
Pillar 3

Report 2024

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Notes to the reader

This document presents DLL's consolidated Capital Adequacy and Risk Management report (hereafter referred to as Pillar 3) for the period ending December 31, 2024.

De Lage Landen International B.V. (DLL) is a global provider of asset-based financial solutions working across 9 key industries: Agriculture, Food, Healthcare, Energy transition, Construction, Transportation, Industrial equipment, Office equipment and Technology. DLL is present in over 25 countries and operates via a Vendor Finance model, where DLL enters into partnerships with global manufacturers offering integrated solutions to their customers for the entire asset life cycle.

DLL is a credit institution under the Capital Requirements Regulation (CRR) and is a 100% subsidiary of the Coöperatieve Rabobank U.A. (Rabobank). DLL operates through local legal entities, which may conduct business using local licenses and under supervision of local regulators (e.g., DLL Finans AB in Sweden and Banco De Lage Landen Brasil S.A. in Brasil). For (part of) the business in Germany, Italy, Spain and Portugal, business is executed in branches of DLL where the passporting rights of DLL are leveraged. DLL holds 100% of the shares of its subsidiaries, except for "joint ventures," where DLL still controls the entities by having a majority in voting rights and economic interest.

DLL is a subsidiary institution that holds financial institutions in third countries. Therefore DLL applies the requirements laid down in Articles 89, 90 and 91 and Parts Three, Four and Seven and the associated reporting requirements laid down in Part Seven A on the basis of its sub-consolidated situation. DLL classifies as large subsidiary of an EU parent institution and therefore has to comply with the disclosure requirements explained in article 13 paragraph 1 of the CRR on a sub-consolidated basis. The information in Pillar 3 has not been audited by DLL's independent external auditors. However, the Pillar 3 disclosures are subject to DLL's internal controls and validation mechanisms to provide assurance over the information disclosed in this report as well as with regards to compliance with laws and regulations.

This report is based on the templates prescribed by Commission Implementing Regulation (EU) 2021/637 of March 15, 2021, laying down implementing technical standards with regard to public disclosures by institutions of the information referred to in Titles II and III of Part Eight of Regulation (EU) No 575/2013 of the European Parliament and of the Council. Consequently, not all tables can be reconciled to the Annual Report or other tables in this Pillar 3 report.

Key metrics and risk-weighted exposure

EU KM1 – Key metrics template

Key metrics			
Amounts in millions of euros	2024-12	2024-06	2023-12 ¹
Available own funds (amounts)			
Common Equity Tier 1 (CET1) capital	4,092	4,108	3,728
Tier 1 capital	4,092	4,108	3,728
Total capital	4,092	4,108	3,728
Risk-weighted exposure amounts			
Total risk-weighted exposure amount	33,139	32,385	31,653
Capital ratios (as a percentage of risk-weighted exposure amount)			
Common Equity Tier 1 ratio (%)	12.35%	12.69%	11.78%
Tier 1 ratio (%)	12.35%	12.69%	11.78%
Total capital ratio (%)	12.35%	12.69%	11.78%
Additional own funds requirements based on SREP			
Additional CET1 SREP requirements (%)	0.00%	0.00%	0.00%
Additional AT1 SREP requirements (%)	0.00%	0.00%	0.00%
Additional T2 SREP requirements (%)	0.00%	0.00%	0.00%
Total SREP own funds requirements (%)	8.00%	8.00%	8.00%
Combined buffer requirement			
Capital conservation buffer (%)	2.50%	2.50%	2.50%
Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%
Institution specific countercyclical capital buffer (%)	0.65%	0.68%	0.51%
Systemic risk buffer (%)			
Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%
Other Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%
Combined buffer requirement (%)	3.15%	3.18%	3.01%
Overall capital requirements (%)	11.15%	11.18%	11.01%
CET1 available after meeting the total SREP own funds requirements (%)	4.35%	4.69%	3.78%

¹ 2023-12 Total risk-weighted exposure amount has changed during 2024 due to a resubmission. Also related ratios have changed

Key metrics			
Amounts in millions of euros	2024-12	2024-06	2023-12 ¹
Leverage ratio			
Leverage ratio total exposure measure	51,656	50,660	48,750
Leverage ratio (%)	7.92%	8.11%	7.65%
Own funds requirements to address risks of excessive leverage (as a percentage of leverage ratio total exposure amount)			
Additional CET1 leverage ratio requirements (%)	0.00%	0.00%	0.00%
Additional AT1 leverage ratio requirements (%)	0.00%	0.00%	0.00%
Additional T2 leverage ratio requirements (%)	0.00%	0.00%	0.00%
Total SREP leverage ratio requirements (%)	0.00%	0.00%	0.00%
Applicable leverage buffer (%)	0.00%	0.00%	0.00%
Overall leverage ratio requirements (%)	3.00%	3.00%	3.00%
Liquidity Coverage Ratio			
Total high-quality liquid assets (HQLA) (Weighted value-average)			
Cash outflows - Total weighted value			
Cash inflows - Total weighted value			
Total net cash outflows (adjusted value)			
Liquidity coverage ratio (%)			
Net Stable Funding Ratio			
Total available stable funding			
Total required stable funding			
NSFR ratio (%)			

1 2023-12 Total risk-weighted exposure amount has changed during 2024 due to a resubmission. Also related ratios have changed

Liquidity Coverage Ratio and Net Stable Funding Ratio requirements are not applicable to DLL and therefore also not reported in the table above.

On December 31, 2024, our CET1 ratio amounted to 12.35%. During 2022, DLL successfully delivered and received ECB approval for a model Return to Compliance (RtC) plan. This plan entails a self-imposed RWA add-on which is updated every quarter. The risk-weighted exposure amount (RWEA) add-on for December 2024 equals EUR 5,996 million. The growth of our business in 2024 led to a further growth of DLL's RWEA, whereas addition of the 2023 net profits increased the capital position. Due to these developments, the total capital ratio increased to 12.35%. DLL has not yet included the 2024 profits in the capital.

EU OVC – ICAAP information

The Executive Board of DLL is responsible for DLL's capital management within the framework as set by its parent, Rabobank. It is the responsibility of the Executive Board to manage physical capital levels to ensure sufficient capital is held to meet (regulated) requirements and to assure mid- and long-term continuity. Capital requirements are managed actively through DLL's risk strategy, risk appetite and balance sheet management.

In the yearly Internal Capital Adequacy Assessment Process (ICAAP), DLL assesses the capital adequacy in the context of the current and foreseeable business environment in which it operates and the associated risk exposures as part of the Supervisory Review and Evaluation Process (SREP).

