply.

At present, the Institution's Identified Staff are (i) the members of the board of directors (both executive and non-executive), (ii) staff of which the professional activities have a significant effect on the risk profile of the Institution, including senior management and persons exercising risk-taking functions or independent control functions, and (iii) staff whose remuneration exceed the quantitative thresholds set out in the European Commission Delegated Regulation 2021/923.

9.4. Classification of remuneration

In general, all remuneration components are classified as either (i) fixed remuneration or (ii) variable remuneration.

9.4.1. Fixed Remuneration

Fixed Remuneration is remuneration where the conditions for its award and its amount (i) are based on predetermined criteria, (ii) are non-discretionary reflecting the level of professional experience and seniority of staff, (iii) are transparent with respect to the individual amount awarded to the individual staff member, (iv) are permanent, i.e. maintained over a period tied to the specific role and organizational responsibilities, (v) are non-revocable, the permanent amount is changed only via collective bargaining or following renegotiation in line with national criteria on wage setting, (vi) cannot be reduced, suspended or cancelled by the Institution, (vii) do not provide incentives for risk assumption, and (viii) do not depend on performance. The fixed remuneration may therefore include extra-legal benefits such as a company car, seniority payment, pension schemes, luncheon vouchers, etc.

Fixed remuneration reflects the relevant experience and organizational responsibilities in accordance with the function profile. The fixed remuneration in itself allows the Institution to guarantee a fully flexible variable remuneration policy, allowing the possibility not to pay variable remuneration.

9.4.2. Variable Remuneration

Variable remuneration are all components for which it is not possible to allocate them to Fixed Remuneration on the basis of the above.

As an overriding principle, the award, payout, and vesting of variable remuneration, including the application of malus and claw-back arrangements, should not be detrimental to maintaining a sound capital basis and may not limit the Institution's ability to strengthen its own capital funds.

In this regard, the Institution shall, (a) when determining the overall pool of variable remuneration for a certain year, as well as (b) the amount of variable remuneration that will be paid out or vest in a certain year, (i) consider the impact on capital basis by taking into account the Institution's overall own funds, in particular CET1 capital, combined capital buffer requirement and restrictions on distributions and (ii) include the impact of variable remuneration in capital and liquidity planning as well as ICAAP.

9.5. Ratio fixed/variable remuneration

There is a balanced distribution between the Fixed and Variable component of the total remuneration, with the share of the Fixed Remuneration to be of sufficient importance to guarantee a fully flexible Variable Remuneration policy, including the possibility not to pay variable remuneration.

The variable remuneration for every individual is in any case limited per the calendar year to the higher of these to amounts:

- 50% of the fixed remuneration or
- 50.000 EUR provided that this amount doesn't exceed the annual Fixed Remuneration.

9.6. Performance criteria

Variable 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. The evaluation takes into account all sorts of existing and future risks of the Bank. When assessing individual performance, financial and non-financial criteria are taken into account

Variable Remuneration is dependent on performance criteria reflecting a viable and risk-adjusted return, as well as performance over and above the performance described in the function profile.

Performance criteria should be

- set as to not incentivize excessive risk-taking or mis-selling of products;
- risk-sensitive and risk-adjusted;
- closely linked to the decisions to be made by the Identified Staff member and have an appropriate impact on the Identified Staff member's behavior

9.7. Pay-out

9.7.1. Deferral

To the extent the Variable Remuneration exceeds an amount of EUR 50.000 in one calendar year, the payment of a part amounting to at least 50% of the Variable Remuneration shall be deferred over a period of four years, the deferral period is set in function of the Institution's business cycle, its nature, its risks and the activities of the person concerned.

The Remuneration Committee shall confirm that no malus or clawback should be applied on the deferred amounts and validate yearly the pay-out of these amounts.

The first deferred portion shall not vest sooner than 12 months after the start of the deferral period, and not more frequently than on a yearly basis in the event of pro rata vesting.

9.7.2. Risk adjustment: malus & claw-back

During the deferral period and without prejudice to the general principles of national contract or labour law, the Institution reserves the right to reduce variable remuneration (i) not yet obtained, or (ii) granted but deferred ("Malus") and the right to reclaim up to 100% of the net amount of the already paid portion of the variable remuneration (claw back) over a period of four years, within the meaning of article 8, §2 of Annex II of the Banking Law in cases of fraud or other conduct with intent or severe negligence of the identified staff member consists in or results in :

- A participation in or responsibility for practices which have resulted in significant losses of the Institution;
- A non-compliance with applicable standards in terms of expertise ('fitness') and professional integrity;
- A participation in a special mechanism having as aim or resulting in tax fraud by third parties;
- A misconduct or serious error by the staff member;
- An significant and unexpected downturn in the financial performance of the Institution and/or the business unit in which the Identified Staff member works, leading to a negative or extremely poor performance of the Institution and/or the business unit;
- A significant failure of risk management in the Institution and/or the business unit in which the Identified Staff member works (i.e. a risk that a proper management should have detected and prevented)
- A significant increases in the Institution's or the relevant business unit's economic or regulatory capital base;
- A regulatory sanctions where the conduct of the Identified Staff member contributed to the sanction.

9.8. Personal hedging

Identified staff members are prohibited from entering into transactions that enable the transfer of downside risks of Variable Remuneration to another party through hedging or certain types of insurance.

9.9. Quantitative information

The total remuneration paid in 2022 to the members of the Board of Directors of bank Nagelmackers and ABBH (5 non-executive and 4 executive members in 2022) amounted to 2.032 k€, of which 349 k€ in the form of variable remuneration.

The 8 persons defined as identified staff in 2022 and who are not members of the Board of Directors of Bank Nagelmackers and ABBH, were paid a total remuneration of 1.074 k€ in 2022, of which the variable remuneration for some of them amounted to 69 k€.