



Citco Bank Nederland N.V.

PILLAR 3 DISCLOSURE 2025

CITCO

Table of Contents

1. Introduction	4
1.1. Intended audience	4
1.2. Responsibility for Pillar 3 disclosure production	5
1.3. Non-material, proprietary or confidential information	5
1.4. Medium to be used	6
1.5. Signatories	6
2. Corporate structure	7
3. Governance arrangements	8
4. Risk governance at the CBN Group	10
4.1. Risk Strategy	10
4.2. The First Line	10
4.3. The Second Line	11
4.4. The Third Line	11
4.5. Risk Appetite	11
4.5.1. Strategic Risk	12
4.5.2. Credit Risk	13
4.5.3. Market Risk (including Interest Rate Risk in the Banking Book)	14
4.5.4. Liquidity Risk	14
4.5.5. Operational Risk	15
4.5.6. Cyber Risk	15
4.5.7. Compliance Risk	15
4.5.8. Legal Risk	16
4.5.9. External Environment Risks	16
4.6. Monitoring and reporting	18
4.7. Management Board declaration on Risk Management	18
5. Capital Adequacy	19
5.1. Capital ratios	19
5.2. Capital requirements (Pillar 1)	20
5.3. Internal capital assessment (Pillar 2)	22
5.3.1. Strategic Risk – Integrity	22
5.3.2. Strategic Risk – Data Governance	22
5.3.3. Strategic Risk – Business Model	23
5.3.4. Market Risk – Interest Rate Risk in the Banking Book ('IRRBB')	23

5.3.5.	Market Risk – FX Translation Risk	23
5.3.6.	Operational Risk – Loan Servicing	23
5.3.7.	Operational Risk – Risk Profile	23
5.3.8.	Concentration Risk.....	23
5.3.9.	Cyber Risk.....	23
5.4.	Total capital requirements	23
6.	Remuneration Policy	24
6.1.	Identified Staff.....	24
6.2.	Governance	24
6.3.	Performance-based remuneration policy for Identified Staff: key elements	25
6.3.1.	Variable remuneration: principles	25
6.3.2.	Performance management	26
6.3.3.	Payment	26
6.3.4.	Guaranteed bonus.....	27
6.3.5.	Severance payments	27
7.	Frequency of updates	28
8.	Annual review	28
	Annex I: CC1 – Composition of regulatory own funds	29
	Annex II: CC2 – Own funds reconciliation	36
	Annex III: KM1 – Key Metrics Template	38
	Annex IV: CR1 – Performing and non-performing exposures and related provisions	40
	Annex V: CQ3 – Credit quality of performing and non-performing exposures by past due days	42
	Annex VI: OR2 – Business Indicator, components and subcomponents	44
	Annex VII: OR3 – Operational risk own funds requirements and risk exposure amounts	45
	Annex VIII: OV1 – Overview of total risk exposure amount	46
	Annex IX: EU REM1 – Remuneration awarded for the financial year	48
	Annex X: EU REM3 – Deferred remuneration	50

1. Introduction

The Capital Adequacy and Risk Management Report ('Pillar 3 disclosure') of Citco Bank Nederland N.V. (legal entity identifier 549300SGF4BS54YG8M65) and its subsidiary ('the CBN Group' or 'the Bank', representing CBN Consolidated prudential supervision level) contains information that enables an assessment of the risk profile and capital adequacy of the CBN Group for the reference period of financial year 2025 (with disclosure reference date being December 31, 2025). All quantitative information is provided in EUR, millions (unless explicitly stated otherwise). This publication fulfils the requirements of the Basel framework, as stipulated in EU and Dutch law following the Capital Requirements Regulation ('CRR I/II')¹. This report contains information about Governance, Risk Measurement, Capital Adequacy and Remuneration in accordance with the requirements in Part Eight of CRR (Disclosure). This report is updated annually and published in conjunction with the CBN Group Annual Report.

