

Pillar III Disclosures
For the year ended 31 December 2022

Dell Bank International Designated Activity Company (d.a.c.)

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Overview

Principal Activities

Dell Bank International d.a.c. (“Dell Bank”, “the Bank”) was incorporated on 15 August 2011. The Bank’s immediate parent undertaking is DFS BV, a Company incorporated in the Netherlands and the Bank’s ultimate parent undertaking is Dell Technologies Inc. a public company incorporated in the United States of America. On 28 December 2018, Dell Technologies returned to being publicly traded on the New York Stock Exchange (NYSE) under trading symbol “DELL” by completing an exchange of all outstanding shares of its Class V Common Stock for a combination of cash and shares of Class C Common Stock.

The principal activity of the Bank has been the provision of financing solutions to end users of products and services sold by Dell/EMC entities in Europe. This includes leases and loan arrangements, rentals and asset management facilities to all Dell business segments and with third party providers.

The Bank is regulated by the Central Bank of Ireland (“CBI”) and has an Irish banking licence under the Central Bank of Ireland Act 1971 (as amended). The Bank is subject to the CBI’s Corporate Governance Code for Credit Institutions and Insurance Undertakings 2015 which imposes minimum core standards on all credit institutions licensed by the CBI. The Bank is not required to comply with the additional Corporate Governance Code requirements for High Impact designated institutions.

A special purpose vehicle, Dell Receivables Financing 2016 Designated Activity Company (d.a.c.) (the “SPV”), was incorporated on 9 September 2016 as part of a securitisation structure. The Bank and its controlled SPV are collectively referred to as (the “Group”). The SPV is a “qualifying company” as defined in Section 110 of the Taxes Consolidation Act 1997. The Bank began selling eligible receivables to the SPV from the 1 January 2017 and will continue to do so on a revolving basis. The SPV is funded by a senior loan facility provided by a number of external banks and by a junior loan facility provided by the

Bank. Operationally the Bank remains responsible for the credit management, servicing, collection, and administration of these assets (including receivables) under a Servicing Agreement between the Bank and the SPV. The Bank retains the credit risk associated with the receivables. In December 2020, the Group renewed the securitised loan facility.

In May 2021, the Bank established a €2 billion Euro Medium Term Note Programme enabling the Bank to issue unsecured debt. In October 2022, the Bank issued a €500 million senior unsecured note under this programme.

The Bank has historically operated in an environment of low inflation and low interest rates. However, interest rates increased significantly during 2022 as Central Banks began to tighten monetary policies and reduce the inflationary pressures driven by supply chain constraints and energy price increases. We are continuing to monitor the impact of these changes on the markets we operate in.

The Group is closely monitoring the fallout from Russia’s invasion of Ukraine and the global macroeconomic uncertainty that has emerged which has driven high global energy prices and exacerbated supply chain issues caused by the pandemic. The Group has no direct credit exposure to Ukraine, Russia or Belarus.

We continue to monitor the evolving pandemic in Europe and globally. We continue to closely monitor our credit profiles and remain focused on the wellbeing of our team members and supporting our customers. Further detail is noted in the Strategic Report.

The Group continues to monitor any impacts arising from uncertainty regarding Brexit and the Northern Ireland protocol and the implications for trade and relations between the EU and UK.

Capital Requirements Regulation & European Directives

The Capital Requirements Directive (CRDIV) and the Capital Requirements Regulation (CRR) were published by the European Banking Authority (EBA) on 27 June 2013. CRD IV and CRR came into effect on 1 January 2014.

Since their publication, CRR and CRD IV have been subject to numerous amendments including by CRRII and CRD V which were published in the Official Journal of the EU on 7 June 2019 and with a phased approach to implementation. In addition various technical standards have been published under CRR II and CRD V.

CRD and CRR in the context of this document describes the package CRR and CRRII as amended, CRD IV, CRD V, as amended, and regulations including technical standards.

CRD and CRR transposed the majority of the Basel III accord into law. The Basel III accord is made up of three Pillars.

Pillar I ("minimum capital requirements") sets out the regulatory prescribed rules for calculating the minimum capital requirements covering credit risk, operational risk and market risk along with set criteria for calculating the minimum Liquid Assets and Stable Funding requirements based on inflow/outflows and maturity mismatches. Pillar I ensures capital adequacy.

Pillar II ("supervisory review") requires banks to have in place an Internal Capital Adequacy Assessment

Process ("ICAAP"), under which banks calculate their own estimate of the capital requirements to cover all material risks and an Internal Liquidity Adequacy Assessment Process ("ILAAP"), under which banks calculate their own estimate of short term liquidity requirements and longer term funding requirements to achieve strategic objectives. ICAAP and ILAAP are forward looking and assess capital and liquidity adequacy under base and stress scenarios. The institution's ICAAP and ILAAP are subject to the Supervisory Review and Evaluation Process (SREP). The purpose of Pillar II is to address any institution specific risks that are not adequately covered by Pillar I and ensure sufficient capital is held for those risks.

Pillar III ("market discipline") requires disclosure to the market of certain qualitative and quantitative information relating to an institution's risk profile and risk management processes. Pillar III aims to promote market discipline through regulatory disclosure requirements.

This document presents the Bank's Pillar III disclosures as at 31 December 2022. The Bank is required to comply with the Pillar III disclosure requirements as an authorised credit institution by the Central Bank of Ireland (CBI).

Distinction between IFRS and Pillar III Quantitative Disclosures

It should be noted that there are fundamental differences in the basis of calculation between financial statement information based on IFRS accounting standards and Basel Pillar I information based on regulatory capital adequacy concepts and rules. While some of the Pillar III quantitative disclosures based on Basel methodologies may be comparable with quantitative disclosures in the

Annual Report 31 December 2022 in terms of disclosure topic covered, any comparison should bear the differences relating to the scope of application and calculations in mind.

The disclosures contained in this document have not been subject to external audit.

Scope of Application

The Bank's regulatory banking licence requires both Dell Bank International d.a.c (individual basis¹) and the Parent Company, DFS BV, (consolidated basis) to file regulatory returns with the CBI for the purpose of assessing, inter alia, their capital adequacy and balance sheets. In line with CRR requirements, the risk based figures provided in the tables contained within the document are derived from the year end consolidated COREP returns that were submitted to the Central Bank of Ireland.

The audited consolidated Financial Statements are presented for Dell Bank International d.a.c (individual basis) and therefore the scope of application differs to the Pillar III requirements.

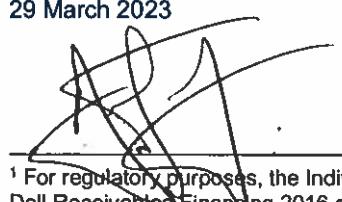
DFS B.V.'s sole purpose is to act as a holding company for the Bank. Therefore to reflect the risk profile of the Bank the qualitative information below has been presented on a solo basis.

In 2020, the EBA published Guidelines and Implementing Technical Standards which implement regulatory changes introduced by the CRR II and aligns the disclosure framework with international standards. These guidelines have set out prescriptive requirements for disclosing both qualitative and quantitative data. The EBA prescriptive templates for quantitative data can be found in the Appendices while the pertinent data is contained within the body of the document.

Pillar III Disclosures Statement

These disclosures represent the Pillar III disclosures of Dell Bank International d.a.c. as at 31 December 2022. They have been prepared in accordance with the requirements of the Capital Requirements Directive and Regulation (CRDIV) and with the Pillar III Disclosures Policy, internal processes, systems and controls of Dell Bank

Managing Director
Dan Twomey
29 March 2023



¹ For regulatory purposes, the Individual basis includes Dell Receivables Financing 2016 d.a.c.



2 Own funds and capital management

Own funds and capital management

2.1 Capital Resources

During 2022 the Bank was predominantly funded by capital (in the form of Common Equity Tier 1 (CET1)), a collateralised loan facility, a securitised senior loan facility, unsecured senior bonds and an intercompany loan from Dell Global BV (DGBV) a fellow subsidiary of Dell Technologies Inc. Dell Technologies Inc. has provided and will continue to provide, funding to the Bank (subject to any legal or regulatory requirements), to the extent that the Bank:

- Is not otherwise able to comply with the capital and/or liquidity requirements of CRD or the requirements set out by the Central Bank of Ireland; or,
- Requires funding to meet any business or lending commitment as and when they fall due.

The Group received a capital contribution of €75 million from its parent in 2022. In 2021, the Group received a €50m capital contribution from its parent.

The following table sets out the Own Funds of the Bank (see Appendix 1 for EBA disclosure templates including nature and amounts of the prudential filters² and Appendix 2 for a reconciliation of the own funds).

Regulatory Capital

<i>In thousands of Euro</i>	2022	2021
Tier 1 Capital		
Share Capital	50,018	50,018
Other Reserves	729,558	657,500
Goodwill	(13,226)	(13,226)
Intangible Assets	(990)	(1,827)
Deferred Taxation Assets	-	(127)
Retained Earnings	92,226	20,596
Adjustments to CET1	(7,127)-	(516)
Common Equity Tier 1	850,459	712,419
Additional Tier 1		-
Total Tier 1 Capital	850,459	712,419
Tier 2	-	-
Total Tier 2 Capital	-	-
Total Own Funds	850,459	712,419
Risk Weighted Assets	3,117,739	2,790,789
Total Capital Ratio	27.28%	25.53%

² Prudential Filters under article 36 of the CRR are; intangible assets and goodwill.

2.2 Capital Instruments

Minimum Capital Requirements

The Bank uses the Standardised Approach for the calculation of its Pillar I capital requirements for credit risk. The capital requirements for market risk are calculated in accordance with the Standardised Measurement Method. Operational Risk capital is determined using the Basic Indicator Approach. The following table sets out the minimum capital required of the Bank under CRD.

Own Funds Requirement – Risk Capital Held as at 31 December 2022

<i>In thousands of Euro</i>	Pillar I 2022	Pillar I 2021
Credit Risk Exposure Classes		
Central Governments and Central Banks	110	95
Regional Governments	1,146	984
Public Sector Entities	1,371	-
Institutions	33,697	24,504
Corporates	180,085	167,772
Default	11,180	10,665
Other Items	1,684	3,278
Market Risk		
Foreign Exchange Risk	210	329
Operational Risk		
Credit Valuation Adjustment	14,793	13,314
Total Pillar I Capital Requirements	249,419	223,263

The Bank assesses its capital adequacy on a Pillar I basis through the COREP³ process. The Bank also assesses the adequacy of its capital to support current and future activities through the Internal Capital Adequacy Assessment Process ("ICAAP"). The Bank's Asset and Liability Committee ("ALCO") is the primary management committee responsible for the ICAAP which is reviewed by the Risk Committee and approved by the Board⁴. The Risk Committee and the Board review and assess the capital needs of the Bank on a regular basis. A key objective of the Bank's Risk Appetite Framework is to meet its minimum regulatory requirements at all times.

³ Common Reporting (COREP) is a standardised reporting framework issued by the European Banking Authority for Capital Requirements Regulation reporting.

⁴ The Board or Board of Directors refers to the Management Body as defined in Article 3 (7) of the Capital Requirements Directive 2013/36/EU

2.3 Capital Management

The Bank's key objectives with regard to managing capital are:

- to comply with the capital requirements set by the Central Bank of Ireland.
- to safeguard the Bank's ability to continue as a going concern so that it can continue to provide returns to shareholders and benefits for other stakeholders.
- to maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored weekly by the Bank's Regulatory function. The Bank holds own funds in the form of capital which will always be more than or equal to the higher of capital requirements calculated under Pillar I or Pillar II (ICAAP).

2.4 Capital Planning

A number of different modelling tools are used in the financial and capital planning process. Modifications may be made to models based upon the requirements of the relevant planning or forecast cycle including new regulatory requirements. Refinements in forecasting methodologies as well as changing business dynamics may also result in adjustments to existing and/or creation of new planning models. Once all the inputs have been finalised a financial plan is reviewed and approved by senior management, ALCO and the Board. Updated forecasts are produced during the year taking account of latest developments and up to date outlook.

