Citco Bank Nederland N.V. and subsidiary

Annual Report 2024

CITCO

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1. Management Board's Report

Summary

Following on from 2023, Citco Bank Nederland N.V ("CBN") and its subsidiary (the "Bank" or "CBN Group") posted strong results in 2024, built on foundations of a strong business model. As anticipated, inflation pressures receded enough in 2024 for the monetary policy authorities to begin rate cutting in both the US and Europe. However, the US economy proved more resilient than expected in 2024 and progress in curbing inflation was less successful than anticipated. As a result, the Fed's rate-cutting cycle has evolved to be more modest than expected earlier in the year.

Despite some remaining uncertainties in global economies, equity markets experienced strong returns over the year in question. Similarly, our core client base has demonstrated strong performance over this period and is positioned to perform well as we look forward to 2025. Despite the commencement of interest rate reducing cycles across core currencies, both interest income and non interest rate dependent revenues performed strongly throughout the year.

Geopolitical risks are an ever-present key concern, requiring strong focus and attention. Global trade tensions are also on the rise and, as ever, having a thorough understanding of exposures is key to mitigating risks.

We continue to focus on employee engagement through regular employee engagement surveys and other forums. This is part of our continuing focus to maintain our positive culture within the bank, keeping our core values of prudence, transparency and client focus at the forefront of our minds. These employee engagement surveys also help us gauge important feedback from our teams on important topics such as Diversity, Equity and Inclusion.

The Business Process Reengineering Office (BPRO), established in August 2023, has become an important driver of operational improvements within CBN. Examples of these improvements include the strategic reorganization of Treasury back-office operations, resulting in enhanced operational efficiency and risk management capabilities.

By promoting a systematic approach through the implementation of Lean methodologies, the BPRO supports the Bank's operations with a focus on continuous improvement. These initiatives demonstrate the Bank's commitment to leveraging new technologies, innovation, and process optimization to enhance client service quality while maintaining robust risk controls.

Our IT infrastructure continues to evolve in line with our core strategy. As well as delivering key new systems and functionality, we continue to display resilience in this area, enabling business continuity. The CBN Group continues to meet all client deliverables, whilst maintaining strong operational controls and oversight.

Consistent regulatory changes in the European Banking environment continue to require focus and investment. An example of this is the significant preparations undertaken in 2024 to ensure preparedness for the Digital Operational Resilience Act, which applies to all EU Banks (and other financial entities) as of 17th January 2025.

CBN Group continues to be aware of the risks associated with climate change and evaluates how this can impact our business model. This includes both physical risk and transition risks. Physical risk can be acute, such as flood and wildfires, or chronic, such as increased temperature and rising sea levels. Transition risk can be driven by policy, technological or market changes as we shift towards a low-carbon global economy and can potentially lead to stranded assets. We include potential climate related impacts in our stress testing models. Given the very conservative short-term nature of our portfolios and very limited credit exposure, the impacts are immaterial. Nevertheless this continues to be an area of focus.

The CBN Group strategy and banking business remains largely unaltered, specializing in the provision of banking and depositary services related to collective investment schemes and clients of the Citco Group of Companies.

A significant portion of the collective investment scheme clients of the CBN Group is categorized as alternative assets. This broad asset class continues to perform strongly. We expect institutional demand for Alternative Investment Funds to remain strong in the years ahead.

The first and foremost priority of the CBN Group is the protection of depositors' money, a priority that is higher than the return on capital or return on assets. The long-term strategic focus area is therefore a continuation of prudent risk management.

Financial Performance

The CBN head office is located in Amsterdam, but it also carries on business through its branches in Dublin and Luxembourg. North American clients are served by Citco Bank Canada, a subsidiary of CBN, which also provides custody services. The financial performance of the CBN Group comprises its banking and depositary services in Europe, and banking and custody activities in its Canadian subsidiary.

A strong performance was posted in 2024 resulting in a net profit of EUR 135.9 million, an increase of EUR 14.5 million from 2023 (EUR 121.4 million). Revenues from continuing operations increased by EUR 14.2 million to EUR 254.5 million in 2024 (2023: EUR 240.3 million). This increase was predominantly achieved through higher net interest income of EUR 201.5 million, which increased by EUR 12.2 million compared to EUR 189.4 million in 2023. Although interest income declined from EUR 313.0 million in 2023 to EUR 288.5 million in 2024, this was more than offset by a significant decrease in interest expense from EUR 123.6 million to EUR 87.0 million. In addition to the increase in net interest income, there was an increase in banking and custody services revenue of EUR 2.1 million from 2023 (EUR 53.0 million in 2024 versus EUR 51.0 million in 2023).

The net interest margin movement is predominantly a result of 2024 interest rate changes. The Federal Reserve maintained the federal funds target range at 5.25%-5.50% from July 2023 until September 2024, when it began reducing rates. By year-end, the target range had decreased by 100 basis points to 4.25%-4.50%. Concurrently, the European Central Bank implemented a series of rate cuts starting in June 2024, reducing its deposit facility interest rate from 4.0 percent to 3.0 percent by the end of the year through cuts in June, September, October, and December.

Operating expenses decreased from EUR 90.8 million in 2023 to EUR 85.6 million in 2024, this was primarily driven by a reduction in regulatory fees, with other expense categories showing less pronounced fluctuations.

The CBN Group's functional currency is United States Dollar ("USD") and presents its annual report in Euro ("EUR") consistent with the majority of its regulatory reporting. In preparing the annual report for the CBN Group, the income statement stated in the functional currency is translated at the average rate to the presentation currency. The balance sheet stated in the functional currency is translated at the year-end spot rate to the presentation currency. The year 2024 has seen the USD strengthening against the EUR with a spot rate of 1.03745 (2023: 1.1075). The exchange differences for the year on the translations are recognized in other comprehensive income, gains being EUR 26.2 million (2023: losses in EUR 14.5 million). This contributed to total comprehensive income for the year of EUR 162.6 million (2023: EUR 114.3 million).

The capital of the CBN Group is fully composed of Common Equity Tier 1 ("CET1") capital that amounted to EUR 370 million as of December 31, 2024 (2023: EUR 312 million). The Pillar 1 capital calculation results in a Capital Adequacy Ratio ("CAR") of 29% as of December 31, 2024 (2023: 24%). The increase of CAR is mainly driven by increase in capital, due to previous year profits recognition and increase in accumulated other comprehensive income. Based on the results achieved, CBN paid out dividend (final 2023: USD 9.27mm and interim 2024: USD 92.2 mm) to its shareholder in 2024.

The balance sheet of the CBN Group in 2024 increased to EUR 8.3 billion compared to EUR 7.0 billion in 2023.

Citco Bank Canada

Expressed in USD, which is the functional currency of Citco Bank Canada, Assets under Custody ("AUC") were USD 85.5 billion on December 31, 2024, an increase of USD 5.5 billion when compared to December 31, 2023 (USD 80.0 billion).

Citco Bank Canada generated a 2024 net profit of USD 24.9 million, an increase of USD 4.1 million compared to the prior year. The variance compared to prior year was mainly due to higher interest margin earned.

Technology

CBN Group retains its commitment to offering best in class technology to support its business, regulatory and client needs. During 2024, a full upgrade was completed on the banking system (T24) to improve efficiency and functionality. In addition, CBN Group as part of the industry implementation for SEPA (Single Euro Payment Area) Instant Credit Transfers successfully delivered the required technological changes needed to comply with this market infrastructure change. Continued progress was made in process improvements of CBN Group Treasury to improve data analysis, forecasting and decision-making. 2024 was an exciting year in terms of automation for our Depositary business, with the first core modules of our new in-house developed depositary system delivered during the year. Further development is scheduled for 2025. Continued investment in Robotics has seen further increases in automation across the business divisions and will continue to do so in 2025.

The assurance of confidentiality, integrity and availability of its data is one of the Bank's top priorities and one of the most valuable assets for the CBN Group. There is an absolute commitment to safeguarding clients' assets and data. The CBN Group has always regarded the strength of its technology as a competitive differentiator. Protection is achieved through multiple layers of security, ranging across application, system, network and physical security. The IT Security team has bolstered both its operational and architectural capabilities. Additionally, there is a security operations centre that is staffed 24 hours a day, seven days a week, to monitor, review and investigate all anomalous activity. The nature of the cyber security threats is continually evolving so the CBN Group views IT security as a critical area for ongoing vigilance and investment.

The IT Security department, in conjunction with the Technology Operational Control Management team, oversees the ongoing development and maintenance of these controls and leverages best practice frameworks such as Control Objectives for Information and related Technology (“COBIT“), International Organization for Standardization (“ISO“), National Institute of Standards and Technology (“NIST“) as well as regulatory guidelines. From an IT and a technology risk management perspective, the Bank operates on a three lines of risk governance model, which includes the Business, Operations and IT Security within the first line, whilst the IT Risk Management and Internal Audit departments operate at the second and third lines respectively. Collectively, these groups conduct periodic assessments, which effectively verify and validate the technology process and controls. To ensure that the highest security standards are maintained, the Bank regularly tests for vulnerabilities and re-evaluates the threat posture of our infrastructure systems and applications.

Human Capital

Employees are essential to the CBN Group’s current and future success. To support both the business and its employees, the Human Resources organization has enhanced its services in specialized support functions, for designated focus on staff HR operations (MyHR), talent acquisition, learning & development, HR business partners and HR technology. In 2024, the Hybrid Model was rebranded as the MyFlex policy, demonstrating CBN’s commitment to hybrid working.

Globally, Citco continues to implement staff engagement and listening strategies, such as the ‘MyVoice’ employee survey, the New Hire Survey, and the Exit Survey. These initiatives help the management team understand all aspects of employees’ working lives with Citco and within the CBN Group, enabling continuous improvements in the employee experience. Listening to departing employees is also crucial, as they can serve as ambassadors for the company. Transparency, one of CBN’s core values, is strongly encouraged through CBN’s Speaking-up framework.

In 2024, the focus on communication continued through quarterly newsletters, email broadcasts, and periodic town hall events, providing updates to all CBN Group employees. These messages were open and sincere, reflecting the CBN Group’s commitment to the well-being of staff and their families. Through the Citco Sustainable Health program, Citco continues to offer various mental health initiatives, including live meditation sessions and online learning on sustainable health. Additionally, Citco has an Employee Assistance Program in place.

To support career development, we prioritize ensuring that our people receive the necessary development to thrive. Our strategy to provide learning resources for our people to drive their own development continued in 2024. This includes the use of LinkedIn Learning, Gartner, and Centre for Creative Leadership content for leadership development, as well as increasing Subject Matter Expert masterclasses and online modules available via our Learning Management System. In 2024, Citco successfully launched a DEI (Diversity, Equity and Inclusion) learning path, designed to raise awareness and promote a culture of inclusivity. As a company, we encourage shared ownership of learning; Citco and the CBN Group provide the learning resources, with managers guiding their team members, and employees driving their own development by utilizing the available resources.

At the end of 2024, the CBN Group had 233 employees (2023: 226), with 202 employed by CBN Solo in the EU (2023: 197). The gender split at the end of 2024 was 43% female and 57% male, compared to 45% and 55% respectively in 2023. No significant changes to the gender split are expected. For the year 2024, CBN had male and female representation on both the Supervisory Board and the Management Board, with 25% female at the Management Board level and 50% female at the Supervisory Board level.

Key Management Personnel

Key management personnel of the CBN Group includes Management Board and Supervisory Board, having the authority and responsibility for planning, directing, and controlling the activities either directly or indirectly.

Remuneration

The Remuneration Policy of the CBN Group is in line with its strategy and risk appetite, objectives and core values, complying with the rules and legislation in force, such as chapter 1.7 of the Act on Financial Supervision, the Regulation on Sound Remuneration Policies 2021 and EBA Guidelines on sound remuneration (EBA/GL/2021/04) and the Dutch Banking Code.

The CBN Group Remuneration Policy reflects the sustained and long-term interests for the CBN Group and its stakeholders to ensure that:

- CBN Group is able to attract, develop and retain high-performing and motivated staff in a competitive, international market;
- Staff members of the CBN Group are offered a competitive remuneration package;
- Staff members of the CBN Group are incentivized to act within the risk appetite by making any variable remuneration restrained and risk neutral;
- Staff members of the CBN Group feel encouraged to create sustainable results;
- All appropriate steps are considered to identify and to prevent or manage conflicts of interest that arise in the course of providing any investment and ancillary services including those caused by CBN Group's remuneration structures;
- CBN Group's strategy, especially concerning risk, is supported; and
- CBN Group's remuneration policy is gender neutral, ensuring equal pay for the same job or jobs of equal value and ensuring equal career opportunities.

The CBN Group strives to reward its employees at the median level (or above where appropriate) of the local, geographical relevant financial services market and applies a performance-based remuneration system.

Performance-based remuneration motivates and rewards dedicated employees who contribute significantly to the realization of the CBN Group's strategic and business targets and long-term interests in their respective function. Performance-based remuneration is a discretionary management tool and is based on a combination of the assessment of the employee and the overall financial and non-financial results of the CBN Group.

Performance-based remuneration is awarded in a manner that promotes sound risk management, does not induce excessive risk-taking, and respects the risk appetite of the CBN Group.

In 2024, designated identified staff received 50% of variable remuneration in phantom shares.

Regulatory requirements

The CBN Group remains continuously focused on compliance with all regulatory and legal requirements, allocating sufficient resources to ensure CBN Group adheres to applicable laws and regulations. CBN Group continues to be faced with new, evolving and increasing regulatory requirements. Generally, CBN Group expects the scope and extent of regulations in the jurisdictions in which it operates to continue to increase and be monitored by regulators for compliance.

Prevention of Financial and Economic Crime

Know your customer and financial crime compliance plays a major role in making sure that the CBN Group engages and does business with persons and legal entities that meet regulatory requirements. As part of our ongoing anti-money laundering efforts, CBN Group continuously reviews relationships with customers, and monitors and screens transactions. Knowing who we do business with is key in our role as gatekeeper to the financial system. It is our policy to review potential unusual and or suspicious transactions, and where applicable, report them to the relevant authorities. CBN Group has zero tolerance for deliberately or knowingly facilitating financial crime. It is our strong belief that there should be no place for criminal money obtained from activities such as child labour or the trafficking of drugs, humans or weapons and it is central to our values and our aim to ensure a sound business culture.

Russia's invasion of the Ukraine in 2022 significantly changed the world's political landscape. In 2024, significant sanctions packages continued to be imposed against Russia and Belarus. These sanctions regimes have been increasingly active during 2024, creating a complex regulatory and legislative environment. An intensive focus on sanctions worldwide is expected to continue in the coming years. CBN Group continues to monitor the situation and implement new applicable sanctions packages, including additions to existing restrictive measures, as and when they are released.

In 2024, to keep our staff informed and to create awareness on compliance risks, CBN Group provided all staff with mandatory training on financial crime, including tax evasion, compliance culture, policies and ethics and data protection. These mandatory eLearning training programs provides essential knowledge to empower employees to do the right thing for customers, colleagues and society.

CBN Group remains focused on continuing to strengthen this financial crime risk management framework. We monitor on a continual basis our compliance in relation to financial crime risk and our tolerance levels against a set of quantitative and qualitative Financial Economic Crime Risk Appetite (“FEC RAS”) metrics. The CBN FEC RAS is reviewed and updated, when needed, but at least annually and is approved by the CBN Management Board, CBN Supervisory Board and the Risk and Compliance Committee. Risk-based surveillance (screening and monitoring) controls are also designed to identify activity that may require additional investigation or other risk management actions, and where appropriate, reporting to the relevant authorities.

On an annual basis, CBN performs a Systematic Integrity Risk Assessment (“SIRA”), which assesses inherent and residual integrity risks related to financial economic crime and tests top-down and bottom-up scenarios against limits set in CBN’s FEC RAS. In 2024 the existing SIRA scenarios and control framework as well as added assessment of some new scenarios were reviewed from a different perspective, subsequent to the changing regulatory environment. The SIRA continues to be evolved to provide CBN with the salient insights into the financial crime integrity risks that CBN may be exposed to, and aids CBN to appropriately manage these risks in accordance with our risk appetite.

Regulatory

On March 19th, the Regulation (EU) 2024/886 as regards instant credit transfers in euro (Instant Payments Regulation) has been published in the Official Journal of the EU. The Instant Payments Regulation imposes obligations on Payment Service Providers to offer the service of instant credit transfers, harmonized sanction screening procedure and verification of payee services. The Regulation contains the following implementation timelines:

January 9, 2025

1. Offer the service of receiving instant credit transfers in euro.
2. Harmonized sanctions screening process: screening of Payment Service Users (PSU) to verify whether the PSU is a person or entity subject to EU targeted financial restrictive measures.

October 9, 2025

3. Offer the service of sending instant credit transfers in euro.
4. Offer the service of ensuring Verification of Payee to whom the payer intends to send a credit transfer. This applies both to standard and instant credit transfers. CBN Group implemented and activated the instant payments solution at year end. On June 19, 2024, the Regulation of the European Parliament and of the Council on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (‘AMLR’) was published in the Official Journal of the European Union. AMLR will enter into force on the twentieth day following its publication and will apply from July 10, 2027. The definition of beneficial ownership has been refined to enhance transparency and prevent illicit financial activities. The updated definition of beneficial owner under the AMLR is more comprehensive and aims to provide a clearer framework in order to identify the individuals who ultimately own or control legal entities and arrangements. The threshold to determine ownership interest in a corporate entity has been set at 25% or more of the shares or voting rights or other ownership interests in the corporate entity, including rights to a share of profits, other internal resources, or liquidation balance. It has been clarified that all shareholdings at every level of ownership shall be considered. CBN Group has started preparations to include the requirements in its KYC policy framework to be compliant in 2027.

As has been the trend in recent years, the themes of Governance, Outsourcing & Third-Party Management are prevalent throughout the Digital Operational Resilience Act (“DORA”) legislation. “Digital operational resilience’’ is the ability of a financial entity to build, assure and review its operational integrity and reliability by ensuring, either directly or indirectly, through the use of services of Information Communication Technologies (“ICT”) third-party providers, the full range of ICT-related capabilities needed to address the security of the network and information systems which a financial entity uses, and which support the continued provision of financial services and their quality, including throughout disruptions. DORA legislation has entered into the Official EU Journal on December 27, 2022, with requirements to be met as of January 17, 2025.

Conflicts of Interest Management

Transparency is one of CBN Group’s core values, therefore, CBN Group is highly committed to identify any conflicts of interest in its operation and interaction with its clients and subsequently act on them. CBN Group’s Conflicts of Interest policy and related guidelines sets the obligations to identify, assess and manage conflicts of interest, when personal or organizational interests are in conflict over the interest of our client(s), employees or other stakeholders (e.g., when related to personal account dealing). In 2024, the Conflicts of Interest policy and Catalogue was reviewed to align with the standards as defined by Enterprise Risk Management. The policy incorporates key requirements for both personal and organizational conflicts of interest in line with the European Banking Authority Guidelines on Internal Governance.

Regulatory Compliance

Changes to capital requirements were published by the European Commission in June 2024 (CRD VI/ CRR III). CRR III is applicable from January 01, 2025 (with exemption of Fundamental Review of Trading Book, which was postponed until 2026). CRD VI shall be adopted by Member States by January 10, 2026. The CBN Group is ensuring its compliance with revised regulatory prudential and reporting framework. Management is pleased to note that, due to its conservative risk appetite, the CBN Group complies with the future ratio requirements for capital adequacy and liquidity. A key focus of Q1 2025 will be to implement CRR III regulatory reporting framework.

As part of the European Commission's Action Plan on Sustainable Growth, the Corporate Sustainability Reporting Directive ("CSRD"), which amends the current Non-Financial Reporting Directive ("NFRD"), was adopted in the fourth quarter of 2022. The CSRD modernises and strengthens the rules about the social and environmental information that should be reported in accordance with the European Sustainability Reporting Standards ("ESRSs"). The requirements include reporting on all material sustainability impacts, risks and opportunities in a sustainability statement in CBN Group's annual report, from the financial year ending 2025.

Alongside this, CBN Group had initiated work to meet Corporate Sustainability Reporting Directive ('CSRD') requirements, to support progressing toward regulatory required disclosures in 2026. CBN Group recognises the growing requirements around Sustainability Risk Management and Disclosure requirements and is developing its framework for these. In 2023 the CBN Group implemented a Climate and Environment Risk Management Policy, which integrates into its ERM Framework climate and environment as new risk drivers of existing risks and considers the potential for climate and environment in the CBN Business Strategy. CBN Group has enhanced its risk appetite statements on climate change risks and implemented limits for direct exposures to high impact sectors.

It should be noted that in April 2025, the European Parliament approved significant changes to CSRD, which take the CBN Group out of scope for reporting. These changes significantly reduce the sustainability due diligence and reporting burden for entities that were preparing for compliance with CSRD.

Risk Management

CBN Group faces a variety of risks related to being a financial service provider, across all of its areas of business. CBN Group's strategy and business model entails specific risks and equally, as a bank, is it also exposed to a risk profile from the markets and industry it operates in. Identifying and understanding risks and their impacts allows CBN Group to frame its risk appetite and risk management practices. Defining acceptable levels of risk, and establishing sound principles, policies and practices for managing risks, is fundamental to our achieving consistent, resilient and sustainable long-term performance, while remaining within our Bank business model, strategy and risk appetite.

A cornerstone to manage and guide risk-taking activities is CBN Group's Enterprise Risk Management ("ERM") framework, which includes governance and control frameworks. It sets a foundation for sound decision-making and prudent business operations embedded with risk management. As reference points for Management Board decisions and CBN Group operations, policies prescribe oversight and bank operations governance and operational guidance. They provide details of our commitments and the expectations in our performance that we have for ourselves, our clients and other stakeholders in line with CBN Group's core values of Prudence, Transparency and Client Focus. Our policy and risk management framework guard our value creation and license to operate. Sound risk management with the continuous monitoring of trends, developing risks, business requirements and changes and uncertainties therein, enable us to serve our clients, fulfill our strategy and satisfy our stakeholders.

Through 2024, CBN Group continued to implement and augment policies and procedures to further enhance its governance framework, including updates to ERM policies, in response to a dynamic risk profile which comes with our industry. The financial sector is increasingly exposed to cyber threats and risk of technology disruptions. In 2024, Risk Management continued its focus on information and communication technology risk management, cyber security and fraud prevention, both internal and external.

Conscious of this elevating cyber risk, the European Supervisory Authorities (ESAs) with the European Commission issued an EU regulation on Information and Communication Technology services ("ICT") named the Digital Operational Resilience Act (DORA). It is applicable to all financial institutions in Europe, hence a requirement for CBN. Its aim is to ensure firms operations remain resilient through a severe ICT/cyber-related operational disruption, by implementing an ICT Risk Management Framework including components of ICT and payment-related incident management and ICT system third party risk management. In 2024, CBN enhanced its Enterprise Risk Management Framework with a designated ICT Risk Management Framework, with related updates to CBN Group Technology Risk Management Policy, which augmented responsibilities of the Head of Bank IT and the CBN IT Control Committee in response to forthcoming DORA regulation and, moreover, towards its digital operational resilience.

