INDUSTRIAL AND COMMERCIAL BANK OF CHINA (EUROPE) S.A.

Pillar 3 Disclosure Report

As at 31 December 2025

ICBC 工银欧洲

INDUSTRIAL AND COMMERCIAL BANK OF CHINA (EUROPE) S.A.

CONTENTS:

1 List of Acronyms

AM	Authorized Management
AC	Amortized Cost
ALCO	Asset & Liability Committee
ALMD	Asset & Liability Management Department
ASF	Available Stable Funding
BoD	Board of Directors
BCL	Central Bank of Luxembourg
BCP	Business Continuity Plan
BRC	Board Risk Committee (BoD specialised committee)
CAR	Capital Adequacy Ratio
CBD	Corporate Banking Department
CC	Credit Committee
CCF	Credit Conversion Factor
CET1	Common Equity Tier 1 Capital
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
CRM	Credit Risk Mitigation
CRSA	Credit Risk Standardized Approach
CSSF	Commission de Surveillance du Secteur Financier
CSRBB	Credit Spread Risk in the Banking Book
CVA	Credit Value Adjustment
DRP	Disaster Recovery Plan
EAD	Exposure at Default
EBA	European Banking Authority
ECAI	External Credit Assessment Institution
ECB	European Central Bank
ECL	Expected Credit Loss
ESG	Environment, Social & Governance
FAD	Financial Accounting Department
FAC	Financial Affairs Committee
FMD	Financial Markets Department
FID	Financial Institutions Department
FVOCI	Fair Value Through Other Comprehensive Income
FX	Foreign Exchange
GAD	General Administration Department
HQLA	High Quality Liquid Asset
H.O.	Head Office
HQ	Headquarters in Luxembourg

IAD	Internal Audit Department
ICAAP	Internal Capital Adequacy Assessment Process
IFRS	International Financial Reporting Standards
ILAAP	Internal Liquidity Adequacy Assessment Process
ICLAAP	Internal Capital and Liquidity Adequacy Assessment Process
ICBC	Industrial and Commercial Bank of China
ICF	Internal Control Functions
IRRBB	Interest Rate Risk in the Banking Book
LCR	Liquidity Coverage Ratio
LD	Legal Department
LGD	Loss Given Default
Lux GAAP	Luxembourg Generally Accepted Accounting Principles
OCR	Overall Capital Requirement
NFRA	National Financial Regulatory Administration
NPAC	New Product Assessment Committee
NPL	Non-Performing Loan
NSFR	Net Stable Funding Ratio
PBOC	People's Bank of China
PD	Probability of Default
PRC	Peoples Republic of China
RA	Risk Appetite
RAS	Risk Appetite Statement
RAF	Risk Appetite Framework
RICC	Risk and Internal Control Committee
RLMP	Risk Limit Management Plan
RMC	Risk Management Committee
RMD	Risk Management Department
RW	Risk Weight
RWA	Risk Weighted Asset
TREA	Total Risk Exposure Assets
TSCR	Total SREP Capital requirement
UCL	Unexpected Credit Loss
VaR	Value-at-Risk

2 Tables and templates

2.1 Tables

2.2 Templates

For all EBA tables and templates, and to the extent it is possible, the Bank only discloses rows and columns which are not empty or full of "0" values in order to enhance readability of its Disclosure Report. These EBA items are only disclosed if applicable to the Bank.

3 Introduction

3.1 Background

Pursuant to Article 431 of Regulation (EU) No 575/2013, as amended by Regulation (EU) 2024/1623 (CRR3), amending Regulation (EU) No 575/2013, the European Parliament and the Council ("CRR3" as amended, ICBC (Europe) S.A. (the "Bank")) has to publicly disclose the information specified in Part Eight of CRR. The disclosure requirements are further specified by the relevant implementing and regulatory technical standards, including Commission Implementing Regulation (EU) 2024/3172, laying down implementing technical standards for institutions' public disclosures under Regulation (EU) No 575/2013. CRR3 is complemented by relevant regulatory papers and by national transposition measures referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013, as amended, and by the CSSF Circular 23/830 and the Luxembourg law of 5 April 1993, as amended, regarding disclosure requirements.

By way of derogation from Article 433c(2) of CRR, other institutions that are non-listed institutions are not required to disclose certain EBA templates and tables. An appendix item provides the list of applicable and non-applicable templates and disclosure requirements.
Unless otherwise stated, all figures are as of December 31st, 2025. All information in this report is disclosed in **Euro** (EUR) which is both the accounting and reporting currency of the Bank. K stands for thousand, M for million and B for billion.

CRD and CRR transpose the Basel framework which is structured around three pillars:

- **Pillar 1 – Minimum Capital Requirement -** establishes minimum capital requirements for credit, market, operational and settlement risks, defines eligible capital instruments, and precises rules for calculating risk weighted assets.

- **Pillar 2 – Internal Capital and Liquidity Adequacy Assessment Process ("ICAAP-ILAAP") and Supervisory Review and Evaluation Process ("SREP")** - processes aim to enhance the link between an institution's risk profile, its risk management and risk mitigation systems, and its capital planning. Pillar 2 can be divided into two major components:

  - Establish sound, effective and complete strategies and processes to assess their own risk profile and to determine the level of additional capital required over and above the Pillar 1 requirements, to cover risks either not captured, or not fully captured, by the Pillar 1 requirements, as well as robust governance and internal control arrangements.

  - Supervisory review and evaluation process (SREP). The key purpose of SREP is to ensure that institutions have adequate arrangements, strategies, processes and mechanisms as well as capital and liquidity to ensure a sound management and coverage of their risks, to which they are or might be exposed, including those revealed by stress testing and risks institution may pose to the financial system.

- **Pillar 3 - Market Discipline -** requires the disclosure of information regarding the risk management policies, capital resources as well as the results of the calculations of minimum capital requirements with the aim of promoting market discipline.

This document fulfils the Pillar 3 report disclosure requirements.

3.2 Scope of application

Industrial and Commercial Bank of China (Europe) S.A is a credit institution formed under the law of 5th April 1993 of Luxembourg and is subject to the supervision and regulation by the Commission de Surveillance du Secteur Financier ("CSSF") which requires to comply with Pillar 3 disclosures.

The Bank formerly named the Industrial and Commercial Bank of China (Luxembourg) S.A. was incorporated in Luxembourg on 5 September 2006 with an initial capital of USD 18,500,000. Since then, the share capital of the Bank has been increased after three capital injections and in 2025 the subscribed capital of the Bank is EUR 437,432,880.

The Bank is a wholly owned subsidiary of the Industrial and Commercial Bank of China Limited ("ICBC Limited", "ICBC Head Office", "parent company") which is a credit institution incorporated in the People's Republic of China ("PRC"), governed by the laws of the PRC, and regulated by the National Administration of Financial Regulation ("NAFR").

As of 31st December 2025, the Bank operates six branches ("EU Branches"): Paris Branch, Amsterdam Branch (incl. a sub-branch in Rotterdam), Brussels Branch, Milan Branch (incl. a sub-branch in Rome), Spain Branch (incl. a sub-branch in Barcelona) and Poland Branch. In addition, the Bank has set-up a Greece Representative Office in Athens.

The Bank stands as an essential platform for the strengthening of ICBC Limited in continental Europe, and will be steadily supported by ICBC Limited on every potential aspect such as business development, capital and liquidity management.

Template 1 : EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements (EUR)

		a	b	c
		Balance sheet as in published financial statements	**Under regulatory scope of consolidation**	**Reference -> EU CC2**
		31.12.2025	**31.12.2025**	
Assets - *Breakdown by asset classes according to the balance sheet in the published financial statements*				
1	Cash, balances with central banks and post office banks	1,350,736,733	1,350,736,733	
2	Treasury bills and other bills eligible for refinancing with central banks	1,236,005,160		
	- Treasury bills	1,128,756,732		
	- Other bills eligible for refinancing with central banks	107,248,428		
3	Loans and advances to credit institutions	2,216,805,741	2,246,167,370	
	a) repayable on demand	184,584,02	185,537,916	
	b) other loans and advances	2,032,221,719	2,060,629,454	
4	Loans and advances to customers	3,176,385,838	3,300,708,405	
5	Debt securities and other fixed-income securities	275,700,351	1,517,390,697	
6	Shares and other variable-yield securities	--	--	
7	Intangible assets	52,023	52,023	(c)
8	Tangible assets	25,217,561	47,770,843	
9	Other assets	8,210,059	11,838,187	
10	Prepayments and accrued income	78,148,147	72,353,373	
xxx	**Total assets**	**8,367,261,613**	**8,547,017,632**	

Liabilities - *Breakdown by liability classes according to the balance sheet in the published financial statements*				
1	Amounts owed to credit institutions	2,636,390,788	2,647,159,092	
	a) repayable on demand	330,924,930	330,924,930	
	b) with agreed maturity dates or periods of notice	2,305,465,858	2,316,234,162	
2	Amounts owed to customers	4,895,354,572	4,910,483,733	
	a) repayable on demand	4,633,369,838	4,633,369,838	
	b) with agreed maturity dates or periods of notice	261,984,734	277,113,895	
3	Debts evidenced by certificates	68,085,106	66,442,894	
4	Other liabilities	4,463,964	129,214,746	
5	Accruals and deferred income	65,529,854	7,227,811	
6	Provisions	46,301,629	3,127,805	
7	Subordinated liability	200,000,000	200,000,000	(d)
xxx	**Total liabilities**	**7,916,125,913**	**7,963,656,081**	
Shareholders' Equity				
1	Subscribed capital	437,432,880	437,432,880	(a)
2	Reserves	10,259,587	98,994,157	(e)
3	Profit/(Loss) brought forward	8,916,863	46,233,443	(b)
4	Profit/(Loss) for the financial year	(5,473,630)	701,071	
xxx	**Total shareholders' equity**	**451,135,700**	**583,361,551**	

3.3 Frequency

The Bank publishes the Pillar 3 Disclosure Report in accordance with Article 433 of the CRR on an annual basis. The Bank will assess the need to publish some or all disclosures more frequently than annually in the light of the relevant characteristics of its activity and in accordance EBA Implementing Technical Standards (EU 2024/3172) specifying frequency of reporting templates for “other institutions (not listed)” category.[1]

3.4 Means of disclosure

Location of publication: available on the Bank’s website: https://europe.icbc.com.cn/
Verification: subject to internal review and validation by Authorized Management before being submitted to the Board of Directors (“BoD”) for approval. The Bank’s Pillar 3 report has been reviewed and approved by the BoD.

[1] ESG disclosures under Article 449a CRR are currently not required to the Bank for the reporting period.

4 Risk management objectives and policies

4.1 Governance

Stakeholder	Risk management governance and arrangements
Management body **-** **Board of Directors** **-** **Supervisory function**	The BoD has the overall responsibility for the institution. Directors define, monitor and bear responsibility for following key elements of the central administration, internal governance and risk management arrangements, including but not limited to: • the business strategy (business model) of the institution, including long-term financial interests, solvency, liquidity situation, risk appetite, environmental, social and governance risks; • the risk strategy of the institution, including the risk appetite and the overall framework for risk-taking and risk management of the institution; • the strategy of the institution with respect to regulatory and internal capital and liquidity reserves; • a clear and consistent organisational and operational structure. • the guiding principles relating to: ▪ systems, technology and security; ▪ the internal control mechanisms, including the internal control functions; ▪ the remuneration policy; ▪ the professional conduct, corporate values and the management of conflicts of interest; ▪ escalation and sanctions, the purpose of which is to ensure that any behaviour which does not comply with the applicable rules is properly investigated and sanctioned; ▪ the central administration in Luxembourg, including: the human and material resources which are required for the implementation of the organisational and operational structure as well as the institution's strategies; ▪ an administrative, accounting and IT organisation with integrity, and complying with the applicable laws and standards; ▪ the guiding principles relating to outsourcing, including IT-related outsourcing, whether or not it is based on a cloud computing infrastructure; ▪ the guiding principles governing the change in activity (in terms of market coverage and customers, new products and services) and the approval and maintenance of non-standard or potentially non-transparent activities; ▪ business continuity and crisis management; ▪ the appointment and succession to the management body and to key functions in the institution, as well as the procedures governing the composition of the supervisory body, including the aspects of diversity, responsibilities, organisation, operation, and individual and collective assessment of its members. The BoD entrusts the Authorized Management ("AM") with the implementation of the strategies and guiding principles.

	Risk Strategy, Risk Appetite Statement and related indicators, ICAAP-ILAAP, Recovery Plan, Pillar 3 are all introduced to BoD on an annual basis. Quarterly Risk report aims to report current situation of all material risks, key indicators, emerging risks and remedial actions taken or intended to be taken. Any other material issues or emerging risks are escalated to BoD through direct communication by the AM and/or the Chief Risk Officer ("CRO").
Management body **-** **Authorized Management & Management Committee** **-** **Management function**	The AM is in charge of the effective, sound and prudent day-to-day management of the activities (and inherent risks). The AM exercises in compliance with the strategies and guiding principles approved by the BoD and the applicable regulations, by considering and safeguarding the institution's long-term financial interests, solvency and liquidity situation. The AM critically assesses all the proposals, explanations and information submitted to it for decision, including but not limited to following main duties: • ensuring the set-up of all the strategies and guiding principles laid down by the BoD; • implementing internal control mechanisms, technical infrastructures and human resources to ensure a sound and prudent management of the activities (and inherent risks) within the context of robust internal governance arrangements pursuant to CSSF Circular 12/552, as amended; • promptly and effectively implementing the corrective measures to address the weaknesses (problems, shortcomings, irregularities or concerns) identified by the internal control functions, external auditors or through the internal alert arrangements, by considering the recommendations issued in this respect; • assessing the implementation, adequacy, effectiveness of and compliance with the internal governance arrangements, comprising the state of compliance (including the concerns raised through the internal alert arrangements) and of internal control as well as the ICAAP/ILAAP reports on the situation and the management of risks, internal and regulatory capital and liquidity reserves.

Specialized committee (latest applicable organization – March 2026)

Committees of the BoD x3

Audit & Compliance Committee (ACC)	This Committee is a specialized committee of the BoD in the sense of circular 12/552 as subsequently amended. The mission consists in providing the BoD with observations and recommendations relating to the organization, the functioning of the Bank in audit and compliance, and oversee the Bank's ESG framework.
Remuneration and Nomination Committee	The Remuneration and Nomination Committee is a specialized committee of the BoD in the sense of CSSF circular 12/552 as subsequently amended, and has the general responsibility to oversee the Bank's remuneration policy and the nominations of members of Board of Directors, Authorised Management and Key Function Holders.
Board Risk Committee (BRC)	This Committee is a specialized committee of the BoD in the sense of circular 12/552 as subsequently amended. The mission consists in providing the BoD with observations and recommendations relating to the organization, the functioning of the Bank in risk fields. *(Established in December 2024 with the first committee organized in March 2025)*

Sub-committees of the Authorized Management x8

Credit Committee (CC)	The CC supports the decision-making of the AM in credit risk management and takes the responsibility of collectively reviewing the financing, investment and other credit business that shall be examined and provides the decision-making support for authorized approvers.
Risk & Internal Control functions Committee (RICC)	The RICC aims to strength the Bank`s risk management and to enable its decision support role. The RICC is the decision-making unit for the Authorized Management to study, discuss, and decide significant matters relating to risk management and internal control. The RICC was established to assist the Authorized Management and any of the specialized committees under the Board of Directors in overseeing the integrity and effectiveness of the Bank's risk management and internal control systems. The RICC focus on ensuring a sound internal control framework, facilitating compliance with regulatory standards, and promoting an integrated approach to internal control and risk assessment across the Bank.
Asset & Liabilities Management Committee (ALCO)	The Asset and Liability Committee acts as a supervisory group that aims at coordinating and deliberating Asset and Liability Management challenges with a goal of earning adequate returns taking into account the appropriate risk tolerance.
Information Technology (IT) and Information Security Management (ISM) Committee	The purpose of Information Technology and Information Security Management Committee is to assist the Authorized Management and the Board of Directors of the Bank to make important decisions and to fulfil its oversight and management responsibilities on Information Technology and Information Security management.
Financial Affairs Committee and Centralized Procurement Management (FAC)	The FAC supports the decision-making of the AM on financial affairs approval. It is responsible for the examination, discussion, analysis and supervision of important financial affairs and provides the decision-making support for authorized approvers.

New Product Assessment Committee (NPAC)	This committee oversees the implementation and manages risks associated with new, expanded, significantly modified Bank's products and services. The committee is in charge to collectively review new products and submit their collective decision to General Manager for endorsement after deep assessment of the governance framework, operational process, resources, financial impact and potential risks. The Committee is also responsible for requiring relevant departments which initiated a specific new product to submit post-approval assessment report on this specific new product.
Client Relationship Acceptance Committee (CRAC)	This Committee assesses from an AML/CTF and reputation risk perspective the acceptance of high-risk clients, as well as high risk business relationships. The CRAC is also in charge of re-assessing existing client/relationship when potential suspicion such as related to financial crime conducted compliance department to investigate client/relationship or to file a SAR/STR (Suspicious Activity Report/Suspicious Transaction Report).
Data Governance Steering Committee (DGSC)	The purpose of DGSC is mandated to ensure that data is managed as a strategic asset and that data governance arrangements are consistently implemented, effective, and aligned with regulatory requirements, the Bank's risk appetite, and strategic objectives. [2]

4.2 Risk Management Framework

This sub-chapter refers to the overall risk management framework; the risk management objectives for each category of risk are further detailed under Chapter 5: Capital Requirements.

Overall Strategies and processes to manage the risks

The governance framework and the process to manage the risks are defined within the Bank's Rules of Enterprise-wide Risk Management. The risk management framework includes a set of policies and procedures, limits, controls and alerts ensuring the identification, measurement, management or mitigation and report of these risks by the operational units. It applies to the whole Bank including its European branches and spreads over the three lines of defense.

Risk Strategy

The risk strategy sets out the objectives that risk management activities in the Bank are seeking to achieve and provides an overarching framework for the acceptance and management of risks within the Bank.
The risk strategy shall, as primary objective, ensure a sound, sustainable and prudent management of the Bank, by preserving its continuity, contributing to the development of the Bank's business, and protecting its reputation.

These objectives are realized through the following elements:

- setting clear governance, business authorizations, controls and organization;
- defining the Bank's risk appetite;
- implementing adequate controls mechanisms;
- raising risk awareness.

[2] The Committee held its inaugural meeting in January 2026. The official charter was subsequently published thereafter.

The risk strategy is done in conjunction with the Bank's business strategy, and consistently with the provisions of the Bank's:

- risk appetite statement;
- rules for enterprise-wide risk management;
- rules of three lines of defense for enterprise-wide risk Management;
- internal capital and liquidity capital assessment and;
- governing regulatory environment.

Enterprise-wide risk management

The Bank's rules for enterprise-wide risk management aims to ensure appropriate alignment of risk, capital, performance targets and to achieve the objectives set in the Bank's Risk Strategy.

Enterprise-wide risk management mentioned in these Rules refers to the set-up of a consistent and exhaustive institution-wide risk management framework, which covers all the activities and operational units of the institutions, including the internal control functions, and which fully recognises the economic substance of all their exposures, allowing the management body to retain control over all the risks to which the institution is or may be exposed.

Under the umbrella of these Rules, Enterprise-wide risk management framework must include a set of policies and procedures, limits, controls and alerts for each material risk type. These Rules set the overall framework of a sound Enterprise-wide risk management framework. These Rules are then cascaded down through the risk appetite statement, risk limits, authorizations, various risk policies, procedures and reporting to promote a better identification, measurement, management and mitigation of these risks.

All risks identified as material are expected to be addressed in all parts of the ICAAP & ILAAP in accordance with internally defined risk taxonomy.

For all risks identified as material, the Bank either allocate capital to cover the risk or document the justification for not holding capital. For each risk types, the Bank analyses the probability of risk occurrence, the severity of risk losses and summarizes results by drawing-up a heat map.

For the sake of risk control, the Bank adopts the following risk management measures:

- setting the definition for different types of risk, reinforcing the regional risk management through the unified risk appetite, the unanimous risk identification standard and centralized risk monitoring and controlling mechanism;
- identifying and understanding the types of risk inherent in the Bank's business activities or major new products or services to be launched;
- setting the risk limits in line with the Bank's risk appetite, the authorization of the ICBC Head Office and the regulation of the CSSF;
- effective contingency plan when the risk undertaken is inherent with above-mentioned limits, which especially contains the risk mitigation and transfer strategies;
- clear risk reporting system and mechanism.