EU OV1 – Overview of risk-weighted exposure amounts

Overview of risk-weighted exposure amounts			
	Risk-weighted exposure amounts (RWEAs)		Total own funds requirements
Amounts in millions of euros	2024-12	2023-12 ¹	2024-12
Credit risk (excluding CCR)	29,316	28,230	2,345
Of which the standardized approach	5,837	6,600	467
Of which the foundation IRB (FIRB) approach	-	-	-
Of which slotting approach	-	-	-
Of which equities under the simple risk-weighted approach	-	-	-
Of which the advanced IRB (AIRB) approach	23,480	21,630	1,878
Counterparty credit risk - CCR	117	120	9
Of which the (simplified) standardized approach	117	120	9
Of which internal model method (IMM)	-	-	-
Of which exposures to a CCP	-	-	-
Of which credit valuation adjustment - CVA	-	-	-
Of which mark to market method	-	-	-
Settlement risk	-	-	-
Securitization exposures in the non-trading book (after the cap)	-	-	-
Of which SEC-IRBA approach	-	-	-
Of which SEC-ERBA (including IAA)	-	-	-
Of which SEC-SA approach	-	-	-
Of which 1250%/deduction	-	-	-
Market risk	86	-	7
Of which the standardized approach	-	-	-
Of which IMA	-	-	-
Large exposures	-	-	-
Operational risk	3,381	3,168	270
Of which basic indicator approach	3,381	3,168	270
Of which standardized approach	-	-	-
Of which advanced measurement approach	-	-	-
Additional risk exposure amount due to Article 3 CRR	237	135	19
Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)	563	606	45
Total	33,139	31,653	2,651

¹ 2023-12 Total risk-weighted exposure amount has changed during 2024 due to a resubmission. Also related ratios have changed

Own Funds

EU CC1 – Composition of regulatory own funds

Composition of regulatory own funds	
Amounts in millions of euros	2024-12
Capital instruments and the related share premium accounts	1,233
Retained earnings	2,912
Accumulated other comprehensive income (and other reserves)	58
Common Equity Tier 1 (CET1) capital before regulatory adjustments	4,203
Intangible assets (net of related tax liability)	(5)
Deferred tax assets that rely on future profitability	(8)
IRB shortfall of credit risk adjustments to expected losses	(73)
Other regulatory adjustments on CET1 capital	(25)
Total regulatory adjustments to Common Equity Tier 1 (CET1)	(111)
Common Equity Tier 1 (CET1) capital	4,092
Additional Tier 1 (AT1) capital before regulatory adjustments	-
Tier 1 capital (T1 = CET1 + AT1)	4,092
IRB Excess of provisions over expected losses eligible	-
Tier 2 (T2) capital	-
Total capital (TC = T1 + T2)	4,092
Total risk exposure amount	33,139

Composition of regulatory own funds

Amounts in millions of euros	2024-12
Capital ratios and requirements including buffers	
Common Equity Tier 1 ratio	12.35%
Tier 1 ratio	12.35%
Total Capital ratio	12.35%
CET1 overall capital requirement	7.65%
of which capital conservation buffer	2.50%
of which countercyclical buffer	0.65%
Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	4.35%

EU CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements

Balance sheet as on December 31	
<i>Amounts in millions of euros</i>	2024-12
Cash and cash equivalents	244
Accounts receivable and other short-term assets	801
Derivatives	73
Due from banks	306
Due from customers	45,167
Fixed assets under operating lease	2,507
Goodwill and other intangible assets	5
Current tax receivables	192
Deferred tax assets	214
Other assets	238
Total assets	49,747
Short-term loans and overdrafts	6,396
Accounts payable and other short-term liabilities	732
Issued debt securities	3,310
Provisions	126
Derivatives	22
Long-term borrowings	33,035
Current tax payables	41
Deferred tax liabilities	191
Other liabilities	729
Total liabilities	44,582
Capital instruments and share premium	1,233
Retained earnings	3,254
Foreign currency translation reserve	58
Non-controlling interest	620
Total shareholders' equity	5,165
Total liabilities and shareholders' equity	49,747

The retained earnings of EUR 3,254 million as reflected in the DLL financial statements include EUR 343 million of result for the year 2024, which are not yet included in the capital used to the capital ratios (Common Equity Tier 1 ratio, Tier 1 ratio and Total Capital ratio).

Countercyclical buffer

EU CCyB1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer

on December 31, 2024

	General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
Amounts in millions of euros													
Argentina	49	-	-	-	-	49	3	-	-	3	33	0.12%	0.00%
Australia	608	2,877	-	-	-	3,486	197	-	-	197	2,461	8.68%	1.00%
Austria	19	112	-	-	-	131	8	-	-	8	94	0.33%	0.00%
Belgium	27	340	-	-	-	367	18	-	-	18	224	0.79%	1.00%
Brazil	76	2,153	-	-	-	2,229	117	-	-	117	1,465	5.17%	0.00%
Canada	84	3,123	-	-	-	3,207	102	-	-	102	1,271	4.48%	0.00%
Chile	189	-	-	-	-	189	12	-	-	12	148	0.52%	0.50%
Czech Republic	0	1	-	-	-	1	0	-	-	0	1	0.00%	1.25%
Denmark	61	357	-	-	-	418	19	-	-	19	235	0.83%	2.50%
Finland	2	78	-	-	-	80	4	-	-	4	46	0.16%	0.00%
France	125	2,816	-	-	-	2,941	97	-	-	97	1,207	4.26%	1.00%
Germany	407	3,455	-	-	-	3,862	133	-	-	133	1,666	5.88%	0.75%
Hong Kong	1	0	-	-	-	1	0	-	-	0	1	0.00%	1.00%
Iceland	-	13	-	-	-	13	1	-	-	1	7	0.02%	2.50%
Italy	129	2,003	-	-	-	2,132	133	-	-	133	1,668	5.88%	0.00%
Luxembourg	1	17	-	-	-	18	1	-	-	1	15	0.05%	0.50%
Mexico	247	-	-	-	-	247	17	-	-	17	209	0.74%	0.00%
Netherlands	115	6,233	-	-	-	6,348	334	-	-	334	4,178	14.74%	2.00%
New Zealand	488	121	-	-	-	609	38	-	-	38	479	1.69%	0.00%
Norway	78	466	-	-	-	543	21	-	-	21	265	0.93%	2.50%
Peru	10	-	-	-	-	10	1	-	-	1	9	0.03%	0.00%
Poland	393	-	-	-	-	393	25	-	-	25	315	1.11%	0.00%
Portugal	11	101	-	-	-	113	10	-	-	10	123	0.43%	0.00%
Republic of Ireland	354	108	-	-	-	462	25	-	-	25	306	1.08%	1.50%

Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer

on December 31, 2024

	General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
	Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
<i>Amounts in millions of euros</i>													
Singapore	135	0	-	-	-	135	10	-	-	10	119	0.42%	0.00%
South Korea	256	0	-	-	-	256	17	-	-	17	212	0.75%	1.00%
Spain	942	892	-	-	-	1,834	119	-	-	119	1,490	5.26%	0.00%
Sweden	42	743	-	-	-	786	25	-	-	25	317	1.12%	2.00%
Switzerland	146	1	-	-	-	147	9	-	-	9	118	0.41%	0.00%
United Kingdom	170	2,270	-	-	-	2,441	86	-	-	86	1,076	3.80%	2.00%
United States	510	16,547	-	-	-	17,058	688	-	-	688	8,594	30.31%	0.00%
Total	5,675	44,828	-	-	-	50,504	2,268	-	-	2,268	28,353	100.00%	

EU CCyB2 – Amount of institution-specific countercyclical capital buffer

Amount of institution-specific countercyclical buffer

<i>Amounts in millions of euros</i>	2024-12
Total risk exposure amount	33,139
Institution-specific countercyclical capital buffer rate (%)	0.65%
Institution-specific countercyclical capital buffer requirement	214

Leverage ratio

EU LRA – Disclosure of LR qualitative information

The current level of the leverage ratio of DLL is well above the regulatory minimum requirement, therefore no explicit target has been defined. The leverage ratio has also never been below the minimum level. Our strategy is based on performance improvement and selective asset growth, which is the foundation for a sound leverage ratio. The leverage ratio is a less binding constraint for DLL in relation to the risk based capital requirements. Potential changes in regulation relating to the leverage ratio are monitored and their potential impact is assessed. The risk profile of the bank (such as the risk-weighted exposure amounts) is our primary driver in controlling the business.