Control Environment

Comparable to CBN Group's focus on strengthening its regulatory and control environment by its financial crime framework, capital regulation management and climate and environment risk management, CBN Group equally has strong focus on governance and its internal control framework and adherence to associated regulations and legislation therein.

In 2024, for the fourteenth consecutive year, the CBN Group received an unqualified opinion Service Organization Control 1 ("SOC 1") Type 2 certification of its Banking, Custody and Depositary Services. With obtaining this statement (certification) on design and operating effectiveness from an independent auditing firm, CBN demonstrates its commitment to quality, confidentiality and maintenance of a high level of internal control in servicing its clients. CBN Group has committed to SOC 1 Type #2 certification being performed on an annual basis in order to meet the expectations of our clients, reflecting our core value of client focus.

The CBN Group is continuously and robustly committed to the preservation of its reputation and integrity through compliance with applicable laws, regulations and ethical standards in each of the markets in which it operates, which is essential for robust corporate governance of the CBN Group and its license to operate. The Management Board has confirmed its continued adherence to the principles and best practices of the Dutch Banking Code.

Enterprise Risk Management framework

For prudent risk management, to facilitate the protection of depositors' monies, capital preservation and maintaining regulatory compliance, the CBN Group applies an ERM framework. The ERM framework is built on components of: risk philosophy and culture; risk appetite; risk governance; risk taxonomy; risk policies; risk processes and procedures; risk identification, assessment and mitigation; and risk monitoring and reporting. These ensure a structured approach to the identification, assessment and mitigation of the CBN Group's key risks.

CBN Group has a continual focus on key risks, including recurring risk self-assessments for control validation and enhancement, such as our legal entity risk assessment and integrity risk assessment, which feed into our risk mitigation program. With respect to integrity risk, CBN Group Risk Management partakes in the SIRA, and Risk Management's Risk Assessment Matrix methodology is used in assessing client integrity risks to the Bank. At the individual staff level, CBN Group employees complete targeted courses on areas of risk topics related to our business functions and prescribed risk management policies, processes and applicable regulations.

CBN Group's Risk Management reporting on enterprise risk to the Management Board and within Risk and Compliance Committee meetings highlights the current state of the key risk, their related drivers and applied controls. These similarly reflect the expanded and enhanced risk profile reporting, notably focused on technology risk as well as on Climate and ESG risk as prescribed by CBN Group Climate and Environment Risk Management Policy. CBN Group Risk Management reports provide information for oversight, and to assess the capital requirements for each risk category, which feeds into strategic decision-making.

The CBN Group risk governance is structured along the three lines model of risk governance. The allocation of responsibility for risk management is structured accordingly, with the Management Board bearing ultimate responsibility for the organization and oversight of the integrated risk management framework. The CBN Group risk appetite is articulated in metrics and thresholds that set the parameters of CBN Group activities and drives the level of the controls applied to CBN Group actions. The risk appetite is used for managing risks throughout the CBN Group. The risk appetite is set by the Management Board and is approved by the Supervisory Board.

The operational departments are the first line (risk owners). These departments have primary responsibility for managing day-to-day risks in their operating processes. The risk owners responsible for results are also responsible for the risks associated with these results. The main parties in the second line are Risk Management, Compliance and Financial Control. The Risk Management function and the Compliance function have special responsibility for risk analysis, policy preparation and the coordination of efforts to control the CBN Group's risks. They also are responsible for monitoring the first line risk owners, an important governance remit that extends across the entire CBN Group. The third line is Internal Audit, which conducts audits on the first and second lines' activities as a means of independently and objectively assessing the effectiveness of internal controls. All Internal Audit reports are shared with the Supervisory Board Audit Committee.

The CBN Group has an established risk governance committee structure through which the Management Board delegates advising and monitoring of the CBN Group's overall actual and future key risks. These committees operate within the mandate granted by the Management Board, with the latter remaining ultimately responsible for structuring and supervising the overall risk management framework. The Management Board Risk Committee ("MBRC") monitors compliance with the CBN Group risk management policies and procedures. The MBRC has further delegated authority for specific risk oversight to a further six sub-committees - the Asset and Liability Committee ("ALCO"), Credit Committee, ("CC") Client Acceptance and Review Committee ("CARC"), Operational Risk Committee ("ORC"), IT Controls Committee ("ITCC") and Outsourcing Committee ("OC") - to manage these specific risk categories. These critical elements of this framework are the effective management of the CBN Group's key risks and the capital required to support them.

A more comprehensive quantitative description of the financial risks (credit risk, market risk and liquidity risk) of the CBN Group is part of the financial statements in section 3. Risk and Capital Management.

Climate Risk and Environmental, Social & Governance

Climate change risks for financial institutions relates to both transition risk and physical risk. Transition risk is the risk from sudden change in policies, consumer preferences and technology developments that comes with responses to Climate change. Transition risks relate to revaluations of assets, firms and business models due to reactions to climate change. Physical risk relates to the physical effects of climate change. Both are kept in CBN Group's agenda for focus, which has included the development of a Climate and Environment Risk Management Policy, performance of Climate and Environment Risk Assessment and updates to its Risk Appetite Statement and internal limits document to reflect a low appetite for direct exposures to the financing High Impact Sectors.

With respect to wider Sustainability, or Environmental, Social and Governance ("ESG") risks, for CBN Group, like for all parties operating within the financial sector and its regulators, sustainability focus is continuously increasing. CBN Group with Citco is evolving in tandem with the diversifying needs of clients, investors and market demands with respect to sustainability. CBN Group continues to assess its position and monitors the evolving business and regulatory environment regarding sustainable finance, which will continue to evolve over the coming years. CBN plans to expand its reporting on its management of and exposures to these areas over the coming years as the work to meet sustainability (including climate) disclosure requirements progresses.

Outlook

The CBN Group optimizes its cash management activities using various tools to identify client-funding behaviours, core deposit levels and liquidity patterns. These tools assist the CBN Group to invest in higher yielding instruments in a timely and cost efficient manner whilst still maintaining a prudent risk management approach.

Despite the commencement of decreasing interest rate cycles across core currencies in 2024, the CBN Group is in a strong position to generate profits as we look forward.

Management believes strong revenues in non interest rate sensitive revenues also adds to the resilience of the CBN Group in addition to the continuing quality and liquidity of the CBN Group's balance sheet.

Management expects that the average funding levels will see a modest increase for 2025. Management does not foresee any significant investments for 2025, nor is it anticipated that it will engage in any research and development initiatives. Citco Bank Canada expects AUC to increase slightly in 2025 to USD 90.0 billion. The growth is primarily relating to a predicted 2.5% price appreciation and 2.5% organic growth.

The Management Board continues to monitor any potential impacts in relation to current geopolitical and trade tensions closely.

Events after the reporting date

There were no material events subsequent to December 31, 2024 and up until the authorization of the financial statements for issue, that have not been disclosed elsewhere in the financial statements.

Management Board

The composition of the Management Board is as follows:

- Mr. Kieran Dolan (1973; Irish): Managing Director, Chair of the Management Board and Chief Executive Officer appointed February 15, 2021, with responsibilities for General Management, Corporate Governance, Environment, Social & Governance, Regulator Relationship, Internal Audit, Human Resources, Commercial Activities, Tax, Legal & Branch Network;
- Mr. Arno Boelaars (1974; Dutch): Managing Director and Chief Operating Officer. Also appointed Vice-Chair of the Management Board effective February 15, 2021, with responsibilities for the KYC/AML Operations, Data Management, Operational Control Management, Loan Servicing, Depositary and Custody Services and Subsidiary Oversight;
- Mr. Paul Symonds (1967; English): Managing Director and Chief Investment Officer appointed February 15, 2021, with responsibilities for all aspects concerning Core Banking Services, Capital Management, Information & Communication Technology, Project Management Office, Business Process Reengineering and Outsourcing;
- Ms. Caryn de Walden (1962; Dutch): Managing Director and Chief Risk & Compliance Officer effective February 15, 2021, with responsibilities to oversee the Risk Management including Climate & Environment Risk Management, Compliance, Regulatory, and Finance Functions.

2. Supervisory Board's Report

The Supervisory Board of Directors ('Supervisory Board") hereby presents the 2024 Annual Report of the CBN Group (Citco Bank Nederland N.V. including branches and subsidiary). The Annual Report includes the report of the Management Board of Directors ("Management Board") and the Annual Accounts. This report provides information on how the Supervisory Board performed its duties in 2024.

2.1. Introduction by the Chair

The CBN Group has demonstrated robust performance in the financial year 2024, underpinned by a resilient business model and strategic vision.

The global macroeconomic landscape in 2024 was characterized by easing inflationary pressures and accommodative central bank policies, including rate cuts in major economies. Equity markets experienced strong returns, and our core client base demonstrated positive performance. These conditions created a favorable environment for our operations.

Despite the commencement of interest rate reduction cycles across core currencies, the CBN Group experienced strong performance in both interest income and non-interest rate dependent revenues. This resilience underscores the strength of our business model and our ability to adapt to changing market conditions.

Risk management remains a top priority for the CBN Group. Continued vigilance regarding geopolitical risks and escalating global trade tensions, with an enhanced focus on understanding and mitigating exposures. Our approach to risk management is comprehensive and proactive, ensuring the stability of our operations in an ever-changing global landscape.

As in previous years, CBN Group was able to meet the service levels of delivering business to its customers without making any concessions.

CBN management continues to keep it core value of prudence at the forefront of their decision making and understand that evidencing a thorough understanding of exposures is key to mitigating these types of risks as are prudent management and appropriate liquidity buffers beyond regulatory limits.

Continuous improvement remains a key focus of CBN. Aligned with our core values, CBN focuses on supporting our teams with business process reengineering, robotics and other automation resources and expertise, which promotes the delivery of efficiencies, service improvements and improved control of risks.

As well as delivering on a number of key system enhancements during the year, operational resilience continues to be at the forefront of CBN's attention and during 2024 CBN placed significant focus on ensuring preparedness for the January 17th 2025 requirements of the Digital Operational Resilience Act / DORA.

Results

The CBN Group consolidated net result for 2024 of EUR 135.9 million was an increase of EUR 14.5 million compared to the previous year (2023: EUR 121.4 million). This was driven by substantial higher net interest income, along with the increases in revenues from the custodian and depositary services and account maintenance fees.

Based on the results achieved, the CBN paid out dividend (final 2023: USD 9.27 million and interim 2024: USD 92.2 million) to its shareholder in 2024.

2.2. Composition of the Supervisory Board

The composition of the Supervisory Board changed in the course of 2024. The Board's current members are:

Peter de Ruijter (1956) is member of the Supervisory Board since March 2015 and Chair since May 2017. He started his career as a chartered accountant. He has over 35 years of international executive experience as a general manager of Fortis Bank/MeesPierson and subsequently as Chief Executive Officer of Staalbankiers N.V. He holds a director's position (and 50% ownership) of Partner in Compliance Curacao B.V. and an additional Supervisory Board membership position in Mizuho Bank Europe N.V.

Jan Buné (1953), retired (on his own request) from the Supervisory Board in April 2024. Having held the position of Vice Chair serving as member of the Supervisory Board since he was appointed in January 2016. He is a former senior audit partner of Deloitte Netherlands with over 40 years of experience in public accounting and business advisory. He retired from the firm in May 2013, becoming Commissioner and Supervisory Director. From September 2013 until February 2021, he has been acting as Commissioner at the Media Supervisory Authority in the Netherlands. From October 2013 until early March 2022, he was an Independent Director and Chair of the Audit Committee at VK Company Limited (formerly known as Mail.ru Group Limited). He is currently Non-Executive Director and Chair of the Audit Committee at De Vries en Verburg Group B.V. He is also Independent Chair of the Risk Advisory Committee at Prosus PayU.

Monique van Herksen (1962) is member of the Supervisory Board since September 2017. She is an international tax lawyer by training admitted to the bar in the Netherlands and in The Commonwealth of Virginia. She also holds an LLM in Trade and Banking and an LLM in International Taxation. She has served the US Internal Revenue Service's Office of Chief Counsel (international) for 5 years and been practicing with leading Law and Accounting Firms (i.e. Stibbe, Baker & McKenzie and Ernst & Young) in the field of international tax law, tax controversy and transfer pricing for over 30 years. From April 2018 until February 2025 Monique held the position of Partner with the law firm Simmons & Simmons. Currently, she is engaged as international tax counsel by the Trafigura Group based in Amsterdam. In addition to being a lawyer, she serves the United Nations as member of the subcommittee on transfer pricing, advising the UN Committee of Tax Experts.

Dirk Jan van der Poel (1961) is member of the Supervisory Board since 2012 and retired as of March 1, 2025. He has over 35 years of experience in Accountancy & Advisory, IT Risk, Operational Resilience and Mergers and Acquisitions in various industries on strategic, tactical and operational levels. He is a former IT Risk and Advisory Partner at Ordina, KPMG and Arthur Andersen. In 2015, he joined ING Bank as Corporate Head of Information Risk Management.

Yvonne Albers (1971) is member of the Supervisory Board since July 2024. Holding a Master in Business Economics, she joined ING Bank in 1999. In different roles, including Head Financial Reporting and Control at ING Group, she built up more than 25 years of experience in the areas of Management Accounting, Financial Accounting, Statutory and Regulatory Reporting, Process Management, as well as Risk and Controls. She is the current Head of Financial Accounting & Reporting at ING Domestic Bank Netherlands.

In accordance with the provisions of Supervisory Charter (Article 3.4.1 and 3.4.2), and the Dutch Corporate Governance Code, the members of the Supervisory Board are appointed by the General Meeting for a 4-year term and reappointed once for another four-year period. After that, a Supervisory Board member may subsequently be reappointed again for a period of two years, which appointment may be extended by at most another two years. None of the Supervisory Board members may be appointed after his or her twelfth year in office. In table 1, the retirement schedule of the Supervisory Board is presented.

Table 1 - Retirement Schedule Supervisory Board

Name	Appointment	First re-appointment	Second re-appointment	Second re-appointment Extension with 2-year term	Final Retirement
Peter de Ruijter	1 March 2015	1 March 2019	1 March 2023	1 March 2025	1 March 2027
Jan Buné	28 January 2016	28 January 2020	28 January 2024	Retired	
Monique van Herksen	27 September 2017	27 September 2021	27 September 2025	27 September 2027	27 September 2029
Dirk Jan van der Poel	10 August 2012	10 August 2016	10 August 2020	10 August 2022	1 March 2025[1]
Yvonne Albers	1 July 2024	1 July 2028	1 July 2032	1 July 2034	1 July 2036

The composition of the Supervisory Board is diverse in gender (two men and two women), background, knowledge and experience. All members have the Dutch nationality. In table 2, the competence profile of the Supervisory Board is shown.

1 D.J. van der Poel was re-appointed for an additional period of 6 months until retirement as per March 1, 2025.This exception was granted to facilitate the smooth transition with the appointment of a new Supervisory Board member expected in early 2025.

Table 2 - Competence Profile of the Supervisory Board

Name	Peter de Ruijter	Jan Buné	Yvonne Albers	Monique van Herksen	Dirk Jan van der Poel
Depositary/Custody	•				
Banking & Treasury Management	•	•	•		
Innovation & Product Development	•				•
Corporate Governance & Legal Affairs	•	•	•	•	•
Compliance & Corporate Integrity	•	•	•	•	•
Regulatory Affairs	•	•		•	•
Audit, Finance & Control	•	•	•		•
HR & Management Development	•			•	•
Enterprise Risk Management	•	•	•		•
Information Technology					•
Tax				•	

2.3. Role of the Supervisory Board

In fulfilling its tasks, the Supervisory Board is guided by the interests of the CBN Group and its business, taking into account the relevant interests of all stakeholders of the CBN Group. The Supervisory Board is responsible for the overall oversight of the CBN Group. This concerns supervising and monitoring the policies pursued by the Managing Board, the Managing Board's performance of its managerial duties and the general course of CBN Group's affairs and its business. This includes among others, the (implementation of the) strategy, organizational structure, the achievement of the CBN Group's objectives, the operational performance, financial management and reporting processes, the internal risk management and control systems and compliance with laws and regulations. In addition, the Supervisory Board advises the Management Board both on request and proactively on a broad range of topics. This includes i.e. risk limits and appetite, relationship with shareholders and stakeholders, corporate governance and corporate social responsibility.

Finally, the Supervisory Board fulfils its supervisory role towards the Management Board itself by assessing their performance, their functioning as a team and whether the Management Board communicates the right management culture, also ensuring that their remuneration is in line with their performance and provides the appropriate incentives. As part of this, it is assessed whether the Management Board highlights the importance of adherence to corporate governance principles, laws and regulations and ensuring that employees understand their roles and responsibilities in the context of the CBN Group under the full Dutch National Bank license.

2.4. Committees of the Supervisory Board

The Supervisory Board has three committees to cover key areas in greater detail: the Audit Committee, the Risk & Compliance Committee and the Remuneration Committee. These committees assist the Supervisory Board in fulfilling its oversight responsibilities. Each committee is comprised of two Supervisory Board members. All Supervisory Board members have a standing invitation to attend the meetings of the committee(s) of which they are not a member. In table 3, the chair and members of the committees of the Supervisory Board are presented.

Table 3 - Committees of the Supervisory Board

Name	Audit	Risk & Compliance	Remuneration
Peter de Ruijter	Member		Member
Jan Buné (until April 30, 2024)	Chair	Member	
Yvonne Albers (as of July 1, 2024)	Chair	Member	
Monique van Herksen			Chair
Dirk Jan van der Poel		Chair	

Audit Committee

The activities of the Supervisory Board in the area of financials and auditing are conducted and where appropriate prepared by the Audit Committee. The Audit Committee assists the Supervisory Board in fulfilling its oversight responsibilities with respect to the financial and regulatory reporting process, as well as the governance and internal control framework. Furthermore, the Audit Committee assists with the approach and scope of work of the CBN internal audit function, as well as the audit engagement with Forvis Mazars as the external auditor of the CBN Group.

When relevant, managers responsible for financial control, internal audit, risk management, operational risk & control and compliance are invited to the Audit Committee meetings to discuss developments in their portfolio with the Audit Committee. The Management Board and (on occasion) the external auditor participate in the Audit Committee meetings. The highlights and the minutes of the Audit Committee meetings are shared with the full Supervisory Board.

The Committee had in-depth discussions on the internal Audit plan as well as the financial audit plan of Forvis Mazars, several reported issues and follow-up thereto and the year-end report of Forvis Mazars.

Risk and Compliance Committee

The Risk and Compliance Committee assists the Supervisory Board with the performance of its duties in relation to risk and compliance. It is responsible for the oversight of all banking related aspects of the CBN Group’s risk control and monitoring systems. This encompasses all risk areas including financial, liquidity, market and credit risk and operational risk (including IT and IT Security). It also oversees the CBN Group’s legal, regulatory and corporate governance compliance.

The Risk and Compliance Committee supervises the ERM framework pursued by the Management Board and its implementation. It regularly reviews and assesses operational risk. It discusses the CBN Group’s risk profile (including the compilation of the SIRA and RAS statements) and assesses at a strategic level whether the CBN Group’s activities are aligned with the approved risk appetite.

The Risk and Compliance Committee assesses the CBN Group’s compliance and internal control functions and their performed activities. The committee receives regular reports from Risk to supervise the CBN Group’s adherence to rules and regulations applicable including follow up of findings of investigations by regulatory and/or supervisory authorities. Regular reports from the compliance officer are received on legal, regulatory and compliance matters.

The Risk and Compliance Committee supervises the CBN Group’s adherence to the principles and best practices of the Dutch Banking Code, Dutch Corporate Governance Code, and other regulatory guidelines. In this regard, we refer to the Management Board Report regarding the CBN Group’s compliance with the Dutch Banking Code. The Supervisory Board confirms the stated view that the CBN Group is compliant with the Dutch Banking Code.

The Risk and Compliance Committee was very much involved in discussing the risk appetite statement for CBN Group and the developments and requirements in the area of Information Technology, Environmental, Social, and Governance and climate risks.

Remuneration Committee

The Remuneration Committee oversees the remuneration plans for the CBN Group pursuant to the CBN Remuneration policy, as set forth in the Remuneration Committee Charter and the Remuneration Governance Framework. The Remuneration Committee conducts and, where appropriate, prepares the Supervisory Board's duties in its role as the Management Board's employer. The committee has the responsibility to recommend and monitor the level and structure of remuneration for 'Identified Staff', including the Management Board. It also approves and monitors Non-identified Staff if variable remuneration is above 20%.

In fulfilling its responsibilities, the Remuneration Committee takes into account all factors it deems necessary to attract, retain and motivate management and staff to run the CBN Group successfully within the approved risk and governance framework, to meet the CBN Group's long-term strategic goals, while adhering to prevailing regulations. The Remuneration Committee is assisted by the Monitoring Committee Remuneration Policy Committee to govern the Management Board and Supervisory Board decision-making processes with regard to remuneration.

For 2024 bonuses and 2025 salary actions, the Supervisory Board reviewed and commented on the recommended salary and bonus actions for the Management Board, Identified Staff and Non-Identified staff. In accordance with the Supervisory Board Charter and the applicable CBN Remuneration policy, it has made recommendations as regards the Management Board salary and bonus actions to the shareholder for approval by the Annual General Meeting of Shareholders. It also monitored the requirements resulting from CRD V and the further implementation and effect of the Phantom Share Plan for CBN Group. Considering the increased regulatory pressure, competition, and scarcity of available talent, the Remuneration Committee in particular is following the implementation and follow up of employee engagement programs and making sure that staff remuneration is benchmarked appropriately.

2.5. Information and meetings

The Management Board is the most important source of information for the Supervisory Board. The Management Board submits formal information packages for Supervisory Board meetings. Apart from the regular Supervisory Board meetings, additional meetings on either the request of the Supervisory Board or the Management Board were scheduled, for example to discuss the risk appetite for 2024. Additionally, information is provided in bilateral contacts between Supervisory Board and Management Board members. With the heads of the Risk Management, Compliance and Internal and External Auditors regular in camera-meetings were held.

In 2024, the Supervisory Board had 7 meetings. In 5 meetings, all members were present. In 2 meetings three Supervisory Board members were present. The full Management Board was present in 7 Supervisory Board meetings. In 4 of the 7 meetings, specific matters were addressed, for either discussion or approval, such as of the determination of the Budget 2024, Recovery Plan and the Internal Capital Adequacy Assessment Process ("ICAAP") and Internal Liquidity Adequacy Assessment Process ("ILAAP") 2024. During the year, the CBN Group Strategy was discussed several times, including in-depth when the Strategy reviewed and put forward for the (annual) approval by the Supervisory Board.

