

Basel III Disclosure

I. Introduction

This report has been prepared in compliance with Directive 2013/36/EU (CRD), as amended by Directive (EU) 2024/1619 (CRD VI) and with Part Eight of the CRR Regulation (EU) No 575/2013 (CRR), as amended by Regulation (EU) 2024/1623 (CRR3), applicable from 1 January 2025.

Basel III (as implemented by the above mentioned EU Regulations and Directives) differentiates between three pillars, which are expected to be mutually reinforcing:

- Pillar 1 is centred on the capital requirements related to the credit, market and operational risks that banks run;
- Under Pillar 2, banks are expected to produce their own assessment of capital adequacy, based on the risks that they face in their activities, including additional risk types such as interest rate risk in the banking book. Pillar 2 also lays out the interaction between the banks' own assessments and the banking supervisors' response;
- Pillar 3 leverages the ability of market discipline to motivate prudent management by enhancing the degree of transparency in banks' public reporting. It sets out the public disclosures that banks must make that lend greater insight into the adequacy of their capitalization. The purpose of Pillar 3 is to complement the minimum capital requirements (Pillar 1) and the supervisory review process (Pillar 2).

Pillar 3 disclosures comprise of:

- Quantitative disclosures relating primarily to actual risk exposures
- Qualitative disclosures relating primarily to risk management practices

Additional qualitative disclosures are applied by enclosing a summary of the Remuneration Policy.

As at December 31, 2025, this disclosure statement reflects the prudential requirements applicable at the reference date.

Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. (hereafter "MIBL" or "the Bank"), a member of Mitsubishi UFJ Financial Group (hereafter "MUFG"), whose Head Office (a financial holding company) is located in Japan, has undertaken to carry out the full disclosure required by the above-mentioned regulations.

In accordance with Article 431(1) and Article 431(3) of Regulation (EU) No 575/2013, the MIBL Management Body hereby attests that MIBL has made the disclosures required under Part Eight of the regulation in accordance with MIBL's formal disclosure policies and internal processes, systems, and controls. These disclosures are accurate, complete, and reflect MIBL's risk profile and regulatory obligations as of December 31, 2025.

The report is prepared on an annual basis and may be obtained after the publication of the Annual Accounts, from the following address: Mitsubishi UFJ Investor Services & Banking (Luxembourg) S.A. 287-289, Route d'Arlon, L-1150 Luxembourg or via the institution's website at <https://www.mufg-investorservices.com/mibl/>.

II. Overview

Due to various changes in the global market and current trends in investment funds, it is constantly necessary to adapt the business model. As per client requests, new client services have been implemented which further broaden the scope of oversight and the importance of Risk Management at MIBL.

The Bank updates and implements in its policies, procedures, and processes, methods to identify, categorize, measure, monitor, and mitigate the risks linked to its business lines. The Bank remains risk averse and does not engage in proprietary trading on its own account.

Regarding its capital adequacy, MIBL has a robust capital structure composed almost entirely of Tier 1 capital which covers both Pillar I and Pillar II requirements.

2025 Capital Requirements	Pillar I Regulatory Capital Requirements	Pillar II Internal Assessment of Capital Requirements
Credit Risk	109,298,583	6,967,530
Market Risk	0	36,582,656
Operational Risk	29,714,728	24,019,912
Climate & Environmental Risks	0	960,672
Capital Requirement (Σ)	139,013,310	68,530,770
Total Capital requirement	207,544,080	
Tier 1 Capital	759,784,347	
Headroom against Capital Requirement	620,771,036	552,240,266
Headroom against Capital Requirement (Δ)	81.70%	72.68%

Table 1: Pillar I and Pillar II capital requirements

III. Concise Risk Statement

As per CRR Article 435 (1)(f), the General Management of MIBL has approved the concise risk management statement. In this respect, MIBL risk management strategy is designed to ensure that the business is performed within a controlled risk framework and in alignment with Head Office Corporate Risk Management Division's guidelines.

In order to achieve its objectives in a sustainable and a controlled manner, MIBL's Risk Appetite Statement (RAS) defines the early warning alerts, limits and thresholds for each of the risk categories the Bank is exposed to. On January 27, 2026, MIBL's Board of Directors approved the Risk Appetite Statement which provides a comprehensive description of said limits and thresholds. The actual risk exposures are monitored vis-à-vis the RAS limits by the Risk Management Department, ensuring timely escalation of deviations to General Management, the Risk Management Committee and to the Board of Directors when appropriate.

At year-end 2025, MIBL's risk profile remained within its defined risk tolerance across all monitored metrics. Key liquidity indicators were maintained above their respective internal thresholds throughout the year, with no breach of RAS limits and no trigger of early warning indicators recorded.

Risk Measure	Appetite	Measure Description	Frequency	Limit	Early Warning Thresholds
Capital Adequacy ratio		Own Funds divided Risk Weighted Assets	Daily	12.5%	16%
Leverage ratio		Own Funds divided by Total Assets	Daily	3%	5%
Large Exposures		Large exposure (EU Regulation 575/2013) measures the Bank exposure toward its counterparties. Large exposures are monitored on a daily basis.	Daily	Financial Institutions: 25% of Bank own funds per institution or EUR 150 Mio, whichever is higher Non-financial institutions: 25% of Bank own funds per institution Shadow Banking Entities (SBE): 25% of the Bank own funds for the overall exposures of all SBE	No exemptions

Risk Measure	Appetite	Measure Description	Frequency	Limit	Early Warning Thresholds
Interest Rate Risk in the Banking Book - Maximum Economic Loss		The maximum economic loss that the balance sheet can incur following the standard shock of ± 200 bps or the 6 additional scenarios defined by the related regulation	Quarterly	10% of own funds	< Low (< 7% of own funds) Moderate (7% - 8% of own funds) > High (>8% of own funds)
Liquidity Coverage Ratio		High Quality Liquid Assets divided by Net Outflows over next 30 days. Regulatory requirement is 100%	Daily	110%	120%
USD Liquidity Coverage Ratio		Given the USD deposits represent the large portion of client's cash deposits, MIBL needs to establish a LCR limit in USD. As regards the ratio, it is calculated as follows: Numerator: USD Securities eligible as HQLA (US Treasury Bond). Denominator: Outflows (USD Deposits) minus Inflows (Cash in Nostro accounts and Term placements expiring within 30 days)	Daily	15%	20%
Net Stable Funding Ratio		Available Funding divided by Required Funding. Regulatory requirement is 100%	Daily	110%	120%
Operational Losses		Operational losses (\$) per \$1k of Net Income		\$7 losses	< 3 - Low
				per \$1k of Net income	3 - 6 - Moderate
Outsourcing Exposure		Percentage (%) of outsourcing arrangement of critical/importance function with service provider outside-group located in non-EU countries.	Yearly	25%	> 6 - High

Table 2: Risk Appetite metrics

MIBL's selective and conservative risk-taking approach is reflected in the guidelines of risks that are not permitted:

- where the Bank's status as a going concern would be put at risk;
- where risks are likely to damage the Bank's reputation, including risks inherent in businesses which are illicit, unlawful or unethical encompassing criminal offences such as financing of terrorism, trafficking of arms, drugs, human beings, money laundering, corruption, or business with ethically questionable business partners;
- where the risk-return trade-off is adverse, and the Bank is not adequately compensated for its risk taking.
- where the Bank does not fully understand the business or where the Bank's capacity to properly oversee and control the risks is not given.
- where such business is out of scope of the Bank's authorization granted by local regulators, including, but not limited to, transactions in equity derivative instruments.

Apart from the above no-business rule, the Bank could consider entering into business and taking risks on a case-by-case basis where specific minimum requirements are met. One basic minimum requirement is that sufficient capital or own funds, are available to cover the risks taken and the Bank's risk bearing capacity is not exhausted. For simplicity, this basic minimum requirement is denoted as golden rule of risk taking.

The Bank has built a robust governance framework, based on three lines of defence model which defines roles, responsibilities and segregation of duties. The Risk Management Department, belonging to the 2nd line of defence is responsible for updating and maintaining the RAS, Policies, Procedures and Manuals defining the methodology and techniques used to oversee each of the risk categories. The Risk Management Department performs a close oversight of exposures at all times and escalates deviations in the RAS in due time.

The table below summarizes the documents that describe the Bank's risk framework, profile, tolerance, strategy, methodologies for identifying and quantifying risk exposures as defined in its Risk Appetite Statement.

Topic	Related document	Approval date
Profile	Risk Management Policy	21/10/2025
Tolerance	Risk Appetite Statement	27/01/2026
Strategy	Risk Strategy	27/04/2026
Management of risks	Internal Capital & Liquidity Adequacy Assessment (ICLAAP)	17/03/2026
	Risk Management Plan	27/01/2025
	Risk Management Report	20/03/2026
Key ratios	Quantitative Risk Appetite Statement.	27/01/2026
	Business Recovery Plan's Recovery Indicators	30/04/2026
Relevant governance documentation for major risk categories	Operational Risk Policy	10/07/2025
	Outsourcing & ICT Third Party Risk Policy	29/10/2025
	Climate Risk Policy	17/02/2025
	New Business & Product Acceptance Policy	29/01/2025
	Information Security Policy	27/02/2025

As per CRR Art. 435 (1) (f) (i) the Bank provides a comprehensive view of the relevant ratios and figures in section XI Regulatory Capital Requirements.

In accordance with Art. 435 (1) (f) (ii), the Bank provides information on intragroup exposures with related parties which are considered within the risk appetite and overall risk strategy.