The Bank specifies applicable business authorisation limits to the EU Branches, which include the credit approval authorization, credit risk weighted assets limit, country risk limit, large exposure limit, etc. These limits are communicated to the business units, understood by the relevant staff and also closely monitored by the risk control function at the branch level and at Headquarters level.

Risk Management Principles

The Bank has set some principles that describe the risk management culture:

- Integrity and appropriateness of risk management - risk management policies cover all material risks, taking into account the following factors: the Bank's 3 to 5 years business strategy including but not limited to; the size, nature and complexity; risk appetite and risk-taking capacity; the sophistication of the Bank's risk monitoring capability, risk management systems and processes; the management expertise; and the legal and regulatory requirements;
- Independence of risk management - risk management function is independent from the Front Office and other departments responsible for the operations and in particular those taking risks. The risk management function identifies, measures, and assesses the overall risks faced by the Bank;
- Combination of quantitative management and qualitative management - quantitative management aims mainly at identifying, measuring, monitoring and controlling the material risks and ensure capital adequacy, and effectively managing all types of risks. Qualitative management focuses mainly on analysing, assessing and controlling the Bank's corporate governance, internal control and risk management;
- Progressive and orderly management - the Bank aims to improve its risk management governance, process and system to ensure the Bank's business development is coordinated and consistent with its risk management.

Risk Appetite

The Risk strategy's objectives are implemented through the Bank's risk appetite statement which aims at setting the levels and types of risk that the Bank is willing to accept, or to avoid, in order to support the business objectives. It includes qualitative statements as well as quantitative measures relating to earnings, capital, risk measures, liquidity and other relevant metrics as appropriate.

The Risk Appetite Statement ("RAS") shall play the important role in cascading the risk strategy down through the Bank. The Risk Appetite Statement addresses some form of boundaries, limits or qualitative measures for non-quantifiable risks (i.e., reputation risk). In addition, the Bank has set several risk limits per risk category at consolidated and/or EU Branches' level gathered in the Risk Limit Management Plan ("RLMP").
Together, the Bank's Risk Appetite Statement and Risk Limit Management Plan gather a list of risk indicators, thresholds and limits with the goal of ensuring compliance with regulatory and internal risk indicators. Those indicators and related targets and limits constitute key elements to achieve a sustainable business strategy.

The Risk Appetite Framework ("RAF") is the overall approach, including policies, processes, controls, and systems through which ICBC's risk appetite (hereafter "RA") is established, communicated, and monitored.

In 2025, the Bank has issued the annual "Risk Appetite Statement (2025 version)" in order to comply with regulatory requirements and reinforce risk management by updating/adding some risk indicators and their related limits.

The Bank's RAS is defined by means of minimum thresholds for a number of key ratios; a mix of financial, regulatory & internal ratios. Indicators follow a traffic-light approach (early warning, tolerance and minimum regulatory requirement, if applicable). Clear steps, roles and responsibilities have been set in order to effectively monitor the Bank's RA indicators and escalate any breaches.

The Bank's RAF consists of three levels:

- guidance by AM and BoD;
- organizational design, i.e., policies, infrastructure and governance;
- execution, i.e., ownership, metrics, reporting, awareness & culture.

The Bank's RAF is developed in order to be used as a reference point:

- to support strategy and planning;
- to ensure that business objectives are in line with regulatory requirements;
- to drive performance in terms of growth and value creation;
- to help making day-to-day decisions on investments, financing and funding.

The Bank's RA indicators:
- include a combination of material risks;
- are timely, clear and can be easily monitored;
- cover a range of indicators on capital, credit, market, operational, ICT, compliance, interest rate risk, country risk, liquidity, profitability, concentration, Bank's reputation, etc;
- include both point-in-time and forward-looking indicators.

Stress testing

Stress testing forms a set of practices which aim at regularly assessing whether adverse events would jeopardize the adequacy between an institution's business model, its RA and its existing risks. Its outcomes should enable the management body to decide whether corrective measures are required in order to ensure the viability of the institution.

Stress testing provides Management with a better understanding of how the Bank's portfolios are affected by adverse effects on P/L, allocation of additional capital charge for risks or, for instance, deterioration of liquidity parameters. Stress testing approaches consider both normative and economic capital perspectives. For the normative quantification, the behaviours of both regulatory capital and liquidity ratios of the Bank are analysed under stress scenario assumptions. For the economic perspective, capital and earnings at risk are considered.

RMD with the cooperation of ALMD, on the delegated areas of liquidity and IRRBB/CSRBB, provides to both executive and management body, through stress testing results, the correlation between risks taken, the own funds and/or liquidity reserves, and the institution's ability to manage these risks in normal times and in times of stress.

Three lines of defense

The Bank complies with the principles of the "three lines of defense" model.

The first line of defense consists of the business units which take or are exposed to risks, which are responsible for their management and which monitor compliance with the policies, procedures and limits imposed on them, on a permanent basis.

The second line consists of support functions, such as the IT, the Legal, the Asset Liability Management, the Sustainable Finance Departments, the financial and accounting functions, and especially the Compliance and the Risk Management Functions which control risks on an independent basis and supports the business units in complying with the applicable policies and procedures.

The third line consists of the internal audit function which makes an independent, objective and critical assessment of the first two lines of defense and of the internal governance arrangements as a whole.

The three lines of defense are complementary, each line of defense assuming its control responsibilities regardless of the other lines.

Internal Control Function Hierarchical Supervision

Within the EU Branches, the internal control functions depend, from a hierarchical and functional point of view, on the control functions of the Headquarters.

The BoD considers that the risk management arrangements of the Bank are adequate with regard to the Bank's profile and strategy. This declaration is based on the reliability of the risk-related information communicated to the management body through dedicated committees and reports foreseen by the governance.

The BoD signs both a liquidity and a capital adequacy statement on an annual basis as part of the Internal Liquidity Adequacy Assessment Process (ILAAP) and Internal Capital Adequacy Assessment Process (ICAAP). In the view of the Internal Liquidity Adequacy Assessment Process and on-going monitoring metrics, the Board of Directors considers that the Bank holds sufficient available liquidity resources and has adequate liquidity and funding risk management. On the capital side, the Bank's risk-bearing capacity was sufficient in 2025 to cover both expected and unexpected losses. This is reflected by key prudential ratios as of 2025 year-end: Capital adequacy ratio: 19.51%, Tier 1 ratio: 14.28%, CET1 ratio: 14.28%, NPL rate: 1.31%, LCR:200%, NSFR:113% and by the full set of indicators controlled and monitored as part of the Bank's RAS. The Bank aims at managing its risk profile in such a way that it remains within its RA. In this purpose, boundaries were established (i.e., thresholds and limits) commensurate with the Bank's RA and in line with its risk capacity and its strategy.

The number of directorships held by the management body in its supervisory and management functions enables the Bank to ensure a sound and prudent management of the activities, including of inherent risks. The Board is compliant with the Directive 2013/36/EU, as amended, and the article 38-2 of the Law of 5 April 1993 on the Financial Sector as amended with regard to the limitation of mandates of the Bank's management body. Consequently, the Board members commit sufficient time available to perform their duties as directors of the Bank.

Board of Directors:
In 2025, a new Chairman was appointed to the Board of Directors. .

Board of Directors composition:

Name - position	Number of Directorships
LUO Wei - Chairman	2
TAO Mei	3
WANG Shuo	5
LI Feng	2
KHABIRPOUR Sarah	6
WOESTMANN Hugo	6

Table 1 - Board of Directors – number of directorships

Authorized Management:
In 2025, one Deputy General Manager retired. was approved by the competent authorities.

Authorized Management composition:

Name - position	Number of Directorships
LI Feng - Deputy General Manager	2
WANG Qiang - Deputy General Manager	2
YANG Yong - Deputy General Manager	2
ZHAO Xiaowei - Assistant General Manager	2

Table 2 – Authorized Management – number of directorships

Selection and Assessment Policy for the Suitability of Members of the Management Body and Key Function Holders

In accordance with CSSF Circular 12/552 as amended and the guidelines on the assessment of the suitability of members of the management body and key function holders published by the European Banking Authority ("EBA/GL/2021/06"), identified positions of the Bank are:

- Members of the Board;
- Members of the Authorized Management at Headquarters and EU Branches levels;
- Heads of Internal Control Functions at Headquarters level (e.g., European Chief Compliance Officer (ECCO), Chief Internal Auditor (CIA), and Chief Risk Officer (CRO)).

Roles and Responsibilities

- Board has legal authority, which it may not delegate, to determine the general policies and strategies of the Bank, in the context of the strategy determined by the Head Office of ICBC Limited. The Head Office is, therefore, regularly informed and consulted prior to initiating appointment procedure for any open position pursuant to the present Policy, including the appointment of members of the Board and the Authorized Management.

- In accordance with the organizational and functional requirements applicable to all credit institutions under the CSSF Circular 12/552, as amended, the Bank has a Remuneration and Nomination Committee composed of Non-Executive and Independent Directors of the Board. Responsibilities of the Committee is, among others, acting in an advisory capacity to review and provide feedback to Shareholders on proposed candidates for directors and key function holders appointments.

- The Authorized Management is involved in the selection process of the key function holders by recommending potential candidates to the Committee with the collaboration and support of Human Resources Department.

- The Human Resources Department advises and supports the Authorized Management, the Remuneration and Nomination Committee and the Board within the framework of the recruitment of candidates for key function positions.

Criteria of selection and assessment of members of management body and key function positions

In line with the EBA/GL/2021/06 and CSSF Circular 12/552 as amended, the Bank assesses and validates the suitability of candidates based on criteria of knowledge, skills and experience, reputation, honesty and integrity, independence of mind and availability for the functions to be performed.

Whenever a candidate is proposed to join the management body, the Remuneration and Nomination Committee analyzes the candidate in a collective perspective, in order to assess whether it contributes to the balance of the governing body that will integrate and comply with the collective criteria set forth in the Directive 2013/36/EU, ensuring a sound and prudent management of the Bank with the objective of creating sustainable value in the interest of the Bank, and taking into consideration the interests of the employees and other stakeholders.

The selection procedure favors the diversity of personalities, qualifications and technical and sectoral skills. The Bank's search for and selection of candidate is guided by the criteria of objectivity, competence and professionalism, under the application of the principle of equal opportunity without any favoritism.

Planning and Review

At least once a year, under instructions of the Board, the Remuneration and Nomination Committee (with the assistance of Human Resources Department) should review the status and potential succession of management body and key function holders.

Application to and Approval of CSSF

The Remuneration and Nomination Committee with the support of Human Resources Department prepares all necessary documentation with regard to the specific position and the candidate profile, for assessment and approval by the Board.

Human Resources Department notifies appointments or re-elections of members of the management body and key function holders to the CSSF as soon as possible by providing required documents.

Diversity

The Bank has defined several diversity principles that govern the selection of members of the Board and the Authorized Management to benefit from a balanced profiles diversity to fulfil the requirement of Article 27(4) of the Regulation (EU) No 909/2014.

The principles are detailed in the Diversity Policy of the Bank and refer to various educational and professional background, gender, age, culture and geographical provenance with the aim to achieve a variety of views and experiences to facilitate independent opinions within the management body.

As at 31 December 2025, half of the members of the Board are female directors coming from different geographical zones and benefiting from various educational background.

Going further the Bank has decided to set out the same principles, criteria and fundamental aspects for promoting diversity, equality and non-discrimination principles among all staff members. The Bank remains attuned to guidance from competent authorities and international bodies, utilizing benchmarking results to continually refine and enhance its approach regarding diversity principles.

5 Key Metrics

Template 2 : EU KM1 – Key Metrics template (EUR)

		a	b	c	d	e
		31.12.2025	30.09.2025	30.06.2025	31.03.2025	31.12.2024
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	546,495,477	567,459,816	547,846,430	527,084,690	515,397,543
2	Tier 1 capital	546,495,477	567,459,816	547,846,430	527,084,690	515,397,543
3	Total capital	746,495,477	767,459,816	747,846,430	727,084,690	715,397,543
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	3,826,253,319	3,900,859,121	3,498,092,211	2,973,780,345	3,530,632,380
4a	Total risk exposure pre-floor	3,826,253,319	3,900,859,121	3,498,092,211	2,973,780,345	NA
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	14.28%	14.55%	15.66%	17.72%	14.60%
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	14.28%	14.55%	15.66%	17.72%	
6	Tier 1 ratio (%)	14.28%	14.55%	15.66%	17.72%	14.60%
6b	Tier 1 ratio considering unfloored TREA (%)	14.28%	14.55%	15.66%	17.72%	
7	Total capital ratio (%)	19.51%	19.67%	21.38%	24.45%	20.26%

7b	Total capital ratio considering unfloored TREA (%)	19.51%	19.67%	21.38%	24.45%	
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	1.50%	1.50%	1.50%	1.50%	1.50%
EU 7e	of which: to be made up of CET1 capital (percentage points)	0.84%	0.84%	0.84%	0.84%	0.84%
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	1.13%	1.13%	1.13%	1.13%	1.13%
EU 7g	Total SREP own funds requirements (%)	9.50%	9.50%	9.50%	9.50%	9.50%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the	0.00%	0.00%	0.00%	0.00%	0.00%

	level of a Member State (%)					
9	Institution specific countercyclical capital buffer (%)	0.84%	0.58%	0.79%	0.81%	0.79%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer	0.00%	0.00%	0.00%	0.00%	0.00%
11	Combined buffer requirement (%)	3.34%	3.08%	3.29%	3.31%	3.29%
EU 11a	Overall capital requirements (%)	12.84%	12.58%	12.79%	12.81%	12.79%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.16%	7.42%	8.54%	10.60%	7.47%
	Leverage ratio					
13	Total exposure measure	8,138,911,567	7,536,764,954	7,156,167,373	7,182,524,981	7,117,255,111
14	Leverage ratio (%)	6.71%	7.53%	7.66%	7.34%	7.24%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					

EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0%	0%	0%	0%	0%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0%	0%	0%	0%	0%
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	0%	0%	0%	0%	0%
EU 14e	Overall leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio[3]					
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	1,998,551,687	1,909,702,623	2,046,206,830	1,736,484,090	1,531,268,878
EU 16a	Cash outflows - Total weighted value	1,581,858,779	1,441,728,171	1,379,703,127	1,177,412,065	1,125,368,900

[3] LCR values are disclosed based on quarterly average figures as per EBA Q&A ruling.

EU 16b	Cash inflows - Total weighted value	559,905,560	585,557,180	614,839,217	595,717,807	574,707,832
16	Total net cash outflows (adjusted value)	1,021,953,219	867,039,731	775,732,651	598,343,811	578,100,862
17	Liquidity coverage ratio (%)	212.16%	267.53%	334.23%	360.43%	346.30%
	Net Stable Funding Ratio					
18	Total available stable funding	4,857,779,204	5,269,594,406	4,690,986,313	4,353,107,429	4,195,501,647
19	Total required stable funding	4,286,537,365	4,458,214,835	4,093,706,378	3,608,192,672	3,579,564,771
20	NSFR ratio (%)	113.33%	118.20%	114.59%	120.65%	117.21%

6 Regulatory Own funds

6.1 Capital instruments' main features

The Bank's own funds are calculated in accordance with article 72 of the CRR and consist of the sum of its Tier 1 capital (Common Equity Tier 1 + Additional Tier 1 capital) and Tier 2 capital.

The Bank's own funds are composed of CET1 and Tier 2.

- CET1: The Bank CET1 paid-up amounts to EUR 437,432,880 which represents 36,452,740 shares at a par value of EUR 12, each fully paid-up. CET1 is also made of retained earnings, Accumulated Other Comprehensive Income, other reserves, deduction considered for adjustments to CET1 due to prudential filters, Deferred tax assets and insufficient coverage for non-performing exposure.
- Additional Tier 1 capital: none.
- Tier 2: issuance of EUR 200M Tier 2 subordinated loan to the parent company done during the course of 2021.

6.2 Own funds disclosure

In accordance with points (a), (d), (e) and (f) of Article 437 of CRR, the following table EU CC1 discloses the composition of regulatory own funds. The Bank is not subject to restrictions applying to the calculation of own funds in accordance with CRR.

Template 3 : EU CC1 - Composition of regulatory own funds (EUR)

		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	437,432,880	**(a)**
2	Retained earnings	46,233,443	**(b)**
3	Accumulated other comprehensive income (and other reserves)	98,994,156	**(e)**
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	582,660,479	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(3,183,007)	
8	Intangible assets (net of related tax liability) (negative amount)	-	**(c)**
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)	(31,863,384)	

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)	-	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	
25	of which: deferred tax assets arising from temporary differences	-	
EU-25a	Losses for the current financial year (negative amount)	-	
27a	Other regulatory adjustments	(1,118,612)	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	(36,165,003)	
29	**Common Equity Tier 1 (CET1) capital**	546,495,477	
Additional Tier 1 (AT1) capital: instruments			
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	-	
Additional Tier 1 (AT1) capital: regulatory adjustments			
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	-	
44	**Additional Tier 1 (AT1) capital**	-	
45	**Tier 1 capital (T1 = CET1 + AT1)**	546,495,477	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	200,000,000	**(d)**
51	**Tier 2 (T2) capital before regulatory adjustments**	200,000,000	
Tier 2 (T2) capital: regulatory adjustments			
58	**Tier 2 (T2) capital**	200,000,000	
59	**Total capital (TC = T1 + T2)**	746,495,477	
60	**Total risk exposure amount**	3,826,253,319	
Capital ratios and requirements including buffers			
61	Common Equity Tier 1	14.28%	
62	Tier 1	14.28%	
63	Total capital	19.51%	
64	Institution CET1 overall capital requirements	8.69%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical capital buffer requirement	0.84%	
67	of which: systemic risk buffer requirement	-	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	-	

EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	0.84%	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	7.16%	

6.3 Capital buffers

The Bank shall meet an overall capital requirement (OCR) which is the sum of:

1. the total SREP capital requirement (TSCR) and;
2. the combined buffer requirement.

1. The TSCR, which must be met at all times, is set at 9.25% of the Bank's Total Risk Exposure Amount (TREA) as defined in article 92(3) CRR, where[4]:

- 8 % of TREA represent own funds requirements as specified in Article 92(1) CRR,
    - 1.5 % of TREA represent the additional own funds (in excess of the requirements specified in article 92 CRR) further to article 28(1) of CSSF Regulation 15-02, to be held in the form of 56,25% CET1 capital and 75% of Tier 1 capital as a minimum.

2. The combined buffer requirement is the CET1 capital corresponding to the sum of the following:

- 2,5% of TREA corresponding to the capital conservation buffer as defined in article 59-5 LSF;
- The amount of CET1 capital resulting from the application of CSSF Regulation 15-01 (countercyclical capital buffer) taking into account all applicable country-specific buffer rates;

- **Countercyclical Buffers**

Pursuant to article 59-7 of the law of 5 April 1993, as amended on the LFS, and in accordance with article 440 (0) of the CRR, the Bank's specific countercyclical buffer to be considered amounted to 0.8449%, which is slightly higher compared to last year (0.7945% in 2024). This modest increase comes from the global increase in applicable CCyB rates from country where the Bank is exposed.

The following EU CCyB2 and EU CCyB1 templates are set in order to disclose the information referred to in point (a) of Article 440 of CRR by following the EBA ITS.

Template 4 : EU CCyB2 - Amount of institution-specific countercyclical capital buffer (EUR)

1	Total risk exposure amount	3,826,253,319
2	Institution specific countercyclical capital buffer rate	0.84%
3	Institution specific countercyclical capital buffer requirement	32,327,726

[4] According to CSSF letter sent in Q4 2025, the P2R component was reduced by 25bps compared with 2025 and 2024.