The capital plan is based on the Bank's approved financial plan which is sufficiently detailed in terms of asset class, industry sectors, currency breakdowns, and impairments and provisioning to enable a comprehensive view of the capital requirements projections. All key components of the Bank's Pillar I capital adequacy ratio are included in the plan. The Bank's Pillar I capital adequacy position is monitored on a continuous basis and reported to management weekly.

The ICAAP is aligned with the financial planning process. ALCO reviews the Internal Capital Adequacy Assessment Report (ICAAP Report) and recommends it to the Risk Committee who in turn review and recommend it to the Board. The Board review and approve the ICAAP Report.

3 Risk management

Risk management

3.1 Introduction

The Group's operations involve the evaluation, acceptance and management of risk in accordance with its risk appetite. The Group has in place an appropriate Risk Management Framework to identify, assess, manage, monitor, mitigate and report on the risks it faces. The Risk Management Framework establishes the high-level principles, culture, appetite and approach to risk management in the Group including roles & responsibilities, governance arrangements, and reporting requirements. The Risk Management Framework is reviewed and approved by the Board on an annual basis or as required.

Senior Management are responsible for the management of risk on a day-to-day basis, under the oversight of the Board. The Group has implemented a risk culture which promotes transparency and has established a risk governance structure that is supported by an appropriate Risk Management Framework, Risk Appetite Framework, and other policies, which reflect the size, complexity, and risk profile of the Group.

3.2 Risk Framework

The Board and Senior Management have designed the Group's Risk Management Framework and the Internal Control Framework to ensure the Group manages risks appropriately in pursuit of its strategic objectives. All key Group policies have appropriate regard to risk as an essential part of successfully operating the Group. Senior Management continually review the operations of the Group and assess the level of risk in line with the Group's Risk Appetite, its policies and procedures, changes in its products and services, and changes in the marketplace in which it operates.

Risk appetite defines the amount and type of risk the Group is prepared to accept in pursuit of its strategic objectives. The Group has in place a Risk Appetite Framework which sets out the Group's approach to all material risks expressed in both qualitative and quantitative terms. Material risks are deemed to be those risks which may impact the Group's ability to deliver on its business plan, service its customers, operate in a legal and compliant manner, impact the Group's brand and reputation or cause financial loss exceeding Risk Appetite tolerances. Non-material risks are deemed to be those risks which do not impact the Group's ability to deliver on its business plan, service its customers, operate in a legal and compliant manner, impact the Group's reputation and brand, and do not cause financial loss exceeding Risk Appetite tolerances.

The Board, as supported by Senior Management, is responsible for setting the Group's Risk Appetite and risk tolerance at a level which is commensurate with its business plan, the expectations and requirements of its parent and the Central Bank of Ireland (CBI).

- Credit Risk (including Credit Concentration Risk)
- Market Risk
- Funding & Liquidity Risk
- Operational Risk (including Cybersecurity risk)
- Residual Asset Value Risk
- Capital Adequacy Risk
- Regulatory Risk
- Reputational Risk
- Business & Strategy Risk
- Group Risk
- Environmental, Social and Governance (ESG) Risk

For each material risk the Group has defined risk tolerance levels, monitoring and reporting metrics and a comprehensive framework for managing each risk which includes policies, internal controls and management information. The Group also monitors other risks which have been determined to be non-material.

The stress testing programme, as part of a range of risk management tools, supports different business decisions and processes including strategic decisions. The results of stress tests are considered in the process of setting and reviewing the Bank's Risk Appetite and fixing exposure limits as well as a planning tool to determine the effectiveness of new and existing business strategies and their impact on capital utilisation. Stress testing is an integral part of the ICAAP and ILAAP. The Bank's ICAAP and ILAAP are forward-looking

and takes into account the impact of severe scenarios that could impact the institution. Stress testing reports provide the Board and senior management with a thorough understanding of the material risks to which the institution may be exposed.

Three lines model

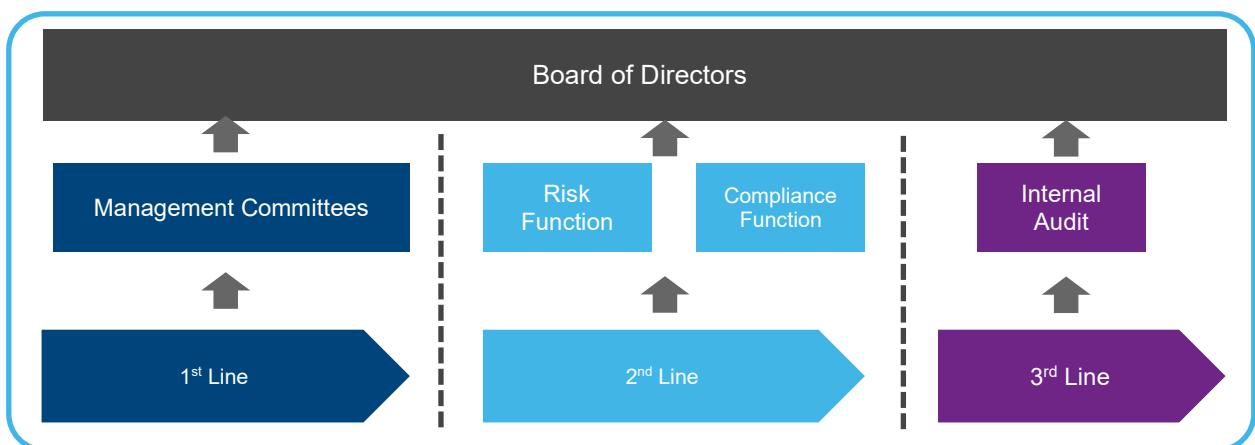
The Bank's Internal Control Framework is based on the Three Lines model to ensure that appropriate responsibility is allocated for monitoring, management, reporting and escalation where appropriate.

First Line: The Bank's first line is business support and unit line management. The first line is responsible for identifying and managing the risks inherent in the Bank's products, activities, processes and systems. This includes responsibility for implementing sufficient and appropriate controls to manage risk across the Bank. Management information and formal reporting lines are used to enforce, monitor and review the effectiveness of controls throughout the Bank. Periodic Risk Assessments and Control Self Assessments are completed by the business, through the Risk and Control Self-Assessment (RCSA) framework, as relevant, to identify and evaluate risk and existing mitigating controls.

Second line: The Bank's second line comprises of the Risk Management Function and the Compliance Function. Both the Risk Management and Compliance Functions are established at Senior Management level, have adequate authority and responsibility to fulfil these functions and report directly to the Risk Committee. They are independent of the business and support units they monitor and control and are organisationally independent from each other. The Risk Committee reviews and approves the annual Risk Management Monitoring Plan and the annual Compliance Monitoring Plan, which is completed by the Risk Management and Compliance Functions respectively.

Third line: The Bank's third line comprises of the Internal Audit function which provides independent, reasonable assurance to management, the Audit Committee, the Board and external stakeholders. It ensures that controls are in place for identified risks, that the controls are appropriately designed and operating effectively, and that the risks are being managed in accordance with applicable laws and regulations, including compliance with internal policies and procedures. The third line reviews the effectiveness of the first and second lines and makes recommendations for improvement as required.

The diagram below describes the Bank's risk information flow

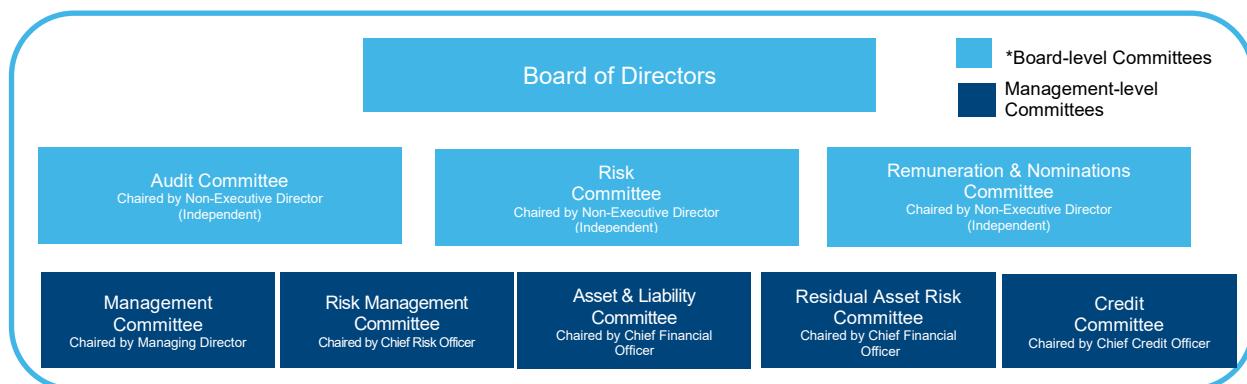


3.3 Risk Governance

The Bank's organisational structure is designed to promote prudent and effective risk management of the Bank's activities. The mechanisms through which this is achieved include:

- a documented Board Charter which sets out the matters reserved for the Board and through a Delegated Authority Matrix, matters it has delegated to Board Sub Committees and to Management.
- terms of references for all Board Committees* which set out the decision-making authorities and responsibilities of each committee.
- Management Committee Terms of References which set out the responsibilities and reporting lines for each of the Management Committees.
- The Risk Committee, a Board Sub Committee met four times during 2022 (2021: four times).

Diagram: Oversight– Management Committees



* The Board Sub Committees are: Audit Committee, Risk Committee, Remuneration and Nominations Committee as shown in the diagram above

Board-level Committees

The Audit Committee has been delegated responsibility by the Board to provide oversight in a number of areas including, but not limited to, the financial reporting process; the quality and integrity of the Group's financial statements and Pillar III disclosures; internal control framework of the Group; and oversight of the Group's external auditors. The Internal Audit Function reports to the Audit Committee. In addition to the standard agenda items, a proposed expansion of the hedge accounting programme and the Tax Request for Proposal (RFP) relating to tax consulting and corporate tax compliance were key areas of focus for the Audit Committee during 2022. Under EU rules the Bank, as a public interest entity, is required to rotate its external auditors every 10 years. During the year the Audit Committee completed an audit tender process and new external auditors (Grant Thornton) will be appointed in 2023.

The Risk Committee of the Group is responsible for oversight and advice to the Board on the significant risk exposures of the Group and future risk strategy. This includes credit risk, compliance and operational risks. The Risk Committee advises and makes recommendations to the Board on risk matters, including risk appetite, financial performance, capital adequacy, liquidity adequacy, recovery plans and policy. In addition to these standard agenda items climate and environmental risks are becoming a key focus area for the Risk Committee which are part of the broader ESG agenda.

The Risk Committee also oversees the Group's Risk Management Function. The Group's Risk Management Function supports the Risk Committee in carrying out its duties and responsibilities by providing appropriate reporting of the risks in the business. Responsibility for risk management policies and risk tolerances lies with the Board of Directors. The Board of Directors has delegated authority to the Risk Committee to take all actions necessary to perform its duties and responsibilities in overseeing risk.

The Remuneration and Nomination Committee is responsible for determining the remuneration Policy and Framework in compliance with CBI and European Banking Authority requirements. This includes identifying categories of staff with material risk-taking responsibilities and ensuring that fully compliant variable remuneration structures are in place. The Remuneration and Nomination Committee has oversight for recruitment of suitable candidates to fill the Board and Senior Management vacancies. The Remuneration and Nomination Committee is also responsible for reviewing and approving performance-based remuneration in accordance with regulatory requirements. In addition to the standard agenda items developments regarding the Individual Accountability Framework, diversity and inclusion and succession planning were key areas of focus for the Remuneration & Nominations Committee during 2022.

To further strengthen governance and independence, the Board has an Independent Non-Executive Director Forum ("INED Forum"). The Senior Independent Non-Executive Director provides a report on the issues discussed at the INED Forum to the Board.

Management-level Committees

The Management Committee is responsible for the overall day to day management of the Bank in accordance with its Terms of Reference and the Board Charter. The Management Committee is charged with the development, management and monitoring of strategy, change agenda and policies as appropriate, including approving changes to operational processes, procedures and internal controls and ensuring that any relevant documentation is updated to reflect such changes. It also reviews key management information in relation to the performance of the Bank, including financial performance, adherence to budgets and compliance with regulatory requirements.

In accordance with the Recovery Plan, the Management Committee will act as the crisis management team throughout the recovery period.