EU LR1-LRSum – Summary reconciliation of accounting assets and leverage ratio exposures

Reconciliation balance sheet and LR exposures	
Amounts in millions of euros	Applicable amount
Total assets as per published financial statements	49,747
Adjustment for entities that are consolidated for accounting purposes but are outside the scope of regulatory consolidation	-
(Adjustment for securitized exposures that meet the operational requirements for the recognition of risk transference)	-
(Adjustment for temporary exemption of exposures to central bank (if applicable))	-
(Adjustment for fiduciary assets recognized on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with point (i) of point (i) of Article 429a(1) CRR)	-
Adjustment for regular-way purchases and sales of financial assets subject to trade-date accounting	-
Adjustment for eligible cash-pooling transactions	-
Adjustments for derivative financial instruments	200
Adjustment for securities financing transactions (SFTs)	-
Adjustment for off-balance-sheet items (i.e., conversion to credit equivalent amounts of off-balance-sheet exposures)	1,812
(Adjustment for prudent valuation adjustments and specific and general provisions that have reduced Tier 1 capital)	-
(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-
(Adjustment for exposures excluded from the leverage ratio total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
Other adjustments	(103)
Total exposure measure	51,656

EU LR2-LRCom – Leverage ratio common disclosure

Leverage ratio common disclosure		CRR leverage ratio exposures	
Amounts in millions of euros		2024-12	2023-12 ¹
On-balance-sheet exposures (excluding derivatives and SFTs)			
1	On-balance-sheet items (excluding derivatives and SFTs, but including collateral)	49,674	46,444
2	Gross-up for derivatives collateral provided	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognized as an asset)	-	-
5	(General credit risk adjustments to on-balance-sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(103)	(76)
7	Total on-balance-sheet exposures (excluding derivatives and SFTs)	49,571	46,368
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e., net of eligible cash variation margin)	102	123
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardized approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	171	157
EU-9a	Derogation for derivatives: potential future exposure contribution under the simplified standardized approach	-	-
EU-9b	Exposure determined under Original Exposure Method	-	-
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardized approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (original exposure method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	Total derivatives exposures	273	280
Securities financing transaction (SFT) exposures			
14	Gross SFT assets	-	-
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	-	-
EU-16a	Derogation for SFTs: counterparty credit risk exposure	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-

Leverage ratio common disclosure

		CRR leverage ratio exposures	
Amounts in millions of euros		2024-12	2023-12 ¹
18	Total securities financing transaction exposures	-	-
Other off-balance-sheet exposures			
19	Off-balance-sheet exposures at gross notional amount	12,042	12,302
20	(Adjustments for conversion to credit equivalent amounts)	(10,230)	(10,205)
21	(General provisions associated with off-balance-sheet exposures deducted)	-	-
22	Off-balance-sheet exposures	1,812	2,097
Excluded exposures			
EU-22a	(Exposures excluded from the leverage ratio total exposure measure in accordance with point (c) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a (1) CRR (on and off balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks - Public sector investments)	-	-
EU-22d	(Excluded promotional loans of public development banks)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks)	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions)	-	-
EU-22i	(Excluded CSD related services of designated institutions)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	(Total exempted exposures)	-	-
Capital and total exposure measure			
23	Tier 1 capital	4,092	3,728
24	Leverage ratio total exposure measure	51,656	48,746
Leverage ratio			
25	Leverage ratio (%)	7.92%	7.65%
EU-25	Leverage ratio (without the adjustment due to excluded exposures of public development banks - Public sector investments) (%)	7.92%	7.65%
25a	Leverage ratio (excluding any exemption of central bank reserves) (%)	7.92%	7.65%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%
EU-26b	of which: to be made up of CET1 capital (%)	0.00%	0.00%
27	Leverage ratio buffer requirement (%)	0.00%	0.00%
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%

Choice on transitional arrangements and relevant exposures

Leverage ratio common disclosure

		CRR leverage ratio exposures	
Amounts in millions of euros		2024-12	2023-12 ¹
EU-27	Choice on transitional arrangements for the definition of the capital measure	Fully phased in	Fully phased in
Disclosure of mean values			
28	Mean of daily values of gross SFT assets	-	-
29	Quarter-end value of gross SFT assets	-	-
30	Total exposures (including any exemption of central bank reserves)	51,656	48,746
30a	Total exposures (excluding any exemption of central bank reserves)	51,656	48,746
31	Leverage ratio (including any exemption of central bank reserves)	7.92%	7.65%
31a	Leverage ratio (excluding any exemption of central bank reserves)	7.92%	7.65%

1 2023-12 Total exposure amount has changed during 2024 due to a resubmission. Also related ratios have changed

EU LR3-LRSpl – Split-up of on-balance-sheet exposures (excluding derivatives, SFTs and exempted exposures)

Split-up of on-balance-sheet exposures

Amounts in millions of euros	CRR leverage ratio exposures
Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	49,674
Trading book exposures	-
Banking book exposures, of which:	49,674
Covered bonds	-
Exposures treated as sovereigns	871
Exposures to regional governments, MDB, international organisations and PSE not treated as sovereigns	-
Institutions	627
Secured by mortgages of immovable properties	-
Retail exposures	30,151
Corporate	16,163
Exposures in default	1,102
Other exposures (eg equity, securitisations, and other non-credit obligation assets)	760

Credit risk

Credit risk is defined as the risk of DLL facing an economic loss because its counterparties cannot perform their contractual obligations.

Management of credit risk within the bank is governed by the DLL Group credit risk policies and standards that are further detailed in underlying specific credit risk procedures and local policies and/or manuals.

The primary responsibility for managing and monitoring credit risk lies with the countries as the first line of responsibility. The countries are required to identify, assess, manage, monitor, and report potential risks in the credit portfolios. Monitoring takes place on an ongoing basis to manage credit risk exposures to a level that is in line with the risk appetite.

In addition, risks in the credit portfolio are measured and monitored DLL-wide and at country level on a monthly basis, as well as by quarterly and ad-hoc portfolio reporting and analysis, with specific attention to risk developments and concentrations.

