



YOUR
BRIDGE
TO LIFE

Investor presentation - 2024

BANQUE ET CAISSE D'ÉPARGNE DE L'ÉTAT, LUXEMBOURG

May 2025

[SPUERKEESS.LU](https://www.spuerkeess.lu)



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Contents

1. Overview
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The background image shows a scenic view of a city, likely Amsterdam. In the foreground, a stone bridge with multiple arches spans a canal. A modern tram with a glass roof is crossing the bridge. To the left, there are trees with bright yellow autumn leaves. In the background, there are historic buildings with many windows and a prominent tower with a green, conical roof. The sky is blue with some light clouds.

01.

Overview



Overview - History at a glance

Founding

of the country's first and only Savings Bank (Caisse d'Epargne) on the 21st February 1856

Founding member & principal shareholder of the **Luxembourg Stock Exchange**; as of today Spuerkeess remains the largest shareholder of the LuxSE

Adoption of « **Banque et Caisse d'Epargne de l'Etat, Luxembourg** » as a **new name** (Law 24th March 1989), with a focus on the commercial orientations and universal banking character of **BCEE**

Spuerkeess is under the **European Central Bank's direct banking supervision** following the implementation of the Single Supervisory Mechanism (SSM)

Spuerkeess joins the **Net-Zero Banking Alliance** established by UNEP FI

1856

1900

1928

1959

1989

1994

2014

2020

2021

Expansion of the services provided by the Savings Bank through the creation of the **Mortgage Bank** (Credit Foncier)

The savings Bank is involved in creating the **first Luxembourg investment fund**, EURUNION, in 1959

Spuerkeess is rated by S&P and Moody's **among the world's highest rated banks**

New corporate identity, new logo and focus on the trade name Spuerkeess



Overview - About us, your bridge to life

- A trusted partner: tradition and banking innovation since 1856
- A partner of proximity: the largest network of bank branches and self-banking spaces in Luxembourg
- Designated O-SII in Luxembourg
- 100% owned by the State of Luxembourg
- Universal bank covering the whole range of banking activities
- Very strong credit ratings (AA+ S&P / Aa3 Moody's unsecured debt rating)
- Focused on Luxembourg and its surrounding regions for B2B and B2C activities
- 1,950 employees to meet and exceed expectations of our customers
- Digital banking leader in Luxembourg and excellent international ranking through constant digital innovation
- Awards: "Sustainable Finance" Award 2024

"Best Bank in Luxembourg" Award 2024





Overview - Strategy

3 key cornerstones of the strategic plan “Spuerkeess 2025”:

Spuerkeess’ Board of directors approved our 5 year strategic plan “Spuerkeess 2025” as of end 2020. The strategy revolves around customer centricity, by leveraging on solid value propositions to meet our customers’ expectations.

The objectives of the strategic plan are to :



An offer based on dedicated value propositions



A customer-centric strategy



A governance that includes monitoring of the strategic plan

- confirm and strengthen our position as a leader in the Luxembourgish banking sector and remain a partner of choice for customers in all business segments by 2025
- maintain and strengthen our brand and reputation
- develop new bundles of products and services in a customer centric way
- expand and improve our digital offer and distribution channels (S-Net; Spuerkeess Direct; Branch network)
- continue the internal transformation / optimization in order to reduce operational costs and prepare the bank of tomorrow
- adopt a role as “Transition Enabler” to raise awareness among our clients and to support them in their projects towards a more sustainable economy

The new strategic plan “Spuerkeess 2030” is being developed and will be available end of 2025, once approved by the Board.



Overview - Business model & commercial activities

Spuerkeess has continuously played an important role in the country's economic and social development. Its mission statement is defined by the Organic Law of the 24th March 1989 and requires Spuerkeess

- i) *to contribute through its financing activities to the economic and social development of the country and*
- ii) *to promote all forms of savings.*

Retail & Private Banking

- Spuerkeess is the leading player for retail banking services in Luxembourg (50% of market share)₍₁₎
- Socially responsible lender -> #1 Bank in the local retail mortgage market (56% of market share)₍₁₎
- Full range of daily banking services as well as tailor made investment and lending services for Retail and Private Banking clients
- Strong internal and external digital innovation culture to improve customer experience and simplify work processes
- Multi-channel points-of-entry (S-Net; Spuerkeess Direct; Branches; ATMs) - 100% online account opening
- **2024 : Record year for new client acquisition (+22,000), Strong increase in retail real estate loans, New investment offers & solutions**

SME & Corporate Banking

- Highest market share for SME banking services (30% of market share)₍₂₎
- «One-stop shop» for SMEs & Corporates providing daily management, financing, investment and cash management services
- Tailor made advice and support throughout the company lifecycle
- Long-term reference partner for local and international SMEs & Corporates offering customized and flexible financing solutions
- **2024 : 1,161 new relationship entries, New digital solution S-Net Business, “transition enabler” program for corporate customers**

Institutional & Public Sector Banking

- Long lasting relationships with international and local institutional customers and public-supranational institutions
- Extensive experience in servicing institutional clients, offering innovative and diversified solutions to a broad range of fund regimes, Asset and Wealth Managers as well as Financial Market Intermediaries (i.e. insurance companies; Family Offices; specialised investment vehicles)
- Strong local anchor among the public sector and supranational institutions, while maintaining an international perspective
- Tailor made solutions such as custody, payment services and brokerage
- **2024 : Strong growth with AuCs above the EUR 100 bln milestone, new & improved onboarding process**

Global Markets

- Dedicated solutions for financial markets' professionals
- Strong position of Spuerkeess as a trusted partner with value added services, stretching from traditional capital market products to complex derivatives and structured products. Spuerkeess Global Markets is positioned as a one-stop-shop for clients, encompassing execution, structuring-financing, clearing, custody and reporting

(1) TNS ILRES Bank 2023
(2) TNS ILRES 2022 for SME



Overview - Key strategic holdings⁽¹⁾

Aware of its mission statement to support the country's economic and social development, Spuerkeess holds equity interests, directly or indirectly, in key sectors of Luxembourg's economy.

Spuerkeess also strives to support the start-up and development of businesses with an interest in the Luxembourgish economy.

Investment in associates	Business	% of capital held as of 31/12/24
LaLux Group S.A.	Insurance	40.00
Luxair S.A.	Air transport	21.81
Société de la Bourse de Luxembourg S.A.	Financial Services	25.35
LuxHub S.A.	Financial Services	32.50
Luxconstellation S.A.	Financial Services	30.00
i-hub S.A.	Financial Services	20.00
Prolog Luxembourg S.A.	Financial Services	43.96
Visalux S.C.	Financial Services	40.90
Europay Luxembourg S.C.	Financial Services	30.00
Société Nationale de Circulation Automobile S.à r.l.	Automotive services	20.00
Subsidiaries	Business	% voting rights as of 31/12/24
Spuerkeess Asset Management S.A.	UCI Management company	100.00
Lux-Fund Advisory S.A.	Investment advice	88.35
Luxembourg State & Savings Bank Trust Company S.A.	Acquisition of shareholdings	100.00
Spuerkeess Ré S.A.	Reinsurance	100.00
Bourbon Immobilière S.A.	Real estate	100.00

(1) Consolidated Balance sheet data as of 30/06/2024.



Overview - 2024 Key figures⁽¹⁾

56.9
EUR billion

Total Balance sheet size
+1.2% as compared
to Dec 2023

442.2
EUR million

Net Income after tax⁽²⁾
-1.6% as compared
to Dec 2023

42.1
EUR billion

Client deposits
+5.1% as compared
to Dec 2023

850.7
EUR million

Net Interest Margin
+8.7% as compared
to Dec 2023

27.2
EUR billion

Client loans
+0.8% as compared
to Dec 2023

206.7
EUR million

Net Fees & Commissions
+6.9% as compared
to Dec 2023

23.07
Capital ratio %⁽³⁾

Common Equity Tier 1
+1.29pp as compared
to Dec 2023



#1 Retail Bank in Luxembourg

Largest ATM & branch network

Sustainable Finance Award 2024⁽⁴⁾
by Global Finance

“Best Bank Awards 2024⁽⁴⁾”
by Global Finance

(1) EoY 2024 Consolidated Balance sheet data

(2) Net income after minority interest

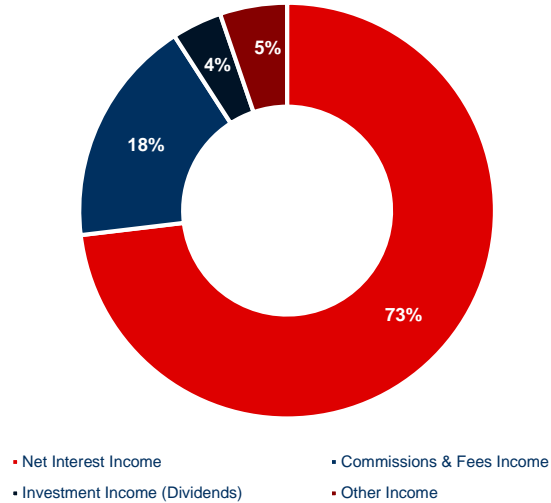
(3) Pillar 3 Non-consolidated Half-year Report as of 31/12/2024,
excluding 2024 net profit

(4) TNS ILRES Banking survey 2024 / Global Finance

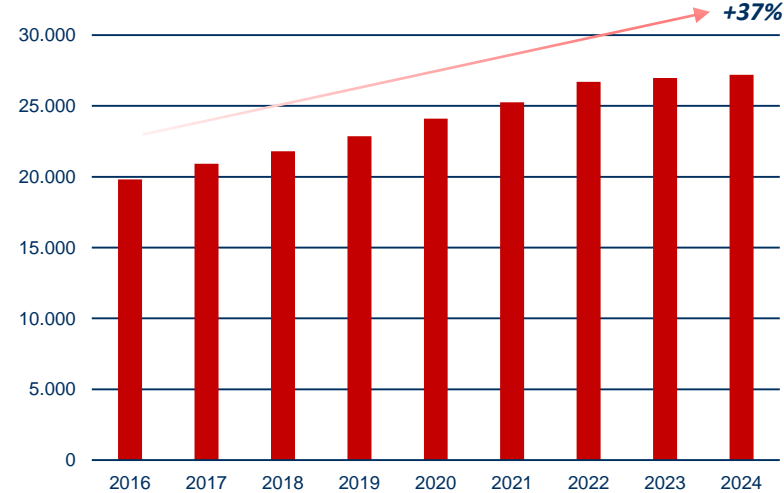


Overview — 2024 Commercial activities ⁽¹⁾

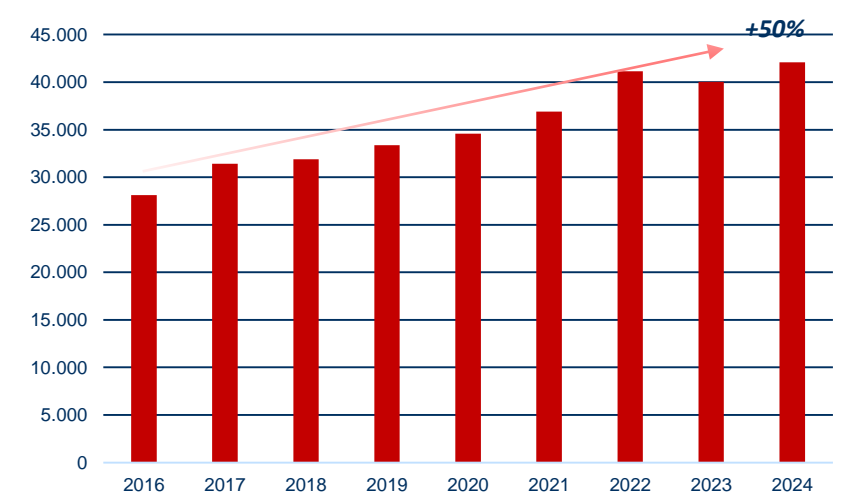
Spuerkeess - Revenues 2024



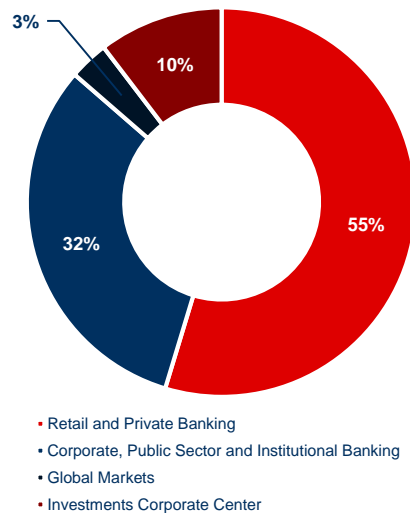
Loans - Customers (in EUR million)