The Risk Management Committee ("RMC") is responsible for the monitoring and implementation of the Bank's Risk Management Framework. The RMC provides support to the Risk function and the Board Risk Committee in promoting an appropriate culture of risk awareness and overseeing the ongoing development of risk management processes across the Bank.

In addition, the RMC is supported by a number of Forums and Committees such as the Compliance Forum and Outsourcing Forum.

The Compliance Forum monitors compliance with laws and regulations and considers the impact of future legal and regulatory changes. The Outsourcing Forum oversees the management of risks arising from outsourcing certain activities.

The Asset and Liability Committee (“ALCO”) is responsible for the management of the balance sheet of the Group, including capital adequacy in accordance with the risk appetite approved by the Board, the Group’s Internal Capital Adequacy Assessment Process (“ICAAP”) and the Group’s Internal Liquidity Adequacy Assessment Process (“ILAAP”). ALCO is also responsible for leading the development of the Group’s Recovery Plan. ALCO oversees the establishment and maintenance of appropriate procedures for the management of liquidity risk, market risk and contingency funding that are consistent with the strategy and policy approved by the Board.

The Credit Committee has been delegated responsibility by the Board to implement the credit policies and ensure procedures are in place, to oversee the Credit Function and associated credit risk management. The responsibilities of the Credit Committee include; approval of credit proposals within its delegated authority, considering reviews of the internal credit controls, credit portfolio performance monitoring, including the impact on the credit quality of the portfolio and customer risk profiles from the economic effects of the pandemic. The responsibilities of the Credit Committee include establishing and developing the Credit Policy and recommending it to the Risk Committee for approval; implementing the credit authorities’ matrix, manual grading/rating methodologies and automated scoring thresholds.

The Credit Provision Committee is a subcommittee of the Credit Committee and is responsible for the overall management of the Group’s provisions. The responsibilities include monitoring adherence to the Group’s impairment policy, approval of the provisions and approval & monitoring of Expected Credit Loss (ECL) model components.

The Residual Asset Risk Committee of the Group is responsible for the setting, validating and monitoring of residual asset risk in the Group. The responsibilities include monitoring adherence to residual asset risk appetite and reviewing strategies and policies regarding setting of Residual Values.

Board of Directors

Appointments to the Board

In assessing a candidate for a Board position with Dell Bank International d.a.c., the Board will bear in mind the predefined criteria which illustrate the skills and attributes desired of candidates for the Board per the various regulatory requirements. This information will also be considered in light of the criteria to assess the knowledge, skills and experience of potential candidates as part of the process for considering whether the candidate is suitable for the role in question in a pan European, regulated credit institution.

Composition of the Board

There was one change made to the Board during 2022. This change was due to the resignation of an Independent Non-Executive Director after ten years on the Board.

Diversity and Inclusion is an important business imperative at the Bank. The Bank is committed to achieving a diverse Board of Directors in terms of the required skills, experience, residency requirements, independence, regulatory requirements and Dell Group experience. The Bank has a publicly disclosed Board Diversity Policy which states it will continue to review the composition as opportunities arise to change composition of the Board to ensure it moves towards targets and objectives set out in the Policy.

William Wavro

William Wavro joined the Dell Technologies Group in 2005 and is currently the President of Dell Financial Services (“DFS”). Prior to DFS, William served as CFO for the Global Commercial Business, supporting Dell’s customers and partners in the Consumer, Small and Medium and Corporate business spaces.

William spent 3 years based in Singapore as the CFO for Dell’s APJ business. He joined Dell Technologies as Vice President of Product Group Finance where he provided financial support to Dell’s R&D, product marketing, and operations organizations.

After graduating from the University of Texas with a degree in Accounting, William started his career with PwC in September of 1985. He planned and executed worldwide external and internal audit plans for Fortune 500 clients in a variety of industries with a particular emphasis in Technology.

William also spent 4 years in Europe with PwC servicing the needs of international clients on US GAAP accounting, statutory reporting, and international tax planning along with audit and consulting services. William joined Compaq in 1997 as a controller to help start up and lead Compaq Financial Services to what would eventually become a \$2 billion Financial Services organization. Through a progression of finance roles within Compaq, and then HP, he took over the role as CFO of the Personal Systems division of HP in 2003 before joining Dell Technologies in 2005. William is a Certified Public Accountant in the State of Texas.

William holds six other directorship positions within the Dell Technologies Group.

William is the Chair of the Board of the Bank.

Daniel Twomey

Daniel Twomey joined the Dell Technologies Group in 1997 from PwC. He was appointed Managing Director for Dell Bank International d.a.c on 25 February 2019 and at the same time was appointed to the Board. In this role he is responsible for all functions of the Bank including strategic execution, sales, finance, human resources operations, asset management, credit and compliance.

Prior to joining Dell Bank, Daniel progressed through a number of finance leadership roles in Dell Technologies covering manufacturing, operations, commercial, sales, and financial planning. Daniel graduated from the University of Limerick with a Bachelor of Business Studies (First Class Honours) and is a Chartered Accountant.

Daniel holds four other directorship positions within the Dell Technologies Group.

Hugh O'Donnell

Hugh O'Donnell joined Dell Bank International d.a.c in 2017 and serves as Chief Financial Officer ("CFO") and as an Executive Director of the Bank. Hugh has responsibility for the financial functions of the Bank including accounting, financial planning, pricing, treasury, tax, and regulatory reporting and in addition has a lead role in setting and executing the strategy of the Bank.

Before joining the Bank, Hugh held the position of CFO and Executive Director for Allied Irish Bank plc's (AIB) UK Division, a UK regulated Retail and Business Bank. Over his career, Hugh's experience centred on finance leadership roles in the Capital Markets, Group and UK Group Divisions of AIB and prior to that in corporate finance and auditing with Price Waterhouse Coopers. Hugh is a Chartered Accountant and a member of the Institute of Chartered Accountants in Ireland and also holds a Master's Degree in Accounting from the Smurfit Business School and a Bachelor of Commerce degree from UCD.

Hugh holds three other directorship positions within the Dell Technologies Group.

Tyler Johnson

Tyler Johnson is currently Senior Vice President and Treasurer of Dell Technologies where his global responsibilities include debt financing and interest rate risk management, capital markets, insurance, liquidity management, cash and investment management, and customer and supplier financing solutions. Tyler worked at Dell from 1995 to 2008 and re-joined in 2013 where he assumed his current role. Prior to Dell, Tyler served as Vice President and Treasurer for Cooper Industries, a global manufacturer of electrical products headquartered in Dublin. Tyler's previous roles have included Treasury, Financial Reporting and Analysis, and Internal Audit. After graduating from The University of Texas with a degree in Economics, Tyler started his career with Bank of America as a currency options trader, firstly in Los Angeles and later relocating to New York City with short term assignments in Hong Kong and Japan. Tyler is a CFA Charter holder since 2006.

Tyler holds seven other directorship positions within the Dell Technologies Group and one external directorship.

Julie Murphy O'Connor

Julie Murphy-O'Connor joined the Board of Dell Bank International d.a.c in December 2021 as an Independent Director. Julie is a qualified solicitor. She has been a partner in the law firm Matheson since 2008, where she specialises in financial services, corporate and cross-border commercial disputes and investigations. Prior to joining the board, Julie served as a non-executive director of semi-state company, Coillte d.a.c for nine years and chaired its Remuneration Committee. Julie graduated with a LLM from Trinity College Dublin and qualified as a solicitor in 1999. She is a Certified Bank Director and a member of the Institute of Banking.

Julie holds two additional directorships external to the Dell Technologies Group.

Julie is the Chair of the Bank's Remuneration and Nomination Committee.

Marie Mangan

Marie Mangan joined the Board of Dell Bank International d.a.c in December 2021 as an Independent Director. Marie has over 30 years of experience in the financial services sector combining experience as a regulator, industry practitioner and advisor to a diverse range of financial institutions both domestic and international.

Marie is currently a Non-Executive Director and Chair of Risk Committee of Macquarie Bank Europe DAC (appointed February 2020) and Guggenheim Partners Europe Limited (appointed July 2020). Marie is also a Non-Executive Director of a number of Muzinich entities (appointed November 2021) and of Avantcard DAC (appointed September 2022).

Prior to taking up non-executive director roles, Marie was Chief Risk Officer for Elavon Financial Services DAC (a subsidiary of US Bank NA) and previously held various roles including Head of Regulatory Advisory Services at KPMG, Senior Vice President and Head of Compliance at GMAC Commercial Mortgage Bank plc and Senior Regulator at the Central Bank of Ireland.

Marie is a member of the Institute of Directors in Ireland and The Institute of Banking and holds an MSc in Investment and Treasury from Dublin City University. Marie holds eleven additional directorships external to the Dell Technologies Group.

Marie is the Chair of the Bank's Risk Committee.

Roisin Brennan

Roisin Brennan joined the Board of Dell Bank International d.a.c in July 2016 as an Independent Director. Roisin is a former Chief Executive of IBI Corporate Finance Limited where she worked for over 20 years advising companies on a variety of transactions including IPOs and Mergers & Acquisitions. Roisin is a non-executive director of Ryanair Holdings plc and Ryanair DAC, Musgrave Group plc, Musgrave Limited and Glanbia plc. Roisin was a non-executive director of DCC plc from 2005 until 2016. Roisin graduated with a First-Class Honours Degree from University College Dublin and qualified as a Chartered Accountant with Arthur Andersen.

Roisin holds an additional five directorships external to the Dell Technologies Group.

Roisin is Chair of the Bank's Audit Committee and Senior Independent Non-Executive Director of the Bank.

3.4 Diversity and Inclusion

Diversity and Inclusion is an important business imperative at the Bank. The Bank is committed to achieving a diverse Board of Directors in terms of the required skills, experience, residency requirements, independence, regulatory requirements and Dell Group experience. The Bank has a publicly disclosed Board Diversity Policy⁵ which is in line with Article 435 CRR. As per the CRR the Bank must disclose the extent to which objectives and targets with regards to diversity are achieved. Progress on achieving the target set out in the Board Diversity Policy is monitored as changes in membership occur.

For the purposes of complying with CRR and CRD, this information is made public on the website of the Bank and the "management body" is the Board of Directors of the Bank.

⁵ https://i.dell.com/sites/csdocuments/Legal_terms-Conditions/Documents/en/board-diversity-policy.pdf

4 Key Risks

Key Risks

4.1 Credit Risk

Introduction

Credit risk represents a significant risk at the Bank. Credit risk refers to the risk that the Bank's customers fail to meet their scheduled payments for operating leases, finance leases and loans approved by the Bank's credit function in addition to credit risk arising from Treasury activities with other credit institutions such as placing of deposits with counterparties and from the purchase of interest rate and foreign exchange derivatives for economic hedging purposes.

The core values and main procedures governing the provision of credit are laid down in credit policy documents; these have been approved by the Board of Directors and are reviewed regularly.

Credit Risk Measurement

The Bank measures credit risk on an individual counterparty basis, utilising either an automated or manual credit underwriting process.

Automated credit decisions are based primarily on customer information obtained from 3rd party credit reporting agencies (Credit Bureau and Fraud databases) and are subject to automated credit-granting rules that utilise mathematically derived and statistically based credit scorecards. An integral part of the credit-granting process is a comprehensive set of management tools and controls that dictate acceptable credit score cut-offs and risk grades.

Management recognise that system generated scores cannot take into consideration all circumstances and information available to make automated credit decisions. The purpose of the manual adjudication is to reasonably estimate the likelihood associated with a customer's probability of default ("PD"). All manual credit decisions are on a case by case basis using a range of quantitative and qualitative factors that are suitable and applicable to the assessment. This methodology is used in both the original underwriting decisions and as part of the on-going risk management of the portfolio.

The Bank requires all customers to be graded under the internal grading system, including all new business, renewals of existing credit facilities and periodic reviews of liquidating exposures. Any change in a condition of a customer or a credit facility may have its risk grades reviewed and adjusted accordingly.