Besides the formal meetings, the Supervisory Board met several times informally to discuss different subjects that had its attention and the Supervisory Board convened in the presence or absence of the Managing Board.

The Audit Committee of the Supervisory Board met 4 times. In addition, the Audit Committee had quarterly update meetings with the internal auditor on the progress of the internal audit plan and the key findings from the performed audits. The Risk & Compliance Committee met 4 times. The Remuneration Committee met 6 times in 2024. At all respective committee meetings, all the respective members of the committees were present. The Supervisory Board members, not a member of the specific committee, occasionally used their standing invitation to attend.

2.6. Continuing Professional Education Program

The CPE Program continued with all Supervisory Board members receiving training in the following areas:

- Corporate Governance & Regulatory update
- Data Privacy
- Recovery Plan
- Data Governance
- The Future of Banking, and
- Market developments in the light of geopolitical developments.

Additionally, individual members of the Supervisory Board undertook outside training courses.

2.7. Independence and Self Evaluation

Independence

The composition of the Supervisory Board reflects its independence and complies with the independence principles of the Dutch Corporate Governance Code. Members act both critical and independent in carrying out their individual responsibilities.

Conflicts of Interest

The Supervisory Board has internal rules established to govern actual and potential conflicts of interest. Members annually sign the Conflict of Interest Policy that they will adhere to these rules. No conflicts of interest occurred in 2024.

Self-Evaluation

Each year the Supervisory Board assesses its performance, including the performance of its committees and the individual Supervisory Board members. An evaluation under independent supervision is scheduled once every three years. In 2024, such evaluation under independent supervision was due to be performed. However, with the changes in the composition of the Supervisory Board, it was decided to postpone the evaluation under independent supervision to 2025.

2.8. Financial Statement 2024

In accordance with the provisions of Article 24.2 of the Articles of Association, the Management Board submitted the financial statements 2024 and the accompanying Management Report, that were subsequently approved by the Supervisory Board on April 25, 2025. Forvis Mazars audited the financial statements 2024 and issued an unqualified opinion. The Supervisory Board took notice of the fact that the external auditor is independent from the CBN Group.

The Supervisory Board will submit the 2024 financial statements to the Annual General Meeting of Shareholders, proposing to adopt the financial statement, to release the Managing Board from all liability in respect of its managerial activities, and release the Supervisory Board from all liability in respect of its supervision of the Managing Board.

The Supervisory Board wishes to express its appreciation for the results achieved and would like to thank everyone associated with CBN Group, especially the employees and the Management Board, for their efforts and contributions.

Amsterdam, April 25, 2025

Supervisory Directors:

P.A. de Ruijter - Chair

M.I.E. van Herksen

Y. Albers

3. Consolidated Financial Statements

Consolidated income statement for the year ended December 31,

	Notes	2024	2023
		EUR 000	EUR 000
Interest income	4.4	288,468	312,964
Less: Interest expense	4.4	(86,952)	(123,612)
Net interest income		**201,516**	**189,352**
Banking and custody services	4.4	53,023	50,965
Net interest income and other revenue	**4.4**	**254,539**	**240,317**
Operating expenses:			
Personnel expenses	4.5	30,037	30,922
Office maintenance		1,060	1,013
Office and administration expenses	4.6	6,000	4,064
Travel expenses	4.7	799	642
Professional services	4.8	1,805	3,743
Depreciation and amortization	4.9	501	472
Expected credit (reversals)/losses		(38)	29
Other operating expenses	4.10	45,418	49,890
		85,582	**90,775**
Net profit from operations		**168,957**	**149,542**
Net finance expenses	4.11	98	116
Net profit before tax		**168,859**	**149,426**
Income tax expense	4.12	32,952	28,024
Net profit for the year		**135,907**	**121,402**
Attributable to:			
Shareholder of the CBN Group		**135,907**	**121,402**

Consolidated statement of other comprehensive income for the year ended December 31,

	2024	2023
	EUR 000	**EUR 000**
Net profit for the year	135,907	121,402
Other comprehensive income/(loss), net of income tax:		
Items that may be reclassified subsequently to consolidated income statement:		
Foreign exchange difference	26,192	(14,456)
Revaluation of fair value financial instruments through other comprehensive income ("FVOCI")	520	8,032
Income tax expense relating to items that may be reclassified to income statement	(58)	(681)
Total other comprehensive income/(loss), net of income tax	**26,654**	**(7,105)**
Total comprehensive income for the year	**162,561**	**114,297**
Attributable to:		
Shareholder of the CBN Group	**162,561**	**114,297**

Consolidated statement of financial position as at December 31,

	Notes	2024	2023
		EUR 000	EUR 000
Assets			
Non-current assets			
Plant and equipment	4.13	29	42
Right-of-use assets	4.14	347	333
Intangible assets	4.15	311	505
Financial assets at amortized cost	4.16	278,437	30,688
Financial assets at fair value through profit and loss	4.18	260	243
Receivables from affiliated companies		10	82
Deferred tax assets	4.19	63	185
		279,457	32,078
Current assets			
Trade receivables	4.20	3,812	3,292
Derivative financial assets	4.30	72,233	38,655
Other receivables and accrued income	4.21	41,565	56,686
Receivables from affiliated companies		1,011	1,270
Financial assets at amortized cost	4.16	366,630	591,203
Financial assets at fair value through other comprehensive income	4.17	1,794,448	1,614,043
Financial assets at fair value through profit and loss	4.18	346	334
Cash and cash equivalents	4.22	5,701,361	4,625,596
		7,981,406	6,931,079
Total assets		**8,260,863**	**6,963,157**
Equity and liabilities			
Equity			
Share capital	4.23	5,000	5,000
Additional paid in capital		48,503	48,503
Translation reserve		58,999	32,807
Other reserves		1,582	832
Revaluation of fair value financial instruments through other comprehensive income		(81)	(543)
Retained earnings		308,683	267,942
Total equity attributable to shareholder of CBN Group		**422,686**	**354,541**
Non-current liabilities			
Lease liabilities	4.28	159	115
Deferred remuneration		410	312
Other liabilities		176	150
Non-current tax liabilities	4.12	2,028	–
		2,773	577
Current liabilities			
Trade payables		523	438
Derivative financial liabilities	4.30	54,097	44,174
Other payables and accrued expenses	4.26	9,760	12,054
Payables to affiliated companies		734	1,226
Provisions	4.24	33	–
Deferred income		48	42
Lease liabilities	4.28	129	187
Current tax liabilities		24,793	15,406
Amount owed to depositors	4.27	7,745,287	6,534,512
		7,835,404	**6,608,039**
Total equity and liabilities		**8,260,863**	**6,963,157**

Consolidated statement of changes in equity for the year ended December 31, 2024

	Issued capital	Additional paid-in capital	Translation reserve	Other reserves	Revaluation of FVOCI assets	Retained earnings	Total equity
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
As at January 1, 2024	**5,000**	**48,503**	**32,807**	**832**	**(543)**	**267,942**	**354,541**
Net profit for the year	–	–	–	–	–	135,907	135,907
Net wealth tax reserve	–	–	–	944	–	(944)	–
Other comprehensive income	–	–	26,192	–	462	–	26,654
Legal reserve for intangible assets	–	–	–	(194)	–	194	–
Total comprehensive income	**–**	**–**	**26,192**	**750**	**462**	**135,157**	**162,561**
Dividend paid	–	–	–	–	–	(94,416)	(94,416)
Total equity attributable to shareholder of the CBN as at December 31, 2024	**5,000**	**48,503**	**58,999**	**1,582**	**(81)**	**308,683**	**422,686**

In 2024, CBN paid dividends of USD 101.51 million (EUR 94.42 million) in total to its shareholder. On June 4, 2024 CBN paid a final dividend for 2023 of USD 9.27 million (EUR 8.53 million) to its shareholder. On July 26, 2024 CBN paid an interim dividend of USD 57.75 million (EUR 53.20 million) to its shareholder. On November 29, 2024 CBN paid an interim dividend of USD 34.49 million (EUR 32.69 million) to its shareholder.

The translation reserve arises as the functional currency of the CBN Group is USD and reporting currency is EUR. This amount is classified as a legal reserve pursuant to Dutch regulation Part 9 Book 2 article 373.4.

Other reserves comprise of Net Wealth Tax (NWT) reserve and legal reserve created for intangible assets.

a) The NWT reserve has been created to reduce the net wealth tax liability and relates to Luxembourg tax. This reserve will be maintained for a minimum period of five years and no dividends can be declared from these during the five years.

b) The legal reserve for internally generated software has been created as required under the Dutch Law. The Company is required to form a legal reserve as part of equity for internally generated software which is equal to the carrying amount of the internally generated software.

Consolidated statement of changes in equity for the year ended December 31, 2023

	Issued capital	Additional paid-in capital	Translation reserve	Other reserves	Revaluation of FVOCI assets	Retained earnings	Total equity
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
As at January 1, 2023	**5,000**	**48,503**	**47,263**	**–**	**(7,895)**	**261,211**	**354,082**
Net profit for the year	–	–	–	–	–	121,402	121,402
Net wealth tax reserve	–	–	–	327	–	(327)	–
Other comprehensive income	–	–	(14,456)	–	7,352	–	(7,104)
Legal reserve for intangible assets	–	–	–	505	–	(505)	–
Total comprehensive income	**–**	**–**	**(14,456)**	**832**	**7,352**	**120,570**	**114,298**
Dividend paid	–	–	–	–	–	(113,839)	(113,839)
Total equity attributable to shareholder of the CBN as at December 31, 2023	**5,000**	**48,503**	**32,807**	**832**	**(543)**	**267,942**	**354,541**

In 2023, CBN paid dividends of USD 124.75 million (EUR 113.84 million) in total to its shareholder. On June 26, 2023 CBN paid a final dividend for 2022 of USD 35.39 million (EUR 32.44 million) to its shareholder. On August 11, 2023 CBN paid an interim dividend of USD 46 million (EUR 41.91 million) to its shareholder. On December 21, 2023 CBN paid an interim dividend of USD 43.34 million (EUR 39.5 million) to its shareholder.

The translation reserve arises as the functional currency of the CBN Group is USD and reporting currency is EUR. This amount is classified as a legal reserve pursuant to Dutch regulation Part 9 Book 2 article 373.4.

Other reserves comprise of Net Wealth Tax (NWT) reserve and legal reserve created for intangible assets.

a) The NWT reserve has been created to reduce the net wealth tax liability and relates to Luxembourg tax. This reserve will be maintained for a minimum period of five years and no dividends can be declared from these during the five years.

b) The legal reserve for internally generated software has been created as required under the Dutch Law. The Company is required to form a legal reserve as part of equity for internally generated software which is equal to the carrying amount of the internally generated software.

Consolidated statement of cash flows for the year ended December 31,

	Notes	2024	2023
		EUR 000	EUR 000
Cash flows from operating activities:			
Net profit for the year		135,907	121,402
Adjustments for:			
• Income tax expense	4.12	32,952	28,024
• Depreciation	4.9	282	254
• Amortization	4.9	219	218
• Net finance expense	4.11	98	116
• Net interest income banking activities	4.4	(201,516)	(189,352)
• Increase/(decrease) in provisions		33	(236)
• Unrealized currency translation gain/(loss)		26,119	(14,456)
		(5,906)	(54,030)
Movement in working capital:			
• (Increase)/decrease in financial assets at amortized cost		(23,176)	173,747
• (Increase)/decrease in financial assets at fair value through other comprehensive income		(179,943)	649,605
• Increase in financial assets at fair value through profit or loss		(29)	(11)
• Increase in trade receivables		(520)	(800)
• (Increase)/decrease in derivative financial assets		(33,578)	26,701
• Increase in other receivables and accrued income		(3,274)	(127)
• Decrease in receivables from affiliated companies		330	84
• Increase in trade payables		85	149
• Increase/(decrease) in derivative financial liabilities		9,923	(79,256)
• (Decrease)/increase in other payables and accrued expenses		(1,364)	885
• Increase in deferred income		6	1
• Increase in other liabilities		27	18
• Decrease in payables to affiliated companies		(491)	(248)
• Increase/(decrease) in amounts owed to depositors		1,210,775	(515,093)
• Increase in deferred remuneration		98	104
Interest paid		(87,941)	(140,103)
Interest received		306,863	309,169
Income tax paid		(21,415)	(18,547)
Net cash flows from operating activities		**1,170,470**	**352,248**
Cash flows from investing activities			
Additions to plant and equipment	4.13	(39)	(34)
Net cash flows used in investing activities		**(39)**	**(34)**
Cash flows from financing activities			
Payment of lease liabilities		(250)	(232)
Dividends paid		(94,416)	(113,839)
Net cash flows used in financing activities		**(94,666)**	**(114,071)**
Net increase in cash and cash equivalents		**1,075,765**	**238,143**
Cash and cash equivalents as at January 1,	4.22	4,625,596	4,387,453
Increase in cash and cash equivalents		1,075,765	238,143
Cash and cash equivalents as at December 31,	**4.22**	**5,701,361**	**4,625,596**

4. Notes to the consolidated financial statements for the years ended December 31, 2024 and 2023

4.1. General

4.1.1. Ownership

Citco Bank Nederland N.V. is domiciled in Amsterdam and was incorporated in Amsterdam on December 20, 1985, and registered with the Trade Register of the Amsterdam Chamber of Commerce under number 33185291 pursuant to the terms of its Articles of Association as contained in the Deed of its Incorporation.

Citco Bank Nederland N.V. is a wholly owned subsidiary of Citco Bank Holding N.V., Curaçao, which is ultimately a wholly owned subsidiary of Citco III Limited, Cayman Islands (the "Ultimate Parent Company").

The consolidated financial statements of the Citco Bank Nederland N.V. for the year ended December 31, 2024 comprise of the Citco Bank Nederland N.V. including its Branches ("CBN") and its subsidiary Citco Bank Canada (together referred as the "CBN Group").

CBN Group consists of the following branches and subsidiary:

- Citco Bank Nederland N.V., Amsterdam, the Netherlands
- Branch Office, Dublin, Republic of Ireland
- Branch Office, Luxembourg, Luxembourg
- Citco Bank Canada, Toronto, Canada (subsidiary)

The address of its registered office is as follows:

Telestone 8 – Teleport,
Naritaweg 165,
1043 BW Amsterdam,
The Netherlands

4.1.2. Activities

Banking and Custody services

Utilizing Citco Bank's electronic platforms, institutional and collective investment schemes ("CIS") clients can access the funds universe via an online real-time global funds platform that offers:

- *Custody and Trading*
  Offers unlimited access to online trading as well as tailored reporting.
- *Depositary Services*
  Provides depositary and custody services to Irish and Luxembourg domiciled collective investment schemes.
- *Credit Facilities*
  Provides clients with short-term bridge finance and foreign exchange facilities
- *Banking Services*
  Provides clients with banking & cash management facilities of bank accounts (investor, operational, trading and/or deposit bank accounts), payment services, foreign exchange (F/X) hedging facilities.
- *Loan Servicing Business*
  Offering loan administration services to European clients.

4.1.3. CBN Group structure

An overview of CBN and its main subsidiary as at December 31, 2024 is included in Appendix III to this report.

4.1.4. Currency

CBN uses the USD as its functional currency and the EUR as its reporting currency. The reporting currency is aligned to the reporting currency of the CBN Group regulatory reporting to the DNB.

In accordance with IAS 21, the EUR/USD conversion rate that has been used for the balance sheet is the 2024 year-end rate of 1.03745 (2023: 1.10755) and for conversion of the profit or loss, an average exchange rate for 2024 of 1.08040 (2023: 1.08350) is used. Exchange differences arising from the translation to presentation currency are recognized in other comprehensive income.

4.1.5. Approval of the Board

These consolidated financial statements have been approved for issuance by the Supervisory Board on April 25, 2025.

4.2. Material accounting policy information

4.2.1. Basis of preparation

The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and its interpretations adopted by the European Union (“EU”). The consolidated financial statements have been prepared on the historical cost basis, except for the revaluation of certain financial instruments. The historical cost is generally based on the fair value of the consideration given in exchange for assets. The principal accounting policies adopted are set out below. These have been applied consistently during the year.

The consolidated financial statements incorporate the financial statements of Citco Bank Nederland N.V. and its subsidiary as at December 31, 2024. The main subsidiary of the CBN Group is detailed in Appendix III.

All intercompany transactions and balances between Group entities are eliminated on consolidation.

Comparative figures

In order to align with current year’s presentation, certain insignificant changes have been made to the comparative figures. These reclassifications have no effect on the total equity or the net result for the year.

4.2.2. Going concern

The directors have at the time of approving the financial statements, a reasonable expectation that the CBN Group has adequate resources to continue in operational existence for the foreseeable future. Thus, the CBN Group has applied the going concern basis of accounting in preparing the financial statements.

4.2.3. New standards adopted by the CBN Group

The following standards and amendments, effective from January 1, 2024, did not have any material impact on the CBN Group’s disclosures or the amounts recognized:

- Amendments to IAS 1 Classification of Liabilities as Current or Non-current
- Amendments to IAS 1 Presentation of Financial Statements - Non-current Liabilities with Covenants
- Amendments to IFRS 16 Leases - Lease Liability in a Sale and Leaseback
- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures titled Supplier Arrangements

4.2.4. New standards and interpretations not yet adopted

IFRS 18 replaces IAS 1, carrying forward many of the requirements in IAS unchanged and complementing them with new requirements. In addition, some IAS 1 paragraphs have been moved to IAS 8 and IFRS 7.

IFRS 18 introduces new requirements to:

- Present specific categories and defined subtotals in the statement of profit or loss
- Provide disclosures on management - defined performance measures (“MPMs”) in the notes to the financial statements

- Improve aggregation and disaggregation

An entity is required to apply IFRS 18 for annual reporting periods beginning on or after January 1, 2027, with earlier application permitted. The revised IAS 8 and IFRS 7 become effective when an entity applies IFRS 18. IFRS 18 requires retrospective application with specific transition provisions.

The directors of the CBN Group anticipate that the application of these amendments may have an impact on the presentation of the consolidated financial statement in future years.

4.2.5. Use of estimates and critical accounting judgments in the preparation of financial statements

In preparing the consolidated financial statements, management is required to make estimates and assumptions that affect reported income, expenses, assets, liabilities and disclosure of contingent assets and liabilities. Use of available information and application of judgment are inherent in the formation of estimates. Although these estimates are based on management's best knowledge of current events and actions, actual results in the future could differ from such estimates and the differences may be material to the consolidated financial statements. Accounting policies for most of the significant areas that require management to make judgements and estimates affecting reported amounts and disclosures are made in the following sections:

1. Income tax expense, tax assets and tax liabilities (Note 4.2.11, Note 4.12 and Note 4.19)
2. Fair value of financial instruments (Note 4.2.16 and Note 4.31)
3. Provisions (Note 4.2.21 and Note 4.24)
4. Litigations (Note 4.35)

4.2.6. Foreign currency translation

During the year, non-USD transactions are translated to USD as the functional currency. Transactions in currencies other than USD (the functional currency) are initially recorded at the rates of exchange prevailing on the date of the transactions. Monetary assets and liabilities denominated in such currencies are retranslated at the rates prevailing at the end of the reporting period. Gains and losses arising on exchange are included in the consolidated income statement for the year.

During the year, hedging is done for non-USD currency exposures to USD as the functional currency. The CBN Group hedged its exposure to certain foreign exchange risks by entering into forward exchange contracts.

4.2.7. Revenue recognition

Revenue comprises the value for the rendering of services in the ordinary course of the CBN Group's activities. The CBN Group recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and the stage of completion of the transaction at the balance sheet date can be measured reliably. The amount of revenue is not considered to be reliably measured until all significant contingencies relating to the sale have been resolved. The CBN Group bases its estimates on historic results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue is generated from contractual service agreements with CBN Group's clients. Custody income is accrued on a time basis by reference to the Assets under Administration ("AuA") at the contractual basis points or at a minimum fee.

Interest income is accrued on a time basis by reference to the principal outstanding and at the interest rate applicable using the effective interest rate method. Interest income is recognized as earned.

Fees and commissions are generally recognized on an accrual basis when the service has been provided. Loan commitment fees for loans that are likely to be drawn down are deferred (together with related direct costs) and recognized as an adjustment to the effective interest rate on the loan.

4.2.8. Interest income and expenses

Interest income and expense are recognized in the income statement for all instruments measured at amortized cost and fair value through other comprehensive income using the effective interest method.

The effective interest method is a method of calculating the amortized cost of a financial asset or a financial liability and of allocating the interest income or interest expense over the relevant period. The effective interest rate is the rate that is used to discount the estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the effective interest rate, the CBN Group estimates cash flows considering all contractual terms of the financial instrument (for example, pre-payment options) but does not consider future credit losses. The calculation includes all fees and basis points paid or received between parties to the contract that are an integral part of the effective interest rate, transaction costs and all other premiums or discounts.

Once a financial asset or a group of similar financial assets has been written down as a result of an impairment loss, interest income is recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

4.2.9. Operating expenses

Operating expenses are calculated at cost and are recognized in the period to which they relate. Amortization and depreciation charges on intangible and tangible assets are based on cost and are calculated by the straight-line method over the estimated lives of the assets concerned.

4.2.10. Retirement benefit costs

Payments to defined contribution retirement schemes are charged as an expense as they fall due. Payments made to state-managed retirement benefit schemes are dealt with as payments to defined contribution schemes where the CBN Group's obligations under the schemes are equivalent to those arising in a defined contribution retirement scheme.

4.2.11. Taxation

Income tax expense represents the sum of the current tax payable and deferred tax.

The current tax payable is based on taxable profit for the year. Taxable profit differs from profit as reported in the income statement because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The CBN Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognized for taxable temporary differences associated with investments in subsidiaries and associates, and interests in joint ventures, except where the CBN Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. Deferred tax assets arising from deductible temporary differences associated with such investments and interests are only recognized to the extent that it is probable that there will be sufficient taxable profits against which to utilize the benefits of the temporary differences and they are expected to reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the CBN Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Current and deferred tax are recognized in consolidated income statement, except when they relate to items that are recognized in OCI or directly in equity, in which case, the current and deferred tax are also recognized in OCI or directly in equity respectively. Where current tax or deferred tax arises from the initial accounting for a business combination, the tax effect is included in the accounting for the business combination.

4.2.12. Plant and equipment

Machinery, equipment and leasehold improvements are stated at cost less accumulated depreciation and any accumulated impairment.

If an item of plant and equipment is comprised of several major components with different useful lives, each component is accounted for separately.

Depreciation is charged so as to write off the cost over their estimated useful lives, using the straight-line method, on the following basis:

Machinery and equipment	3-10 years

These assets are reviewed at each reporting period for indications of impairment. If an indication of impairment exists, the recoverable amount of the asset is estimated based on its fair value. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount. In addition, the useful lives of these assets are also reviewed and adjusted, if appropriate, at each reporting period.