CRR is based on three pillars:

- The first pillar, or Pillar 1, defines the regulatory minimum capital requirements by providing rules and regulations for measurement of Credit Risk, Market Risk, Credit Valuation Adjustment Risk ('CVA') and Operational Risk. The CBN Group calculates its minimum capital requirements for Credit (incl. Counterparty Credit Risk) and Market risks based on Standardised Approach; CVA risk based on the (Reduced) Basic Approach, and for Operational risk based on the Business Indicator Component;
- The second pillar, or Pillar 2, reflects the risk profile and management of the CBN Group. In the Internal Capital Adequacy Assessment Process ('ICAAP'), the CBN Group reviews its own funds together with its risk profile (evaluating its capital adequacy). The Internal Liquidity Adequacy Assessment Process ('ILAAP') focuses on the management of liquidity within the CBN Group. Part of these reviews consist of stressing the CBN Group's business model using severe, yet plausible stress scenarios. These firm-wide stress tests consider all material risks and business activities of the CBN Group and cover a wide scope of scenarios. The results are discussed by senior management, and the outcome is approved by the Management Board and Supervisory Board. The ICAAP and ILAAP are also discussed with De Nederlandsche Bank N.V. ('DNB') during the Supervisory Review and Evaluation Process ('SREP'); and
- The third pillar, or Pillar 3, aims to promote greater market discipline by enhancing transparency of information disclosure. It means that information on risks, Risk Management practices and Capital Adequacy is made publicly available.

This Pillar 3 disclosure 2025 has been established and approved by the Management Board and Supervisory Board of the CBN Group. This document together with the CBN Group Annual Report 2025, as well as submission performed via European Data Access Portal, is the full annual disclosure of the CBN Group.

1.1. Intended audience

This document is intended for all relevant stakeholders including, but not limited to:

- Our clients;
- Our employees;
- Our shareholders; and
- Relevant regulatory authorities.

¹ Capital Requirements Regulation (EU 575/2013, as amended), Capital Requirements Directive ('CRD') (Directive 2013/36/EU, as amended). CRD is legally enforced by Dutch law by the Financial Supervision Act ('Wft', Wet Financieel Toezicht, as amended)

1.2. Responsibility for Pillar 3 disclosure production

Table 1 provides an overview of the stakeholders that are responsible for the Pillar 3 disclosure production:

TABLE 1. STAKEHOLDERS DISCLOSURE

STAKEHOLDER	RESPONSIBILITY
Supervisory Board	Final approver
Management Board	Approver
Capital Management	Editor and contributor
Risk Management	Contributor
Financial Control	Contributor
Human Resources	Contributor
Corporate Secretary	Contributor
Compliance	Reviewer

1.3. Non-material, proprietary or confidential information

The CBN Group is guided by the regulatory requirements around the disclosure process. The CBN Group is classified as “Other, non-listed institution” under CRR II. The CBN Group targets disclosure of all the required information. Article 432 of CRR provides the waivers that can be applied for information that is deemed non-material, proprietary or confidential.

The CBN Group omits the following information from this Pillar 3 disclosure, as being non-material (impacting neither any economic decision nor the risk profile of the CBN Group):

- Comparison of modelled and standardised risk weighted exposure amounts for credit risk at both risk level and asset class level. The CBN Group applies only Standardised approach to its Credit Risk, and hence, the comparison is not representative for the CBN Group;
- Forborne exposures. The CBN Group does not have forborne exposures, including securitisation positions (reported as zero in all relevant regulatory reports, including FINREP). As such, disclosure templates for Credit quality of forborne exposures, would be reported as empty;
- Collateral obtained by taking possession and execution processes. The CBN Group did not have collateral obtained by taking possession and/ or execution process (reported as zero in all relevant regulatory reports, including FINREP);
- Credit valuation adjustment. The CBN Group applies (Reduced) Basic Approach for CVA calculation, while disclosure template is based on the Standardised Approach; and
- Environmental, Social, and Governance Risk. The CBN Group has very conservative Risk Appetite towards Environmental, Social, and Governance risk, and exposure to the High Impact Sectors is zero at the year-end. With this, quantitative disclosure of Environmental, Social, and Governance is omitted as non-material.

During 2025, the CBN Group has made neither guaranteed variable remuneration awards to identified staff, nor severance payments (paid or awarded) to staff whose professional activities have a material impact on its risk profile. In addition, the CBN Group did not have identified staff that are high earners (Remuneration of EUR 1 mm or more per year) during 2025.

1.4. Medium to be used

The CBN Group publishes the Pillar 3 disclosure on the following website: <https://www.citco.com/regulatory-disclosures>, in addition to European data Access Portal.

1.5. Signatories

The CBN Group Pillar 3 disclosure is approved by Management Board on the 16 April 2026.

2. Corporate structure

The Citco Group of Companies (‘Citco Group’) which is a global group of independent financial service providers serving Collective Investment Schemes, institutional banks, listed companies and high net worth individuals. Citco companies service these clients around the world by offering fund administration, banking, custody and order processing, financial products and governance services.