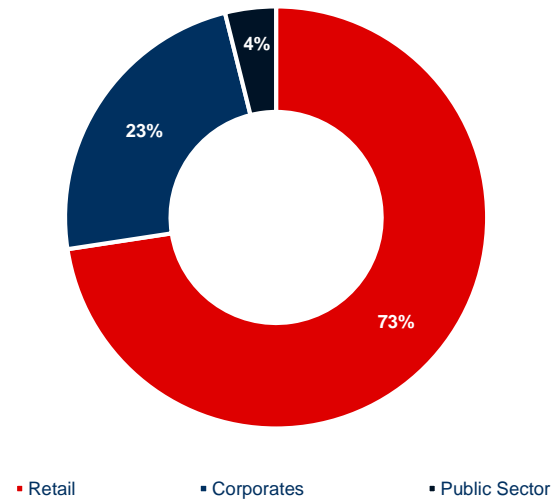
Deposits - Customers (in EUR million)



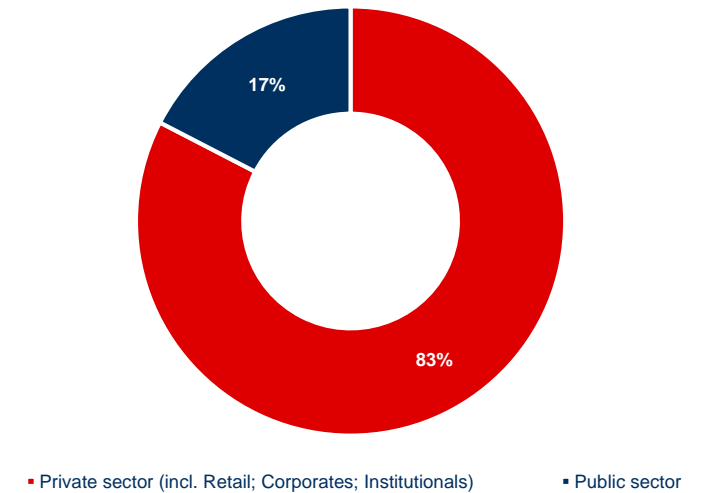
Spuerkeess - Revenues 2024 by customer segment



2024 - Loans by customer segment



2024 - Deposits by customer segment





02.

Financial performance



Financial Performance – Income Statement ⁽¹⁾

Consolidated Income Statement - in EUR million	Dec-23	Dec-24
Interest income	782.6	850.7
Income from securities	45.6	45.3
Fees and commission income	193.3	206.7
<u>Income from interest, dividends and commissions</u>	<u>1,021.6</u>	<u>1,102.7</u>
Other Income (i.e. Income from financial instruments & Exchange Gains/Loss)	53.2	50.8
Other Operating Income - Expenditures	13.1	10.0
<u>Bank Margin</u>	<u>1,087.8</u>	<u>1,163.5</u>
Operating Expenses (Staff ; General & Admin; DGS; Allowances)	-470.6	-481.1
<u>Income after General Expenses</u>	<u>617.2</u>	<u>682.4</u>
Net allowances for impairment & Provisions	-132.7	-208.7
Profit from equity-accounted associates	48.2	69.6
<u>Income before Taxes and Non-Current Assets</u>	<u>532.7</u>	<u>543.3</u>
Taxes, Non-Current Assets & Minority Interests	-83.4	-101.1
<u>Net Income for the Year (after minority int).</u>	<u>449.3</u>	<u>442.2</u>
Cost-income ratio	<u>43.3%</u>	<u>41.3%</u>

As of December 2024, Spuerkeess' Bank Margin, at EUR 1,163.5 million, was up EUR 75.7 million (+7.0%) as compared to December 2023.

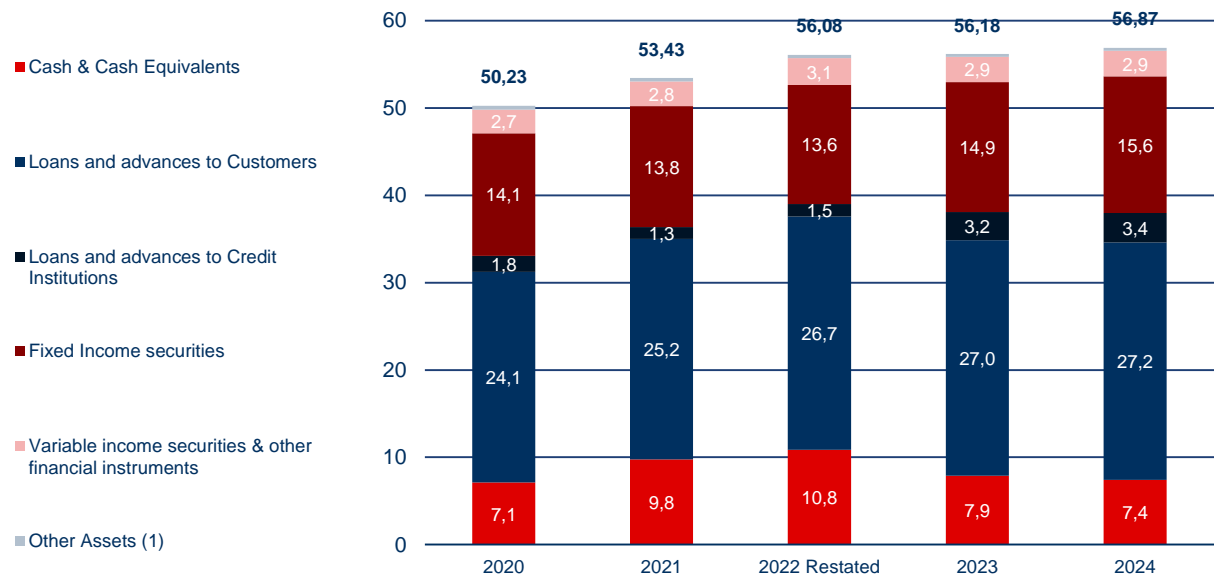
- Core business revenues increased in 2024, mainly driven by interest income. The Bank's Net Interest Margin rose by 8.7% or EUR +68.1 million and continues to benefit from relatively high EUR short term rates and further expansion of the customer base (increase in loans & deposits).
- Net fee & commission income increased by 13.4 million (+6.9%), mainly stemming from dynamic UCI administration activities, increased demand for loans, and positive evolution of Assets under Management (AUMs) and Assets under Custody (AuCs)
- Other income decreased by 2.4 million (-4.5%), mainly due to hedging of financial instruments (economic hedges classified for accounting purposes as held for trading)
- Operating expenses increased by EUR 10.5 million (+2.2%), mainly due to an increase in personnel expenses (higher salaries and increase in Full time Equivalent)
- Net allowances for impairments and provisions increased by 76 million (57.3%), in order to cope with the macro-economic environment and the geopolitical uncertainty.
- Net Income for 2024 slightly decreased to EUR 442.2 million (after minority interests), down by 7.1 million (or -1.6%) compared to December 2023 (EUR 449.3 million).

(1) Consolidated data as of 31/12/2023 and 31/12/2024. Totals may differ slightly due to rounding.



Financial Performance — Balance sheet (*)

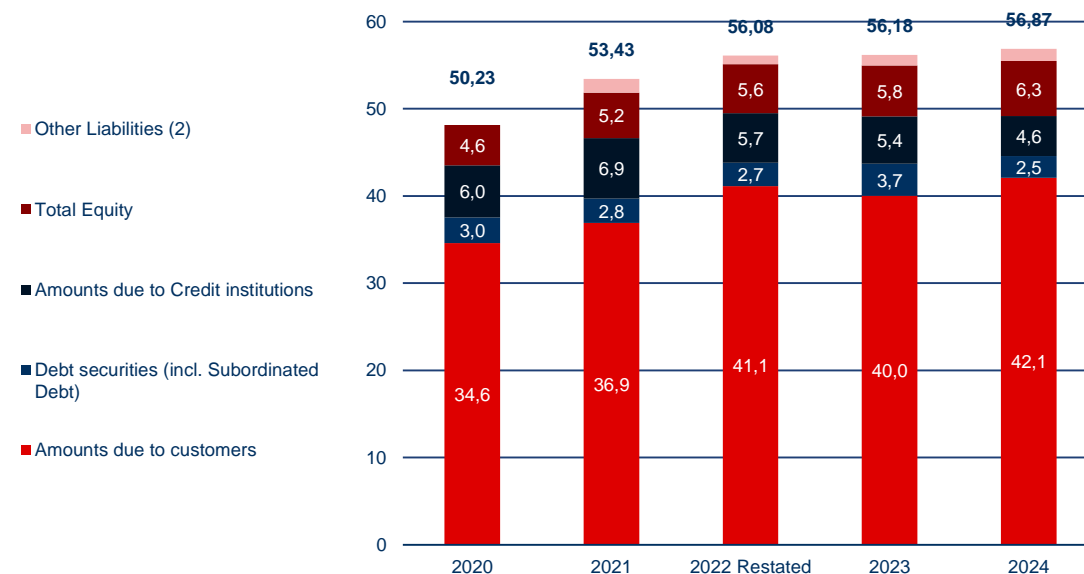
Asset mix in EUR billion



(1) Other Assets; Tangible & Intangible Assets, Taxes

- Loans & advances to customers increased by EUR 0.22 billion (+0,8%) in 2024. Growth is driven by retail (EUR +0.5 billion), and partially offset by the public sector (EUR -0.3 billion). Loan origination activity on the retail segment has sharply increased compared to 2023, but remains below 2022 levels (dynamic secondary market, new constructions lagging).
- Fixed Income securities recognised at amortised cost have increased by EUR 0.78 billion (+5.2%). Spuerkeess has a prudent investment strategy.
- Loans to financial institutions slightly increased by EUR 0.13 billion (o.w. unsecured loans EUR +75 mln and secured +55 mln). Few market opportunities to reinvest excess cash.
- Cash & Cash Equivalents decreased by EUR -0.48 billion (-6%), mainly cash deposited with central bank. It mainly reflects the decrease of CP issuances on the liability side.

Liability mix in EUR billion



(2) Other Liabilities; Pension Fund Liabilities; Taxes; FVPL Fin.Liabilities, Derivatives, Provisions

- Amounts due to customers increased by EUR 2.1 billion (+5.1%), mainly driven by retail deposits (increase Term & savings deposits).
- Deposits migration from current and savings accounts towards term deposits and Retail EMTNs has stopped in 2024, benefiting to savings accounts.
- Amounts due to credit institutions decreased by EUR 0.87 billion (-16%, mainly unsecured deposits).
- Debt issuances decreased by EUR 1.18 billion (-32.1%), mainly driven by a voluntary decrease in Commercial Papers (CPs, EUR -0.7 bln) and retail EMTNs (callable products).
- Total Equity continued to grow (+0.47 billion / +8.1%).