The gain or loss arising on the disposal or retirement of an asset is determined as the difference between the sale proceeds and the carrying amount of the asset. This is recognized in the consolidated income statement.

4.2.13. Leases

Based on the accounting policy applied the CBN Group recognizes a right-of-use asset and a lease liability at the commencement date of the contract for all leases conveying the right to control the use of an identified assets for a period. The commencement date is the date on which a lessor makes an underlying asset available for use by a lessee.

IFRS 16 applies a control model to the identification of leases, distinguishing between leases and service contracts on the basis of whether the use of an identified assets is controlled by the customer.

Control is considered to exist if the customer has:

- The right to obtain substantially all of the economic benefits from the use of an identified asset; and
- The right to direct the use of that asset.

Right-of- use assets

Initial measurement

The right-of-use assets are initially measured at cost, which comprises:

- The amount of the initial measurement of the lease liability;
- Any lease payments made at or before the commencement date, less any lease incentives;
- An estimate of costs to be incurred by the lessee in dismantling and removing the underlying assets or restoring the site on which the assets are located.

Subsequent measurement

After the commencement date, the right-of-use assets are measured at cost less any accumulated depreciation and any accumulated impairment losses and adjusted for any re-measurement of the lease liability. The right-of-use assets are subsequently depreciated using the straight-line method from the commencement date of the lease to the earlier of the end of the useful life of the right-of-use assets or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of the property and equipment. If the lease transfers ownership of the underlying asset to the CBN Group by the end of the lease term or if the cost of the right-of-use asset reflects that the CBN Group will exercise a purchase option, the CBN Group depreciates the right-of-use asset from the commencement date to the end of the useful life of the underlying asset. Otherwise, the CBN Group depreciates the right-of-use asset from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The CBN Group re-measures the right-of-use asset in the following circumstances:

- Lease incentives (excluding rent-free periods): the Right-of-Use ("RoU") asset is re-measured to reflect the amount of incentive received from the landlord, usually paid in cash or through leasehold improvements.

Lease liabilities

Initial measurement

The lease liability is initially measured at the present value of the lease payments that are not paid at that date, using the effective interest method. These include:

- Fixed payments, less any lease incentives receivable;
- Variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- Amounts expected to be payable by the lessee under residual value guarantees;
- The exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- Payments of penalties to be incurred for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments are discounted using the CBN Group's incremental borrowing rate. The incremental borrowing rate of CBN Group is five percent.

The lease term determined by the CBN Group comprises:

- Non-cancellable period of lease contracts;
- Periods covered by an option to extend the lease if the lessee is reasonably certain to exercise that option; and
- Periods covered by an option to terminate the lease if the lessee is reasonably certain not to exercise that option.

Subsequent measurement

The CBN Group re-measures the lease liability (and with a corresponding adjustment to the RoU asset) in the following circumstances:

- Index rate change to a lease payment: the revised updated lease payments are discounted at the rate applied by the CBN Group to the original lease, at the date of the revised lease payment; and
- Lease modification where the modification is not treated as a separate lease: the revised lease payments are discounted at the rate applied by the CBN Group to the original lease, at the date of modification.

4.2.14. Intangible assets

Third-party software

Acquired software is capitalized on the basis of the costs incurred to acquire and bring to use the specific software. These costs are amortized on a straight-line basis over the asset's useful life which typically ranges from 3 to 5 years. Where the carrying value of an asset is greater than its estimated recoverable amount the asset is written down immediately to its recoverable amount. Gains and losses on disposals are determined by comparing proceeds with carrying amounts and are recognized in the consolidated income statement.

For intangible assets with finite lives (software), the CBN Group reviews the carrying amounts at each end of the reporting period to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. The results on disposals of intangible assets are not significant.

4.2.15. Impairment

For tangible and intangible assets with finite lives, the CBN Group reviews the carrying amounts at the end of each reporting period to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss. Where it is not possible to estimate the recoverable amount of an individual asset, the CBN Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Recoverable amount is the higher of fair value less cost to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate which reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. Impairment losses are recognized as an expense immediately.

When an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized as income immediately.

4.2.16. Financial assets and financial liabilities

Recognition and derecognition of financial instruments

Recognition of financial assets

Financial assets are recognized in the consolidated statement of financial position when the CBN Group becomes a party to the contractual provisions of the instruments. Debt securities and certain other financial assets measured at fair value through profit or loss that require delivery within the time frame established by regulation or market convention ("regular way" purchases and sales) are recognized using trade date accounting. Trade date is the date on which the CBN Group commits to purchase or sell the asset. Loans and advances and repurchase agreements are recognized using settlement date accounting.

Derecognition of financial assets

Financial assets are derecognized when the rights to receive cash flows from the financial assets have expired or where the CBN Group has transferred substantially all risks and rewards of ownership. If the CBN Group neither transfers nor retains substantially all the risks and rewards of ownership of a financial asset, it derecognizes the financial asset if it no longer has control over the asset. The difference between the carrying amount of a financial asset that has been extinguished and the consideration received is recognized in the consolidated income statement. There were no significant modifications to the financial assets outside of repayment of principal and interests.

Recognition of financial liabilities

Financial liabilities are recognized on the date that the entity becomes a party to the contractual provisions of the instrument.

Derecognition of financial liabilities

Financial liabilities are removed from the consolidated statement of financial position when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished and the consideration paid is recognized in the consolidated income statement.

Modification of financial assets and financial liabilities

Non-substantial modification to financial assets and liabilities under IFRS 9 Financial Instruments ("IFRS 9") results in recognition of an immediate (gain)/loss in the consolidated income statement. The (gain)/loss is calculated as the difference between the carrying amount of the asset/liability and net present value of the modified asset/liability discounted at the effective interest rate. Certain reliefs apply for financial instruments that are modified as a consequence of a benchmark reform.

In the case of a financial asset, it also requires the derecognition of the financial asset and recognition of the new modified asset. In the case of a financial liability, derecognition is only required if the modification is deemed substantial.

i) Financial assets

General classification framework and initial measurement

The CBN Group classifies its financial assets in 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.

At initial recognition, the CBN Group measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss ("FVTPL"), transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at FVTPL are expensed in the consolidated income statement.

Debt instruments

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows at initial recognition.

Business models

Business models are classified as either Hold to Collect, Hold to Collect and Sell or Held for trading depending on how a portfolio of financial instruments as a whole are managed. The CBN Group business models are based on the existing management structure of the CBN Group, and refined based on an analysis of how businesses are evaluated and reported, how their specific business risks are managed and on historic and expected future sales.

Sales are permissible in a Held to Collect business model when these are due to an expected increase in credit risk or liquidity risk, take place close to the maturity date, are insignificant in value (both individually and in aggregate) or are infrequent.

Assessing contractual cash flows

The contractual cash flows of a financial asset are assessed to determine whether they represent Solely Payments of Principal and Interest ("SPPI"). Interest includes consideration for the time value of money, credit risk and also consideration for liquidity risk and costs associated with holding the financial asset for a particular period of time. In addition, interest can include a profit margin that is consistent with a basic lending arrangement.

In assessing whether the contractual cash flows are SPPI, the CBN Group considers the contractual terms of the instrument. This includes assessing whether the financial asset contains a contractual term that could change the timing or amount of contractual cash flows such that it would not meet this condition.

There are three measurement categories into which the CBN Group classifies its debt instruments:

Amortized cost: Debt instruments that are held for collection of contractual cash flows under a Held to Collect business model where those cash flows represent SPPI are measured at amortized cost. Interest income from these financial assets is included in Interest income using the effective interest rate method. Any gain or loss arising on derecognition is recognized directly in the consolidated income statement. Impairment losses are presented as a separate line item in the consolidated income statement.

FVOCI: Debt instruments that are held for collection of contractual cash flows and for selling the financial assets under a Held to Collect and Sell business model, where the assets' cash flows represent SPPI, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses, which are recognized in the consolidated income statement. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to the consolidated income statement and recognized in Investment income or other income based on the specific characteristics of the business model. Interest income from these financial assets is included in Interest income using the effective interest rate method. Impairment losses are presented as a separate line item in the consolidated income statement.

FVTPL: Debt instruments that do not meet the criteria for amortized cost or FVOCI are measured at FVTPL. This includes debt instruments that are held for trading. The CBN Group may in some cases, on initial recognition, irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortized cost or at FVOCI as at FVTPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise. The interest result on financial assets designated as at FVTPL is recognized in the consolidated income statement and presented within interest income or interest expense in the period in which it arises.

The CBN Group reclassifies debt investments when, and only when, its business model for managing those assets changes.

ii) Financial liabilities

Financial liabilities are classified and subsequently measured at amortized cost.

iii) Derivatives

Derivatives are initially recognized at fair value on the date on which a derivative contract is entered into and are subsequently measured at fair value. All derivatives are recognized as liabilities when their fair value is negative and assets when their fair value is positive. Fair value movements on derivatives, are presented in the consolidated income statement.

iv) Impairment of financial assets

An Expected credit loss ("ECL") model is applied to financial assets accounted for at amortized cost and FVOCI. Under the ECL model the CBN Group calculates the ECL by considering on a discounted basis the cash shortfalls it would incur in various default scenarios for prescribed future periods and multiplying the shortfalls by the probability of each scenario occurring. The ECL is the sum of these probability-weighted outcomes, are unbiased and include supportable information about past events, current conditions, and forecasts of future economic conditions.

Three stage approach

Financial assets are classified in any of the below three stages at the reporting date. A financial asset can move between stages during its lifetime. The stages are based on changes in credit quality since initial recognition and defined as follows:

- **Stage 1** includes financial instruments that have not had a significant increase in credit risk since initial recognition. An entity may assume that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date;
- **Stage 2** includes financial instruments that have experienced a significant increase in credit risk since its initial recognition but that does not have objective evidence of impairment. However, a worsening credit score does not automatically result in counterparty moving from Stage 1 to Stage 2, (see below). In case of Stage 2, a lifetime ECL are recognized with interest revenue calculated on the gross carrying amount of the asset; or
- **Stage 3** includes financial assets that can be identified to be impaired at the reporting date. Lifetime ECL is recognized and interest income is calculated on the net carrying amount.

As at December 31, 2024, all of the CBN Group financial instruments are assumed to be Stage 1. This is because CBN Group uses the low credit exemption as permitted under IFRS 9. The CBN Group has a low appetite for credit risk, supported by a conservative credit risk management framework and evidences this by no realized credit losses historically, which has resulted in all credit risk exposure limited to those seen as low credit risk.

Significant change in credit risk

A financial asset moves from Stage 1 to Stage 2 when there is a significant increase in credit risk since initial recognition. Each financial asset is assessed at the reporting date on the triggers for significant deterioration. The CBN Group assesses significant change in credit risk using:

- Internal rating; and
- Arrears.

Counterparties are assessed as part of the daily counterparty risk monitoring, whereby a deterioration below the risk appetite for investment will lead to analysis of the appropriate credit stage if the exposure is maintained. Due to the small size of the client-lending book, loans are monitored on an asset-by-asset basis. Assets can move in both directions, meaning that they can move back to Stage 1 if the situation improves.

Measurement of ECL

The CBN Group Loss Given Default ("LGD") models used for regulatory capital and collective provisions are sourced from the Annual Default Studies published by the rating agencies. Values for probability of default ("PD") are derived from Citco's Counterparty Risk Monitoring System ("CRMS") methodology. Values for Exposure at Default ("EaD") depend on the type of asset the entity is holding on or off its Consolidated statement of financial position. IFRS 9 defines credit loss as the difference between the cash flows that are due to an entity in accordance with the contract and the cash flows that the entity expects to receive discounted at the original effective interest rate. Because ECL considers the amount and timing of payments, a credit loss arises even if the entity expects to be paid in full but later than when contractually due. ECL will be calculated on assets individually, but their LGD and PD will be a function of the counterparty and the type of exposure, whereby cash at third party banks will be treated differently to term placements at banks or cash at central banks and other government exposures.

Furthermore, estimates of ECL on assets that include undrawn loan commitments and function similar to revolving credit loans, will be consistent with expectations of drawdowns on that loan.

PD and LGD values are influenced and ultimately based on the prevailing economic environment, applying Point in Time ("PiT") probabilities. In order to account for this in the ECL calculation three scenarios are established:

- Normal - the business environment is stable;
- Stressed - the business and/or wider economic environment is under stress/contraction;
- Expansion - the business environment is characterized by growth and a reduction in credit risk.

The scenario environment will be determined by management discretion and reviewed on a periodic basis.

Prevailing economic environment

Economic and financial stress indicators are used to provide management information on the prevailing economic environment for use in determining which weightings for the three available scenarios is appropriate for the forthcoming period. To avoid low-value complexity, a weighted average is determined from the three scenarios and the weightings will be applied in 25% increments. CBN Group Risk Management monitors economic and financial stress indicators against pre-defined trigger levels, which if exceeded will be followed by a risk review on a wider range of macroeconomic and market data.

Following the review of financial stress, there is a review of economic indicators to determine if there is sufficient evidence for weightings of an expansion scenario, characterized by significant levels of growth. Quarterly Gross Domestic Product ("GDP") growth figures for the United States, Eurozone and Japan are reviewed against a trigger level and if this is exceeded, further analysis will be carried out. If no weightings for neither stressed scenario nor expansion scenario are indicated, then by default the proposal to management is an ECL model configuration using 100% weighting for the normal scenario. Alternative weightings may be proposed if other information indicates differently. The Risk Management team may consider weightings for the scenarios, the worst case being 100% stressed would result in ECL remaining less than 0.1% of capital.

ECL sensitivity

The ECL for financial assets is based on assumptions about risk of default and expected loss rates. CBN Group uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on market research, CBN Group's past history, existing market conditions as well as forward-looking estimates at the end of each reporting period. Changes in such judgments and analyses may lead to changes in the ECL provisions over time. The key judgment areas are:

Assumptions used to measure expected credit losses, including the use of forward-looking and macro-economic information for individual and collective impairment assessment.

The use of different assumptions could produce significantly different estimates of ECL. The Risk Management team is responsible for proposing the Prevailing Economic Environment input and internal Credit Score used for IFRS 9 ECL purposes. The Risk Management team may consider weightings for the scenarios, the worst case being 100% Stressed would result in ECL increasing, but remaining below 0.1% of capital. The most material sensitivity to the estimate of ECL is the internal Credit Score provided to counterparties, whereby a deterioration in Credit Scores of financial counterparties by one level would increase ECL to just over 0.1% of capital and also still below 0.2% of capital if alongside 100% stressed prevailing economic outlook.

Definition of default

Definition of Default is outlined in the Bank's Credit Risk Management Policy of applicable entities as part of the Enterprise Risk Management Framework. IFRS 9 requires that a rebuttable presumption is included that considers that default does not occur later than when a financial asset is 90 days past due unless there is reasonable and supportive information to demonstrate that a longer-dated default criterion is more appropriate.

Two relevant types of identified defaults that are taken into consideration:

- Counterparty Default: The risk that the counterparty defaults and cannot pay back the funds that the Bank placed or invested with it. This includes credit counterparty risk arising from derivatives; and
- Client Default: The risk that a client who is in receipt of a loan or is required to post collateral for FX trades is unable to provide sufficient collateral or to repay the loan when due.

Collectively assessed loans (Stages 1 to 3)

Loans are collectively assessed are grouped on the basis of similar risk characteristics, taking into account loan type, industry, geographic location, collateral type, past due status and other relevant factors. The collectively-assessed loan loss provision reflects: (i) the expected amount of principal and interest calculated under the terms of the original loan agreement that will not be recovered, and (ii) the impact of time delays in collecting principal and/or interest (time value of money).

Write-off and debt forgiveness

Loans and the related ECL are written off, either partially or in full, when there is no realistic prospect of recovery. Write-offs are made:

- In a bankruptcy liquidation scenario (not as a result of a reorganization);
- When there is a high probability of non-recovery of the remaining loan exposure or certainty that no recovery can be realized;
- After disinvestment or sale of a credit facility at a discount; or
- The CBN Group releases a legal (monetary) claim it has on its customer.

4.2.17. Trade receivables

In accordance with IFRS 9, trade receivables are measured at amortized cost using the effective interest method, less any ECL (impairment). In order to determine the amount of ECL to be recognized in the consolidated financial statements, the CBN Group uses a provision matrix based on its historical observed default rates which is adjusted for any forward-looking estimates.

4.2.18. Accrued income

Accrued income is stated at its nominal value. Accrued income includes fees for services provided but that are not yet invoiced.

4.2.19. Cash and cash equivalents

Cash and cash equivalents comprise cash and short-term deposits. Cash and cash equivalents are measured at amortized cost using the effective interest method, less any impairment.

4.2.20. Trade payables

In accordance with IFRS 9, trade payables are measured at amortized cost using the effective interest method. The CBN Group has financial risk management policies in place to ensure that all payables are paid within the credit time frame.

4.2.21. Provisions

Provisions are recognized when the CBN Group has a present legal or constructive obligation as a result of past events, it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate of the amount can be made. If the effect is material, the provision is determined by discounting the expected future cash flows. Provisions are not recognized for future operating losses.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as finance expense. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

4.2.22. Consolidated statement of cash flows

Cash and cash equivalents for the purpose of the statement of cash flows include cash on hand, deposits available on demand with central banks and net credit balances on current accounts with other banks.

The consolidated statement of cash flows, based on the indirect method of calculation, gives details of the source of cash and cash equivalents which became available during the year and the application of these cash and cash equivalents over the course of the year.

4.3. Risk and capital management

4.3.1. Risk overview

In its operating environment and daily activities, the CBN Group encounters various risks and constantly strives to mitigate related risks.

The main risks identified by the CBN Group, related to its activities are:

(a) Strategic Business Execution & Development risks: the risk to perspective earnings and capital arising from changes in the business environment and from adverse business decisions, improper implementation of decisions in lack of responsiveness to changes in the business environment.

(b) Market risk, which includes two types of risk:

  (i) Currency risk: the risk that the value of a financial instrument will fluctuate because of changes in foreign exchange rates;

  (ii) Interest rate risk in the Banking Book: the current or prospective risk to earnings and/or capital arising from adverse movements in interest rate exposures resulting from interest rate sensitivity mismatches between assets and liabilities.

(c) Liquidity risk: the risk of an inability to meet payment obligations when they fall due and to replace funds when they are withdrawn.

(d) Credit risk: the current or prospective risk arising from counterparty’s failure to meet the terms of any contract with the Bank or its failure to perform as agreed.

(e) Operational risk: the risk of loss resulting from people, inadequate or failed internal processes and systems, or from external events.

(f) Cyber risk: the risk of loss or damage due to failed or inadequate IT Security against cyber risks.

(g) Compliance risk: the risk of loss, reputational or regulatory impact, from failed Organizational, Personal, Financial, or Client Conduct.

(h) Legal risk: the risk of loss, litigation or regulatory impact due to non-compliance with applicable global and jurisdictional laws.

(i) External Environment risk: The risk to earnings and capital to the organization’s exposure to or interaction with external factors.

Strategic risk

CBN Group operates in a niche market. The objective in relation to Strategic Risk is to remain flexible to changes in the business environment so that both growth and changes to the market status can be adapted to in a swift manner.

The usage of an effective planning and control framework, as well as a robust business intelligence framework is the cornerstones of strategic risk management. Furthermore, Project Risk Assessment ("PRA") process and a New Significant Initiatives policy are embedded in the organization to ensure CBN Group is effectively managing and monitoring the introduction of new products and (large) projects. CBN Group reduces exposure to strategic risk by a clear focus on its strategic business objectives.

Market risk

CBN Group’s policy is to reduce market risk to an acceptable level. Market risk embodies not only the potential for loss but also the potential for gain. In CBN Group, the treasury instruments available to manage and reduce these risks have been approved, by the Management Board. This policy serves to set a framework of limits and to ensure clearly defined limits within that framework. There has been no significant change to CBN Group’s exposure to market risks and the Management Board continuously reviews the manner in which it manages and measures the risk.

Currency risk

Currency risk is the current or prospective risk to earnings and capital arising from adverse movements in foreign exchange rates against USD.

The off-balance sheet net position excludes forward exchange contracts placed on behalf of clients (Note 4.30). Currency exposures are covered in USD functional currency. It is uncertain whether off balance sheet items will lead to an actual exposure.

The CBN Group has and manages currency risk in two key areas:

(a) Client treasury activities: Clients place forward exchange contracts with CBN Group. Therefore CBN Group is exposed to fluctuations in foreign exchange rates on these contracts. In managing this risk, CBN Group places offsetting forward exchange contracts with pre-approved counterparties with the same maturity. In addition clients are required to provide cash collateral in case of a margin call.

(b) Operations: CBN Group is exposed to foreign exchange risk in respect of funding day-to-day activities and capital expenditure. In managing this risk, management utilizes forward exchange contracts for any imbalances or firm commitments for planned capital expenditure.