Template 5 : EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer (EUR)

	a=f	g=j	k	l	m
	General credit exposures	Own fund requirements	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
	Exposure value under the standardised approach	Relevant credit risk exposures - Credit risk			
Breakdown by country:					
AT	13,011,972.56	208,192	2,602,395	0.09%	0.00%
AU	15,461,019.98	927,661	11,595,765	0.41%	1.00%
BE	185,302,087.18	13,611,245	170,140,557	5.99%	1.00%
CH	70,014,260.10	6,321,483	79,018,538	2.78%	0.00%
CN	42,232,836.49	2,345,850	29,323,127	1.03%	0.00%
CZ	71,221,769.60	4,273,306	53,416,327	1.88%	0.00%
DE	183,398,899.44	14,907,520	186,343,996	6.56%	0.75%
DK	6,545,000.00	523,600	6,545,000	0.23%	2.50%
ES	322,586,981.84	24,874,135	310,926,691	10.95%	0.50%
FI	54,968,300.40	4,639,126	57,989,075	2.04%	0.00%
FR	493,873,965.83	38,058,354	475,729,426	16.75%	1.00%
GB	66,527,627.69	6,094,261	76,178,262	2.68%	2.00%
HK	54,848,102.04	3,036,266	37,953,327	1.34%	0.00%
HU	24,400,000.00	1,664,000	20,800,000	0.73%	1.00%
IT	212,025,598.39	16,251,881	203,148,510	7.15%	0.00%
JP	18,630,364.62	1,490,429	18,630,365	0.66%	0.00%
LU	408,563,358.10	31,425,774	392,822,171	13.83%	0.50%
NL	375,503,138.46	29,185,146	364,814,324	12.85%	2.00%
PL	198,200,072.59	15,777,827	197,222,836	6.95%	1.00%
PT	77,732,962.18	6,215,835	77,697,941	2.74%	0.75%
SE	55,008,619.64	3,021,490	37,768,620	1.33%	2.00%
VG	58,156,014.34	2,326,241	29,078,007	1.02%	0.00%
Total	3,008,212,951.46	227,179,621	2,839,745,260	100%	

6.4 Leverage

6.4.1 Qualitative statement

Leverage ratio calculation as at 31 December 2025 is based on the CRR 3 with regard to the leverage ratio. According to this regulation, the leverage ratio is calculated by dividing Tier 1 capital resources by a defined measure of on-balance sheet assets and off-balance sheet items, while the Tier 1 capital is based on fully-fledged definition as the transitional provisions of CRR do not apply to the capital instruments of the Bank and therefore Article 499 (2) is not applicable to the Bank.

Leverage ratio is essentially a non-risk-based capital measure in order to limit the excessive use of leverage across banking system. The Bank reports a leverage ratio equal to 6.71% as of 31.12.2025 significantly exceeding the regulatory requirement set at 3% since June 2021. As part of the Risk appetite framework, this metric is controlled, monitored and reported to the RICC and to the AM which will take any corrective actions when required.

Over 2025, the Bank's leverage ratio decreased remaining safely above the limit (from 7.24% to 6.71%). The main factor that led to the decrease in leverage ratio was the increasing total leverage exposure from EUR 7,117M in 2024 to EUR 8,139M in 2025 (+14.35%). This exposure increase is mainly driven by the large exposure to central bank.

6.4.2 Leverage Ratio disclosure

Template 6 : EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures (EUR)

		31/12/2025
1	Total assets as per published financial statements	8,547,017,632
8	Adjustments for derivative financial instruments	69,850,197
10	Adjustment for off-balance sheet items (i.e., conversion to credit equivalent amounts of off-balance sheet exposures)	1,035,400,425
12	Other adjustments	(1,513,356,686)
13	**Total exposure measure**	**8,138,911,567**

Template 7 : EU LR2 - LRCom: Leverage ratio common disclosure (EUR)

		CRR leverage ratio exposures	
		31.12.2025	**31.12.2024**
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	7,032,720,325	6,088,179,291
6	(Asset amounts deducted in determining Tier 1 capital)	(3,183,007)	(2,326,502)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	7,029,537,318	6,085,852,789
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e., net of eligible cash variation margin)	73,973,825	28,384,581
13	**Total derivatives exposures**	73,973,825	28,384,581

Securities financing transaction (SFT) exposures			
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	2,342,802,170	1,999,391,922
20	(Adjustments for conversion to credit equivalent amounts)	(1,307,401,746)	(996,374,182)
22	**Off-balance sheet exposures**	1,035,400,425	1,003,017,740
Excluded exposures			
Capital and total exposure measure			
23	**Tier 1 capital**	546,495,477	515,397,543
24	**Total exposure measure**	8,138,911,567	7,117,255,111
Leverage ratio			
25	Leverage ratio	6.71%	7.24%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	6.71%	7.24%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	6.71%	7.24%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	NA	NA
Disclosure of mean values			
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	8,138,911,567.28	7,117,255,111
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	8,138,911,567.28	7,117,255,111
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.71%	7.24%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.71%	7.24%

Template 8 : EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures) (EUR)

		31.12.2025
		CRR leverage ratio exposures

EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	7,032,720,325.09
EU-3	Banking book exposures, of which:	7,032,720,325.09
EU-5	Exposures treated as sovereigns	2,717,967,235.98
EU-7	Institutions	1,875,815,929.19
EU-9	Retail exposures	2,061,870.90
EU-10	Corporates	2,337,831,342.14
EU-11	Exposures in default	14,899,969.83
EU-12	Other exposures (e.g., equity, securitisations, and other non-credit obligation assets)	84,143,977.04

7 Capital requirements

7.1 Internal Capital Adequacy Assessment Process (ICAAP)

In addition of the Pillar 1 regulatory capital requirement, the Bank performs an Internal Capital Adequacy Assessment Process (ICAAP) pursuant to (i) Circular CSSF 07/301 (ICAAP), as amended, as well as (ii) Circular CSSF 11/506 (principles of a sound stress testing programme) and (iii) the general (risk) governance principles of Circular CSSF 12/552, as amended, that apply to ICAAP particular.

The Internal Capital Adequacy Assessment Process (ICAAP) aims at:

- identifying all risks the Bank is exposed to as a result of its business strategy;
- assessing related risk management capabilities & mitigation strategies;
- evaluating capital adequacy in accordance with its risk appetite.

In the context of the ICAAP, the Bank performs an internal risk identification and assessment and identifies risks which are not covered or not fully captured in the minimum prudential own fund's requirements.

For all risks identified as material, the Bank either allocates capital to cover the risk or document the justification for not holding capital. For the purpose of this internal assessment of the capital adequacy, the Bank defines material risks as any risks that may have a direct impact on the Bank's capital positions. For each risk, the Bank analyses the probability of risk occurrence and the severity of the risk losses based on different criteria and build up a risk matrix.

The Bank projects its capital ratios over a 3-years horizon as the short term-perspective complemented by a longer-term forward looking-perspective of at least 3 years. The applicable thresholds for the capital ratios for both the baseline scenario and the stress scenarios are measured to define the excess (resp. shortage) of capital. The internal capital is tested in accordance with extreme, but plausible, stress scenarios which results are communicated to AM and BoD.

The Bank's internal capital is conformed to the strategic goals, business developing plans and risk management objectives of the Bank. Internal capital is mainly distributed by allocating a maximum RWA.

The Bank's ICAAP applied two perspectives: a normative perspective and an economic one. Whilst the normative perspective aims at fulfilling all capital-related legal requirements, supervisory demands and internal objective; the economic perspective covers all material risks which might threaten the Bank's economic viability.

Both perspectives are designed to safeguard the Bank's ability to survive: they are based on internal assessments on the capital required to safeguard the Bank's continued existence – considering all of its specific effects, risks and losses. They are also implemented considering the principle of proportionality, the Bank's simplified and stable capital structure, its business type (corporate lending and bonds investment), its asset size and its non-systemic risk.
Over and above the risk-bearing capacity analysis, the ICAAP comprises additional management tools, including a system of limits and early-warning thresholds based on risk and capital indicators, together with a comprehensive monthly and quarterly monitoring and reporting process.
Under the normative perspective, the Bank has adopted:

Pillar 1 risks	**Approach**
Credit risk	Standardized
Market risk	Standardized
Counterparty Credit Risk	Standardized

Operational Risk	Standardized[5]

Under the economic perspective, the Bank has performed an internal risk identification and assessment and has identified risks which are not covered or not fully captured in the minimum prudential own funds' requirements. The risks identified are interest rate risk in the banking book and concentration risk. These risks are subject to a separate assessment and are added to the Pillar I-risks for Pillar II analysis in order to define the overall internal capital requirements.
At the end of December 2025, the Bank's capital adequacy ratio amounted to 19.51% (-0.75% YoY). The normative approach is considered sufficiently conservative relative to the economic approach so that no additional Pillar II internal capital buffer is deemed necessary at this stage on top of the existing normative capital planning framework.

The main purpose of the ICAAP including the stress tests performed is to assess whether adverse events would jeopardize the adequacy between ICBC's business model including risk profile and its existing capacity to manage and bear risks and ensure that the Bank would have sufficient capital even under stress.

As per the capital projections under normal and stressed conditions and the overall governance and risk management framework, the Bank's forecasted capitalization together with current macroeconomic environment will require a close monitoring of the risks in order to cover both expected and unexpected losses and achieve objectives for the next 3 years.

The ICAAP concluded that the capital position of the Bank remains sound over 2025. The point of attention in terms of capital structure remains the lack of Additional Tier 1 capital that creates a hole in the capital structure leading to the poor efficiency of Tier 2 item (as a capital item product – not as a liquidity item). Therefore, the Bank shall continue to adjust the size of risk-weighted assets in line with its risk capacity, while optimising capital resources to support profitability.

Upon demand of the relevant competent authority, the result of the Bank's Internal Capital Adequacy Assessment Process: Article 438 (c) - Not applicable

7.2 Regulatory capital requirement

The table EU OV1 below summarises RWAs and minimum capital requirements by risk type for the Bank. Further information on individual risk types is found in subsequent tables in this report. Minimum Capital Requirement is calculated as 8% of RWAs.

The following table is set in application of article 438(d) of the CRR, and provides an overview of the risk-weighted assets and regulatory capital requirements of the Bank.

[5] In order to comply with the article 314 of the CRR3, from 2025 onward, the Bank uses the new standardized approach to calculate the regulatory minimum own funds requirement for operational risk. This approach requires banks to define a business indicator component (BIC)

Template 9 : EU OV1 – Overview of total risk exposure amounts (EUR)

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		31.12.2025	**31.12.2024**	**31.12.2025**
1	Credit risk (excluding CCR)	3,616,809,486	3,377,811,065	289,344,759
2	Of which the standardised approach	3,616,809,486	3,377,811,065	289,344,759
6	Counterparty credit risk - CCR	22,004,937	13,455,705	1,760,395
7	Of which the standardised approach	22,004,937	13,455,705	1,760,395
10	Credit valuation adjustments risk – CVA risks	22,238,179	3,937,479	1,779,054
EU 10a	Of which the standardised approach (SA)		3,937,479	1,779,054
EU 10b	Of which the basic approach (F-BA and R-BA)	22,238,179	-	1,779,054
20	Position, foreign exchange and commodities risks (Market risk)	23,850,000	-	1,908,000
21	Of which the standardised approach	23,850,000	-	1,908,000
23	Operational risk	141,350,717	135,428,131	11,308,057
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	28,615,360	135,428,131	2,289,229
29	**Total**	3,826,253,319	3,530,632,380	306,100,266

7.3 Credit Risk

7.3.1 Risk management framework

The Bank defines credit risk as the risk of losses arising because counterparties fail to meet all or part of their payment obligations to the Bank. The counterparty credit risk refers to the risk that the counterparty to a transaction could default before the final settlement of the transaction's cash flows.

Credit risk is inherent to the business model of the Bank and is therefore the most crucial risk facing by the Bank. As of 31.12.2025, Credit Risk RWA accounts for 95.10% of Total Risk Exposure Amount (‘TREA’) under Pillar 1 and Counterparty Credit Risk accounts for 0.58% of TREA.

The main sources of Credit risk for the Bank are:

- On-balance sheet credit exposures: bilateral loans, syndicated loans participated and bonds purchased by the Bank.
- Off-balance sheet credit exposures: loan commitments given and guarantees given.

	31.12.2025 EUR	**31.12.2024 EUR**
Cash, cash balances at central banks and other demand deposits	1,686,274,650	1,923,785,799
Financial assets held for trading (economic hedge)	7,401,515	4,123,628
Non-trading financial assets mandatorily at fair value through profit or loss - Debt instruments	-	873,185
Non-trading financial assets mandatorily at fair value through profit or loss - Equity instruments	-	4,545,914
Debt securities at FVOCI	558,094,939	746,291,718
Debt securities at Amortized Cost	959,295,757	103,755,557
Loans and advances at FVOCI	2,611,853,956	1,567,873,061
Loans and advances at Amortized Cost	2,599,483,902	2,798,145,346
Derivatives – Hedge accounting	9,326,985	2,869,395
Tangible assets	47,770,843	53,894,524
Intangible assets	52,023	46,254
Tax assets	55,624,873	32,496,435
Other assets	11,838,185	8,572,361
Total assets	**8,547,017,632**	**7,247,273,177**

Table 3 - Structure of assets (EUR)

The Bank’s total assets amount to EUR 8,547,017,632 as of December 31, 2025 (vs. EUR 7,247,273,177 in 2024). The amount of total assets has been increased by 17.90% mainly due to the increase of financial assets at Fair value through other comprehensive income FVOCI (EUR +856M) and at Amortized Cost (EUR +0.657Bn) over the year 2025. This rise is the result of capital and liquidity optimization practices aiming at enhancing profitability figures of the Bank.

	31.12.2025 EUR	31.12.2024 EUR
Loan commitments given	1,942,370,667	1,676,390,670
Other commitments given	-	-
Financial guarantees given	362,969,552	323,058,580

Table 4 - Structure of off-balance sheet assets (EUR)

Loan and other commitments of EUR 1,942.37M and EUR 0M reciprocally, represent undrawn loan exposures provided to customers. Financial guarantees given were EUR 362.97M at the end of 2025 (2024: EUR 323.06M) and remained quite stable over the year.

Corporate and Financial Institution Lending

Syndicated loans, bilateral loans, bonds and loan commitments given to corporate and financial institutions as well as getting unfunded risk participation from ICBC group or ICBC Luxembourg Branch on company loans are the Bank main business.

Guarantee facilities

The EU Branches issue guarantee upon request of clients, which means that the EU Branches issue to the beneficiary of the guarantee a guarantee committing itself to pay an amount of money in case the client does not fulfil certain conditions. Most of guarantees are non-financial purposes such as bidding guarantees, performance bonds, prepayment guarantees, quality guarantees and maintenance guarantees, etc.

Investment portfolio: fixed income and variable income

As at December 31, 2025, debt securities and other fixed-income securities and treasury bills in the investment portfolio are held for their investment return. Financial assets at amortized cost – Debt securities under IFRS 9 amounts to EUR 959M (2024: EUR 104M).

Structural portfolio: fixed income and variable income

The key objective of the fixed income investment of the Bank is to deploy surplus funds of the Bank to maximize earnings for the Bank at minimum risk. Also, part of the fixed income portfolio could be used as high-quality liquid assets ("HQLA") to improve LCR. As at December 31, 2025, debt securities and other fixed-income securities and treasury bills in the structural portfolio are intended to be used on a continuing basis in the Bank's activities. Financial assets at fair value through other comprehensive income – Debt securities under IFRS 9 amounts to EUR 558.1M (vs. EUR 746.3M in 2024).

Credit Risk Management framework

- EU Branches can only conduct credit business within their approval authorization and can only approve credit business within the limit authorized by the HQ (annual basis).

- Credit Approval Department at HQ aims to support the centralized management of credit approval, guide credit development of EU Branches and enhance the Bank's specialization of credit examination and approval.

- Decision-making structure on loans is hierarchically organized according to the customer's risk profile. Above a specific threshold, credit business application must be deliberated by Credit Committee and ratified by AM in headquarter. The Credit committee deliberate on the credit risk and provides the decision-maker with supportive analysis through collective deliberation

- The standardized credit approval flow goes through three steps: (i) due diligence, (ii) examination (analysis and evaluation) and (iii) credit approval.

- The business exceeding credit authorization limit must go through higher-level for approval (EU Branches ► Luxembourg Headquarters ► Head Office).

- Credit committee aims to support decision-maker (as defined within the charter of the Credit committee) with expertise financial and non-financial information on customers' profile (i.e., borrower's operation & financial situation, solvency, purpose of the loan, guarantee, country risk, Risk Transfer Pricing, etc.).

Risk control measures

The Bank establishes a unified procedure and measurements on credit rating and credit line, as well as the business entry thresholds, strengthening the risk identification and the control of large exposures to groups of connected clients. The Bank aims to assume risks only within the limits of applicable risk management framework and its credit policy.

The Bank also specifies applicable limits within the Business Authorization to the EU Branches, including credit approval authorization, loan security policy, access criteria for credit facilities, weighted credit risk assets limit, country risk limit, large exposure limit, etc. Apart from the above-mentioned aspects, RMD monitors credit exposures, issues risk reminder notices where necessary and verifies the respect of business authorizations and credit limits of correspondent banks for daily dealing activities.

Internal ratings are based on HO methodology and are strictly used during credit approval process. Internal rating is used to map PDs' table and make the corresponding provision for the exposures which has a direct impact on the prudential capital of the Bank.

Credit line size is directly calculated and granted based on a combination of qualitative and quantitative analysis & measures which are embedded in the Global Credit Management System (GCMS).

Credit RWA allocation

Credit RWA is allocated to EU Branches based on quantitative indicators and strategy. The Bank has built a dedicated tool and process for the allocation, monitoring and control of risk weighted credit assets.

The EU Branches calculate the credit risk weighted assets amount already used before entering in a new credit business and ensure that their total used limit will not be breached.

A daily monitoring tool has been implemented at HQ level allowing RMD HQ to monitor the RWA occupation of all branches on a daily basis and to provide detailed calculation to branches to support them in the daily monitoring and decision-making process. This mechanism ensures a monitoring at consolidated level of the capital requirements related to the credit portfolio and to anticipate any situation that could put capital ratio in a stress situation.

Post-loan management

The duration management of corporate customer credit and agent investment business of the Bank includes:

- a clear definition of the duties and responsibilities of each department;
- a review of asset quality and allowance for credit losses depending of the defined credit classification;
- post-loan analysis reporting including follow-ups, checks, monitoring and alert financing customers, collateral

management, utilization of the funds, etc;
- risk indicators, early warning indicator check and unlikely-to-pay (UTP) criteria check.

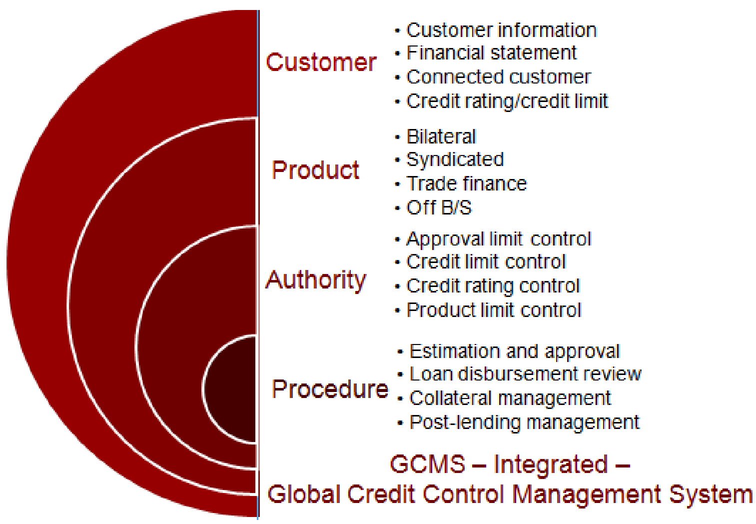
The Bank has developed the monitoring and issued the post-loan management performance assessment on front offices in HQ and the EU Branches with a frequency depending on the internal rating.

The EU Branches keep a close watch on their customers, perform strictly the daily post-lending management, and draft the monitoring report periodically which should be submitted to the RMD for review.
Ongoing follow-up on developments (post-loan/duration management) in the customer's financial situation enables the Bank to assess whether the basis for the credit facility has changed. The credit facilities should match the customer's creditworthiness, capital & future cash-flow positions and assets.

Systems infrastructure

GCMS is the in-house system platform developed by ICBC HO, which supports domestic and overseas branches and institutions in credit business risk control and management, covering corporate customers, institutional customers and personal customers as well as their credit rating, credit limit and all kinds of on-balance-sheet and off-balance-sheet credit business.

The Bank has fully used the GCMS to gain internal credit ratings as well as the related credit line of customers, to prevent surpassing the credit approval power and to monitor the overall occurring credit business.



➢ Customer management: create and maintain customer's basic information and financial statements; set related party relationship between customers.

➢ Credit rating: input rating information according to scoring card model, and determine customer's credit rating after review and approval.