The Bank uses a sixteen point scale in assigning PD grades of customers. This PD grade scale is referenced to externally available customer ratings. The grades provide an estimate of a customer's Probability of Default within a 12 month horizon. Quantitative and qualitative measures are used to develop a PD grade. The probability of default will increase proportionally as the grade increases. The Bank uses a Loss Given Default ("LGD") which expresses the loss on a facility as a proportion of exposure. Quantitative and qualitative measures are used to inform the LGD grade. The percentage of exposure lost given a default scenario increases as the LGD grade increases.

Credit Risk Mitigation

The Bank structures the levels of credit risk it undertakes by placing limits on the amount of risk accepted in relation to one borrower, or groups of borrowers, and to geographical and industry segments. Such risks are monitored on a revolving basis and subject to an annual or more frequent review, when considered necessary.

Some other specific control and mitigation measures undertaken by the Bank to mitigate credit risk include the taking of corporate guarantees, personal guarantees, Letters of Credit, Insurance & customer own insurance. In respect of all lease contracts, the Bank retains the title of underlying assets as collateral. In the event of a default the Bank reserves the right to recover the leased assets.

Regulatory Credit Risk Exposures

Management of credit risk is in accordance with the Capital Requirements Regulation & Capital Requirements Directive collectively known as CRD. The Bank applies the standardised approach for calculating credit risk weighted assets and this is embedded in the Bank's daily operational management.

An analysis of the Bank's Credit Risk Assets is set out in the tables below:

Credit Risk Assets by Asset Class				
In thousands of Euro	Pillar I EAD 2022 ⁶	Average EAD during 2022	Pillar I EAD 2021 ⁷	Average EAD during 2021
Central Governments and Central Banks	775,889	894,567	829,366	635,058
Regional Governments	70,945	73,539	61,327	57,026
Public Sector Entities	30,686	21,169	-	-
Institutions	836,050	764,994	696,125	618,092
Corporates	2,435,887	2,073,487	2,255,503	2,212,254
Default	100,405	98,941	95,236	29,178
Other Items	19,901	23,667	40,642	56,468
Total	4,269,763	3,950,364	3,978,198	3,608,077
<i>Of which Counterparty Credit Risk (MTM approach as per CRR Article 274)</i>	132,723		60,736	

Use of External Credit Assessment Institutions ("ECAI's")

For Credit monitoring and decision making the Bank uses an internal ratings scale based on probabilities of default and ultimate loss to derive its own rating. These ratings may be supplemented by ratings from Moody's Investor Service and /or Standard and Poor's Ratings Agency ratings assessments.

In respect to COREP capital calculation purposes, where a counterparty is classed as a credit institution and it is rated by an ECAI, the Bank obtains the rating to calculate the required Risk Weighting. The Bank uses the Moody's Investor Service and Standard and Poor's Rating Group as its nominated ECAs for its rated exposures. In line with the provisions of Article 120 and 136 of the CRR, the ratings are mapped to a Pillar 1 credit quality step, which in turn is mapped to a risk weight. As per Article 121 (3), where the Bank has exposures to unrated institutions with an original effective maturity of three months or less, the risk weight shall be 20%.

As at 31 December 2022 the exposure classes for which ECAs are used by the Bank in calculating its Pillar 1 minimum capital requirements are as follows:

- Credit and Counterparty Risks and free deliverables – Institutions

The following tables detail the ECAI's association with the Credit Quality Steps and the related Exposure at Default:

⁶ Exposure at Default ("EAD") is defined as Exposure Value

⁷ Exposure at Default ("EAD") is defined as Exposure Value

ECAI's 2022

Short Term Exposures (Under 3 months' residual maturity)

In thousands of Euro								
Credit Rating	AAA	AA	AA-	A+	A	A-	BBB+	BBB
Credit Quality Steps for Short Term Exposures	1	1	1	2	2	2	3	3
Exposure At Default (EAD)	-	-	1	2,409	1	220	-	-

Long Term Exposures (over 3 months' residual maturity)

In thousands of Euro								
Credit Rating	AAA	AA	AA-	A+	A	A-	BBB+	BBB
Credit Quality Steps for Long Term Exposures	1	1	1	2	2	2	3	3
Exposure At Default (EAD)		58,266	112,145	109,598	120,175	9,390	4,413	29,098

Credit Risk Impairment and Provisioning Policies

Under IFRS 9 all credit exposures are subject to recognition of an impairment loss allowance for expected credit loss ("ECL"). ECLs are calculated through the impairment model which allocates financial instruments to stage 1, 2, 3 and POCI (Purchased or Originated Credit- impaired) and measure the appropriate 12 month or lifetime ECL.

ECLs are calculated as the sum of the marginal losses for each time period from the balance sheet date. The key components of the ECL calculation are Probability of Default (PD), Exposure at Default (EAD) and Loss Given Default (LGD).

A financial asset is credit-impaired "when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred". It is the policy of the Bank to adopt a definition of default consistent with the EBA guidelines. Obligors that are deemed to be unlikely to pay or that have material delinquencies of 90 days past due or more are considered defaulted. The Bank considers certain events as resulting in mandatory credit-impaired classification without further assessment regardless of delinquency status where appropriate.

Template 16: EU CR2-A – Changes in the stock of general and specific credit risk adjustments

In thousands of Euros	2022		2021	
	a	b	a	b
1 Opening balance	23,863		29,587	
2 Increases due to amounts set aside for estimated loan losses during the period	11,302		9,105	
3 Decreases due to amounts reversed for estimated loan losses during the period	(7,922)		(10,691)	
4 Decreases due to amounts taken against accumulated credit risk adjustments	(3,148)		(3,272)	
8 Other adjustments	840		(866)	
9 Closing balance	24,935		23,863	
10 Recoveries on credit risk adjustments recorded directly to the statement of profit or loss				
11 Specific credit risk adjustments directly recorded to the statement of profit or loss	(3,433)		(2,631)	

Counterparty credit risks

Counterparty credit risk is the risk that counterparties to derivative contracts will fail to meet their contractual obligations causing replacement losses to the other party. Counterparty credit risk arises from Treasury activities with other credit institutions including the execution of interest rate and foreign exchange derivatives for economic hedging purposes. The Bank uses the Mark-to-Market Method for measuring counterparty credit risk as outlined in Article 274 of the CRR. Under this method the positive replacement cost of a contract is added to the potential future credit exposure of a contract. The potential future credit exposure of a contract is determined by multiplying the notional value by an add-on factor. The add-on factor is determined by reference to the contract type and residual maturity.

The Bank mitigates counterparty credit risk by implementing netting techniques and exchanging collateral. Netting as outlined in Article 298 of the CRR, is employed where there are contractual netting agreements in place with counterparties. Netting can reduce the potential future credit exposure. The combination of the positive replacement cost, potential future credit exposure less netting benefits provides the Exposure at default (EAD). The Bank has the ability to call on collateral for in scope derivatives, as defined under the European Market Infrastructure Regulation.

Limits are set for specific tenors on the basis of product type. For the avoidance of doubt, the Bank cannot transact with a Treasury counterparty in the absence of an approved credit limit. The Treasury counterparty exposure is monitored on a daily basis. The Credit function reports the level of exposure for each Treasury counterparty to the Credit Committee. Based on recommendations from the Credit function, the Credit Committee may change the internal rating of a Treasury counterparty if its financial health deteriorates or market conditions change. It is the responsibility of the Bank's Credit function to establish and maintain the Treasury counterparty Credit Limits in the Bank's systems following the credit approval process. The Credit function reports any material breach of a Treasury counterparty Credit Limit to the Credit Committee.

The volatility of the credit spread of counterparties is captured through the application of CRD Standardised Credit Value Adjustment (CVA) Capital Charge.

Template 26: EU CCR2 - CVA Capital Charge

In thousands of Euros	2022		2021	
	a	b	a	b
	Exposure value	RWAs	Exposure value	RWAs
4 All portfolios subject to the standardised method	132,723	64,280	60,736	29,018
5 Total subject to the CVA capital charge	132,723	64,280	60,736	29,018

4.2 Market risk - foreign exchange risk

Foreign exchange risk is a financial risk caused by an exposure to changes in the exchange rates between two currencies. The Bank is a Euro denominated entity that engages in leasing business throughout the European Economic Area ("EEA") in the following currencies: GBP, CHF, USD, DKK, SEK, NOK, CZK and PLN. The Bank has transaction exposure as it has contractual non-Euro cash flows whose values are subject to changes in exchange rates. To manage the Euro value of the Bank's foreign currency denominated cash flows, the Bank runs an FX hedging program using foreign exchange derivatives. The Bank does not assume any discretionary risk taking in the form of trading book risk.

FX forwards converting non-Euro cash-flows to Euro are utilised to minimise the Bank's FX risk exposure. The risk Framework in place is the same as that for IRRBB where the residual un-hedged exposure is measured against the prescribed targets, triggers and limits which are based on a percentage of the Bank's own funds with performance reported to ALCo. The Bank may choose to obtain funding in Non-Euro currencies and will hedge these drawings accordingly with Foreign Exchange derivatives or through natural hedging with non-euro assets.

Template 34: EU MR1 - Market Risk under the Standardised Approach

<i>In thousands of Euros</i>		2022		2021	
		a	b	a	b
		RWAs	Capital requirements	RWAs	Capital requirements
3	Foreign exchange risk	2,632	211	4,107	329
9	Total	2,632	211	4,107	329

4.3 Interest rate risk in the banking book (IRRBB)

Interest rate risk is the risk that the Bank will experience deterioration in its financial position as interest rates move over time. This risk arises naturally through the conduct of business.

The Bank manages this risk by entering into interest rate related derivatives to manage the interest rate risk arising in its Banking Book. The Bank's portfolio of non-traded financial instruments principally comprises of commercial finance and operating leases, external loan facilities, and hedging instruments.

The main source of this interest rate risk is re-pricing risk, which reflects the maturity and interest rate bases mismatches that arise from the Bank's normal business. This is the risk that the interest earned on assets and paid on liabilities will change by different amounts if interest rates fluctuate owing to differences in the re-pricing characteristics of those assets and liabilities. The extent of the risk depends on the scale of the re-pricing maturity mismatches on the Bank's balance sheet.

Interest rate risk in the banking book is calculated on the basis of establishing the re-pricing risk ladder. The majority of asset and liability balances are profiled out by contractual maturity or re-pricing date. Non-financial assets and liabilities (mainly comprised of operating leases) are spread evenly across the risk ladder over medium and longer term maturities.

The Bank applies a range of stress scenarios to this profile to measure the overall level of interest rate risk and ensure that the exposure is optimally managed. One scenario applied is the Committee of the EBA "outlier" test based on a 200bps upward yield curve shock, others are designed to test exposure to the shape and slope of the yield curve. The EBA guidelines provide the maturity bucket percentage weightings and the residual unhedged risk position is then measured against prescribed risk limits.

The Non-Traded Interest Rate Risk (EVE) position during the course of the reporting period was:

	2022	2021
	€'000	€'000
200bps upward shock stress scenario as at 31 December	(987)	(1,450)
Average 200bps upward shock stress scenario for the reporting period 1 January – 31 December	(73)	242
Maximum 200bps upward shock stress scenario during the reporting period 1 January – 31 December	4,925	4,441

The Bank applies a 200bps upward ramped shock to its projected net interest margin over a one year period. The earnings measure is used to capture the short-term effect of the interest rate changes on earnings and therefore, indirectly through profitability, a short-term solvency effect. The risk position is then measured against prescribed risk limits.

The Non-Traded Interest Rate Risk (NII) position during the course of the reporting period was:

	2022	2021
	€'000	€'000
200bps upward shock stress scenario as at 31 December	(174)	(827)
Average 200bps upward shock stress scenario for the reporting period 1 January – 31 December	(1,039)	286
Maximum 200bps upward shock stress scenario during the reporting period 1 January – 31 December	(2,517)	2,082

IRRBB is monitored on a daily basis and the positions are reported regularly to ALCO.

4.4 Funding & Liquidity risk

Effective liquidity risk management is central to the building of a strong and solid balance sheet and is a key pillar in the Bank's core strategy.

Liquidity risk is the risk that the Bank is unable to meet its on and off balance sheet obligations when they fall due without incurring significant costs. Liquidity risk is highly dependent on the Bank's balance sheet characteristics such as the maturity profile of the assets and liabilities, the quality of its liquidity buffer, broader market conditions and access to sufficient market funding.