The table below summarizes the CBN Group's exposure to currency risk translated to EUR:

	EUR	USD	CHF	GBP	Other	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
As at December 31, 2024						
Non-current assets						
Plant and equipment	29	–	–	–	–	29
Right-of-use assets	347	–	–	–	–	347
Intangible assets	225	80	–	–	6	311
Financial assets at amortized cost	–	278,437	–	–	–	278,437
Financial assets at fair value through profit and loss	–	260	–	–	–	260
Receivables with affiliated companies	–	10	–	–	–	10
Deferred tax assets	6	57	–	–	–	63
Current assets						
Trade receivables	922	2,831	–	59	–	3,812
Other receivables and accrued income	4,718	35,574	–	481	792	41,565
Receivables from affiliated companies	17	994	–	–	–	1,011
Financial assets at amortized cost	3,011	363,575	6	23	15	366,630
Financial assets at fair value through other comprehensive income	–	1,794,448	–	–	–	1,794,448
Financial assets at fair value through profit or loss	346	–	–	–	–	346
Cash and cash equivalents	3,646,004	1,789,643	9,799	26,136	229,779	5,701,361
Total assets	**3,655,625**	**4,265,909**	**9,805**	**26,699**	**230,592**	**8,188,630**
Non-current liabilities						
Lease liabilities	159	–	–	–	–	159
Deferred remuneration	328	–	–	–	82	410
Other liabilities	143	–	–	–	33	176
Non-current tax liabilities	2,028	–	–	–	–	2,028
Current liabilities						
Trade payables	496	19	–	–	8	523
Other payables and accrued expenses	3,107	5,895	24	49	685	9,760
Payables to affiliated companies	431	303	–	–	–	734
Provision	33	–	–	–	–	33
Deferred income	6	42				48
Lease liabilities	129	–	–	–	–	129
Current tax liabilities	22,278	2,515	–	–	–	24,793

	EUR EUR 000	USD EUR 000	CHF EUR 000	GBP EUR 000	Other EUR 000	Total EUR 000
Amounts owed to depositors	830,581	6,002,905	9,800	227,489	674,512	7,745,287
Total liabilities	**859,719**	**6,011,679**	**9,824**	**227,538**	**675,320**	**7,784,080**
Currency exposure	2,795,906	(1,745,770)	(19)	(200,839)	(444,728)	404,550
Off-balance sheet net currency exposure hedged position	2,801,186	(2,173,917)	(6)	(200,780)	(445,233)	(18,750)
Net currency exposure*	**(5,280)**	**428,147**	**(13)**	**(59)**	**505**	**423,300**
Derivative financial assets	1,607	67,674	–	799	2,153	72,233
Derivative financial liabilities	1,621	52,288	–	139	49	54,097
Off-balance sheet - guarantees to counterparties	1,498	–	–	–	–	1,498
Credit commitments	-	478,845	–	–	–	478,845

	EUR EUR 000	USD EUR 000	CHF EUR 000	GBP EUR 000	Other EUR 000	Total EUR 000
As at December 31, 2023						
Total assets	2,992,975	3,708,288	2,573	48,381	172,285	6,924,502
Total liabilities	1,056,949	5,113,785	10,966	249,594	133,148	6,564,442
Currency exposure	1,936,026	(1,405,497)	(8,393)	(201,213)	39,137	360,060
Off-balance sheet net currency exposure hedged position	1,936,763	(1,760,421)	(8,398)	(201,191)	38,399	5,152
Net currency exposure*	**(737)**	**354,924**	**5**	**(22)**	**738**	**354,908**
Derivative financial assets	26,414	5,249	5,622	658	712	38,655
Derivative financial liabilities	35,158	982	5,555	430	(86,299)	(44,174)
Off-balance sheet - guarantees to counterparties	1,498	–	–	–	–	1,498
Credit commitments	2,036	406,587	–	68	–	408,691

*The Net currency exposure of 423,300 thousand for 2024 (2023: 354,908 thousand) in USD (vs EUR) predominately relates to CBN Group's equity, which is denominated in USD. As CBN Group's functional currency is USD (as opposed to its presentation currency of EUR), this gives rise to a translation exposure and not an economic currency risk exposure.

Currency sensitivity analysis

The CBN Group is mainly exposed to USD currency and the analysis is done from that perspective. The profit is predominantly USD driven, so the USD profit would be reported higher or lower if foreign currency exchange rates moved, but not reflecting a real movement.

The sensitivity analysis includes only outstanding foreign currency denominated monetary items and adjusts their translation at the year-end for a 10% change in exchange rates.

Foreign currency exchange impact on CBN's equity

If the US Dollar to Euro had been 10% higher and all other variables were held constant, the CBN Group's net profit for the year ended December 31, 2024 would have increased by EUR 0.5 million (2023: EUR 0.1 million) and the CBN Group's equity as at December 31, 2024 would have increased by EUR 0.5 million (2023: EUR 0.1 million).

If the US Dollar to Euro had been 10% lower and all other variables were held constant, the CBN Group's net profit for the year ended December 31, 2024 would have decreased by EUR 0.6 million (2023: decreased by EUR 0.1 million) and the CBN Group's equity as at December 31, 2024 would decrease by EUR 0.6 million (2023: decreased by EUR 0.1 million).

This minimal impact is a consequence of the currency hedging strategy of the CBN Group.

Interest rate risk in the Banking book

Interest Rate Risk in the Banking Book arises from the existence of mismatches in interest rate exposures or sensitivities between assets and liabilities on the CBN Group balance sheet. This is considered a subset of Market Risk and managed under the CBN Group Enterprise Risk Management Framework through the Market Risk Management Policy.

Interest rate risk is controlled through the monitoring of deposits and short-term investments with the use of the interest balance sheet and maturity profile. Funding is short term in nature and placements (exclusive of short-term investments) are also typically on an overnight basis. The Funding and Investment Strategy is updated annually, determining maximum safe maturity transformation and minimum levels of overnight and short-term liquidity required. The following table details the CBN Group's remaining maturity for its financial assets and liabilities.

The table below summarizes the CBN Group exposure to interest rate risk translated to EUR:

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
As at December 31, 2024						
Non-current assets						
Financial assets at amortized cost	–	–	–	278,437	–	278,437
Financial assets at fair value through profit and loss	–	–	–	–	260	260
Current assets						
Financial assets at amortized cost	9,862	–	356,768	–	–	366,630
Financial assets at fair value through other comprehensive income	956,481	651,331	186,636	–	–	1,794,448
Financial assets at fair value through profit and loss	346	–	–	–	–	346
Cash and cash equivalents	5,630,784	70,577	–	–	–	5,701,361
Total assets	**6,597,473**	**721,908**	**543,404**	**278,437**	**260**	**8,141,482**
Non-current liabilities						
Lease liabilities	–	–	–	159	–	159
Current liabilities						
Lease liabilities	–	129	–	–	–	129
Amounts owed to depositors	7,717,157	21,566	6,564	–	–	7,745,287
Total liabilities	**7,717,157**	**21,695**	**6,564**	**159**	**–**	**7,745,575**
Net balance sheet position	**(1,119,684)**	**700,213**	**536,840**	**278,278**	**260**	**395,907**

The table above discloses only interest bearing assets and liabilities included in the statement of financial position.

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
As at December 31, 2023						
Non-current assets						
Financial assets at amortized cost	–	–	–	30,688	–	30,688
Financial assets at fair value through profit and loss	–	–	–	–	243	243
Current assets						
Financial assets at amortized cost	5,847	447,273	138,083	–	–	591,203
Financial assets at fair value through other comprehensive income	284,858	752,587	576,598	–	–	1,614,043
Cash and cash equivalents	4,438,206	187,390	–	–	–	4,625,596
Total assets	**4,728,911**	**1,387,250**	**714,681**	**30,688**	**243**	**6,861,773**
Non-current liabilities						
Lease liabilities	–	–	–	115	–	115
Current liabilities						
Lease liabilities	–	187	–	–	–	187
Amounts owed to depositors	6,332,112	195,055	7,345	–	–	6,534,512
Total liabilities	**6,332,112**	**195,242**	**7,345**	**115**	**–**	**6,534,814**
Net balance sheet position	**(1,603,201)**	**1,192,008**	**707,336**	**30,573**	**243**	**326,959**

Interest sensitivity analysis

Interest sensitivity is applicable in one key area for the CBN Group, the net interest margin. The net interest margin is subject to any changes in the spread CBN Group earns on placements in the markets versus the interest paid to clients. CBN Group calculates the impact of interest rate movements from both earnings perspective and economic value perspective. CBN Group applies regulatory required interest rate shock scenarios, as well as internal scenarios where needed. Interest rate management is based on Earnings at Risk (“EaR”) model, as being more relevant for CBN Group business model.

The EaR model considers the impact to interest earned and paid under a variety of interest rate shock scenarios. Under a gradual increase in the projected market rates of interest by 200 bps, it is calculated that CBN Group net interest income would increase by 17.56% (2023: 16.2% increase), while under a gradual decrease in projected market rates of interest by 200 bps, it is calculated that net interest income would reduce by 19.94% (2023: 16.2% reduction).

The Economic Value of Equity (“EVE”) is modelled, but considered less applicable for the CBN Group. The limited maturity transformation often results in largest negative impact scenarios being shock increases in rates, which are expected to be beneficial for profitability. A sudden increase of 200bps in the market rates is calculated to result in a 1.1% increase in equity (2023: 2.1% increase), while a sudden decrease of 200bps in the market rates was calculated to result in a 2.0% reduction in equity (2023: 4.4% reduction).

Interest Rate Risk is also considered within stress testing for CBN Group, which includes both sustained reductions in market rates of interest and reduced rate thresholds for interest payments to clients. The combination of modelled reductions in deposit balances and compression of net interest margin significantly the reduce projected net interest income, and as such are assessed each year as part of the ICAAP process. The results of Stress Testing, EaR and EVE are monitored by CBN Group ALCO on a quarterly basis.

Liquidity risk

CBN Group manages liquidity risk by maintaining a conservative framework of limits. This includes coverage of regulatory requirements, such as the Liquidity Coverage Ratio and the Net Stable Funding Ratio, but also internal liquidity limits, including overnight liquidity, one-month liquidity, maturity transformation limits and monthly stress testing. Liquidity stress testing covers CBN Group-specific, Market-wide and Combined scenarios, which are slow-developing and fast-developing and are assessed as part of the Individual Liquidity Adequacy Assessment Process ("ILAAP") annually. CBN Group also continuously monitors forecast to actual cash flows. In addition, CBN Group manages any counterparty risk in respect of liquidity through its utilization of the Counter Party Risk Monitoring System.

The following table details the CBN Group's remaining contractual maturity for its financial assets and liabilities. The table has been drawn up based on the cash flows of financial assets and liabilities based on the earliest date on which the CBN Group can be required to receive and pay, respectively.

Liquidity risk table

The table below summarizes the CBN Group exposure to liquidity risk translated to EUR:

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
As at December 31, 2024						
Non-current assets						
Financial assets at amortized cost	–	–	–	278,437	–	278,437
Financial assets at fair value through profit and loss	–	–	–	–	260	260
Receivables from affiliated companies	–	–	–	–	10	10
Current assets						
Trade receivables	3,812	–	–	–	–	3,812
Other receivables and accrued income	21,516	12,951	7,098	–	–	41,565
Financial assets at amortized cost	9,862	–	356,768	–	–	366,630
Financial assets at fair value through other comprehensive income	956,481	651,331	186,636	–	–	1,794,448
Financial assets at fair value through profit and loss	346	–	–	–	–	346
Receivables from affiliated companies	407	–	604	–	–	1,011
Cash and cash equivalents	5,630,784	70,577	–	–	–	5,701,361
Derivative financial assets	30,181	40,969	1,083	–	–	72,233
Total assets	**6,653,389**	**775,828**	**552,189**	**278,437**	**270**	**8,260,113**
Non-current liabilities						
Other liabilities	–	–	–	176	–	176
Lease liabilities	–	–	–	159		159
Deferred remuneration	–	–	–	410	–	410
Current liabilities						
Trade payables	523	–	–	–	–	523
Derivative financial liabilities	12,268	40,758	1,071	–	–	54,097
Other payables and accrued expenses	9,649	77	34	–	–	9,760
Payables to affiliated companies	734	–	–	–	–	734
Lease liabilities	–	129	–	–	–	129
Amounts owed to depositors	7,717,157	21,566	6,564	–	–	7,745,287
Total liabilities	**7,740,331**	**62,530**	**7,669**	**745**	**–**	**7,811,275**
Net balance sheet position	**(1,086,942)**	**713,298**	**544,520**	**277,692**	**270**	**448,838**
Off-balance sheet - guarantees to counterparties	–	–	399	53	1,046	1,498
Credit commitments	64,860	–	413,985	–	–	478,845

The table above discloses only financial assets and liabilities with liquidity parameters included in the statement of financial position.

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
As at December 31, 2023						
Non-current assets						
Financial assets at amortized cost	–	–	–	30,688	–	30,688
Financial assets at fair value through profit and loss	–	–	–	–	243	243
Receivables from affiliated companies	–	–	–	82	–	82
Current assets						
Trade receivables	3,292	–	–	–	–	3,292
Other receivables and accrued income	19,658	26,201	10,827	–	–	56,686
Financial assets at amortized cost	5,847	–	585,356	–	–	591,203
Financial assets at fair value through other comprehensive income	284,858	752,587	576,598	–	–	1,614,043
Financial assets at fair value through profit and loss	334	–	–	–	–	334
Receivables from affiliated companies	1,198	–	72	–	–	1,270
Cash and cash equivalents	4,438,206	187,390	–	–	–	4,625,596
Derivative financial assets	9,029	27,947	1,679	–	–	38,655
Total assets	**4,762,422**	**994,125**	**1,174,532**	**30,770**	**243**	**6,962,092**
Non-current liabilities						
Lease liabilities	–	–	–	115	–	115
Deferred remuneration	–	–	–	312		312
Other liabilities	–	–	–	150	–	150
Current liabilities						
Trade payables	438	–	–	–	–	438
Derivative financial liabilities	15,202	27,295	1,677	–	–	44,174
Other payables and accrued expenses	11,663	341	50	–	–	12,054
Payables to affiliated companies	1,226	–	–	–	–	1,226
Lease Liabilities	–	187	–	–	–	187
Amounts owed to depositors	6,332,112	195,055	7,345	–	–	6,534,512
Total liabilities	**6,360,641**	**222,878**	**9,072**	**577**	**–**	**6,593,168**
Net balance sheet position	**(1,598,219)**	**771,247**	**1,165,460**	**30,193**	**243**	**368,924**
Off-balance sheet - guarantees to counterparties	–	399	53	1,047	–	1,499
Credit commitments	4,700	–	403,991	–	–	408,691

Credit risk

Credit risk is the current or prospective risk to earnings and capital arising from a debtor's failure to meet the terms of any contract with CBN Group or if a debtor otherwise fails to perform. Credit risk is monitored continuously by reviewing outstanding loans, temporary overdrafts and trade receivables by the account managers and the quality and exposures of counterparties by the Risk Management division. New extensions of credit are subject to written credit memoranda that must be appropriate to the established criteria of the loan policy approved by the appropriate level of management.

New counterparties are subject to due diligence by the Risk Management division and approval by the Divisional Credit Committee and the Management Board. The Supervisory Board is involved in the approval of credit applications that fall outside the authority given to the Management Board. CBN Group manages credit risk by choosing only reputable sovereigns, banks and corporates as counterparties for liquid funds and derivative financial instruments and monitoring credit-worthiness on a daily basis, adjusting credit limits for maximum size and tenor where needed.

CBN Group has implemented a daily monitoring methodology, CRMS, which uses the fundamental view of the rating agencies on a counterparty's probability of default through long-term ratings, and the more reactive view of the capital markets using credit default swap spreads to ensure that CBN Group only deals with highly regarded counterparties.

Loans to clients typically have a maximum loan to value ratio of 35% of eligible collateral, which may be secured by a pledge agreement covering the clients underlying securities portfolio held by Citco Group's separate custody subsidiaries or other forms of acceptable collateral. Valuations of the underlying collateral is made on a regular basis against industry norms and a legal entitlement to make margin calls on the client is in place. The loan portfolio is mainly focused on Europe and the offshore jurisdictions that attract quality mutual and hedge funds providers that are clients of CBN Group.

In addition, CBN Group is exposed to credit risk in relation to financial guarantees provided by CBN Group. CBN Group's maximum exposure in this respect is the maximum amount CBN Group could have to pay if the guarantee is called on. As at December 31, 2024, guarantees on the Ultimate Parent's loan agreement and office leases have been recognised as a contingent liability (Note 4.29).

CBN Group has no significant ongoing concentration of credit risk, with exposure spread over a large number of counterparties and customers.

Operational risk

Operational risk is the risk of failures in execution, delivery, process management due to ineffectiveness or errors in internal banking performance, with the result of potential impact of business disruption, external issues, and losses. Within CBN Group's bank businesses, there are many complex and inherently impactful (to CBN and its clients) transaction-based processes. To ensure that operational risk is adequately monitored and controlled, an extensive internal control framework is put in place to robustly manage operational processes that aligns with the Basel Committee on Banking Supervision's Principles for the effective management of Operational Risk. The over-arching principles for operational risk management form the foundation for policies, procedures, processes, controls and tools for monitoring, assessment and governance. Operational Risk Management is part of the ERM Framework that exists in all divisions of Citco and is implemented fully within the CBN Group at the three levels of first line CBN Group business lines, second line control groups such as CBN Risk Management and by third line Group Internal Audit. A CBN Risk Appetite Statement (RAS) supplements the ERM Framework, providing a Risk Appetite Framework with essential direction linked directly to the strategic objectives providing boundaries for the Bank with regards to risk, including operational risk.

Cyber risk

The CBN Group has expanded its management of Cyber Risk with a Technology Risk Management Policy, ICT Risk Management Framework (Digital Operational Resilience), Business Strategy for Technology and IT Controls Committee. This is supported by Citco Technology Management, which has dedicated framework covering areas such as Data Security, Data Privacy, Access Management and Change Management.

Compliance risk

Compliance risk is defined as the risk of loss, reputational or regulatory impact from failed Organizational, Personal, Financial, or Client Conduct. The failure to act in line with applicable laws and regulations, internal rules (including Citco's Code of Business Conduct) pose a threat to CBN Group's good standing.

CBN Compliance is tasked with advising, challenging and having oversight of the first line in their management of compliance risks and has an active role in raising awareness (via training and communication) and stimulating CBN Group's core values of prudence, transparency and client focus. The scope of the compliance risks is outlined in the Citco's Compliance Charter. CBN Compliance is headed by the Chief Compliance Officer (CCO), who reports directly to the Chief Risk and Compliance Officer (CRCO). The CCO has direct access to the CBN Group's Management Board Risk Committee and CBN's Supervisory Board.

Financial Economic Crime (FEC)

As a gatekeeper to the financial system, CBN Group plays an important role in detecting and preventing financial economic crime. CBN Group is committed to take all necessary measures to prevent those products and services of the Bank are used for money-laundering, financing of terrorism or breach sanctions. CBN group and its subsidiary have zero tolerance for deliberately or knowingly facilitating financial crime.

CBN performs annual SIRA, which assesses inherent and residual integrity risks related to FEC and tests top-down and bottom-up scenarios against limits set in CBN's FEC RAS.

Regulatory Change Management ('RCM')

To keep abreast of relevant changes in regulatory requirements and business activities with a view to ensuring Citco's ongoing compliance, avoiding reputational damage and/or financial loss, Citco Group Compliance has implemented a regulatory change management function and process to identify relevant regulatory developments and have them addressed by the appropriate parties in a timely manner. A gap analysis is performed when necessary and determine, with the assistance of the first line, when applicable, of the impact of current/future requirements on licensing, services, policies etc. CBN Compliance ensures that the first and second line of risks owners are identified and risk assessments of the proposed new legislation are maintained.

Sanctions

CBN Group continues to closely monitor the situation regarding the Russia-Ukraine war. Sanctions related to the Russia-Ukraine war concern targeted restrictive measures against individuals and entities involved in the threat to the sovereignty of Ukraine as well as economic sanctions, including export and import restrictions on Russia.

CBN Group will continue to monitor the situation and implement new, applicable sanctions packages, including additions to existing restrictive measures, as and when they are released. Furthermore, CBN Management Board is in close contact with DNB and the Dutch Ministry of Finance regarding sanctions developments. It remains to be expected that the sanction landscape continues to be highly volatile and complex.

Anti-Corruption and Anti-Bribery

We are committed to applying high standards of honesty and integrity consistently across our global operations and in all our business dealings. CBN Group has zero tolerance towards and is committed to fighting corruption and bribery. We implemented controls on background screening to mitigate the risk of corruption when entering into, and throughout the relationship with a client, business partner and/or employee.

We encourage our staff to report any suspicion of bribery or other form of corruption. Our policies prescribe that when bribery or other forms of corruption come to our attention, we will engage with the customer, business partner or employee and take adequate measures.

Legal risk

The CBN Group manages on a continual basis potential legal risks which might arise through contractual engagement and liabilities, litigation risk and employment practices and workplace safety. Controls in place utilise standard templates (with deviation) for structured content and wording which follows commercial norms for contractual agreements and ongoing monitoring of service levels. Contractual wording covers potential breaches of services, whilst seeking to protect the CBN Group with certain exceptions for fraud, gross and simple negligence and wilful misconduct, which are managed separately. The Bank will seek the opinion of external counsel for specialized advice where necessary.

External Environment risk

CBN Group recognises the growing requirements around ESG- or Sustainability Risk Management and is developing its framework for these. The CBN Group has implemented a Climate and Environment Risk Management Policy, which integrates these into the ERM Framework as risk drivers of existing risks and considers the potential for climate and environment in the CBN Business Strategy. Alongside this, the CBN Group has enhanced its risk appetite statements on climate change risks, performs annual Climate and Environment Risk Assessments and implemented limits for direct exposures to high impact sectors. CBN Group has initiated its work to meet regulatory sustainability requirements, with a gap assessment and dependencies identified to support progressing disclosures where required.

Capital Adequacy

CBN Group's asset and liability committee reviews the capital structure on a routine basis. Based on the recommendations of the ALCO committee, CBN Group balances its overall capital structure and liquidity management. CBN Group's overall strategy remains unchanged from 2023.

To monitor the adequacy of its capital under Pillar 1, banks within CBN Group apply Capital Adequacy (Solvency) ratios, established by the relevant regulatory authorities ('CAR'). CAR measures capital adequacy by comparing the entity's eligible capital with the sum of the total of risk weighted exposure amounts for Credit Risk, Operational Risk, Market Risk and Credit Valuation Adjustment ("CVA").

For Credit Risk, the Standardized Approach is used in which for each asset the relevant risk weighted assets are determined using the counterparty type and external rating. Off-balance sheet credit-related commitments are taken into account by applying different categories of credit conversion factors, designed to convert these items into balance sheet equivalents. For Credit risk exposure for FX contracts, the Standardized Approach is used. The resulting equivalent amounts are then weighted for risk using the same percentages as for on-balance sheet assets.

For Operational Risk the Basic Indicator Approach is used. CBN Group needs to take into account 15% of average gross revenues as capital requirement for Operational Risk.

The Market Risk capital requirements cover the risk of FX open positions.

The CVA is an adjustment to the mid-market valuation of the portfolio of transactions with a counterparty and a Standardized method is applied.

To monitor the adequacy of its capital under Pillar 2 and sufficient liquidity, banks within CBN Group maintain Internal Capital Adequacy Assessment Process ('ICAAP') and Internal Liquidity Adequacy Assessment Process ('ILAAP'), as well as the Recovery Plan. Formal documents are produced on annual basis. CBN Management Board is required to inform DNB and receive approval from the Supervisory Board prior to paying out dividends to its shareholder. As at December 31, 2024, CBN Group total equity amounted to EUR 422.6 million (2023: EUR 354.5 million).

The balance sheet equity consists of the following elements:

	2024	2023
	EUR 000	**EUR 000**
Share capital	5,000	5,000
Additional paid-in capital	48,503	48,503
Translation reserve	58,999	32,807
Other reserves	1,582	832
Revaluation of FVOCI assets	(81)	(543)
Retained earnings	172,776	146,540
	286,779	233,139
Profit for the year	135,907	121,402
	422,686	**354,541**

For regulatory reporting purposes, EUR 370.4 million (2023: EUR 312.3 million) is classified as Common Equity Tier 1 capital when calculating the capital adequacy requirement.

As at December 31, 2024, the Pillar 1 capital requirements amounted to EUR 100.8 million (2023: EUR 104.3 million), which consisted of EUR 67.9 million (2023: EUR 80.2 million) for credit risk, EUR 30.7 million (2023: EUR 21.2 million) for operational risk, EUR 0.4 million (2023: EUR 0.1 million) for foreign exchange risk and EUR 1.8 million (2023: EUR 2.9 million) for credit valuation adjustment.