EU CRB – Additional disclosure related to the credit quality of assets

Credit risk quality

DLL has several parameter frameworks for assessing the credit quality of obligors/facilities. Particularly in recent years, external regulation (e.g., regarding forbearance and default assignment) has encouraged the banking industry to extend the number of credit risk parameter frameworks.

Credit risk classification

The Credit Risk Classification (CRC) framework is being used to assess the credit quality of our clients. The CRC consists of four classifications: Good, Early Warning (EW), Financial Difficulties (FD), and Default. The four classes determine the required intensiveness and the appropriate level of account management. The determination of the CRC should be based on ability of the obligor to meet its financial commitments on a going-concern basis and should not take into account any elements related to the security position of the bank towards the obligor (e.g., collateral, guarantees etc.). The CRC helps to:

- Increase objectivity by using decision trees and improving and clarifying definitions;
- Simplify our broader Credit Risk Parameter framework by aligning the frameworks used within the bank (CRC, RRR, Forbearance, and IFRS 9 Stages);
- Identify signals earlier, report with more transparency on portfolio quality and manage clients more effectively; and
- Achieve a more forward-looking approach to credit classifications.

Past-due, defaults and loan impairment allowances

For the purpose of reporting, DLL distinguishes several types of loans for which servicing commitments are not being met, like:

- Past-due loans: Interest, repayments or overdrafts on a loan have been due for payment for more than one day;
- Defaulted loans: It is unlikely that the obligor/facility will pay its debt obligations (principal, interest and/or fees) in full, without recourse by the bank to actions such as realizing security (if held) or granting viable forbearance measures and/or the obligors has arrears exceeding the regulatory defined materiality thresholds for 90 or more consecutive days.

D1-D4, default, and Stage 3 are always fully aligned and therefore:

- When an obligor/facility is Defaulted, an IFRS 9 Stage 3 loan loss provision should be determined, and a RRR of D1, D2, D3 or D4 is applicable;
- When an obligor/facility is non-Defaulted, a RRR of R0-R20 is applicable,
- When an obligor/facility is non-Defaulted, IFRS 9 stage 1 or 2 is applicable.

In relation to the IFRS 9 staging:

- Obligors in the CRC Good category are always in IFRS stage 1;
- Obligors that are classified as CRC FD (and thus non-defaulted) always belong to Stage 2, but not vice versa (Stage 2 and FD triggers are not fully aligned);
- Obligors with Facilities in Stage 2 but not CRC FD should always be classified as CRC EW.

The obligor is cured from default when all the requirements of the (i) Financial Exit Criteria and (ii) Probation Period for Default are met.

Classification

DLL classifies its financial assets within the following measurement categories:

- Those to be measured subsequently at fair value (either through OCI or through profit or loss) and
- Those to be measured at amortized cost.

The classification depends on:

1. Business model assessment; Assessment of how the business is managed and how the business is seen from a strategic point of view:

- Hold to collect: Where the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows; or
- Hold to collect and sell: Where the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; or
- Other business model.

2. Contractual cash flow assessment: Assessment of whether the cash flows of the financial assets are Solely Payments of Principal and Interest (SPPI).

The business model assessment can be made on a portfolio basis, whereas the contractual cash flow assessment is made for each individual financial asset. DLL only reclassifies debt instruments when the business model for managing those assets changes.

A debt instrument that is held within a "hold to collect" business model and meets the SPPI test is measured at amortized cost unless the asset is designated at fair value through profit or loss.

A debt instrument that is held within a "hold to collect and sell" business model and meets the SPPI test is measured at fair value with fair value adjustments recognized in other comprehensive income unless the asset is designated at fair value through profit or loss.

All other debt instruments are mandatorily measured at fair value through profit or loss. All equity instruments in the scope of IFRS 9 are measured at fair value with fair value adjustments recognized in profit or loss or in other comprehensive income. The option to designate an equity instrument at fair value through other comprehensive income is available at initial recognition and is irrevocable.

Measurement

At initial recognition, DLL measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial

asset. Transaction costs of financial assets measured at fair value through profit or loss are expensed to profit or loss. Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows meet the SPPI requirements. Derivative financial instruments are initially recognized and subsequently measured at fair value through profit or loss.

Impairment allowances on financial assets

The rules governing impairments apply to financial assets at amortized cost and financial assets at fair value through OCI, as well as to lease receivables, contract assets, trade receivables, certain loan commitments, and financial guarantees. At initial recognition, an allowance is formed for the amount of the expected credit losses from possible defaults in the coming 12 months ("12-months expected credit loss" (ECL)). If credit risk has increased significantly since origination (but remains non-credit impaired), an allowance is required for the amount that equals the expected credit losses stemming from possible defaults during the expected lifetime of the financial asset ("Lifetime ECL"). If the financial instrument becomes credit-impaired, the allowance will remain at the Lifetime ECL. The interest income for these instruments will be recognized by applying the effective interest rate on the net carrying amount (including the allowance). Financial instruments become credit-impaired when one or more events have occurred that had a detrimental impact on estimated future cash flows.

Two fundamental drivers of the IFRS 9 impairments requirements are a) the methodology for the measurement of 12-month and Lifetime ECL and b) the criteria used to determine whether a 12-month ECL, Lifetime ECL non-credit impaired, or Lifetime ECL credit-impaired should be applied (also referred to as stage determination criteria).

a) Methodology to determine expected credit losses

In order to determine ECLs, DLL utilizes point-in-time PD and LGD models for the majority of the portfolio in scope. Three macroeconomic scenarios (a baseline-downside, baseline and baseline-upside scenario) are incorporated into these models and probability-weighted in order to determine the expected credit losses.

b) Stage determination criteria

A framework of qualitative and quantitative factors has been developed in order to allocate financial instruments in scope between the categories 12-month ECL (stage 1), Lifetime ECL non-credit-Impaired (stage 2) and Lifetime ECL Credit-Impaired (stage 3). The criteria for allocating a financial instrument to stage 3 are fully aligned with the criteria for assigning a defaulted status. In order to allocate financial instruments between stages 1 and 2, DLL uses criteria, such as days past due status, CRC, deterioration of the lifetime PD since origination, unit of account, and Purchased & Originated Credit Impaired (POCI). For portfolios without individual PDs or with PDs that are not updated on a frequent basis such that an assessment of the change in PD is not possible, a collective assessment will be made on groups of financial instruments with shared credit risk characteristics.

After a loan or lease has been granted, continuous client monitoring takes place. New financial and non-financial information is assessed. DLL ascertains whether the client complies with the agreement made and whether it can be expected that the client will remain compliant in the future. If this is expected not to be the case, credit management is intensified, monitoring becomes more frequent, and a closer eye is kept on credit terms. If it is likely that a debtor will be unable to pay the amounts owed to DLL in accordance with the contractual obligations, this will give rise to an impairment (impaired loan). If necessary, an allowance is made that is charged to income.