The CBN Group is established and incorporated in Amsterdam. The CBN Group 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), see Figure 1.

The 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; and
- Citco Bank Canada, Toronto, Canada.

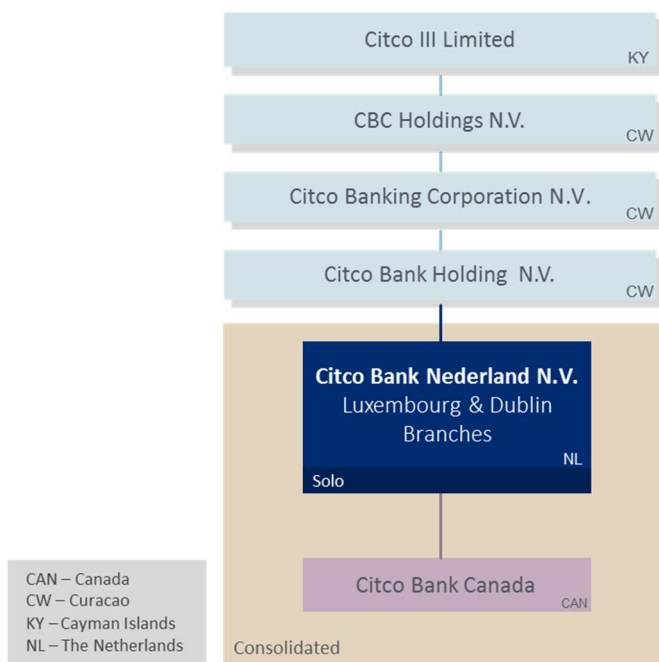


Figure 1. CBN Group and parent structure

The Bank specializes in the provision of banking services related to Collective Investment Schemes. A Collective Investment Scheme, which is sometimes referred to as a ‘pooled investment’, is a fund that several investors contribute to. A fund manager will invest the pooled money in one or more types of assets, such as stocks, bonds or property. There are many types of collective investment scheme available to investors. The Bank’s clients are institutional customers. The Bank’s business is focused on the alternative investment industry. The main products and services are banking and payment services, depository & custody services, foreign exchange services and credit facilities. By taking away the operational burdens for its clients, the Bank allows investment managers and (financial) institutions to concentrate on their core business.

3. Governance arrangements

The CBN Group is a fully licensed credit institution pursuant to Article 3 of the Credit Systems Supervision Act and therefore under the supervision of the DNB. The Supervisory Board is responsible for the overall oversight of the CBN Group and its general course of business. It accomplishes this by supervising, monitoring and providing both solicited and unsolicited advice to the Management Board on a broad range of topics intrinsic to the overall functions of the institution, including strategy, operational performance, risk management and compliance with laws and regulations.

As of December 31, 2025, the CBN Group's Management Board was comprised of four Managing Directors and was represented by the Chair of the Management Board. As of the end of 2025, the number of Managing Directors in the Management Board is not expected to change. The Management Board is responsible for defining the business strategy, setting policies and overseeing the overall operational activities of the Bank and ensures the business and strategic objectives are correctly executed. The composition of the Management Board is based on the Management Board general profile. A general profile of the preferred scope and composition of the Management Board is defined, taking into account the nature of the business, its size, complexity, its activities, its risk profile and likely future developments. It ensures that the combined knowledge, skills and ongoing professional conduct form a complementary, diverse and collegial board that is fit for the Bank's situation. The Supervisory Board assesses the suitability of potential candidate member(s) of the Management Board, in line with the profile, prior to making a non-binding, duly motivated nomination to the General Meeting. The appointment of candidate members of the Management Board is subject to receiving a positive decision on their fitness and propriety from the supervisory authority.

In accordance with the internal diversity policy, the CBN Group aims for a composition of both the Management and Supervisory Board that is diverse in terms of factors, such as educational and professional background, gender, age, and geographical provenance, as well as knowledge, skills and competencies. CBN recognizes succession planning as a fundamental element of business continuity and operational resiliency. Based on its succession planning policy, CBN continuously identifies key functions and roles and potential internal successors, offering development plans where needed. All Management Board members participate in continuing education programs, with the aim of maintaining the expertise of the Management Board members at the required standard and improving their expertise where necessary. The areas covered under the education program include finance, tax, capital management, information technology, cyber security, data privacy, environment, social governance ('ESG'), regulatory and financial reporting, corporate governance and risk management including climate & environment. Detailed information on the Management Board members is provided in Table 2.