(*) Consolidated Balance sheet data as of 31/12/2020, 31/12/2021, 31/12/2022, 31/12/2023 and 31/12/2024. Totals may differ slightly due to rounding.



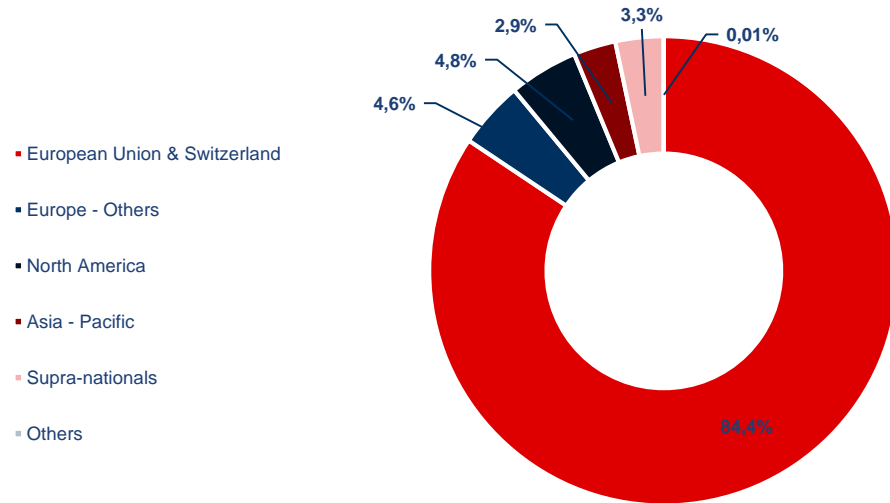
03.

Asset quality

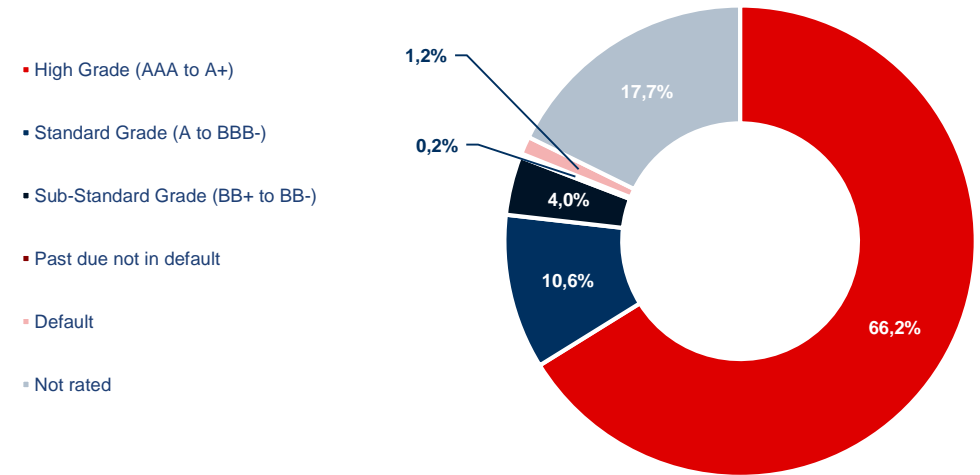


Asset Quality – 2024 Exposure ⁽¹⁾

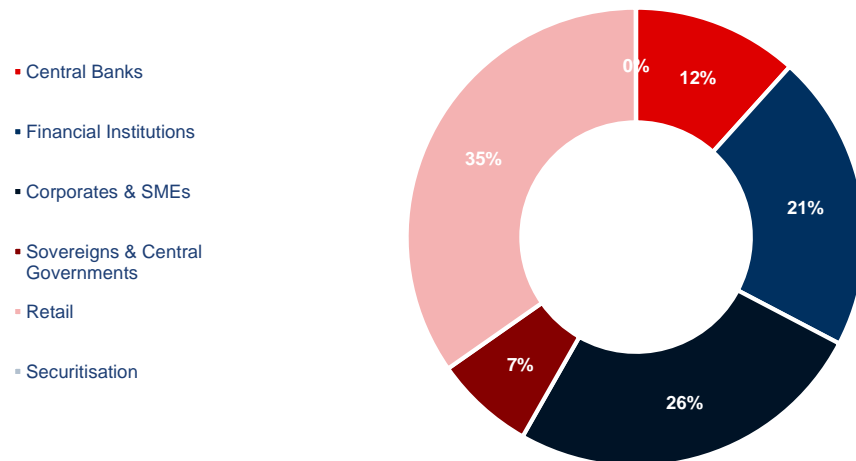
Exposure by geographic region



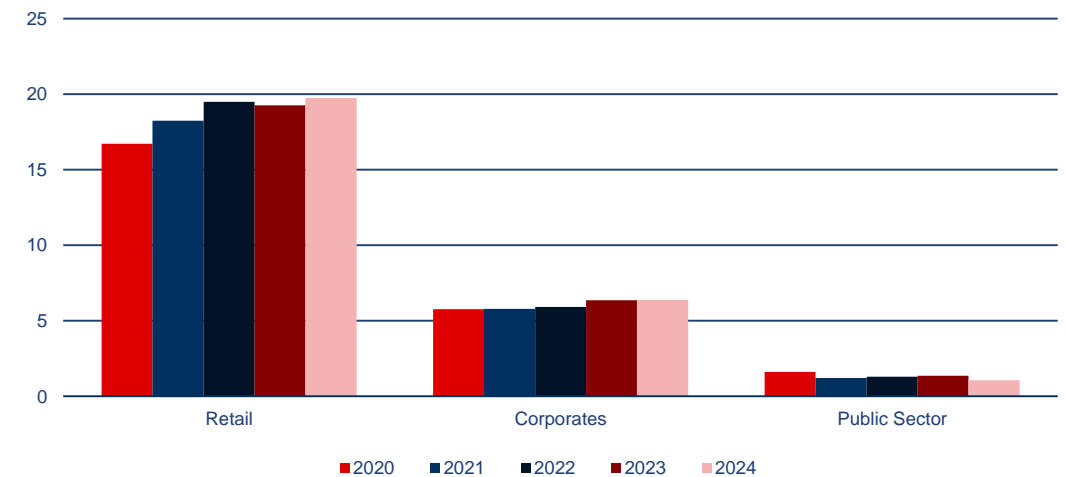
Exposure by Risk class



Exposure by Counterparty category



Loans & advances at amortised cost - Customers (EUR billion) ⁽²⁾



(1) Asset Exposure breakdown – Consolidated balance sheet data as of 31/12/2024

(2) Loans and advances to customers - Amortised cost – Consolidated balance sheet data as of 31/12/2024



Asset Quality – Performance

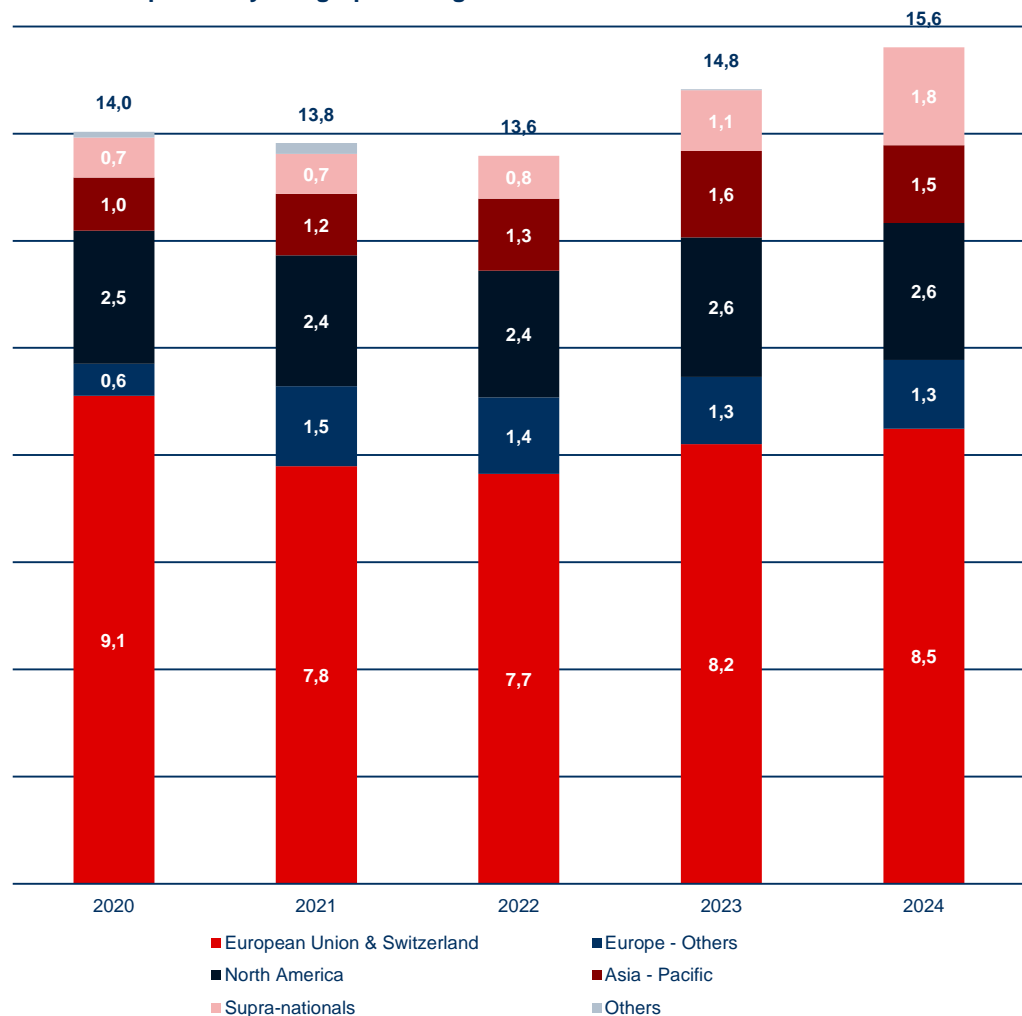
IFRS Stage	Impairment of Loans and Advances - Customers (in EUR million)	2019	2020	2021	2022	2023	2024	2024 coverage ratio
Stage 1	Retail	2.8	2.8	4.3	11.6	12.3	26.1	0.15%
	Corporate	15.6	35.9	25.4	29.8	30.6	21.5	0.59%
	Public Sector	0.06	0.13	0.07	0.1	0.5	0.1	0.01%
Stage 2	Retail	16.2	12.5	17.5	26.4	44.4	84.8	4.89%
	Corporate	9.7	22.2	16.5	33.3	39.8	111.0	4.47%
	Public Sector	0	0	0	0.1	0.1	0.1	0.19%
Stage 3	Retail	12.2	11.3	10.6	16	53.1	65.5	17.55%
	Corporate	55.9	38.8	38.2	38.1	96.9	119.2	23.74%
	Public Sector	0	0	0	0	0	0,0	n.a.
Total Impairment		112.5	123,6	112.6	155.4	277.5	428.2	1.55%
Outstanding amounts covered by provisions		22,970	24,223	25,359	26,861	27,245	27,619	

EUR short term rates have decreased by +/- 1.3%, while medium/long term swap rates stabilised over S1 2024 and slightly decreased over S2. Refinancing conditions for clients slightly improved over 2024, leading to an increase in the mortgage activity in the second half of the year 2024. This increase in mortgage activity was however mainly related to existing real estate objects, while the activity on new objects ("VEFA") remained low. The economic environment is thus still expected to remain deteriorated in 2025 for some economic sectors (e.g. real estate developers or commercial real estate) and consequently the coverage ratios have increased for these sectors partly by applying management overlays and methodological changes to improve the forward looking considerations. Significant migrations to stage 3 were also observed for these sectors in 2024. The increase in stage 3 exposures on bridge loans for retail clients also contributed to the increase in provisions in 2024.