CBN Group's management allocated EUR 39.0 million (2023: EUR 32.8 million) of capital to cover Pillar 2 risks.

4.4. Net interest income and other revenue

The CBN Group derives revenue from the following major revenue lines in the following geographic locations:

	The Netherlands	Canada	Ireland	Luxembourg	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
2024					
Interest income	55,683	85,850	135,745	11,190	288,468
Interest expense	(5,606)	(55,039)	(16,360)	(9,947)	(86,952)
Custody and trading income	30	10,891	5,879	17,384	34,184
Net income from dealing in foreign currencies	247	240	1,708	613	2,808
Payment fees	83	723	2,223	577	3,606
Other banking and custody services	2,158	1,716	5,810	2,741	12,425
Net interest income and other revenue	**52,595**	**44,381**	**135,005**	**22,558**	**254,539**

	The Netherlands	Canada	Ireland	Luxembourg	Total
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
2023					
Interest income	96,888	83,193	124,303	8,580	312,964
Interest expense	(8,869)	(58,932)	(50,422)	(5,389)	(123,612)
Custody and trading income	–	11,264	5,566	15,161	31,991
Net income from dealing in foreign currencies	273	279	2,349	508	3,409
Payment fees	74	679	2,195	532	3,480
Other banking and custody services	2,355	1,626	5,698	2,406	12,085
Net interest income and other revenue	**90,721**	**38,109**	**89,689**	**21,798**	**240,317**

The CBN Group has recognized the following receivables and payables. These are included within accrued income/derivative financial assets and accrued expenses/derivative financial liabilities in the consolidated statement of financial position.

	2024	2023
	EUR 000	EUR 000
Receivables		
Accrued income	9,062	7,475
Derivative financial assets	72,233	38,655
Interest receivable from affiliated companies	505	960
Interest receivable	30,079	48,472
As at December 31,	**111,879**	**95,562**
Payables		
Accrued expenses	2,239	2,255
Derivative financial liabilities	54,097	44,174
Interest payable	5,448	6,378
As at December 31,	**61,784**	**52,807**

4.5. Personnel expenses

	2024	2023
	EUR 000	EUR 000
Salaries and bonuses	21,892	20,567
Social security charges and taxes	1,791	1,637
Pension expenses	1,434	1,268
Related party personnel recharge	4,503	6,670
Other personnel expenses	417	780
Personnel expenses	**30,037**	**30,922**

The average number of full-time employees for the year was 228 (2023: 213) of which 199 (2023: 185) were employed in the EU.

In 2024, there were 9 (2023: 12) employees classified as Identified Staff (excluding the Management Board). These identified employees were granted a variable remuneration of EUR 208 thousand in 2024 (2023: EUR 179 thousand). For these identified staff EUR 71 thousand (2023: EUR 65 thousand) of variable remuneration is currently deferred to future years. The total variable remuneration for all employees (excluding the Management Board) related to the year 2024 amounts to EUR 766 thousand (2023: EUR 818 thousand). The Management Board decided that there was no reason to apply a collective or individual malus with respect to the variable remunerations in 2024 or to vest previous tranches of deferred variable remunerations.

In 2024 designated identified staff received 50% of variable remuneration in phantom shares. The above disclosure is in line with IFRS 2.

The approximation of fair value of a phantom share is based on the normalized earnings as per the annual accounts.

The effect of this arrangement is insignificant in value and it is included in Salaries and bonuses and Other liabilities.

For the year 2024, the table below outlines the details of the deferred remuneration of EUR 469 thousand.

	Management Board	Other MRT*	Total
	EUR 000	EUR 000	EUR 000
Number of employees in the deferral plan	4	2	6
Variable remuneration	368	101	469
• of which is cash	104	30	134
• of which is deferred	264	71	335
i. of which share price linked	184	51	235
ii. of which is deferred cash	80	20	100
Outstanding deferred remuneration (vested)	573	144	717
Outstanding deferred remuneration (unvested)	458	107	565
Deferred remuneration paid out in the performance year	189	50	239

Personnel expenses include the expenses associated with the Management Board and Supervisory Board of Directors. See Note 4.37 for Directors' remuneration.

*MRT stands for material risk takers

4.6. Office and administration expenses

	2024	2023
	EUR 000	EUR 000
Office and administration expenses	878	680
Related party office and administration expenses	5,122	3,384
Office and administration expenses	**6,000**	**4,064**

4.7. Travel expenses

	2024	2023
	EUR 000	EUR 000
Travel expenses	504	489
Related party travel expenses	295	153
Travel expenses	**799**	**642**

4.8. Professional services

	2024	2023
	EUR 000	EUR 000
Professional fees	877	3,156
Audit fees	516	421
Related party professional fee expense	412	166
Professional services	**1,805**	**3,743**
Fees to independent auditor:		
Audit fees	510	356
Audit-related fees	6	65
Audit fees	**516**	**421**

Audit fees for 2024 includes EUR 473.0 thousand paid to Forvis Mazars Accountants N.V. and EUR 73.0 thousand paid to Deloitte Canada (2023: EUR 293.0 thousand paid to Deloitte Accountants B.V. and EUR 63.0 thousand to Deloitte Canada).

Audit-related fees (in relation to Deposit Guarantee Scheme) totalled EUR 6.0 thousand (2023: EUR 65.0 thousand) for Citco Bank Nederland N.V.

4.9. Depreciation and amortization

	Notes	2024	2023
		EUR 000	EUR 000
Depreciation on machinery and equipment	4.13	55	43
Depreciation of right-of-use assets	4.14	227	211
Amortization of internally generated software	4.15	219	218
Depreciation and amortization		**501**	**472**

4.10. Other operating expenses

	2024	2023
	EUR 000	EUR 000
Citco Group support service fee	22,865	21,216
Royalty fees	6,056	5,429
Other related party expenses	6,483	9,853
Other expenses	10,014	13,392
Other operating expenses	**45,418**	**49,890**

4.11. Net finance expense

	2024	2023
	EUR 000	EUR 000
Interest expense	59	55
Interest income	(2)	(2)
Interest expense on lease liabilities	17	19
Foreign exchange loss	36	67
Fair value gains on financial instruments through profit or loss	(12)	(23)
Net finance expense	**98**	**116**

All interest income and expenses are attributable to continuing operations.

4.12. Income tax

The major components of income tax expense for the years ended December 31, 2024 and 2023 are:

	2024 EUR 000	2023 EUR 000
Current income tax:		
Current tax expense: current year	33,104	28,218
Current tax expense: prior year	(272)	(165)
	32,832	**28,053**
Deferred tax:		
Deferred tax expense: prior year	120	(3)
Deferred tax expense: current year	–	(26)
	120	**(29)**
Income tax expense	**32,952**	**28,024**

Income tax expense

	2024 %	2024 EUR 000	2023 %	2023 EUR 000
Net profit before tax		168,859		149,426
Income tax using the domestic corporation tax rate	26	43,059	26	38,104
Effect of tax rates in foreign jurisdictions	(6)	(10,186)	(7)	(10,155)
Non-deductible expenses	–	231	–	243
Over provided in prior years	–	(152)	–	(168)
Income tax expense	**20**	**32,952**	**19**	**28,024**

As a Bank involved in worldwide operations, CBN Group is subject to several factors that affect its tax charge. This is principally due to the levels and mix of profitability in different jurisdictions, transfer pricing policies and tax rates imposed.

Certain entities in the Group are within scope of the Pillar Two model rules, to the extent it operates in a jurisdiction where Pillar Two legislation has been enacted or substantively enacted at year-end. The tax liability in relation to Pillar Two model rules are included in the legal entities in the jurisdiction where it applies.

The Group has applied the temporary exception issued by the IASB in May 2023 from the accounting requirements for deferred taxes in IAS 12. Accordingly, the Group neither recognizes nor discloses information about deferred tax assets and liabilities related to Pillar Two income taxes.

At the issuance of the audited financial statements, the government of the Cayman Islands, where the Ultimate Parent Company is incorporated, has not enacted the Pillar Two Income Tax legislation. These will be assessed using the following: A Qualified Domestic Minimum Top-up Tax (“QDMTT”) is a minimum tax that is incorporated into the domestic law of a jurisdiction. Where a QDMTT does not exist, the tax goes to another country as determined by the rule of order in the Model Rules : The Income Inclusion Rule (“IIR”) requires the ultimate parent entity ("UPE") or Intermediate Parent Entity (“IPE”) to pay a top-up tax on its proportionate share of the income of any low-taxed Constituent Entity ("CE") in which the UPE/IPE has a direct or indirect ownership interest. The tax is the top-up amount required to bring the overall tax on the profits up to the 15% ETR. The UPE is given priority for applying the IIR. If the UPE is located in a jurisdiction that has not implemented the IIR, then responsibility for applying the IIR falls on the CE that is directly owned and controlled by that UPE (the Intermediate Parent Entity) (“IPE”), and so on, down the chain of ownership.

The Under Taxed Profits Rule ("UTPR") serves as a backstop to the IIR and is applied if the jurisdiction of the UPE or any of the IPE has chosen not to implement the IIR. The UTPR allocates the taxing rights over the undertaxed income (deriving from an undertaxed jurisdiction) to all jurisdictions that implemented the UTPR Charging Mechanism. Generally, the effective date of the QDMTT is from January 1, 2024 and for the UTPR is from January 1, 2025, but jurisdictions may apply different timelines. The applicable jurisdictions where subsidiaries of the Group have an effective tax rate below the minimum tax rate per the Pillar Two model rules in 2024 are Bahamas, Bermuda, the British Virgin Islands, Curacao, Cyprus, Guernsey, Ireland, Jersey, Malta, United Arab Emirates and the Cayman Islands. Among these, only Ireland has implemented QDMTT as of January 1, 2024. The other jurisdictions in scope have not implemented QDMTT as of January 1, 2024. Additionally, none of these other jurisdictions are the location of an IPE that could apply the IIR in the absence of implementation by the Ultimate Parent Entity's jurisdiction.

As at December 31, 2024, approximately 56% of the Group’s profits are subject to Pillar Two Income taxes and the average effective tax rate applicable to those profits is 2.15%. The Group’s current tax expense related to Pillar Two income taxes is EUR 2.03 million (2023: nil) and only relates to Ireland. This has been presented as “Non-current tax liabilities” because the Group has legal right to defer payment more than 12 months. Payment is due on the filing date, being 18 months after the end of the fiscal year in a transition year and 15 months after the end of the fiscal year thereafter.

The Group is continuing to assess the impact of the Pillar Two income taxes legislation on its future financial performance.

4.13. Plant and equipment

	Notes	Machinery and equipment	Total
		EUR 000	EUR 000
Cost:			
As at January 1, 2024		263	263
Additions		39	39
Foreign exchange difference		16	16
As at December 31, 2024		**318**	**318**
Accumulated depreciation:			
As at January 1, 2024		221	221
Depreciation charge for the year	4.9	55	55
Foreign exchange difference		13	13
As at December 31, 2024		**289**	**289**
Net carrying amount			
As at December 31, 2024		**29**	**29**

	Notes	Machinery and equipment	Total
		EUR 000	EUR 000
Cost:			
As at January 1, 2023		237	237
Additions		34	34
Foreign exchange difference		(8)	(8)
As at December 31, 2023		**263**	**263**
Accumulated depreciation:			
As at January 1, 2023		184	184
Depreciation charge for the year	4.9	43	43
Foreign exchange difference		(6)	(6)
As at December 31, 2023		**221**	**221**
Net carrying amount			
As at December 31, 2023		**42**	**42**

4.14. Right-of-use assets

The CBN Group leases several assets including buildings, machinery and equipment. The average lease term is 3.6 years (2023: 3.1 years).

Approximately 13% (2023: 50%) of leases relate to office space and remainder comprises of leased cars and office equipment.

	Notes	Right-of-use assets
		EUR 000
Cost		
As at January 1, 2024		835
Foreign exchange difference		179
As at December 31, 2024		**1,014**
Depreciation		
As at January 1, 2024		502
Depreciation	4.9	227
Foreign exchange difference		(62)
As at December 31, 2024		**667**
Net carrying amount		
As at December 31, 2024		**347**

	Notes	Right-of-use assets
		EUR 000
Cost		
As at January 1, 2023		911
Additions		157
Terminations		(201)
Foreign exchange difference		(32)
As at December 31, 2023		**835**
Depreciation		
As at January 1, 2023		472
Depreciation	4.9	211
Disposals		(161)
Foreign exchange difference		(20)
As at December 31, 2023		**502**
Net carrying amount		
As at December 31, 2023		**333**

4.15. Intangible assets

	Notes	Internally generated software	Third-party software	Total
		EUR 000	EUR 000	EUR 000
Cost				
As at January 1, 2024		1,246	202	1,448
Foreign exchange difference		84	14	98
As at December 31, 2024		**1,330**	**216**	**1,546**
Accumulated amortization:				
As at January 1, 2024		741	202	943
Amortization charge	4.9	219	–	219
Foreign exchange difference		59	14	73
As at December 31, 2024		**1,019**	**216**	**1,235**
Net carrying amount				
As at December 31, 2024		**311**	**–**	**311**

	Notes	Internally generated software	Third-party software	Total
		EUR 000	EUR 000	EUR 000
Cost				
As at January 1, 2023		1,294	210	1,504
Foreign exchange difference		(48)	(8)	(56)
As at December 31, 2023		**1,246**	**202**	**1,448**
Accumulated amortization:				
As at January 1, 2023		548	210	758
Amortization charge	4.9	218	–	218
Foreign exchange difference		(25)	(8)	(33)
As at December 31, 2023		**741**	**202**	**943**
Net carrying amount				
As at December 31, 2023		**505**	**–**	**505**

The results on disposals of intangible assets are not significant.

4.16. Financial assets at amortized cost

The CBN Group classifies its financial assets as at amortized cost only if both of the following criteria are met

- the asset is held within a business model whose objective is to collect the contractual cash flows, and
- the contractual terms give rise to cash flows that are solely payments of principal and interest

Financial assets at amortized cost include the following debt investments

	2024	2023
	EUR 000	EUR 000
US Treasury notes	311,205	123,629
Term loans	59,712	88,424
Mezzanine notes	53,015	49,659
Variable funding notes	216,082	354,332
Current account overdrafts	5,053	5,847
As at December 31,	**645,067**	**621,891**
Maturity analysis:		
One month or less	9,862	5,847
More than three months up to a year	356,768	585,356
One to five years	278,437	30,688
As at December 31,	**645,067**	**621,891**
Current	366,630	591,203
Non-current	278,437	30,688
As at December 31,	**645,067**	**621,891**

The interest income for the year on financial instruments held at amortized cost was EUR 12,982 thousand (2023: EUR 18,931 thousand).

ECL on these investments recognized in the consolidated income statement for the year was a loss of EUR 89.0 thousand (2023: EUR 106.0 thousand).

In 2024, no loans were granted to affiliated companies (2023: EUR nil). Undrawn portion of VFN at end of the period is EUR 253.0 million (2023: EUR 285.0 million).

4.17. Financial assets at fair value through other comprehensive income

The CBN Group classifies its financial assets at fair value through other comprehensive income only if both of the following criteria are met:

- debt securities where the contractual cash flows are solely principal, interest, and
- the objective of the Group's business model is achieved both by collecting contractual cash flows and selling financial assets.

Financial assets at fair value through other comprehensive income include the following debt investments:

	2024	2023
	EUR 000	**EUR 000**
Commercial paper issued by financial institutions	1,168,670	1,551,951
US treasury bills	625,778	–
Bonds	–	62,092
As at December 31,	**1,794,448**	**1,614,043**
Maturity Analysis:		
One month or less	956,481	284,858
Up to three months	651,331	752,587
More than three months up to a year	186,636	576,598
As at December 31,	**1,794,448**	**1,614,043**
Current	1,794,448	1,614,043
As at December 31,	**1,794,448**	**1,614,043**

The interest income for the year on financial instruments at fair value through other comprehensive income was EUR 79,394 thousand (2023: EUR 91,566 thousand).

There was no ECL recognized in the consolidated income statement on these investments for the year (2023: Nil).

Commercial paper issued by financial institutions and certificate of deposits represents A+ to AAA rated paper. In order to avoid fluctuations in the income statement, these investments have been classified as FVOCI with revaluations recorded in other comprehensive income.

4.18. Financial assets at fair value through profit and loss

The CBN Group classifies debt investments that do not qualify for measurement at either amortized cost or FVOCI at FVTPL.

	2024	2023
	EUR 000	EUR 000
Junior note	260	243
Other	346	334
As at December 31,	**606**	**577**
Maturity analysis:		
One month or less	346	334
More than five years	260	243
As at December 31,	**606**	**577**
Current	346	334
Non-current	260	243
As at December 31,	**606**	**577**

4.19. Deferred tax

	2024	2023
	EUR 000	EUR 000
Capitalized tax loss and deferred tax assets	63	185
Amounts recognized as at December 31,	**63**	**185**

The following are the major deferred tax assets and deferred tax liabilities recognized by the CBN Group and the related movements during the year:

	Capitalized losses and deferred tax assets	Total
	EUR 000	EUR 000
As at January 1, 2024	185	185
Increase	–	–
Utilization	(122)	(122)
As at December 31, 2024	63	63
As at December 31, 2023	156	156
Increase	29	29
As at December 31, 2023	185	185

4.19.1. Recognized deferred tax assets

	2024	2023
	EUR 000	EUR 000
Deferred tax assets		
Property and equipment	33	114
Other items	30	71
Net tax assets	63	185

4.19.2. Movement in temporary differences during 2024 and 2023

	Temporary differences	Capitalized tax losses	Total
	EUR 000	EUR 000	EUR 000
As at January 1, 2023	156	–	156
Additions during the year	29	–	29
As at December 31, 2023	185	–	185
As at January 1, 2024	185	–	185
Utilizations during the year	(122)	–	(122)
As at December 31, 2024	63	–	63

A specification as at December 31, 2024 and 2023 of the deferred tax assets and how they are used is shown as below:

	Deferred tax assets	Carried forward losses	Carried forward until at least	Capitalized 2024
	EUR 000	EUR 000		EUR 000
Europe - Netherlands	11	–	unlimited	11
Europe Ireland	3	–	unlimited	3
Canada	49	–	unlimited	49
As at December 31,	**63**	**–**		**63**

	Deferred tax assets	Carried forward losses	Carried forward until at least	Capitalized 2023
	EUR 000	EUR 000		EUR 000
Europe - Netherlands	134	–	unlimited	134
Europe Ireland	2	–	unlimited	2
Canada	49	–	unlimited	49
As at December 31,	**185**	**–**		**185**

Deferred tax assets have been recognized to the extent that it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

4.20. Trade receivables

	2024	2023
	EUR 000	EUR 000
Trade receivables	3,812	3,292
As at December 31,	**3,812**	**3,292**

The average age of these receivables is 36 days (2023: 41 days). No interest is charged on trade receivables that are past due. Trade receivables are the amounts due from clients relating to depositary and custody services provided by the CBN Group.

4.20.1. Age of trade receivables past due but not impaired

	2024	2023
	EUR 000	EUR 000
1-30 days	671	550
31-60 days	634	750
61-90 days	363	636
Over 90 days	430	438
As at December 31,	**2,098**	**2,374**

4.20.2. Movement in the expected credit losses

The movement in the allowance for expected credit losses for 2024 is nil (2023: nil).

4.21. Other receivables and accrued income

	2024	2023
	EUR 000	EUR 000
Accrued income	9,062	7,475
Other receivables	1,990	371
Interest receivables	30,079	48,472
Prepaid expenses	434	368
As at December 31,	**41,565**	**56,686**

4.22. Cash and cash equivalents

	2024	2023
	EUR 000	EUR 000
Cash and balance with central banks	3,617,281	2,953,997
Current account with other banks	1,161,547	806,828
Bank balances with affiliated companies	7,322	14,892
Deposit with other banks	915,211	849,879
As at December 31,	**5,701,361**	**4,625,596**

Bank balances attract interest at the respective short-term deposit market rates. Banks are required to deposit a minimum average balance, calculated monthly, with the central banks, which is not available for use in CBN Group's day-to-day operations. These deposits bear no interest. The minimum reserve amount with the central banks for 2024 is EUR 50.3 million (2023: EUR 46.3 million).

4.23. Share capital

Authorized shares

	2024	2023
	Number of shares 000	Number of shares 000
Ordinary shares of par value EUR 100 each	250	250
As of December 31,	**250**	**250**

Ordinary shares issued and fully paid

	Number of shares 000	EUR 000
As at January 1, 2024	**50**	**5,000**
Movement	–	–
As at December 31, 2024	**50**	**5,000**

4.24. Provisions

	Severance payments
	EUR 000
As at January 1, 2024	–
Provisions made during the year	63
Unwinding of discount	–
Amounts used during the year	(13)
Unused amounts reversed during the year	(17)
Foreign exchange difference	–
As at December 31, 2024	**33**
Current	33
As at December 31, 2024	**33**
As at January 1, 2023	236
Provisions made during the year	–
Unwinding of discount	–
Amounts used during the year	(239)
Unused amounts reversed during the year	–
Foreign exchange difference	3
As at December 31, 2023	**–**
Current	–
As at December 31, 2023	**–**

4.25. Retirement benefit schemes

Principally, the CBN Group pays premiums to defined contribution retirement schemes. Effective May 1, 2014, the Netherlands Scheme changed from a defined benefit plan to a defined contribution plan.

The assets of the schemes are held separately from those of the CBN Group in funds under the control of trusts, foundations and the like. Where there are employees who leave the scheme prior to vesting fully in the contributions, the contributions payable by the CBN Group are reduced by the amount of forfeited contributions.

The total cost charged to the consolidated income statement of EUR 1.4 million (2023: EUR 1.0 million) represents contributions payable to these schemes by the CBN Group at rates specified in the rules of the schemes.

4.26. Other payables and accrued expenses

	2024 EUR 000	2023 EUR 000
Taxes and social security contributions	1,867	3,281
Accrued expenses	2,419	2,386
Other payables	26	9
Interest payable	5,448	6,378
As at December 31,	**9,760**	**12,054**

The CBN Group has financial risk management policies in place to ensure that all payables are paid within the permitted credit terms.

4.27. Amounts owed to depositors

	2024 EUR 000	2023 EUR 000
Demand deposits	7,290,551	5,720,271
Demand deposits with affiliated companies	136,218	216,219
Time deposits	318,518	598,022
As at December 31,	**7,745,287**	**6,534,512**

Deposits are only short term and CBN Group pays interest based on the terms agreed with clients.