	USD eq.
Assets	8,888,264,702
MUFG group related	4,355,249,704
Banque Centrale du Luxembourg	3,821,953,821
Non-MUFG group	711,061,176

	USD eq.
Liabilities	8,009,139,929
MUFG group entities	3,283,747,370
Non-MUFG group	4,725,392,558
Own Funds	879,095,853

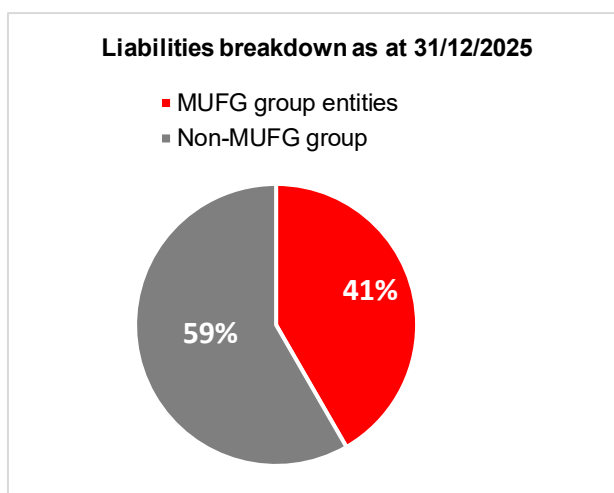
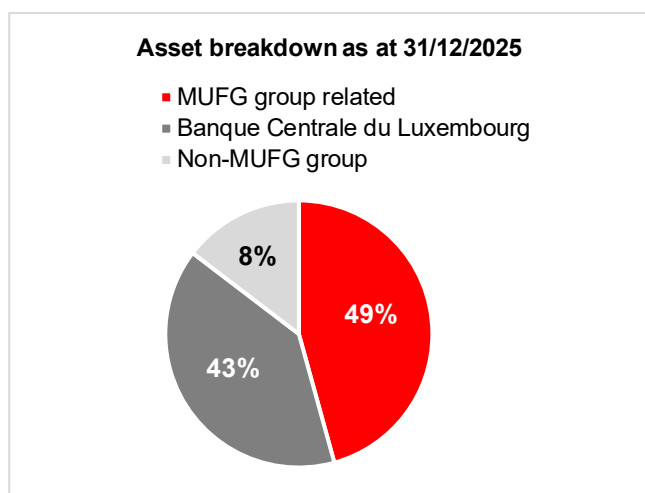


Table 3: concise risk management statement

As per CRR Art 451a (4), the General Management of MIBL has approved the concise liquidity risk statement with the aim of providing a succinct description of the liquidity management strategy, metrics and tools in place. In this respect, MIBL is compliant with the regulatory requirements having tools and

measures in place to oversee, manage and escalate liquidity issues in due time. In 2025, the Bank had no liquidity shortages and kept sufficient intraday liquidity buffers to absorb any potential unexpected cash withdrawals.

As a general statement, the Bank's liquidity risk management is prudent and conservative, ensuring that clients' cash deposits are available and ready to meet their instructions and commitments at all times (security activity, settlement, purchases, payments, etc). Clients' cash deposits are invested either on an overnight basis at the Banque Centrale du Luxembourg or up to 1 year maturity either with MUFG group entities or with highly rated credit institutions.

Regarding business-as-usual liquidity management, the 1st line of defence, namely the Treasury Department is responsible for executing prudent management of all cash positions in segregated nostro accounts and correspondent banks, allocating the liquidity excess as short-term cash placements with MUFG entities.

On the other hand, the 2nd line of defence, namely the Risk Management Department is responsible for monitoring cash positions in nostro accounts, allocation and maturities of cash placements and short-terms FX swaps with highly rated credit institutions. The Risk Management Department is responsible for overseeing the alignment of actual liquidity management vis-à-vis:

- Liquidity risk indicators in the Risk Appetite Statement: LCR, NSFR, Liquidity Gap Ratio;
- Liquidity Risk Management Policy;
- Funding Liquidity Risk Management Procedure;
- Intraday Liquidity Risk Management Procedure (BCBS 248); and
- LCR user guide manual.

Any breaches or deviations in the liquidity risk framework (indicators, KPI, liquidity management) are escalated by the Risk Management Department to the General Management and if applicable to the Board of Directors. Strategic liquidity risk discussions are held at the monthly Credit & ALM Committee and then reported to the Board of Directors at the quarterly meeting.

IV. Adequacy of risk management arrangements, CRR Article 435 (1) (e)

For the purpose of CRR Article 435 (1) (e), the General Management of MIBL concluded that the Risk Management systems are effective and adequate in view of the risk profile and strategy of the Bank.

V. Risk Classification

The Bank has identified the following risks present in its businesses and operations:

1. Credit Risk

Credit Risk is defined as the risk of incurring losses due to a decline in, or a total loss of, the value of assets (including off-balance sheet assets) as a result of a counterparty failing to meet its obligations in accordance with agreed terms. Given the nature of MIBL business, credit risk is mainly defined by three sub-categories:

- **Counterparty (default) risk** covering: settlement risk, counterparty default on FX market exposure (generating replacement costs) or cash placements at risk due to counterparty default.
- **Country risk** - arising from uncertainties in economic, social, political or other external factors that could have an impact, such as a downgrade of the credit rating.
- **Credit Valuation Adjustment** - arises as the risk of a decrease in the mark-to-market value of the derivatives. The derivative contracts transacted by the Bank in 2025 were mainly FX Forwards and FX Swaps. As of December 2025, the Bank does not hold any proprietary derivative positions.

2. Concentration Risk

The risk of an accumulation of exposure(s) within or across different risk categories of an institution that have the potential to produce either losses large enough to threaten the institution's health and/or ability to maintain its operations, or to produce a material change in an institution's risk profile.

The Bank reports on monthly basis the analysis concerning the concentration risk during its Risk Management Committee. The analysis draws attention to the credit and market exposures that the Bank needs to face, sorting the exposures by counterparty, type, rating, and currency.

3. Market Risk

Market Risk is defined as the risk of financial loss due to a decline in the value of assets, or an increase in the value of liabilities, including off-balance sheet items, as a result of fluctuations in market rates (FX rates, interest rates), prices, indices, and volatilities. The Bank has defined two general sub-categories of Market Risk, namely:

- **Interest Rate Risk** – arises from changes in interest rates; both assets and liabilities may impact the profitability of the Bank.
- **Foreign Exchange Rate Risk** – defined as the risk of a loss following changes in the market foreign exchange rate on the Bank's transactions;
- **Credit Spread Risk** – the risk driven by changes in the market price for credit risk or changes in an instrument's credit spread. CSRBB measures changes in credit spreads or changes in the premium required by market participants for a given credit quality.

4. Liquidity Risk

The Bank has identified two types of liquidity risk: market liquidity risk and funding liquidity risk.

- **Market Liquidity Risk** – defined as the risk of sustaining a loss due to the inability to trade required quantities at a reasonable price, caused, for instance, by market turmoil or a lack of trade volume in the market.
- **Funding Liquidity Risk** – defined as the risk of sustaining a loss due to the inability to obtain the necessary funds required for trading or settlement of obligations, or the need to acquire funds at disadvantageous terms, caused by deterioration in market conditions and/or in the Bank's financial standing.

5. Operational Risk

Operational Risk is defined as the risk of direct or indirect loss resulting from inadequate or failed internal processes, people, and systems, or from external events. This includes:

- **Operations Risk** – defined as the risk of incurring losses caused by negligence of correct operational processing or by incidents or misconduct by officers or staff.
- **IT Risk** – defined as the risk of sustaining a loss due to IT system destruction, disruption, leakage, errors or similar events.
- **Depository risks** – defined as the risk in key areas critical to the effective provision of Depository services (product offering, safekeeping, oversight duties) to ensure that the Bank's operations align with its risk management and compliance strategies.

6. Outsourcing & ICT Third Party Risk

Outsourcing Risk is defined as the risk of sustaining a loss due to a failure in delegated activities, in case they are not carried out properly or in non-compliance with the contractual arrangements. MIBL outsources material activities to external service providers in the EU or within the MUFG Group as notified to the CSSF, in accordance with Circular CSSF 22/806 (as amended by Circular CSSF 25/883). Outsourcing Risk is monitored by the Risk Management Department with the support of the "owners" and

Legal Department. All aspects involving service provider of outsourcing activities are discussed in the monthly Risk Management Committee and reported to the Authorized Management and to the Board of Directors in compliance with EBA Guidelines and CSSF circulars. In accordance with Regulation (EU) 2022/2554 (DORA), applicable since 17 January 2025, the Bank has established a framework to identify and assess critical ICT service providers (assessments, due diligence, contractual arrangements, ICT register, incident escalation procedure, resiliency procedure among other requirements).

7. Climate related & Environmental (CR&E) Risk

CR&E Risk is defined as the risk arising from any kind of impact caused by climate and environmental damages materializing on the Bank's activities and its operations. MIBL recognizes the importance in addressing Environmental, Social and Governance (ESG) risks and has implemented a comprehensive framework to identify, monitor and prevent the impact of climate & environmental risk on its operations and overall business.

As for the Bank's exposures to climate & environmental risk, RMD performs a materiality assessment at least once a year, to ensure the residual risks on its main exposures (on outsourced activities, operations and businesses) remain within the tolerance levels.

These exposures are frequently monitored through a series of KPIs reported in the Monthly Risk Committee and on ad-hoc basis through the due diligence performed in conjunction with first line of defence.

From a Pillar II capital requirements perspective, RMD performs annual stress testing on climate risks - including scenarios for physical and transition risks, with the respective results incorporated in the annual ICLAAP.

As per the Risk Appetite Statement, the results of the stress test must not exceed 3% of the Bank's Risk Bearing Capacity (sum of both capital requirements under Pillar I and Pillar II). In addition to being reported in the monthly Risk Management Committee, the results are also presented to the quarterly Board of Director's meeting.

8. Compliance & Legal Risk

Compliance and Legal risks are defined as the risks of loss due to a failure to conduct the business in accordance with applicable laws, rules, and standards or due to inappropriate or insufficient response to regulatory changes. It covers a variety of component risks such as litigations and sanctions, together with certain aspects of Operational Risks, across the complete range of the Bank's business activities.

9. Reputational Risk

The Bank defines reputation risk as the risk of sustaining a loss due to an impaired reputation, caused, for instance, by negative perceptions and rumours among the Bank's clients and in the general marketplace, or by an inadequate response of the Bank to events arising within the course of the Bank's business activities. This affects the Bank's ability to establish new relationships or services or to continue existing servicing relationships.

10. Remuneration and Personnel Risk

Personnel risk is defined as the risk of loss due to high turnover of human resources, lack of training, lack of ethics and degradation of morale, as well as other similar behaviors. Remuneration risk is triggered by an inappropriate remuneration policy of the Bank, allowing abusive personnel compensation that is not tied to the financial results of the Bank or to the performance of its employees.

The Bank reviews the Remuneration Policy at least once a year to ensure that the principles, objectives, and methods of the policy are followed as they have been adopted. The Bank's Remuneration Policy adheres to the principles laid down in Directive 2013/36/EU (CRD), as amended, the Commission Delegated Regulations (EU) 2021/923 and 527/2014. The Board of Directors approved the last reviewed Remuneration Policy on April 20, 2026, and the new Policy was approved in the Board of Directors meeting on April 30, 2026.

VI. The Strategies and Processes of Risk Management

1. One of the basic functions of the Bank's Risk Control is to monitor the risks linked to the Bank's activities and business strategies that are within the control of the Board of Directors, and to the greatest extent possible to predict, mitigate, and manage the risks of the Bank using a pre-defined standard or method whenever possible.
2. The major objective of comprehensive risk control is not only to maintain preventive measures against business risks, but also to include all departments in its analysis and thereby to improve operations through more efficient processes and systems. Other aims are to identify all potential risks the Bank may face, evaluate the scope and the appropriateness of the controls put in place to assess these risks, and determine an action plan to eliminate weaknesses.
3. The Risk Management Department utilizes and has documented detailed methods in the Bank's policies, procedures, written rules, and other documents in its efforts to monitor and manage the risks noted above. The departments where these risks are generated periodically review these written documents and amend or retire them in accordance with changes in the Bank's operating environment.