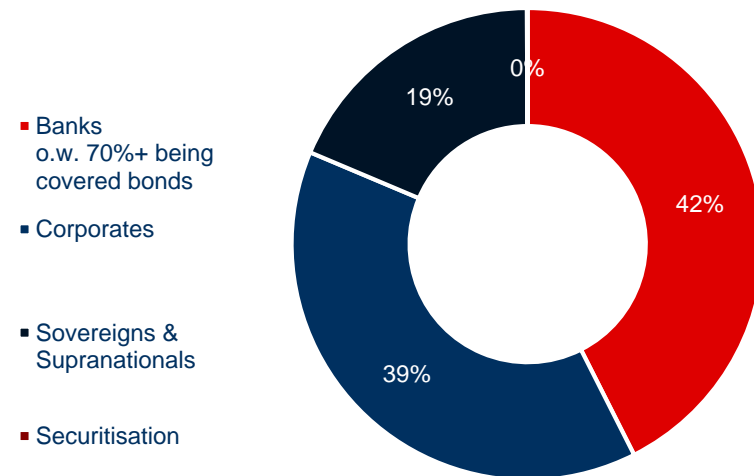
Asset Quality – 2024 Investment Portfolio ⁽¹⁾

Exposure by Geographical region - Investment Portfolio in EUR billion

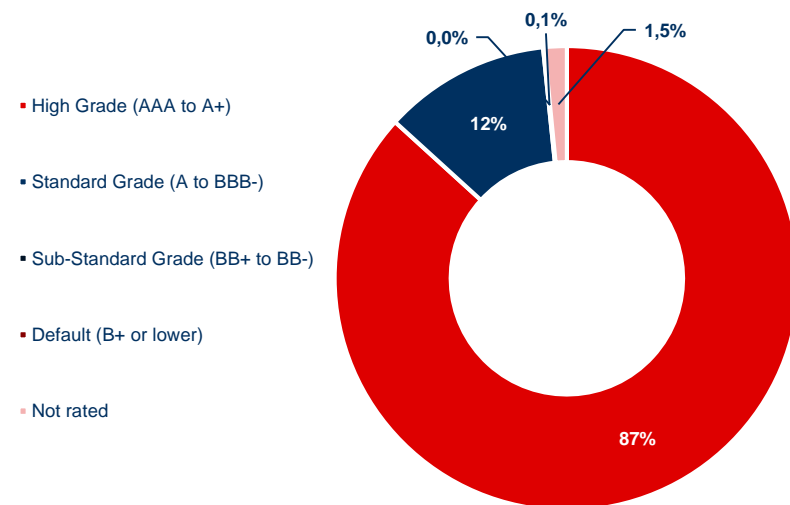


- Outstanding Fixed Income securities recognised at amortised cost amount to EUR 15.61 billion as of 31/12/2024 (EUR +0.78 billion compared to 2023). Financial instruments recognised at amortised cost represent 82% of total financial instruments, while the other 18% are measured at fair value (OCI/P&L).
- Strong Credit Quality & liquidity of the Fixed Income portfolio remained a priority in 2024 and have further increased.
- Average maturity of 3.7 years and interest rate duration <1 Year (bonds being mostly hedged against IR risk via swaps)

Exposure by Sector - Investment portfolio



Exposure by Risk class - Investment portfolio



(1) Fixed Income securities recognised at amortised cost



04.

Solvency & liquidity



Solvency & Liquidity – Capital position^(*)

(*) Solvency & Liquidity information based on non-consolidated balance sheet data

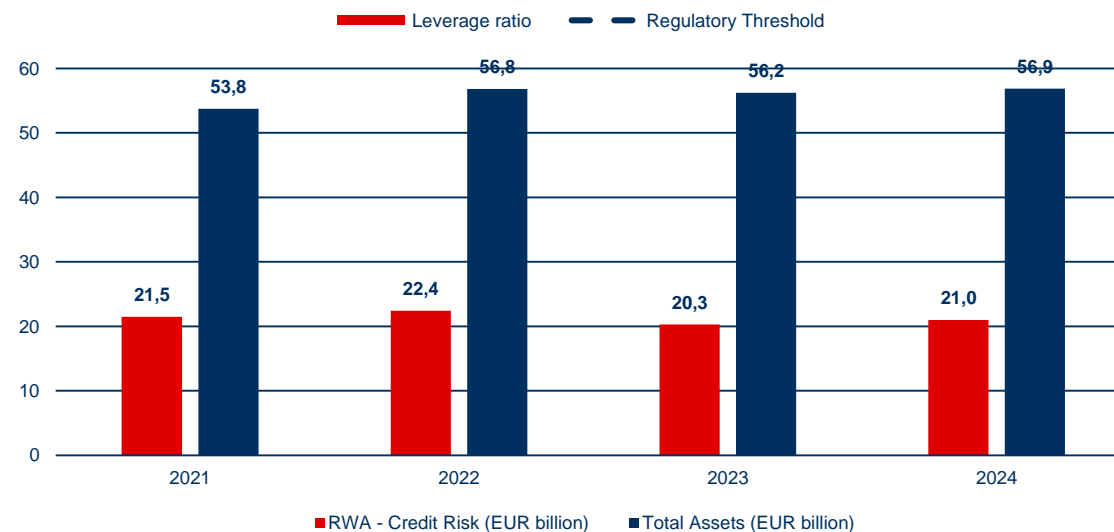
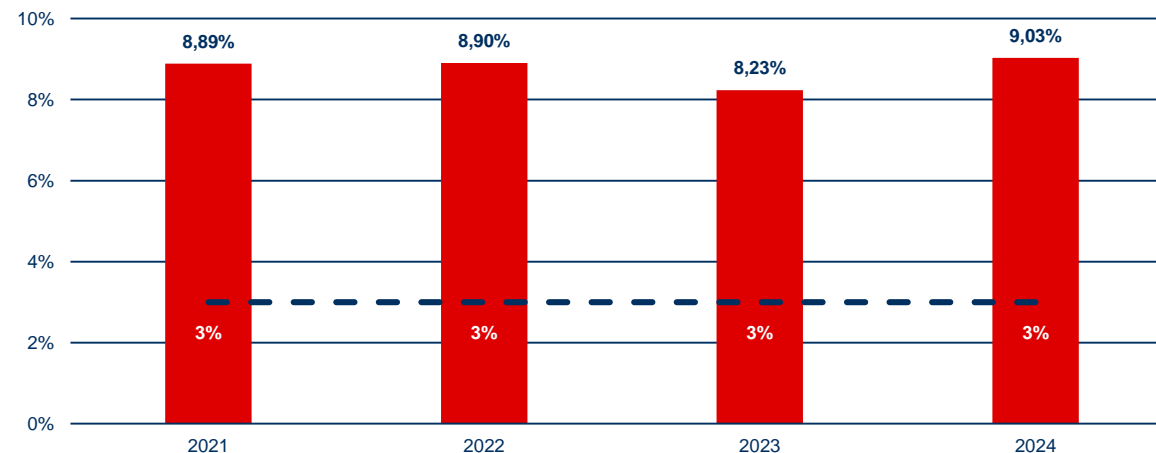
	2021	2022	2023	2024
Total Capital (EUR mln) ⁽¹⁾	5,036	5,251	4,816	5,414
Common Equity Tier 1 (EUR mln)	5,027	5,251	4,816	5,367
Total Capital as % of Total Assets	9.4%	9.2%	8.6%	9.5%
Risk Exposure (EUR Bln) ⁽²⁾				
Total Weighted Risk Exposure	23.25	23.91	22.11	23.26
Solvency ratios				
CET 1 ratio	21.62%	21.96%	21.78%	23.07%
Total capital ratio	21.66%	21.96%	21.78%	23.28%

(1) Non-consolidated data Pillar III disclosures. Totals may differ due to rounding.

Total Regulatory capital increased by EUR 598 million in 2024. The increase is mainly explained by:⁽²⁾

- + 318 million in revaluation reserves on strategic holdings, partially offset by an increase of prudential filter on non-liquid participations of 67 mln to be deducted ;
- + 281 million added to reserves (2024 profit after distribution);
- +22 million in defined benefit pension plans (actuarial gain);
- + 47 million related to provisioning excess over expected loss included in Tier2 capital.

(2) Non-consolidated balance sheet data and Pillar III EU CC1 report as of 31/12/2023 and 31/12/2024. 2024 net profit not yet added to Regulatory capital.



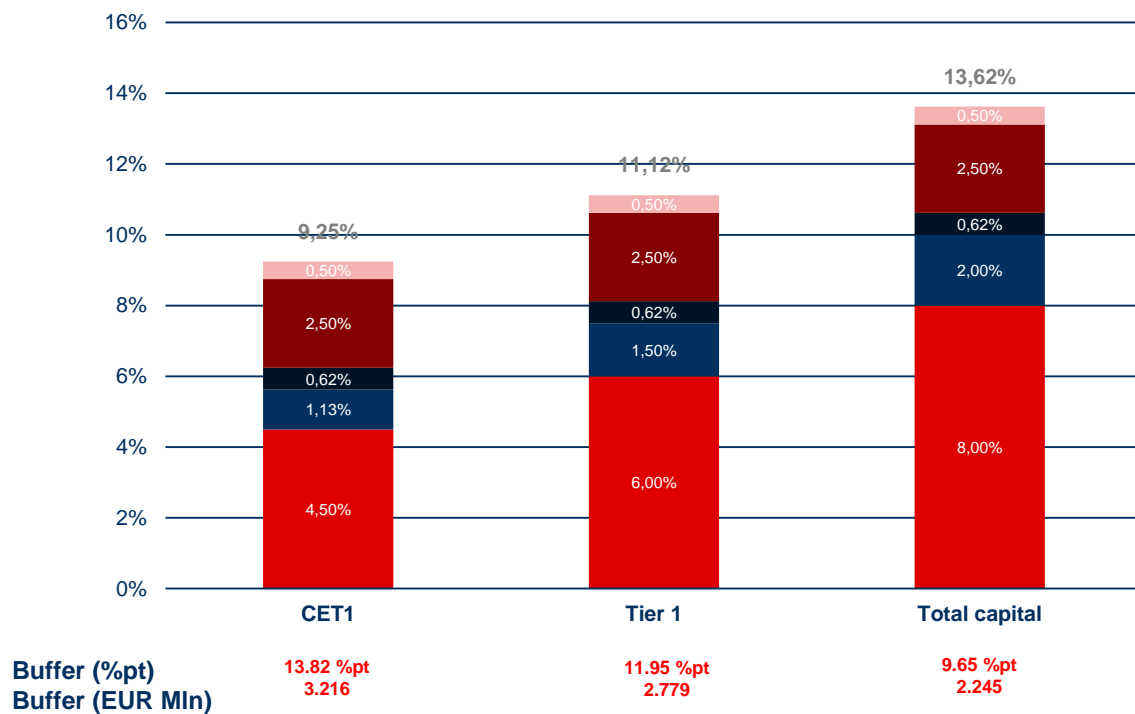
- The increase in Credit Risk RWA Outstandings is mainly linked to an increase of exposures towards Corporates in Standardised approach and increase in the EAD of strategic holdings.