➢ Credit limit: the customers are classified into single customer and group customer. The process of credit limit determining include credit information collection, calculate the reference amount of credit limit according to quantitative measurement, qualitative analysis, credit limit application, review and approval.

➢ Examination and approval: credit risk officer and authorized approver can complete examination and approval procedure within the range of respective authorities in GCMS. The credit approval powers in GCMS of

General Manager are set by ICBC Europe Headquarters. Afterwards General Manager delegates some powers in GCMS to Deputy General Manager in charge of credit risk management. Once the amount exceeds the credit approval powers beforehand set in GCMS, the credit business cannot be approved and need to be submitted to the authorized approver. This is how the GCMS prevents potential breaches of credit approval powers.

➢ Application for drawdown and subsequent service for loan: create permits for the application for drawdown based on approved agreement after going through control steps; Support subsequent service for loan which includes: prepayment, interest rate adjustment, extension or contraction of loan tenor, etc.

➢ Credit assets classification: it provides different types of classification models. The system will automatically generate a preliminary credit asset quality classification result. If the preliminary classification result has not truly reflected the practical business risks, adjustment can be made in accordance with specified procedure and authorization.

➢ Post-lending management and risk warning: it allows the relationship manager to input inspection and investigation opinion and make a risk control proposal when performing post-lending management. Risk warning information can be given according to the set warning indicators and parameters in the system; the users are allowed to check and process warning information.

➢ IFRS 9 stage: as for credit assets classification, the system will automatically generate a preliminary IFRS 9 stage grade.

Use of ECAIs

Pursuant to article 138 of the CRR, the Bank has nominated the following three External Credit Rating Assessment Institutions ('ECAI's) to calculate regulatory capital requirements under the credit risk standard approach (hereafter "CRSA"):

- Standard & Poor's Ratings Services ('S&P').
- Moody's Investors Service.
- Fitch Ratings Ltd.

These three ECAIs comply with the regulation (Article 4 (98) of the CRR) as they are registered or certified in accordance with Regulation (EC) No 1060/2009 of the European Parliament and of the Council of 16 September 2009 on credit rating agencies or a central bank issuing credit ratings which are exempt from the application of Regulation (EC) No 1060/2009. The Bank does not make use of Export Credit Agencies ('ECA') for credit risk assessment.

These three nominated ECAIs are applied on a standardized basis for all CRSA exposure classes.

External credit assessments on the borrower (the issuer) or specific securities issued by the borrower (the issue) are the basis for the determination of risk weights under the standardised approach for exposures to sovereigns, central banks, public sector entities, institutions, corporate as well as certain other specific portfolios.
In cases where an exposure does not have an issuer or issue rating, the exposure shall be deemed unrated and shall be accorded a risk weight appropriate for unrated exposures in their respective exposure category in accordance with article 111-134 of the CRR.

The Bank uses external ratings for capital adequacy purposes on a consistent basis. The Bank complies with articles the conditions expressed in articles 138 and 139 of the CRR.

The Bank complies with the standard association published by EBA. The Bank uses these three ECAIs for the determination of risk weights to be assigned to assets and off-balance sheet items. A mapping of these three ECAI's credit assessments to credit quality steps is performed for each exposure class in order to define the risk weight to be applied as defined under the standardised approach for credit risk under Articles 111-134 of the CRR.

S&P	Moody's	Fitch	Credit Quality Step
AAA to AA-	Aaa to Aa3	AAA to AA-	1
A+ to A-	A1 to A3	A+ to A-	2
BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	3
BB+ to BB-	Ba1 to Ba3	BB+ to BB-	4
B+ to B-	B1 to B3	B+ to B-	5
CCC+ and below	Caa and below	CCC and below	6

Table 5 - Credit rating agencies and credit quality step under the standardised approach

Own funds requirement for CVA risk is based on ECAIs ratings of the derivatives counterparties pursuant to article 384 (2) of the CRR.

For off balance-sheet items, the exposure amounts are multiplied by the credit conversion factor ('CCF'). Pursuant to article 111 (2) of the CRR, the CCF factor level is:

- 100 % for items in bucket 1
- 50 % for items in bucket 2
- 40 % for items in bucket 3;
- 20 % for items in bucket 4;

10 % for items in bucket 5.

7.3.2 Capital requirement

The Bank exposure is concentrated on the on-balance sheet business representing 80% of total RWA as of Q4 2025 (stable compared with Q4 2024). The remaining is occupied by off balance sheet exposures (20%) with and in a very small proportion (<1%) the derivatives business. Along 2025, on balance sheet increased mainly due to the organic growth of the corporate loan portfolio after 2022/2023 deleveraging. The RWA view follow the same trend.

ULTIMATE EAD	12/31/2024	12/31/2025
Derivatives	28,384,581	64,956,506
Off	1,999,391,922	2,342,802,184
On	6,092,725,205	7,060,010,568
TOTAL EAD	8,120,501,708	9,467,769,257

ULTIMATE RWA	12/31/2024	12/31/2025
Derivatives	13,455,705	21,269,925
Off	660,750,000	742,141,097
On	2,717,061,066	3,036,362,955
TOTAL RWA	3,391,266,770	3,799,773,977

Table 6 - Breakdown of Credit exposures by exposure types (after CRM) (EUR)

The trend of the exposure and RWA is the same as the one described in the previous part. Looking at the concentration by type of counterparty. Most of the RWA (91%) are concentrated on Credit Institutions and Corporate customers which is stable compared to Q4 2024.

ULTIMATE EAD*	12/31/2024	12/31/2025
Central Bank	1,641,182,094	1,350,705,344
Central Government	380,360,537	1,229,747,590
Corporate	2,937,097,840	3,413,640,802

ULTIMATE RWA*	12/31/2024	12/31/2025
Central Bank	-	-
Central Government	27,725,195	27,726,601
Corporate	2,160,654,326	1,888,012,926

Credit Institution	2,960,068,300	3,021,972,143		Credit Institution	1,098,786,798	751,602,777
Multilateral Development Banks	95,550,021	39,170,396		Multilateral Development Banks	-	-
Other Categories	106,242,917	412,532,983		Other Categories	104,100,451	249,026,370
TOTAL	8,120,501,709	9,467,769,257		**TOTAL**	3,391,266,770	2,916,368,673
*On + Off balance excluding derivatives				*On + Off balance excluding derivatives		

Table 7 - Contribution of RWA by exposure class (EUR)

Exposure values after credit risk mitigation: aggregated exposure values of on-balance sheet and off-balance sheet exposures excluding derivatives.

For on balance-sheet exposures, the exposure amounts on institutions are deducted of the total amount related to the netting agreement for exposure on ICBC Ltd as further detailed under section 4.4 on “Credit risk mitigation techniques: Article 453 of the CRR”.

Credit exposure post-CCF and post-CRM: Exposure value after taking into account specific credit risk adjustments as defined in Commission Delegated Regulation (EU) No 183/2014 and write-offs as defined in the applicable accounting framework, all credit risk mitigations and credit conversion factors. This is the amount to which the risk weights according to Article 113 and Part Three Title II Chapter 2 section 2 of Regulation (EU) 575/2013 are applied. It is a net credit equivalent amount, after having applied CRM techniques and CCF.
The standardized method for credit risk uses external ratings linked to certain risk weightings. Under the standardized approach, capital requirement for credit risk is calculated by applying a flat rate (8%) to the total of its risk weighted exposures. The risk weight is directly coming from the CRR tables depending of the ECAI credit ratings mapping table.

The below tables display the geographical distribution of the exposures before and after risk mitigation without considering netting and provision. The scope of exposures concerned includes On-balance and Off-Balance exposures excluding derivatives. As most of the mitigation is done by transferring exposures to ICBC Luxembourg branch, the impact is mainly on Luxembourg concentration. The concentration on the top 10 countries represents 83.7% of the total RWA in Immediate view and 87.6% of the total in ultimate view. Exposures are in total located in 35 different countries under both immediate and the ultimate views.

TOP 10 (IMMEDIATE ON_BALANCE)	COUNTRY	12/31/2024	12/31/2025
1	FR	318,331,088	485,889,293
2	IT	452,879,483	347,405,809
3	LU	928,863,267	440,690,062
4	NL	346,038,461	375,745,389
5	ES	177,866,123	238,531,085
6	PL	194,644,754	170,009,023
7	DE	126,434,603	186,607,037
8	BE	130,760,561	147,174,152
9	GB	85,381,983	81,377,812
10	ZA	68,447,151	68,447,151

TOTAL TOP 10	2,829,647,474	2,541,876,814
TOTAL_RWA	3,280,889,303	3,036,362,955

Table 8 - Exposure by geography - Immediate Counterparties - On balance (EUR)

TOP 10 (IMMEDIATE OFF_BALANCE)	COUNTRY	12/31/2024	12/31/2025
1	IT	90,278,813	106,530,085
2	PL	132,076,531	117,011,696
3	NL	75,020,774	62,559,219
4	ES	69,356,217	81,468,524
5	FR	70,315,243	47,797,564
6	LU	7,158,529	69,420,127
7	BE	35,531,750	49,485,106
8	HU	33,916,379	20,800,000
9	CN	28,178,216	32,952,722
10	JP	21,877,170	16,083,556
	TOTAL TOP 10	**563,709,622**	**604,108,600**
	TOTAL_RWA	**660,750,000**	**742,141,097**

Table 9 - Exposure by geography - Immediate Counterparties - Off-balance (EUR)

TOP 10 (ULTIMATE)	COUNTRY	12/31/2024	12/31/2025
1	LU	1,351,880,787	639,908,684
2	FR	308,772,786	503,459,511
3	NL	295,831,661	345,641,434
4	IT	176,438,651	201,706,333
5	ES	146,513,908	271,157,278
6	PL	185,996,919	170,009,023
7	DE	126,434,603	186,607,037
8	BE	112,791,451	137,171,983
9	CN	154,676,526	65,502,459
10	HK	75,342,865	93,267,527
	TOTAL TOP 10	**2,934,680,157**	**2,614,431,268**
	TOTAL_RWA	**3,280,889,303**	**3,036,362,955**

Table 10 - Exposure by geography - Ultimate Counterparties - On-balance (EUR)

TOP 10 (ULTIMATE)	COUNTRY	12/31/2024	12/31/2025
1	LU	156,997,711	171,400,529
2	IT	26,328,142	58,382,152
3	FR	70,315,243	81,536,295
4	PL	75,713,772	84,426,636
5	NL	75,020,774	22,559,219
6	ES	53,318,570	50,867,845
7	CH	17,181,634	45,639,985
8	BE	26,775,339	45,885,106
9	HU	33,916,379	20,800,000
10	CN	29,017,636	41,650,673
	TOTAL TOP 10	**564,585,200**	**623,148,442**
	TOTAL_RWA	**660,750,000**	**742,141,097**

Table 11 - Exposure by geography - Ultimate Counterparties - Off-balance (EUR)

The below table present the evolution of the concentration in the Bank's portfolio (on-balance sheet exposures and bonds business) with RWA view. Sector classification was established considering the NACE classification of counterparties in order to capture the sector exposure of the Bank and corresponding RWA. In term of RWA the concentration is mainly on a top 3 sector composed of Financial Industry, Manufacturing and Information and communication industries accounting for 52.7% of total RWA.

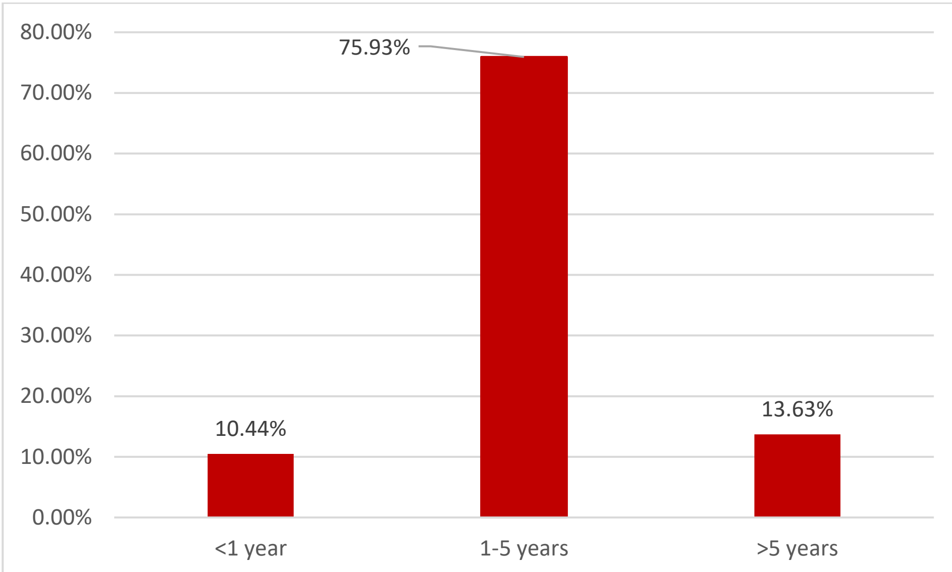
Sectors	12/31/2024	12/31/2025
Financial and insurance activities	722,869,743	812,301,619
Manufacturing	430,104,074	400,890,562
Real estate activities	270,754,558	249,055,782
Information and communication	309,135,943	310,986,888
Mining and quarrying	195,972,951	154,506,170
Electricity, gas, steam and air conditioning supply	158,051,277	255,411,431
Transportation and storage	237,048,602	277,264,108
Construction	70,297,136	170,978,694
Human health and social work activities	27,102,290	20,128,339
Wholesale and retail trade; repair of motor vehicles and motorcycles	39,447,211	62,076,179
Public administration and defence; compulsory social security	31,296,428	32,665,377
Administrative and support service activities	1,188,965	53,606,057
Agriculture, forestry and fishing	9,848,893	-
Professional, scientific and technical activities	16,864,005	89,702,171
Accommodation and food service activities	18,077,666	-
Water supply; sewerage, waste management and remediation activities	-	-
Education	-	-
TOTAL	**2,538,059,731**	**2,889,573,378**

Table 12 - Breakdown of On-balance sheet credit business exposures by industry (EUR)

There is no evidence of excessive concentration towards one sector, especially as the manufacturing, finance sectors encompass very different businesses and sub-sectors which are not all directly correlated and would not especially move down at the same time under stress period. Real-estate sector is under close monitoring though with one dedicated internal indicator and frequent updates and assessments on the companies in the portfolio due to fragility of the sector in the current economic momentum.

The on-balance credit portfolio is relatively short-medium term oriented with very limited exposures more than 5 years (representing 13.63%).

Maturity structure of on-balance-sheet credit business



Risk weighted exposure amounts in accordance with an internal rating based ("IRB") approach (Chapter 3 of Part Three, Title II,): Not applicable, the Bank uses the standardized approach in accordance with Chapter 2 of Part Three, Title II of the CRR for its Pillar I calculation.

7.3.3 Credit risk mitigation techniques

The Bank currently uses cash collateral, financial and corporate guarantees and netting agreement as credit risk mitigation techniques.

The Bank applied classified management to collateral and classified collateral into nine categories based on characteristics:

- Real estate.
- Land ownership or land use rights.
- Transportation equipment.
- Resource assets.
- Cash and cash equivalents.
- Documents of titles and securities.
- Accounts receivable.
- Precious metals.
- Other assets and movable properties.

For each of the above collateral categories, strict conditions and characteristics shall be met for eligibility purpose.

Mitigation type	2025 Q4		2024 Q4	
	Amount	%	Amount	%
Guarantee	1,332	36.01%	1,334	44.73%
Unsecured	2,169	58.64%	1,452	48.70%
Mortgage	198	5.35%	180	6.05%
Pledge	0	0.00%	15	0.52%
Total	3,700	100%	2,982	100%

Table 13 - Credit risk mitigation of on-balance credit business (EUR)

- Netting agreement: The Bank has signed a netting agreement (NA) with its Parent company, which allows the Bank to net on-balance sheet assets and liabilities with some specific entities of ICBC Limited. It is compliant with CRR regulation EU No 575/2013 as amended by Regulation (EU) 2024/1623.

- Guarantees and risk participation agreements: part of the Bank's lending activities benefit from guarantees, standby letters of credit and risk participation agreements. In accordance with the standardized approach, the Bank considers credit risk as being the guarantee providers rather than the underlying borrowers.

The Bank's policy regarding the use of collaterals may vary between the different types of credit products. The Bank considers the necessity of security arrangements according to the risk profile of customers and transactions.

- The Bank prudentially and reasonably determines the acceptable types of collaterals and the collateralization ratio. It included the assessment of the eligibility of the CRM under the standardized approach, its valuation frequency, currency, the identification of the guarantor credit risk profile and legal clauses inserted in the contracts.

7.3.4 Credit risk adjustments and Credit quality

Past due: assets qualify as past due when counterparties have failed to make a payment when contractually due. (Annex V. Part 2, paragraph 48 of the Regulation (EU) No 680/2014 13 ITS on supervisory reporting of institutions)

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred.

Evidence that a financial asset is credit-impaired include observable data about the following events:
(a) significant financial difficulty of the issuer or the borrower;
(b) a breach of contract, such as a default or past due event;
(c) the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; (d) it is becoming probable that the borrower will enter bankruptcy or other financial reorganization;
(e) the disappearance of an active market for that financial asset because of financial difficulties; or
(f) the purchase or origination of a financial asset at a deep discount that reflects the incurred credit losses.

It may not be possible to identify a single discrete event, instead, the combined effect of several events may have caused financial assets to become credit-impaired.

The Bank uses a five-category classification of credit assets which consists of Pass, Special Mention, Substandard, Doubtful and Loss. The first two categories are collectively referred as "performing" loans and the last three categories as "non-performing" loans. The five categories are defined as follows:

Pass: The debtor can perform contractual obligations, and there is no objective evidence that principal, interest, etc., is unable to be paid in a timely manner.

Special Mention: Although there are some factors that may potentially have an adverse impact on contract performance, the debtor currently has the ability to pay principal, interest, etc.

Substandard: The debtor is unable to pay the principal, interest, etc., in full, or the credit assets have credit-impaired.

Doubtful: The debtor has been unable to pay principal, interest in full, or the credit assets have significantly credit-impaired.

Loss: After all possible measures have been taken, only a small portion of credit assets can be recovered or all credit assets will be lost.

In order to enhance the post-classification monitoring and management and in the aim to add more granularity to credit asset quality classification, the Bank sub-divides corporate customers and financial institutions credit assets into twelve grades based on five-category classification, namely: Pass I, Pass II, Pass III, Pass IV, Special Mention I, Special Mention II, Special Mention III, Substandard I, Substandard II, Doubtful I, Doubtful II and Loss.

- Specific Credit adjustments:

IFRS 9 establishes a model for recognition and measurement of impairments in loans and receivables that are measured at Amortized Cost or FVOCI, the “expected credit losses” model.

IFRS 9 requires an impairment allowance against the amortized cost of financial assets held at amortized cost or FVOCI. The change in this allowance is reported in profit and loss. For most such assets, when the asset is acquired the impairment allowance is measured as the present value of credit losses from default events projected over the next 12 months.

The allowance remains based on the expected losses from defaults over the next 12 months unless there is a significant increase in credit risk. If there is a significant increase in credit risk, the allowance is measured as the present value of all credit losses projected for the instrument over its full lifetime. If the credit risk recovers, the allowance can once again be limited to the projected credit losses over the next 12 months.

ECL Stage	ECL 2025	ECL 2024
Stage 1	22.36	17.60
Stage 2	5.25	8.23
Stage 3	33.53	2.80
Total	**61.15**	**28.63**

Table 14 - Breakdown of Expected Credit Loss by IFRS9 stage (EUR M)

The provisions to cover the ECL under IFRS9 amount for EUR 61.15M at end of Q4 2025, increasing by EUR 32.52M since 2024 mainly due to the increase of Stage 3 (+EUR 30,73M). This increase is mainly driven a new NPL exposure where allocated provision is 70% at 2025 Q4 period.