Maturity analysis:

	2024 EUR 000	2023 EUR 000
On demand	7,426,769	5,936,490
One month or less	290,388	395,622
More than one month up to three months	21,566	195,055
More than three months up to a year	6,564	7,345
As at December 31,	**7,745,287**	**6,534,512**

4.28. Lease liabilities

	Lease liabilities
	EUR 000
As at January 1, 2024	302
Additions	260
Lease payments	(233)
Lease terminations	(41)
As at December 31, 2024	**288**
As at January 1, 2023	400
Additions	157
Lease payments	(213)
Lease terminations	(42)
As at December 31, 2023	**302**

Maturity analysis:

	2024	2023
	EUR 000	EUR 000
Within one year	129	187
In the second to the fifth year inclusive	159	115
As at December 31,	**288**	**302**

Lease liabilities included in the statement of financial position as at December 31,

	2024	2023
	EUR 000	EUR 000
Current liabilities	129	187
Non-current liabilities	159	115
As at December 31,	**288**	**302**

4.29. Guarantees

The Ultimate Parent has entered into loan agreements with financial institutions. In these agreements the CBN Group has been included as obligor for these facilities. The guarantee provided by the CBN Group is limited to the following:

- The liability of each entity shall not exceed 10% of the Equity; and
- The total aggregate liability of all entities shall not exceed the lesser of 20% of the Equity and USD 15 million.

Equity under the definition of the loan agreements is the equity of Citco Bank Nederland N.V. and certain of its affiliates.

Equity under the definition of the loan agreements is the equity of Citco Banking Corporation N.V. and its subsidiaries on a consolidated basis and has the meaning given to it in the Supervisory Regulation. Citco Banking Corporation N.V. is the parent company of Citco Bank Holding N.V.

As at December 31, 2024, CBN and its subsidiary had commitments on guarantees with counter guarantees amounting to EUR 0.3 million (2023: EUR 0.3 million) and guarantees without counter guarantees amounting to EUR 1.1 million (2023: EUR 1.1 million).

4.30. Derivative financial instruments

CBN Group utilizes the forward exchange contracts for hedging and non-hedging purposes.

	Contract/notional amount	Fair value assets	Fair value liabilities
	EUR 000	EUR 000	EUR 000
As at December 31, 2024			
Forward exchange contracts	7,340,860	72,233	54,097
As at December 31, 2023			
Forward exchange contracts	5,357,422	38,655	44,174

Forward exchange contracts represent commitments to purchase foreign and domestic currency, including undelivered spot transactions. Since these contracts are collateralized by cash or marketable securities, the credit risk is negligible.

The fair value of forward exchange contracts is revalued daily based on the applicable spot rates.

Derivative financial assets and liabilities relate primarily to two types of transactions undertaken by CBN Group:

1. Treasury activities: in earning additional interest margin over base rates, CBN Group undertakes forward foreign exchange contracts to arbitrage the difference between the margins earned on higher yielding currencies (i.e. Euro) versus the cost of undertaking the swap. These transactions are on a short-term basis and with a small number of highly rated counterparties.
2. Foreign exchange contracts: CBN Group places foreign exchange contracts on behalf of clients. However, CBN Group does not take any positions on these transactions and immediately places a corresponding trade in the market for which we retain a spread. These services are only provided to clients with funds on deposits with CBN Group and funds retained in order to meet any margin calls. Again, other than, the margin earned the asset and liability positions offset.

CBN Group occasionally enters into forward exchange contracts to mitigate the exposure on material items of capital expenditure. The fair value of the assets and liabilities is represented in the statement of financial position as derivative financial assets and as derivative financial liability.

4.31. Fair value of financial instruments

4.31.1. Fair value measurements recognized in the statement of financial position

The following table provides at the end of the reporting period an analysis of financial instruments, grouped into Level 1 to Level 3 based on the degree to which the fair value is observable:

- Level 1 fair value measurements are those derived from quoted prices (unadjusted) in active markets for identical assets or liabilities;
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and
- Level 3 fair value measurements are those derived from valuation techniques that include inputs for the asset or liability that are not based on observable market data (unobservable inputs).

As at December 31, 2024:	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Total
	EUR 000	EUR 000	EUR 000
Financial assets held at amortized cost			
Bonds held at amortized cost	–	–	–
US Treasury notes	311,205	–	311,205
Loans to affiliated companies	–	–	–
Term loans	–	59,712	59,712
Mezzanine notes	–	53,015	53,015
Variable funding notes	–	216,082	216,082
Current account overdrafts	–	5,053	5,053
Financial assets held at fair value through other comprehensive income			
Commercial paper issued by financial institutions	–	1,168,670	1,168,670
US Treasury bills	625,778	–	625,778
Bonds held through FVOCI	–	–	–
Financial assets held at fair value through profit and loss			
Junior Note	–	260	260
Other assets	–	346	346
Money Market Funds	–	–	–
Derivative financial assets	–	72,233	72,233
As at December 31,	**936,983**	**1,575,371**	**2,512,354**
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities	–	54,097	54,097
As at December 31,	**–**	**54,097**	**54,097**

As at December 31, 2024 the fair value of the US Treasury notes is USD 322,178 thousand, of Commercial paper issued by financial institutions is USD 1,234,580 thousand and of US Treasury bills is USD 649,329 thousand.

As at December 31, 2023:	Fair value measurement using Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Total
	EUR 000	EUR 000	EUR 000
Financial assets held at amortized cost			
US Treasury notes	123,629	–	123,629
Term loans	–	88,424	88,424
Mezzanine notes	–	49,659	49,659
Variable funding notes	–	354,332	354,332
Current account overdrafts	–	5,847	5,847
Financial assets held at fair value through other comprehensive income			
Commercial paper issued by financial institutions	–	1,551,951	1,551,951
Bonds held through FVOCI	–	62,092	62,092
Financial assets held at fair value through profit and loss			
Junior Note	–	243	243
Other assets	–	334	334
Derivative financial assets	–	38,655	38,655
As at December 31,	**123,629**	**2,151,537**	**2,275,166**
Financial liabilities at fair value through profit or loss			
Derivative financial liabilities	–	44,174	44,174
As at December 31,	**–**	**44,174**	**44,174**

As at December 31, 2023 the fair value of the US Treasury notes is USD 135,215 thousand, of Commercial paper issued by financial institutions is USD 1,762,361 thousand and of Bonds held through FVOCI is USD 69,511 thousand.

During 2024 and 2023, there have been no transfers between Level 1 and Level 2. Additionally, CBN Group held no Level 3 investments during 2024 and 2023.

4.31.2. Valuation techniques and assumptions applied for the purpose of measuring fair value

The fair values of financial assets and financial liabilities are determined as follows:

Financial assets/financial liabilities	Fair value hierarchy	Valuation technique(s) and key input(s)
• Forward exchange contracts	Level 2	Difference between the contract rate and a market quoted rate, adjusted to include credit risk or other factors as appropriate.
• Commercial paper	Level 2	Quoted market prices or dealer quote for similar financial instruments
• Certificate of deposits	Level 2	Quoted market prices or dealer quote for similar financial instruments
• US Treasury bills	Level 1	Quoted bid prices in an active market
• Money Market Funds	Level 2	Quoted market prices or dealer quote for similar financial instruments
• Bonds held through FVOCI	Level 1	Quoted bid prices in an active market

4.32. Categories of financial assets and financial liabilities

Financial Assets	2024	2023
	EUR 000	EUR 000
Cash and cash equivalents	5,701,361	4,625,596
Financial assets held at amortized cost	645,067	621,891
Financial assets held at fair value through other comprehensive income	1,794,448	1,614,043
Financial assets held at fair value through profit or loss	606	577
Derivative financial assets	72,233	38,655
Receivables	45,568	60,524
As at December 31,	**8,259,283**	**6,961,286**

Financial Liabilities	2024	2023
	EUR 000	EUR 000
Amounts owed to the depositors	7,745,287	6,534,512
Lease liabilities	288	302
Derivative financial liabilities	54,097	44,174
Other liabilities	9,737	10,898
As at December 31,	**7,809,409**	**6,589,886**

4.33. Financial assets and liabilities not carried at fair value

The following methods and significant assumptions have been applied in determining the fair values of financial instruments carried at cost:

(a) The fair value of assets and liabilities maturing within 12 months is assumed to approximate their carrying amount;

(b) The fair value of demand deposits and savings accounts (included in due to customers) with no specific maturity is assumed to be the amount payable on demand at the end of the reporting period. Demand deposits and savings accounts bear floating interest rates, the fair value is assumed to approximate their carrying amount;

(c) The fair value of variable rate financial instruments is assumed to be approximated by their carrying amounts and, in the case of loans, does not, therefore, reflect changes in their credit quality, as the impact of credit risk is recognized separately by deducting the allowances for credit losses; and

(d) The fair value of loans and mortgages carried at amortized cost is estimated by comparing market interest rates when the loans were granted with current market rates offered on similar loans. Changes in the credit quality of loans within the portfolio are not taken into account in determining gross fair values, as the impact of credit risk is recognized separately by deducting the amounts of the allowances for credit losses. The fair value is assumed to approximate their carrying amount.

4.34. Assets under custody

The CBN Group provides custody services to its clients, with respect to the security transactions. These services require CBN Group to maintain assets held under custody, which are not reported on the statement of financial position. As at December 31, 2024, CBN Group's assets held under custody totalled EUR 99.9 billion (2023: EUR 87.7 billion).

4.35. Litigations

The Citco Group Limited ("CGRP") and its affiliates believe that there are meritorious defenses to all these claims and will continue to defend the lawsuits vigorously.

In 2024, various legal proceedings against CGRP and/or its subsidiaries continued. It is not possible to estimate with certainty the financial effect on the Company of these cases, however, management's position on a favorable outcome has not changed and no additional provision is considered necessary as at December 31, 2024.

Claims and lawsuits relating to the Fairfield Funds

CGRP and several of its subsidiaries have been named as defendants in two remaining lawsuits relating to investment funds managed by the Fairfield Greenwich Group.

- In May 2019, a Complaint was issued in the US Bankruptcy Court Southern District of New York by the BVI appointed liquidators of Fairfield Sentry Limited (i.l.), Fairfield Sigma Limited (i.l.) and Fairfield Lambda Limited (i.l.) and served on several Citco companies including The Citco Group Limited. The Complaint contains eighteen Claims in all against the Citco Defendants, including Claims under both US and British Virgin Islands insolvency laws. The facts alleged against the Citco Defendants are similar to those alleged in the Anwar class action proceedings. Citco filed its motions to dismiss on April 6, 2020. The Court then ordered the parties to file any motions to dismiss on service and jurisdictional grounds. The court also allowed jurisdictional discovery to commence. Citco filed its motion to dismiss on jurisdictional grounds in November 2021. The liquidators filed their response to Citco's motions to dismiss on personal jurisdiction grounds on May 19, 2023. Citco's filed its response on August 17, 2023. Oral argument on the motions to dismiss on jurisdictional grounds was heard on June 3, 2024. On December 20, 2024 the court denied the motion to dismiss on jurisdictional grounds. A schedule for substantive motions to dismiss on the merits will now be negotiated. Because of the complexity of the proceedings, the multi-jurisdictional legal principles involved, the fact that there are several potential statutory defences available and the number of other cases brought by the BVI liquidators in several jurisdictions and decided either at first instance or on appeal, our lawyers have not yet been able to provide any estimate of the likelihood or not of the Plaintiffs prevailing at trial. The Company believes it has meritorious defenses to all of the claims and continues to vigorously defend the case.

4.36. Related party transactions

Related party transactions are recognized at arm's length. CBN has a related party relationship with its parent company, fellow subsidiaries and associated companies.

A summary of the transactions between CBN Group and related parties is as follows:

	2024	2023
	EUR 000	EUR 000
a) Directors, officers and employees loans and current accounts	54	10

(a) CBN Group has granted advances of EUR 54.0 thousand (2023: EUR 10.0 thousand) to some of its directors, officers and employees.

The following services were provided by the CBN Group to the Parent Company and/or affiliated companies:

	2024	2023
	EUR 000	EUR 000
Operational services	542	321
Personnel	10,482	6,179
General and administrative services	1,640	1,680
Finance income	11,536	17,481
As at December 31,	**24,200**	**25,661**

The following services were provided by the Parent Company and/or affiliated companies to the CBN Group:

	2024	2023
	EUR 000	EUR 000
Citco Group support services	22,864	21,216
Operational support services	1,414	1,016
Royalty expense	6,057	5,429
Personnel	14,986	12,850
General and administrative services	8,022	5,216
Office rent	655	582
Finance expense	4,131	8,232
As at December 31,	**58,129**	**54,541**

Included in Finance services is an amount of EUR 1.9 million (2023: EUR 3.1 million) in relation to interest and fees on a collateral guarantee arrangement incepted during 2024 with the parent company. CBN Group has the following balances with affiliated companies:

	2024	2023
	EUR 000	EUR 000
Receivables	282,432	425,177
Payables	(136,953)	(217,444)
Net balance receivable as at December 31,	**145,479**	**207,733**

The ECL on the intercompany receivables balances is nil in 2024 and 2023.

Furthermore, CBN Group shares limited physical and functional assets and persons with companies belonging to the majority shareholder. The recharges related to these services are settled on a periodic basis.

4.37. Directors' remuneration

Remuneration paid to the Managing Directors and Supervisory Board Directors during the year and current account balances were as follows:

	2024	2023
	EUR 000	EUR 000
Managing Directors (including pension premiums)	1,932	1,724
Supervisory Board Directors	240	240
As at December 31,	**2,172**	**1,964**

Executive:	2024	2023
	EUR 000	EUR 000
Base Salary	1,095	1,035
Variable remuneration	368	357
Fringe benefits	280	153
Pension premiums	189	179
As at December 31,	**1,932**	**1,724**

Non-executive:	2024	2023
	EUR 000	EUR 000
Base Salary	240	240
As at December 31,	**240**	**240**

The remuneration of the Managing Directors and Supervisory Board Directors is decided by the shareholder. The Managing Directors and Supervisory Board Directors are considered key management personnel as defined in IAS 24.

4.38. Events after the reporting date

There were no material events subsequent to December 31, 2024 and up until the authorization of the financial statements for issue, that have not been disclosed elsewhere in the financial statements.

5. Financial Statements for the years ended December 31, 2024 and 2023

Company income statement for the year ended December 31,

	Notes	2024	2023
		EUR 000	EUR 000
Interest income		202,619	229,772
Less: Interest expenses		(31,914)	(65,342)
Net Interest income		**170,705**	**164,430**
Banking and other custody services		39,453	37,116
Net interest income and other revenue		**210,158**	**201,546**
Operating expenses:			
Personnel expenses		24,470	25,421
Office maintenance		913	897
Office and administration expenses		4,990	3,413
Travel expenses		632	464
Professional services		1,504	3,430
Depreciation and amortization		500	469
Expected credit losses reversal		(22)	(19)
Other operating expenses		39,776	44,057
		72,763	78,132
Net profit from operations		**137,395**	**123,414**
Net finance (income)/expenses		(18)	92
Net profit before tax		**137,413**	**123,322**
Income tax expense		24,588	21,097
Profit from participating interests	6.6	23,084	19,177
Net profit for the year		**135,909**	**121,402**
Attributable to:			
Shareholders of CBN		135,909	121,402

Statement of financial position as at December 31,

(after appropriation of result)

	Notes	2024	2023
		EUR 000	EUR 000
Assets			
Non-current assets			
Plant and equipment	6.2	27	40
Right-of-use assets	6.3	347	333
Intangible assets	6.4	311	505
Investment in subsidiaries	6.6	197,162	162,167
Financial assets at amortized cost	6.8	191,864	16,247
Financial assets at fair value through profit and loss	6.10	260	243
Deferred tax assets		6	136
		389,977	179,671
Current assets			
Trade receivables	6.5	3,303	2,346
Derivative financial assets		57,814	36,859
Other receivables and accrued income	6.7	24,870	34,769
Receivables from affiliated companies		1,005	1,357
Financial assets at amortized cost	6.8	318,160	513,654
Financial assets at fair value through other comprehensive income	6.9	677,106	916,324
Financial assets at fair value through profit and loss	6.10	346	334
Cash and cash equivalents	6.11	4,559,705	3,668,672
		5,642,309	5,174,315
Total assets		**6,032,286**	**5,353,986**

	Notes	2024	2023
		EUR 000	EUR 000
Equity and liabilities			
Equity			
Share capital	6.12	5,000	5,000
Additional paid in capital		48,503	48,503
Translation reserve		58,808	32,848
Other reserves		1,582	832
Revaluation of fair value financial instruments through other comprehensive income		(82)	(544)
Retained earnings		308,685	267,942
Total equity attributable to shareholder of the Company		**422,496**	**354,581**
Non-current liabilities			
Lease liabilities	6.16	159	115
Deferred remuneration		328	250
Other liabilities		144	122
Non-current tax liabilities		2,028	–
		2,659	487
Current liabilities			
Trade payables		522	389
Derivative financial liabilities		41,821	41,060
Other payables and accrued expenses	6.14	5,245	6,434
Payables to affiliated companies		718	1,208
Provisions	6.13	33	–
Deferred income		48	42
Lease liabilities	6.16	129	187
Current tax liabilities		23,698	15,100
Amounts owed to depositors	6.15	5,534,917	4,934,498
		5,607,131	4,998,918
Total liabilities and equity		**6,032,286**	**5,353,986**

Statement of changes in equity for the year ended December 31, 2024

	Issued capital	Additional paid-in capital	Translation reserve	Other reserves	Revaluation of FVOCI assets	Retained earnings	Total equity
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
As at January 1, 2024	**5,000**	**48,503**	**32,848**	**832**	**(544)**	**267,942**	**354,581**
Net profit for the year	–	–	–	–	–	135,909	135,909
Net wealth tax reserve	–	–	–	944	–	(944)	–
Other comprehensive income	–	–	25,960	–	462	–	26,422
Legal reserve for intangible assets	–	–	–	(194)	–	194	–
Total comprehensive income	**–**	**–**	**25,960**	**750**	**462**	**135,159**	162,331
Dividend paid	–	–	–	–	–	(94,416)	(94,416)
Total equity attributable to shareholders of the Company as at December 31, 2024	**5,000**	**48,503**	**58,808**	**1,582**	**(82)**	**308,685**	**422,496**

In 2024, CBN paid dividends of USD 101.51 million (EUR 94.42 million) in total to its shareholder. On June 4, 2024 CBN paid a final dividend for 2023 of USD 9.27 million (EUR 8.53 million) to its shareholder. On July 26, 2024 CBN paid an interim dividend of USD 57.75 million (EUR 53.20 million) to its shareholder. On November 29, 2024 CBN paid an interim dividend of USD 34.49 million (EUR 32.69 million) to its shareholder.

The translation reserve arises as the functional currency of the Company is USD and reporting currency is EUR. This amount is classified as a legal reserve pursuant to Dutch regulation Part 9 Book 2 article 373.4.

Other reserves comprise of Net Wealth Tax (NWT) reserve and legal reserve created for intangible assets.

a) The NWT reserve has been created to reduce the net wealth tax liability and relates to Luxembourg tax. This reserve will be maintained for a minimum period of five years and no dividends can be declared from these during the five years.

b) The legal reserve for internally generated software has been created as required under the Dutch Law. The Company is required to form a legal reserve as part of equity for internally generated software which is equal to the carrying amount of the internally generated software.

Statement of changes in equity for the year ended December 31, 2023

	Issued capital	Additional paid-in capital	Translation reserve	Other reserves	Revaluation of FVOCI assets	Retained earnings	Total equity
	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000	EUR 000
As at January 1, 2023	**5,000**	**48,503**	**49,201**	**–**	**(7,895)**	**261,211**	**356,020**
Net profit for the year	–	–	–	–	–	121,402	121,402
Net wealth tax reserve	–	–	–	327	–	(327)	–
Other comprehensive income	–	–	(16,353)	–	7,351	–	(9,002)
Legal reserve for intangible assets	–	–	–	505	–	(505)	–
Total comprehensive income	**–**	**–**	**(16,353)**	**832**	**7,351**	**120,570**	**112,400**
Dividend paid	–	–	–	–	–	(113,839)	(113,839)
Total equity attributable to shareholders of the Company as at December 31, 2023	**5,000**	**48,503**	**32,848**	**832**	**(544)**	**267,942**	**354,581**

In 2023, CBN paid dividends of USD 124.75 million (EUR 113.84 million) in total to its shareholder. On June 26, 2023 CBN paid a final dividend for 2022 of USD 35.39 million (EUR 32.44 million) to its shareholder. On August 11, 2023 CBN paid an interim dividend of USD 46 million (EUR 41.91 million) to its shareholder. On December 21, 2023 CBN paid an interim dividend of USD 43.34 million (EUR 39.5 million) to its shareholder.

The translation reserve arises as the functional currency of the Company is USD and reporting currency is EUR. This amount is classified as a legal reserve pursuant to Dutch regulation Part 9 Book 2 article 373.4.

Other reserves comprise of Net Wealth Tax (NWT) reserve and legal reserve created for intangible assets.

a) The NWT reserve has been created to reduce the net wealth tax liability and relates to Luxembourg tax. This reserve will be maintained for a minimum period of five years and no dividends can be declared from these during the five years.

b) The legal reserve for internally generated software has been created as required under the Dutch Law. The Company is required to form a legal reserve as part of equity for internally generated software which is equal to the carrying amount of the internally generated software.

6. Notes to the Company Financial Statements for the years ended December 31, 2024 and 2023

6.1. Notes to the specific items of CBN statement of financial position

The financial statements of Citco Bank Nederland N.V. (the "Company") included in this chapter are prepared in accordance with Part 9 of Book 2 of the Netherlands Civil Code. Section 362(8) of Book 2 of the Netherlands Civil Code allows companies that apply IFRS as adopted by the European Union in their consolidated financial statements to use the same measurement principles in their CBN Group financial statements. The Company has prepared these financial statements using this provision. The accounting policies are described in these annual accounts. The Company's financial statements do not include all information and disclosures and should therefore be read in conjunction with the consolidated financial statements, refer to Section "Notes to the consolidated financial statements" of this document.

The principles of valuation and determination of the results stated in connection with the consolidated financial statements are also applicable to the Company's financial statements. The accounting policies with regard to presentation and disclosures are in accordance with the financial reporting requirements included in Part 9 of Book 2 of the Netherlands Civil Code.

Investments in group companies are initially recognized at cost and subsequently accounted for by the equity method of accounting.

6.2. Plant and equipment

	Machinery and equipment	Total
	EUR 000	EUR 000
Cost:		
As at January 1, 2024	199	199
Additions	39	39
Foreign exchange difference	15	15
As at December 31, 2024	**253**	**253**
Accumulated depreciation:		
As at January 1, 2024	159	159
Depreciation charge for the year	54	54
Foreign exchange difference	13	13
As at December 31, 2024	**226**	**226**
Net carrying amount		
As at December 31, 2024	**27**	**27**

	Machinery and equipment	Total
	EUR 000	EUR 000
Cost:		
As at January 1, 2023	170	170
Additions	30	30
Foreign exchange difference	(1)	(1)
As at December 31, 2023	**199**	**199**
Accumulated depreciation:		
As at January 1, 2023	119	119
Depreciation charge for the year	40	40
As at December 31, 2023	**159**	**159**
Net carrying amount		
As at December 31, 2023	**40**	**40**

6.3. Right-of-use assets

The Bank leases several assets including buildings, machinery and equipment. The average lease term is 3.61 years (2023: 3.11 years).

