EFG Bank (Luxembourg) S.A.

Pillar 3 Disclosures

For the year ended 31 December 2022

Contents

1. Introduction

1.1 Background and general information

EFG Bank (Luxembourg) S.A. ("the Bank" or "EFGLUX") is regulated by "Commission de Surveillance du Secteur Financier" (the "CSSF") and according to the relevant legislation is required to comply with Pillar III disclosures as per the EU CRR (EU Regulation No 575/2013 on prudential requirements for credit institutions - Article 433c(2)).

This report discloses the Pillar III disclosures of EFGLUX as per EU CRR as at 31 December 2022.

This document has been approved for issue by the Board of Directors on 27 June 2023.

1.2 Scope

EFGLUX was incorporated in Luxembourg on 10 January 2006 as a "Société Anonyme".

The Bank is engaged in the business of providing private banking services and offers following services to Undertakings for Collective Investments ("UCI"): custody, transfer agent and register, paying and listing agent.

The Bank is included in the consolidated accounts of EFG International AG ("EFGI" or "EFG Group"), whose registered office is in Zurich where the consolidated financial statements are available. These consolidated financial statements represent the largest group of companies, which the Bank belongs to as a subsidiary.

As at year-end 2022, the Bank has branches in Greece, Cyprus and Portugal. In the course of 2022, the Branch in Milan has been closed. The Bank's financial statements include the operations of the branches.

EFGLUX is regulated on a "consolidated basis" including the branches, hence no "single entity" reporting is produced.

1.3 Internal control system

The EFGI's and EFGLUX's internal control system (ICS) is an integrated Bank-wide system covering all functions and all hierarchical levels. In addition to the Bank's front-line activities, the internal control system also applies to business-support and monitoring functions. The EFG Group and the Bank works continually to foster a culture of oversight among its staff so that each employee understands his or her role in the ICS.

The EFG Group and the Bank carries out a periodic review of key risks and controls, with a particular focus on operational risks. The Bank keeps detailed records of these risks and controls and identifies the main areas of potential improvement.

1.4 Accounting principles

The Bank prepares its statutory financial statements under IFRS accounting principles as adopted in European Union. All figures within this report are prepared under this basis.

All amounts in the tables of the Pillar 3 report are denominated in millions of euros, unless stated otherwise. All amounts have been rounded to the closest first decimal.

1.5 Risk statement

The Authorised Management approves the following risk statement, describing how risk management strategy transcribes in the Bank's conduct of its activities.

EFGLUX is exposed to risks arising essentially from its core activity of private banking and asset management. The vast majority of the risk-weighted exposure amount is linked to credit activity (85% of the total risk-weighted exposure amount), and, to a lesser extent, to operational risk.

The key prudential ratios are significantly above regulatory requirements as of 2022 year end, with a Total Capital Ratio of 25.6% (against total capital requirements of 12.2%), a LCR at 170.0% and a NSFR reaching 250.2% (both liquidity ratios are significantly higher than the 100% regulatory requirements). The only ratio that was relatively close to the statutory minimum threshold during the year was the Leverage ratio which variated between 31.12.2022 and 31.3.2023 between 3,4% and 3.1% (SREP leverage ratio requirements of 3%). Following the June 2022 EUR 30 million share capital increase and the inclusion of the 2022 profit in the prudential capital after completion of the audit for Q1 2023 reporting, the ratio significantly improved to 3.9% as at 31.12.2022 and 4.5% as at 31.3.2023.

These ratios, complemented by the risk-related information received through the Bank's different reporting, lead the Authorised Management to consider that the risk profile of the Bank is fully in line with its strategy and risk appetite as set in the Bank's Risk Appetite Statement.

1.6 Basic regulatory key figures (KM1)

The following table summarizes the key prudential ratios as of 31 December 2022 and 2021.

EU KM1

EUR millions		(a) 31 December 2022	(e) 31 December 2021
	Available capital		
1	Common Equity Tier 1 (CET1)	141.8	114.3
2	Tier 1 capital (T1)	141.8	114.3
3	Total Capital	141.8	114.3
	Risk weighted assets (RWA)		
4	Total risk weighted exposure amount	554.4	431.8
	Risk based capital ratios (as a percentage of risk-weighted exposure amount)		
5	Common Equity Tier 1 ratio (%)	25.6%	26.5%
6	Tier 1 ratio	25.6%	26.5%
7	Total capital ratio	25.6%	26.5%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)		
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.5%	2.0%
EU 7b	of which: to be made up of CET1 capital (percentage points)	0.8%	2.0%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	1.1%	2.0%
EU 7d	Total SREP own funds requirements (%)	9.5%	10.0%
	Combined buffer requirements (as a percentage of risk-weighted exposure amount)		
8	Capital conservation buffer requirement	2.5%	2.5%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0%	0%
9	Institution specific countercyclical capital buffer (%)	0.2%	0.2%
EU 9a	Systemic risk buffer (%)	0%	0%
10	Global Systemically Important Institution buffer (%)	0%	0%
EU 10a	Other Systemically Important Institution buffer (%)	0%	0%
11	Total of bank CET1 specific buffer requirements (%)	2.7%	2.7%
EU 11a	Overall capital requirements (%)	12.2%	12.7%
12	CET1 available after meeting bank's minimum capital requirements (%)	16.7%	16.5%
	Leverage ratio		
13	Total exposure measure	3,630.0	3,399.1
14	Leverage ratio (%)	3.9%	3.4%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)		
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0%	0%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0%	0%
EU 14c	Total SREP leverage ratio requirements (%)	3%	3%
	Liquidity coverage ratio (LCR) – yearly average		
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	2,406.8	1,952.7
EU 16a	Cash outflows - Total weighted value	1,854.7	1,725.1
EU 16b	Cash inflows - Total weighted value	313.3	323.0
16	Total net cash outflows (adjusted value)	1,541.4	1,402.1
17	LCR (%) – yearly average	158%	139%
	Net stable funding ratio (NSFR)		
18	Total available stable funding	1,486.2	1,217.0
19	Total required stable funding	594.0	509.3
20	Net stable funding ratio (NSFR) (%)	250%	239%

1.7 Risk management adequacy

With the present statement the Authorised Management of EFGLUX acting under the responsibilities and competencies as described in the Risk Management Framework and stipulated by the relevant regulations (Article 435(1)(e) of Regulation No. 575/2013 (CRR)) declares that the risk management arrangements of our institution are deemed appropriate with regards to the institution's own profile and strategy.

The risk management systems and controls put in place, support adequately the above arrangements.

Under the Bank's Risk framework, the Authorised Management informs annually the Board of Directors and the Regulatory authorities on the institution's risk profile, major developments or events of the year, the adequacy of internal own funds to cover its risk exposure and the adequacy of its available liquidity reserves.

The Bank's Risk Policies are reviewed and updated annually, subsequently and in accordance with the Group respective policies and Risk Management Framework and Appetite. They are subject to annual approval by the Audit & Risk Committee and the Board of Directors.

However, it may also sometimes be necessary to trigger an off-cycle adjustment process during the year, for example after significant changes to the business, such as an acquisition or the launch of a new product/service.

The provision to allow for off-cycle reviews helps avoiding the circumstance where the Bank operates for an extended period with an out-of-date Policy.

1.8 Management attestation

EFGLUX prepared the present Pillar 3 disclosure in accordance with the Capital Requirements Regulation (EU) 575/2013 (Part Eight) and the subsequent legislation. To that end, the Bank has set up formal policies and internal processes, systems and controls, to comply with these disclosure requirements. This report is subject to the same level of internal verification as that applicable to the Bank's financial report.

2. Risk management

EFGLUX offers private banking and asset management services and financial and secured investment finance products with a focus on high-net-worth individuals. In pursuing its business objectives, it is exposed to risks, which may have an impact on its financial, business, social or other objectives.

EFGLUX acknowledges that a strong risk management framework is fundamental in the sustainable management of its business. EFGLUX is committed to actively managing and mitigating risks specific to its private banking and institutional clients, being particularly alert to compliance and operational risks, including financial crime risks, fraud risks and conduct risks.

EFGLUX applies and adheres to the EFG International Group Risk Management framework and risk appetite framework, therefore embedding them in its business objectives.

EFGLUX is committed to maintaining a strong risk management framework in its day to day business activities and decision-making processes across the organisation.

2.1 Risk governance

The EFGLUX risk management framework sets out the overall governance of risks, the responsibilities of involved stakeholders as well as the terms of reference for of its Risk and Compliance functions.

The EFGLUX risk management framework is underpinned by the EFGLUX risk appetite framework, which focuses on the approach to risk capacity, risk appetite, risk limits and indicators, documenting the level of risk that EFGLUX is prepared to accept.

Risk management framework

The risk management framework comprises people, policies and processes, systems and controls designed to ensure that risks are appropriately identified, assessed, measured, monitored and reported, as well as mitigated on an ongoing basis.

For EFGLUX the risk management framework is of crucial importance in order to:

- Ensure all employees understand and controls exposures to risks taken
- Ensure that risk exposures are in line with risk capacity and defined risk appetite and strategy
- Ensure that our key controls over business risks are functioning effectively
- Support the successful implementation of the business strategy
- Protect clients from potential risks, such as unsuitable products or excess concentrations
- Contribute to the orderly functioning and sound reputation on the markets in which EFGLUX operates
- Ensures independent risk oversight over risk and control processes

The EFGLUX risk management framework is deployed across the following dimensions:

- Approach to risk management
- Risk culture
- Three lines of defence model
- Committees and functions

2.1.1 Approach to risk management

EFGLUX has developed a multi-dimensional approach to risk management based on the following measures:
- Independent Risk Control and Compliance functions with clearly defined objectives in line with the Circular CSSF 12/552, as amended by Circular 20/759
- A comprehensive and prioritised list of risk categories
- A defined Risk Appetite statement and Risk Appetite metrics
- A coherent and comprehensive set of policies, directives and procedures to govern risk management, including compliance
- The first and second line of defence role of the Executive Committee and its delegated committees to manage risks in alignment with the risk strategy and risk appetite
- The supervisory oversight of the Board of Directors which oversees the effectiveness of the risk management framework and provides oversight and advisory support through the Risk, the Audit and the Credit Committees

The objectives of risk management are to:
- Provide transparency on the risks EFGLUX incurs
- Provide independent risk oversight and challenge that risks are appropriately assessed and managed
- Enable better management of the risk-return trade-off
- Support the Audit & Risk Committee and the Board of Directors in defining an appropriate risk appetite and

strategy in line with available risk capacity and ensure the actual risk exposure profile remains in line with the above.