Forbearance

The forbearance portfolio is composed of DLL obligors for whom forbearance measures have been put in place. Forbearance measures consist of concessions granted to an obligor that faces or is expected to face financial difficulties. DLL distinguishes two types of Concessions:

- Modification: A contractual adjustment of the previous terms and conditions of contractual obligations of an (joint) obligor, including the exercise of embedded clauses by the obligor.
- Refinancing: The use of new contractual obligation(s) to ensure:
 - The total or partial payment of other debt contracts, and/or
 - Additional financing.

The forborne portfolio is managed by Credit and Risk as the clients concerned have a CRC of Financial Difficulty or Default applies.

EU CR1 – Performing and non-performing exposures and related provisions

Performing and non-performing exposures and related provisions

	Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
	Performing exposures			Non-performing exposures			Performing exposures - Accumulated impairment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
Amounts in millions of euros															
Cash balances at central banks and other demand deposits	255	255	-	-	-	-	-	-	-	-	-	-	-	-	-
Loans and advances	44,502	34,705	9,797	1,370	-	1,370	(212)	(80)	(132)	(299)	-	(299)	-	42,033	805
Central banks	0	0	-	-	-	-	(0)	(0)	-	-	-	-	-	0	-
General governments	283	229	53	3	-	3	(1)	(1)	(0)	(1)	-	(1)	-	267	2
Credit institutions	292	263	29	1	-	1	(1)	(0)	(0)	(0)	-	(0)	-	71	1
Other financial corporations	769	680	89	16	-	16	(3)	(2)	(1)	(3)	-	(3)	-	727	8
Non-financial corporations	41,782	32,274	9,508	1,293	-	1,293	(204)	(74)	(130)	(286)	-	(286)	-	39,603	752
Of which SMEs	32,792	24,720	8,072	1,106	-	1,106	(176)	(58)	(119)	(262)	-	(262)	-	30,958	605
Households	1,376	1,259	117	56	-	56	(3)	(2)	(1)	(8)	-	(8)	-	1,365	42
Debt securities	311	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	58	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	253	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	12,042	12,042	-	-	-	-	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
General governments	104	104	-	-	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	15	15	-	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	184	184	-	-	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	11,739	11,739	-	-	-	-	-	-	-	-	-	-	-	-	-
Households	0	0	-	-	-	-	-	-	-	-	-	-	-	-	-
Total	57,110	47,002	9,797	1,370	-	1,370	(212)	(80)	(132)	(299)	-	(299)	-	42,033	805

Stage 3 risk costs increased significantly in 2024. Operations in Brazil were affected by a combination of factors that included: droughts throughout the country due to changes in El Niño weather patterns; a downturn in commodity prices in the food and agricultural sector; significant flooding in the southern part of the country; and a significant increase in external frauds discovered during the year. Next to that, there were global challenges in some sectors in which DLL is active.

EU CQ1 – Credit quality of forborne exposures

Credit quality of forborne exposures								
Amounts in millions of euros	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
	Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures
			Of which defaulted	Of which impaired				
Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
Loans and advances	15	157	157	157	(0)	(31)	114	94
Central banks	-	-	-	-	-	-	-	-
General governments	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-
Other financial corporations	0	2	2	2	(0)	(0)	2	2
Non-financial corporations	14	153	153	153	(0)	(31)	110	91
Households	-	2	2	2	-	(0)	1	1
Debt securities	-	-	-	-	-	-	-	-
Loan commitments given	-	-	-	-	-	-	-	-
Total	15	157	157	157	(0)	(31)	114	94

EU CQ3 – Credit quality of performing and non-performing exposures by past due days

Credit quality of performing and non-performing exposures by past due days

	Gross carrying amount/nominal amount											
	Performing exposures			Non-performing exposures								
		Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
<i>Amounts in millions of euros</i>												
Cash balances at central banks and other demand deposits	255	255	-	-	-	-	-	-	-	-	-	-
Loans and advances	44,502	44,054	448	1,370	791	231	242	75	22	5	4	1,370
Central banks	0	0	-	-	-	-	-	-	-	-	-	-
General governments	283	277	6	3	2	1	0	0	0	-	-	3
Credit institutions	292	285	7	1	1	0	0	0	-	-	-	1
Other financial corporations	769	766	3	16	9	2	3	3	0	0	0	16
Non-financial corporations	41,782	41,360	422	1,293	746	218	227	72	22	5	4	1,293
Of which SMEs	32,792	32,460	333	1,106	586	209	210	71	22	5	4	1,106
Households	1,376	1,366	10	56	33	11	12	-	-	-	-	56
Debt securities	311	311	-	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	58	58	-	-	-	-	-	-	-	-	-	-
Credit institutions	-	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	253	253	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	-	-	-	-	-	-	-	-	-	-	-	-
Off-balance-sheet exposures	12,042	-	-	-	-	-	-	-	-	-	-	-
Central banks	-	-	-	-	-	-	-	-	-	-	-	-
General governments	104	-	-	-	-	-	-	-	-	-	-	-
Credit institutions	15	-	-	-	-	-	-	-	-	-	-	-
Other financial corporations	184	-	-	-	-	-	-	-	-	-	-	-
Non-financial corporations	11,739	-	-	-	-	-	-	-	-	-	-	-
Households	0	-	-	-	-	-	-	-	-	-	-	-
Total	57,110	44,621	448	1,370	791	231	242	75	22	5	4	1,370

The majority of the non-performing exposures fall in the category "Unlikely to pay that are not past due or past due ≤ 90 days." Furthermore, DLL considers non-performing exposures as defaulted exposure and defaulted exposures as non-performing exposures.

EU CQ4 – Quality of non-performing exposures by geography

Quality of non-performing exposures by geography							
Amounts in millions of euros	Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing		Of which subject to impairment			
			Of which defaulted				
On-balance-sheet exposures	46,183	1,370	1,370	45,871	(511)	-	-
United States	17,006	477	477	16,756	(147)	-	-
Germany	4,110	144	144	4,110	(34)	-	-
Australia	3,584	64	64	3,584	(29)	-	-
France	3,385	115	115	3,385	(38)	-	-
Canada	3,325	95	95	3,325	(30)	-	-
United Kingdom	2,449	31	31	2,449	(12)	-	-
Brazil	2,258	226	226	2,258	(110)	-	-
Italy	2,222	56	56	2,222	(37)	-	-
Netherlands	1,657	29	29	1,650	(17)	-	-
Other countries	6,186	133	133	6,131	(58)	-	-
Off-balance-sheet exposures	12,042	-	-	-	-	-	-
United States	6,232	-	-	-	-	-	-
Germany	1,448	-	-	-	-	-	-
Canada	783	-	-	-	-	-	-
United Kingdom	758	-	-	-	-	-	-
France	749	-	-	-	-	-	-
Australia	526						
Netherlands	363	-	-	-	-	-	-
Brazil	181	-	-	-	-	-	-
Other countries	1,002	-	-	-	-	-	-
Total	58,225	1,370	1,370	45,871	(511)	-	-

The trend towards increasing credit impairments seen in 2023 continued in 2024. The global economic downturn, particularly challenges in the Brazilian food and agricultural sector, led to higher impairment charges. DLL mainly saw a significant increase in stage 3 credit impairments.