TABLE 2. CBN GROUP MANAGEMENT BOARD COMPOSITION, December 31, 2025

NAME	POSITION	AREA OF RESPONSIBILITY	OTHER DIRECTORSHIPS
Mr. Kieran Dolan	Managing Director, Chair of the Management Board and Chief Executive Officer	All aspects concerning General Management, Corporate Governance, Environment, Social & Governance, Regulator Relationship, Internal Audit, Human Resources, Commercial Activities, Tax, Legal & Branch Network	None
Mr. Paul Symonds	Managing Director and Chief Investment Officer	All aspects concerning Core Banking Services, Capital Management, Information & Communication Technology, Project Management Office, and Business Process Reengineering	None

Mr. Arno Boelaars	Managing Director, Vice-Chair of the Management Board and Chief Operating Officer	All aspects concerning Client Lifecycle Management (KYC/AML, Transaction Monitoring and Sanctions, Tax Integrity), Data Management, Operational Control Management (including Business Continuity Management), Loan Servicing, Depository and Custody Services, Outsourced Services and Subsidiary Oversight	One
Ms. Caryn de Walden	Managing Director and Chief Risk & Compliance Officer	All aspects concerning Risk Management including Climate & Environment and ICT Risk Management, Compliance, Regulatory, and Finance Functions	None

TABLE 3. CBN GROUP MANAGEMENT BOARD RISK COMMITTEES, December 31, 2025

COMMITTEE NAME	ROLE OF THE COMMITTEE	MINIMUM FREQUENCY
Management Board Risk Committee ('MBRC')	Oversight of both financial and non-financial risks across the CBN Group in line with the Enterprise Risk Management framework	Quarterly
Asset and Liability Committee ('ALCO')	Monitoring and controlling Market and Liquidity Risks, as well as capital adequacy within the boundaries set by MBRC	Quarterly
Credit Committee ('CC')	Monitoring and controlling Credit Risk within the boundaries set by MBRC	Quarterly
Operational Risk Committee ('ORC')	Managing Operational Risks within the boundaries set by MBRC	Quarterly
Client Acceptance and Review Committee ('CARC')	Taking decisions on the formal day-to-day acceptance, review and exit of clients who are classified as either high or clients outside CBN's Financial Economic Crime Risk Appetite Statement ('FEC RAS'), in accordance with inter alia Articles 3 and 5 of the Dutch Act on the Prevention of Money Laundering and Financing of Terrorism (Wet ter voorkoming van witwassen en terrorisme financiering, Wwft) and Dutch Sanctions Act (Sanctiewet 1977)	Weekly
Outsourcing Committee ('OC')	Monitoring compliance with the Outsourcing policy and procedures including the effectiveness of key controls, assessing outsourcing related risks including operational and concentration risk, associated with each of the CBN's outsourcing arrangements and review and approval of any future outsourcing arrangements	Quarterly
IT Control Committee ('ITCC')	Monitors the management and controls of Technology risks and associated Operational risk, including (cyber) security. Monitors compliance with applicable technology and IT relevant regulations within the boundaries set by MBRC	Quarterly

4. Risk governance at the CBN Group

As a financial services provider, the CBN Group is continuously managing its risks. In order to do this whilst remaining compliant with regulatory requirements the CBN Group has established an Enterprise Risk Management ('ERM') framework. The critical elements of this ERM framework are the effective identification, measurement and mitigation of the CBN Group's key risks and the allocation of capital required to support these.

4.1. Risk Strategy

The Risk Management Strategy of the CBN Group is to support the business in achieving its strategic targets, whilst remaining within the conservative Risk Appetite set by the Management Board and ratified by the Supervisory Board.

The CBN Group implemented the 'Three Lines Model' as a benchmark for managing the risk strategy. The CBN Group applies the model to demonstrate how the different business and control functions interact with each other and to define roles that enforce stronger corporate governance. These roles are illustrated in Figure 2.