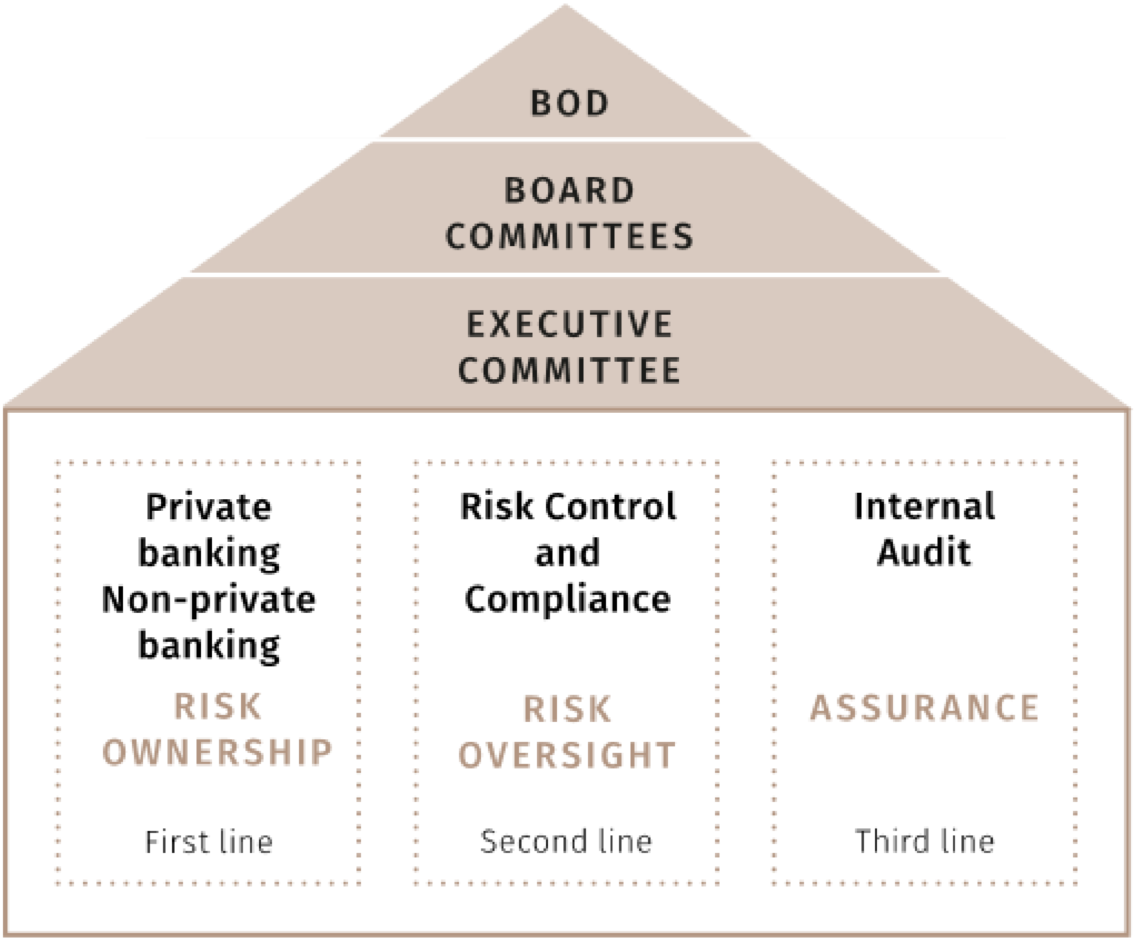
2.1.2 Risk culture, core values and ethical standards

EFGLUX believes the behaviour is key for sound risk management, and that this is guided by the risk culture of the organisation. The risk culture is viewed as a core component of effective risk management.

To address this topic, EFGLUX approaches risk culture along four dimensions, in line with the Group's principles:

- Tone from the top: The Board of Directors, Authorised Management and Senior Management set the EFGLUX's risk culture core values and ethical standard; their action and behaviour reflect the risk culture that is expected throughout EFGLUX and is communicated through formal and informal channels, with the aim that all stakeholders also share EFGLUX's risk culture, core values and ethical standards
- Accountability: The risk management framework and the related risk policies and directives clearly assign accountability for risk management and decision-making to functions and specific unit heads
- Effective communication and challenge: the EFG corporate culture promotes open communication and promotes effective challenge in the decision-making process; this is supported by independent Risk Control, Compliance and Internal Audit
- Incentives: Financial and non-financial incentives are monitored to ensure they do not encourage excessive risk-taking

The risk awareness and culture programme, which promotes the above-mentioned principles, is focused on the following activities:
- Embedding of the risk management and risk appetite frameworks across the EFGLUX
- Comprehensive training in risk and compliance topics
- Consistent application of the client relationship officer's risk scorecard (composed by the risk assessment, the control results, the losses and KRI figures) to foster a risk-conscious and compliant culture and reduce operational risks



2.1.3 *Three lines of defence model*

EFGLUX manages its risks in accordance with a three lines of defence model.

The three lines of defence model delineates the key responsibilities for the business, Risk and Compliance functions and Internal Audit to ensure that the organisation has a coherent and comprehensive approach to risk management and monitoring.

EFGLUX's interpretation of the three lines of defence model is in line with industry practice, and the model is operated both centrally and in the business units. This ensures that the material activities and processes are subject to the risk management, oversight and assurance

Risk appetite framework

The risk appetite framework is complementary to the risk management framework and sets the overall approach to risk appetite, documenting the level of risk that EFGILUX is prepared to incur for the achievement of strategic objectives and in line with the available risk capacity. it includes:

- Risk appetite statement
- Risk appetite metrics and limit framework
- Cascading and embedding process to business units
- Responsibilities of the bodies overseeing the implementation and monitoring of the risk appetite framework
- Risk appetite process, including the escalation of the risk metrics exceeding their predetermined thresholds

Our risk appetite framework is linked to the risk limit system and is influenced by the overarching risk available capacity, the risk management framework and the strategic business objectives.

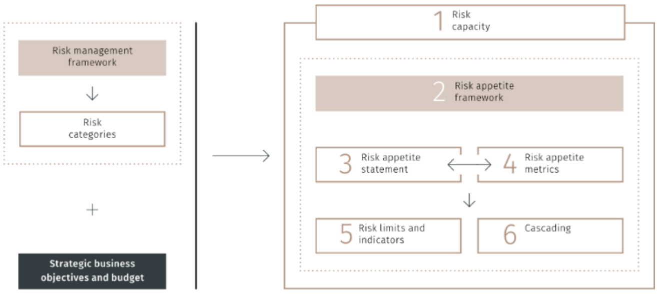
Risk capacity

The risk capacity is the maximum level of risk EFGILUX can assume before breaching EFGILUX's strategic targets and risk appetite. In determining the risk capacity, EFGILUX has to take into account the constraints determined by regulatory capital and liquidity requirements and of the law enforcement agencies. Risk capacity defines an outer boundary within which EFGILUX must operate.

Risk appetite and risk capacity are aligned through the annual budget and planning process. EFGLUX holds appropriate capital and liquidity buffers to accommodate circumstances where exposures extend beyond EFGLUX's risk appetite. This protects EFGLUX from the financial and/or reputational consequences that might be associated with a breach of its risk capacity or rating ambition.

2.1.4 *Risk appetite statement*

The risk appetite statement comprises the qualitative component of EFG International's risk appetite adopted by EFGLUX. EFGLUX's corporate strategy is centred on an entrepreneurial business model, where client relationship officers (CROs) with an entrepreneurial spirit are targeting clients within a clear and conservative risk appetite that stakeholders expect from a private bank (noting EFGLUX is neither a commercial bank nor an investment bank).



The Bank's business model principles are applied not only to our primary business line, i.e. pure Private Banking services, but also to our secondary business line which is the Wealth Solutions services (fund services and depositary bank).

EFGLUX's entrepreneurial model has implications for risk that are highlighted in the risk statement. For example, the entrepreneurial spirit of our CROs should be directed to the core business activities in line with our corporate strategy (see Strategic and business risk).

EFGLUX's proposition is differentiated from other private banks by the quality, seniority and continuity of CROs, excellent advice and high contact frequency, familiarity with the customs, culture, regulations and market trends of the locations in which clients are served, local knowledge combined with global reach, and operating from a sound capital and liquidity base. These elements are reflected in the risk appetite statement laid out below, with the corporate strategy and risk appetite statement mutually reinforcing each other, creating a joint foundation on which EFGLUX builds and grows its business and client franchise.

The risk appetite statement is operationalised through risk metrics and the limit framework, which comprises EFGLUX Board of Directors-level limits as specified in policy, and EFGLUX Authorised Management-level-limits. The risk appetite statement therefore provides a qualitative outline of the boundaries within which the bank should operate.

2.1.5 Risk metrics

The quantitative component of risk appetite contains measures (i.e. metrics) that describe the quantum of risk to which EFGLUX is exposed.

The metrics are compared to trigger levels (i.e. thresholds), which can have the nature of limits or warning indicators. The metrics are selected, and thresholds are calibrated in accordance with the risk appetite statement, which in turn reflects the business strategy.

Risk metrics can be set at EFGLUX Board of Directors aggregated level or, if deemed appropriate, at EFGLUX Authorised Management level.

Risk categories

The risk categories serve as an inventory of the material risks the Bank is exposed to, and their associated definition. Risk categories should be mutually exclusive and collectively exhaustive where possible, i.e. avoiding overlap and including all possible risks the Bank is exposed to. It is expected that the risk categories are stable over time with adjustments not typically occurring more frequently than once per year.

The risk categories establish a common language on risks across the Bank and thereby enable alignment across business units, geographies and functions. They are commonly referred to in all relevant documents (e.g. risk appetite framework, risk policies) and known across the organisation (incl. Front Office). Reporting and data collection is prepared in line with the risk categories.

The risk categories of the Bank are the following :

Capital adequacy risk; Strategic and business risk; Credit risk; Market risk; Liquidity risk; Operational risk (including Compliance and Legal risk); Reputational risk and Emerging risk.