Solvency & Liquidity – SREP Requirements(*)

(*) Solvency & Liquidity information based on non-consolidated balance sheet data

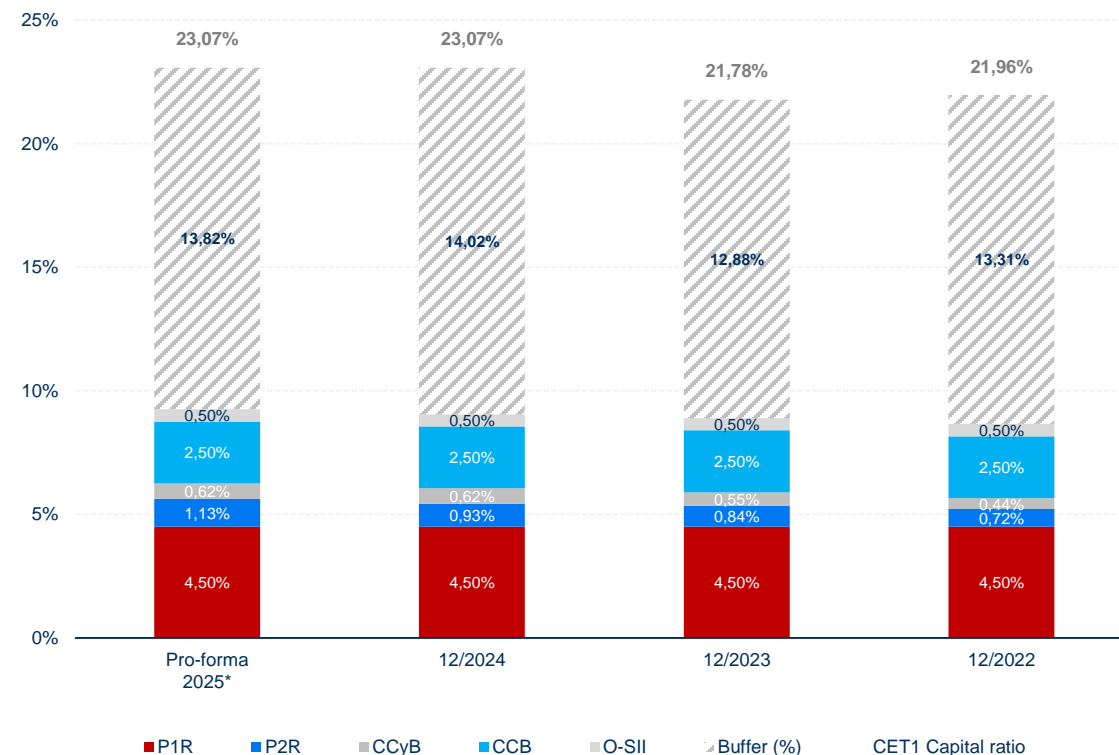
Fully loaded SREP requirements – Pro Forma 2025*



■ P1R ■ P2R ■ CCyB ■ CCB ■ OSII Total requirement

* Pro Forma 2025 includes requirements as of 31/12/2024 except for Pillar 2 Requirement for which 2025 requirement of 2% has been taken into account (compared to 1.65% in 2024).

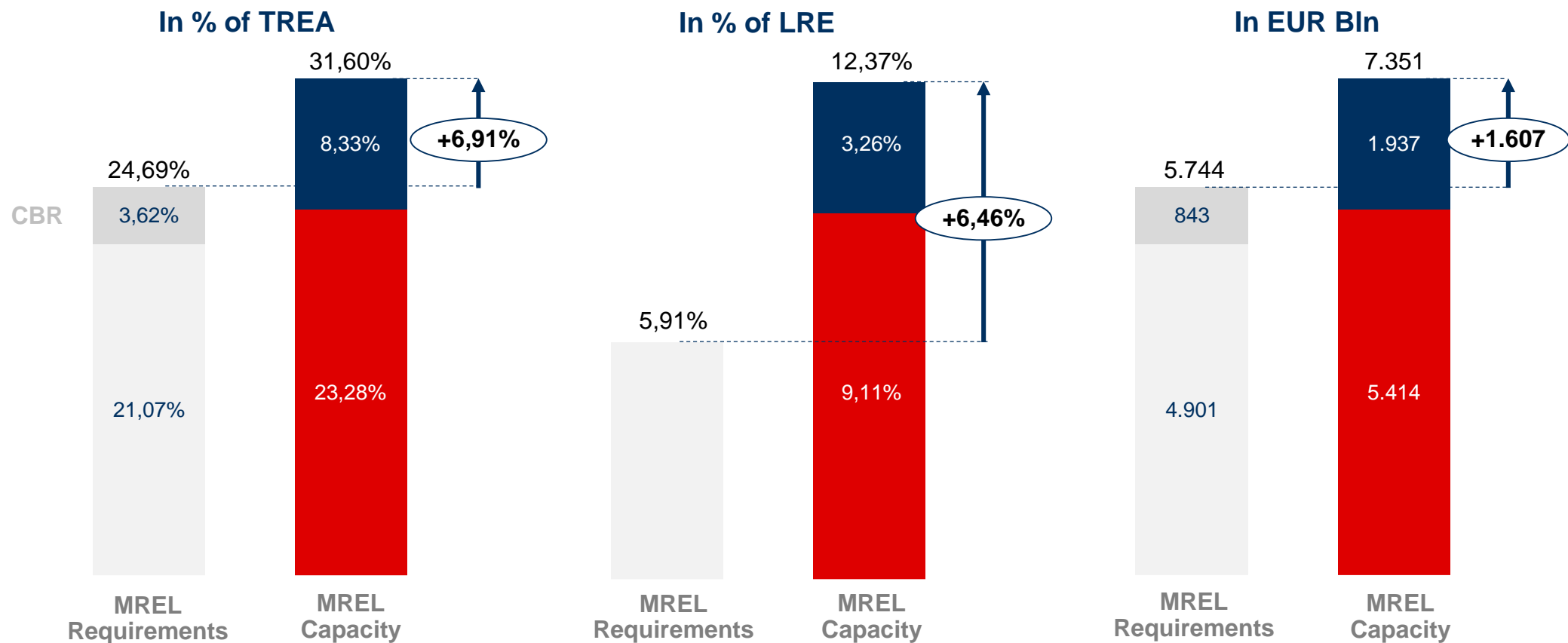
Evolution of CET1 ratio compared to fully loaded SREP requirements



- Fully loaded CET 1 requirement is 9.25%, o.w. :
 - 4.50% Pillar 1 Requirement (P1R)
 - 1.13% Pillar 2 Requirement (P2R)
 - 0.62% Countercyclical Buffer (CCyB)
 - 2.50% Capital Conservation Buffer (CCB)
 - 0.50% Other Systemically Important Institutions buffer (O-SII)
- Fully loaded Tier 1 requirement is 11.12% o.w. :
 - 1.50ppt AT1 layer
- Fully loaded Total Capital Requirement is 13.62% o.w. :
 - 2.00ppt AT1 layer



Solvency & Liquidity – MREL requirements



- Further to the MREL decision of October 2024, the regulatory MREL target to be met by Spuerkeess was the highest of 21,07% TREA and 5,91% LRE. The CBR equals 3,62% and, added on top of the MREL target (TREA based), the MREL MDA trigger amounted to 24,69% of TREA (or EUR 5.744 mln).
- The MREL capacity figures include the General prior permission (GPP) to reduce eligible liabilities for an amount of EUR 25 mln.

■ Senior preferred liabilities
■ Own funds
■ Requirement

Figures in EUR Mln at 31/12/2024



Guidelines for profit distribution

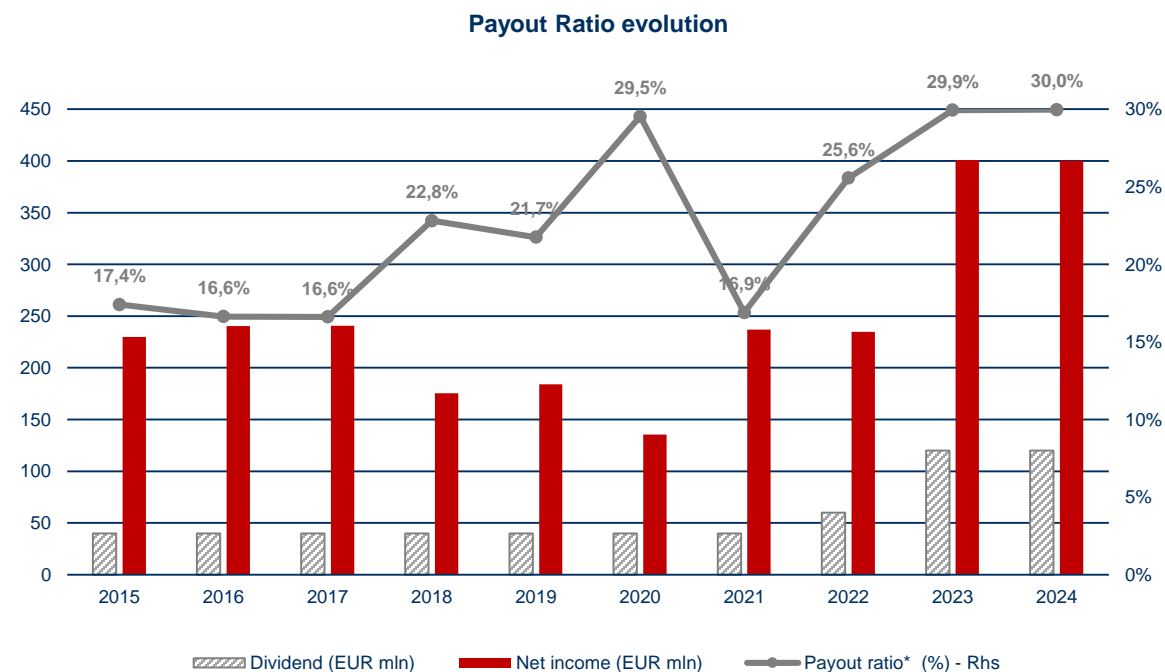
The Board of Directors of Spuerkeess, in its meeting of July 13th 2022, set the following guidelines for its yearly proposal on profit distribution to the Government Council for approval. Reinforcement of equity capital to guarantee an appropriate level of regulatory capital to support the evolution of the Bank's activities are key considerations of these guidelines to set the level of profit to be distributed to the State of Luxembourg.

A proposal for a profit distribution in a range between 25% and 50% of net profit in annual accounts is targeted if:

1. the Bank's own funds' ratio is equal to or greater than 20%;
2. the Bank's CET1 ratio is equal to or greater than 18%;
3. the Bank's stressed own funds' ratio remains equal to or greater than 15% after applying a stress scenario of a depreciation of the Bank's fair value accounting assets;

and considering, among others, the background of the prevailing macro-economic scenario and the Bank's budget forecasts and multiannual estimates.

- The range for profit distribution needs to be reassessed on a case by case basis if one or more of the preconditions set by the guidelines are not fulfilled.