Template 10 : EU CR1 - Performing and non-performing exposures and related provisions (EUR)

	Gross carrying amount/nominal amount					**Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions**					**Collaterals and financial guarantees received**	
	Performing exposures			Non-performing exposures		Performing exposures - Accumulated impairment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		On performing exposures	On non-performing exposures
		of which: stage 1	of which: stage 2		of which: stage 3		of which: stage 1	of which: stage 2		of which: stage 3		
Cash balances at central banks and other demand deposits	**1,686,172,670**	**1,686,172,670**	**-**	**-**	**-**	**(1,543)**	**(1,543)**	**-**	**-**	**-**	**-**	
Loans and advances	**5,222,598,433**	**5,179,787,465**	**42,810,968**	**45,019,698**	**45,019,698**	**(22,695,892)**	**(17,450,397)**	**(5,245,495)**	**(33,584,380)**	**(33,584,380)**	**1,493,342,183**	**10,010,635**
Central banks	-	-	-	-	-	-	-	-	-	-	-	
General governments	-	-	-	-	-	-	-	-	-	-	-	
Credit institutions	1,923,644,620	1,923,644,620	-	-	-	(1,343,859)	(1,343,859)	-	-	-	166,180,036	
Other financial corporations	737,711,929	737,711,929	-	-	-	(3,274,659)	(-3,274,659)	-	-	-	-	
Non-financial corporations	2,557,723,709	2,514,912,741	42,810,968	45,019,698	45,019,698	(18,072,804)	(12,827,308)	(5,245,495)	(33,584,380)	(33,584,380)	1,323,648,543	10,010,635
Of which: SMEs	-	-	-	-	-	-	-	-	-	-	-	
Households	3,518,175	3,518,175	-	-	-	(4,570)	(4,570)	-	-	-	3,513,605	
Debt Securities	**1,519,195,785**	**1,519,195,785**	**-**	**-**	**-**	**(1,805,088)**	**(1,805,088)**	**-**	**-**	**-**	**-**	

Central banks	-	-	-	-	-	-	-	-	-	-	-	
General governments	1,242,037,360	1,242,037,360	-	-	-	(1,288,133)	(1,288,133)		-	-	-	
Credit institutions	123,757,638	123,757,638	-	-	-	(351,158)	(351,158)	-	-	-	-	
Other financial corporations	8,488,657	8,488,657	-	-	-	(26,311)	(26,311)	-	-	-	-	
Non-financial corporations	144,912,130	144,912,130	-	-	-	(139,485)	(139,485)	-	-	-	-	
Off-balance sheet exposures	**2,322,546,850**	**2,305,340,218**	**17,206,632**	**-**	**-**	**3,127,805**	**3,117,989**	**9,816**	**-**	**-**	284,202,395	
Central banks	-	-	-	-	-	-	-	-	-	-	-	
General governments	576,890	576,890	-	-	-	97	97	-	-	-	576,890	
Credit institutions	159,976,388	159,976,388	-	-	-	42,519	42,519	-	-	-	-	
Other financial corporations	61,000,000	61,000,000	-	-	-	29,097	29,097	-	-	-	-	
Non-financial corporations	2,100,993,572	2,083,786,940	17,206,632	-	-	3,056,092	3,046,276	9,816	-	-	283,625,506	
Households	-	-	-	-	-	-	-	-	-	-	-	
Total	**10,750,513,737**	**10,690,496,137**	**60,017,600**	**45,019,698**	**45,019,698**	**(27,628,785)**	**(22,373,474)**	**(5,255,311)**	**(33,584,380)**	**(33,584,380)**	**1,777,544,578**	**10,010,635**

Template 11 : EU CQ1 - Credit quality of forborne exposures (EUR)

	Gross carrying amount/ Nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collaterals received and financial guarantees received on forborne exposures
	Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures	
			Of which defaulted	Of which impaired			
Cash balances at central banks and other demand deposits	0	0	0	0	0	0	0
Loans and advances	22,623,733	45,019,698	0	3,102,368	(3,743,896)	(31,906,695)	18,879,836
Central banks	0	0	0	0	0	0	0
General governments	0	0	0	0	0	0	0
Credit institutions	0	0	0	0	0	0	0
Other financial corporations	0	0	0	0	0	0	0
Non-financial corporations	22,623,733	45,019,698	0	3,102,368	(3,743,896)	(31,906,695)	18,879,836
Households	0	0	0	0	0	0	0
Debt Securities	0	0	0	0	0	0	0
Loan commitments given	0	0	0	0	0	0	0
Total	22,623,733	45,019,698	0	3,102,368	(3,743,896)	(31,906,695)	18,879,836

➢ As at December 31, 2025 the forborne exposure was EUR 67.64M out of which EUR 45.02M classified as non-performing (IFRS stage 3).

Template 12 : EU CQ3 - Credit quality of performing and non-performing exposures by past due days (EUR)

	Gross carrying amount / Nominal amount					
	Performing exposures					
		Not past due or Past due < 30 days		**Unlikely to pay that are not past-due or past-due < = 90 days**	**Past due > 1 year <= 2 years**	**Of which defaulted**
Cash balances at central banks and other demand deposits	1,686,172,670	1,686,172,670	-	-	-	-
Loans and advances	5,222,598,433	5,222,598,433	45,019,698	41,917,330	3,102,368	31,023,68
Central banks	-	-	0	0	-	-
General governments	-	-	0	0	-	-
Credit institutions	1,954,874,608	1,954,874,608	0	0	-	-
Other financial corporations	752,506,130	752,506,130	0	0	-	-
Non-financial corporations	2,511,699,520	2,511,699,520	45,019,698	41,917,330	3,102,36	31,023,68
Of which SMEs	-	-	-	-	-	-
Households	3,518,175	3,518,175	-	-	-	-
Debt Securities	1,519,195,785	1,519,195,785	-	-	-	-
Central banks	-	-	-	-	-	-
General governments	1,242,037,360	1,242,037,360	-	-	-	-
Credit institutions	123,757,638	123,757,638	-	-	-	-
Other financial corporations	8,488,657	8,488,657	-	-	-	-
Non-financial corporations	144,912,130	144,912,130	-	-	-	-
Off-balance sheet exposures	2,322,546,850		-		-	-
Central banks	-		-		-	-
General governments	576,890		-		-	-
Credit institutions	159,976,388		-		-	-
Other financial corporations	61,000,000		-		-	-
Non-financial corporations	2,100,993,572		-		-	-

Households	-		-		-	-
Total	10,750,513,737	8,427,966,887	45,019,698	41,917,330	31,023,68	31,023,68

Template 13 : EU CQ7 - Collateral obtained by taking possession and execution processes (EUR)

	Collateral obtained by taking possession	
	Value at initial recognition	**Accumulated negative changes**
Property Plant and Equipment (PP&E)	-	-
Other than PP&E	-	-
Residential immovable property	-	-
Commercial Immovable property	-	-
Movable property (auto, shipping, etc.)	-	-
Equity and debt instruments	-	-
Other collateral	-	-
Total	-	-

7.4 Counterparty credit risk

7.4.1 Risk management framework

The Bank determines the exposure value for the contracts listed in Annex II of the CRR (derivatives) on the basis of the "Standardized approach for counterparty credit risk" in accordance with the requirements of Regulation (EU) 2024/1623 (CRR3). In 2025, the Bank was exposed to FX and Interest Rate Risk.

The Bank enters into derivatives transactions mainly with ICBC Luxembourg Branch only for hedging purpose. A non-significant amount of transactions have been performed on behalf of customers in 2025.

Credit Value Adjustment ('CVA')

As mentioned in the previous part, the Bank is now dealing derivatives products and keeping them in the banking book with counterparties out of ICBC Group.
In addition to the capital requirement for counterparty default risk, the Bank is required to calculate capital requirements for CVA (Credit Value Adjustment) for all OTC derivative instruments in respect of all business activities, other than credit derivatives intended to mitigate the risk-weighted exposure amounts for credit risk. This additional capital charge aims to cover the unexpected risk of mark-to-market losses on the expected counterparty risk to OTC derivatives.

The Bank applies the standardized method as described in article 384 of the CRR as amended. This capital requirement calculated using a standard formula is mainly based on exposure, rating and average terms of derivatives positions entered into with counterparties.

The Bank enters into derivative transaction with ICBC Luxembourg Branch and has signed an ISDA master agreement with ICBC Limited. There is no securing collateral requirement for intragroup entities.

Wrong-Way risk

According to Article 291 CRR, (i) General Wrong-Way risk arises when the likelihood of default by counterparties is positively correlated with general market risk factors; whereas (ii) Specific Wrong-Way risk arises when future exposure to a specific counterparty is positively correlated with the counterparty's probability of default due to the nature of the transactions with the counterparty. An institution shall be considered to be exposed to Specific Wrong-Way risk if the future exposure to a specific counterparty is expected to be high when the counterparty's probability of a default is also high.

The Derivatives business subject to wrong way risk representing only EUR 6.3M, and considering the amount of CVA RWA considered for these transactions, the Bank considers that wrong way risk doesn't require additional capital considerations.

Impact of collateral

As above mentioned, derivatives transactions with non-intragroup counterparty are very few. Moreover, collateral is not included in the transaction so no impact expected from this part.

7.4.2 Capital requirement

The Bank does not use any netting agreements and collateral arrangements for derivatives; therefore, the gross positive value of the contracts equals the net credit exposure in derivatives.

Derivatives EAD & RWA	12/31/2024	12/31/2025
EAD	28,384,581	73,973,825
RWA	13,455,705	22,004,937

Table 15 - Evolution of Counterparty Credit EAD (after CCF & CRM) & RWA (EUR)

The CCR RWA reached EUR 22.2M which contributed for 0.58% of Total Credit RWA. Total capital requirement for counterparty credit risk exposures was EUR 1.8M.

Credit derivatives hedges

The Bank does not enter into total return swap, credit-linked notes, credit default swap or any other credit derivatives instruments in either banking book or trading book. Therefore, disclosure on such instruments is not applicable for the Bank.

The estimate of α if the institution has received the permission of the competent authorities to estimate α: Not applicable as the Bank does not use internal models.

7.5 Market Risk

7.5.1 Risk Management framework

The below description is based on Table EU MRA: Qualitative disclosure requirements related to market risk.

Market risk is the risk of losses in on and off-balance sheet positions arising from the volatility of market prices, including position risk, foreign exchange risk, commodities risk, CVA risk, credit spread risk and equity risk.

Foreign exchange risk refers to the risk that the foreign exchange exposure arising from the imbalance in the currency structure between foreign exchange assets and foreign exchange liabilities is subject to loss due to unfavourable exchange rate movements.

Market risk management

The main sources of market risk faced by the Bank are FX risk. The nature and composition of market risk can be considered as non-complex. The sensitivities to risk factors such as commodities, equities, CVA do not exist or are deemed not significant for the institution.

Market risk management is a process in which the Bank sets limits on market risk indicators and develops internal approval processes and operating instructions for limits of various types and levels according to its risk preferences and risk policy.

The management includes the regular review and update on limit in accordance with its business' variation in nature, size and complexity. Market risk limits are the ceiling (or floor) level of market risk indicators, which reflect the total amount and structure on market risk of the Bank and the EU Branches and internal departments of all business lines and trading portfolios.

The Bank's market risk limit management system includes trading portfolio definition, the limit structure, the setting and vetting of limit indicators, the monitoring, reporting and adjustment on limits, and over-limit management. It is intended to control and manage the Bank's market risk according to its market risk preference by establishing a complete set of quantitative limit indicators.

The Asset & Liability Management Department is responsible for market risk limit indicators in the banking book, including but not limited to position limit, sensitivity limit, maturity limit and currency limit. RMD is in charge of the market risk limit indicators in the trading book, including but not limited to value-at-risk (VaR) limit, position limit, stop-loss limit, sensitivity limit, maturity limit, currency limit.

Market risk measurement is the process of quantitatively calculating the market risk arising from changes in interest rates, exchange rates, equity prices and commodity prices with respect to the Bank's trading and non-trading positions using appropriate risk measurement methods or models. Market risk measurement methods mainly include gap analysis, duration analysis, foreign exchange exposure analysis, sensitivity analysis, scenario analysis, VaR measurement, stress testing and back-testing. Market risk identification includes initial and ongoing risk identification.

Market risk identification is an ongoing process, which refers to reviewing the market risk methodologies and assessing the completeness and effectiveness of risk factors in use. Major market risks are identified through the monitoring of relevant market risk factors, events and forecast of their possible impact on the profit and loss as well as the capital adequacy of the Bank.

Trading activities

The trading book classification is essentially based on whether positions are held for trading purposes. In principle, financial instruments and commodity positions in the trading book shall be free of any restrictions on trading; can be closed at any time; fully hedged against risk; accurately valuated and actively managed. According to the market risk policy, the Bank has not conducted any speculation purpose trading and only conducts agency trading or price inquiry money-market trading under the pre-set limits.

All derivatives positions without hedging transactions fall under the category of non-hedging transactions. Non-hedging transactions are further divided into three sub-categories:
(a) Transactions initiated by customers and executed by the Bank to meet customer’s demand and transactions for the purpose of hedging risks in the foregoing transactions;
(b) Market-making transactions executed by the Bank in its obligation as a market-maker by continuously providing quoted buy and sell prices while carrying out the transactions with other market participants at its quotations;
(c) Proprietary transactions initiated by the Bank using its own funds for the purpose of benefiting from market fluctuations based on its own judgment. Such transactions shall be classified into the trading book.

Risk mitigation and hedging

The Bank set up comprehensive and adequate market risk measurement, monitoring and reporting systems with the aim to ensure the consistency between the Bank’s market risk policy & strategy, its overall strategy and its risk appetite. Limits have been defined for a set of parameters to monitor the exposure to foreign exchange risk.

Hedging transactions are those initiated by the Bank to hedge credit risk, market risk or liquidity risk in the Bank’s own assets and liabilities. Such transactions shall conform to hedging accounting rules and be classified into the banking book. The Asset & Liability Management Department of Headquarters is responsible for accomplishing the risk hedging in accordance with the strategy requirements of the Head Office, design the Bank’s banking book foreign exchange rate risk hedging plan and implement related trading jointly with Financial Markets Department and Financial Accounting Department, including the timing and tools of hedging transactions which should be reviewed and approved by Authorized Management.

The Risk Management Department in Headquarters shall assume the responsibility to verify hedging effectiveness and results submitted by relevant departments. If hedging derivatives cannot meet hedge accounting requirements at the inception or throughout the duration of the hedge, the originating department shall actively re-designate the hedging relationship.

Market Risk governance structure

The RMD in Headquarters is responsible for leading market risk management; developing policies and procedures on market risk management; identifying, measuring, monitoring, analysing and reporting market risk; identifying and assessing market risks in new products and services; measuring and allocating capital charges for market risk; managing market risk limits and market risk stress testing; responsible for market risk concentration management; developing, managing and maintaining information systems relating to market risk management.

The ALMD in Headquarters is responsible for developing policies and procedures on interest rate risk in the banking book (IRRBB), and foreign exchange risk; identifying, measuring, monitoring and reporting IRRBB; analysing, monitoring and reporting Bank-wide foreign exchange risk; developing, managing and maintaining information systems relating to IRRBB; allocating capital charges for market risk.

The Financial Markets Department (“FMD”), Corporate Banking Department (“CBD”), Financial Institutions Department (“FID”) and other front-office departments are mainly responsible for developing and implementing their operating regulations according to the Bank's business objectives; carrying out business activities; and implementing policies on market risk management and proactively controlling and timely reporting market risks; conducting the business within market risk limits and assist the RMD and ALMD in limit management; and assisting the RMD and ALMD in market risk assessment and approval of new products, providing professional documents needed and relevant professional recommendations and identifying proposal of new products.

The Financial Accounting Department ("FAD") is responsible for developing accounting policies and valuation techniques for fair value measurement of financial instruments, managing measurement activities at the end of each accounting period, and assisting the RMD and ALMD in interest risk management and foreign exchange risk management.

The AM or its authorized committee of ICBC (Europe) S.A. in Headquarters is responsible for developing, periodically reviewing and overseeing implementation of policies, procedures and operating rules on market risk management, collecting timely information on the levels and management of market risks, ensuring the Bank has sufficient human resources and materials, appropriate organizational structure and adequate information management systems and techniques to effectively identify, measure, monitor and control market risks in businesses, approving the plan for market risk limit management, approving significant matters regarding market risk management and reporting to the Board of Directors – potentially through BRC.

The BoD shall assume the ultimate responsibility for overseeing market risk management, perform duties for market risk management in accordance with the Articles of Association of the ICBC (Europe) S.A. and the Rules and procedures for BoD, ensure the Bank effectively identifies, measure, monitor and control market risks in businesses, approve the Bank's gross market limit, limit category and structure.

Risk reporting

The main market risk for the Bank is currently FX exposure. The reporting is structured as follows:

Foreign exchange rate risk management report. This report should reflect the Bank's foreign exchange rate risk situation, summary of risk management measures, analysis of future risk factors and management recommendations. Quarterly report should be submitted. ALMD should prepare foreign exchange rate risk management report with the assistance of related departments. ALMD, RMD, FMD, with the assistance of FAD, are responsible for the foreign exchange rate risk management specific topic reports. Reports on the different topics should be submitted according to the requirement of AM and its authorized committee.

Measurement systems

Market risk is mainly controlled and monitored through 3 in-house systems:

- GMRM (Global Market Risk Management System), designed by the Head Office, for the global market risk management;
- GPC (Global Product Control system) designed by the Head Office, for middle office management (pricing, reconciliation, monitoring, market value validation and profit and loss analysis);
- FMBM (Financial Markets Business Management system), designed by the Head Office, for the management of financial market business.

The Bank has set the foreign exchange risk exposure limit, intra-day exposure, daily exposure, VaR and stop loss limit for each branch which are reported on a weekly basis to the Head Office.

7.5.2 Capital requirement

The capital requirement for Market Risk is calculated through the use of the simplified Standardized Approach. Under this approach, the Market Risk assessment is based on FX net currency exposures:

- calculating the net open position in each currency;
- the position is considered 'long' if purchases > sales, and vice versa;
- converting the overall FX net currency exposure in reporting currency (Euro).

Under the Market Risk Standardized approach, the total exposure to be considered for foreign exchange risk is the maximum between the total of the long and the total of the short positions in foreign currency on absolute terms. If this total is higher than 2% of the own funds the Bank cannot exclude Market RWAs.

	2025								2024	
in million EUR	Q4 RWA	% Own F. Q4	Q3 RWA	% Own F. Q3	Q2 RWA	% Own F. Q2	Q1 RWA	% Own F. Q1	RWA Q4	% Own F. Q4
FX Risk	23.85	3.19%	0	1.45%	0	1.25%	0	1.83%	0	1.84%

*Other includes insignificant foreign exchange exposure (JPY, GBP, HKD, CHF, AUD, CZK, HUF, ZAR, SGD)

Table 16 - Evolution of Market RWA and capital charge under Pillar I by sub market risks (EUR M)

Pursuant to Article 438(e) and Article 445 of the CRR, the Bank does not operate a trading book business and therefore the information relating to position risk in Article 92(3) (b) of the CRR is not relevant to its activities.

Furthermore, the Bank is not exposed to material settlement risk or to commodities risk for the purposes of Article 92(3) (c) of the CRR.

7.6 Interest rate risk in the Banking Book

Interest rate risk refers to the current or prospective risk to the Bank’s capital and earnings arising from adverse movements in interest rates that affect the Bank’s banking book positions.

The interest rate risk can be divided into the following sub-types:

- Gap risk: refers to the risk arising from the timing of instrument rate changes. Since rate resets on different instruments occur at different tenors, the risk to the Bank arises when the rate of interest paid on liabilities increases before the rate of interest received on assets does so, or when the rate received on assets falls before the rate paid on liabilities does.
- Basis risk: refers to the impact of relative changes in interest rates for financial instruments that have: (i) either similar tenors but are priced using different interest rate reference curves (reference rate basis risk); or which have (ii) different tenors but the same reference curve (tenor basis risk or short-term non-parallel gap risk); or which have (iii) similar tenors and reference curves but in different currencies (currency basis risk).
- Option risk: refers to the risk that arises from price movements in instruments that are either automatic or behavioural to changes in interest rates.
    - automatic option risk: arises from standalone instruments or is explicitly embedded within the contractual terms of an otherwise standard financial instrument, where the holder will almost certainly exercise the option if it is in his financial interest to do so.
    - behavioural option risk: arises from flexibility embedded, implicitly or within the terms of financial contracts, such that changes in interest rates may affect a change in the behaviour of the client.

Governance

The Asset and Liability Committee acts as a supervisory group that aims at coordinating and deliberating asset and liability management challenges with a goal of earning adequate returns, taking into account the appropriate risk tolerance. It is mainly responsible to review:

- the policies and systems relating to ALM;
- the major reporting issues including the plans and arrangements on branch-wide asset-liability portfolios and the reports on branch-wide ALM;
- material issues concerning ALM indicators like the pricing plan, asset-liability business and IRRBB;
- the business and function planning related to ALM information system as well as the plans about how to execute and promote it.