Business and strategic risk

Business and strategic risk is the risk of loss arising from changes in the business environment and from adverse business decisions or improper implementation of decisions. The business and strategic risk includes the following risk categories:

- Client portfolio risk: The risk inherent in client portfolios in general as well as the risk of a reduction in assets under management and/or loss of client relationships as a result of other risk types, e.g. performance, reputation, operational risks, compliance, etc.
- Strategic risk and governance:
- The risk of the enterprise or particular business areas making inappropriate strategic choices, or being unable to successfully implement selected strategies or related plans and decisions, which may result in a variance to business plans and strategies
- Competitive risk: The risk of an inability to create or maintain sustainable competitive advantage in a given market or markets
- Project risk: The risk of damage or loss resulting from an acquisition and/or subsequent post-merger integration or any other large-scale project the institution is undertaking
- Human resources risk: The risk arising from inadequate or insufficient human resource performance and/or staffing or key people (including client relationship officers) leaving the EFGLUX

The business and strategic risk management strategy approved by the Board of Directors is defined as follows:

- Whilst the nature of EFGLUX business entails a certain level of earnings volatility, this is monitored and controlled to remain consistent with safeguard of the EFGILUX's financial performance and reputation, also under severe stress conditions
- EFGLUX limits earnings volatility by focusing on the core business activities in line with business strategy
- EFGLUX monitors client investment portfolios in order to avoid excessive risk concentrations across portfolios and inadequate performance with potential negative implications on client's assets under management and thereby its own reputation and revenue base
- EFGLUX closely monitors concentrations of clients and assets under management across its client relationship officers and investigate potential actions when these concentrations exceed the defined thresholds, in order to mitigate key person risk
- EFGLUX actively manages the cost base balancing the target of a healthy cost-income ratio with ensuring adequate resourcing and infrastructure
- EFGLUX actively manages the risks arising through the integration of any acquired/merged entity and for potential further mergers and acquisitions

Credit risk

Please refer to Section 4.

Market risk

Please refer to Section 5.

Operational risk

Please refer to Section 6.

Liquidity risk
Please refer to Section 7.

Reputational risk

Reputational risk is defined as the risk of an activity performed by an entity of EFGLUX or its representatives impairing its image in the community or public confidence, and that this will result in the loss of business and/or legal action or potential regulatory sanction, typically resulting from other risk categories.

EFGLUX considers its reputation to be among its most important assets and is committed to protecting it. Reputational risk for EFGLUX inherently arises from:

– Potential non-compliance with increasingly complex regulatory requirements
– Potential non-compliance with anti-money laundering regulatory requirements
– Its dealings with politically exposed persons or other clients with prominent public profiles
– Its involvement in transactions executed on behalf of clients other than standard investment products
– Potential major incidents in the area of IT security and data confidentiality
– Potential misconduct by its employees
– Any other potential negative internal or external event arising from other risk categories (e.g. in case of financial risk arising from significant downturn on bonds, equities markets or of a particular housing market speculative bubble, etc.)

The Bank protects its reputation by preventing the occurrence of adverse events where possible or responding to them with timely, proactive stakeholder communication.

Emerging risk

Emerging risks arise from environmental, social and governance (ESG) aspects affecting other risk categories, or may include new technologies, for example, artificial intelligence, cyber – and nanotechnology or genetic engineering, as well as economic, regulatory or political change.

EFGLUX monitors emerging risk that could create potential reputational risks and impact future income generation capacity:

– EFGLUX closely monitors developments in new technologies like artificial intelligence, cyber – and nanotechnology as well as economic, regulatory or political changes
– EFGLUX strives that current and potential clients to perceive and share EFGLUX as a responsible institution on environmental, social and governance aspects.

Regarding climate risks in particular, EFGLUX wants to abide by the three following principles:

– Seek to protect its assets from climate change risks by monitoring and when necessary limiting its risk appetite for carbon related and climate change vulnerable assets, and by assessing the firm’s exposure to financial risks to climate change
– Protect its clients’ investments from financial risks by enabling them to identify the carbon intensity of their investments
– Mobilise capital toward carbon-neutral or low-carbon-intensity investments facilitating climate change mitigation supporting the transition to a low carbon economy.

2.2 Risk management – measurement approach

Basel III gives room to banks to apply several approaches for managing risk exposures. Below are details of the Bank’s regulatory approach for each risk category managed.

Credit Risk
The Bank uses the International Standardised Approach to determine which risk weights to apply to credit risk. With this approach, the Bank adopted the Comprehensive method to deal with the collateral portion of a credit transaction.

Market Risk
The Standardised approach is used for market risk. This approach requires capital to cover interest rate, FX and credit spread risk.

Operational Risk
The Bank applies the Standardised approach to calculate operational risk. The capital requirement under this method is based on the three-year average amount of the Operating Income split by Business Lines.

2.3 Management Body

Board of Directors

Members of the Board of Directors are selected based on their skills and experience, taking the needs of the Bank into consideration. The Board should consist of persons with management experience, preferably in the field of banking or financial institutions, in order to ensure qualified management, control, supervision and consultation.

Board members are expected to devote such time as is necessary for the proper performance of their duties ; minimum time is defined in the Board's internal regulators and includes but is not limited to preparation for meetings, attendance to meetings, as well as ongoing professional training .

The current Bank's Board of Directors consists of members with a range of diversity perspectives, including but not limited to age, cultural and educational background, professional experience, skills, knowledge, independence and length of service.

Each member of the Board was duly authorised to act as a director by the CSSF, which assessed their professional standing, experience and reputation in accordance with the Law of 5/04/1993 on the financial sector, as modified. It ensured that the Board is of sufficient size, independent and that it can offer the technical expertise to conduct its activities effectively.

In this respect, at year-end 2022 the Board of Directors consists of 7 members out of which

- 3 are non-executive independent members.
- 2 are females with 1 also acting as the Chief Executive Officer of the Bank

Authorised Management

The Authorised Management is in charge of the effective, sound and prudent business management. This management is exercised in compliance with the strategies and guiding principles laid down by the Board of Directors and the existing regulations, taking into account and safeguarding the Bank's long-term interests, solvency and liquidity situation.

The members of the Authorised Management are authorised to effectively determine the Bank's business direction. Consequently, where management decisions are taken by operational management committees. The Authorised Management is permanently on -site.

Member of Authorised Management can hold one of key functions but not all key function holders are members of Authorised Management and therefore considered as Senior Management including Branch Managers and Chief Internal Auditor.

At year-end 2022 the number of directorships held by members of the Board of Directors and the Authorised Management are following:

Position	Name	Number of other directorships	Number of other directorships within the group (Executive / Non-executive)
Board of Directors*			
Chairman	Bernd von Maltzan	1	2
Board member	Lena Lascari	0	0
Board member	Hélène Dupuy	1	4
Board member	Monseigneur Jean de Nassau	4	0
Board member	Frédéric Clasen	3	0
Board member	Patrick Ramsey	0	2
Board member	Dimitrios Politis	0	4
Authorised Management**			
Chief Executive Officer	Lena Lascari	0	0
Chief Wealth Solutions	Laurent Breulet	1	1
Chief Risk and Credit Officer	Dionyssis Tsikopoulos	0	1
Chief Operations Officer	Jérôme Benoit	0	0
Chief Finance Officer	Christos Deligiannis	0	0

** Mr. Franco Polloni has resigned from his mandate as Board of Directors Member during 2022.*

*** Ms. Laura Farina has resigned from her function of Chief Compliance Officer during 2022.*

3. Own Funds

3.1 Capital management

The Bank's objectives when managing regulatory capital and liquidity are to guarantee the Bank's solvency and to comply with the requirements set by regulators of the jurisdictions in which the Bank entities operate, and to safeguard the Bank's ability to continue as a going concern.

Capital adequacy and the use of regulatory capital are continually monitored and reported by the Bank's Authorised Management, using the framework developed by the Basel Committee on Banking Supervision and implemented in Europe through the Capital Requirements Directive (CRD IV) and Regulation (EU) 575/2013 (CRR). The regulatory capital requirement of the Bank is ultimately implemented by the Luxembourg regulator, the Commission de Surveillance du Secteur Financier (CSSF). Monitoring capital adequacy and liquidity is a key component of the Bank's financial strategy. Authorised Management carefully considers the potential impact on the Bank's capital ratios and liquidity ratio before making any major decisions about the Bank's operations and the orientation of its business.

The Authorised Management monitors the capital ratios and liquidity ratio monthly for the Bank, with Board of Directors oversight on a quarterly basis.
For ratios that are relatively close to the statutory threshold Authorised Management monitors compliance of the ratios more frequently to ensure compliance with minimum requirements is ensured at all times.

3.2 Composition of own funds

In accordance with Article 72 CRR, own funds are computed as the sum of Tier1 and Tier2 capital. EFGLUX own funds are exclusively composed of CET1 capital which, after regulatory adjustments, amount to EUR 141.8 million.