Funding risk can occur where there is an over-reliance on a particular type of funding, a funding gap or a concentration of funding maturities.

Outflows include payments made to affiliates and Value Added Resellers; those resellers that add features or services to existing offerings, on the origination of lease contracts, cash requirements from contractual commitments, inter-bank deposits being withdrawn or other cash outflows, such as significant operating expenditure or debt maturities.

The Bank's assets are comprised primarily of lease and loan obligations. These loans have short to medium term contractual repayment profiles, typically three year amortisation schedules. In aggregate, such a pool of assets will have a reasonably predictable repayment profile, though one that is still variable and that may vary systematically based on a variety of market and macroeconomic factors.

The Bank has a comprehensive policy for assessing, measuring and managing liquidity risk. The ALCO is responsible for defining and approving the Bank's liquidity policy in accordance with the broader Risk Policies established by the Risk Committee.

The Liquidity Risk Framework is subject to internal oversight, challenge and governance. The ALCO has primary responsibility and reports to the Board Risk Committee. Liquidity risk is also monitored by the control functions as appropriate.

Liquidity Stress Testing

The strength of the Bank's liquidity risk management is evaluated based on its ability to survive under stress. Effective management of liquidity involves assessing this potential mismatch under a variety of stress scenarios. Stress testing is used to help inform a broader understanding of liquidity risk as well as to model specific liquidity risk events.

The Bank actively monitors a range of market and firm specific indicators on an on-going basis which are designed to act as early warning indicators that liquidity stresses are emerging. The stresses apply to a range of behavioural assumptions to the performance of the asset and liability products. Scenarios include assumptions about significant changes in key funding sources, credit ratings, contingent sources of funds and political and economic conditions. The Bank is expected to be able to withstand these stressed conditions through its own resources. Simulated liquidity stress testing is carried out regularly and reflects the impact of firm specific and market related scenarios on the adequacy of the Bank's liquid resources.

The ILAAP enables the Board to assess the adequacy of the Group's funding and liquidity risk management, to assess the key liquidity and funding risks to which it is exposed; and determine the level of contingent liquidity that is required to be maintained under both normal and stress scenarios.

Liquidity Monitoring

The Treasury function is responsible for the daily management of the liquidity buffer, monitoring and reporting of the Bank's liquidity position in accordance with the Liquidity Policy. The Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR") are modelled and monitored by the Bank against Board approved Target, Trigger and Limit parameters set out in Risk Appetite.

The Treasury function reports the results of the ILAAP Idiosyncratic Scenario to the ALCO members on a weekly basis. The liquidity position, compliance and policy are further monitored by the Risk Management function. Any breach or material deterioration of these metrics would set in motion a series of actions and escalations.

The Bank sources funds from five principal sources:

- Initial contributed equity, capital contributions and retained earnings
- Affiliate borrowings
- External Loan facilities
- Secured funding
- Unsecured funding

The mix of the above sources provides the Group with a diversified and stable funding base.

In May 2021, the Bank established a €2 billion Euro Medium Term Note Programme enabling the Bank to issue unsecured debt. In October 2022, the Bank issued a €500 million senior unsecured note under this programme. The Bank also repaid a €500m bond issued in 2019 during 2022.

Previously, the Bank had issued Senior Unsecured notes as follows

- 27 October 2021, €500 million in Senior Unsecured 0.500% Notes (Eurobond) Maturing on 27 October 2026.
- 24 June 2020, €500 million in Senior Unsecured 1.625% Notes (Eurobond) Maturing on 24 June 2024
- 17 October 2019, €500 million Senior Unsecured 0.625% Notes (Eurobond) maturing on 17 October 2022 (now repaid).

The notes are listed on the Global Exchange Market of Euronext Dublin.

The ALMM return provides regulatory supervisors (ECB) with additional metrics/monitoring tools beyond the LCR and Net Stable Funding Ratio (NSFR) to help assess a bank's overall liquidity risk and facilitate the Internal Liquidity Adequacy Assessment Process (ILAAP) review process. Dell Bank International d.a.c. report the following ALMM metrics:

Concentration of funding by counterparty or product type which allows the identification of the Bank's sources of funding of such significance that their withdrawal could trigger liquidity problems.

Prices of various lengths of funding which measures the Bank's average transaction volume and prices paid for the Bank's new sources of funding in the previous 30 days.

Rollover of funding captures the Bank's volume of funds maturing, rolling over and any new funding obtained on a daily basis over a monthly time horizon.

Concentration of counterbalancing capacity by counterparty captures the Bank's concentration of counterbalancing capacity, undrawn committed funding lines granted to the Bank

The Bank use the ALMM monitoring tools to further strengthen the Bank's liquidity risk management with ongoing monitoring of the liquidity risk exposures of the Bank.

Assets held for Managing Liquidity Risk

The Bank holds a portfolio of cash and money market placements to manage its liquidity profile. Liquid assets are assets which can be quickly and easily converted into cash without incurring significant loss. The Bank's assets held for managing liquidity risk comprise of:

- cash
- short term bank placements

These assets in aggregate are permitted to comprise up to 100% of the Bank's liquid asset holdings.

Derivatives

Where relevant, the Bank enters into Credit Support Annexes ("CSAs") with its derivative counterparties for European Market Infrastructure Regulation ("EMIR") purposes. A CSA forms part of the ISDA Master Agreement and defines the terms under which collateral is posted or transferred between swap counterparties to mitigate the credit risk arising from derivative positions. The Bank's CSAs require collateral to be posted in euro cash.

Liquidity Risk – Off Balance sheet items

The following items are listed as off-balance sheet items at the financial year end:

- Residual value guarantees
- Lease and loan commitments to extend credit

Internal Liquidity Adequacy Assessment Process (ILAAP)

The ILAAP process forms one of the four core components of the Supervisory Review & Evaluation Process (SREP) methodology.

The Bank's ILAAP is formulated as required to facilitate senior management and supervisors in determining overall liquidity risk/adequacy within the Bank.

The key components addressed are disclosed below:

- Liquidity & Funding Strategy: The Bank have in place a detailed Board approved Liquidity and Funding Plan which considers the impacts of short term (liquidity) and longer term (funding) risks.
- Liquidity Adequacy: In supporting the assessment of the Bank's Liquidity and Funding strategies the Bank separately identifies short term and longer-term risk factors. These factors are subject to regular monitoring and internal stress testing with the objective of ensuring regulatory compliance is maintained at all times.
- Liquidity Buffer & Contingency Funding Plan (CFP) Effectiveness: The effectiveness of the Bank in addressing the impacts of stress events is determined by the strength of its Liquidity Buffer and actions contained within its CFP. The Liquidity Buffer effectiveness is reviewed over short term acute stresses with the CFP effectiveness reviewed over longer term stress events.

The Board and Senior Management are ultimately responsible for the Bank's Internal Liquidity Adequacy Assessment Process (ILAAP).

4.5 Operational and Cybersecurity risk

The Group faces operational risks in the regular conduct of its day to day business objectives. Operational risk is the risk that actual losses resulting from inadequate or failed internal processes, people and systems or from external events differ from the expected losses. The Group's Operational Risk Management Framework exists to mitigate against such risks. It is structured in a three tier approach comprising; identification and assessment, monitoring and reporting; and control and mitigation.

Operational risk specifically arises in the areas of:

- Business continuity
- Change management
- People
- Internal controls
- Information technology, cybercrime risk
- New product development
- Outsourcing

The Bank uses the Basic Indicator Approach (BIA) to calculate operational risk capital requirements under Pillar I. Under the BIA the capital requirement for operational risk is 15% of the three year average of gross income as defined by Article 315 of the CRR.

Cybersecurity risk is the probability of exposure, loss of critical asset and sensitive information, or reputational hard as a result of a cyber attack or breach within an organisation's network. The Bank is a highly interconnected digital business and therefore the threat from information security and cyber risk is increasing. The Bank has robust control framework in place to help prevent, detect, and respond to such threats and also leverages the control framework established by Dell Technologies.

4.6 Residual asset value risk

Residual value risk is the risk that the realisation based residual value set at the start of a lease is not achieved at the end of the lease. This may be due to a number of factors, including lower than expected equipment resale value, changes in customer behaviour or higher fulfilment costs and/ or end of lease operating expenses. The Bank seeks to minimise potential losses arising from residual value risk by understanding the equipment leased, identifying long-term customer behaviour and applying expert judgement when applying residual values in order to provide a balanced view of expected realisation.

The Bank's Asset Management End of Lease ("EOL") function utilises analysis of historic remarketing, renewal and extension data to determine the average end of lease recovery. The function utilises knowledge and the global experience of Management to apply expert judgement to the historically achieved remarketing values to derive Recovery Based Residuals ("RBR").

The Residual Asset Risk Committee is responsible for the setting, validation and monitoring of the residual risk for the Bank. The Bank has established internal controls, with defined limits and regular reporting for residual value risk exposures within and across its portfolios.

4.7 Other risks

Capital Adequacy Risk

Capital adequacy is assessed under the Bank's ICAAP Framework. The Treasury function manages the Bank's capital strategy under the guidance of the Board. The Bank is committed to maintaining its sound capitalisation. The Bank has equity share capital of €50 million and capital contributions received of €732.5 million at 31 December 2022. The Bank's objectives when managing capital are:

- To comply with Pillar I and Pillar II capital requirements set by the CBI.
- To safeguard the Bank's ability to continue as a going concern so that it can provide returns to shareholders and benefits for other stakeholders.
- To maintain a strong capital base to support the development of its business.

Capital adequacy and the use of regulatory capital are monitored on an ongoing basis by the Bank's Regulatory Reporting function. The Bank has considered the capital and other related requirements which will apply to it through the following key legislation and requirements:

- CRR / CRD
- Relevant EBA guidelines and technical standards
- The CBI's Pillar II assessment
- Central Bank's Licensing and Supervision Standards and Requirements

The Bank holds own funds in excess of the higher of capital charges calculated under Pillar I or Pillar II.

The Bank monitors a range of balance sheet metrics and limits in accordance with the Bank's risk appetite. The ratios provide a mechanism to monitor compliance and include early warning triggers to allow management to take appropriate timely action should the Bank approach a limit. The Bank did not breach any regulatory capital ratio requirements during the current or prior year.

The Bank must comply with the Banking Recovery and Resolution Directive, its amending directives, and any supplementary regulation, associated EBA guidelines and standards that are issued as part of its implementation (collectively "the BRRD"). The purpose of the BRRD is to establish a framework for the recovery and resolution of institutions which are failing or likely to fail. Under the BRRD the Bank must prepare and submit a Board approved Recovery Plan to the CBI as required. The Bank must also provide all necessary information to enable the CBI to prepare a Resolution plan for the Bank.

Regulatory Risk

Regulatory risk is the risk of failure to meet new or existing regulatory and / or legislative requirements and deadlines or to embed requirements into processes. Regulatory risk can impact earnings, capital and / or reputation arising from non-compliance with banking regulations, anti-money laundering, data protection, and other associated requirements.

Regulatory change or "Upstream" risk is the risk changes to existing or new laws / regulations / codes / guidance applicable to the Group are not effectively addressed and the risk that the Group fails to take timely and remedial actions.

Regulatory compliance risk is the current or prospective risk to earnings and capital arising from violations or non-compliance with laws, regulations, prescribed practices or ethical standards which can lead to fines, damages and can diminish the Group's reputation.

The Group has zero appetite for censure from regulatory, political, statutory or legislative bodies.

Reputational Risk

Reputational Risk is the risk to the DFS brand, Dell brand, or goodwill exhibited towards these brands, by the Bank's customers and wider market. Reputational risk can include social, ethical and environmental.

The Bank will not enter into activities that will knowingly give rise to reputational risk issues with the potential to materially damage the DFS or Dell brands. The Bank seeks to ensure that outsourced activities meet the Bank's reputational risk standards, including the treatment and disposal of hardware.

Business & Strategy Risk

Business & Strategic Risk arises from adverse and unexpected changes in income, costs or profitability that are due to the Group's business model, its strategy, and decisions made by Board and Senior Management. This risk includes the risk that the Group does not make appropriate strategic decisions, does not successfully execute these decisions, or that strategic decisions do not have the intended effect. The Group considers effective governance to be the most appropriate mitigant against this risk category. Business & Strategic Risk is included in the ICAAP assessment.