VII. The Structure and Organization of the Risk Management Function

1. The Board of Directors and General Management

The Board of Directors is responsible for deciding and approving the basic framework and strategies of the Bank's internal risk control management, implemented throughout the Bank, and for confirming its implementation.

The Board of Directors determines the usefulness and efficiency of the risk controls in place using risk control reports delivered regularly, and judges whether the controls comply with the approved limits and measures.

General Management

On behalf of the Board of Directors, General Management creates a risk verification and management framework, which remains independent from the Bank's profit-earning units, and allocates the skilled management resources required for carrying out the necessary controls and functions. For this purpose, General Management establishes policies, standards, and procedures for risk control and management.

In addition, General Management reviews risk control and management plans, organization structures, policies, and procedures so that the Bank's risk management framework evolves consistently with changes in the Bank's businesses, international markets, and "Best Practices" in Risk Management.

Employees are assigned to departments and tasks according to their professional experience and academic background. These assignments are approved by the General Management.

Chief Risk Officer

The Chief Risk Officer (hereafter "CRO") title is assigned to the director carrying out supervisory

management of the Risk Management Department (hereafter the “RMD”), which is the department responsible for comprehensive Risk Management, encompassing all risk categories. The CRO is responsible for a complete assessment of MIBL’s risks, and for managing these risks adequately. The CRO reports risk control and management methods and plans, as well as the Bank’s overall risk status to the Board of Directors, General Management, and to the Risk Management Committee.

2. Risk Management Department

The Risk Management Department (“RMD”) is responsible for the selection and execution of an adequate risk management structure. On a daily basis, the department identifies, measures, controls, and monitors all risks within defined and controllable limits. These actions attenuate risks across MIBL’s business and thereby provide stability to earnings and risk awareness in the allocation of resources.

3. Risk Management Committee

4. The primary responsibility of the Risk Management Committee is to review, discuss, and approve the Bank’s Risk Management activities. In particular, and in congruence with the Bank’s businesses, the Committee discusses Financial Risks, Third Party & Outsourcing Risks, Operational Risk, Climate & Environmental Risks and IT & Information Security Risks and puts forth policies to avoid losses due to these risks. Its members discuss quantitative, as well as qualitative, methods of managing the Bank’s risks. **Credit and ALM Committee (For Credit Risk, Market Risk, and Liquidity Risk)**

The primary responsibility of the Credit and ALM Committee is to establish an appropriate implementation and a functioning management structure for Credit Risk, Market Risk, and Liquidity Risk. On a monthly basis, its members monitor, and if necessary, make decisions regarding, both MIBL clients’ assets and the Bank’s assets.

VIII. The Scope and Nature of Risk Reporting and Measurement Systems

The Bank’s process for control and managing its diverse categories of risk comprises several levels and phases. A non-exhaustive description of its methodology follows:

1. Detection of Risks

This step includes the identification of the characteristics of the Bank’s individual risks, which include, but are not limited to, their type(s), location(s), source(s), and interdependency (-ies).

2. Risk Assessment and Computation

This step includes a comprehensive evaluation of the source of risk, using both quantitative and non-numerical methods, at the transaction, portfolio, and overall structure levels of the individual risk.

3. Risk Control

Risk Control at MIBL involves the process of examining and updating approvals, limits, thresholds, operational processes (for example, standing instructions), escalation processes (and exceptional treatment rules), and risk attenuation methods (haircuts, collateral, netting calculations, ratings, etc.). These are contained and updated in MIBL policies, rules, procedures, and practices. MIBL’s Head Office guidelines, EU regulations, CSSF circulars and Luxembourg laws also act as inputs into MIBL’s policies.

4. Risk Monitoring and Reporting

The Risk Management Department is responsible for updating the risk processes, monitoring of the risk status and exceptional treatment of individual risks, and reports to General Management and Risk Management Committee. The Committee reports to the Board of Directors on a quarterly basis.

IX. The Policies for Mitigating Risk and the Process for Monitoring Risks

1. Credit Risk Monitoring

The Bank is exposed to counterparty risk, as a major component of credit risk, via: overdrafts, money market and foreign exchange market transactions. Potential losses are mitigated via the following methods:

- active follow-up of failed transactions
- active follow-up of overdrafts
- reconciliation of nostro accounts
- development of an active approach towards cash management.

The Pillar 1 capital requirement sufficiently covers the Credit Risk profile of the Bank.

Criteria and approach for credit risk policy

The Bank's credit risk management policy is based on Mitsubishi UFJ Trust and Banking Corporation's (hereafter "MUTB") group-level framework, adapted to comply with CSSF requirements, and is subject to at least an annual review and approval by the Executive Committee and Board of Directors. The Board of Directors and General Management are responsible for approving the credit risk management framework, understanding the nature and sources of credit risk, and overseeing its implementation across the organisation. The Credit and ALM Committee deliberates on material credit risk matters, while RMD is responsible for day-to-day management, control, and quantification.

Credit Exposure and Limit Monitoring

The Bank's credit risk monitoring framework allows the RMD to verify on-demand the Bank's credit exposures and their impact on authorized credit limits. The RMD carries out verifications of the current credit exposure compared to the approved credit limit. The report indicates a "warning," e.g. a color signal, when the usage of the limit is above 80% of the total limit amount. In this event, the RMD transmits a message to the appropriate department to take remedial action as soon as possible. If the limit is breached, a report is forwarded to the General Management.

The Bank has implemented tools which allow for on-demand monitoring of credit limits. All transactions that would transgress the relevant credit limit put in place cannot be processed without the express authorization of the Risk Management Department. The control on credit limit breaches is made possible through the "Visa Control" system put in place by the Bank. In the event the RMD is requested to approve using Visa Control, an exhaustive analysis of the credit limit breach is carried out. The result of this analysis will be transmitted to the General Management before releasing or rejecting the transaction.

Counterparty Credit Risk management

Credit Limit by Counterparty

The Bank applies to MUTB for credit limits, following approval by General Management.

Credit Limit Control

The RMD controls the Bank's credit limits. Once the credit limit has been authorized by MUTB, the RMD forwards the approval to General Management. All approved limits are set up in the Banking system. The RMD reviews these limits once a year, or more frequently as necessary (e.g., in case of breach).

Monitoring Credit Ratings for Counterparties

The Bank verifies the credit ratings of all counterparties that have a deal or custody agreement with the Bank.

Credit Risk Stress Testing

The Bank has put in place a Credit Risk Stress Test model, using macro-economic and financial market data (e.g. GDP, unemployment rates, interest rates, FX rates, exchange indices, bankruptcy indices etc.) to infer stress factors applied to Probabilities of Default (PDs) and create a credit loss distribution.

For the stress test, the methodology used is based on results comparing 90% VaR, 95% VaR and 99% VaR (the latter one being the worst case).

Country Risk Monitoring

The RMD monitors the counterparts' country risk by checking country ratings using a Bloomberg Terminal.

Capital requirements

The Bank applies the Standardised Approach for credit risk (Part Three, Title II, Chapter 2 CRR). Exposures are risk-weighted by class and credit quality, using nominated ECAI ratings mapped according to Implementing Regulation (EU) 2016/1799.

The Credit Risk Pillar II requirement is derived primarily from the transactions in cash placements, the overdrafts (arising from settlement failures) and FX Forwards (the latter are undertaken to mitigate client Foreign Exchange Risk at the request of the customer).

For 2025 Pillar II credit risk capital requirements the scenario with the maximum loss was considered, with an amount of USD 6,967,530.

Performing and non-performing exposures and related provisions																
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2	Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2	Of which stage 2	Of which stage 3					
005	Cash balances at central banks and other demand deposits	6,104,095,101.56	6,104,095,101.56					(1,806.40)	(1,806.40)							
010	Loans and advances	2,532,713,414.51	2,532,713,414.51					(510,391.50)	(510,391.50)							
020	Central banks															
030	General governments															
040	Credit institutions															
050	Other financial corporations	9,670,254.69	9,670,254.69					(5,471.32)	(5,471.32)							
060	Non-financial corporations															
070	Of which SMEs															
080	Households															
090	Debt securities	200,989,899.60	200,989,899.60					(45,222.73)	(45,222.73)							
100	Central banks	-	-					-	-							
110	General governments	200,989,899.60	200,989,899.60					(45,222.73)	(45,222.73)							
120	Credit institutions	-	-					-	-							
130	Other financial corporations	-	-					-	-							
140	Non-financial corporations	-	-					-	-							

150	Off-balance-sheet exposures	107,227.29														
160	<i>Central banks</i>	-														
170	<i>General governments</i>	-														
180	<i>Credit institutions</i>	-														
190	<i>Other financial corporations</i>	-														
200	<i>Non-financial corporations</i>	38,463.24														
210	<i>Households</i>	68,764.05														
220	Total	8,837,905,642.95	8,837,798,415.67					(557,420.64)	(557,420.64)							

Table 4: : EU CR1

Credit quality of performing and non-performing exposures by past due days													
		a	B	c	d	e	F	g	h	i	j	k	l
Gross carrying amount/nominal amount													
Performing exposures				Non-performing exposures									
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days	Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted	
005	Cash balances at central banks and other demand deposits	6,104,095,101.56	6,104,095,101.56										
010	Loans and advances	2,532,713,414.51	2,532,713,414.51										
020	Central banks												
030	General governments												
040	Credit institutions	2,523,043,159.82	2,523,043,159.82										
050	Other financial corporations	9,670,254.69	9,670,254.69										
060	Non-financial corporations												
070	Of which SMEs												
080	Households												
090	Debt securities	200,989,899.60	200,989,899.60										
100	Central banks												
110	General governments	200,989,899.60	200,989,899.60										
120	Credit institutions												
130	Other financial corporations												
140	Non-financial corporations												
150	Off-balance-sheet exposures	107,227.29	107,227.29										
160	Central banks												
170	General governments												
180	Credit institutions												
190	Other financial corporations												
200	Non-financial corporations	38,463.24	38,463.24										
210	Households	68,764.05	68,764.05										
220	Total	8,837,905,642.95	8,837,905,642.95										

Table 5: EU CQ3

2. Market Risk Monitoring

Interest Rate Risk in the Banking Book (IRRBB)

Interest Rate Risk may be defined as the risk of loss due to the “gap” (i.e. difference) between assets and liabilities on the Balance Sheet that are exposed to interest rate fluctuations. Interest rates are influenced by a variety of factors, such as politics, international news, and the general economic climate of countries.

The Bank’s Interest Rate Risk exposure arises from the normal course of its banking activities, such as accepting deposits, placing funds with credit institutions. The objective of the Bank regarding Interest Rate Risk is to minimize potential losses by monitoring fixed rate interest positions. The Bank has just the risk of an opportunity cost for its gap (i.e. cash) placement (i.e. not being able to re-invest at higher interest rates should they occur during a previously contracted fixed-rate loan).