	EU CC1	(a)	(b)
	EUR millions*	Amounts 31-12-2022	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Common Equity Tier 1 (CET1) capital: instruments and reserves		
1	Capital instruments and the related share premium accounts	168.0	E1
2	Retained earnings	(4.5)	E4.2
3	Accumulated other comprehensive income (and other reserves)	3.5	E2 + E4.1
EU-3a	Funds for general banking risk	-	
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	-	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	167.0	
	Common Equity Tier 1 (CET1) capital: regulatory adjustments		
7	Additional value adjustments (negative amount)	(0.0)	
8	Intangible assets (net of related tax liability) (negative amount)	(3.6)	A8
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)	(19.6)	A9
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-	
12	Negative amounts resulting from the calculation of expected loss amounts	-	
13	Any increase in equity that results from securitised assets (negative amount)	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
15	Defined-benefit pension fund assets (negative amount)	-	
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	-	
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the	-	

	EU CC1	(a)	(b)
	institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	
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)	-	
22	Amount exceeding the 17,65% threshold (negative amount)	-	
EU-25a	Losses for the current financial year (negative amount)	-	Min(0;E4.3)
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments	(1.9)	
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(25.2)	
29	Common Equity Tier 1 (CET1) capital	141.8	
	Additional Tier 1 (AT1) capital: instruments		
36	Additional Tier 1 (AT1) capital before regulatory adjustments	-	
44	Additional Tier 1 (AT1) capital	-	
45	Tier 1 capital (T1 = CET1 + AT1)	141.8	
	Tier 2 (T2) capital: instruments		
51	Tier 2 (T2) capital before regulatory adjustments	-	
58	Tier 2 (T2) capital	-	
59	Total capital (TC = T1 + T2)	141.8	
60	Total risk exposure amount	554.4	
	Capital ratios and requirements including buffers		
61	Common Equity Tier 1 (%)	25.6%	
62	Tier 1 (%)	25.6%	
63	Total capital (%)	25.6%	
64	Institution CET1 overall capital requirements (%)	8.0%	
65	*of which: capital conservation buffer requirement (%)*	*2.5%*	
66	*of which: countercyclical capital buffer requirement (%)*	*0.2%*	
67	*of which: systemic risk buffer requirement (%)*	*0%*	
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements (%)	16.7%	

	EU CC1	(a)	(b)
	Amounts below the thresholds for deduction (before risk weighting)		
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	-	
74	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	-	
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	-	
	Applicable caps on the inclusion of provisions in Tier 2		
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	5.9	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	
	Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)		
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

* *The figures presented in the above table may in some cases show non-significant differences due to rounding.*

EU CC2		(a - b)	(c)
	EUR millions*	**Balance sheet as in published financial statements and under regulatory scope of consolidation 31-12-2022**	EU CC1 reference
	Assets – *Breakdown by asset classes according to the balance sheet in the published financial statements*		
A1	Cash and balances with central banks	1,836.2	
A2	Loans and advances to credit institutions	84.5	
A3	Derivative financial instruments	8.9	
A4	Financial assets at fair value through other comprehensive income	561.9	
A5	Loans and advances to customers	1,007.3	
A6	Participations	0.0	
A7	Property, plant and equipment	14.4	
A8	Intangible assets	3.6	8
A9	Deferred income tax assets	19.6	10
A10	Other assets	13.7	
A11	Assets classified as held for sale	-	
A12	**Total assets**	**3,550.1**	
	Liabilities – *Breakdown by liability classes according to the balance sheet in the published financial statements*		
L1	Amounts owed to credit institutions	125.8	
L2	Amounts owed to customers	3,187.3	
L3	Derivative financial instruments	6.7	
L4	Current income tax liabilities	-	
L5	Deferred income tax liabilities	0.3	
L6	Provisions	2.8	
L7	Other liabilities	33.8	
L8	**Total Liabilities**	**3,356.6**	
	Equity – *Breakdown by equity classes according to the balance sheet in the published financial statements*		
E1	Share capital	168.0	1
E2	Other equity	2.1	3
E3	Revaluation reserve	-	
E4	Retained earnings	23.5	
E4.1	*Of which other reserves*	*1.4*	*3*
E4.2	*Of which retained earnings from previous years*	*(4.5)*	*2*
E4.3	*Of which profit or loss of the current year attributable to owners of the parent*	*26.5*	*EU-25a*
E5	**Total equity**	**193.6**	

* *The figures presented in the above tables may in some cases show non-significant differences due to rounding.*

3.3 Risk weighted assets

The table below summarises the composition of the risk weighted assets and the minimum requirement based on an 8.0% capital requirement, at 31 December 2022. Credit risk accounts for the largest risk type, reaching 85% of EFGLUX risk-weighted exposure and capital requirements, followed by operational risks with 15% .

	EU OV1 EUR millions*	(a) Risk weighted exposure amounts 31 December 2022	(c) Minimum Capital Requirement 31 December 2022
1	Credit risk (excluding counterparty credit risk)	452.0	36.2
2	*Of which standardised approach*	452.0	36.2
3	*Of which the Foundation IRB (F-IRB) approach*	-	-
4	*Of which: slotting approach*	-	-
EU 4a	*Of which: equities under the simple risk weighted approach*	-	-
5	*Of which the Advanced IRB (A-IRB) approach*	-	-
6	Counterparty Credit risk - CCR	21.5	1.7
7	*Of which the standardised approach*	-	-
8	*Of which internal model method (IMM)*	-	-
EU 8a	*Of which exposures to a CCP*	-	-
EU 8b	*Of which credit valuation adjustment - CVA*	-	-
9	*Of which other CCR*	21.5	1.7
15	Settlement risk	-	-
16	Securitisation exposures in the non-trading book (after the cap)	-	-
17	*Of which SEC-IRBA approach*	-	-
18	*Of which SEC-ERBA (including IAA)*	-	-
19	*Of which SEC-SA approach*	-	-
EU 19a	*Of which 1250%*	-	-
20	Position, foreign exchange and commodities risks (Market risk)	-	-
21	*Of which the standardised approach*	-	-
22	*Of which IMA*	-	-
EU 22a	Large exposures	-	-
23	Operational risk	81.0	6.5
EU 23a	*Of which basic indicator approach*		
EU 23b	*Of which standardised approach*	81.0	6.5
EU 23c	*Of which advanced measurement approach*	-	-

24	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-
29	**Total**	**554.4**	**44.4**

** The figures presented in the above tables may in some cases show non-significant differences due to rounding.*

4. Credit Risk

Credit risk is defined as the risk of loss resulting from the failure of EFGLUX's borrowers and other counterparties to fulfil their contractual obligations and that collateral provided does not cover EFGLUX's claims.

EFGLUX incurs credit risk from traditional on-balance sheet products (such as loan or issued debt), where the credit exposure is the full value, but also on off-balance sheet products (such as derivatives), where the credit equivalent exposure covers both actual exposure (as a function of prevailing market prices) and potential exposures (i.e. an add-on for volatility of market price) or other guarantees issued (contingent liabilities).

The credit risk arises not only from EFGLUX's clients lending operations, but also from its treasury and global market activities.

Client credit risks
The client credit risk management strategy approved by the Board of Directors is defined as follows:
- EFGLUX targets specific lending activities and incurs credit risk only in areas where it has the required skillset and can make a complete assessment of the risk
- EFGLUX requires an adequate risk return for the credit offerings, and considers the overall relationship with a client or client Bank, establishing minimum pricing standards at individual credit facilities
- EFGLUX concentrates on the core credit offerings of Lombard lending and real estate financing but also offers other type of financing on a selective basis to promote a wider business relationship
- For Lombard lending the focus is on diversified and liquid collateral portfolios, but EFGLUX accepts higher concentrated collateral pools and single asset loans in selective cases, if the risk return is justified
- For real estate financing the focus is on residential mortgages, but EFGLUX is willing to engage in commercial real estate financing and real estate development in selective cases and select locations, if the risk return is justified
- EFGLUX is willing to provide Lombard lending and real estate financing suitable for private banking clients with an established private banking relationship and lodged funds commensurate with the credit that is extended
- EFGILUX is also active in more complex structured lending transactions for its ultra-high net worth clientele and provides lending or repo to selected institutional clients supporting its treasury and/or asset management activities

EFGILUX has a risk strategy and appetite, part of which is the credit strategy. The overall risk strategy lies with Board of Directors.

The local Credit Committee approves based on the principles of the strategy set by the Board of Directors and the credit merits and specificities laid in the credit policy and credit guidelines

The local Credit Committee has the oversight on the credit portfolio, supported by the Credit function, reporting to the Chief Risk Officer, which ensures that EFGLUX has an appropriate client credit management framework and programme in place.

Credit exposures against approved limits and pledged collateral are regularly monitored. Financial collateral is valued where possible on a daily basis, but may be valued more frequently, if particular portfolios and severe market conditions demand.

Counterparty credit risk and country risk
Country risk is defined as the transfer and conversion risk that arises from cross-border transactions. Country risk also encompasses direct and indirect sovereign risk, the default risk of sovereigns or state entities acting as borrowers, guarantors or issuers.

The counterparty and country risk management strategy approved by the Board of Directors is defined as follows:
- EFGLUX actively monitors and manages the credit portfolio and consciously takes concentrations in certain sectors, countries and clients/counterparties
- EFGLUX engages and maintains relationships with counterparties that either have an explicit Investment Grade rating or are non-rated but fulfil comparable criteria
- EFGLUX targets collateralised transactions when interacting with counterparties
- EFGLUX is willing to take exposures across countries, but focused on its target regions

Management of exposure to financial institutions is based on a system of counterparty limits coordinated at the EFGLUX level, and also subject to pre-approved country limits at Group level.

The principal aim of the Counterparty and Country Risk function, reporting to the Chief Risk Officer, is to ensure that EFGLUX has an appropriate counterparty and country risk management framework in place for identifying, assessing, mitigating, monitoring and reporting risks under its responsibility.

EFGLUX determines the country risk that it wishes to accept via a country classification in low, medium and high risk countries. The low and medium risk countries include countries with which business relationships exist and for which the risk is intended to be accepted, albeit to a differing extent. The risk countries category includes selected countries with a speculative grade, for which risk is nonetheless maintained between tight global limits.

4.1 Credit risk management

Loans and advances
A basic feature of the credit approval process is a separation between the Bank's business origination and credit risk management activities.

Credit facilities are granted according to delegated credit approval authorities, depending on predefined risk, and on collateral and size parameters. The approval competencies for large exposures and exposures with increased risk profiles are centralised in Switzerland, in compliance with local regulatory and legal requirements of the individual international business units.

To qualify as collateral for a Lombard loan, a client's securities portfolio must generally be well diversified with different haircuts applied depending on the asset class and collateral risk profile. Additional haircuts are applied if the loan and the collateral are not in the same currency or diversification criteria are not fully met.

Loans guaranteed by real estate are treated in conformity with local regulatory requirements and with the internal directives (regulations, procedures) pertaining to valuation and affordability calculation. All real estate property used as collateral must be evaluated by internal appraisers or by selected external surveyors. External valuations are accepted, as long as the competence and the independence of the external professional have been verified.

EFGLUX's internal grading system assigns each client credit exposure to one of ten grading categories. The grading assesses the borrower's repayment ability and the value, quality, liquidity and diversification of the collateral securing the credit exposure. The credit policy and the nature of the loans ensure that EFGLUX's loan book is of high quality. Consequently, an overwhelming majority of EFGLUX's credit exposures are graded within the top three categories.

Debt securities and other bills
For debt securities and other bills, external ratings or their equivalents are used by EFGLUX for managing the credit risk exposures.