The ALCO meets on a quarterly basis, and is attended by representatives of the Authorized Management and of the ALM, Financial Accounting, Financial Institutions, Financial Markets, Risk Management, Corporate Banking, Credit Approval departments. IRRBB results are also disclosed and discussed during Risk Management Committee even though slightly less extensively.

The ALMD is responsible to enhance and harmonize asset & liability management and, among other things, to improve the ability to resist against IRRBB materialization. The ALMD directly reports to the Authorized Management of the Bank. The ALMD conducts ALM based on the principle coordinating the safety, liquidity and profitability to achieve a stable development of asset & liability business, and also contributes to the overall value of the Bank through a sound management framework. The ALMD assumes the primary responsibilities of IRRBB management under the monitoring, control and supervision of RMD in its duty of risk control function. The ALMD formulates appropriate management tactics in line with the Bank's development strategy, enterprise-wide risk management requirements as well as business size, nature and complexity.

Risk identification

The Bank's intention is to progressively reduce its IRRBB exposure, gradually transitioning from its current medium-high risk to a more moderate risk profile.
The Bank actively prevents interest rate repricing risk and strives to reduce interest costs, thereby improving the interest rate risk management of the Bank. On the assets' side, as far as bilateral loan and syndicated loan activities are concerned, the Bank normally offers floating rate and also sets a favourable interest margin for the fixed rate loans.

	Fixed Rate Loans	Floating Rate Loans	Total
# Deals	34	300	334
Amount (M EUR)	21	3'679	3'700

The main source of potential interest rate risk derives from securities investments with a fixed rate (the amount and value of loans with a fixed rate being low, as shown in the previous table), which represent the main investment targets on the markets.

	Fixed Rate Bonds	Floating Rate Bonds	Total
# Securities	29	3	32
Amount (M EUR)	1'278	239	1'517

Thanks to the hedge accounting policy introduced and centralization management implemented, the Bank may hedge the IRRBB with derivatives such as IRS or CCS.
On the liabilities' side, the Bank offers mainly deposits and money market instruments. While the latter are usually floating, the former are mostly fixed. In 2023, the Bank joined the ICBC Luxembourg Branch ECD/CP Programme in order to enhance its medium-term liability. Under the said programme, certificates of deposit or euro-commercial paper

notes may be issued by each of ICBC Luxembourg Branch and ICBC (Europe) S.A. The floating rate will be preferred. This programme will ensure greater flexibility for the management of the repricing gap. In this regard, the Bank received a rating of A- from Standard&Poor's, with a Stable outlook on April 26th, 2024 (which was renewed on May 8th, 2025). This recognition by a reputable rating provider will improve the cost and liquidity as well as ease the placement of securities issued by the Bank thanks to an improved confidence towards the institution.

Key assumptions used in the internal IRRBB model

The internal model used for computing the interest rate risk relies on the following key assumptions used for slotting the cash-flows onto appropriate time buckets:

- ✓ Non-maturing deposits are slotted in accordance with provisions that largely follow the provisions contained in article 7a of EBA/RTS/2022/09;
- ✓ Loans with prepayment option are assumed to be immediately repaid by non-retail counterparties if the risk-free rate of the same currency with the same tenor is lower than the actual rate of the loan. These cash-flows are slotted to the overnight time bucket;
- ✓ Callable bonds are assumed to be immediately called by their issuer if the risk-free rate of the same currency with the same tenor is lower than the actual rate of the bond. These cash-flows are slotted to time bucket after consideration of the notice period and/or the earliest callable date;
- ✓ Term deposits with early withdrawal option are assumed to be withdrawn immediately by non-retail counterparties if the risk-free rate of the same currency with the same tenor is higher than the actual rate of the deposit. These cash-flows are slotted in accordance with the notice period of the deal, if any, and otherwise to the overnight time bucket.

Table 17 - Outcome of the supervisory outlier test according to Article 1 §1 of EBA/RTS/2022/10 (Delta Economic Value after the six EVE shock scenarios) (EUR M)

Stress scenario	Q1	Q2	Q3	Q4
Parallel shock down	27.44	10.21	25.51	27.65
Parallel shock up	-47.99	-23.42	-46.85	-48.01
Short rates shock down	8.87	4.50	5.11	1.87
Short rates shock up	-17.04	-13.98	-17.10	-14.20
Steepener	-7.05	0.76	-6.49	-11.39
Flattener	-2.20	-7.36	-2.62	1.16
Max ΔEVE	**-47.99**	**-23.42**	**-46.85**	**-48.01**
Total CET1	527.08	547.85	567.46	546.50
Total Max ΔEVE/Total EVE	**-9.11%**	**-4.27%**	**-8.26%**	**-8.79%**

Table 18 - Outcome of the supervisory outlier test according to Article 1 §2 of EBA/RTS/2022/10 (Delta forecast NII within 12 months after a parallel shock down / up) (EUR M)

Indicator	Q1	Q2	Q3	Q4
△NII if Interest rate decrease by 200 bps	4.90	6.84	14.49	0.25
△NII if Interest rate increase by 200 bps	-4.90	-6.84	-14.49	-0.25
Tier1 Capital	527.08	547.85	567.46	546.50
△NII / Tier1 Capital	-0.93%	-1.25%	-2.55%	-0.05%
△NII in worst of additional 6 scenarios	-4.90	-9.90	-12.35	-3.97

Table 19 - Earnings sensitivity: Outcome of the supervisory outlier test according to Article 1 §2 of EBA/RTS/2022/10 (Delta forecast earnings within 12 months after a parallel shock down / up) (EUR M)

Indicator (EUR M)	Q1	Q2	Q3	Q4
FVOCI portfolio	2’254	2’632	3’105	3’078
△Earnings if Interest rate decrease by 200 bps	25.74	23.92	31.51	13.24
△Earnings if Interest rate increase by 200 bps	-24.71	-23.12	-30.61	-11.13
Worst △Earnings / Total FVOCI portfolio	-1.10%	-0.88%	-0.99%	-0.36%

- **Additional stress test**

In December 2021, a shift of interest rates by 200bps seemed almost impossible in a near future. However, during 2022, the interest rates evolved beyond this range. The internal framework was therefore enhanced to include the impact of these actual observations as stress factors (“Enhanced Stress Test”). The scenario was updated as of Q4 2023, in order to ensure that the stress factors applied are actually enhanced. Observed rates variations between ends of 2022 and 2023 would indeed have led to a less challenging scenario than the regulatory scenario. The Enhanced Stress Test still considers the actual deltas in interest rates as stress factors. However, in case the observations are below the regulatory stress factor, the observed rates are doubled. If the doubling still remains below the regulatory stress factor, then 200bps are added to the actual observation.

In June and December 2025, the year-on-year observed deltas and applied factors on material currencies were as follows:

Currency	Stress factor applied			
	Jun 2024 – Jun 2025		Dec 2024 – Dec 2025	
	Observation	Stress applied	Observation	Stress applied
EUR	-148bps	-295bps	-38bps	-238bps
USD	-86bps	-286bps	-66bps	-266bps
PLN	-32bps	-232bps	-196bps	-391bps

Under such assumptions, the stress test resulted respectively in an increase of Economic Value of Equity of EUR -15.7M and 18.34M as of end of June and end of December.

7.7 Operational Risk

7.7.1 Risk Management Framework

Operational risk is defined as the risk of loss resulting from insufficient or problematic internal procedures, employees and IT systems or from external events, including legal risk, but excluding strategic and reputational risks.

The Bank's objectives for sound operational risk management can be summarized as follows:

- To find out the extent of the Bank's operational risk exposure.
- To understand what drives it.
- To allocate capital against it.
- To identify and employ tools both internally and externally which would help in risk mitigation.

Operation Risk management framework

Governance

The Bank has set up the operational risk governance structure on the basis of the principle of "three lines of defence" and enhanced its internal control for effective operational risk management through the application of detailed bylaws, ongoing training, clear definition of the roles and responsibilities and proper segregation among relevant functions to avoid potential conflicts of interest.

Control and reporting of operational risk findings and identified losses is responsibility of all staff within the Bank, and ultimate accountability for operational risk management rests within the Bank 's AM while the process to manage the reporting and oversight of risk issues rests within RMD.

The AM sets down an effective, integrated operational risk management framework with defined roles and responsibilities for all aspects of operational risk management/monitoring and appropriate tools that support the identification, assessment, control and reporting of key risks. RMD implements the strategic direction set by the AM.

The AM of the EU Branches is responsible for consistently implementing and maintaining throughout the organization policies, processes and systems for managing operational risk.

Identification and mitigation

The Bank identifies the operational risk inherent in all types of products, activities, processes and systems.

The level of operational risk is managed by rigorous operating policies, procedures and controls set by the AM and leading implemented by RMD and carried out by the other departments of the Bank. The Bank assesses the operational risk in the approval process for all new products, activities and systems. The Bank has implemented regularly monitoring of operational risk profiles and material exposures to losses.

The Bank is monitoring several Key Operation risk indicators which are reported through an in-house system "Operational risk Management System".
The Bank has set operational risk limits. Compliance and Legal risks indicators are part of the Key Operational Risk Indicators.

The Bank Headquarters in Luxembourg is taking the lead in monitoring and guiding EU Branches' handling measures regarding the event in cooperation with competent departments concerned. The Bank has implemented an operational risk event monitoring dashboard which includes related measures to take or to be taken.

The Bank has established a formal procedure for managing internal incidents and regularly run self-assessments across departments and branches. Regular reporting mechanisms on loss due to operational risk/significant operational risk events are in place.

Business Modules of Operational Risk Management, designed by the Head Office, are in place for the global management of operational risk. Annual operational risk scenario analysis and fraud risk self-examination are performed to identify weakness of operational risk control.

The Bank has set the Disaster Recovery Plan (DRP), Business Continuity Plan (BCP) and Crisis Management Guidelines in place, ensuring the continuity of the Bank's operations in significant incident.

In addition, the Bank HQ organized the relevant departments and EU Branches to analyse operational risk scenario on an annual basis. These scenarios aim to analyse different business lines under adverse events by stressing different operational risk event.

The Bank set up the scenarios which are consistent with its business characteristics and are concentrated in some business lines and risk events. For each of these operational stress tests, the following has been performed:

- Definition of a scenario;
- Maximum Loss/Cost estimation;
- Management Actions.

Outsourcing management

In 2025, in accordance with the requirements of the CRR3 framework, the CSSF Circular 12/552 as amended, Circular 22/806, and the EBA Guidelines EBA/GL/2019/02 on outsourcing risk management, ICBC (Europe) SA has further reviewed, updated, and strengthened its Outsourcing risk policy, monitoring framework, and methodology to ensure full alignment with the latest regulatory developments, including the implementation of CRR3-related enhancements to governance, risk assessment, and reporting expectations. All the new Outsourcing risk framework and policy have been validated by the AM and issued at the first quarter of 2025.

Trainings to the whole Bank and Branches have been provided by RMD. RMD is committed to strictly monitor the implementation, follow-up and compliance with the new framework at the Bank's level. Nevertheless, the Bank continued to regulate business outsourcing management procedures via the system and further strengthen outsourcing management at EU Branches level through inspection and periodic review.

Up to date, all outsourcing services of the Bank have been running well. None of the outsourcing service providers has made a subcontract or got involved in a risk incident such as breach of contract or any legal dispute affecting the business continuity.

7.7.2 Capital requirement

The Bank uses the new standardized approach to calculate the regulatory minimum own funds requirement for operational risk as per CRR3 requirements. This approach, detailed in article 314 of CRR3, requires banks to defines a business indicator component (BIC) which represents the capital requirement for operational risk based on last 3-year accounting data.

By the end of 2025, the own funds requirement for operational risk amount to EUR 11.31M (EUR 10.8M in 2024) equivalents to a total Risk Weighted Asset of EUR 141.35M (135.4M in 2024).

Template 14: EU OR2 - Business Indicator, components and subcomponents

	BI and its subcomponents	**31.12.2025**
1	**Interest, lease and dividend component (ILDC)**	32,777,604
EU 1	**ILDC related to the individual institution/consolidated Group (excluding entities considered by Article 314(3)**	32,777,604
2	**Services component (SC)**	53,279,300
3	**Financial component (FC)**	8,176,908
4	**Business Indicator (BI)**	94,233,812
5	**Business indicator component (BIC)**	11,308,057

Template 15: EU OR3 - Operational risk own funds requirements and risk exposure amounts

		31.12.2025
1	Business Indicator Component (BIC)	11,308,057
EU1	Alternative Standardised Approach (ASA) Own Funds Requirements (OROF) under Article 314(4)	-
2	Not applicable	
3	Minimum Required Operational Risk Own Funds Requirements (OROF)	11,308,057
4	Operational Risk Exposure Amounts (REA)	141,350,717

- Additional Operational Risk measurement for internal approach:

Due to the implementation of CRR3, the Bank amended its Pillar 2 methodology for operational risk calculation. The switch is operated from a Standardized Approach to a Loss Distribution Approach (LDA).

Nevertheless, due to the very limited number of operational risk events occurring in general in the Bank, it is not possible to use and leverage on a proper operational risk event historical database. Consequently, the Bank based its LDA on a series of cross-sectional event datapoints referring to the Basel II framework typology. For each risk event type across the business lines of the Bank, 2 random variables are defined: loss severity and loss frequency.

7.8 Other Risks

7.8.1 Liquidity risk

Qualitative information

The following section is addressed pursuant to Table EU LIQA - Liquidity risk management of the EBA ITS.

Definition

Liquidity risk is the risk that the Bank is unable to raise funds on a timely basis or at a reasonable cost to settle liabilities as they fall due, perform other payment obligations and satisfy other funding demands of normal business development.

Strategies and processes in the management of the liquidity risk

The Bank's Liquidity Strategy is linked to the business plan of the Bank, to the funding plan, the liquidity policy and is performed in accordance with the risk appetite and the risk limits of the Bank. The Bank has established a Liquidity risk management framework, which is part of the Liquidity Policy and which defines the principles and the framework of the management of liquidity risks. The Bank has effective processes to identify, manage, monitor and report the risks the Bank is exposed or might be exposed to.

The framework for the management of Liquidity Risks includes the following elements:

- Liquidity Risk Appetite: The Bank's Liquidity Risk Appetite is defined in the Risk Appetite Statement and the Risk limits management plan which are updated on an annual basis.

- Controls, monitoring and reporting: ALMD monitors, controls and reports independently the Bank's Liquidity Risks, including stress-testing results.

- Liquidity Contingency Plan ('LCP'): The LCP specifies policies, procedures and action plans to respond to severe potential disruptions to the institution's ability to fund itself. It defines clearly the lines of responsibility, the governance and escalation process. A specific dry-run exercise is performed on an annual basis.

Structure and organization of the liquidity risk management function (authority, statute, other arrangements)

The Board of Directors and the Authorized Management have set a liquidity risk management standard including Liquidity risk tolerance, risk indicators system and limits management.

The management of liquidity risks is built upon Three Lines of Defense:

In the First Line of Defense level, FMD monitors the liquidity position of the Bank and is responsible for implementing liquidity management strategy such as the diversity and stability of funding sources, managing liquidity in different currencies, as well as daily liquidity monitoring.

In the Second Line of Defense, ALMD is responsible for setting up liquidity risk management processes and monitoring and reviewing the liquidity risk profile of the Bank through both regulatory and internal liquidity risk indicators. A quarterly liquidity risk management report is reported to the AM and BoD. RMD is acting as the Risk Management Function and shall ensure that ALMD is performing their duties in compliance with local regulations and internal rules.

The Internal Audit guarantees in the Third Line of Defense an independent and objective assessment of the structure and operational effectiveness of the internal control system of the Bank and therefore ensures a holistic approach to managing liquidity risk.

Frequent information is established between various internal and external stakeholders. For instance, daily LCR and NSFR calculation and predictions are sent to the Authorized Management on a daily basis, monthly reports related to regulatory indicators (LCR) but also weekly results of the internal liquidity stress testing are reported to the Authorized Management. ALCO meets on a quarterly basis to discuss the development of the balance sheet such as wholesale & corporate deposits, interest rates, etc.

Degree of centralization of liquidity management and interaction between the group's units

The LCR Centralization management plan project, initiated by ALMD, aimed to further improve the centralized treasury management of the Bank, while optimizing the Bank's LCR level and its corresponding regulatory costs. One of its key objectives was to combine liquidity safety and economic efficiency through centralizing the management of HQLA bonds at HQ level. That principle would allow the Bank to reach the appropriate amount of HQLA bonds at consolidated level, targeting a safe liquidity buffer, but a reasonable amount, avoiding excessive opportunity costs. Centralizing the management of HQLA bonds at HQ level would mean that branches could not reach 100% LCR, as they would not be holding HQLA bonds eventually. Therefore, to ensure reasonable LCR Net Outflows at consolidated level, the Bank decided to implement "Net outflows with Extra Reserve" indicators and limits, applicable at branches level only, while abolishing former LCR limits for branches. Those indicators are derived from the LCR and are calculated as the absolute value of "net liquidity outflows" of a branch minus its own "withdrawable Central Bank reserves". Finally, to ensure a smooth and fair implementation of this plan, branches are not anymore allowed to buy new bonds, and outstanding bonds positions remain under a branch's management, including its liquidation (which should be approved in advance by HQ) until maturity, while new bonds can only be purchased and managed by HQ. Still, each branch is responsible to manage its own Central Bank reserves and minimum requirements.

The centralization of the NSFR management has been put in place to optimize the balance sheet management of the whole entity and to release pressure on the liquidity and funding structure of branches. Branches have to comply with flexible limits set by ALMD of the Headquarter, which is in charge of making sure that ICBC (Europe) S.A. complies with the risk appetite limit at the whole entity level.

Scope and nature of liquidity risk reporting and measurement systems

The Bank has implemented a set of liquidity risk indicators which consists of:

- Regulatory liquidity risk indicators; and,
- Internal monitoring liquidity risk indicators.

The regulatory indicators are mandatory in respect of the local regulatory requirements; internal monitoring indicators aim to be indicative of the Bank's liquidity risk profile. The Bank's liquidity risk appetite framework is part of the overall risk appetite framework in order to ensure a better integration of the governance, monitoring and escalation processes. Liquidity risk indicators are monitored by ALMD and reported to RMD and the AM.

The Bank has defined:

- A warning value and a tolerance value as part of the liquidity risk appetite framework for both regulatory and internal monitoring liquidity risk indicators.
- A recovery limit for at least the regulatory liquidity risk indicators which, if breached, could signal the Bank's Liquidity Contingency Plan activation (part of the recovery plan).

Regarding the LCR implementation, the Bank has set progressive internal LCR limits, that allow to strictly monitor the evolution of the ratio and to comply with the regulatory minimum but also to raise awareness among all the European branches.

The Bank has automated the calculations of the actual indicators and the forecasts up to 90 days of:
-the daily LCR at consolidated level;
-the daily LCR and "Net Outflows with Extra Reserve" at branches level;
in order to better manage and anticipate future cashflows of each branch of ICBC (Europe) S.A. and the headquarter.

The Asset and Liability Management Department of HQ is responsible to calculate, monitor, control and report the daily LCR figures and forecasts of the Bank and each branch to the Authorized Management, the Risk Management Department, the Financial Market Department, involved stakeholders at HQ and at branches level respectively. A report is as well sent to the Head Office on a daily basis.

Branches are responsible to control and monitor the daily LCR figures received from ALMD of HQ on a daily basis and specially to comply with "the Net outflows with Extra Reserve" limits applicable to their entity. Branches shall strictly follow HQ requirements and guidance, take into consideration limit alerts and implement appropriate management actions such as reducing their indicator if necessary.

In case additional HQLA is needed, ALMD of HQ informs the FMD of HQ directly to take action. Since the implementation of the LCR centralization management plan, only HQ FMD is in charge of adjusting the HQLA buffer of the Bank's LCR by either increasing Central Bank reserves or buying additional HQLA bonds, while branches are not anymore allowed to purchase new bonds. A reduction of the funding gap (net outflows) can be required to HQ and branches. FMD HQ shall as well, strictly follow ALMD requirements and guidance, take into consideration limit alerts and implement appropriate and timely management if necessary.

With the usage of FMBM system in its daily liquidity management, the Bank is monitoring the cash flows incurred by treasury business and other transactions to define a sound funding plan.