The Bank has adopted a full cover principle for all interest rate-related contracts. The maximum risk allowed is determined by the Authorized Management.

The Bank performs sensitivity analysis on its economic values taking into account positive and negative shifts on all interest rates. As specified in Circular CSSF 24/849, transposing the guidelines EBA/GL/2022/14, and in Commission Delegated Regulation (EU) 2024/856 (“RTS on supervisory shock scenarios”), the Bank has also performed six additional stress test scenarios and reported the results. The aim of this analysis is to determine, to which extent changes in interest rates are likely to result in a decline in the economic value of the institution. The Bank applies interest rate shocks to all its treasury flows considering the following parameters: residual maturity, contract rate, market rate, and nominal amount.

For 2025 Pillar II market risk capital requirements, the IRRBB impact was considered, with an amount of USD 31,031,828.

Credit Spread Risk in the Banking Book

As regards the “Credit Spread Risk for non-trading activities in the Banking Book” (CSRBB) as per Article 53-20 of the Law of April 5, 1993 and EBA/GL/2022/14 transposed by CSSF Circular 24/848, the Bank has assessed the impact of its credit spread sensitiveness and repricing risk. MIBL’s major credit exposures are concentrated in BCL (50%) and Mitsubishi UFJ Trust and Banking (46%) totaling 96%. As part of its CSRBB impact assessment, the Bank included only its exposures to Mitsubishi UFJ Trust and Banking (Rating A) and US Treasury T-Bills (Rating AA) while excluding overnight maturities – including its exposures to BCL – since these are not materially impacted by CSRBB. The average duration of exposures in scope is 6 months, meaning that a downgrade of these counterparties could trigger a relatively quick repricing of credit spreads, limiting potential margin compression. Moreover, the CSRBB impact linked to market-driven spread fluctuations would also remain relatively contained given the short duration. Below is a summary of the CSRBB impact assessment on EVE. As per the Risk Appetite Statement, results of CSRBB must not exceed 3% of own funds.

Type	Rating	Nominal Value (USD)	Impact on EVE	Impact (%) on EVE
Loans	A	2'473'000'000	-4'944'143	-0.65%
Securities	AA	199'000'000	-606'685	-0.08%
Total		2'672'000'000	-5'550'828	-0.73%

Table 6: CSRBB impact assessment on EVE

Foreign Exchange Rate Risk

The Bank enters into foreign exchange positions as a result of opening FX trades on behalf of its clients. These trades are then hedged in the Interbank Market at the same time without taking on any market risk. Thus, Currency Risk is managed on a timely basis on spot and forward markets. The Bank's policy is to maintain "full cover" of all transactions. The RMD carries out daily verifications to ensure that all the Bank's positions are fully hedged.

Daily Control

In general, the total foreign exchange position of the Bank is equal to 0 (or "squared") at the end-of-business each day. A maximum net position of 500,000 USD is allowed at day's end when, due to client transactions, this amount could not be squared. As a matter of practice, the Bank seeks to have the entire FX position squared to the furthest extent possible.

As part of its daily controls, the RMD issues the "Forex Net Short Position Report" (showing the Bank's daily spot transactions)

As a matter of practice, and due to its risk-averse stance in its businesses, the Bank has virtually no other market risks, i.e. no equity risk, commodity price risk, or market liquidity risk.

The Bank has also put in place a FX Stress test that quantifies the potential losses that could be incurred by the Bank in case of significant variation of the FX rates and lack of hedging strategy. The FX stress test is defined using different scenarios where a depreciation of the USD is always assumed using different magnitudes with respect to other currencies.

3. Liquidity Risk Monitoring

The Bank's transactions are continuously monitored with respect to their adherence to Liquidity Risk Management Policy and to the current regulations in place. The Liquidity Coverage Ratio (LCR) ensures that banks have an adequate stock of unencumbered high-quality liquid assets (HQLA) that can be converted easily and immediately in private markets into cash to meet their liquidity needs for a 30 calendar day liquidity stress scenario. Throughout, 2025 the Liquidity Coverage Ratio was well above the minimum requirement.

LCR

Main Drivers and Evolution of LCR

MIBL's LCR stood at 157.3% as of 31 December 2025, broadly stable compared to 156.4% at year-end 2024. HQLA increased due to larger BCL placements (as MIBL's balance sheet is liability driven). Outflows increased as a result of higher client deposits and also due to a more conservative operational deposits model, leading to a lower proportion of Operational deposits compared to 2024. Quarterly LCR ranged between 150% and 190% during 2025, compared to 203%-303% in 2024, reflecting the more conservative outflow classification.

Composition of the Liquidity Buffer

The liquidity buffer is composed primarily of EUR cash held at the BCL, supplemented by a USD Treasury Bond position held to provide USD-denominated HQLA.

Derivative Exposures

MIBL uses USD/EUR FX swaps to convert USD client deposits into EUR cash held as HQLA at the BCL. Since November 2023, the maximum tenor of these swaps has been reduced to one month to limit contingent FX market exposure.

Currency Mismatch in the LCR

MIBL's LCR is comfortably above the regulatory requirements, which applies to all currencies combined. As client deposits are predominantly USD-denominated while part of the HQLA buffer is held in EUR at

the BCL (funded via FX swaps), USD net outflows exceed direct USD HQLA coverage, giving rise to a structural currency mismatch within the buffer.

While neither the CRR nor Delegated Regulation (EU) 2015/61 imposes a binding LCR minimum by individual currency, Article 8(6) requires the currency denomination of liquid assets to be consistent with the distribution of net outflows, and the LCR in significant currencies is reported under Article 415(2) CRR and monitored by the supervisors, in line with EBA monitoring practice.

The Bank has taken steps to address this: FX swap tenors have been capped at one month to contain rollover risk, a direct USD HQLA buffer of US Treasury securities has been established, and a dedicated USD LCR metric with an internal limit and early-warning threshold under the Risk Appetite Statement is monitored daily, with no breach or trigger recorded during 2025.

LIQUIDITY COVERAGE RATIO (LCR) as of 31/12/2024	USD
A. High Quality Liquid Assets	3,885,015,288
B. Inflows	2,914,016,306
C. Outflows	5,383,866,119
D. Capped Inflows (Max 75% Outflows)	4,037,899,589
E. Inflows for LCR (Minimum (B) or (D))	2,914,016,306
F. Net Cash Flow (C) - (E)	2,469,849,813
G. Liquidity Coverage Ratio (A) / (F)	157.30%
H. Minimum Requirement as of 31.12.2024	100.00%
D. Minimum Regulatory Requirement met	OK

Table 7: LCR as of 31/12/2025

Centralisation of Liquidity Management

MIBL manages its liquidity on a stand-alone basis, while operating within MUTB's group-wide funding liquidity risk management (FLRM) framework under the oversight of MUTB's Treasury and Securities Investment Division. Where appropriate, the Bank coordinates its funding position with MUTB group entities across jurisdictions on a "follow the sun" approach, ensuring operational coverage and escalation capability across the Tokyo, London and New York time zones throughout the business day. Internally, material liquidity decisions are subject to review and approval by the Credit & ALM Committee, with final sign-off by General Management.

Liquidity stress-testing

The Bank performs monthly stress-testing of its liquidity risk, simulating severe but plausible market conditions in order to insure that high impact events can be absorbed without breaching regulatory or internal thresholds

Stress tests cover three metrics: LCR, NSFR, and Leverage Ratio. For LCR and NSFR, three scenarios of increasing severity are applied. The LCR scenarios combine haircuts to high-quality liquid assets with increases in net cash outflows, while the NSFR scenarios assume reductions in operational deposits and in Common Equity Tier 1 capital. The Leverage Ratio is stressed by assuming a material increase in the Bank's balance sheet with own funds remaining constant.

Funding Diversification

MIBL's funding base predominantly comprises client deposits, which are classified into Stable Deposits, Stable Liquid Deposits, and Liquid Deposits depending on their assessed behavioural stability. Given MIBL's business model as a custody and investor services bank, the Bank does not engage in commercial or investment banking activities resulting in a structurally long liquidity position. Funding is sourced across multiple tenors. Stable Deposits together interbank deposits, provide term funding while client deposits constitute shorter-term funding.

Asset & Liability Gap Placement Monitoring

MIBL's Funding Liquidity GAP is verified daily using an automated tool. The Funding Liquidity Report, issued by the tool, is sent to General Management and submitted to a "Four-Eyes" verification on a daily basis. In the daily computation of the GAP, a certain amount of "core cash" is considered to remain on clients' accounts for a longer, more stable period.

The amount of core cash at MIBL has increased to USD 3.63 Billion, driven by higher customer cash deposits. GAP placement limits have been set by General Management and approved by the MUTB Head Office as follows:

Time Period	Limits
- < 1 month	1.8 Billion USD (Minimum)
- >= 1 months	1.8 Billion USD (Maximum)

Term placements have a maximum maturity of 1 year, limiting the risk taken by the Bank over the time. The Credit and ALM Committee monitors monthly that the Bank complies with the Gap Placement Policy.

Contingency Funding Plan

MIBL maintains a Contingency Funding Plan ("CFP") that is activated upon the occurrence of predefined stress scenarios, classified into internal operational factors, external economic factors, and external non-economic factors. Early warning indicators, including internal GAP ratio thresholds and LCR/NSFR alert levels, are monitored daily to support timely escalation.

Under the CFP, MIBL's primary contingency funding source is intragroup credit facilities provided by MUTB group entities. Secondary options include utilising collateral-backed overdraft facilities and accessing the marginal lending facility based on eligible collateral pledged with Banque Centrale du Luxembourg. The CFP is subject to annual testing through an Emergency Liquidity Drill exercise, with results reported to the Credit & ALM Committee.

4. Additional prudential ratios

NSFR

As required by Directive 2013/36/EU and Regulation (EU) No 575/2013, and supplemented by Commission Delegated Regulation (EU) 2015/61 as regards the LCR, the Bank calculates and monitors the prudential ratios. Besides the LCR presented above, the Bank ensures that Net Stable Funding Ratio (NSFR) and Leverage Ratio (LR) are being monitored as per December 31, 2025 as follows:

Net Stable Funding Ratio (NSFR) as of 31/12/2025		USD
A. Available Amount of Stable Funding		2,534,826,976

B. Required Amount of Stable Funding	959,752,277
C. Net Stable Funding Ratio (A) / (B)	264.11%
D. Minimum Requirement	100.00%
H. Minimum Regulatory Requirement met	OK

Table 8: NSFR as of 31/12/2025

Leverage Ratio

RMD monitors the Leverage Ratio on a daily basis and reports the results to the General Management and Board of Directors at the monthly Credit & ALM Committee and quarterly Board of Directors' Meeting respectively.