Use of external rating under standardised approach
For capital requirement purposes, the Bank uses two rating agencies (Standard & Poor's and Moody's credit ratings) to assess counterparty credit risk for direct exposures (financial investments and cash) and collateral deposited from all counterparties.

Stress Testing
Lombard loans granted to Private banking clients and corporate counterparties require collateral in the form of cash and marketable securities. Given the fact that the approach for estimating any credit loss and subsequently any potential capital requirement is based on the stress of the existing collaterals securing the Lombard loans it is important to maintain updated information about the types and mix of collaterals as well as any concentration considerations.
In order to test the credit protection effectiveness, the Bank stresses the lending value of the collaterals by applying an additional haircuts per assets classification, and on a percentage of at least that proposed by EBA.
After the application of the stress scenario the Lending value is expected to decrease, and consequently the number of exposures not fully covered by the lending values of the collaterals should increase (creation of residual exposure) in both amount and quantity.

4.2 Qualitative disclosure requirement related to mitigation techniques

To qualify as collateral for a lombard loan, a client's securities portfolio must generally be well diversified with different haircuts applied depending on the asset class and collateral risk profile. Additional haircuts are applied if the loan and the collateral are not in the same currency or diversification criteria are not fully met.

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Credit departments monitor credit exposures against approved limits and pledged collateral.

Other specific control and mitigation measures are outlined below.

a) Collateral

EFGLUX employs a range of policies and procedures to mitigate credit risk. EFGLUX implements guidelines and procedures on the acceptability of specific asset classes as collateral for credit risk mitigation. The main asset classes accepted as collateral for loans and advances are:

- Cash and cash equivalent
- Financial instruments such as debt securities, equities and funds
- Bank guarantees
- Mortgages over residential and to a limited extent commercial properties
- Assignment of guaranteed cash surrender value of life insurance policies
- Other suitable security types typical to ultra-high net worth clients and/or institutional clients EFG is dealing with

b) Derivatives

EFGLUX maintains a strict monitoring of credit risk exposure induced by over-the-counter derivative transactions and exchanged-traded derivatives against limits granted. Credit risk exposure is computed as the sum of the mark-to-market of the transactions and the potential future exposure calculated through dedicated add-on factors applied to the notional amount of the transactions. EFGLUX has signed risk-mitigating agreements with its most important financial institutions counterparties.

c) Credit-related commitments

Credit-related commitments include the following:

- Guarantees and standby letters of credit; these carry the same credit risk as loans
- Commitments to extend credit; these represent unused portions of authorisations to extend credit in the form of loans, guarantees or letters of credit. EFGLUX is potentially exposed to losses in an amount equal to the commitments after application of any recovery rates. However, commitments to extend credit are typically contingent upon customers maintaining specific credit standards

For all of the above, the same standards apply regarding approval competences, collateral requirements and monitoring procedures

5. Market Risk

EFGLUX is exposed to market risk, which mainly arises from foreign exchange, interest rate and credit spread volatility.

EFGLUX implements different risk management strategies to eliminate or reduce market risk exposures. Risks being hedged through derivative financial instruments are typically changes in interest rates and foreign currency rates. Specific risk management strategies are defined for both the banking and trading book. EFGLUX incurs direct market risk in its banking book, as well as indirect market risk in its clients' Assets under management ("AuM"), also where they are pledged in EFGLUX's favour to secure Lombard lending and trading. Indirect Market risks are managed within the business risk and credit risk management framework.

EFGLUX Risk Management function ensures that the Bank has an appropriate market risk management framework in place for identifying, assessing, mitigating, monitoring and reporting risks under its responsibility. The Risk Management function reports to the Chief Risk Officer.

Approach used

The Bank uses the standardised approach to measure the capital adequacy on its market risk capital adequacy calculation.

Financial instruments in the trading book are marked to market and calculated on this basis for market risk purposes.

5.1 Interest Rate Risk in the Banking book (IRRBB) and credit spread risk

Market risks related to the balance sheet structure are managed by the Asset & Liability Management Committee and monitored by the EFGI Financial Risk Committee at Group level, in accordance with the principles and the risk appetite defined in the market risk policy, which defines the organisational structure, responsibilities, limit systems and maximum acceptable risk set by the Board of Directors.

Sensitivity analysis

The risk assessment through sensitivity analysis considers all major market risks deriving from assets, liabilities and off-balance sheet transactions. The simulations analyse the impacts on risk exposures of adverse movements in market parameters. For interest rate risk, the following risk exposures are assessed:

- Impact on net interest income (NII): the NII assessment determines the impact of a change in the interest rate structure on the forecast interest income (and thus on current earnings). This view is based on nominal values and considers the impact on the basis of a 12-month time horizon. This short-term approach enables EFGLUX to quantify the impact of changes in interest rates on the interest margin

- Impact on economic value of equity (EVE): the EVE assessment measures the impact of changes in interest rates on current values of future cash flows and thus on the current economic value of EFGLUX's equity

When interest rates are used for discounting change, this causes a change in the current value of future cash flows. In contrast to the first approach, which focuses solely on a one-year time frame, the impact on the economic value of equity expresses the long-term impact deriving from all future cash flows, if there is a shift in market interest rates

EFGLUX holds investment portfolios, which allow to diversify balance sheet assets and to optimise any excess liquidity. Investment activities are organised within Treasury department and are under the supervision of the Asset & Liability Management Committee and of the Financial Risk Committee. The Group's Market Risk function monitors on a daily basis the risk exposures of the investment portfolio and reports it to EFGLUX's Chief Risk Officer.

EFGLUX investment portfolios carry credit spread exposure on governments, government-related entities, multilateral development banks, banking institutions and, to a lesser extent, to corporate names.

To mitigate the credit spread and interest rate exposure, minimum country and issuer rating standards and concentration limits have been determined at Group level and adopted by the Bank at local level. In addition, VaR, interest rate, credit spread sensitivities and stress metrics, as well as P&L limit are computed and monitored at stand-alone portfolio level and on a combined basis.

5.2 Currency (FX) risk

EFGLUX does not engage in proprietary trading; its trading activities are designed to ensure that the Bank can serve its clients' needs. In addition to execution services on behalf of its clients the Bank takes market risks in form of FX principal trading where beneficial for its clients.

Market risk measurement methodology

Value at risk

The Value at risk (VaR) is an indicator used to estimate the maximum potential loss of a position, given predefined confidence interval and time horizon, under normal market conditions following adverse movements of markets parameters (fixed income interest rates, credit spreads and foreign currencies).

The VaR methodology applied in EFGLUX is based on a full revaluation historical approach based on 251 daily observations and considering a confidence interval of 99% and a time horizon of 10 days (VaR 10d / 99%).

VaR is used for internal control purpose and not for regulatory reporting of risks.

Sensitivity analysis

For foreign exchange rate risk, the sensitivity measurement covers in particular:
- The mismatch between on- and off-balance sheet positions denominated in foreign currencies
- The forecasted earnings that will be made in foreign currencies

The Interest Rate and FX risk management strategy is defined as follows:
- The Bank manages interest rate risk in line with pre-defined interest rate limits and risk appetite to generate profits for the benefit of the Group
- It manages foreign exchange risk in order to control its impacts on annual results
- The Bank maintains liquidity buffers with high quality liquid securities in accordance with external rules while seeking to turn liquidity into profit (strengthening its investment capacity as a part of its value proposition of "investing along the bank")
- It generates income primarily through taking liquidity, interest rate and credit spread risk, and only incur non-material FX risk in the banking book
- EFGLUX does not take on any equity, commodity, longevity and mortality risk
- The extent of concentration in investment portfolios is limited

Market risk mitigation

EFGLUX is exposed to financial risks arising from many aspects of its business. EFGLUX implements different risk management strategies to eliminate or reduce market risk exposures. Risks being hedged through derivative financial instruments are typically changes in interest rates, foreign currency rates or effects of other risks (e.g. mortality risk on insurance policies portfolio). EFGLUX implements fair value hedging strategies.

6. Operational Risk

Operational risk is defined as the risk of losses resulting from the inadequacy or failure of internal processes, people or systems or from external events. Operational risk is an inherent part of the day-to-day activities and is therefore a risk common to all EFGLUX's activities.

EFGLUX's Board of Directors and Authorised Management strive to set the operational risk culture through, among others, the definition of the overall operational risk tolerance of the organisation (expressed in quantitative thresholds and qualitative statements), which is embedded in the organisation's risk management practices. The supervision of operational risk at the Board of Directors level is under the responsibility of the Audit & Risk Committee.

6.1 Operational risk management

EFGLUX design and implement internal controls and monitoring mechanisms, in order to mitigate key operational risks that it inherently runs in conducting its business.

While the primary responsibility for managing operational risk lies with EFGLUX's business entities and business lines (first line of defence), the development, implementation and oversight of the operational risk policy of EFGLUX forms part of the objectives of the Operational Risk function of EFGLUX. It ensures that EFGLUX has an appropriate operational risk management framework and programme in place for identifying, assessing, mitigating, monitoring and reporting operational risk.

EFGLUX's Operational Risk function, reporting to the Chief Risk Officer, works in collaboration with the EFGLUX functions that also undertake operational risk oversight for their respective area of responsibility. These functions report to the Chief Financial Officer, the Chief Operating Officer, the Chief Compliance Officer, the Head of Human Resources and the Legal Counsel.

Main measures applied by the Operational Risk function for the identification, assessment, monitoring and reporting of operational risk are:
- Assessment and monitoring of key operational risks
- Monitoring of key risk indicators
- Collection, analysis and reporting of operational risk events and losses
- Consolidated operational risk reporting
- Follow-up of actions taken to remedy key operational risk-related control issues
- Establishment of an operational risk awareness programme
- Independent Internal control monitoring and oversight

The management of information security risk, including technology, cybersecurity, data protection and third-party risks is an essential component of operational resilience. As such it is strongly interconnected with the Bank's business continuity management. The management of cybersecurity and data protection risks is aligned with international standards and applicable regulations. Efforts are sustained to ensure ex ante and ex post controls are fully functional to protect the Bank against evolving and highly sophisticated attacks. The EFGLUX's focus is on:

- Data loss prevention
- Access rights, application and infrastructure security (including vulnerability management)
- Third party management and
- An appropriate IT governance to prevent and respond to threats

EFGLUX uses the standardised approach as the basis for the calculation of risk-weighted assets (RWA).