The liquidity risk management framework consists of at least:

(1) To formulate and amend regularly, the liquidity policy, risk appetite statement and related indicators and limits, procedures, stress testing guidelines and LCP in accordance with business developments and timely response to market dynamics, and submit to the related committees and AM of the Bank for approval.
(2) To establish the monitoring system and warning mechanism for liquidity risk management.
(3) Monitoring the compliance with the liquidity risk limits and reporting to the AM the limit breaches in a timely fashion.
(4) LCR and NSFR daily monitoring and predictions reporting.
(5) Monthly LCR reporting to regulators (in reporting and significant currencies).
(6) Monthly ALMM reporting to regulators (in reporting and significant currencies).
(7) Liquidity Stress Testing reporting (survival period).
(8) Quarterly NSFR reporting to regulators (in reporting and significant currencies).
(9) Monthly Risk Monitoring report
(10) Quarterly Liquidity Risk Management Report.
(11) Annual ILAAP.
(12) Annual testing of the Liquidity Contingency Plan ("LCP").
(13) To supervise and instruct the EU Branches in liquidity risk management.
(14) To identify and assess liquidity risks embodied in new products, new businesses and new EU Branches.
(15) To establish the Funding Plan.

Furthermore, the Bank has set-up a list of indicators and limits ensuring sufficient distance to react to both internal and external stress events. The Bank's liquidity contingency plan ('LCP') aims to establish an effective prevention, warning and resolution mechanism for liquidity risk, enhancing the Bank's capacity to respond and resolve liquidity risk under stress and preventing their damages to the biggest extent.

In the view of the internal liquidity assessment process report and on-going monitoring metrics, the Board of Directors considers that the Bank holds sufficient available liquidity resources and has adequate liquidity and funding risk management.

As of end of year 2025, the LCR amounted to 200% (average daily LCR amounts to 216%), well above the applicable internal and regulatory limits. From a funding profile perspective, the Bank calculates, monitors and forecasts the NSFR at whole entity level and at EU Branches level on a daily basis to ensure respecting the risk appetite. As of end of 2025, the Bank's NSFR amounted to 113% (average daily NSFR amounts to 115%), above the internal early warning limit of 108%.

Among other things, ALMD takes into consideration new businesses or potential new deals which may impact the ratios. As per the liquidity ratios projections under normal and stressed conditions and the overall liquidity governance framework, the Bank does not plan any breach of its short-term liquidity (Liquidity Coverage Ratio) over a time horizon of three years. As such, taking into consideration the financial Projections, under business-as-usual conditions, the Bank projects a strong LCR far above internal limits.

From a stressed perspective, the LCR would be impacted at mid-term but would remain safely above internal limits over the 3 next years. Hence the liquidity buffer of EUR 2.59 Bln as of end of year 2025 is deemed as sufficient to meet ICBC's risk appetite under both normal and stressed conditions.

For the NSFR, taking into consideration the financial Projections, the Bank does not plan any regulatory or internal limit breach of its ratio over a time horizon of three years. From a stressed perspective, considering the level of available stable funding and required stable funding as of Q4 2025, the Bank assumes that, under severe stress assumptions, the Bank would experience regulatory limit breaches if no actions are taken ahead of such events. Again, the strong support from ICBC Group and the management actions at the disposal of the Bank, as disclosed in the Liquidity Contingency Plan, would be key support for the Bank to raise liquidity and stable funding in case of crisis, avoiding to breach its regulatory indicators and helping the Bank to navigate through crisis events.
Considering the defined strategy and the available measures, the Bank would be able to meet, in the mid-term, both regulatory and risk appetite requirements and stay above internal and regulatory limits.
Moreover, the proactive liquidity management, monitoring and predictions of the LCR and NSFR to prevent any liquidity issues allowed the LCR and NSFR to remain compliant even under stress periods such as the covid-19 crisis and the economic situation that followed since the outbreak of the conflict in Ukraine.

As per the stress testing framework in place, the Bank has also assessed and calculated its survival period and net liquidity position over a time horizon of 5 years under different ranges of scenarios. According to the stress assumptions defined, the Bank would not experience any breach of the early warning limit set at a level of 90 days.
Based on these results, the Authorized Management is in the opinion that the existing set-up process ensures the Bank is sufficiently robust to correctly manage liquidity and funding risk management, including the process for identifying, measuring and controlling liquidity and funding risks. The Authorized Management estimates that the Bank's liquidity buffer and stable funding are sufficient to support the business development, the forecasted needs and associated risks and assumes that the current liquidity buffer and available stable funding are robust to withstand the impact of risks that may arise under adverse scenarios.

Liquidity Coverage Ratio (LCR)

The liquidity Coverage Ratio serves as the primary short-term liquidity reference indicator for the Bank, requiring the maintenance of sufficient High Quality Liquid Assets (HQLAs) to cover the total net cash outflows over a 30-day period. This promotes resilience in the bank's liquidity risk profile, with daily monitoring and monthly reporting to the relevant authorities.

To comply with Article 447 (f) (i) of the Capital Requirements Regulation III (CRR III), the Bank discloses LCR-related information as calculated under the Delegated Act referred to in Article 460(1). This disclosure is also presented through the EU KM1 Key Metrics Template.

End of Reporting period	LCR (%)[6]
Mar-25	360.43%
Jun-25	334.23%
Sep-25	267.53%
Dec-25	212.16%

Net Stable Funding Ratio (NSFR)

The Net Stable Funding Ratio (NSFR) is a key liquidity standard that requires banks to maintain sufficient long-term stable funding to cover the duration of the long-term assets. This ratio is designed to ensure that the bank's funding sources are sustainable over a one-year horizon, promoting a balanced maturity structure of assets and liabilities.

The NSFR is calculated using a ratio of Available Stable Funding (ASF) to Required Stable Funding (RSF). ASF mainly includes capital and liabilities with a maturity greater than one year, while RSF represents the amount of stable funding required based on the Bank's on- and off-balance sheet exposures. Banks must maintain an NSFR of at least 100%, in accordance with regulatory standards established by the Capital Requirements Regulation III (CRR III).

The Bank monitors its NSFR on a daily basis including forecasts, to ensure compliance with regulatory requirements and performs calculations quarterly for reporting purposes. The Bank has consistently met the minimum regulatory requirements for NSFR throughout 2025. By adhering to Article 428b of the Regulation (EU) 2024/1623 (CRR III), the Bank ensures that its NSFR remains above the required threshold, thereby supporting its long-term funding stability.

To comply with Article 447 (g) (i) of the Capital Requirements Regulation III (CRR III), the Bank discloses the following NSFR-related information as calculated under the Article 428b of the CRR III. This disclosure is also presented through the EU KM1 Key Metrics Template.

End of Reporting period	NSFR (%)
Mar-25	**120.65%**
Jun-25	**114.59%**
Sep-25	**118.20%**
Dec-25	**113.33%**

7.8.2 Concentration risk

Concentration risk refers to excessive exposures to one single risk driver or related risk drivers such as single business area (market environment, industry sector, geographic region and country), single customer (borrower, depositor, counterparty, guarantor, issuer) and single product (source of funding, currency, maturity, risk mitigation tool) with the potential to produce: (i) losses large enough to threaten the Bank’s health or ability to maintain its core operations; or (ii) a material change in the Bank’s risk profile. Concentration risk may arise in the Bank’s assets, liabilities, off-balance sheet items, or through the execution or processing of transactions, also may arise from interrelated exposures across risk categories.

[6] Calculation as stipulated in CRRIII art. 447 (f) (i)

The Bank has implemented a "Concentration risk management procedure and policy" in order to take into account regulatory requirements applicable to the Bank, such as the CSSF Circular 12/552, as amended, and CSSF Circular 13/574. The following key aspect of a sound concentration risk management is considered as part of the above-mentioned policy: Risk management mechanisms, risk tolerance and limits management on various types of risk (credit risk, market risk, liquidity risk and operational risk), risk monitoring and reporting system, risk stress testing.

In addition to prudent and strict management on large exposure, the Bank is monitoring several risk indicators to avoid concentration risk.

The following assessment is taking into account various aspects of the Bank's banking book concentration:

- Credit quality concentration.
- Single Customer concentration.
- Product concentration.
- Geographical concentration.
- Sector concentration.

There is no Pillar I capital requirement for credit concentration risk. Concentration risk internal capital requirement is allocated as part of the Pillar II framework and is quantified on the basis of the concentration on sector, geographical area, and single name exposure.

7.8.3 Strategic & business risk

Strategic risk refers to the risk caused by improper business strategy or unexpected changes in external environment or material deviation in implementing the strategies that prevents business strategies from being effectively implemented.

Business risk is defined by the Bank as the variability of earning and costs due to an impact of changes within the market environment and/or strategic decisions. Business and strategic risk refers to the current and future risk of losses caused by changes in market conditions (changes in volumes, interest margins and other price changes concerning deposit and lending) and inaccurate and misguided business decision.

The Bank's strategic risks mainly arise from changes in the external operating environment, such as market conditions, which could result in limited lending opportunities for the Bank, and regulatory reforms from two perspectives, (1) the impact of these reforms on the Bank's business model and (2) the requirements on the organization resulting from increased regulatory complexity.

An effective management of strategic risk requires that policies, procedures and limits be established to ensure objective evaluation of and responsiveness to the Bank's business environment.

Procedures for defining and reviewing the Bank's business strategy is intended to ensure that adequate consideration is given to the following aspects:

- The Bank's inherent strengths and its identified weaknesses.
- Opportunities external to the Bank and external factors that pose threats to the Bank.
- Exposure limits to different sectors.
- Growth of business and staff strength.

The Bank regularly evaluates business and strategic risks through Financial Affairs Committee and Centralized Procurement Management, New Product Assessment Committee, RICC, ALCO and AM committee, and of course during the BRC and Board meetings.

During Board meetings these risks are discussed and decisions on potential change of business strategies are approved.

New Product Assessment Committee assessed any potential impacts on the Bank's capital, liquidity, and solvability and reputational position. In addition, clear operational process needs to be instructed before launching any new products to reduce operational risks. During Q4 2025 a new product was discussed and approved by NPAC.

The Bank's 3-years business strategy is defined based on the assessment of the current business model and respects the risk appetite and regulatory requirements for the same period. The 3-years Risk Strategy is set-up for the purpose of strengthening the risk management of the Bank and the EU Branches, improving the Bank's risk management capacity and achieving a balanced risk and return in order to generate a sustainable and adequate profit.

The risk strategy objectives are to ensure a sound, sustainable and prudent management of the Bank, preserve its continuity, contribute to the development of the Bank's business, and protect its reputation.

7.8.4 Reputation risk

Reputation risk means the risk of negative observation made by stakeholders which results from the operation, management and other acts of the commercial banks or the external events. Reputational events mean related acts or events which may give rise to reputational risk of the commercial banks in the form of news crisis events. New crisis events refer to breaking news publicly spread by the media that may cause loss to the Bank's reputation.

Regarding the reputation risk, the AM of the Bank and the EU Branches are in leading charge and have the ultimate responsibility in controlling and managing this kind of risk.

The Bank has consolidated the quarterly reputation risk management reports submitted by the Branches/Representative Office and the departments at headquarter level, and reports to the AM for quarterly evaluation of reputational risk management.

For the reputation risk, the Bank adheres to the prevention-oriented principle and incorporates reputation risk management into each aspect of operational management of the Bank and every customer service process, for the purpose of controlling and mitigating reputation risk based on its source. The Bank has established a mechanism to collect customer complaints, monitor negative news, and identify the possible reputation risk in launching new product and service.

Reputation risk management is performed also at Branch's level and reported to Luxembourg Headquarters and AM.

Reputation risk is derived from the actualization of other risk types and deemed to be a "consequential" risk rather than a primary risk. Therefore, the Bank has to identify the potential sources and events which could lead to reputation damage. In the same way, reputation risk can lead to chain reaction of other risks.

The Bank has set up a reputation risk dashboard which includes information such as:

- Information on reputation risk management personnel.
- Policy building (list of the policies, measures, etc.).
- Risk inspection (contents, scope, inspection time).
- Risk factors analysis (list of the risk types and potential management situation which could lead to reputation damage).

- Professional training, suggestions and comments to improve current practices.

Reputation Risk is incorporated into the assessment before launching new products and services.

The Bank pays great attention to the media reports related to it both in Chinese and foreign languages, so as to timely identify the reports that may affect the Bank's reputation, and to take actions accordingly.

7.8.5 Country risk

Country risk refers to the risk that, due to economic, political, social changes and events in a country, a borrower or debtor in that country cannot, or refuses, to pay back its debts, or the Bank's commercial interest in that country is damaged, or the Bank suffers any other loss. Country risk may arise from deteriorating economic conditions, political and social upheaval, nationalization or expropriation of assets, government repudiation of external indebtedness, exchange control, currency devaluation, etc.

The term "Country", "Country or territory", or "Economy", as used here, not necessarily being "sovereign state" as understood by international law and practice, it refers to economy or a non-sovereign jurisdiction.

RMD is in charge of monitoring, analysing and reporting to management body the observance of country risk limits quarterly. RMD has to inform the branches and departments about the utilization of country risk limit timely and propose initiatives on whether to increase country limits or contain country exposures.

All Departments should establish mechanisms to monitor and report on how country limits are observed, ensure country limits allocated by HO are complied with, assist RMD in carrying out monitoring, and report to RMD, among others, on any events that indicate change in country risk profile of any country in their business.
Over 2025, the Bank automated country risk follow-up and monitoring processes allowing publication of a quarterly comprehensive country risk report for HO.

In the aim to improve the control and monitoring of country risk limits, the Bank has approved and issued provisions on the administration and risk appetite statement and Country Risk Limit Control program.

Country limits are embedded in the overall Risk Limit Plan of the Bank. Country limits are set by HO and allocated to the Bank for a specific period of time.

The objective of country limit management is, by categorizing country riskiness and applying country limit, and with continuous monitoring and reporting, to effectively control excessive concentration of country risk exposures. All EU Branches and relevant departments in HQ have to strictly fulfil the requirements of the Program when extending credit.

Note that Country limit should not be seen as the Bank's expectations or business plan for exposures to a certain country.

Categorization
Countries/economies are classified into five risk categories:

- Low.
- Moderate.
- Medium.
- Significant.
- High.

Country limits are set for each country/economy. Exposures to international multilateral organizations are not referring to any countries but deemed to belong to a special categorization of “international organization”, which is not subject to country limit.

Scope

Country risk exposure is calculated according to Country Risk Exposure Statistics Policies, covering loans & advances (incl. loans, finance leasing and trade finance, etc.), due from banks (incl. due from central banks, deposit with banks, inter-banking placement and securities purchased with resale agreement), bond instruments, equity instruments, derivative assets, other on-balance sheet exposure (incl. operating leasing receivables and receivable under investment banking services, etc.), off-balance sheet exposures (incl. guarantees, performance/prepayment bonds, LC, undrawn commitment, etc.). Country exposures not mentioned above which arise from new products are also subject to country risk limit.

The Bank establishes a periodic country Exposure Report to control and monitor country limits allocated to the Bank for the year.

The dashboard includes the name of all the country/economy, their risk category, the total limit allocated if any which is split by:

- credit limit;
- financial market limit;
- other limits.

In case one or several EU Branches are making use of the limits, Branch’s name and allocated amount is recorded as well.

The Bank has set three internal indicators. No breaches on these ratios have been recorded in 2025.

8 Unencumbered assets

In line with the guidelines established by the EBA, the concept of asset encumbrance includes both on-balance sheet assets pledged as collateral in operations to obtain liquidity as well as those off-balance sheet assets received and re-used for a similar purpose, in addition to other assets associated with liabilities other than for funding reasons.

The amount of exposure shown in the tables below was calculated as the median of the values disclosed in the regulatory information for the four quarters of the year, in accordance with EU Delegated act.

Template 16 : EU AE1 - Encumbered and unencumbered assets (EUR)

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	050	060	080	090	100
010	**Assets of the reporting institution**	775,906,963				7,771,110,669			
030	Equity instruments					-			-
040	Debt securities					1,517,390,697		1,512,369,996	-
050	of which: covered bonds								-
060	of which: securitisations								-
070	of which: issued by general governments					1,240,749,227		1,238,170,905	-
080	of which: issued by financial corporations					131,868,825		122,803,801	-
090	of which: issued by non-financial corporations					144,772,645		151,395,290	-
120	Other assets	775,906,963		-	-	6,253,719,972		-	

9 Remuneration

This section aims to describee the main characteristics of the Remuneration Policy and practices of the Bank.

The Remuneration Policy is compliant with the Regulation (EU) No 2024/1623 ("CRR 3"), the Directive (EU) 2024/1619 ("CRD VI"), the EBA Guidelines EBA/GL/2021/04 on sound remuneration policies, the Law of 5 April 1993 on the financial sector (as amended) ("Luxembourg Law"), and related CSSF circulars. The Policy is regularly reviewed to ensure compliance with the latest laws and regulations.

Governance

The Remuneration Policy of ICBC (Europe) S.A. is overseen by the Remuneration and Nomination Committee.

- Composition of the Remuneration and Nomination Committee:
  - The Committee is composed of at least three members, including Chairman/Chairwoman of the Board, Non-Executive Directors and Independent Directors. Members of the Remuneration and Nomination Committee are elected among the members of the Board of Directors. However, any member of the Remuneration and Nomination Committee can be removed by the Directors of Board at any time;
  - The Board shall also appoint a Chairman/Chairwoman of the Committee within the members. The Chairman/Chairwoman of the Committee has to fulfill the professional qualifications as required by the Regulator. At least one member of the Remuneration and Nomination Committee should have sufficient expertise and professional experience concerning risk management and control activities, namely with regard to the mechanism for aligning the remuneration structure to the Bank's risk and capital profiles.

- Duties and responsibilities of the Remuneration and Nomination Committee:
  - Proposing, to the Board of the Bank, the Remuneration Policy that is aligned with the Bank long-term business strategy, its business objectives, its risk appetite and values, whilst recognizing the interests of relevant stakeholders;
  - Checking whether the existing Remuneration Policy of the Bank remains up-to-date, and, if necessary, make proposals for changes;
  - Advising the Board on the practices governing the remuneration;
  - Being responsible for the preparation of decisions on remuneration to be taken by the Board, in particular regarding the remuneration of the members of the management body in its management and supervisory functions as well as of other Identified Staff (e.g., Material Risk Takers);
  - Ensuring that remuneration packages are fair, reasonable and adequate;
  - Monitoring the application of the authority delegated to the Authorized Management to ensure that policies and principles are being consistently and effectively applied;
  - Liaising with the Audit and Compliance, and Risk Committees in relation to risk-adjusted performance measures;
  - Overseeing the central and independent review of the remuneration policies and practices ensured by the Internal Control Functions;
  - Preparing for the succession of directors and key function holders. When dealing with new appointments, the Committee shall ensure that, prior to assessing the application, it has received sufficient information about the candidate and the necessary information for evaluating the candidate's independence.

- Duties and responsibilities of the relative functions:
  - The Internal Control Functions assist the Board in determining the overall remuneration strategy, having regard to the promotion of effective risk management;
  - The Human Resources Department on behalf of the Remuneration and Nomination Committee, with the assistance of Internal Control Functions and Financial Accounting Department, participates in and informs on the drawing up and the evaluation of the Bank's Policy. It includes the remuneration structure, remuneration levels and incentive schemes to attract and retain the staff in line with the Bank's risk profile.

The Human Resources Department provides support in the identification of Material Risk Takers and applies the regulatory requirements on remuneration. Human Resources Department liaises with the Regulator for matters related to the Remuneration and Nomination Committee.

Main characteristics of the Remuneration Policy (EU REM A)

Remuneration principles are compatible with the Bank's business strategy, goals, values, long-term interests and with a sound and efficient risk management preventing any excessive risk-taking by members of the Bank. In defining the variable part of its employees and management remunerations, the Bank takes into account current and future risk planning and the cost of capital employed and liquidity required so as to ensure the Bank's ability to sustainably maintain or recover an appropriate capital base.

The Bank aims to attract, retain and motivate highly qualified professionals in their respective domains. The remuneration components granted by the Bank to its staff are regularly benchmarked through market surveys in order to verify the positioning of its remuneration packages compared to competitors.

The Policy supports an appropriate management of sustainability risks as sustainability has become a topic with high relevance to the financial sector. Sustainability risk refers to an environmental, social or governance event or condition that, if it occurs, could cause an actual or a potential negative material impact on the value of the investment (as defined under Sustainable Finance Disclosure Regulation).