EU CQ5 – Credit quality of loans and advances to non-financial corporations by industry

Credit quality of loans and advances to non-financial corporations by industry

Amounts in millions of euros	Gross carrying amount			Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing				
			Of which defaulted			
Agriculture, forestry and fishing	14,042	499	499	14,042	(184)	-
Mining and quarrying	179	3	3	179	(2)	-
Manufacturing	3,658	106	106	3,658	(37)	-
Electricity, gas, steam and air conditioning supply	159	7	7	159	(4)	-
Water supply	261	3	3	261	(2)	-
Construction	2,277	75	75	2,277	(32)	-
Wholesale and retail trade	9,281	200	200	9,281	(55)	-
Transport and storage	1,705	92	92	1,705	(37)	-
Accommodation and food service activities	241	6	6	241	(3)	-
Information and communication	1,014	12	12	1,014	(8)	-
Financial and insurance activities	-	-	-	-	-	-
Real estate activities	366	10	10	366	(6)	-
Professional, scientific and technical activities	1,352	31	31	1,352	(16)	-
Administrative and support service activities	3,332	87	87	3,332	(31)	-
Public administration and defense, compulsory social security	-	-	-	-	-	-
Education	616	10	10	616	(6)	-
Human health services and social work activities	3,169	87	87	3,169	(50)	-
Arts, entertainment and recreation	516	15	15	516	(8)	-
Other services	906	49	49	906	(12)	-
Total	43,075	1,293	1,293	43,075	(490)	-

The trend towards increasing credit impairments seen in 2023 continued in 2024. The global economic downturn, particularly challenges in the Brazilian food and agricultural sector, led to higher impairment charges.

Despite the growth in our portfolio, the stage 1 and 2 credit impairments (related to performing loans and advances) remained stable.

Stage 3 risk costs (related to non-performing loans and advances) also grew significantly in 2024. An increase in defaults drove up stage 3 impairments. Operations in Brazil were affected by a combination of factors and there were global challenges in some sectors in which DLL is active.

EU CQ7 – Collateral obtained by taking possession and execution processes

Collateral obtained by taking possession and execution processes		
	Collateral obtained by taking possession	
	Value at initial recognition	Accumulated negative changes
Amounts in millions of euros		
Property, plant and equipment (PP&E)	-	-
Other than PP&E	38	(7)
Residential immovable property	-	-
Commercial Immovable property	-	-
Movable property	38	(7)
Equity and debt instruments	-	-
Other collateral	-	-
Total	38	(7)

When a foreclosure is executed, DLL normally tries to auction the asset that served as security for the loan or lease, which does not lead to the recognition of the collateral on our own book. Therefore, the number reported in the template is very limited.

Disclosure of the usage of credit risk mitigation techniques

DLL employs a range of mitigation techniques to reduce credit risk, which are covered below.

EU CRC – Qualitative disclosure requirements related to CRM techniques

For credit risk mitigation, DLL, being an asset-based finance company, mainly relies on the asset that is financed, being at the same time the primary source of collateral (credit risk mitigation). Balance sheet netting is not applied.

DLL has a specialized asset management department that is responsible for asset valuation and residual value estimation. These estimations are taken into account during underwriting new business. Value lines are available for every relevant asset, reflecting the value of the asset during the economic lifetime of the asset.

Assets that are financed by DLL (and that are the prime source of collateral for DLL) fall into the following industries: Agriculture, Food, Healthcare, Energy transition, Construction, Transportation, Industrial equipment, Office equipment and Technology.

DLL has a highly diversified portfolio, in terms of number of obligors, number of contracts, countries where exposures are booked and assets that are financed.

Although the majority of DLL's portfolio is collateralized, from a capital requirements regulation (CRR) perspective the collateral is considered to be uneligible, which is a prudent approach.

EU CR3-CRM techniques overview – Disclosure of the use of credit risk mitigation techniques

CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

Amounts in millions of euros	Unsecured carrying amount	Secured carrying amount			
			Of which secured by collateral	Of which secured by financial guarantees	
					Of which secured by credit derivatives
Loans and advances	3,288	42,838	42,678	160	-
Debt securities	311	-	-	-	-
Total	3,600	42,838	42,678	160	-
Of which non-performing exposures	265	805	797	8	-
Of which defaulted	-	-	-	-	-

The use of the standardized approach to credit risk

DLL's policy is aimed at applying the Advanced Internal Ratings-Based Approach (A-IRB) approach to its credit portfolio as much as possible. However, there are exceptions where it is allowed, necessary or forced to apply less sophisticated approaches (SA instead A-IRB) to certain portfolios.

DLL hardly uses external ratings for risk weighting under the standardized approach. Permission has been granted by the ECB to move the portfolio of Institutions and CG&CB to SA.

EU CR4 – Standardized approach – Credit risk exposure and CRM effects

Standardized approach - credit risk exposure and CRM effects

Amounts in millions of euros	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWEAs and RWEAs density	
	On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWEAs	RWEAs density
Central governments or central banks	872	-	871	-	607	69.7%
Regional government or local authorities	-	-	-	-	-	0.0%
Public sector entities	-	-	-	-	-	0.0%
Multilateral development banks	-	-	-	-	-	0.0%
International organizations	-	-	-	-	-	0.0%
Institutions	627	-	627	-	356	56.9%
Corporates	2,396	12,042	2,390	12,042	3,327	23.1%
Retail	2,129	-	2,123	-	1,480	69.7%
Secured by mortgages on immovable property	-	-	-	-	-	0.0%
Exposures in default	81	-	66	-	66	100.0%
Exposures associated with particularly high risk	-	-	-	-	-	0.0%
Covered bonds	-	-	-	-	-	0.0%
Institutions and corporates with a short-term credit assessment	-	-	-	-	-	0.0%
Collective investment undertakings	-	-	-	-	-	0.0%
Equity	-	-	-	-	-	0.0%
Other items	-	-	-	-	-	0.0%
Total	6,105	12,042	6,076	12,042	5,837	32.2%

The use of the IRB approach to credit risk

DLL's policy is aimed at applying the Advanced Internal Ratings-Based (A-IRB) approach to its credit portfolio as much as possible. However, there are exceptions where it is allowed, necessary or forced to apply less sophisticated approaches (SA instead A-IRB) to certain portfolios.

For the A-IRB portfolio, internally developed Probability of Default (PD) and Loss Given Default (LGD) models are available. During the PD and LGD model development recoveries of all credit risk mitigation techniques are taken into account. DLL does not make use of credit derivatives.

EU CR8-RWEA flow statements of credit risk exposures under the IRB approach

RWEA flow statements of credit risk exposures under the IRB approach	
	Risk weighted exposure amount ¹
Amounts in millions of euros	
Risk weighted exposure amount as on December 2023	21,630
Asset size (+/-)	865
Asset quality (+/-)	146
Model updates (+/-)	393
Methodology and policy (+/-)	-
Acquisitions and disposals (+/-)	-
Foreign exchange movements (+/-)	121
Other (+/-)	325
Risk weighted exposure amount as on December 2024	23,480

1 2023-12 Total risk-weighted exposure amount has changed during 2024 due to a resubmission.