The Bank has historically operated in an environment of low inflation and low interest rates. However, interest rates increased significantly during 2022 as Central Banks began to tighten monetary policies and reduce inflationary pressures driven by supply chain constraints and energy price increases. We are continuing to monitor the impact of these changes on the markets we operate in.

Business and strategy risk also includes Brexit and the risks arising from future changes in the trading relationship between the UK and EU which could impact the markets in which the Group operates.

Group Risk

Group Risk arises from reliance on Dell Technologies Inc. for financial and operational support, including certain funding facilities and outsourced services. Group risk includes the risk of negative impact on the Bank from other Group entities or third parties which may disrupt outsourced activities of the Bank or may impact the Bank's ability to operate effectively. The Bank considers effective governance to be the most appropriate mitigation against this risk category. Group Risk is included in the ICAAP assessment.

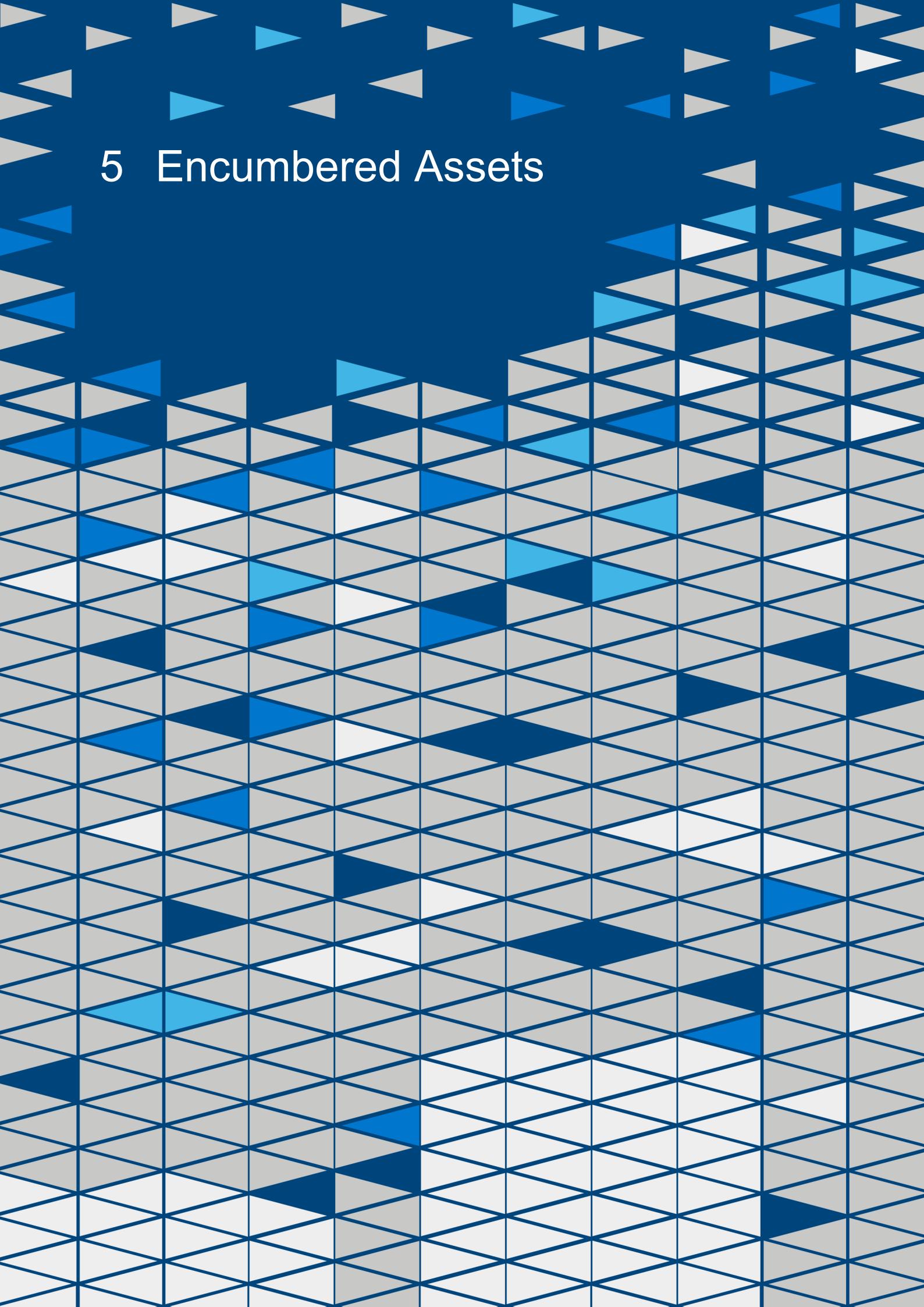
Environmental Social and Governance (ESG) Risk

- The Bank is committed to drive sustainability in its day-to-day activities, strategy, governance, risk management framework and operations, the Bank has developed an ESG Framework that defines its approach to driving sustainability. ESG factors can lead to enhanced financial risks through a variety of risk drivers.
- Social factors include advancing sustainability, cultivating inclusion, transforming lives and upholding ethics and privacy;
- Governance Risk factors are primarily focused on ensuring that ESG Risks are appropriately integrated into the Bank's Risk Management Framework

Dell Technologies, the Bank's parent, is committed to driving human progress. progress by putting our technology and expertise to work where it can do the most good for both people and the planet. Dell Technologies recognises that all of its stakeholders — shareholders, customers, suppliers, employees, and communities — as well as the environment and society, are essential to its business.

The Bank is developing a comprehensive ESG framework that will be integrated into existing policies while also aligning with the overall Dell Technologies ESG strategy.

5 Encumbered Assets



Encumbered Assets

An asset should be treated as encumbered if it has been pledged or if it is subject to any form of arrangement to secure, collateralise or credit-enhance any on-balance-sheet or off-balance-sheet transaction from which it cannot be freely withdrawn (for instance, to be pledged for funding purposes).

The Bank has a third party Collateralised Loan Agreement (CLA) in place since 2014 and a securitisation facility (SPV) was put in place in January 2017. At 31 December 2022 the CLA facility was €600 million of which €270 million was drawn (2021: €600 million facility of which €200 million drawn) and the SPV facility was €800 million of which €772 million was drawn (2021: €800 million facility of which €669 million drawn). The Bank also holds €219m (2021: €219m) of TLTRO funding.

The following table splits the Bank's balance sheet by asset type and encumbered and unencumbered assets.

Encumbered and unencumbered assets

	2022		2021	
	Carrying amount of encumbered assets	Carrying amount of unencumbered assets	Carrying amount of encumbered assets	Carrying amount of unencumbered assets
<i>In thousands of Euros</i>				
Assets of the reporting institution	1,584,349	2,206,082	1,371,554	2,167,179
Other assets	1,584,349	2,206,082	1,371,554	2,167,179

Liabilities associated with encumbered assets

	2022		2021	
	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received, and own debt securities issued other than covered bonds and ABSs encumbered	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received, and own debt securities issued other than covered bonds and ABSs encumbered
<i>In thousands of Euros</i>				
Carrying amount of selected financial liabilities	1,287,677	1,584,349	1,125,445	1,371,554

6 Leverage



Leverage

The CRR establishes a leverage ratio that is designed to restrict the build-up of leverage in the Banking sector. It is a simple, non-risk-weighted measure.

The leverage ratio is calculated as Tier One Capital/Total Exposures. As at December 2022 total Exposures of the Bank consist of;

- On-balance sheet exposures
- Derivatives exposures at replacement cost plus an add-on for potential future exposure.
- Off-balance sheet items (Committed Facilities and Guarantees).

The Leverage Ratio as at December 2022 was 21.73% (December 2021: 19.44%)

Process used to manage the risk of excessive leverage

The Bank's primary business is leasing and it borrows funds with the sole intention of facilitating growth in its business. Liquidity in the Bank is managed with a focus on maturity transformation of cash flows. The Bank does not engage in proprietary trading and only engages in derivatives for the purpose of hedging interest rate and foreign exchange risk.

The Bank is well capitalised and has a capital surplus in excess of the regulatory minimum as at December 2022. The Risk function ensures that all activities are within the ranges specified in the Bank's risk appetite statement. The Leverage Ratio is one of the suite of key internal risk indicators and is monitored by the Bank's Risk function.



7 Remuneration disclosures

Remuneration disclosures

The Bank's strategy with regards to remuneration of employees and members of the Board of Directors is to attract, retain and motivate the talent needed to drive the growth of the business. The Bank executes this strategy by providing market-competitive base and incentive pay, by motivating performance toward key company objectives and supporting and enhancing our strong meritocracy. The Bank values accountability and seeks to reward teams and individual team members who continually improve their capabilities and increase their contribution.

The Bank's approach to remuneration includes the following factors: the Bank's business strategy and business plan performance; the performance of the Dell Group; market factors; Dell Group governance and standards, including group remuneration policies and standards; and all applicable regulatory requirements.

The approach to remuneration encourages a positive risk culture by aligning risk management practices with remuneration practices which discourages excessive risk taking.

The applicable regulations, under which these disclosures are made, include the CRD IV and CRR, as amended, updated EBA Regulatory Technical Standards on Identified Staff, and the EBA Guidelines on Sound Remuneration Policies.

7.1 Proportionality

The Bank's Remuneration Policy is commensurate with the small size, non-complexity and relatively low risk profile of the institution. Furthermore, following the amended CRD V requirements and the CBI's variable remuneration notice of 18 January 2022, the Bank is exempt from having to defer at least 40% of variable remuneration over a 3-5 year period and awarding at least 50% of variable pay in instruments, subject to meeting certain criteria. Additionally, the Bank does not need to obtain approval from the CBI. Prior to 2021, the Bank availed of derogations granted by the CBI.

7.2 Remuneration components

The Bank's remuneration components are derived from the individual job role, including responsibility and job complexity, performance and benchmarking to relevant market data, pay and conditions. The key remuneration components include: base pay remuneration; performance-based remuneration; pension scheme; other benefits (including death-in-service); and severance schemes.

Base pay remuneration

Base pay or "fixed" remuneration is determined primarily by the job role definition, employee individual performance and external market benchmarking.

Performance-based remuneration

Performance-based or "variable" remuneration is awarded in a manner which promotes sound risk management and does not induce excessive risk-taking while maintaining an appropriate balance of fixed and variable remuneration. Variable remuneration takes account of individual performance, the performance of the Bank and the performance of the Dell Technologies Group.

The Bank also makes use of Dell Technologies Group's long-term incentive programme ("LTI") for the purposes of staff retention. LTI awards vest over a deferral period. It is to be noted that variable remuneration may not be payable in full or in part on the basis of unsustainable results.

In order to achieve risk alignment, variable remuneration is performance-based and subject to risk-adjustments as deemed appropriate, including malus and clawback provisions.

7.3 Identified Staff

Identified Staff are defined as those individuals whose professional activities have a material impact on the Bank's risk profile. The Remuneration and Nominations Committee shall be responsible for determining those groups, categories of employees or individuals that fall within the definition of Identified Staff. In determining

those individuals to be included as Identified Staff the Remuneration and Nominations Committee will at a minimum consider the following staff members;

- Executive members of the Bank's corporate bodies.
- Senior management including Members of the Management Body with responsibility for day-to-day management.
- Staff with responsibility for independent control functions.
- Other risk takers; and,
- Staff whose total remuneration is in the same bracket as senior managers and risk-takers.

The following roles were deemed Identified Staff as at December 2022:

- Non-Executive Directors of the Bank
- Managing Director
- Chief Financial Officer
- Chief Risk Officer
- Chief Credit Officer
- Head of Compliance
- Legal Director
- Head of Treasury
- Head of Internal Audit
- Chief Information Officer
- Chief Operating Officer
- Spanish Branch Manager

There are eleven employees of the Bank (excluding non-executive directors) included in the Identified Staff. The process for determining the identification of staff who have a material impact on the institution's risk profile is carried out annually, or more frequently if required. It takes into account the qualitative and quantitative identification criteria set out in the updated EBA Regulatory Technical Standard on Identified Staff. The Chief Risk Officer is responsible for carrying out the Identified Staff assessment. The results are presented to the Remuneration and Nominations Committee for their review and recommendation to the Board for approval.