While the variable remuneration rewards the individual and collective performance, the overall performance is interpreted once a year as per qualitative, qualitative, financial and non-financial criteria in accordance with the regulatory requirements.

Internal Control Functions' staff are compensated in a manner that is independent from the financial results of the underlying businesses being controlled, commensurate with their key role in the organization and based on non-financial objectives.

Internal Control Functions are defined as:

- Risk Management department (2nd line of defence)
- Compliance department (2nd line of defence)
- Internal Audit department (3rd line of defence)

The variable remuneration shall not exceed 100% of the basic fixed remuneration. However, the Bank may approve a higher maximum level of the ratio between the fixed and variable components of remuneration provided the overall level of the variable component shall not exceed 200% of the fixed component of the total remuneration for each individual.

The variable remuneration is never guaranteed and is subject to an ex-ante risk adjustment in the event of negative performance contributions, breach of duty and unconscionable conduct; it can be reduced to zero before the bonus award is made.

Material Risk Takers

The Bank shall conduct an annual risk analysis to identify categories of staff whose professional activities have a material impact on the Bank's risk profile ("Material Risk Takers") and to whom specific requirements apply according to the respective regulatory specifications, unless exemptions apply.

An employee is deemed to be identified as Material Risk Taker if one of the qualitative and quantitative criteria on the identification of Risk Takers set out in Regulation (EU) 2021/923 is met. In this respect and amongst others, the following categories of staff are identified as Risk Takers:

• Members of the Board;
• Members of the Authorized Management (at Headquarters and EU branches levels);
• Employees responsible and accountable to the management body for control activities of the independent risk management function, compliance function or internal audit function;
• Employees heading or having managerial responsibility and whose professional activities are deemed to have a material impact on risk profile of a material business unit;
• Employees heading a function responsible for legal affairs, finance including taxation, budgeting and accounting procedures, human resources, information technology, information security, the management of outsourcing arrangements, the prevention of money laundering and terrorist financing or economic analysis;
• Employees identified pursuant to quantitative criteria, for example, employees whose total remuneration exceeds criteria set out by regulation and whose professional activities are deemed to have a material impact on the Bank's risk profile.

Individual requirements are applicable to Material Risk Takers' variable remuneration, who have been attributed a variable remuneration above EUR 50,000 or representing more than one third of the total annual remuneration for the given performance year.

In this context, the following specific pay out rules are applied:

- 50% pay-out of the variable remuneration in financial instruments;
- 40% of the variable remuneration is deferred over a period of 4 years;
- 12-month retention period for payment in instruments; and
- Ex post incorporation of risk.

The sustainability of the performance contributions of each Material Risk Taker, his/her area of responsibility as well as the overall performance of the Bank will be considered. Moreover, the financial situation of the Bank, in particular significant changes in the capital base, decreases in the financial capacity and the risk-bearing capacity will be taken into account (back-testing). In the event of a negative back-test, malus can apply to all elements: the cash portion as well as share-based portions of deferred remuneration, in case of evidence of misbehaviour or serious error (for example, breach of the Code of Conduct and other internal rules, especially concerning risks), negative performance contributions, significant failure of risk management respectively significant changes in the capital base or significant downturn in the financial performance. If the circumstances described above have occurred to a significant degree, a reduction or forfeiture of portions of the deferred variable remuneration including the share-based instruments applies.

The regulation on adjustment of variable remuneration is complemented through the implementation of repayment obligations for Material Risk Takers in accordance with regulatory requirements (so-called "Clawback"). For a behaviour which led to a significant loss for the Bank or to a major regulatory sanction, or a severe breach of relevant external or internal regulations concerning standards of suitability and conduct has been carried out, concerned Material Risk Takers are obliged to repay any variable remuneration already paid out respectively any claim to payment of variable remuneration shall lapse.

In 2025, the Bank identified a total number of 39 Material Risk Takers out a total of 378 employees as at 31 December 2025.

As of 31.12.2025	MATERIAL RISK TAKERS (EUR)
Number of beneficiaries	39*
Sum total of remuneration	9,859,377
of which fixed	7,075,170
of which variable	2,784,207

Template 16: EU REM1 - Remuneration awarded for the financial year (EUR)

			a	b	c	d
	EUR		MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	2*	7	19	11
2		Total fixed remuneration	265,000	1,220,688	3,417,207	2,172,275
3		Of which: cash-based	265,000	1,220,688	3,417,207	2,172,275
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interests	-	-	-	-
5		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-5x		Of which: other instruments	-	-	-	-
6		(Not applicable in the EU)				
7		Of which: other forms	-	-	-	-
8		(Not applicable in the EU)				
9	Variable remuneration	Number of identified staff	2	7	19	11
10		Total variable remuneration	-	643,913	1,661,142	479,152
11		Of which: cash-based	-	331,403	830,571	479,152
12		Of which: deferred	-	125,004	332,228	-
EU-13a		Of which: shares or equivalent ownership interests	-	-	-	-
EU-14a		Of which: deferred	-	-	-	-
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	-	312,509	830,571	-
EU-14b		Of which: deferred	-	125,004	332,228	-
EU-14x		Of which: other instruments	-	-	-	-
EU-14y		Of which: deferred	-	-	-	-
15		Of which: other forms	-	-	-	-
16		Of which: deferred	-	-	-	-
17	Total remuneration (2 + 10)		265,000	1,864,601	5,078,349	2,651,427

* Excluding 2 Non-Executive Directors on ICBC Head Office and 2 Board members part of Authorized Management

In 2025, the Bank paid out no any special payments to its staff whose professional activities have a material impact on its risk profile (REM2).

- **Number of individuals being remunerated EUR 1 million or more in 2023: Article 450(1)(i) -** In 2025, no employee received remuneration in excess of EUR 1M (REM4).

- **Upon demand from the Member State or competent authority, the total remuneration for each member of the management body or senior management: Article 450(1)(j) -** Not applicable

- **Information on whether the institution benefits from a derogation laid down in Article 94(3) of Directive 2013/36/EU: Article 450 (1)(k) -** Not applicable

10 Appendix

10.1 Appendix I - Regulatory References

Regulatory Reference (within CRR as amended)	Description	Location in the Disclosure Report
Article 436 (a)	Name of the institution to which the requirements of this Regulation apply	Scope of application
Article 437 (a)	Outline of the differences in the basis of consolidation for accounting and prudential purposes	Template 1
Article 433	Frequency of disclosure	Frequency
Article 434	Determine the appropriate medium, location and means of verification	Means of disclosure
Article 435(1) (a) to (d)	Overall Risk Management objectives and policies for each category of risk, the structure and organisation of the relevant risk management function, the scope and nature of risk reporting and measurement systems and the policy for hedging and mitigating risk	Risk Management Objectives & Policies
Article 435 (1) (e) & (f)	Declaration by the management body on the adequacy of risk management arrangements of the Bank and on its overall risk profile associated with the business strategy	Internal Control Function Hierarchical Supervision
Article 435 (2) (a)	Number of directorships held by members of management body	Internal Control Function Hierarchical Supervision
Article 435 (2) (b)	Recruitment policy for the selection of the members of the management body	Internal Control Function Hierarchical Supervision
Article 435 (2) (c)	Diversity with regards to selection of members of the management body:	Application to and Approval of CSSF
Article 447	Summary of the main prudential and regulatory information and ratios covered by the CRR.	Template 2

Article 437 (1) (c)	Full terms and conditions of all Common Equity Tier 1, Additional Tier 1 and Tier 2 instruments	Capital instruments' main features
Article 437 (1) (d)	Disclosure of nature and amounts of specific items on own funds	Own funds disclosure
Article 440	Institutions shall disclose information related to capital buffers	Capital Buffers
Article 451 (1) (a)	Disclosure on how the institution applies article 499 (2) and (3)	Qualitative statement
Article 451 (1) (d)	Description of the processes used to manage the risk of excessive leverage	Qualitative statement
Article 451 (1) (e)	Description of the factors that had an impact on the leverage Ratio during the period to which the disclosed leverage Ratio refers	Qualitative statement
Article 451 (1) (b)	Breakdown of the total exposure measure as well as reconciliation of the total exposure measure with the relevant information disclosed in the published financial statements	Leverage Ratio disclosure
Article 438 (a)	Summary of the Bank's approach to assessing the adequacy of its internal capital to support current and future activities	Internal Capital Adequacy Assessment Process (ICAAP)
Article 438 (c)	Upon demand of the relevant competent authority, the result of the Bank's Internal Capital Adequacy Assessment Process	Internal Capital Adequacy Assessment Process (ICAAP
Article 435 (1)	Credit and Counterparty credit risk management	Risk management framework
Article 444 (a)	Names of the nominated ECAIs and ECAs and the reasons for any changes	Risk management framework
Article 444 (b)	The exposure classes for which each ECAI or ECA is used	Risk management framework
Article 444 (c)	Description of the process used to transfer the issuer and issue credit assessments onto items not included in the trading book	Risk management framework

Article 444 (d)	Association of the external rating of each nominated ECAI or ECA with the Credit quality steps prescribed in Part Three, Title II, Chapter 2, taking into account that this information needs not be disclosed if the institution complies with the standard association published by EBA	Risk management framework
Article 438 (c)	Risk weighted exposure amounts in accordance with the standardized approach	Capital requirement
Article 444 (e)	The exposure values and the exposure values after credit risk mitigation associated with each credit quality step prescribed in Part Three, Title II, Chapter 2 as well as those deducted from own funds	Capital requirement
Article 442 (d)	Geographic distribution of the exposures, broken down in significant areas by material exposure classes, and further detailed if appropriate	Capital requirement
Article 442 (e)	Distribution of the exposures by industry or counterparty type, broken down by exposure classes, including specifying exposure to SMEs, and further detailed if appropriate	Capital requirement
Article 442 (f)	Residual maturity breakdown of on balance-sheet credit risk exposures	Capital requirement
Article 438 (d)	Risk weighted exposure amounts in accordance with an internal rating based ("IRB") approach (Chapter 3 of Part Three, Title II,)	Capital requirement
Article 453	Disclosure of the use of credit risk mitigation techniques	Credit risk mitigation techniques
Article 442 (a)	Accounting definition of 'past due' & 'impaired'	Credit risk adjustments and Credit quality
Article 442	Credit risk adjustments and impairments	Credit risk adjustments and Credit quality
Article 439 (a)	A discussion of the methodology used to assign internal capital and credit limits for counterparty credit exposures	Risk management framework
Article 439 (b)	A discussion of policies for securing collateral and establishing credit reserves	Risk management framework
Article 439 (c)	A discussion of policies with respect to Wrong-Way risk exposures	Risk management framework
Article 439 (d)	A discussion of the impact of the amount of collateral the Bank would have to provide given a downgrade in its credit rating	Risk management framework

Article 439 (e)(f)	(e) the amount of segregated and unsegregated collateral received and posted per type of collateral, further broken down between collateral used for derivatives and securities financing transactions; (f) for derivative transactions, the exposure values before and after the effect of the credit risk mitigation as determined under the methods set out in Sections 3 to 6 of Chapter 6 of Title II of Part Three, whichever method is applicable, and the associated risk exposure amounts broken down by applicable method;	Capital requirement
Article 439 (g) & (h)	Credit derivatives hedges	Capital requirement
Article 439 (i)	The estimate of α if the institution has received the permission of the competent authorities to estimate α	Capital requirement
Article 435 (1) (a) (d)	Market risk management: description of the Bank's strategies and processes to manage market risk	Risk management framework
Article 435 (1) (b)	Market risk management: Description of the structure and organization of the market risk management function	Risk management framework
Article 435 (1) (c)	Market risk management: Scope and nature of risk reporting and measurement systems	Risk management framework
Article 438 (e) & Article 445	Exposure to market risk - Own funds requirements calculated in accordance with points (b) and (c) of Article 92(3)	Capital requirement
Article 448 (a)	Nature of the IRR	Interest rate risk on positions not included in the trading book
Article 448 (b)	Measures used by the management	Interest rate risk on positions not included in the trading book
Article 435 (1)	Operational risk management	Risk Management Framework
Article 438 (f) & Article 446 (1)	Exposure to Operational Risk - Own funds requirements and their Business indicator component.	Capital requirement
Article 435 (1) (a) (e) (f)	Risk management for other risks	Other Risks
Article 443	Disclosure of unencumbered assets as developed by EBA	Unencumbered assets

Article 450(1)(a)	Information concerning the decision-making process used for determining the remuneration policy	Remuneration
Article 450(1)(b)(f)	Information on link between pay and performance	Remuneration
Article 450(1)(d)	Ratio between fixed and variable remuneration set in accordance with article 94(1)(g) of Directive 2013/36/EU	Remuneration
Article 450(1)(c)	Characteristics and criteria used for performance measurement and risk adjustment	Remuneration
Article 450(1)(h)	Aggregate quantitative information on remuneration broken down by senior management and members of staff whose actions have a material impact on the risk profile of the Bank	Remuneration
Article 450(1)(e)(g)	Information on the performance criteria on which the entitlement of shares, options or variable components of remuneration is based	Remuneration
Article 450(1)(i)	Number of individuals being remunerated EUR 1 million or more in 2023	Remuneration
Article 450(1)(j)	Upon demand from the Member State or competent authority, the total remuneration for each member of the management body or senior management	Remuneration
Article 450 (1)(k)	Information on whether the institution benefits from a derogation laid down in Article 94(3) of Directive 2013/36/EU	Remuneration

10.2 Appendix II – EBA Tables and templates

Key Metrics and Overview of Risk-weighted Exposure Amount		CRR Articles	Reference in the Disclosure Report
EU OV1	Overview of risk weight exposure amounts	Article 438 (d)	Template 9
EU KM1	Key metrics template	Article 447 (a) to (g) Article 438 (b)	Template 2
EU INS1	Insurance participations	Article 438 (f)	N/A
EU INS2	Financial conglomerates information on own funds and capital adequacy ratio	Article 438 (g)	N/A
Disclosure of own funds		**CRR Articles**	**Reference in the Disclosure Report**
EU CC1	Composition of regulatory own funds	Article 437 (a) (d) (e) (f)	Template 3
EU CC2	Reconciliation of regulatory own funds to balance sheet in the audited financial statements	Article 437 (a)	Template 1

Disclosure of countercyclical capital buffers		CRR Articles	Reference in the Disclosure Report
EU CCyB1	Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer	Article 440 (a)	Template 4
EU CCyB2	Amount of institution-specific countercyclical capital buffer	Article 440 (b)	Template 5
Disclosure of exposures to counterparty credit risk		CRR Articles	Reference in the Disclosure Report
EU CCR1	Analysis of CCR exposure by approach	Article 439 (f) (g) (k) (m)	N/A
EU CCR3	Standardised approach – CCR exposures by regulatory exposure class and risk weights	Article 439 (1) Article 444 (e)	N/A
EU CCR4	IRB approach – CCR exposures by exposure class and PD scale	Article 439 (1) Article 452 (g)	N/A
EU CCR5	Composition of collateral for CCR exposures	Article 439 (e)	N/A
EU CCR6	Credit derivatives exposures	Article 439 (j)	N/A
EU CCR7	RWEA flow statements of CCR exposures under the IMM	Article 438 (h)	N/A
EU CCR8	Exposures to CCPs	Article 439 (i)	N/A
Disclosure of credit risk quality		CRR Articles	Reference in the Disclosure Report
EU CR1	Performing and non-performing exposures and related provisions	Article 442 (c)(f)	Template 10
EU CR2	Changes in the stock of non-performing loans and advances	Article 442 (f)	N/A
EU CR2a	Changes in the stock of non-performing loans and advances and related net accumulated recoveries	Article 442 (c)(f)	N/A
EU CQ1	Credit quality of forborne exposures	Article 442 (c)	Template 11
EU CQ2	Quality of forbearance	Article 442 (c)	N/A
EU CQ3	Credit quality of performing and non-performing exposures by past due days	Article 442 (c)(d)	Template 12
EU CQ4	Quality of non-performing exposures by geography	Article 442 (c)(e)	N/A
EU CQ5	Credit quality of loans and advances by industry	Article 442 (c)(e)	N/A
EU CQ6	Collateral valuation - loans and advances	Article 442 (c)	N/A
EU CQ7	Collateral obtained by taking possession and execution processes	Article 442 (c)	Template 13
EU CQ8	Collateral obtained by taking possession and execution processes – vintage breakdown	Article 442 (c)	N/A
Disclosure of the use of Credit Risk Mitigation techniques		CRR Articles	Reference in the Disclosure Report
EU CR3	CRM techniques overview: Disclosure of the use of credit risk mitigation techniques	Article 453 (f)	N/A
EU CR4	Standardised approach -Credit risk exposure and CRM effects	Article 453 (g) (h) (i) Article 444 (e)	N/A
EU CR5	Standardised approach	Article 444 (e)	N/A

Disclosure of the use of the IRB approach to credit risk		CRR Articles	Reference in the Disclosure Report
EU CR6	IRB approach – Credit risk exposures by exposure class and PD range	Article 452 (g)	N/A
EU CR6-A	Scope of the use of IRB and SA approaches	Article 452 (b)	N/A
EU CR7	IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques	Article 453 (j)	N/A
EU CR7-A	IRB approach – Disclosure of the extent of the use of CRM techniques	Article 453 (g)	N/A
EU CR8	RWEA flow statements of credit risk exposures under the IRB approach	Article 438 (h)	N/A
EU CR9	IRB approach – Back-testing of PD per exposure class (fixed PD scale)	Article 452 (h)	N/A
EU CR9.1	Back-testing of PD per exposure class (only for PD estimates according to Article 180(1)(f))	Article 452 (h) Article 180 (1)(f)	N/A
Disclosure of specialised lending		**CRR Articles**	**Reference in the Disclosure Report**
EU CR10	Specialised lending and equity exposures under the simple risk weighted approach	Article 438 (e)	N/A
Disclosure of exposures to securitisation positions		**CRR Articles**	**Reference in the Disclosure Report**
EU SEC1	Securitisation exposures in the non-trading book	Point (j) of Article 449	N/A
EU SEC2	Securitisation exposures in the trading book	Point (j) of Article 449	N/A
EU SEC3	Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor	Point (k)(i) of Article 449	N/A
EU SEC4	Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor	Point (k)(ii) of Article 449	N/A
EU SEC5	Exposures securitised by the institution - Exposures in default and specific credit risk adjustments	Point (1) of Article 449	N/A
Disclosure of Operational risk		**CRR Articles**	**Reference in the Disclosure Report**
EU OR1	Operational risk losses	Point (a) and (b) of Article 446(2)	N/A
EU OR2	Business Indicator, components and subcomponents	Point (c) and (d) of Article 446(1)	Template 14
EU OR3	Operational risk own funds requirements and risk exposure amounts	Point (b) of Article 446(1)	Template 15
Disclosure of the use of standardised approach and internal model for market risk		**CRR Articles**	**Reference in the Disclosure Report**
EU MR1	Market risk under the standardised approach	Article 445	N/A
EU MR2-A	Market risk under the internal Model Approach (IMA)	Article 455 (e)	N/A

EU MR2-B	RWA flow statements of market risk exposures under the IMA	Article 438 (h)	N/A
EU MR3	IMA values for trading portfolios	Article 455 (d)	N/A
Disclosure of the leverage ratio		CRR Articles	Reference in the Disclosure Report
EU LR1	Summary reconciliation of accounting assets and leverage ratio exposures	Article 451 (1)(b)	Template 6
EU LR2	Leverage ratio common disclosure	Article 451 (1)(2)(3)	Template 7
EU LR3	Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)	Article 451 (1)(b)	Template 8
Disclosure of the liquidity requirements		CRR Articles	Reference in the Disclosure Report
EU LIQ1	Quantitative information of LCR	Article 451a(2)	N/A
EU LIQ2	Net Stable Funding Ratio	Article 451a(3)	N/A
Encumbered and unencumbered assets		CRR Articles	Reference in the Disclosure Report
EU AE1	Encumbered and unencumbered assets	Article 443	Template 16
EU AE2	Collateral received and own debt securities issued	Article 443	N/A (empty as of 31/12/2024 compared with 2023)
EU AE3	Sources of encumbrance	Article 443	N/A (empty as of 31/12/2024 compared with 2023)
Disclosure of remuneration policy		CRR Articles	Reference in the Disclosure Report
EU REM1	Remuneration awarded for the financial year	Article 450 (1)(h)(i)-(ii)	Template 17
Disclosure of the scope of application		CRR Articles	Reference in the Disclosure Report
EU PV1	Prudent valuation adjustments (PVA)	Article 436 (e)	N/A

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