* Payout ratio decided and computed based on standalone net income



Solvency & Liquidity – Liquidity position

HQLA PORTFOLIO⁽¹⁾

16.2

EUR billion as of 31/12/2024

62% are Hold-To-Collect

Cash deposited at Central Banks⁽²⁾

7.4

EUR billion as of 31/12/2024

Loan-to-Deposit⁽³⁾

65.4%

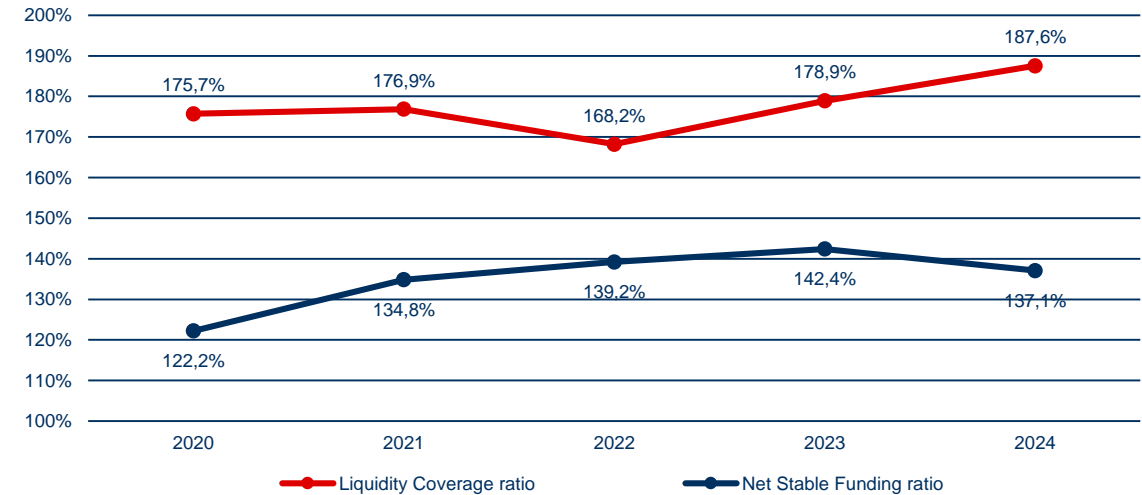
as of 31/12/2024

- (1) LCR report C.72 as of 30/06/2024
(2) Consolidated Balance sheet data as of 31/12/2024
(3) Customer Loans to Customer deposits from Consolidated Balance sheet data as of 31/12/2024

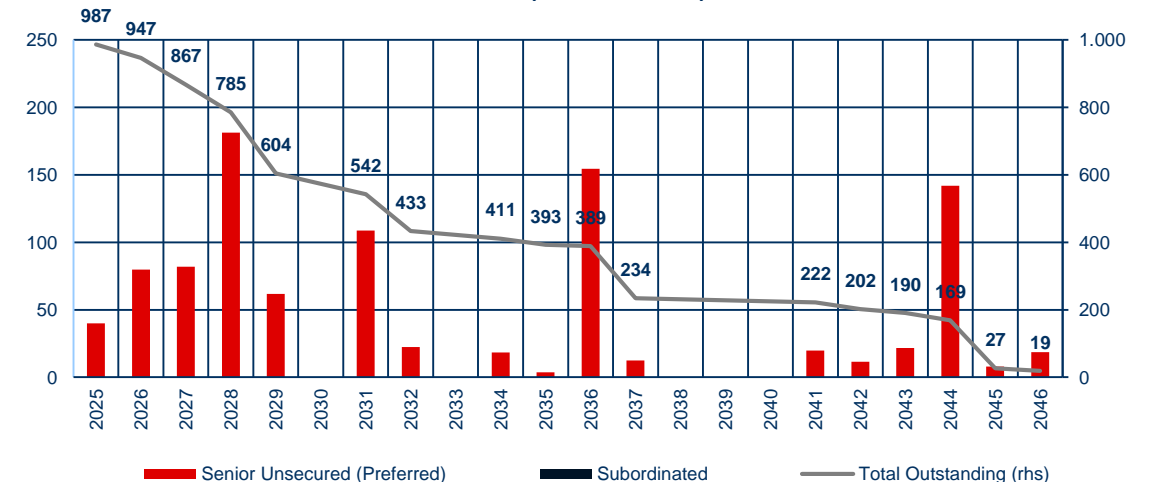
Spuerkeess has a stable and diversified liability base, notably in the form of a :

1. Solid customer deposit base (Retail; Corporate-SME; Public sector); non wholesale funding represents 81% of the liability base as of 31/12/2024
2. Wholesale customer deposit base (Institutional and interbank funding)
3. Commercial Paper Programme – Maximum outstanding of USD 8 billion
 - Euro Commercial Paper (ECP) – USD 5 billion - rating A-1+/P-1
 - US Commercial Paper (USCP) – USD 3 billion - rating A-1+/P-1
4. EMTN Programme – Maximum outstanding of USD 8 billion⁽⁴⁾
 - Senior Preferred Debt (AA+/Aa3)
 - Senior Non Preferred Debt
 - Subordinated Debt (A3)

LCR & NSFR



EMTN debt - contractual maturity profile as of 31/12/2024 ⁽⁴⁾ (in EUR million)



(4) No Subordinated Notes outstanding as of 31/12/2024. Issuances in 2025 continue to focus on Senior Preferred Notes.



Solvency & liquidity – Credit ratings

S&P Global - Ratings

Long Term Issuer Credit	AA+
Short Term Issuer Credit	A-1+
Outlook	Stable

Moody's - Investors service

Long Term Deposit rating	Aa2
Secured Unsecured Debt rating	Aa3
Short Term Deposit rating	P-1
Outlook	Stable





05.

Sustainability



Sustainability – Our ambition₍₁₎

- Sustainability is a core element of Spuerkeess' global strategy. The Bank's approach is built around 3 main Pillars: (1) Commit to net-zero target. (2) investing in a sustainable future and (3) act in a responsible manner. Spuerkeess' ambition is to be a Transition Enabler, in order to raise awareness among our customers (lenders and investors), support them in their projects towards a more sustainable economy and to improve their resilience to climate risks (risk mitigation).
- In order to achieve our ambitions and based on the results of our double materiality assessment (conducted in accordance with the requirements of ESRS* standards) and the voluntary commitments of the Bank, we have identified the following material topics to focus our efforts on and ultimately achieve the Bank's strategic objectives.
- Our priorities are the following:
 1. **Climate Change**
 2. **Our Own Workforce**
 3. **Consumers and End-users**
 4. **Business Conduct**
 5. **Transition-oriented products and services**
 6. **Human Rights**
- Spuerkeess will continue to encourage the stakeholders within its sphere of influence to gradually shift towards new business models and become more sustainable companies.

* European Sustainability Reporting Standards 2024





Sustainability – Environmental Impact

Our own operations carbon footprint

In tonnes of CO ₂ e	2022	2023	2024	Change as % (2024/2023)
Scope 1 direct emissions	1,638	1,305	1,381	+5.9%
Scope 2 indirect emissions (market-based)	132	106	93	-12.3%
Scope 3 other indirect emissions	2,312	3,230	12,221	+278.4%
Total (market-based)	4,082	4,641	13,695	+195.1%

Targets Scope 1 emissions:



- Our carbon footprint has been established in accordance with the internationally recognised Greenhouse Gas Protocol. Main changes compared to 2023 result mainly from the extension of the scope of our scope 3 emissions to include professional mobility, furniture, services and goods as well as construction and renovation.



Sustainability – Environmental Impact

Our banking activities carbon footprint

Exposures per asset class	Financed absolute GHG emissions 2024 from our banking activities						
	Gross carrying amount (in mio €)	Scope 1 & 2 (in tons of CO2e)	Scope 3 (in tons of CO2e)	Scope 1&2&3 (en tonnes CO2e)	PCAF coverage (in %)	Average data quality score	Financial intensity "Scope 1 & 2" (t Co2e/mio EUR)
Total climate relevant sectors - Non-financial corporations (included in GHG calculations)	27.607	993.244	2.492.695	3.485.940		3,11	
of which corporate bonds (without Green Bonds)	2.539	140.790	2.073.632	2.214.422	100%	2,31	55,45
of which exposures from automotive sector	193	1.368	245.680	247.048			
of which exposures from power generation sector	165	20.475	105.703	126.178			
of which exposures from oil & gas sector	182	43.396	630.173	673.569			
of which corporate equities	1.128	390.170		390.170	94%	1,53	490,16
of which exposures from passenger airline sector	565	58.385		58.385			
of which exposures from freight airline sector	499	331.785		331.785			
of which national residential mortgage loans	18.957	111.900		111.900	100%	2,81	5,90
of which business loans	4.983	350.384	419.063	769.447	100%	5,00	70,44
of which exposures from construction sector	1.449	12.042	72.401	84.443			
of which exposures from transportation & storage sector	568	22.635	43.109	65.744			
of which exposures from manufacturing sector	366	44.286	119.113	163.400			
of which exposures from electric utilities sector	308	160.060	53.728	213.788			
Total non-climate relevant sectors - Non-financials corporations (included in GHG calculations)	1.589	41.770	209.356	251.126		3,39	
of which business loans (green bonds excluded)	931	23.605	139.925	163.530	100%	2,25	25,35
of which corporate loans	658	18.165	69.431	87.596	100%	5,00	27,61
Total climate relevant sectors - Non-financials corporations (not included in GHG calculations)	1.715						
Total sectors not covered by GHG calculations	28.204						
of which financials	21.470						
of which governments	4.017						
Total Gross Carrying Amount	57.526						

Sector / Activities	Outstanding Amount (in mio EUR) 2024	Metric	Pathway / Scenario	Baseline 2022	2024			2025 Target	2030 Target
				Portfolio Value	Pathway Value	Portfolio Value	Alignment	Pathway Value	Pathway Value
Oil & Gas	182	gCO2e/MJ	IEA 2°C	71,05	62,03	67,78	● 9,11%	54,26	24%
Power generation	165	gCO2e/Mwh	IEA 1,5°C	0,16	0,39	0,16	● -58,97%	0,19	-16%
Automotive	193	gCO2e/km	IEA 2°C	129,60	117,20	119,69	● 2,12%	80,91	48%
Cargo airlines	499	gCO2e/FTK	IEA 1,5°C	488,00	522,00	515,00	● -1,34%	415,20	24%
Passenger airlines	565	gCO2e/RTK	IEA 1,5°C	1.052,00	870,00	934,00	● 7,36%	692,00	35%
Mortgage loans	18.957	kgCO2e/sqm	NPCE 1,5°C	28,89	/	31,66	/	24,10	31%

					2024 Value	2025 Target	2030 Target
Own operations		tCO2e / FTE	/	1,17	1,06	1,00	/

- Below pathway
- <10% above pathway
- >10% above pathway

Our approach:

- Measure our exposures to the climate relevant sectors (according to the Regulation EU 2020/1818) : **51% in 2024**.
- Measure our emissions by applying the Global GHG Accounting Reporting Standard from PCAF. It covered **94%** of the climate relevant exposures.
- Perform materiality analysis and identify the most carbon intensive sectors: oil and gas, power generation, aviation, automotives and mortgage loans activities.
- Select TPI (Transition Pathway Initiative) values to define the transition pathway and set targets for these sectors (except for mortgage loans where national pathway is used).

Our objective: Align financed GHG emissions with credible and science-based transition pathways consistent with the goals of the Paris Agreement and deliver our goals to achieve net-zero emissions across the Bank's portfolios (as a member of the NZBA).



Sustainability – Reducing Emissions

Regulatory requirements

Taxonomy Regulation:

- Taxonomy eligibility rate for FY 2024: 35.1%.
- Taxonomy eligibility covers all six EU environmental objectives*
- Objective: Improve the coverage and quality of information collected from our counterparties.

* Climate change mitigation, Climate change adaptation, Water and marine resources, circular economy, pollution, biodiversity and ecosystems

SFDR and MIFID II:

- Aligning with EU regulations: SFDR (Article 8 and Article 9 financial products) and MiFID II sustainability-related provisions.
- Spuerkeess offers ESG financial products, i.e. ESG (article 8 and 9) financial products and ESG discretionary mandate, labelled by LuxFLAG.

CSRD:

- Spuerkeess 2024 annual report includes sustainability statements in line with ESRS standards of the CSRD (*while CSRD has not been transposed into national law yet*).