Aggregate quantitative data as at 31 December 2022 is detailed in the table below:

All figures are in €000s	Management Body – Supervisory Function (Non-Executive Directors)	Management Body – Management Function (Executive Directors)	Other Senior Management	Other Identified Staff	Total
Total Fixed Remuneration	270	818	1,662	162	2,912
Total Variable Remuneration	-	1,020	801	20	1,841
Ratio between variable and fixed remuneration	0.0%	124.6%	48.2%	12.0%	63.2%

The Bank is compliant with the remuneration ratio requirements as set by CRR and CRD. In accordance with article 94 (1) (g) (i) of the CRDIV, the variable component shall not exceed 100% of the fixed component of the total remuneration for each individual. The Bank has adhered to the conditions set out in article 94 (1) (g) (ii) of the CRDIV which allows for the ratio to be increased to 200% for certain individuals.

All figures are in €000s	Management Body – Supervisory Function (Non-Executive Directors)	Management Body – Management Function (Executive Directors)	Other Senior Management	Other Identified Staff
Number of Identified Staff	6	2	8	1
Total value of remuneration awards for performance in 2022				
Fixed Remuneration	270	818	1,662	162
Cash-based (paid out)	270	818	1,662	162
Variable Remuneration	-	1,020	801	20
Cash-based (paid out) ⁽¹⁾	-	134	328	20
Deferred:				
Cash-based (unvested)	-	-	-	-
Shares & share-linked instruments (unvested)	-	886	473	-

⁽¹⁾ Up to 31 March 2023

	Management Body – Supervisory Function (Non-Executive Directors)	Management Body – Management Function (Executive Directors)	Other Senior Management	Other Identified Staff
Number of Identified Staff	6	2	8	1
Deferred variable remuneration awards from prior year performance (2019 - 2021)				
Vested (paid out) of which:				
Cash-based ⁽¹⁾	-	-	-	-
Shares & share-linked Instruments ⁽¹⁾	-	1,712	533	-
Unvested (remaining deferred) of which:				
Cash-based	-	-	-	-
Shares & share-linked Instruments	-	996	361	-

⁽¹⁾ Up to 31 March 2023

Remuneration over €1 million

During 2022 one individual received remuneration that was between the €1 million – €1.5 million category.

Sign-On Bonuses

During 2022 no sign-on bonus was paid to any individual designated as Identified Staff.

Severance Payment

During 2022 no severance payment was made to an individual designated as Identified Staff.

7.4 Remuneration Governance

The Board of Directors is the ultimate decision-making body for the Bank. It has delegated certain responsibilities to the Bank's Remuneration and Nominations Committee. The Remuneration and Nominations Committee meets at the same frequency as the Board. In 2022, the Remuneration and Nominations Committee met five times. In general the Bank implements the remuneration policies and practices of Dell Technologies Group with appropriate oversight of the Remuneration Committee and the Board of Directors.

Non-Executive Board directors that are not part of Dell Technologies Group receive a fixed annual fee. Non-Executive Directors employed by Dell Technologies Group receive no fee for Board membership.

The Bank's Remuneration Policy is reviewed by the Remuneration & Nominations Committee and recommended to the Board for approval on an annual basis. The Risk Committee also review the Remuneration Policy to ensure it is appropriately aligned with risk appetite and does not promote excessive risk taking. Furthermore, the Bank's Remuneration Policy is both gender-neutral and applies to its branch offices.

8 Appendices

Appendices

Appendix 1

Template EU CC1 - Composition of regulatory own funds

All figures are in €000s	(a)	(b)	(c)
	Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation	Amounts
	2022		2021
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1 Capital instruments and the related share premium accounts	50,018	26 (1), 27, 28, 29	50,018
of which: Full paid-up capital instruments	50,018		50,018
2 Retained earnings	20,596	26 (1) c	(27,851)
3 Accumulated other comprehensive income (and other reserves)	729,558	26 (1)	657,500
EU-5a Independently reviewed interim profits net of any foreseeable charge or dividend	71,630		48,447
6 Common Equity Tier 1 (CET1) capital before regulatory adjustments	871,802		728,114
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7 Additional value adjustments (negative amount)	(209)	34, 105	(64)
8 Intangible assets (net of related tax liability) (negative amount)	(14,216)	36 (1) (b), 37	(15,053)
10 Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	-	36 (1), 38	(127)
11 Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	(6,918)		2,134
27a Other regulatory adjustments	-		(2,586)
28 Total regulatory adjustments to Common Equity Tier 1 (CET1)	(21,343)		(15,695)
29 Common Equity Tier 1 (CET1) capital	850,459		712,419
Additional Tier 1 (AT1) capital: instruments			
36 Additional Tier 1 (AT1) capital before regulatory adjustments	0		0
Additional Tier 1 (AT1) capital: regulatory adjustments			
44 Additional Tier 1 (AT1) capital	0		0
45 Tier 1 capital (T1 = CET1 + AT1)	850,459		712,419
Tier 2 (T2) capital: instruments			
46 Capital instruments and the related share premium accounts	0	62, 63	0
Tier 2 (T2) capital: regulatory adjustments			
59 Total capital (TC = T1 + T2)	850,459		712,419
60 Total risk exposure amount	3,117,739		2,790,789
Capital ratios and requirements including buffers			
61 Common Equity Tier 1	27.28%	92 (2) a	25.53%
62 Tier 1	27.28%	92 (2) b	25.53%
63 Total capital	27.28%	92 (2) c	25.53%
64 Institution CET1 overall capital requirements	16.61%		16.53%
All figures are in €000s	(a)	(b)	(c)

		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation	Amounts
		2021		2021
65	of which: capital conservation buffer requirement	2.25%		2.50%
66	of which: countercyclical capital buffer requirement	0.03%		0.03%
67	of which: systemic risk buffer requirement	0.00%		0.00%
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	9.50%		9.50%
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	9.28%		7.53%
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	35,824	■	32,390

Appendix 2

All figures are in €000s	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			
Cash and balances with central banks	267,195		
Derivative financial instruments	89,543		
Loans and advances to banks	401,132		
Loans and advances to customers	1,982,086	-	j. Insufficient coverage for non-performing exposures
Debt securities at amortised cost	282,437		
Property, plant and equipment	575,992		
Other assets	167,447		
Intangible assets and goodwill	14,216	(14,216)	g
Deferred tax assets	1,4431,277	-	h
Total assets	3,781,265		
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements			
Deposits from banks	1,243,542		
Derivative financial instruments	108,577		
Amounts due to group undertakings	93,794		
Other liabilities	45,056		
Current tax liabilities	1,485		
Debt securities in issue	1,410,161		
Total liabilities	2,902,615		
Shareholders' Equity			
Share capital	50,000	50,018	a Variance relates to additional capital held at consolidated level
Capital contribution	732,500	732,500	c. No difference
Revenue reserves	92,313	92,313	b and d. Variance due to difference at consolidated level
Other reserves	3,837	2,972	f and i. Primarily CFH reserve
Other transitional adjustments			j Other transitional adjustments
Total shareholders' equity/Own Funds	878,650	877,785	

Appendix 3

Template EU OV1 – Overview of total risk exposure amounts

All figures are in €000s		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		a	b	
		2022	2021	2022
1	Credit risk (excluding CCR)	2,823,795	2,569,487	225,904
2	Of which the standardised approach	2,823,795	2,569,487	225,904
6	Counterparty credit risk - CCR	106,399	50,767	8,512
EU 8b	Of which credit valuation adjustment - CVA	64,280	29,018	5,142
9	Of which other CCR	42,119	21,749	3,370
20	Position, foreign exchange and commodities risks (Market risk)	2,632	4,107	211
21	Of which the standardised approach	2,632	4,107	211
23	Operational risk	184,912	166,429	14,793
EU 23a	Of which basic indicator approach	184,912	166,429	14,793
29	Total	3,117,739	2,790,789	249,419

Appendix 4

Template EU KM1 - Key metrics template

All figures are in €000s		a	b	c	d	e	
		Dec-22	Sep-22	Jun-22	Mar-22	Dec-21	
Available own funds (amounts)							
1	Common Equity Tier 1 (CET1) capital	850,459	731,025	710,075	707,792	712,419	
2	Tier 1 capital	850,459	731,025	710,075	707,792	712,419	
3	Total capital	850,459	731,025	710,075	707,792	712,419	
Risk-weighted exposure amounts							
4	Total risk-weighted exposure amount	3,117,739	2,412,400	2,436,911	2,834,048	2,790,789	
Capital ratios (as a percentage of risk-weighted exposure amount)							
5	Common Equity Tier 1 ratio (%)	27.28%	24.13%	23.63%	24.97%	25.53%	
6	Tier 1 ratio (%)	27.28%	24.13%	23.63%	24.97%	25.53%	
7	Total capital ratio (%)	27.28%	24.13%	23.63%	24.97%	25.53%	
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)							
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	9.50%	9.50%	9.50%	9.50%	9.50%	
EU 7b	of which: to be made up of CET1 capital (percentage points)	9.50%	9.50%	9.50%	9.50%	9.50%	
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	9.50%	9.50%	9.50%	9.50%	9.50%	
EU 7d	Total SREP own funds requirements (%)	17.50%	17.50%	17.50%	17.50%	17.50%	
Combined buffer requirement (as a percentage of risk-weighted exposure amount)							
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%	
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%	0.00%	0.00%	
9	Institution specific countercyclical capital buffer (%)	0.11%	0.04%	0.03%	0.03%	0.03%	
EU 9a	Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%	
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%	
EU 10a	Other Systemically Important Institution buffer	0.00%	0.00%	0.00%	0.00%	0.00%	
11	Combined buffer requirement (%)	2.61%	2.54	2.53%	2.53%	2.53%	
EU 11a	Overall capital requirements (%)	20.11%	20.04%	20.03%	20.03%	20.03%	
12	CET1 available after meeting the total SREP own funds requirements (%)	9.78%	6.63%	6.13%	7.47%	8.03%	
Leverage ratio							
13	Total exposure measure	3,914,628	4,116,732	3,839,698	3,758,316	3,663,768	
14	Leverage ratio (%)	21.73%	17.76%	18.49%	18.91%	19.44%	
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)							
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0%	0%	0%	0%	0%	
EU 14b	of which: to be made up of CET1 capital (percentage points)	0%	0%	0%	0%	0%	
EU 14c	Total SREP leverage ratio requirements (%)	3%	3%	3%	3%	3%	
All figures are in €000s		a	b	c	d	e	
		Dec-22	Sep-22	Jun-22	Mar-22	Dec-21	
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)							

EU 14d	Leverage ratio buffer requirement (%)	0%	0%	0%	0%	0%
EU 14e	Overall leverage ratio requirements (%)	3%	3%	3%	0%	3%
Liquidity Coverage Ratio						
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	267,195	605,270	405,532	406,045	351,457
EU 16a	Cash outflows - Total weighted value	59,378	547,514	42,176	60,304	47,572
EU 16b	Cash inflows - Total weighted value	113,541	287,756	105,280	113,074	116,981
16	Total net cash outflows (adjusted value)	14,844	259,758	10,544	15,076	11,893
17	Liquidity coverage ratio (%)	1800%	233%	3846%	2693%	2955%
Net Stable Funding Ratio						
18	Total available stable funding	2,679,637	2,335,689	2,160,972	2,473,752	2,797,716
19	Total required stable funding	1,938,594	1,870,919	1,794,830	1,729,183	2,388,837
20	NSFR ratio (%)	138%	120%	120%	143%	117.12%

Appendix 5

Template EU MR1 - Market risk under the standardised approach

	All figures are in €000s	2021	2021
		RWEAs	RWEAs
	Outright products		
1	Interest rate risk (general and specific)	-	-
2	Equity risk (general and specific)	-	-
3	Foreign exchange risk	2,632	4,107
4	Commodity risk	-	-
	Options		
5	Simplified approach	-	-
6	Delta-plus approach	-	-
7	Scenario approach	-	-
8	Securitisation (specific risk)	-	-
9	Total	2,632	4,107

Appendix 6

Template EU OR1 – Operational risk own funds requirements and risk-weighted exposure amounts