The RWEA movement of IRB treated exposures can be largely explained by asset size growth which is related to organic growth of DLL's IRB portfolio.

EU CR7-IRB approach – Effect on the RWEAs of credit derivatives used as CRM techniques

IRB approach – Effect on the RWEAs of credit derivatives		
	Pre-credit derivatives risk weighted exposure amount	Actual risk weighted exposure amount
Amounts in millions of euros		
Exposures under F-IRB	-	-
Central governments or central banks	-	-
Institutions	-	-
Corporates	-	-
of which SMEs	-	-
of which Specialized lending	-	-
Exposures under AIRB	20,048	20,048
Central governments or central banks	-	-
Institutions	-	-
Corporates	8,986	8,986
of which Corporates – SMEs	2,924	2,924
of which Corporates – Specialized lending	-	-
Retail	11,062	11,062
of which Retail – SMEs – Secured by immovable property	-	-
of which Retail – non-SMEs – Secured by immovable property	-	-
of which Retail – Qualifying revolving	-	-
of which Retail – SMEs – Other	10,526	10,526
of which Retail – Non-SMEs – Other	535	535
TOTAL (including F-IRB exposures and A-IRB exposures)	20,048	20,048

DLL does not make use of credit derivatives, hence there is no impact on the RWA.

EU CR7-A-IRB approach – Disclosure of the extent of the use of CRM techniques

IRB - usage of CRM techniques

	Total exposures	Credit risk Mitigation techniques											Credit risk Mitigation methods in the calculation of RWEAs		
		Funded credit Protection (FCP)									Unfunded credit Protection (UFCP)		RWEA without substitution effects (reduction effects only)	RWEA with substitution effects (both reduction and sustitution effects)	
		Part of exposures covered by Financial Collaterals (%)	Part of exposures covered by Other eligible collaterals (%)			Part of exposures covered by Other physical collateral (%)			Part of exposures covered by Guarantees (%)	Part of exposures covered by Credit Derivatives (%)					
			(%)	Part of exposures covered by Immovable property Collaterals (%)	Part of exposures covered by Receivables (%)	Part of exposures covered by Other physical collateral (%)	(%)	Part of exposures covered by Cash on deposit (%)			Part of exposures covered by Life insurance policies (%)	Part of exposures covered by Instruments held by a third party (%)			
Amounts in millions of euros															
Central governments and central banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Institutions	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Corporates	14,136	-	-	-	-	-	-	-	-	-	-	-	-	8,986	8,986
Of which Corporates – SMEs	5,085	-	-	-	-	-	-	-	-	-	-	-	-	2,924	2,924
Of which Corporates – Specialized lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which Corporates – Other	9,051	-	-	-	-	-	-	-	-	-	-	-	-	6,062	6,062
Retail	29,186	-	-	-	-	-	-	-	-	-	-	-	-	11,062	11,062
Of which Retail – Immovable property SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which Retail – Immovable property non-SMEs	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which Retail – Qualifying revolving	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Of which Retail – Other SMEs	27,758	-	-	-	-	-	-	-	-	-	-	-	-	10,526	10,526
Of which Retail – Other non-SMEs	1,426	-	-	-	-	-	-	-	-	-	-	-	-	535	535
Total	43,321	-	-	-	-	-	-	-	-	-	-	-	-	20,048	20,048

Although DLL is an asset based financing company, which mainly has loans and leases that are backed by collateral, not all CRR requirements to recognize loans and leases as collateralized are met.

Remuneration

EU REMA – Remuneration Policy

DLL's compensation and benefits programs are relevant, competitive and compliant, to enable DLL to attract and retain the desired talent. Our Remuneration Policy is designed to drive the right behaviors that support a high-performance organization, growth culture, and a purposeful and inclusive place to work.

Remuneration Policy

DLL's Remuneration Policy falls within the framework of the Rabobank Group Remuneration Policy. It enables a fair and globally consistent approach to remuneration within the framework of the DLL job classification system and applies to all DLL entities around the world with local variations as necessary. These variations relate to the application of local legislation, national collective labor agreements or local labor market practices which allow DLL to be both locally competitive and compliant. DLL's total reward structure includes fixed and variable remuneration elements that are aligned with local regulations and labor markets, including pension programs as applicable.

The remuneration packages for the Executive Board are subject to review and approval by the Supervisory Board as well as the Rabobank Managing Board.

Rabobank Group Remuneration Policy

The Rabobank Group Remuneration Policy details the principles and guidelines of Rabobank's vision on remuneration. It also takes into account requirements under external legislation and regulations, including the Dutch Financial Undertakings Remuneration Policy Act (Wbfo), the regulations on Restrained Remuneration Policies, the Capital Requirements Directive IV (CRD IV) and the Dutch Banking Code. The Rabobank Group Remuneration Policy applies to the Rabobank Group as a whole, including group entities like DLL, which has reflected this in its own Remuneration Policy. It supports solid and effective risk management processes, and discourages employees from taking undesirable risks, while encouraging them to consider the longer-term impact on the interests of both Rabobank Group and its clients. The annual performance appraisal and remuneration cycle support acting in the interest of our long-term continuity and financial strength.

Identified Staff

Members who could have a significant impact on DLL's risk profile are designated as Identified Staff. In 2024, 80 roles within DLL (including Supervisory Board members) were deemed to belong to this category. In general, these members are not eligible for variable remuneration. In exceptional cases where they are eligible, their incentive is governed by the principles laid down in the Rabobank Group Remuneration Policy. As is the case for all other members, Identified Staff must meet a proper balance of performance objectives. DLL offers no fixed or variable pay in the form of options or shareholding rights to employees.

Variable remuneration is capped for all roles in all countries, and in line with regulatory restrictions, DLL does not grant guaranteed variable remuneration. These bonuses can only be awarded if Rabobank has a strong and solid capital basis.

Severance payments must be demonstrably related to the performance of the employee over time. For daily policy-makers (Dagelijks Beleidsbepalers) severance payments are capped at a maximum of 100% of the fixed pay on an annual basis.