6.2 Operational risk mitigation

EFGLUX aims at mitigating operational risks, it may inherently run, to a level it considers appropriate and commensurate with its size, structure, nature and complexity of its service and product offerings, thus adequately protecting its assets and its shareholders' interests.

EFGLUX continuously invests in business continuity management, in order to ensure continuity of critical operations in the event of a major disruptive event. Business continuity management encompasses backup operating facilities and IT disaster recovery plans, which are in place throughout EFGLUX.

EFGLUX establishes operational risk transfer mechanisms when necessary; in particular, all entities of EFGLUX are covered by insurance to hedge potential low-frequency-high-impact events. EFGLUX administers centrally for its branches three layers of insurance cover, being comprehensive crime insurance, professional indemnity insurance and directors, and officer's liability insurance. Other insurances such as general insurances are managed locally.

Compliance risk

Compliance risk is defined as the risk of legal or regulatory sanctions, material financial loss, or loss of reputation which EFGLUX may suffer as a result of its failure to comply with laws, regulations, rules, related self-regulatory organisation standards, generally accepted practices, and codes of conduct applicable to all its activities.

Compliance risk is identified, assessed and measured, monitored, reported and mitigated by the Compliance function and its clearly distinguished and dedicated units, in alignment with the roles and responsibilities defined in EFGLUX's risk management framework. The Compliance function reports to the Chief Compliance Officer.

Changes in the regulatory environment are monitored, and directives and procedures are adapted as required. In line with these evolving regulations, EFGLUX continuously invests in personnel and technical resources to maintain adequate compliance coverage.

EFGLUX's Compliance function is centrally managed from Switzerland, with local compliance officers situated in all the organisation's booking centre and other entities around the world. A compliance risk policy is in place, complemented by a comprehensive set of directives and procedures and ongoing training sessions for to all staff to ensure they maintain appropriate knowledge of compliance risks and understand their roles and responsibilities in mitigating these risks. Bank Compliance implemented a common platform of tools and processes to ensure the consistent application of compliance guidelines.

Compliance risk in EFGLUX is mitigated through the three lines of defence model, outlined in detail in the risk management framework.

EFGLUX is committed to sound and effective compliance risk management, as the core foundation for a sustainable financial institution. Effective compliance risk management consists of meeting compliance obligations and protecting EFGLUX from loss or damage. It improves the way EFGLUX conducts business for its shareholders and stakeholders, and it is vital for long-term and sustainable growth.

A major focus of regulators around the world is the fight against money laundering and terrorism financing, which could expose EFGILUX to enforcement actions, criminal proceedings and high reputational risks. A proper and timely mitigation of AML/CFT risks is a prerequisite to the guarantee of irreproachable business activity required by the regulator.

AML/CFT risk refers to risks associated with the firm being exposed to money laundering or terrorist financing schemes, which comprises (1) laundering moneys deriving from AML predicate offenses / criminal misconduct and (2) using legitimate or illegitimate assets to finance terrorism and / or terrorist activities.

International sanction risks refer generally to the risk associated with the firm (1) providing services to individuals or entities targeted by applicable sanction regimes or located in countries under embargo-like applicable sanctions, (2) being used to service this category of clients and / or to make economic resources available to them and (3) being used to circumvent the implementation of applicable sanction regimes.

EFGILUX has in place comprehensive directives on anti-money laundering, know your customer, as well as on international sanctions, anti-bribery and corruption, to detect, prevent and report such risks. Through dedicated monitoring and quality assessment programmes and applications, EFGILUX Compliance monitors compliance with such directives across the different entities.

EFGLUX has defined a set of standards governing the cross-border services it offers and has developed country-specific manuals for the major markets it serves. A mandatory staff training, and education programme is in place to ensure adherence to the standards and compliance with the country manuals. They are complemented by a tax compliance framework, the purpose of which is to prevent the unlawful acceptance of untaxed assets. Those frameworks are continuously enhanced to comply with regulatory updates or developments.

Conduct risk refers to risks associated to the firm's behaviour or activity that could threaten consumer protection or market integrity and might if risk is not properly identified and mitigated, damage the reputation of EFGLUX has implemented directives on customer and staff conduct in the Bank code of conduct, market conduct, cross border, financial services and conflicts of interest. The EFGLUX Local Product Committee ensures that all products or securities offered to clients or bought for them meet their best interest and have been through the appropriate approval process.

Legal risk

Legal risk is the risk to the firm's profitability arising from changes in legislation and/or as results from legal actions against the institution. Any change in the legal environment can constitute a challenge for EFGLUX in its relations with competent authorities, clients and counterparties in Luxembourg and globally.

The Bank's Legal Counsel but also the Compliance Team ensure that EFGLUX adequately manages and controls its legal risks. This includes supervising and giving strategic direction to all outside counsels advising EFGLUX on civil, regulatory and enforcement matters.

The Legal Counsel is responsible for providing legal advice to EFGLUX's Authorised Management as well as handling client complaints and assisting federal and local authorities in their criminal and administrative investigations.

The Bank's Legal Counsel has principal responsibility for overseeing and advising EFGLUX's Authorised Management on significant civil litigation and all government enforcement matters involving EFGLUX globally.

7. Liquidity risk

7.1 Liquidity risk management

EFGLUX funds its balance sheet asset side primarily from customer deposits.

Liquidity risks arise when financing activities are constrained or expensive as a result of liquidity crisis on the markets or reputational issues. They also arise when it is difficult to meet own commitments in a timely manner due to a lack of very liquid assets.

Liquidity risk has a twofold dimension: funding risk and asset liquidity risk. The two liquidity risk types are connected, as asset liquidity risk could directly increase funding risk, if EFGLUX is no longer able to raise sufficient liquidity in case of need.

As defined in the risk appetite framework approved by the Board of Directors, the liquidity risk strategies are defined as follows:

– EFGLUX holds sufficient liquid assets that it could survive a sustained and severe run on its deposit base, without any recourse to mitigating actions beyond liquidating those assets, and without breaching regulatory liquidity limits
– EFGLUX funds the balance sheet primarily from customer deposits, without being reliant on funding concentration, due to a small number of funding sources or clients

EFGLUX manages liquidity risk in such a way as to ensure that ample liquidity is available to meet commitments to customers, both in demand for loans and repayments of deposits and to satisfy EFGLUX's own cash flow needs within all of its business entities. EFGLUX customer deposit base, capital and liquidity reserves position and conservative gapping policy, when funding customer loans, ensure that EFGLUX runs only limited liquidity risks.

EFGLUX's liquidity risk management process is carried out by the Asset & Liability Management Committee and monitored by the EFGI Financial Risk Committee at Group level, in accordance with the principles and the risk appetite defined in the liquidity risk policy, which defines the organisational structure, responsibilities, limit systems and maximum acceptable risk set by the Board of Directors.

Liquidity is handled by the Treasury function, which ensures the ongoing process of sourcing new funds, in the case of a lack of liquidity, or the investing of funds, if there is an excess of liquidity.

The Risk Management function also aims to ensure that EFGLUX has an appropriate liquidity risk management framework in place for identifying, assessing, mitigating, monitoring and reporting risks under its responsibility. The Assets and Liability Management and Liquidity Risk function reports to the Chief Risk Officer.

The liquidity risk management process includes:
– Day-to-day funding managed by monitoring future cash flows to ensure that requirements can be met. This includes replenishment of funds as they mature or are borrowed by customers
– Maintaining a portfolio of highly marketable assets that can easily be liquidated as protection against any unforeseen interruption to cash flow
– Monitoring balance sheet liquidity ratios against internal and regulatory requirements
– Managing the concentration and profile of funding

EFGLUX has a liquidity management process in place that includes stress tests, which are undertaken regularly, as part of the reporting requirements established within EFGLUX risk guidelines.

EFGLUX manages liquidity risk in such a way as to ensure that ample liquidity is available to meet commitments to customers, both in demand for loans and repayments of deposits and to satisfy EFGLUX's own cash flow needs within all of its business entities.

EFGLUX has a liquidity risk management process in place that includes contingency funding plans, and stress tests that are undertaken to highlight EFGLUX's liquidity profile in adverse conditions, analysing also intraday liquidity stress scenarios.

7.2 Liquidity risk mitigation

EFGLUX aims to avoid concentrations of its funding facilities. It continuously observes its current liquidity situation and determines the pricing of its assets and credit business through the liquidity transfer pricing model. The liquidity risk management process also includes EFGLUX's contingency funding plans. The contingency measures include, among other actions, the activation of repo transactions with prime counterparties, the liquidation of marketable securities and/or drawdowns on lines of credit (liquidity shortage financing) with our Group.

Overall, EFGLUX, through its business units, enjoys a favourable funding base with stable and diversified customer deposits, which provide the vast majority of EFGLUX's total funding. The surplus of stable customer deposits over loans and other funding resources are placed by Treasury units in compliance with the local regulatory requirements and internal guidelines.

8. Remuneration disclosures

8.1 Objective & Philosophy of the Remuneration Policy

The Bank's Remuneration Policy (the Policy) aims at ensuring a sound and effective risk management of the Bank, which does not (i) encourage and does not lead to an excessive risk taking by any of its members and /or (ii) exceed the level of tolerated risk by the Bank.

The Policy and its underlying principles and practices are applicable to all members of staff of the Bank including its branches, independent of their place of work, hierarchical level or function. Specific provisions however are only applicable to Material Risk Takers.

The Remuneration Policy is in line with the "Loi du 5 Avril 1993 relative au secteur financier", as amended by the law of 20 May 2021 (hereafter "**the LFS**" or "**the Law**") and transposing the Directive (EU) 2019/878 of the European Parliament and of the Council of 20 May 2019 amending CRD IV (hereafter, "**CRD V**")into national law. To further ensure that the Bank's remuneration practices and procedures, reflect the underlying philosophy of the CRD V and the Law, the Policy takes into account, the Final report on Guidelines on sound remuneration policies under Directive 2013/36/EU, EBA/GL/2021/04 , issued by the European Banking Authority on 2 July 2021 (hereafter "**EBA Guidelines**" or "**Guidelines**")[1].