Leverage ratio (LR) as of December 2025 (USD)	
A. Tier 1 Capital	759,784,347
B. Total Leverage Ratio Exposure	9,016,098,373
C. Leverage ratio (A) / (B)	8.43%
D. Minimum Requirement	3.00%
E. Minimum Requirement met	OK

Table 9: Leverage Ratio as of 31/12/2025

5. Operational Risk Monitoring

The Bank has defined Operational Risk as the risk of loss resulting from inadequate or failed processes or systems, human factors or due to external events that are neither market nor credit-related. Operational risk is inherent in MIBL's activities and can manifest itself in various ways, including fraudulent acts, business interruptions, inappropriate behavior of employees, failure to comply with applicable laws and regulations or failure of vendors to perform in accordance with their arrangements. These events could result in financial losses, litigation and regulatory fines, as well as other damage to the bank. The goal is to keep operational risk at appropriate levels, in light of MIBL's financial strength, the characteristics of its businesses, the markets in which it operates, and the competitive and regulatory environment to which it is subject.

The Operational Risks of each business line are identified, measured, and controlled. When remedial or preventive measures are necessary to attenuate risks, the RMD in collaboration with General Management, conceives of and implements an action plan.

As part of group-wide management, the Bank collects, measures, and analyzes loss data, if any, which includes financial losses, derived from operational error events.

"Operational mishandling" refers to errors identified as being caused by negligence in processing and/or non-observance of the Bank's internal rules and procedures, or normal commercial customs and practices.

MIBL distinguished between two types of accidents: Accident with Internal Responsibility (IR) and Accident with External Responsibility (ER):

- Accidents with IR: Internal errors that could be avoided for example by controls in place, internal procedures, 4-eyes-check principles, and system automation.

- Accidents with ER: External errors that are less predictable and by nature out of control of the Bank. Controls on outsourcing contractors are however being reinforced.

The Bank maintains a historical register of accidents that occur during the year. The below-listed cases are taken into consideration:

- wrongful acts,
- cash accidents,
- operational errors,
- accidents in the course of business activities,
- system inconsistencies (“bugs”) and disturbances (“shut-downs”),
- violations of relevant laws,
- complaints,
- lawsuits, and
- accidents not related to business activities.

MIBL uses these reports to recommend and implement improvements in collaboration with its parent company. The aim of the improvements is to prevent recurrence of analogous or related cases and to create awareness amongst the Staff of Operational Risk issues. All accidents are promptly reported upon discovery, and follow-up measures are carried out as appropriate.

The Bank’s RMD applies two qualitative risk assessment tools: the Operational Risk Self Assessment (ORSA) and the Operational Risk Quality Assessment (ORQA) as preventive measures for reducing Operational Risk.

These measures combined with the Operational Risk reporting and statistics on incidents management allow a better management of the mitigation related to potential operational risks. The mitigation of operational risks is based as well on three lines of defence: the first line being under the responsibility of the business and operations units, the second with the RMD and the third with the Internal Audit.

As the Bank considers Operational Risk as one of the most important risks it is currently exposed to, stress tests are performed quarterly using the Operational Risk Loss Simulation (ORLS) model. The model is built on the experience gained from the accident reports and is designed to create severity classes in loss intervals and to assign likelihoods for the loss ranges. Based on this model, the Bank calculated a Pillar II requirement for Operational Risk (including outsourcing and safekeeping risks) of USD 24,019,912.

X. Equity Investments Held

As of December 31, 2025, the Bank does not hold any participation recorded under “shares in affiliated undertakings”.

XI. Regulatory Capital Requirements

As required by Directive 2013/36/EU and Regulation (EU) No 575/2013 (as amended), the Bank maintains eligible own funds at least equal to the amount of its overall capital requirements. The overall capital requirement was 11.57% as at December 31st 2025. The Capital Ratio amounted to 45.85% (the end of year profits were not added to the Bank own funds). The Bank applied the Standardised Approach for credit risk (Part Three, Title II, Chapter 2 CRR). With regards to operational risk, as applicable from 1 January 2025,

following the entry into application of Regulation (EU) 2024/1623 (CRR3), the Basic Indicator Approach is replaced by the new standardised approach for operational risk based on the Business Indicator Component.

This capital ratios are calculated and communicated to the CSSF on a quarterly basis. All items included in the calculation are extracted from the accounting records of the Bank.

The details of the capital adequacy ratio and other key metrics as at December 31, 2025 are presented in the EU KM1 / EU OV1 templates:

Key metrics template						
		a	b	c	d	e
		T	T-1	T-2	T-3	T-4
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	759,784,346.61	759,717,329.00	759,659,163.10	645,268,932.86	645,801,471.55
2	Tier 1 capital	759,784,346.61	759,717,329.00	759,659,163.10	645,268,932.86	645,801,471.55
3	Total capital	761,602,315.13	761,535,297.83	761,477,131.62	647,086,901.38	647,619,440.07
	Risk-weighted exposure amounts					
4	Total risk exposure amount	1,660,915,198.81	1,898,205,664.54	1,770,658,531.21	2,003,724,568.30	1,839,183,019.89
4a	Total risk exposure pre-floor	1,660,915,198.81	1,898,205,664.54	1,770,658,531.21	2,003,724,568.30	1,839,183,019.89
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	45.74%	40.02%	42.90%	32.20%	35.11%
5a	Not applicable					
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	45.74%	45.19%	42.90%	32.20%	35.11%
6	Tier 1 ratio (%)	45.74%	40.02%	42.90%	32.20%	35.11%
6a	Not applicable					
6b	Tier 1 ratio considering unfloored TREA (%)	45.74%	45.19%	42.90%	32.20%	35.11%
7	Total capital ratio (%)	45.85%	40.12%	43.01%	32.29%	35.21%
7a	Not applicable					
7b	Total capital ratio considering unfloored TREA (%)	45.85%	45.29%	43.01%	32.29%	35.21%
	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 (%)	0.50%	0.50%	0.50%	0.50%	0.50%
EU 7e	of which: to be made up of CET1 capital (percentage points)	0.28%	0.28%	0.28%	0.28%	0.28%
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	0.38%	0.38%	0.38%	0.38%	0.38%
EU 7g	Total SREP own funds requirements (%)	8.50%	8.50%	8.50%	8.50%	8.50%
	Combined buffer and overall capital 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 level of a Member State (%)	0.00%				
9	Institution specific countercyclical capital buffer (%)	0.57%	0.12%	0.41%	0.33%	0.25%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%		
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%		
EU 10a	Other Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%		
11	Combined buffer requirement (%)	3.07%	2.62%	2.91%	2.83%	2.75%
EU 11a	Overall capital requirements (%)	11.57%	11.12%	11.41%	11.33%	10.75%
12	CET1 available after meeting the total SREP own funds requirements (%)	37.35%	31.62%	34.51%	23.79%	27.21%
	Leverage ratio					
13	Total exposure measure	9,016,098,372.84	10,003,070,812.08	10,013,874,098.36	8,390,019,783.78	8,288,746,483.26

14	Leverage ratio (%)	8.4%	7.6%	7.6%	7.7%	7.8%
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)						
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%	0.00%	0.00%	
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%	0.00%	0.00%	
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 (%)	0.00%				
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	3,885,015,288.10	5,288,839,561.95	5,383,773,239.46	3,736,011,506.75	3,417,828,894.37
EU 16a	Cash outflows - Total weighted value	5,383,866,119.00	5,019,548,773.50	5,127,757,484.80	3,880,108,532.40	4,287,857,900.30
EU 16b	Cash inflows - Total weighted value	2,914,016,306.42	1,764,561,719.89	1,925,149,509.41	2,274,132,997.21	2,102,689,445.94
16	Total net cash outflows (adjusted value)	2,469,849,812.59	3,254,987,053.65	3,202,607,975.40	1,605,975,535.18	2,185,168,454.38
17	Liquidity coverage ratio (%)	157.30%	162.48%	168.11%	232.63%	156.41%
Net Stable Funding Ratio						
18	Total available stable funding	2,534,826,975.88	3,453,913,971.11	3,282,868,981.87	3,185,436,933.89	2,718,737,134.14
19	Total required stable funding	959,752,276.92	1,105,892,967.17	1,242,588,815.55	1,055,069,404.90	1,003,806,953.86
20	NSFR ratio (%)	264.11%	312.32%	264.20%	301.92%	270.84%

Table 10: EU KM1

Overview of total risk exposure amounts				
		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		T	T-1	T
1	Credit risk (excluding CCR)	1,285,865,677.48	1,437,263,026.98	102,869,254.20
2	Of which the standardised approach	1,285,865,677.48	1,437,263,026.98	102,869,254.20
3	Of which the Foundation IRB (F-IRB) approach			
4	Of which slotting approach			
EU 4a	Of which equities under the simple risk weighted approach			
5	Of which the Advanced IRB (A-IRB) approach			
6	Counterparty credit risk - CCR			
7	Of which the standardised approach			
8	Of which internal model method (IMM)			
EU 8a	Of which exposures to a CCP			
9	Of which other CCR			
10	Credit valuation adjustments risk - CVA risk	25,464,488.33	26,748,386.69	2,037,159.07
EU 10a	Of which the standardised approach (SA)	-	-	-
EU 10b	Of which the basic approach (F-BA and R-BA)	25,464,488.33	26,748,386.69	2,037,159.07
EU 10c	Of which the simplified approach	-	-	-
11	Not applicable			
12	Not applicable			
13	Not applicable			
14	Not applicable			
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	-	-	-
17	Of which SEC-IRBA approach			
18	Of which SEC-ERBA (including IAA)			
19	Of which SEC-SA approach			
EU 19a	Of which 1250% / deduction			
20	Position, foreign exchange and commodities risks (Market risk)	-	-	-
21	Of which the Alternative standardised approach (A-SA)			
EU 21a	Of which the Simplified standardised approach (S-SA)	-	-	-
22	Of which Alternative Internal Model Approach (A-IMA)			
EU 22a	Large exposures	-	-	-
23	Reclassifications between the trading and non-trading books	-	-	-
24	Operational risk	349,585,033.00	434,194,250.87	27,966,802.64
EU 24a	Exposures to crypto-assets	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	-	-	-
26	Output floor applied (%)	-	-	-
27	Floor adjustment (before application of transitional cap)	-	-	-
28	Floor adjustment (after application of transitional cap)	-	-	-

29	Total	1,660,915,198.81	1,898,205,664.54	132,873,215.91
----	-------	------------------	------------------	----------------