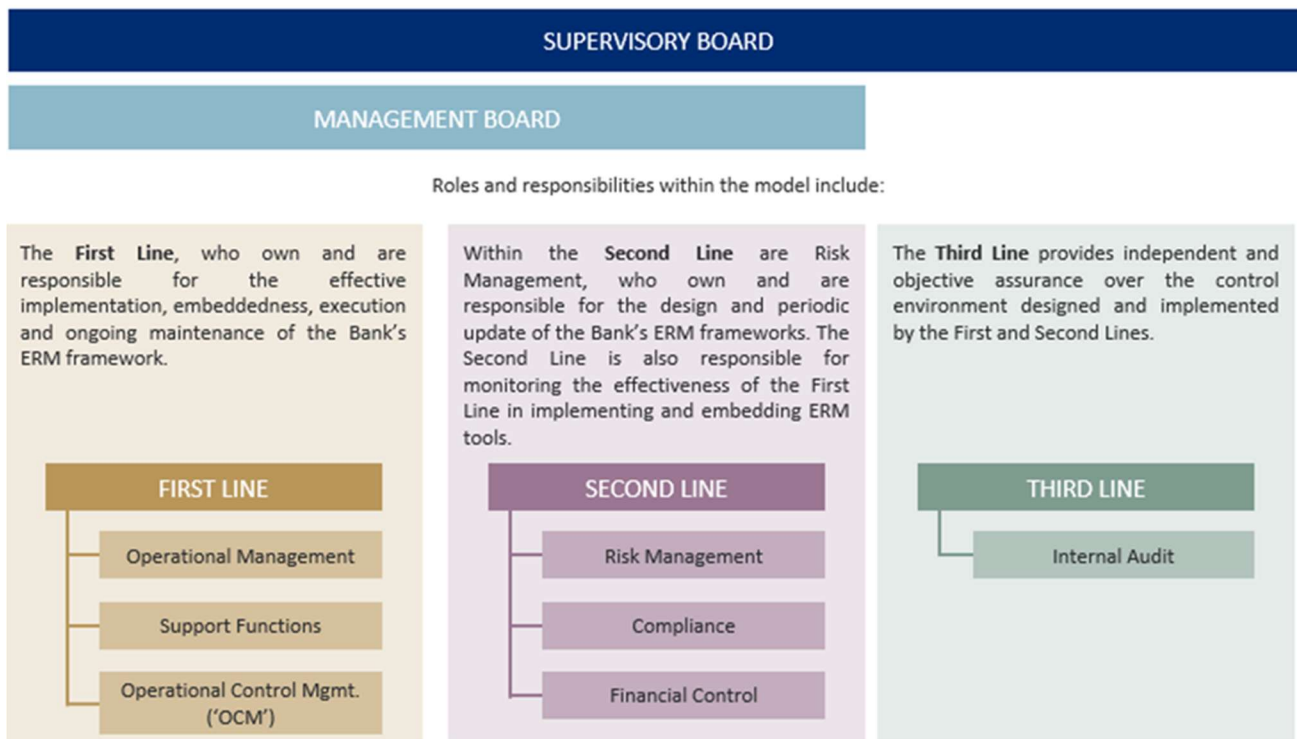


Figure 2. CBN Group Three Lines Model

4.2. The First Line

As the First Line, business management and operational staff are responsible for identifying and managing risks daily and for escalating identified risk issues to Risk Management. Business management, including Bank IT management, is accountable for the implementation and operation of appropriate policies and procedures and for ensuring compliance with policies set by the Management Board, Supervisory Board and Risk Management.

Operational Control Management ('OCM') is part of the First Line. OCM is responsible for operational risk activities including Risk and Control Self-Assessment ('RCSA'), process control testing, risk event root cause analysis, and operational risk reporting to management.

4.3. The Second Line

The Second Line concerns those responsible for risk oversight and risk guidance in the CBN Group, e.g. Risk Management, Compliance and Financial Control and are under the oversight of the CBN Chief Risk & Compliance Officer. Second Line is responsible for risk policies, risk processes and controls and most importantly the monitoring of compliance by the First Line.

The Bank's Risk Management reports to the Management Board and Supervisory Board on activities included in the Risk Management framework and monitors the execution of the risk management framework by the First Line. Models used to assess risks are validated by sufficiently skilled people, different to the user who created the model and documented it. This process should be repeated for any material model changes.

The Risk Management function is responsible for developing and maintaining the strategic approach of the ERM framework to ensure that appropriate risk identification, assessment and mitigation activities are executed by the business. This is achieved through a comprehensive framework of risk policies, monitoring and assessment, and reporting.