In addition to the above-mentioned legal and regulatory scope, the present Policy has been established, taking into account the following legal requirements:

- CSSF circular 15/622 on the procedure of notification of a higher 1:1 ratio as defined under article 38-6, point g) of the Law;

- CSSF circular 14/585, with regards to ensuring that remuneration policies and practices are aligned with conflict of interest and conduct of business obligations;

- Commission Delegated Regulation (EU) 2021/923 of 25 March 2021 supplementing Directive 2013/36/EU of the European Parliament and of the Council with regard to regulatory technical standards setting out the criteria to define managerial responsibility, control functions, material business units and a significant impact on 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 that Directive (hereafter, "**MRT Regulation**");

- Article 450, with regard to disclosure requirements, of the European Regulation (EU) No 2019/876, of 20 May 2019, amending Regulation (EU) No 575/2013

The Bank has decided to apply remuneration principles in a manner and to the extent that are appropriate to its size, internal organisation and the nature, scope, and complexity of its activities by applying the proportionality principle at institutional level. Such principle aims to match remuneration practices and procedures consistently with the Bank's risk profile, risk appetite and strategy, so that the objectives of the obligations are more efficiently achieved. Therefore, the Bank waives its obligation to:

- Defer a portion of the total Variable Compensation ("VC");
- Pay at least 50% of the VC in shares or similar instruments;
- Apply a minimum retention of 1 year, following vesting, on VC paid as instruments;

Even though the Bank is considered as a "non-significant" institution, thus eligible to the application of the proportionality principle, EFG ensures, sound and effective remuneration policies and practices.

To this end, and as to ensure sound risk management on remuneration practices, the Bank shall leverage on the Group Remuneration & Nomination Committee at the level of EFG International AG ("EFGI" or "Group"), the latter acting as an advisor to the Board of Directors of EFG.

8.2 Governance

As to ensure appropriate remuneration practices and avoid potential conflict of interest, the Bank has set up governance around the Policy involving several corporate functions.

The Board of Directors (BoD)

The Board of Directors establishes the general principles of the Policy and is responsible for reviewing such principles on a regular basis. Furthermore, the BoD ensures that the Authorised Management (AM) implements and executes the Policy

The Board of Directors, in its supervisory function, is responsible for the remuneration of all the employees of the Bank, including the Authorised Management. It is important to note that where a member of the Authorised Management is also an executive director of the Board, they do not participate in any decision with regard to their own remuneration.

The Board of Directors is also responsible for:

- Approving any new form of fixed or variable remuneration to be granted
- Reviewing and approving the global amounts allocated to fixed remuneration and to the variable remuneration
- Determining and overseeing the remuneration of the members of the Authorised Management, Heads of Control Functions and Branch Managers
- Overseeing and reviewing the identification process for Material Risk Takers ("MRT") on an ongoing basis and approving it as part of the Remuneration Policy
- Approving any exclusions or exemptions from and changes to the adopted identification policy for Material Risk Rakers ("MRT") and monitoring/considering its effects
- Periodically reviewing the approved staff identification policy

The Board of Directors relies on the input of the Authorised Management, Control Functions and Human Resources.

Authorised Management

The Authorised Management (together with the Head of HR, and with the involvement of the Control Functions) is responsible for the compliance of the Policy. Any regulatory or legal changes is monitored, analysed, and forwarded without delay to the Board of Directors for updating purposes.

The Authorised Management is also responsible for the implementation and supervision of the implementation of the Policy.

Furthermore, the Authorised Management is responsible for proposing to the BoD the global amount for any change of fixed or variable remuneration and communicate on MRTS to the BoD.

Control Functions

The Control Functions of the Bank assist the Board in determining the overall remuneration strategy, in the context of the promotion of effective risk management. The Control Functions in particular take all necessary measures in order to ensure the compliance of the Policy with laws/circulars/directives.

The Control Functions assist and inform on the definition of suitable risk-adjusted performance measures, as well as in assessing how the variable compensation structure affects the risk profile and culture of the Bank.

Going further they provide effective input in accordance with their roles into the setting of bonus pools, performance criteria and remuneration awards where those functions have concerns regarding the impact on staff behaviour and the riskiness of the business undertaken. They are also involved on an ongoing basis in the staff identification process in accordance with their respective roles.

Human Resources

The HR function participates and informs on the design and the evaluation of the Policy, including the remuneration structure, remuneration levels and incentive schemes, staff identification, in a way that not only attracts and retains the staff but also ensures that the Policy is aligned with the institution's risk profile.

EFGI Remuneration & Nomination Committee

The EFGI Remuneration & Nomination Committee relies on the inputs of the Authorised Management and when required on the Board of Directors to report any information deemed necessary as per the Group policy.

8.3 Material Risk Takers (MRTs) : Identified Staff

The HR function drafts on an annual basis a list of all EFGLUX's employees and their respective remuneration for the purpose of the quantitative analysis (i.e. employees earning a total compensation equal to or above EUR 500,000 and equal to or greater the average compensation of senior management);
Based on the above, the HR function assess in line with the 2021/923 regulation each employee against both qualitative, quantitative and internal criteria and drafts an additional list including the employees that can be considered as a MRT in this respect (hereafter, "MRT list") and employees who qualify for exclusion together with their rationale (hereafter, "MRT exclusion list");
Both, the MRT list and MRT exclusion list are then submitted to the Control functions and the Authorised Management, to be reviewed against the aforementioned criteria and adjust if necessary (hereafter "Final MRT list"). Any adjustment is documented and justified accordingly;
The final MRT list is submitted to the Bank's Board of Directors for approval.

8.4 Remuneration Structure

The principles relating to the composition of remuneration, as set out below, take into account local specificities such as those negotiated in the collective labour agreement for bank employees in force, and are in line with risk management objectives. The policy aims in particular not to encourage risk-taking that exceeds the level of risk tolerated by the Bank, to avoid conflicts of interest and to avoid inequalities of treatment. Remuneration policies and practices are gender neutral.

The below principles are applicable to all members of staff, with specific provisions on variable remuneration applicable only to MRTs. In line with the Regulation, remuneration is either:

- Fixed remuneration (including pension and benefits);
- Variable remuneration.

Fixed Compensation

Fixed Compensation means all contractually agreed remuneration that is not linked to performance but rather defined in line with the level of education, the degree of seniority, the level of expertise and skills required, the constraints and job experience and the relevant business sector, in line with the Luxembourg Collective Bargaining Agreement for Bank employees, where applicable.

Fixed Compensation is made up of the salary representing the total remuneration received in cash on a periodic basis and the benefits such as lunch vouchers, supplementary pension plan, supplementary health insurance, etc.

Variable Compensation (VC)

Variable Compensation means compensation consisting of awards based on performance or in certain cases on other contractual criteria. Such remuneration is discretionarily determined based on the individual performance (annual assessment) of the members of staff, the performance of her or his business line and the performance of the Bank and ESG risks.

For Control Functions variable compensation shall be based on individual and function-specific performance and not on the performance of the business entity they control and the performance of the Bank.

The variable compensation might be distributed via cash and/or Equity Incentive Plan (Restricted Stock Unit).

Furthermore, and on the basis of applying remuneration practices and provisions that are proportionate to EFGLUX's size, internal organisation and the nature, scope and complexity of its activities, the Bank has decided to apply specific pay out provisions on variable remuneration (hereafter, "VC") to different categories of staff in line with the equity-based deferral principles defined by the EFGI Remuneration & Nomination Committee and as approved by the Board of Directors of EFGLUX.

Consequently, for the eligible populations, the pay-out of VC may at the discretion of EFGI Remuneration & Nomination Committee and as approved by the Board of Directors of the Bank, be subject to following principles:

- Deferral of a certain percentage of the VC in form of an equity or equity-like scheme ("instruments"), over a period of 3 years;
- The deferred VC shall vest either (i) on a pro-rata basis or (ii) on a full basis (i.e., cliff vesting);
- The first vesting shall not occur sooner than:
  - In case of pro-rate vesting - 12 months as from the grant date of such instruments;
  - In case of cliff vesting: the end of the deferral period; and
- Up to 100% of the VC in form an equity or equity-like scheme is subject to malus and clawback provisions, the latter covering the respective deferral period.

Bonus cap rules

EFGLUX applies the following caps on variable compensation (so as to ensure a proper balance between the variable and the fixed compensation) in line with the regulation:

	Cap of variable remuneration expressed in % of the total fixed remuneration
Members of Board of Directors	Not Applicable (no award of variable remuneration)
Material Risk Takers	100%
Members of staff	Not Applicable

8.5 Discretionary variable compensation award process

Bonus Pool

Determination of the global envelope

The discretionary VC award process is based on the funding of a Group bonus pool over the year in line with the overall Group's profits, the latter encompassing the Bank's results.

Determination of the overall annual variable compensation pool for staff members is a combination of bottom up (starting at single staff level following the annual individual assessment) and top down (evaluating performance of business) approach.

8.6 Performance management

The Bank establishes relevant parameters as well as quantitative and qualitative objectives, assesses staff behaviour on an ongoing basis and overall performance on an annual basis, and measures the results in accordance with the defined parameters and objectives. The performance assessment is performed in a multi-annual framework to guarantee that the assessment is based on long-term individual performances.

These annual assessment results may be taken into account during annual salary reviews as well as variable compensation determinations. Accordingly, the amount of the variable component awarded to all members of staff with respect to their personal performance shall reflect sustainable and justifiable criteria that reflect the Bank's business and risk policies, including defined ESG criteria. A serious violation of internal rules, external regulations, or law shall result in a reduction or elimination of the variable component for any member of staff. Where such observation is made post VC attribution (or post vesting for instruments), clawback provisions may be applied.

The Bank applies differentiated Performance Management metrics depending on categories of Employees.

The performance assessment is performed in a multi-year framework to guarantee that the assessment is based on a long-term individual performance. The Board of Directors of the Bank assesses each year (i) the performance of the Authorised Management in their function as Authorised Managers of the Bank and (ii) the individual performances on a combination of quantitative and qualitative criteria.

Pay-out, malus and clawback principles

Unless specified otherwise and in compliance with the rules of the Group, the variable compensation allocated to each individual staff member (i.e., including Material Risk Takers), providing such amount does not exceed CHF 50,000 (or equivalent in local currency), consists in a single payment, distributed in cash.