Table 111: EU OV1

Composition of regulatory own funds			
		(a)	(b)
		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	185,299,997.38	
	of which: Instrument type 1		
	of which: Instrument type 2		
	of which: Instrument type 3		
2	Retained earnings	311,172.00	
3	Accumulated other comprehensive income (and other reserves)	577,902,940.12	
EU-3a	Funds for general banking risk		
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1		
5	Minority interests (amount allowed in consolidated CET1)		
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend		
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	763,514,109.50	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)		
8	Intangible assets (net of related tax liability) (negative amount)	(3,729,762.89)	
9	Not applicable		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)		
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value		
12	Negative amounts resulting from the calculation of expected loss amounts		
13	Any increase in equity that results from securitised assets (negative amount)		
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		
15	Defined-benefit pension fund assets (negative amount)		
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)		
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
20	Not applicable		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative		
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)		
EU-20c	of which: securitisation positions (negative amount)		
EU-20d	of which: free deliveries (negative amount)		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38-(3) CRR are met) (negative amount)		
22	Amount exceeding the 17,65% threshold (negative amount)		

23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		
24	Not applicable		
25	of which: deferred tax assets arising from temporary differences		
EU-25a	Losses for the current financial year (negative amount)		
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)		
26	Not applicable		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)		
27a	Other regulatory adjustments		
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(3,729,762.89)	
29	Common Equity Tier 1 (CET1) capital	759,784,346.61	
Additional Tier 1 (AT1) capital: regulatory adjustments			
30	Capital instruments and the related share premium accounts		
31	of which: classified as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards		
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1		
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1		
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1		
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		
35	of which: instruments issued by subsidiaries subject to phase out		
36	Additional Tier 1 (AT1) capital before regulatory adjustments		
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)		
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
41	Not applicable		
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)		
42a	Other regulatory adjustments to AT1 capital		
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital		
44	Additional Tier 1 (AT1) capital		
45	Tier 1 capital (T1 = CET1 + AT1)	759,784,346.61	
Tier 2 (T2) capital: regulatory adjustments			
46	Capital instruments and the related share premium accounts	1,817,968.52	
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR		
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2		
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2		
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		
49	of which: instruments issued by subsidiaries subject to phase out		
50	Credit risk adjustments		
51	Tier 2 (T2) capital before regulatory adjustments	1,817,968.52	
Tier 2 (T2) capital: regulatory adjustments			
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)		

53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
54a	Not applicable		
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
56	Not applicable		
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)		
EU-56b	Other regulatory adjustments to T2 capital		
57	Total regulatory adjustments to Tier 2 (T2) capital		
58	Tier 2 (T2) capital	1,817,968.52	
59	Total capital (TC = T1 + T2)	761,602,315.13	
60	Total Risk exposure amount	1,660,915,198.81	
Capital ratios and requirements including buffers			
61	Common Equity Tier 1 capital	0.46	
62	Tier 1 capital	0.46	
63	Total capital	0.46	
64	Institution CET1 overall capital requirements	0.08	
65	of which: capital conservation buffer requirement	0.03	
66	of which: countercyclical capital buffer requirement	0.01	
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	0.00	
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	0.37	
National minima (if different from Basel III)			
69	Not applicable		
70	Not applicable		
71	Not applicable		
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)		
74	Not applicable		
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)		
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	16,073,320.97	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)		
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		

84	Current cap on T2 instruments subject to phase out arrangements		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

Table 122: EU CC1

Reconciliation of regulatory own funds to balance sheet in the audited financial statements				
		a	b	c
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		As at period end	As at period end	
Assets - Breakdown by asset classes according to the balance sheet in the published financial statements				
1	Cash, cash balances at central banks and other demand deposits	6,104,093,295.16	6,104,093,295.16	
2	Financial assets held for trading	14,981,835.13	14,981,835.13	
3	Non-trading financial assets mandatorily at fair value through P&L			
4	Financial assets designated at fair value through P&L			
5	Financial assets at fair value through OCI			
6	Financial assets at amortised cost	2,733,147,699.87	2,733,147,699.87	
7	Derivatives — Hedge accounting			
8	Fair value changes of hedged items in portfolio hedge of int. rate risk			
9	Investments in subsidiaries, joint ventures and associates			
10	Tangible assets	2,874,418.28	2,874,418.28	
11	Intangible assets	3,729,762.89	3,729,762.89	
12	Tax assets	222,000.00	222,000.00	
13	Other assets	29,215,690.70	29,215,690.70	
14	Non-current assets and disposal groups classified as held for sale			
	Total assets	8,888,264,702.03	8,888,264,702.03	
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements				
1	Financial liabilities held for trading	18,259,962.76	18,259,962.76	
2	Financial liabilities designated at fair value through P&L			
3	Financial liabilities measured at amortised cost	7,942,946,903.99	7,942,946,903.99	
4	Derivatives — Hedge accounting			
5	Fair value changes of hedged items in portfolio hedge			
6	Provisions			
7	Tax liabilities	19,899,732.58	19,899,732.58	
8	Share capital repayable on demand			
9	Other liabilities	28,033,329.77	28,033,329.77	
10	Liabilities included in disposal groups classified as held for sale			
	Total liabilities	8,009,139,929.10	8,009,139,929.10	
Shareholders' Equity				
1	Capital (paid-up + share premium called up)	187,117,965.90	187,117,965.90	
2	Share premium			
3	Equity instruments issued other than capital			
4	Other equity			
5	Accumulated other comprehensive income			
6	Retained earnings	311,172.00	311,172.00	
7	Revaluation reserves			
8	Other reserves	577,902,940.12	577,902,940.12	
9	(-) Treasury shares			
10	Profit or loss attributable to owners of the parent	113,792,694.92		
11	(-) Interim dividends			

12	Minority interests [Non-controlling interests]		
	Total shareholders' equity	879,124,772.94	765,332,078.02

Table 133: EU CC2

The difference between accounting equity as reported in FINREP and own funds as reported in COREP is attributable to the year-end 2025 profit, which has not been included in Common Equity Tier 1 (CET1) capital as at the Q4 2025 reporting date.

In accordance with Article 26(2) of Regulation (EU) No 575/2013 (CRR), interim or year-end profits may only be included in CET1 prior to a formal decision confirming the final profit or loss of the institution where prior permission has been granted by the competent authority, subject to the profits having been verified by an independent external auditor and foreseeable charges and dividends having been deducted.

2025 Capital Requirements	Pillar I Regulatory Capital Requirements
Credit Risk	109,298,583
Market Risk	0
Operational Risk	29,714,728
Climate & Environmental Risks	0
Capital Requirement (€)	139,013,310

Table 144: Pillar I regulatory capital requirements for each type of risk

During the financial year 2025, the Own funds ratio was 45.85%, well above the required minimum standards.

Solvency Ratio	2025 (USD)	
Own funds for Capital Ratio	761,602,315	45.85%
Total Risk Weighted Exposure Amount	1,660,915,199	

Table 15: Solvency ratio

Capital Requirements for Credit Risk

Capital requirements for Credit Risk are decomposed as follows and it shows that the Bank is mainly exposed to the Central Bank and other financial institutions:

Counterparty Breakdown	Exposure (USD) As of December 31, 2025	Capital Requirement (USD)	% of Total Capital Requirement
Sovereign & Central Bank Institutions	3,959,413,379	0	0.00%
Corporate	4,897,998,899	115,431,884	90.69%
Others & Equity	58,233,745	4,634,281	3.64%
	90,140,417	7,209,858	5.66%
Total	9,005,786,440	127,276,023	100%

Table 156: Credit risk capital requirements decomposed by counterparty type

In accordance with EU Regulation 575/2013 of June 26, 2013, exposures to credit institutions for which a credit assessment by a nominated ECAI is available shall be assigned that risk weight given by the nominated ECAI according to article 120 of the Regulation.

Exposures to institutions for which a credit assessment by a nominated ECAI¹ is not available shall be risk-weighted in accordance with article 121 of the Regulation.

As an example, pursuant to Article 120 of CRR (as amended), risk weights for exposures with a residual maturity of more than three months at institutions rated by a nominated ECAI are allotted risk weights according to the table below.

Credit Quality Step	Risk Weight
1	20%
2	30%
3	50%
4	100%
5	100%
6	150%

Table 167: Risk weights assigned to exposures with a residual maturity of more than three months, according to their credit quality.

Commission Implementing Regulation (EU) 2016/1799, as amended, provides the mapping from the Credit Quality Steps above to ECAI ratings. For example, for long-term credit assessments, for Moody's, the mapping is shown below:

Credit Quality Step	Moody's Rating
1	Aaa to Aa3
2	A1 to A3
3	Baa1 to Baa3
4	Ba1 to Ba3
5	B1 to B3
6	Caa1 and below

Table 178: mapping between credit quality steps and Moody's ratings

Capital Requirements for Operational Risk

¹ "ECAI" is an acronym for External Credit Assessment Institution.

Following the entry into application of Regulation (EU) 2024/1623 (CRR3) on 1 January 2025, the Basic Indicator Approach has been abolished and replaced by the new standardised approach set out in Articles 312 to 315 CRR. Under this approach, the Business indicator (BI) is calculated as a three-year average of the sum of the interest, leases and dividend component, the services component and the financial component. On this basis, the operational risk own funds requirement is obtained after applying a coefficient of 12% to the BI, amounting to a total of USD 349,585,033 in 2025.

XII. Other Disclosure Requirements

➤ Determination of Value Adjustments and Provisions

It is the Bank's policy to assess exposures on an individual basis and to establish specific value adjustments with respect to doubtful and irrecoverable debts. As at December 31, 2025 the Bank was not exposed to doubtful and irrecoverable debts and there was no need to establish specific value adjustments. For the purposes of Article 442(c) and (d) CRR, all of the Bank's exposures were performing as at December 31, 2025, the Bank held no non-performing, defaulted or forborne exposures.

➤ Credit Risk Exposure

Quantitative information on credit risk exposure by class and residual maturity and geographic location is given in the "Financial Instrument Disclosures" of the annual accounts, Notes 29.2 and 29.3.

Stress tests are computed quarterly as of March 31st, June 30th, September 30th and December 31st of each year. The outcomes at December 31st are calculated and reported to the Luxembourg regulator (CSSF) in the ICAAP/ILAAP² Report, based on the Bank's individual status as a credit institution established in Luxembourg, and not on a consolidated basis. The Bank is not subject to CSSF supervision on a consolidated basis.

As a result of the December 2025 stress tests, the worst-case scenario result was USD 6,967,530.-

➤ Interest Rate Risk Exposure

The Bank's potential exposure on a mark-to-market basis for Interest Rate Risk is low. Due to the short term maturities of assets and liabilities, a change of interest rates would mainly impact the Bank's short-term future earnings.

The Bank has implemented a stress test on interest rates in order to comply with the provisions of CSSF Circular 24/849. The stress test aims at quantifying the variation of the value of an institution's wealth when interest rates change.

➤ Internal Capital and Liquidity Adequacy Assessment

The Bank has created the risk surveillance and reporting framework described in sections V and VI of this disclosure. This framework has been created to permit the Bank to accurately evaluate its internal capital in terms of its current and future businesses.