Approximately 13% (2023: 50%) of leases relate to office space and remainder to leased cars and office equipment.

	Right-of-use assets
	EUR 000
Cost	
As at January 1, 2024	835
Foreign exchange difference	179
As at December 31, 2024	**1,014**
Depreciation	
As at January 1, 2024	502
Depreciation	227
Foreign exchange difference	(62)
As at December 31, 2024	**667**
Net carrying amount	
As at December 31, 2024	**347**

	Right-of-use assets
	EUR 000
Cost	
As at January 1, 2023	911
Additions	157
Terminations	(201)
Foreign exchange difference	(32)
As at December 31, 2023	**835**
Depreciation	
As at January 1, 2023	472
Depreciation	211
Disposals	(161)
Foreign exchange difference	(20)
As at December 31, 2023	**502**
Net carrying amount	
As at December 31, 2023	**333**

6.4. Intangible assets

	Internally generated software	Third-party software	Total
	EUR 000	EUR 000	EUR 000
Cost:			
As at January 1, 2024	1,247	202	1,449
Foreign exchange difference	84	14	98
As at December 31, 2024	**1,331**	**216**	**1,547**
Accumulated amortization:			
As at January 1, 2024	742	202	944
Amortization charge	219	–	219
Foreign exchange difference	59	14	73
As at December 31, 2024	**1,020**	**216**	**1,236**
Net carrying amount			
As at December 31, 2024	**311**	**–**	**311**

	Internally generated software	Third-party software	Total
	EUR 000	EUR 000	EUR 000
Cost:			
As at January 1, 2023	1,294	210	1,504
Foreign exchange difference	(47)	(8)	(55)
As at December 31, 2023	**1,247**	**202**	**1,449**
Accumulated amortization:			
As at January 1, 2023	548	210	758
Amortization charge	218	–	218
Foreign exchange difference	(24)	(8)	(32)
As at December 31, 2023	**742**	**202**	**944**
Net carrying amount			
As at December 31, 2023	**505**	**–**	**505**

For intangible assets with finite lives (software), the Company reviews the carrying amounts at each end of the reporting period to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any).

The results on disposals of intangible assets are not significant.

6.5. Trade receivables

	2024	2023
	EUR 000	EUR 000
Trade receivables	3,303	2,346
As at December 31,	**3,303**	**2,346**

The average age of these receivables is 38 days (2023: 41 days). No interest is charged on trade receivables that are past due. Trade receivables are the amounts due from clients relating to depository and custody services provided by the Bank.

6.5.1. Age of trade receivables past due but not impaired

	2024	2023
	EUR 000	EUR 000
1-30 days	503	486
31-60 days	625	341
61-90 days	358	588
Over 90 days	433	341
As at December 31,	**1,919**	**1,756**

6.6. Investments in subsidiary

	2024	2023
	EUR 000	EUR 000
At January 1,	**162,167**	**148,792**
Profit from participating interests	23,084	19,177
Exchange differences	11,911	(5,802)
As at December 31,	**197,162**	**162,167**

The Bank's interests in its unlisted subsidiary is as follows:

	Assets	Liabilities	Revenue	Net profit	Interest held
	EUR 000	EUR 000	EUR 000	EUR 000	%
December 31, 2024:					
Citco Bank Canada*	2,440,651	2,440,651	44,381	23,084	100
	2,440,651	2,440,651	44,381	23,084	100
December 31, 2023:					
Citco Bank Canada*	1,776,087	1,776,087	38,771	19,177	100
	1,776,087	1,776,087	38,771	19,177	100

*Citco Bank Canada is incorporated in Canada.

6.7. Other receivables and accrued income

	2024 EUR 000	2023 EUR 000
Accrued income	6,387	5,313
Interest receivables	16,520	29,063
Prepaid expenses	363	311
Other receivables	1,600	82
As at December 31,	**24,870**	**34,769**

6.8. Financial assets at amortized cost

	2024 EUR 000	2023 EUR 000
Mezzanine notes	53,015	49,659
Variable funding notes	216,082	354,326
Current account overdrafts	5,089	5,913
Term loans	26,626	88,424
US treasury notes	209,212	31,579
As at December 31,	**510,024**	**529,901**
Maturity Analysis:		
One month or less	9,898	5,911
More than three months up to a year	308,262	507,743
One to five years	191,864	16,247
As at December 31,	**510,024**	**529,901**
Current	318,160	513,654
Non-current	191,864	16,247
As at December 31,	**510,024**	**529,901**

Financial instruments held-to-maturity includes Variable Funding Notes (“VFNs”) and a mezzanine note. The VFNs are notes issued with a commitment amount. The outstanding amount of the notes can vary on a daily basis, hence the term ‘variable funding’. The notes yield a SOFR plus margin on the drawn portion of the notes, and a commitment fee on the undrawn portion.

6.9. Financial assets at fair value through other comprehensive income

	2024	2023
	EUR 000	EUR 000
Commercial paper issued by financial institutions	677,106	916,324
As at December 31,	**677,106**	**916,324**
Maturity Analysis:		
One month or less	284,025	152,953
Up to three months	393,081	544,986
More than three months up to a year	–	218,385
As at December 31,	**677,106**	**916,324**
Current	677,106	916,324
As at December 31,	**677,106**	**916,324**

6.10. Financial assets at fair value through profit and loss

	2024	2023
	EUR 000	EUR 000
Junior note	260	243
Other	346	334
As at December 31,	**606**	**577**
Maturity Analysis:		
One month or less	346	334
More than five years	260	243
As at December 31,	**606**	**577**
Current	346	334
Non-current	260	243
As at December 31,	**606**	**577**

6.11. Cash and cash equivalents

	2024	2023
	EUR 000	EUR 000
Cash and balance with central banks	3,617,281	2,953,997
Bank balances with affiliated companies	1,606	1,670
Deposit with other banks	516,301	422,043
Current account with other banks	424,517	290,962
As at December 31,	**4,559,705**	**3,668,672**

Bank balances attract interest at the respective short-term deposit market rates.

Banks are required to deposit a minimum average balance, calculated monthly, with the central banks, which is not available for use in the Company's day-to-day operations. These deposits bear no interest.

6.12. Share capital

Authorized shares

	2024 Number of shares Thousands	2023 Number of shares Thousands
Ordinary shares of par value EUR 100 each	250	250
	250	**250**

Ordinary shares issued and fully paid

	Number of shares 000	EUR 000
At January 1, 2024	**50**	**5,000**
Movement	–	–
At December 31, 2024	**50**	**5,000**

6.13. Provisions

	Severance payments EUR 000
As at January 1, 2024	–
Provisions made during the year	63
Unwinding of discount	–
Amounts used during the year	(13)
Unused amounts reversed during the year	(17)
Foreign exchange difference	–
As at December 31, 2024	**33**
Current	**33**
As at December 31, 2024	**33**

	Severance payments EUR 000
As at January 1, 2023	236
Provisions made during the year	–
Unwinding of discount	–
Amounts used during the year	(239)
Unused amounts reversed during the year	–
Foreign exchange difference	3
As at December 31, 2023	**–**
As at December 31, 2023	**–**

6.14. Other payables and accrued expenses

	2024	2023
	EUR 000	EUR 000
Taxes and social security contributions	1,516	2,997
Accrued expenses	2,060	2,077
Interest payable	1,644	1,351
Other payables	25	9
As at December 31,	**5,245**	**6,434**

CBN has financial risk management policies in place to ensure that all payables are paid within the permitted credit terms.

6.15. Amounts owed to depositors

	2024	2023
	EUR 000	EUR 000
Demand deposits	5,070,041	4,117,656
Demand deposits with affiliated companies	149,250	218,818
Time deposits	315,626	598,024
As at December 31,	**5,534,917**	**4,934,498**
Maturity Analysis:		
On demand	5,219,291	4,336,476
One month or less	287,496	395,622
More than one month up to three months	21,566	195,055
More than three months up to a year	6,564	7,345
As at December 31,	**5,534,917**	**4,934,498**

6.16. Lease liabilities

	Lease liabilities
	EUR 000
As at January 1, 2024	302
Additions	260
Lease payments	(233)
Lease terminations	(41)
As at December 31, 2024	**288**

	Lease liabilities
	EUR 000
As at January 1, 2023	400
Additions	157
Lease payments	(213)
Lease terminations	(42)
As at December 31, 2023	**302**

Maturity analysis:

	2024	2023
	EUR 000	EUR 000
Within one year	129	187
In the second to the fifth year inclusive	159	115
As at December 31,	**288**	**302**

Lease liabilities included in the statement of financial position as at December 31,

	2024	2023
	EUR 000	EUR 000
Current lease liability	129	187
Non-current lease liability	159	115
As at December 31,	**288**	**302**

6.17. Related party transactions

In the ordinary course of business, the Company enters into a substantial number of related party transactions at arm's length. The Company has a related party relationship with its parent company, fellow subsidiaries and associated companies.

The following services were provided by the Company to the affiliated companies:

	2024	2023
	EUR 000	EUR 000
Finance income	11,528	17,467
Personnel	11,976	7,617
General and administrative services	2,413	1,998
Citco Group support services	2,885	2,600
Office rent	72	49
Operational services	1,422	1,878
As at December 31,	**30,296**	**31,609**

The following services were provided by the affiliated companies to the Company:

	2024	2023
	EUR 000	EUR 000
General and administrative services	7,868	5,082
Citco Group support services	22,864	21,216
Personnel	14,164	12,103
Office rent	581	515
Royalty expense	4,974	4,498
Operational support services	1,360	1,016
Finance expense	4,105	8,932
As at December 31,	**55,916**	**53,362**

The Company has the following balances with affiliated companies:

	2024	2023
	EUR 000	EUR 000
Receivables	449,822	555,365
Payables	(149,967)	(220,027)
Net balance receivable at December 31,	**299,855**	**335,338**

6.18. Guarantees and credit commitments

As at December 31, 2024, the Company had commitments on guarantees as mentioned in Note 4.29 of the consolidated financial statements.

As at December 31, 2024, the Company had off-balance sheet credit commitments of EUR 449.4 million (2023: 382.9 million).

Signing of the consolidated and standalone financial statements

The financial statements were approved by the Board of Directors and authorized for issuance on April 25, 2025 and are signed on its behalf by:

Managing Directors:
K.J. Dolan, Chair
P.N. Symonds
A. Boelaars
C.D. de Walden

Supervisory Directors:
P.A. de Ruijter, Chair
M.I.E van Herksen
Y. Albers

7. Other Information

For an overview of the relevant legal structure including branch establishments, we refer to Appendix I - IV and section 4.1.1.

Statutory rules concerning appropriation of result

The Articles of Incorporation of CBN Group provide that the appropriation of the net result for the year is decided upon in the annual General Meeting of the Shareholder.

Appropriation of result for the financial year 2024

The financial statements of 2024 were adopted in the General Meeting of the Shareholder held on April 25, 2025. The General Meeting of the Shareholder determined the appropriation of result in accordance with the proposal being made to that end.

Independent auditor’s report

Reference is made to the independent auditor’s report as included hereinafter.

8. Independent Auditors' Report

Delflandlaan 1
P.O. Box 7266
1007 JG Amsterdam
The Netherlands
T: +31 88 277 24 67
forvismazars.com/nl

Independent auditor's report

To: the general meeting of Citco Bank Nederland N.V.

Report on the audit of the financial statements 2024 included in the annual report

Our opinion

We have audited the financial statements 2024 of Citco Bank Nederland N.V., based in Amsterdam. The financial statements comprise the consolidated financial statements and the company financial statements.

In our opinion:

- the accompanying consolidated financial statements give a true and fair view of the financial position of Citco Bank Nederland N.V. as at December 31, 2024, and of its result and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code.
- The accompanying company financial statements give a true and fair view of the financial position of Citco Bank Nederland N.V. as at December 31, 2024, and of its result the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

The consolidated financial statements comprise:

- the consolidated statement of financial position as at December 31, 2024;
- the following statements for 2024: the consolidated statement of Profit or Loss, the consolidated statement of comprehensive Income, statement of changes in equity and statement of cash flows; and
- the notes, comprising a summary of the significant accounting policies and other explanatory information.

The company financial statements comprise:

- the company statement of financial position as at December 31, 2024;
- the company income statements for 2024; and
- the notes, comprising a summary of the significant accounting policies and other explanatory information.

Basis for our opinion

We conducted our audit in accordance with Dutch law, including the Dutch Standards on Auditing. Our responsibilities under those standards are further described in the ‘Our responsibilities for the audit of the financial statements’ section of our report.

We are independent of the Citco Bank Nederland N.V. in accordance with the "EU Regulation on specific requirements regarding statutory audit of public-interest entities", the "Audit firms supervision act" (Wta), "Dutch Independence Standard regarding assurance engagements (ViO)” and other relevant independence requirements in the Netherlands. Furthermore, we have complied with the "Dutch Code of Ethics (VGBA).”

We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information in support of our opinion

We designed our audit procedures in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The following information in support of our opinion and any findings were addressed in this context, and we do not provide a separate opinion or conclusion on these matters.

Materiality

Based on our professional judgement we determined the materiality for the financial statements as a whole at EUR 3.5 million. The materiality is based on 1% of shareholders equity. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with those charged with governance that misstatements in excess of EUR 100,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

Citco Bank Nederland N.V. is at the head of a group of entities and branches. The financial information of this group is included in the consolidated financial statements of Citco Bank Nederland N.V.

Our group audit mainly focused on significant group entities and branches.

We have:

- performed audit procedures ourselves for Citco Bank Nederland N.V. Amsterdam and Citco Bank Nederland N.V. Luxembourg branch; and
- used the work of other Forvis Mazars audit firms when auditing Citco Bank Nederland N.V., Dublin branch and other (external) audit firms when auditing Citco Bank Canada.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

Audit response to the risks of fraud

As part of our audit, we have obtained an understanding of the company and its environment and assessed the company's internal controls in relation to fraud and non-compliance risks. This includes obtaining an understanding of management's processes for identifying and responding to the risks of fraud and non-compliance in the company, and how management exercises oversight over these processes, as well as the outcomes. We refer to section 'Risk Management' of the Directors' Report for management's fraud risk assessment.

Our fraud risk assessment

We assessed whether fraud risk factors exist with respect to financial reporting fraud, misappropriation of assets and corruption. We evaluated if those factors indicate that a risk of material misstatement in the financial statements is present. We had special attention for the fraud risk in revenue recognition and the risk of management override of controls.

There is a presumption that there are risks of fraud in revenue recognition. We evaluated that depositary income in particular gives rise to such risks. We describe this risk and the audit procedures responsive to this risk in the description of our audit approach for the key audit matter 'Fraud risk in revenue recognition regarding depositary revenue accrued at year-end'. We have rebutted this presumed risk for the other revenue streams being interest income, FX income, wire fees, and bank account administration fees, as the revenue generated from these services is automated, routine-based, non-complex and does not require management judgment or intervention.

We identified the risk of management override of controls primarily in the area where journal entries and other adjustments are recorded in the financial statement closing process and where judgement is involved.

Our specific response to the identified and assessed fraud risks

We have evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls that mitigate fraud risks. We have, amongst other, performed journal entry testing procedures based upon risk criteria and paid attention to the appropriateness of journal entries in the general ledger and other adjustments made in the preparation of the financial statements. We also incorporated elements of unpredictability in our audit by performing substantive procedures on selected account balances and assertions not otherwise tested due to their materiality or risk.

Audit approach compliance with laws and regulations

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the management board, reading minutes, inspection of internal audit and compliance reports.

We also inspected correspondence with regulatory authorities and remained alert to any indication of (suspected) non-compliance throughout the audit. Finally, we obtained written representations that all known instances of non-compliance with laws and regulations have been disclosed to us.

Our observation

The aforementioned audit procedures have been performed in the context of the audit of the financial statements. Consequently, they are not planned and performed as a specific investigation regarding fraud. Our audit procedures did not lead to specific indications or reasonable suspicion of fraud or non-compliance that is considered material to the financial statements.

Audit response to the risks of Going concern

In preparing the financial statements, management must consider whether the company is able to continue as a going concern. Management must prepare financial statements on the going concern basis unless management intends to liquidate the company or cease operations or if termination is the only realistic alternative.

Management has not identified any circumstances that could threaten the continuity of the company and thus concludes that the going concern assumption is appropriate for the company.

Our audit of the financial statements requires us to determine that the going concern assumption used by management is acceptable. In doing so, based on the audit evidence obtained, we must determine whether there are any events or circumstances that might cast reasonable doubt on whether the company can continue as a going concern. Among other procedures, we have verified management's assumptions, reviewed the ICAAP/ICLAAP documentation, and examined the SREP decision from DNB.

Our observation

Based on the procedures performed by us, we are of the opinion that the financial statements have been properly prepared on the going concern basis. However, future events or circumstances could impact the company's ability to continue as a going concern.

Our key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the board of directors, but they are not a comprehensive reflection of all matters discussed.

These matters were addressed in the context of our audit of the financial statements as a whole and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Description key audit matter	Summary of audit procedures performed
Fraud risk in revenue recognition regarding depositary revenue accrued at year-end We have identified a specific fraud risk in the recognition of depositary services revenue accrued at year-end. These accruals are based on information (assets under administration) not available before the year end close. The risk arises because these revenues are based on a manual process, and the inherent estimation uncertainty in estimating accruals at year-end is judgmental and subject to a risk of management override.	Our audit procedures included obtaining an understanding and evaluation of the design and implementation of the controls related to depositary revenues and the accrual process. As part of our substantive audit procedures, we performed analytical procedures and detailed testing on depositary fees. For a sample of transactions, we traced and agreed the recorded fees for depositary services to underlying source documentation. We performed tests of details by recalculating the revenues based on the contractual details. Additionally, we conducted back-testing on management's prior year accruals. Based on the procedures performed, we consider the depositary revenues to be accurately presented in the financial statements.

Reliability and continuity of the IT environment The activities and financial reporting of CBN are highly dependent on the reliability and continuity of the IT environment. Effective general IT controls with respect to change management, logical access, and operations, support the integrity and continuity of the IT systems as well as the operating effectiveness of the automated controls. The IT environment of CBN is characterized by a high level of outsourcing to other Citco Group entities. As appropriate control on the IT environment, including outsourced services to other Citco Group entities, is fundamental to financial reporting, we consider reliability and continuity of the IT environment to be a key audit matter.	Our audit procedures included obtaining an understanding of the IT environment, outsourced services to other Citco Group entities and cyber security as part of our planning and risk assessment procedures to the extent necessary for the scope of our audit of the financial statements. We evaluated the design and tested operating effectiveness of IT general controls over the applications, operating systems and databases that are relevant to financial reporting. We included IT auditors in our audit team to assess the IT applications managed at CBN and at other Citco Group entities. The testing of the general IT General controls and application controls provided sufficient evidence to enable us to rely on the adequate and continued operation of the IT systems relevant for our audit of the Bank's financial statements.

Report on the other information included in the annual report

In addition to the financial statements and our auditor's report thereon, the annual report contains other information that consists of:

- Managements Board's Report.
- Supervisory Board's Report.
- Other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Based on the following procedures performed, we conclude that the other information:

- is consistent with the financial statements and does not contain material misstatements;
- contains the information regarding the management report and the other information as required by Part 9 of Book 2 of the Dutch Civil Code.

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements.

By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

Management is responsible for the preparation of the other information, including the Directors' Report in accordance with Part 9 of Book 2 of the Dutch Civil Code and other information as required by Part 9 of Book 2 of the Dutch Civil Code.

Report on other legal and regulatory requirements

Engagement

We were appointed as auditor of Citco Bank Nederland N.V. as of the audit for the year 2024.

No prohibited non-audit services

We have not provided prohibited non-audit services as referred to in Article 5(1) of the EU Regulation on specific requirements regarding statutory audit of public-interest entities.

Description of responsibilities regarding the financial statements

Responsibilities of Board of Directors and the Supervisory Board for the financial statements

The Board of Directors is responsible for the preparation and fair presentation of the financial statements in accordance with EU-IFRS and Part 9 of Book 2 of the Dutch Civil Code. Furthermore, the Board of Directors is responsible for such internal control as management determines is necessary to enable the preparation of the financial statements that are free from material misstatement, whether due to fraud or error.

As part of the preparation of the financial statements, the Board of Directors is responsible for assessing the company's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the Board of Directors should prepare the financial statements using the going concern basis of accounting unless the Board of Directors either intends to liquidate the company or to cease operations or has no realistic alternative but to do so.

The Board of Directors should disclose events and circumstances that may cast significant doubt on the Bank's ability to continue as a going concern in the financial statements.

The Supervisory Board is responsible for overseeing the Bank's financial reporting process.

Our responsibilities for the audit of the financial statements

Our objective is to plan and perform the audit assignment in a manner that allows us to obtain sufficient and appropriate audit evidence for our opinion.

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material errors and fraud during our audit.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements. The materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit included e.g.:

- identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control;
- evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- concluding on the appropriateness of management's use of the going concern basis of accounting, and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Bank to cease to continue as a going concern;
- evaluating the overall presentation, structure, and content of the financial statements, including the disclosures; and
- evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

By performing the procedures mentioned above at group entities, together with additional procedures at group level, we have been able to obtain sufficient and appropriate audit evidence about the group's financial information to provide an opinion on the consolidated financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant findings in internal control that we identify during our audit. In this respect we also submit an additional report to the audit committee in accordance with Article 11 of the EU Regulation on specific requirements regarding statutory audit of public-interest entities. The information included in this additional report is consistent with our audit opinion in this auditor’s report.

We provide the audit committee of the supervisory board with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with the Supervisory board, we determine the key audit matters: those matters that were of most significance in the audit of the financial statements. We describe these matters in our auditor’s report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, not communicating the matter is in the public interest.

Amsterdam, 25 April 2025

Forvis Mazars Accountants N.V.

J.C. van Oldenbeek MSc RA

9. Appendices

Appendix I: Ultimate parent

Name	Country
Citco III Limited	Cayman Islands

Appendix II: Parent

Entities with joint control of, or significant influence over, the entity

Name	Country
Citco Bank Holding N.V.	Curaçao

Appendix III: The CBN Group

The consolidated financial statements include the financial statements of CBN, its branches and directly owned subsidiary, which include the following main companies. Unless indicated otherwise, the companies are wholly-owned.

Name	Country
Citco Bank Nederland N.V.	The Netherlands
Citco Bank Nederland N.V. Dublin Branch	Republic of Ireland
Citco Bank Nederland N.V. Luxembourg Branch	Luxembourg
Citco Bank Canada	Canada

Appendix IV: Associates

None