Spuerkeess Green Asset Ratio (Situation 31/12/2024)

		Total environmentally sustainable assets	KPI****	KPI*****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (article 7 (2) and (3) and Section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article7 (1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	€ 1.271.218.718,92	2,52%	2,79%	93,76%	45,77%	6,24%
		Total environmentally sustainable assets	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (article 7 (2) and (3) and Section 1.1.2 of Annex V)	% of assets excluded from the denominator of the GAR (Article7 (1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR flow	€ 152.823.896,84	1,52%	1,63%	18,72%	14,18%	-2,10%
	Financial guarantees	€ 0,00	NA	NA			
	Assets under management	€ 169.496.673,69	7,62%	11,37%	18,18%		

***% of assets covered by the KPI over banks' total assets

****based on the Turnover KPI of the counterparty

*****based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

Voluntary requirements

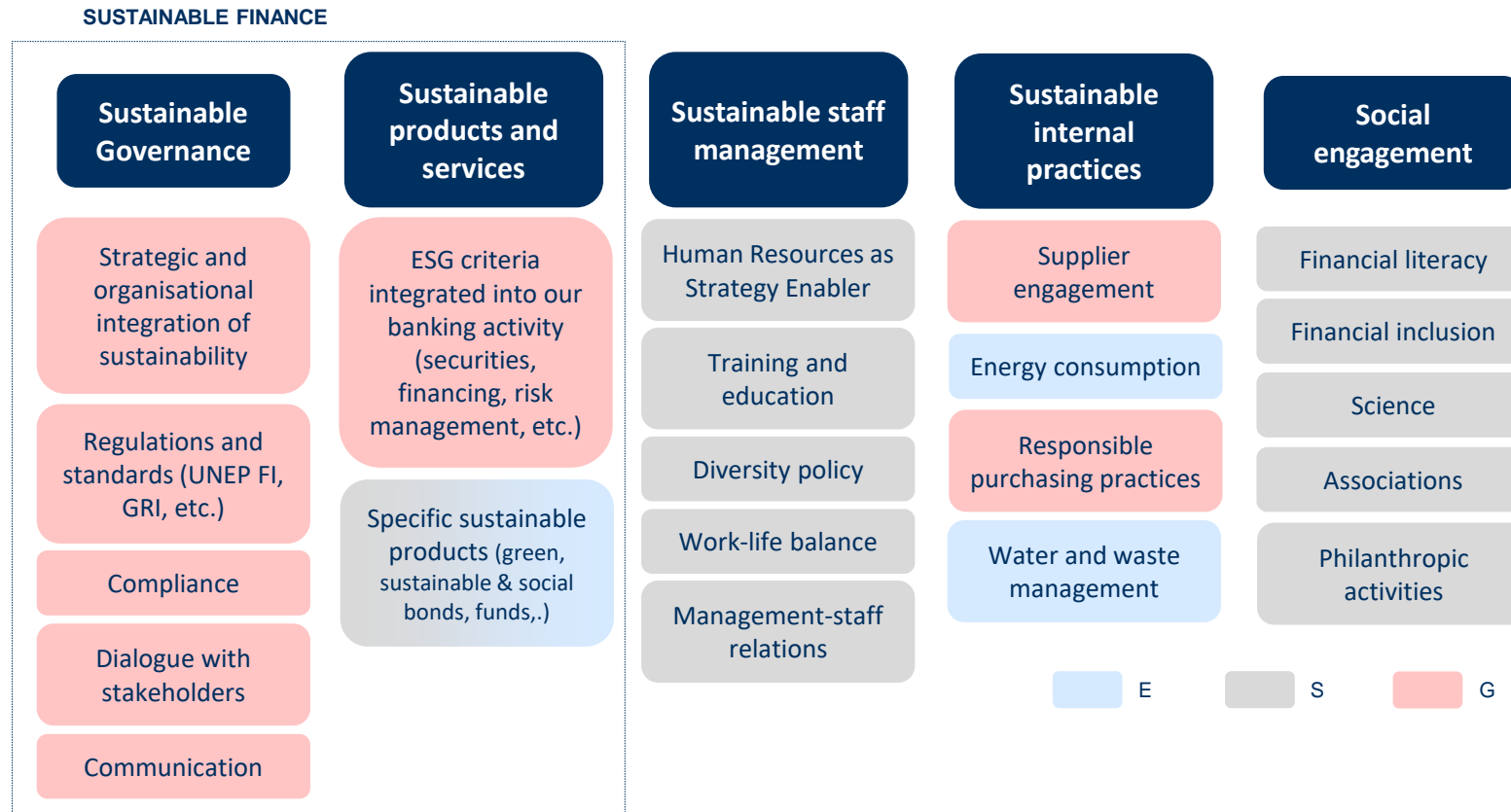
- In 2021, Spuerkeess joined the **Net-Zero Banking Alliance (NZBA)** to commit to a net-zero economy by setting objectives and developing a transition plan to decarbonise the most climate-relevant sector exposures across its portfolios.
- Since 2019, Spuerkeess is signatory of the United Nations Environment Program Finance Initiative's **Principles for Responsible Banking (UNEP FI PRB)**



Sustainability – Reducing Emissions

The Bank's strategy is to take environmental, social and governance concerns into account so they can be incorporated into its actions, products and services, as well as its projects.

Spuerkeess' sustainability strategy is built around **five main pillars**:





Sustainability – ESG Risk Management

Spuerkeess has implemented an “Enterprise Risk Management Framework (ERMF)”, which comprises a set of cross-functional and interdependent processes used to detect, identify, assess, measure, monitor and report risks throughout the Bank. ESG risks are fully integrated into the various components of this ERMF, namely:

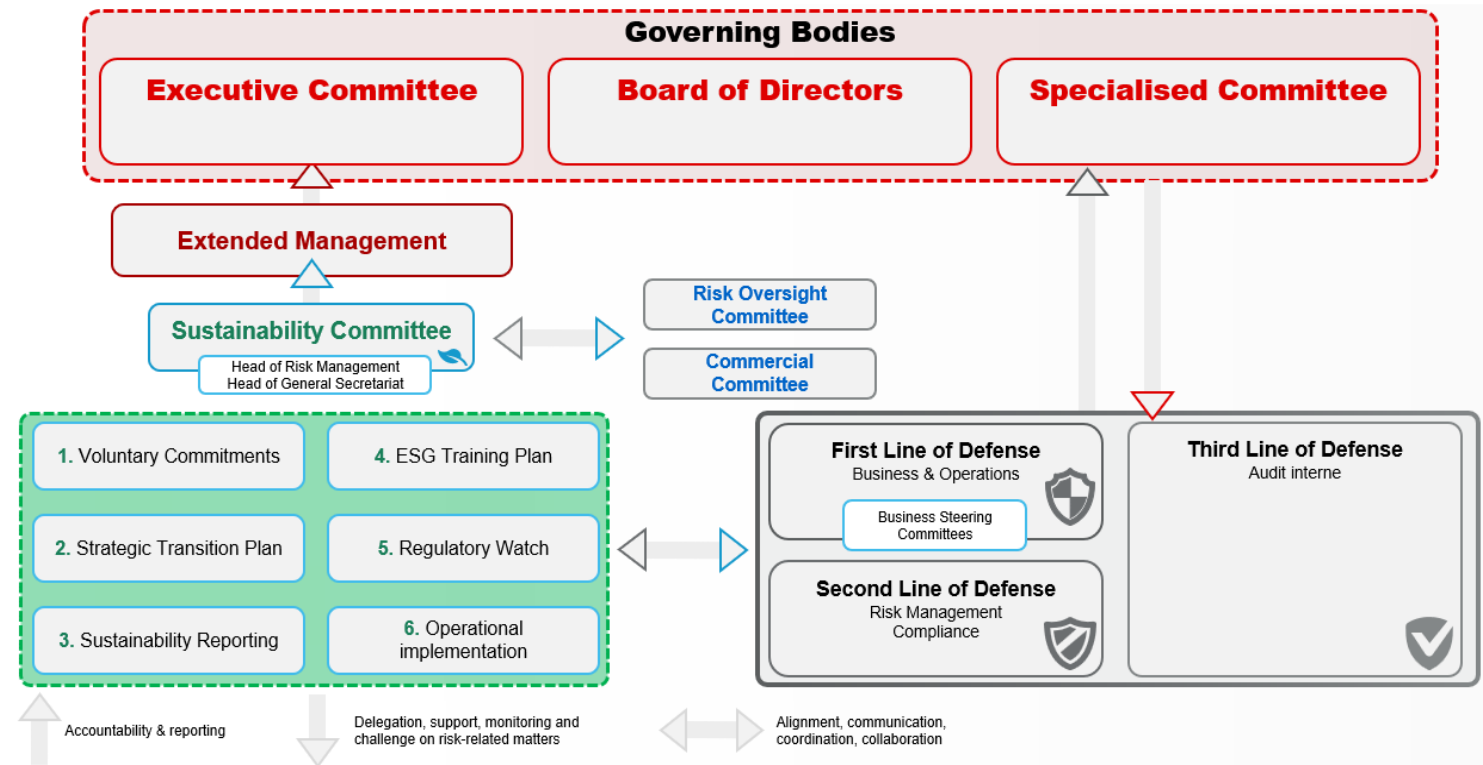
- **Risk identification**; in which the Bank carries out a detailed mapping of climate and environmental risks likely to affect its activities, between physical risks and transition risks.
- **Risk Appetite Framework**; the indicators for monitoring climate and environmental risks, together with the corresponding limits and targets defined in the “Limit Handbook”, are also fully integrated into the Bank's RAF.
- **Stress Testing Framework**; the Bank has integrated climate scenarios into its “stress testing framework” in order to assess the resilience of its various portfolios to extreme scenarios linked to climate change and environmental deterioration.
- **Monitoring and reporting**; Spuerkeess has set up an internal report dedicated to ESG risks, which includes a set of relevant indicators to track changes in the Bank's exposure, particularly to climate and environmental risks.



Sustainability – ESG Governance

Sustainability topics are integrated into Spuerkeess' governance framework.

1. **Board of Directors:** Guide the Bank's strategy on sustainability, oversee related impacts, risks, and opportunities, and approve the sustainability report and ESG policies
2. **Executive Committee:** Execute and monitor the sustainability strategy, and validate the sustainability report and ESG policies
3. **Strategic & Sustainability Office:** Ensures sustainability, proposes, oversees and monitors the ESG strategy and is the center of ESG expertise.
4. **Risk Management Department:** Participates in climate stress tests and performs risk mapping.
5. **Sustainability Committee:** Ensures transversal coordination of the implementation of the sustainability strategy and reports progress.





Sustainability – Human Capital Development

Development of Key Skills:

- The Bank has implemented a **new skills management policy**. → More objectivity and career development opportunities to employees during nominations and internal mobility.
- Spuerkeess encourages career progression and enhances leadership skills at various levels of the Bank.
- Invest in comprehensive training and skills development programs.

Turnover rate
(excluding retirements)



4.53%

Average hours of
training



42.16

Agents' internal
mobility:



184

Performance Management:

- Annual individual interviews to reiterate job descriptions, take stock of work, address well-being, and promote communication.
- Identify employees open to mobility and prepare them for supervisory and functional responsibilities.
- Determine training needs to support career development.

Diversity:

- Diversity is also represented by around twenty different nationalities within the Bank.
- Minimum representation of the under-represented gender of 40% on management bodies by 2025.
- Increase the under-represented gender in supervisory/functional roles to at least 30% by 2025.

Men/
Women

59.80%



1,166

40,20%



784

Different
nationalities



21

Average age



44



Sustainability – Consumer Financial Protection

Product Governance

Spuerkeess commits to responsible management of its financial products and services, ensuring that they are designed, marketed, and delivered to uphold ethical standards and protect customer interests. This encompasses policies against discriminatory lending practices, false marketing, and predatory lending.

Spuerkeess' Corporate Social Responsibility (CSR) policies outline several key areas that reflect its dedication to ethical product governance.