The Board of Directors, General management, the CRO, and the Risk Management Committee receive regular reports and updates on the Bank's risk profile, its numerical values, and capital needs in order to ensure:

- sufficient capital is held against the Bank's various risks, also under economic downturn scenarios
- qualitative judgment as well as quantitative measurements are used based on stress test scenarios and simulation models as part of the foundation of the Bank's capital estimation system, and

² ICAAP/ILAAP – Internal Capital Adequacy Assessment Process / Internal Liquidity Adequacy Assessment Process

- prospective capital requirements based on the Bank's risk profile and strategic plans are adequately monitored and planned for.

➤ **Derivative Non-Trading Financial Instruments**

As at December 31, 2025, the analysis of OTC derivative non-trading financial instruments (the Bank has no proprietary trading portfolio) by class, residual maturity, and geographic location is given in the "Financial Instrument Disclosures" of the annual accounts, Notes 29.2 to 29.4.

➤ **The number of directorships held by members of the Management Body**

As of December 31, 2025, there is one person applicable in the Bank, Mr. Kosuke NAKAYAMADA, who is the Chief Executive officer and the members of the Board of Directors in the Bank.

➤ **Remuneration policy**

The Bank's Remuneration Policy creates the framework for an effective mitigation of remuneration risks, as it will discourage actions and financial transactions that surpass the risk tolerance of the Bank. The Bank's remuneration policy is congruent with the objectives and values of the Bank. The policy is detailing how the Bank avoids variable (alternatively fixed) compensation packages that are not tied to the financial results of the Bank, nor tied to the performance of its employees. The Bank ensures that the fixed and variable components of total remuneration are appropriately balanced. The fixed component represents a sufficiently high proportion of the total remuneration and allows a flexible policy on the variable remuneration components.

The Bank reviews the Remuneration Policy at least once a year to ensure that the principles, objectives, and methods of the policy are followed as they have been adopted. The Bank's Remuneration Policy adheres to the principles laid down in Directive 2013/36/EU (CRD), as amended and the Commission Delegated Regulations (EU) 2021/923 and 527/2014. The Board of Directors approved the last reviewed Remuneration Policy on April 20, 2026, and the new Policy was approved in the Board of Directors meeting on April 30, 2026. It will be updated and disclosed on our website after the publication of this report, in compliance with applicable regulations.

In addition to the elements noted above, the remuneration policy is providing at a minimum, details regarding the scope (institutions concerned by the policy), governance, and the ratio between fixed and variable compensation for the different employees. Furthermore, in accordance with Circular 22/797, the Bank reports the number of persons with high remuneration packages following the compensation ranges defined in the Circular. For 2025 the Bank has reported 66 high rank employees with linked higher remuneration packages, outside the in-force remuneration convention.

Comprehensive quantitative and qualitative information on Remuneration, in line with regulatory requirements, will be disclosed separately on our website within two months after the publication of this report.

➤ **Diversity Policy**

The Bank aims at promoting the diversity among the identified members of the staff exercising management functions by setting diversity policy and concrete objectives. (i.e.: providing trainings, focusing on the gender neutrality during the recruitment process and career planning). The details on the policy, concrete objectives and progress will be provided in a separate Corporate Governance report on our website shortly. (<https://www.mufg-investorservices.com/mibl/>)

XIII. Compliance checklist

Article	Description	Reference
431	Disclosure requirements and policies (General Principles)	
431 (1)	Disclosures in accordance with Titles II and III, except items mentioned in Art. 432	I

431 (2)	Disclosure of information regarding use of approaches or instruments behind NCA's approval (eg, IRB approach, CRM techniques, AMA for OpRisk, internal models for Market Risk)	Not applicable
431 (3)	Attestation that disclosures are made in accordance with formal policies, and internal processes, systems and controls.	I
431 (4)	All quantitative disclosures should be accompanied by qualitative narrative and any other supplementary information.	All sections
431 (5)	If requested, institutions should explain (in writing) rating decisions to SMEs and other corporate applicants for loans.	Not applicable
432	Non-material, proprietary or confidential information (General Principles)	
432 (1) – (3)	Institutions may omit the disclosure of:	no material, proprietary or confidential information has been omitted
	1) Non-material information (except for info requested under Art 435(2), 437 and 450).	
	2) Proprietary or confidential (except for info requested under Art 437 and 450). However, more general information on the subject matter should be published.	
	3) Application of materiality, proprietary and confidentiality, in the context of disclosures should be in line with Art. 16 of Reg (EU) 1093/2010.	
433	Frequency and scope of disclosures (General Principles)	
433	Frequency of disclosures (annual, quarterly or semi-annual) depends on a number of criteria set out in Art. 433a, 433b and 433c, while means of disclosure are tackled in Art. 434. Disclosures shall be published on the EBA website on the same day as institutions publish their FS (or soon after).	I
433a	Disclosures by large institutions	
433a (1)-(3)	Large institutions (depending on whether they are listed or not) are subject to more or less stringent disclosure requirements, both on an annual and semi-annual basis. The definition of 'large institution' is as per Art. 4 (146).	Not applicable
433b	Disclosures by small and non-complex institutions (SNCIs)	
433b (1)-(2)	SNCIs are expected to disclose a reduced amount of information compared to large institutions and to do so on an annual basis only.	Not applicable
433c	Disclosures by other institutions	
433c (1)-(2)	Other institutions (ie, those that do not qualify neither as large nor as SNCI) are expected to disclose annually more or less information depending on whether they are listed or not. If listed, some disclosures are meant to be done on a semi-annual basis.	All sections
434	Means of disclosures	
434 (1)-(6)	Institutions (except SNCIs) must submit all required information in electronic format to the EBA, no later than the date on which FS are published. Resubmissions are allowed. The disclosures can be done in standalone documents or as a distinctive section in the FS. Disclosures of remuneration policy (Art 450) can be submitted up to 2 months after the date on which FS are published. Institutions remain responsible for the accuracy of the data provided to the EBA for inclusion on the Single Access Point platform.	Not applicable
435	Risk management objectives and policies	
435 (1) (a)	Strategies and processes to manage risks for each separate category of risk:	III, IX
	1) for liquidity risk, include policies on diversification in the sources and tenor of planned funding, degree of centralisation of liquidity management, contingency funding plans and how stress testing is used;	
	2) for credit risk, include the criteria and approach used for defining the credit risk management policy and for setting credit risk;	
	3) for market risk, include a description of the strategies and processes to manage market risk;	
	4) for operational risk, include a description of the risk management objectives and policies;	
	5) for counterparty credit risk, include any other risk management objectives and relevant policies	
	Information on the strategies and processes to manage, hedge and mitigate risks	
435 (1) (b)	Information on the risk governance structure for each type of risk:	Not applicable
	1) for Liquidity Risk Management, include authority, statute and any other arrangements;	
	2) for credit risk management, include the structure and organisation of the credit risk management and control function as well as the relationship between risk management, risk control, compliance and internal audit functions;	
	3) for market risk, include a description of the market risk governance structure established to implement the strategies and processes of the institution discussed in	

	point (a) above, and that describes the relationships and the communication mechanisms between the different parties involved in market risk management;	
	4) for OpRisk, include disclosure of the structure and organisation of the operational risk management function;	
435 (1) (c)	Disclosure on the scope and nature of risk disclosure and/or measurement systems (covering liquidity, market risk and OpRisk) Information on risk reporting (covering liquidity, market risk and OpRisk)	Not applicable
435 (1) (d)	Policies for hedging and mitigating risk: 1) for liquidity risk and market risk, information on the monitoring of the effectiveness of hedges and mitigants; 2) for credit risk, the criteria and approach used for defining credit risk management policy and setting credit;	Not applicable
435 (1) (e)	Declaration approved by the management body on the adequacy of the risk management arrangements	IV
435 (1) (f)	A concise risk statement approved by the management body succinctly describing the Bank's overall risk profile associated with the business strategy, including: 1) key ratios and figures providing external stakeholders a comprehensive view of the institution's management of risk, including how the risk profile of the institution interacts with the risk tolerance set by the management body; 2) information on intragroup transactions and transactions with related parties that may have a material impact of the risk profile of the consolidated group; 3) how the business model translates into the components of the institution's credit risk profile; 4) for Liquidity Risk Management arrangements, succinctly describe the institution's overall liquidity risk profile associated with the business strategy and include key ratios and figures (other than those already covered in the EU LIQ1) providing external stakeholders with a comprehensive view of the institution's management of liquidity risk, including how the liquidity risk profile of the institution interacts with the risk tolerance set by the management body.	III
435 (2) (a)	The number of directorships held by members of the management body	XII
435 (2) (b)	Information regarding the recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise	XII
435 (2) (c)	Information on the diversity policy with regard to the members of the management body	XII
435 (2) (d)	Information on whether or not the institution has set up a separate risk committee and the frequency of the meetings	Corporate Governance Structures
435 (2) (e)	Description of the information flow on risk to the management body	Corporate Governance Structures
436	Scope of application	
436 (a)	Name of the institution	Not applicable
436 (b)	Reconciliation between the consolidated financial statements prepared in accordance with the applicable accounting framework and the consolidated financial statements prepared in accordance with the requirements on regulatory consolidation	Not applicable
436 (c)	Breakdown of assets and liabilities of the consolidated financial statements prepared in accordance with the requirements on regulatory consolidation	Not applicable
436 (d)	Reconciliation identifying the main sources of differences between the carrying value amounts in the financial statements under the regulatory scope of consolidation	Not applicable
436 (e)	For exposures from the trading book and the non-trading book that are adjusted in accordance with Article 34 and Article 105, a breakdown of the amounts of the constituent elements of an institution's prudent valuation adjustment	Not applicable
436 (f)	Any current or expected material practical or legal impediment to the prompt transfer of own funds or to the repayment of liabilities between the parent undertaking and its subsidiaries	Not applicable
436 (g)	The aggregate amount by which the actual own funds are less than required in all subsidiaries that are not included in the consolidation, and the name or names of those subsidiaries	Not applicable
436 (h)	Where applicable, the circumstances under which use is made of the derogation referred to in Article 7 or the individual consolidation method laid down in Article 9	Not applicable
437	Own funds	
437 (a)	Full reconciliation of own funds and the balance sheet in the audited financial statements	XI, EU CC2