Banking activities All figures are in €000s		a	b	c	d	e
		Relevant indicator			Own funds requirement	Risk exposure amount
		2020	2021	2022		
1	Banking activities subject to basic indicator approach	84,131	104,947	106,781	14,793	184,912
2	Banking activities subject to standardised/alternative standardised	-	-	-	-	-
3	Subject to TSA	-	-	-	-	-
4	Subject to ASA	-	-	-	-	-
5	Banking activities subject to advanced measurement approaches	-	-	-	-	-

Appendix 7

Template EU REMA – Remuneration policy

Qualitative disclosures		2022 Pillar III Remuneration Disclosures
(a)	Information relating to the bodies that oversee remuneration. Disclosures shall include:	
	Name, composition and mandate of the main body (management body or remuneration committee as applicable) overseeing the remuneration policy and the number of meetings held by that main body during the financial year.	Remuneration Governance section
	External consultants whose advice has been sought, the body by which they were commissioned, and in which areas of the remuneration framework.	N/A - No external consultant advice was sought in 2022
	A description of the scope of the institution's remuneration policy (e.g. by regions, business lines), including the extent to which it is applicable to subsidiaries and branches located in third countries.	Remuneration Governance section
(b)	A description of the staff or categories of staff whose professional activities have a material impact on institutions' risk profile.	Identified Staff section
	Information relating to the design and structure of the remuneration system for identified staff. Disclosures shall include:	
	An overview of the key features and objectives of remuneration policy, and information about the decision-making process used for determining the remuneration policy and the role of the relevant stakeholders.	Remuneration disclosures section
	Information on the criteria used for performance measurement and ex ante and ex post risk adjustment.	Performance-based remuneration section
	Whether the management body or the remuneration committee where established reviewed the institution's remuneration policy during the past year, and if so, an overview of any changes that were made, the reasons for those changes and their impact on remuneration.	Remuneration Governance section.
(c)	Information of how the institution ensures that staff in internal control functions are remunerated independently of the businesses they oversee.	Identified Staff section
	Policies and criteria applied for the award of guaranteed variable remuneration and severance payments.	N/A - There is no guaranteed variable remuneration and severance payments are determined by the Remuneration & Nominations Committee
(d)	Description of the ways in which current and future risks are taken into account in the remuneration processes. Disclosures shall include an overview of the key risks, their measurement and how these measures affect remuneration.	Performance-based remuneration section
(e)	The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) CRD.	Identified Staff section
(e)	Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration. Disclosures shall include:	Performance-based remuneration section
	An overview of main performance criteria and metrics for institution, business lines and individuals.	
	An overview of how amounts of individual variable remuneration are linked to institution-wide and individual performance.	
	Information on the criteria used to determine the balance between different types of instruments awarded including shares, equivalent ownership interest, options and other instruments.	
	Information of the measures the institution will implement to adjust variable remuneration in the event that performance metrics are weak, including the institution's criteria for determining "weak" performance metrics.	
(f)	Description of the ways in which the institution seeks to adjust remuneration to take account of long-term performance. Disclosures shall include:	Proportionality; Performance-based remuneration; and Identified Staff sections
	An overview of the institution's policy on deferral, pay out in instrument, retention periods and vesting of variable remuneration including where it is different among staff or categories of staff.	
	Information of the institution's criteria for ex post adjustments (malus during deferral and clawback after vesting, if permitted by national law).	
	Where applicable, shareholding requirements that may be imposed on identified staff.	

(g)	<p>The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit in accordance with point (f) of Article 450(1) CRR. Disclosures shall include:</p> <p>Information on the specific performance indicators used to determine the variable components of remuneration and the criteria used to determine the balance between different types of instruments awarded, including shares, equivalent ownership interests, share-linked instruments, equivalent non cash-instruments, options and other instruments.</p>	Performance-based remuneration section
(h)	Upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management.	
		N/A
(i)	Information on whether the institution benefits from a derogation laid down in Article 94(3) CRD in accordance with point (k) of Article 450(1) CRR.	Proportionality section
	For the purposes of this point, institutions that benefit from such a derogation shall indicate whether this is on the basis of point (a) and/or point (b) of Article 94(3) CRD. They shall also indicate for which of the remuneration principles they apply the derogation(s), the number of staff members that benefit from the derogation(s) and their total remuneration, split into fixed and variable remuneration.	
(j)	Large institutions shall disclose the quantitative information on the remuneration of their collective management body, differentiating between executive and non-executive members in accordance with Article 450(2) CRR.	N/A - Dell Bank is not a large institution

Appendix 7 continued

Template EU REM1 - Remuneration awarded for the financial year

all figures are in €000s			a	b	c	d
			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	5	2	8	1
2		Total fixed remuneration	270	818	1,662	162
3		Of which: cash-based	270	818	1,662	162
9	Variable remuneration	Number of identified staff	5	2	8	1
10		Total variable remuneration		1,020	801	20
11		Of which: cash-based		134	328	20
EU- 13b		Of which: share-linked instruments or equivalent non-cash instruments		886	473	
EU- 14b		Of which: deferred		886	473	
17	Total remuneration (2 + 10)		270	1,838	2,463	182

Appendix 7 continued

Template EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

All figures are in €000s		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
Guaranteed variable remuneration awards					
1	Guaranteed variable remuneration awards - Number of identified staff				
2	Guaranteed variable remuneration awards -Total amount				
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap				
Severance payments awarded in previous periods, that have been paid out during the financial year					
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff				
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount				
Severance payments awarded during the financial year					
6	Severance payments awarded during the financial year - Number of identified staff				
7	Severance payments awarded during the financial year - Total amount				
8	Of which paid during the financial year				
9	Of which deferred				
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap				
11	Of which highest payment that has been awarded to a single person				

Appendix 7 continued

Template EU REM3 - Deferred remuneration

	a	b	c	d	e	f	EU - g	EU - h
	Deferred and retained remuneration All figures are in €000s	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year
7	MB Management function	2,709	1,712	996			(1,779)	
8	Cash-based							
10	Share-linked instruments or equivalent non-cash instruments	2,709	1,712	996			(1,779)	
13	Other senior management	895	533	361			(321)	
14	Cash-based							
16	Share-linked instruments or equivalent non-cash instruments	895	533	361			(321)	
25	Total amount	3,604	2,245	1,357	-	-	(2,100)	

Appendix 7 continued

Template EU REM4 - Remuneration of 1 million EUR or more per year

	EUR	a Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	1,296,094
2	1 500 000 to below 2 000 000	
3	2 000 000 to below 2 500 000	
4	2 500 000 to below 3 000 000	
5	3 000 000 to below 3 500 000	
6	3 500 000 to below 4 000 000	
7	4 000 000 to below 4 500 000	
8	4 500 000 to below 5 000 000	
9	5 000 000 to below 6 000 000	
10	6 000 000 to below 7 000 000	
11	7 000 000 to below 8 000 000	
x	To be extended as appropriate, if further payment bands are needed.	

Appendix 7 continued

Template EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

	a	b	c	g	h	j	
	Management body remuneration			Business areas			

		MB Supervisory function	MB Management function	Total MB	Corporate functions	Independent internal control functions	Total
1	Total number of identified staff	5	2	7	6	3	16
2	Of which: members of the MB	5	2	7			7
3	Of which: other senior management				5	3	8
4	Of which: other identified staff				1		1
5	Total remuneration of identified staff	269,500	1,838,629	2,108,129	1,735,239	909,263	4,752,631
6	Of which: variable remuneration		1,020,184	1,020,184	524,688	295,667	1,840,538
7	Of which: fixed remuneration	269,500	818,445	1,087,945	1,210,551	613,596	2,912,093

Appendix 8

This document contains the required regulatory disclosures under Capital Requirements Regulation (“CRR”), Part Eight – Disclosures by Institutions. The below table details and maps the CRR disclosure requirement to the location of the disclosure.

CRR Article	Disclosure Summary	Applicable to Dell Bank	Location of Disclosure
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Risk Management Objectives and Policies				
Point (f) of Article 435(1) CRR	Disclosure of concise risk statement approved by the management body	Yes	2022 Dell Bank Pillar III Disclosure Section 3 2022 Dell Bank Financial Statement Risk Management Report	
Point (b) of Article 435(1) CRR	Information on the risk governance structure for each type of risk	Yes		
Point (e) of Article 435(1) CRR	Declaration approved by the management body on the adequacy of the risk management arrangements.	Yes		
Point (c) of Article 435(1) CRR	Disclosure on the scope and nature of risk disclosure and/or measurement systems.	Yes		
Point (c) of Article 435(1) CRR	Disclose information on the main features of risk disclosure and measurement systems.	Yes		
Point (a) of Article 435(1) CRR	Strategies and processes to manage risks for each separate category of risk.	Yes		
Points (a) and (d) of Article 435(1) CRR	Information on the strategies and processes to manage, hedge and mitigate risks, as well as on the monitoring of the effectiveness of hedges and mitigants.	Yes	2022 Dell Bank Pillar III Disclosure Section 4 2022 Dell Bank Financial Statement Note 4 Financial Risk Management Note 20 Loans and Advances to Banks Note 21 Loans and Advances to Customers Note 22 Derivative Financial Instruments Note 23 Debt Securities at amortised cost	
Point (a) of Article 435(2) CRR	The number of directorships held by members of the management body.	Yes		
Point (b) of Article 435(2) CRR	Information regarding the recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise.	Yes		
Point (c) of Article 435(2) CRR	Information on the diversity policy with regard of the members of the management body.	Yes		
Point (d) of Article 435(2) CRR	Information whether or not the institution has set up a separate risk committee and the frequency of the meetings.	Yes		
Point (e) Article 435(2) CRR	Description on the information flow on risk to the management body.	Yes		
Own Funds				
Point (a) Article 437 CRR	A full reconciliation of Common equity tier 1 items, Additional tier 1 items, Tier 2 items and filters and deductions applied pursuant to Articles 32 to 35, 36, 56, 66 and 79 to own funds of the institution and the balance sheet in the audited financial statements of the institution	Yes	2022 Dell Bank Financial Statements Consolidated statement of financial position 2022 Dell Bank Pillar III Disclosure Section 2	
Point (C) Article 438 CRR	Capital requirements for each Standardised approach credit risk exposure class.	Yes		
Point (d) Article 438 CRR	total risk weighted exposure amounts and the corresponding total own funds requirement broken down by different risk categories. An explanation of the effect in the calculation that results from applying capital floors and not deducting capital items from own funds.	Yes	2022 Dell Bank Pillar III Disclosure Appendix 3	
Capital Requirements				
Article 447	Disclosure of key metrics including own funds and capital requirements, pillar II requirements, combined buffer requirement, leverage ratio, liquidity coverage and net stable funding ratio	Yes	2022 Dell Bank Pillar III Disclosure Appendix 4	
Key Metrics				

CRR Article	Disclosure Summary	Applicable to Dell Bank	Location of Disclosure
Remuneration			
Point (a) Article 450 CRR	Information relating to the bodies that oversee remuneration.	Yes	2022 Dell Bank Pillar III Disclosure Section 7

Point (c) Article 450 CRR	Information relating to the design and structure of the remuneration system for identified staff.	Yes	2022 Dell Bank Pillar III Disclosure Section 7
Point (b) Article 450 CRR	overview of the key risks, their measurement and how these measures affect remuneration.	Yes	2022 Dell Bank Pillar III Disclosure Section 7
Point (d) Article 450 CRR	The ratios between fixed and variable remuneration set in accordance with point (g) of Article 94(1) CRD.	Yes	2022 Dell Bank Pillar III Disclosure Section 7
Point (e) Article 450 CRR	Description of the ways in which the institution seeks to link performance during a performance measurement period with levels of remuneration.	Yes	2022 Dell Bank Pillar III Disclosure Section 7
Point (f) Article 450 CRR	The description of the main parameters and rationale for any variable components scheme and any other non-cash benefit	Yes	2022 Dell Bank Pillar III Disclosure Section 7
Point (h) and (i) Article 450 CRR	Aggregate Quantitative Information on remuneration for Senior Management and other identified staff members	Yes	2022 Dell Bank Pillar III Disclosure Section 7 & Appendix 7