EU REM1 – Remuneration awarded for the financial year

Remuneration awarded for the financial year				
Amounts in EUR thousands				
	MB Supervisory function	MB Management function	Other senior management	Other Identified Staff
Fixed remuneration	Number of Identified Staff	4	6 ¹	69
	Total fixed remuneration	346	4,373	24,912
	Of which cash-based	-	-	-
	(Not applicable in the EU)	-	-	-
	Of which shares or equivalent ownership interests	-	-	-
	Of which share-linked instruments or equivalent non-cash instruments	-	-	-
	Of which other instruments	-	-	-
	(Not applicable in the EU)	-	-	-
	Of which other forms	-	-	-
	(Not applicable in the EU)	-	-	-
Variable remuneration	Number of identified staff	-	-	-
	Total variable remuneration	-	-	-
	Of which cash-based	-	-	-
	Of which deferred	-	-	-
	Of which shares or equivalent ownership interests	-	-	-
	Of which deferred	-	-	-
	Of which share-linked instruments or equivalent non-cash instruments	-	-	-
	Of which deferred	-	-	-
	Of which other instruments	-	-	-
	Of which deferred	-	-	-
Total		346	4,373	24,912

1 The CEO is on the payroll of Rabobank and costs are charged to DLL

EU REM2 – Special payments to staff whose professional activities have a material impact on institutions’ risk profile (Identified Staff)

Special payments to staff whose professional activities have a material impact on institutions’ risk profile (Identified Staff)				
Amounts in EUR thousands	MB Supervisory function	MB Management function	Other senior management	Other Identified Staff
Guaranteed variable remuneration awards				
Guaranteed variable remuneration awards - Number of Identified Staff	-	-	1	-
Guaranteed variable remuneration awards - Total amount	-	-	20	-
Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	20	-
Severance payments awarded in previous periods, that have been paid out during the financial year				
Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	-	-	-	-
Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	-	-	-	-
Severance payments awarded during the financial year				
Severance payments awarded during the financial year - Number of Identified Staff	-	-	1	-
Severance payments awarded during the financial year - Total amount	-	-	138	-
Of which paid during the financial year	-	-	138	-
Of which deferred	-	-	-	-
Of which severance payments paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
Of which highest payment that has been awarded to a single person	-	-	-	-

EU REM3 – Deferred remuneration

Deferred remuneration

Amounts in EUR	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	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
MB Supervisory function								
Cash-based	-	-	-	-	-	-	-	-
Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
MB Management function								
Cash-based	-	-	-	-	-	-	-	-
Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
Other senior management								
Cash-based	829	829	-	-	-	-	-	-
Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
Other instruments	655	655	-	-	-	-	655	-
Other forms	-	-	-	-	-	-	-	-
Other Identified Staff								
Cash-based	-	-	-	-	-	-	-	-
Shares or equivalent ownership interests	-	-	-	-	-	-	-	-
Share-linked instruments or equivalent non-cash instruments	-	-	-	-	-	-	-	-
Other instruments	-	-	-	-	-	-	-	-
Other forms	-	-	-	-	-	-	-	-
Total amount	1,484	1,484	-	-	-	-	655	-

EU REM4 – Remuneration of 1 million EUR or more per year

Remuneration of EUR 1 million or more per year	
EUR	Identified Staff that are high earners as set out in Article 450(i) CRR
1 000 000 to below 1 500 000	1
1 500 000 to below 2 000 000	-

EU REM5 – Information on remuneration of staff whose professional activities have a material impact on institutions’ risk profile (Identified Staff)

Information on remuneration of staff whose professional activities have a material impact on institutions’ risk profile (Identified Staff)										
Amounts in EUR thousands	Management body remuneration			Business areas						Total
	MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	
Total number of Identified Staff	-	-	-	-	-	-	-	-	-	79
Of which members of the MB	4	6	10	-	-	-	-	-	-	-
Of which other senior management	-	-	-	-	-	-	-	20	49	-
Of which other Identified Staff	-	-	-	-	-	-	-	-	-	-
Total remuneration of Identified Staff	346	4,373	4,720	-	-	-	-	4,936	19,976	-
Of which variable remuneration	-	-	-	-	-	-	-	-	-	-
Of which fixed remuneration	346	4,373	4,720	-	-	-	-	4,936	19,976	-

Declaration Executive Board

The Executive Board of DLL declares that the risk management arrangements of DLL are adequate and assures that the risk management systems put in place are adequate to DLL's profile and strategy.

L. Yocarini, *Chair and CEO (as of May, 2024)*

I. Eddini, *CHRO*

N. Garnett, *CCO*

Y.E. Hoefsmit, *CRO*

M. Janse, *COO*

G.T.R. Raison, *CFO*

Eindhoven, April 29, 2025

Appendix

EU CCA – Main features of regulatory own funds instruments and eligible liabilities instruments

Main features of regulatory own funds instruments	
Issuer	De Lage Landen International B.V.
Unique identifier (e.g; CUSIP, ISIN or Bloomberg identifier for private placement)	Shares number A1 – A215 and B1 – B2
Public or private placement	Private
Governing law(s) of the instrument	Governed by laws of the Netherlands
Contractual recognition of write-down and conversion powers of resolution authorities	n/a
Regulatory treatment	
Current treatment taking into account, where applicable, transitional CRR rules	Common Equity Tier 1
Post-transitional CRR rules	Common Equity Tier 1
Eligible at solo/(sub-)consolidated/solo&(sub-)consolidated	Subconsolidated
Instrument type (types to be specified by each jurisdiction)	CET1 instruments as published on EBA list
Amount recognized in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	EUR 1,233 million
Nominal amount of instrument	EUR 98 million
Issue price	EUR 98 million (excluding share premium)
Redemption price	n/a
Accounting classification	Shareholders' Equity
Original date of issuance	05/04/1974 (April 5, 1974)
Perpetual or dated	Perpetual
Original maturity date	No maturity
Issuer call subject to prior supervisory approval	n/a
Optional call date, contingent call dates and redemption amount	n/a
Subsequent call dates, if applicable	n/a

Main features of regulatory own funds instruments		
Coupons/dividends		
Fixed or floating dividend/coupon		n/a
Coupon rate and any related index		n/a
Existence of a dividend stopper		n/a
Fully discretionary, partially discretionary or mandatory (in terms of timing)		Fully discretionary
Fully discretionary, partially discretionary or mandatory (in terms of amount)		Fully discretionary
Existence of step up or other incentive to redeem		No
Noncumulative or cumulative		Non-cumulative
Convertible or non-convertible		n/a
If convertible, conversion trigger(s)		n/a
If convertible, fully or partially		n/a
If convertible, conversion rate		n/a
If convertible, mandatory or optional conversion		n/a
If convertible, specify instrument type convertible into		n/a
If convertible, specify issuer of instrument it converts into		n/a
Write-down features		
If write-down, write-down trigger(s)		n/a
If write-down, full or partial		n/a
If write-down, permanent or temporary		n/a
If temporary write-down, description of write-up mechanism		n/a
Type of subordination (only for eligible liabilities)		n/a
Ranking of the instrument in normal insolvency proceedings		n/a
Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)		None
Non-compliant transitioned features		
If yes, specify non-compliant features		n/a
Link to the full term and conditions of the instrument (signposting)		n/a

Colophon

Published by

DLL

About the Pillar 3 report 2024

The Pillar 3 report 2024 is based on the requirements explained in article 13 paragraph 1 of the CRR, and has been prepared on a sub-consolidated basis. The information in Pillar 3 has not been audited by DLL's independent external auditors.

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Contact

DLL has exercised the utmost care in the preparation of the Pillar 3 report 2024. If you have questions or suggestions on how we can improve our reporting, please send them by email to communication@dllgroup.com.

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