437 (b)	Description of the main features of own funds instruments	Not applicable
437 (c)	Full terms and conditions of own funds instruments	Not applicable
437 (d)	Disclosure of the nature and amounts of items deducted from own funds	Not applicable
437 (e)	Description of all restrictions applied to the calculation of own funds	Not applicable
437 (f)	Comprehensive explanation of the basis on which own funds are determined (if different from CRR treatment)	Not applicable
437a	Disclosure of own funds and eligible liabilities	
437a	Disclosure of information regarding own funds and eligible liabilities, for EU and non-EU G-SIIs	Not applicable
438	Capital requirements	
438 (a)	Summary of the approach to assessing the adequacy of the internal capital	Not applicable
438 (b)	Amount of additional own funds requirements (Pillar 2) based on SREP	Not applicable
438 (c)	Upon demand from the relevant competent authority, the result of the institution's internal capital adequacy assessment process	Not applicable
438 (d)	Total RWEA and corresponding own funds, broken down by different risk categories or risk exposure classes (incl. explanation of effect of capital floors and non-deductions)	XI, EU OV1
438 (da)	Total U-TREA and standardised-TREA, broken down by different risk categories or risk exposure classes	Not applicable
438 (e)	On- and off-balance sheet exposures, RWEA and associated expected losses for each category of specialised lending; on- and off-balance sheet exposures and RWEA for equity exposures	Not applicable
438 (f)	Disclosure of exposure value and RWEA of own funds instruments (non-deducted) held in insurance / re-insurance undertakings or insurance Holdco	Not applicable
438 (g)	Supplementary own funds requirement and the capital adequacy ratio of the financial conglomerate	Not applicable
438 (h)	Variations in the risk-weighted exposure amounts of the current disclosure period compared to the immediately preceding disclosure period that result from the use of internal models	Not applicable
439	Exposure to counterparty credit risk	
439 (a)	Description of methodology used to assign internal capital and credit limits for counterparty credit exposures	Not applicable
439 (b)	Description of policies (related to guarantees and other credit risk mitigants) for securing collateral and establishing credit reserves	Not applicable
439 (c)	Policies with respect to wrong-way risk exposures	Not applicable
439 (d)	Amount of collateral the institution would have to provide if its credit rating was downgraded	Not applicable
439 (e)	Amount of segregated and unsegregated collateral received and posted per type of collateral, broken down between derivatives and SFTs	Not applicable
439 (f)	Exposure values of derivative transactions before and after the effect of the credit risk mitigation	Not applicable
439 (g)	Exposure values of SFTs before and after the effect of the credit risk mitigation	Not applicable
439 (h)	Exposure values after CRM effects and the associated risk exposures for CVA capital charge	Not applicable
439 (i)	Exposure value to CCPs and the associated risk exposures	Not applicable
439 (j)	Notional amounts and fair value of credit derivative transactions, broken down by product type	Not applicable
439 (k)	Estimate of alpha (behind NCA's permission)	Not applicable
439 (l)	Disclosure of CCR exposures under the Standardised Approach (by exposure class and risk-weight) and the IRB Approach (by exposure class and PD scale)	Not applicable
439 (m)	For institutions using the IMM approach, disclosure of on- and off-balance sheet derivative business	Not applicable
440	Capital buffers	
440 (a)	Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer	Not applicable
440 (b)	Amount of the specific countercyclical capital buffer	Not applicable
441	Indicators of global systemic importance	
441	Disclosure of the values of the indicators used for determining the score	Not applicable
442	Disclosure of exposures to credit risk and dilution risk	
442 (a)	Definitions of 'past due' and 'impaired'	Not applicable
442 (b)	Description of the approaches and methods for determining specific and general credit risk adjustments	Not applicable

442 (c)	Disclosure of amount and quality of performing, non-performing and forborne exposures	IX, EU CR1
442 (d)	Ageing analysis of accounting past due exposures	IX, EU CQ3
442 (e)	Distribution of defaulted and non-defaulted exposures geographical area and industry type	Not applicable
442 (f)	Changes in the gross amount of defaulted on- and off-balance- sheet exposures	Not applicable
442 (g)	Breakdown of loans and debt securities by residual maturity	Not applicable
443	Disclosure of encumbered and unencumbered assets	
443	Carrying amount per exposure, broken down by asset quality and total amount	Not applicable
444	Use of ECAs	
444 (a)	Names of nominated ECAs	Not applicable
444 (b)	Exposure classes for which ECAs are used	Not applicable
444 (c)	Description of the process used to transfer the issuer and issue credit assessments onto items not included in the trading book	Not applicable
444 (d)	Association of the external rating of each nominated ECAI or ECA with the risk weights that correspond with the credit quality steps	Not applicable
444 (e)	Exposure values associated with each credit quality step	Not applicable
445	Exposure to market risk	
445	A general overview of the trading book positions for institutions that use the Simplified Standardised Approach or the Alternative Standardised Approach	Not applicable
445a	Disclosure of CVA risk	
445a (1)(a)	Overview of the processes to identify, measure, hedge and monitor their CVA risk and a description of policies for hedging and mitigating risk, and strategies and processes for monitoring the continuing effectiveness of hedges	Not applicable
445a (1)(b)	Explanation of whether conditions are met to use the simplified method and the own funds requirements for CVA risk in accordance with that approach	Not applicable
445a (1)(c)	Total number of counterparties for which the standardised approach is used	Not applicable
445 (2)(a)	For institutions using the standardised approach, structure and the organisation of their internal CVA risk management function and governance	Not applicable
445 (2)(b)	Total own funds requirements for CVA risk under the standardised approach	Not applicable
445 (2)(c)	Overview of the eligible hedges used in the calculation, with a breakdown by type of instruments	Not applicable
445 (3)(a)	For institutions using the basic approach, total own funds requirements for CVA risk under the basic approach, and the components $BACVA^{total}$ and $BACVA^{csr-hedged}$	Not applicable
445 (3)(b)	Overview of the eligible hedges used in the calculation, with a breakdown by type of instruments	Not applicable
446	Operational risk	
446 (1)(a)	Disclosure should include:	Not applicable
	1) Description of the risk management objectives and policies;	
	2) Disclosure of the structure and organisation of the operational risk management function;	
	3) Description of the scope and nature of the measurement system;	
	4) Description of the scope and nature of the operational risk reporting framework;	
446 (1)(b)	Own funds requirement for operational risk	Not applicable
446 (1)(c)	The business indicator and the amounts of each of the business indicator components and their sub-components	Not applicable
446 (1)(c)	The amount of the reduction of the business indicator for each exclusion from the business indicator	Not applicable
446 (2)(a)	The annual operational risk losses for each of the last 10 financial years	Not applicable
446 (2)(b)	The number of exceptional operational risk events and the amounts of the corresponding aggregated net operational risk losses that were excluded from the calculation of the annual operational risk loss	Not applicable
447	Disclosure of key metrics	
447(a)	Composition of own funds and own funds requirements	EU KM1
447(aa)	Where applicable, the risk-based capital ratios calculated using the U-TREA	Not applicable
447(b)	TREA and U-TREA	EU KM1
447(c)	The amount and composition of additional own funds, which the institutions are required to hold	EU KM1
447(d)	The combined buffer requirement which the institutions are required to hold	EU KM1
447(e)	Leverage ratio and the total exposure measure	IX

447(f)	(i) the average or averages, as applicable, of the LCR based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period;	IX
	(ii) the average or averages, as applicable, of total liquid assets, after applying the relevant haircuts, included in the liquidity buffer based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period;	
	(iii) the averages of the liquidity outflows, inflows and net liquidity outflows based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period	
447(g)	(i) NSFR at the end of each quarter of the relevant disclosure period	IX
	(ii) ASF at the end of each quarter of the relevant disclosure period	
	(iii) RSF at the end of each quarter of the relevant disclosure period	
447(h)	Own funds and eligible liabilities ratios and their components, numerator and denominator	Not applicable
448	Exposure to interest rate risk on positions not included in the trading book	
448 (1)(a)	Changes in the economic value of equity calculated under the six supervisory shock scenarios	Not applicable
448 (1)(b)	Changes in the net interest income calculated under the two supervisory shock scenarios;	Not applicable
448 (1)(c)	Description of key modelling and parametric assumptions used to calculate changes in the economic value of equity and in the net interest income required under points (a) and (b) of this paragraph	Not applicable
448 (1)(d)	An explanation of the significance of the risk measures disclosed under points (a) and (b) of this paragraph and of any significant variations of those risk measures since the previous disclosure reference date;	Not applicable
448 (1)(e)	Description of how institutions define, measure, mitigate and control the interest rate risk of their non-trading book activities including:	Not applicable
	(i) a description of the specific risk measures that the institutions use to evaluate changes in their economic value of equity and in their net interest income;	
	(ii) a description of the key modelling and parametric assumptions used in the institutions' internal measurement systems that would differ from the common modelling and parametric assumptions;	
	(iii) a description of the interest rate shock scenarios that institutions use to estimate the interest rate risk;	
	(iv) the recognition of the effect of hedges against those interest rate risks;	
(v) an outline of how often the evaluation of the interest rate risk occurs		
448 (1)(f)	Description of the overall risk management and mitigation strategies for those risks	Not applicable
448 (1)(g)	Average and longest repricing maturity assigned to non-maturity deposits	Not applicable
449	Securitisation activity	
449 (1)(a)	Description of securitisation and re-securitisation activities, including risk management and investment objectives in connection with those activities, their role in securitisation and re-securitisation transactions,	Not applicable
449 (1)(b)	Type of risks exposed to in securitisation and re-securitisation activities by level of seniority of the relevant securitisation positions	Not applicable
449 (1)(c)	Approaches for calculating the risk-weighted exposure amounts that they apply to their securitisation activities	Not applicable
449 (1)(d)	List of SSPEs including derivative contracts	Not applicable
449 (1)(e)	List of any legal entities in relation to which the institutions have disclosed that they have provided support	Not applicable
449 (1)(f)	List of legal entities affiliated with the institutions and that invest in securitisations originated by the institutions or in securitisation positions issued by SSPEs sponsored by the institution	Not applicable
449 (1)(g)	Summary of accounting policies for securitisation activity	Not applicable
449 (1)(h)	Names of the ECAs used for securitisations and the types of exposure for which each agency is used	Not applicable
449 (1)(i)	Description of the Internal Assessment Approach	Not applicable
449 (1)(j)	Separately for the trading book and the non-trading book, the carrying amount of securitisation exposures	Not applicable
449 (1)(k)	For the non-trading book activities, the following information:	Not applicable
	(i) the aggregate amount of securitisation positions where institutions act as originator or sponsor and the associated risk weighted assets and capital requirements	
	(ii) the aggregate amount of securitisation positions where institutions act as investor and the associated risk-weighted assets and capital requirements	

449 (1)(l)	For exposures securitised by the institution, the amount of exposures in default and the amount of the specific credit risk adjustments made by the institution during the current period, both broken down by exposure type	Not applicable
449a	Disclosure of environmental, social and governance risks (ESG risks)	
449a (1)	Disclosure of information on ESG risks, distinguishing environmental, social and governance risks, and physical risks and transition risks for environmental risks	Applicable from 2027
449a (2)(a)	Total amount of exposures to fossil fuel sector entities	Applicable from 2027
449a (2)(b)	How institutions integrate the identified ESG risks in their business strategy and processes, and governance and risk management	Applicable from 2027
449b	Disclosure of aggregate exposure to shadow banking entities	
449b	Disclosure of information concerning aggregate exposure to shadow banking entities	Applicable from 2027

287-289, Route d'Arlon

L-1150 Luxembourg

R.C.S. Luxembourg: B11937