However, EFGLUX reserves the right to apply specific pay-out provisions to different categories of employees.

8.7 Remuneration awarded to identified staff

Remuneration awarded for financial year 2022 in Euro

		Management Body-Supervisory Function [BoD members]	Management Body – Management Function [Authorised Managers]	Senior Management	Other Identified Staff
Fixed remuneration	Number of identified staff	3	6	7	25
	Total fixed remuneration	170,000	1,771,484	1,729,498	2,869,922
	Of which: cash-based	170,000	1,771,484	1,729,498	2,869,922
Variable Remuneration	Number of identified staff	0	5	5	18
	Total variable remuneration (1)+(2)	0	1,577,882	946,367	393,000
	Of which: cash-based (1)	0	667,068	502,678	393,000
	Of which: deferred (note A)	0	667,068	502,678	393,000
	Of which: shares or share-linked instruments (2)	0	910,813	443,689	0
	Of which: deferred	0	910,813	443,689	0
Total remuneration		170,000	3,349,366	2,675,865	3,262,922

Note A: cash based variable remuneration awarded for the financial year are settled in cash the following year

Special payments granted in 2022 in Euro

		BoD members	Authorised Management	Senior Management	Other Identified staff
Guaranteed variable remuneration awards	Number of employees	0	0	0	0
	Total amount	0	0	0	0
Severance Payments	Number of employees	0	0	1	6
	Total amount	0	0	450,000	758,239

Number of staff being remunerated EUR 1 million or more in 2022

- 2 falling into payment band from EUR 1.0 to 1.5 million

Deferred and retained remuneration in 2022 in Euro

Deferred and retained remuneration in 2022	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year
Management Body – Supervisory Functions – BoD Members	**0**	**0**	**0**	**0**
Cash-based	**0**	**0**	0	**0**
Management Body – Management Functions – Authorised Management	**947,767**	**614,621**	**333,147**	**614,621**
Cash-based	614,621	614,621	0	614,621
Shares or equivalent ownership interests	333,147	0	333,147	0
Senior Management	**708,716**	**470,016**	**238,700**	**470,016**
Cash-based	470,016	470,016	0	470,016
Shares or equivalent ownership interests	238,700	0	238,700	0
Other Identified Staff	**361,737**	**361,737**	**0**	**361,737**
Cash-based	**361,737**	361,737	0	361,737
Shares or equivalent ownership interests	0	0	0	0
Total amount	**2,018,220**	**1,446,374**	**571,846**	**1,446,374**

9. Appendix

9.1 List of abbreviations

AT1	Additional Tier 1
AuM	Assets under Management
AM	Authorised Management
BoD	Board of Directors
CCP	Central Counter-Party
CCR	Counterparty credit risk
CET1	Common Equity Tier 1
CRD	Capital Requirements Directive (Directive No 2013/36/EU)
CRO	Client Relationship Officer
CRR	Capital Requirement Regulation (Regulation No 575/2013)
CSSF	Commission de Surveillance du Secteur Financier
CVA	Credit valuation adjustment
EBA	European Banking Authority
ESG	Environmental, Social and Governance
EU	European Union
EVE	Economic Value of Equity
FX	Foreign Exchange
HQLA	High-quality liquid assets
ICS	Internal control system
INV SOL	Investment Solutions
IT	Information & Technology
LCR	Liquidity Coverage Ratio
MRT	Material Risk Takers
NII	Net Interest Income
NSFR	Net Stable Funding Ratio
OPS	Operations
PB	Private Banking
RWA	Risk-weighted assets
SREP	Supervisory Review and Evaluation Process
T1 / T2	Tier 1 / Tier 2
TC	Total Capital
VaR	Value at Risk
VC	Variable Compensation
WS	Wealth Solution

9.2 Regulation (EU) 575/2013 Part Eight Map

Article CRR	P3D 2022 References	Comment
Article 431. Scope of application of disclosure requirements		
Article 431(1) CRR	Pillar 3 disclosures	N/A
Article 431(2) CRR	N/A	Not applicable
Article 431(3) CRR	N/A	N/A
Article 431(4) CRR	General principle	N/A
Article 431(5) CRR	N/A	EFGLUX is not requested to explain its rating decisions to SMEs and other corporate applicants for loans
Article 432. Non-significant, reserved or confidential information		
Article 432(1) CRR	N/A	EFGLUX does not omit any disclosure due to the non-materiality of the information disclosed
Article 432(2) CRR	N/A	EFGLUX does not omit any disclosure due to the confidentiality or proprietary nature of the information disclosed
Article 432(3) CRR	N/A	EFGLUX does not make use of Article 432(2) to omit information due to their confidential or proprietary nature
Article 433. Frequency and scope of disclosure of information		
Article 433 CRR	General Principle	N/A
Article 433a(1) CRR	N/A	Not applicable
Article 433a(2) CRR	N/A	Not applicable
Article 433a(2)(a) CRR	N/A	Not applicable
Article 433a(2)(b) CRR	N/A	Not applicable
Article 433a(3) CRR	N/A	Not applicable
Article 433b(1) CRR	N/A	Not applicable
Article 433b(2) CRR	N/A	Not applicable
Article 433c(1) CRR	N/A	Not applicable
Article 433c(2) CRR	Section 2	N/A
Article 433c(2)(a) CRR	Sections 1, 2	N/A
Article 433c(2)(b) CRR	Section 2.3	N/A
Article 433c(2)(c) CRR	Section 3.2	Templates EU CC1 and EU CC2
Article 433c(2)(d) CRR	Section 3.3	Template EU OV1
Article 433c(2)(e) CRR	Section 1.5	Template EU KM1
Article 433c(2)(f) CRR	Section 8	N/A
Article 434. Means of communication		
Article 434(1) CRR	Section 1	N/A
Article 434(2) CRR	Section 1	N/A
Article 434a CRR	N/A	Not applicable
Article 435. Risk policies and objectives		
Article 435(1)(a) CRR	Sections 2, 4, 5, 6, 7	N/A
Article 435(1)(b) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 435(1)(c) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)

Article CRR	P3D 2022 References	Comment
Article 435(1)(a)&(d) CRR	Sections 2, 4, 5, 6, 7	N/A
Article 435(1)(e) CRR	Section 1.7	N/A
Article 435(1)(f) CRR	Section 1.8	N/A
Article 435(2)(a) CRR	Section 2.3	N/A
Article 435(2)(b) CRR	Section 2.3	N/A
Article 435(2)(c) CRR	Section 2.3	N/A
Article 435(2)(d) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 435(2)(e) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 436. Scope of requirements		
Article 436(a) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 436(b) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 436(c) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 436(d) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 436(e) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 436(f) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 436(g) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 436(h) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 437. Shareholders' equity		
Article 437(a) CRR	Section 3.2	Templates EU CC1 and EU CC2
Article 437(b) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 437(c) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 437(d) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 437(e) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 437(f) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 437a CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 438. Capital requirements		
Article 438(a) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 438(b) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 438(c) CRR	N/A	EFGLUX is not requested to disclose the results of ICAAP
Article 438(d) CRR	Section 3.3	Template EU OV1
Article 438(e) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 438(f) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 438(g) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 438(h) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 439. Counterparty credit risk exposure		
Article 439(a) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)

Article CRR	P3D 2022 References	Comment
Article 439(b) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 439(c) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 439(d) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 439(e) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 439(f) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 439(g) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 439(h) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 439(i) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 439(j) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 439(k) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 439(l) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 439(m) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 440. Capital buffers		
Article 440(a) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 440(b) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 441. Indicators of Global Systemic Importance		
Article 441 CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 442. Credit risk adjustments		
Article 442(a) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 442(b) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 442(c) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 442(d) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 442(e) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 442(f) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 442(g) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 443. Disclosure of information on encumbered and unencumbered assets		
Article 443 CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 444. Disclosure of information on the use of the standard method		
Article 444(a) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 444(b) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 444(c) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 444(d) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 444(e) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 445. Disclosure of information on market risk exposures		
Article 445 CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 446. Disclosure of information on operational risk management		

Article CRR	P3D 2022 References	Comment
Article 446(a) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 446(b) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 446(c) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 447. Disclosure of key metrics		
Article 447	Section 1.6	Template EU KM1
Article 448. Disclosure of information on interest rate risk exposures in relation to positions not held in the trading book		
Article 448(1)	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 448(2)	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 449. Disclosure of information on exposures to securitisation positions		
Article 449(a) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 449(b) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 449(c) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 449(d) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 449(e) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 449(f) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 449(g) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 449(h) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 449(i) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 449(j) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 449(k) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 449(il CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 449a CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 450. Disclosure of information on remuneration policy		
Article 450(1)(a) CRR	Section 8	N/A
Article 450(1)(b) and (c) CRR	Section 8	N/A
Article 450(1)(c) CRR	Section 8	N/A
Article 450(1)(d) CRR	Section 8	N/A
Article 450(1)(b), (c) and (e) CRR	Section 8	N/A
Article 450(1)(b) and (c) CRR	Section 8	N/A
Article 450(1)(e) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 450(1)(f) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 450(1)(g) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 450(1)(h) CRR	Section 8	N/A
Article 450(1)(i) CRR	Section 8	N/A
Article 450(1)(j) CRR	Section 8	N/A
Article 450(1)(k) CRR	Section 8	N/A

Article CRR	P3D 2022 References	Comment
Article 450(2) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 451. Disclosure of information on leverage ratio		
Article 451(1) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 451(2) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 451(3) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 451a(1) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 451a(2) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 451a(3) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 451a(4) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 452. Disclosure of information on the application of the IRB approach to credit risk		
Article 452(a) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 452(b) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 452(c) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 452(d) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 452(e) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 452(f) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 452(g) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 452(h) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 453. Disclosure of information on the use of credit risk mitigation techniques		
Article 453(a) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 453(b) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 453(c) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 453(d) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 453(e) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 453(f) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 453(g) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 453(h) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 453(i) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 453(j) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 454. Disclosure of information on the application of advanced calculation methods to operational risk		
Article 454 CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 455. Application of internal models to market risk		
Article 455(a) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 455(b) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 455(c) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 455(d) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)

Article CRR	P3D 2022 References	Comment
Article 455(e) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 455(f) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)
Article 455(g) CRR	N/A	Not applicable to EFGLUX according to Article 433c(2)

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