- **Statement of the Fair advertising and marketing policy** : The policy ensures that all advertising and marketing practices are fair, transparent, and not misleading, thereby protecting customers from false information.
- **Statement of the Debt collection policy** : The policy emphasizes ethical practices, ensuring that all collection activities are conducted with respect for the customer's situation and in compliance with legal standards.
- **Statement of the ESG exclusion policy** : The policy outlines the criteria for excluding certain investments or financing activities that do not align with the Bank's ethical standards, thereby ensuring responsible product offerings.
- **Statement of the responsible credit & investment portfolio policy** : The policy outlines that Spuerkeess acts as a “socially responsible lender” in accordance with the social mission as defined by Art. 5 of the Organic Law of 24 March 1989.
- **Code of Conduct (ABBL)** : In the same context, Spuerkeess adheres to the “Code of Conduct” of the Luxembourg Bankers' Association (ABBL – Association des Banques et Banquiers, Luxembourg), which sets out several commitments that its members shall respect. Members shall act with loyalty, fairness and integrity and shall make every effort to behave in a socially responsible manner.



Sustainability – Consumer Financial Protection

Training on ESG topics ensures that we provide transparent, trustworthy, and compliant financial advice.

- **General ESG Trainings:** for all staff members in the form of e-learning.
- **Dedicated ESG training programs:** launched to steer all employees across four levels of expertise, raising awareness of all Bank's employees and upskill relevant categories of employees to the required level of skills.

Customer satisfaction rate according to the ILRES study

Customer satisfaction rate

	2021	2022	2023	2024
Net Promoter Score (NPS)	+42	+36	+42	+48
Excellent/very good performance	69%	71%	69%	71%

SDI satisfaction rate

	2022	2023	2024
Percent of calls surveyed	37.30%	34.20%	35.60%
Survey participation rate	8.70%	9.60%	10.70%
Customer satisfaction rate	94.90%	92.90%	89.90%



Sustainability – Corporate Governance

- **Board Composition:** 9 members :
 - two staff representatives,
 - two owner's representatives (Grand-Duchy of Luxembourg),
 - five independent members.
- **Supervision:** Supervised by the Single Supervisory Mechanism (SSM) of the European Central Bank (ECB).
- **Nomination Process:**

Nomination and Remuneration Committee

Proposes ideal candidates, considering knowledge, skills, experience, availability, and diversity.



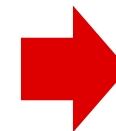
Assessment

Assesses new board candidate according to legal and regulatory rules.



Fit and Proper Procedure

Candidates undergo ECB's fit and proper procedure.



Approval

Committee's proposals submitted to the Board, then to the relevant Minister, and finally to the Government for final appointment.

Spuerkeess's diversity policy stipulates that the governing body (the Board of Directors and the Executive Committee) evaluates applications in such a way that, in accordance with current legal requirements, the proportion of the 'underrepresented' gender is not less than 40% among the members. Spuerkeess is a signatory of the *Women in Finance Charter* that aims to promote gender diversity within the Luxembourg financial sector. As such, Spuerkeess commits to foster increased gender equality and inclusivity across its entire organization with a specific focus on Senior Management.

Considerations related to sustainability and ethics are now taken into account when deciding to grant the “ITE” (Indemnity for Extraordinary Work). There is no specific ESG criteria for the remuneration of the Board of Directors or the Executive Committee.



Sustainability – Corporate Behavior

Our sustainability approach involves gradually adapting our activities, products, services, portfolios and processes to meet our stakeholders' expectations in relation to their concerns about key environmental, social and governance issues.

We also assist our customers with their sustainability transition through a range of solutions and sustainable products and services with a particular emphasis on climate and environmental objectives.

	What the economy needs	What the bank offers	How Spuerkeess generates value	Environmentally beneficial banking solutions	Socially beneficial banking solutions
Deposits	<ul style="list-style-type: none"> Safe place for excess liquidity (non-interest bearing accounts: current accounts) Low-risk returns (interest-bearing accounts: savings accounts, term deposits) 	<ul style="list-style-type: none"> Convenience Transparency Security 	Providing protected access to the money market and returns on excess liquidity Mitigating the risk between long-term lending and short-term funding	<ul style="list-style-type: none"> ETIKA alternative savings account 	<ul style="list-style-type: none"> ETIKA alternative savings account Youth offer: Tweenz, Axxess, Zebra (offered with diversity and education initiatives) Zebra Business - Welcome offer for entrepreneurs
Loans	<ul style="list-style-type: none"> Funds covered by future cash flow (personal & corporate loans, credit cards, factoring); Funds covered by tangible assets (mortgage loans, car loans, leases) 	Risk assessment	Estimating and pricing credit risk, allowing available funds to generate positive returns	<ul style="list-style-type: none"> ETIKA financing E-Mobility financing and leasing Sustainable housing: mortgage loans, sustainable renovation and energy financing (solar panels, photovoltaic installations, etc.) Financing of entrepreneurial projects (wind farms, e-mobility, etc.) Awareness-raising and incentives: One Stop Shop, ESG questionnaire, Ecobonus 	<ul style="list-style-type: none"> Student loans ETIKA financing Financing of social projects (educational facilities, social housing, etc.)
Transactions / Services	Ability to make and receive payments easily and efficiently	Efficient infrastructure	Offering the benefits of economies of scale and guaranteeing transaction security		<ul style="list-style-type: none"> Free youth offer Special terms and conditions for loyal customers and customers with specific needs S-Bus
	Conversion of foreign currencies across markets	Connectivity			
Investment service	Advice to retail customers on additional financial investment needs (retirement and protection)	Dedicated management and investment advice	Leveraging economies of scale, professional skills, and market access to create opportunities for customers	<ul style="list-style-type: none"> Green Lux funds (Lux-Equity Green, Lux-Bond Green) Activmandate Green (discretionary management) Environmental investment advisory solutions (ActivInvest) 	<ul style="list-style-type: none"> SpeedInvest (Robo Advisor) S-Invest Social investment advisory solutions (ActivInvest)
Corporate advisory	Corporate advisory, capital markets and risk management	Risk-benefit assessment		<ul style="list-style-type: none"> Greenomy 	



Balance sheet



Commercial



Sustainability – Corporate Behaviour

These values lie at the heart of our Code of Conduct.



Integrity



Fairness



Professionalism



Mutual respect

Business Conduct Policies

- Sustainable Development Policy
- Code of Conduct
- Remuneration Policy
- Data Protection Policy
- Whistleblowing Procedure
- Fair Advertising and Marketing Policy
- Statement of voluntary commitment in accordance with the principles of an economically, socially, ethically and environmentally responsible approach for supplier or service provider activities
- Responsible credit and investment portfolio policy
- ESG Exclusion Policy
- Debt Collection Policy
- Sustainability risks integration policy
- Report on supply chain due diligence policies and practices
- Policy relating to the supply chain for minerals and metals potentially coming from conflict-affected or high-risk areas (outside the European Union).

More details and information on most of our business conduct policies can be found at the following link: [Spuerkeess: CSR Policy of Spuerkeess](#)



Appendix





Governance – Supervisory board

Board of Directors (as of April 2025)

Mr. Camille FOHL	Chairperson
Mr. Nima AHMADZADEH	Vice-Chairperson*
Mrs. Bettina BLINN	Member
Mrs. Carmen JAFFKE	Member, Staff Representative
Mr. Pierre KRIER	Member
Mrs. Marilène MARQUES	Member, Staff Representative
Mrs. Chantal SCHUMACHER	Member**
Mr. François THILL	Member
Mr. Jean-Pierre ZIGRAND	Member

* Appointment as Vice-Chairman on 14 February 2025

** Appointment as member of the board on 1 April 2025



Seated from left to right : Mr. THILL, Ms JAFFKE, Ms. MARQUES and Mr FELLER,
Standing from left to right : Mr. KRIER, Mr. ZIGRAND, Mr. FOHL, Mr. AHMADZADEH and Ms BLINN.
(Mrs SCHUMACHER is not present in the photo).



Governance – Management board

Executive Committee (as of April 2025)



Romain Wehles
Directeur



Aly Kohli
Directeur Général adjoint



Françoise Thoma
Directeur Général



Doris Engel
Directeur



Olivier Wantz
Directeur



Glossary





Glossary – List of acronyms and specific terms

Acronym	Definition
CBR	Combined Buffer Requirement
CET 1	Common Equity Tier 1
ECP	European Commercial Paper
ECB	European Central Bank
EMTN	European Medium Term Notes
ESG	Environmental, Social and Governance
FV	Fair-Value
HQLA	High Quality Liquid Assets
IFRS	International Financial Reporting Standards
LCR	Liquidity Coverage Ratio
LRE	Leverage Ratio Exposure
MREL	Minimum Requirement for own funds and Eligible Liabilities
NPE	Non-Performing Exposures

Acronym	Definition
NSFR	Net Stable Funding Ratio
OCI	Other Comprehensive Income
O-SII	Other-Systemically Important Institution
RWA	Risk Weighted Assets
SME	Small and Medium Enterprises
SNP	Senior Non Preferred
SP	Senior Preferred
SREP	Supervisory Review and Evaluation Process
TREA	Total Risk Exposure Amount
UCI	Undertaking for Collective Investments
UN	United Nations
USCP	United-States Commercial Paper



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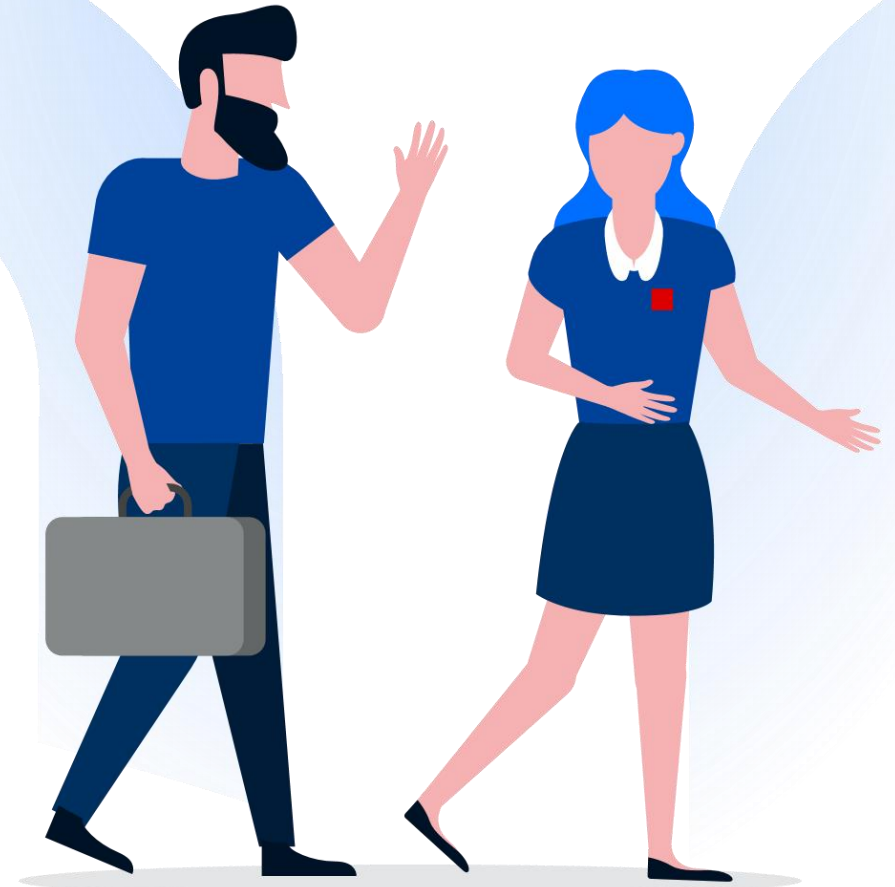
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