The Compliance function translates the laws into compliance obligations and assists the business divisions to identify its Compliance Risks (incl. Client Conduct Risk) and activities to mitigate those risks in line with the CBN Group's Risk Appetite. The Compliance function also monitors the business and local management's control of Compliance Risks.

The Financial Control function enables the control framework around statutory and regulatory reporting of the CBN Group.

Risk Management, Compliance and Financial Control are Citco Group functions, with reporting lines to the CBN Group Management Board and Citco Group.

4.4. The Third Line

The CBN Group Internal Audit acts as the Third Line. Internal Audit assesses the effectiveness and efficiency of the Bank's control framework and provides assurance and consulting services designed to add value and improve the operations, processes, systems and control environment. It assists the CBN Group in accomplishing its objectives by bringing a systematic, disciplined approach to evaluating and reporting on the effectiveness of risk management, controls, and governance processes. The scope of the work of the Internal Audit function includes all processes, systems, businesses and functions of the CBN Group.

Internal Audit reports to the Supervisory Board Audit Committee and provides regular reports to the Management Board of the CBN Group. The Internal Audit function works closely with the external independent auditors to plan audit coverage of the CBN Group.

4.5. Risk Appetite

The Bank has implemented a robust and transparent policy framework to ensure that the Bank operates by prescribed rules and guidelines, that responsibilities are known and that limits are controlled in a delineated structure. The core of the policy framework is the CBN Risk Appetite Statement. The Risk Appetite Statement sets the limits for all key risk categories based on the overall CBN Risk Appetite Statement. Equally the CBN Group implements an ERM framework to ensure that an effective risk management framework is implemented within the Bank, intended to mitigate identified risks, minimize losses and add value to the organization. The ERM framework comprises a set of tools, processes, procedures and policies enabling the Bank to adopt sound risk management and apply appropriate Risk Appetite levels, given the size and type of the business.

The ERM framework of the CBN Group identifies nine main risk categories at the top of a comprehensive risk taxonomy, which enables consistent risk identification and reporting:

- Strategic Business Execution and Development Risk;

- Credit Risk;
- Market Risk;
- Liquidity Risk;
- Operational Risk;
- Cyber Risk;
- Compliance Risk;
- Legal Risk; and
- External Environment Risk.

All risks that the CBN Group is exposed to roll up to one of these main categories in the risk taxonomy. The CBN Group does not assess risk of Reputation impacts in a stand-alone way, but as part of each of the risk impacts.

In each risk category (or sub-category) a Risk Appetite is quantified based on probability and impact to give a Risk Assessment Grade ('RAG') on the following scale:

- Minor;
- Low;
- Medium; or
- High.

In addition to this grading, risk objectives have been defined using a proportion of capital assigned to Risk Appetite (with the exception of Liquidity Risk). Capital allocated to the Risk Appetite is defined as capital that the CBN Group is willing to put at risk to achieve its strategic objectives during the year and is taken from capital held over and above regulatory minimum requirements. The CBN Group's Overall Risk Appetite is set to 'Minor'. 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.

4.5.1. Strategic Risk

Strategic Risk is defined as the risk to prospective earnings and capital arising from changes in the business environment and from adverse business decisions, improper implementation of decisions or lack of responsiveness to changes in the business environment.

Strategic Risk captures two main risk categories:

- Strategic Business Execution Risk is the risk to earnings and capital from ineffective execution of business strategy (run the business); and
- Strategic Business Development Risk is the risk to earnings and capital from ineffective execution of the business development process (change the business).

The CBN Group operates in a niche market and is therefore subject to a 'Minor' level of Strategic Risk.

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 process and a New Significant Initiatives policy are embedded in the organization to ensure the CBN Group is effectively managing and monitoring the introduction of new products and (large) projects. The CBN Group reduces exposure to strategic risk by a clear focus on its strategic business objectives.

Key Strategic Risks identified by the CBN Group are:

- External Market (Business)
- External Market (Political / Geopolitical);
- Business Strategy / Strategic Direction;
- Revenue Concentrations;

- Project Risk;
- Vendors and Suppliers (including Outsourcing); and
- Cloud Concentration and Vendor Lock-in.

Exposure to Strategic Risk is governed by a Strategic Risk Management Policy.

4.5.2. Credit Risk

Credit Risk is defined as 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.

The CBN Group's key investments are:

- Bonds and commercial papers. Investments are mostly done in central governments' bonds (or bonds, guaranteed by central governments);
- Overnight deposits. The placements are done mostly with bank counterparties with an Investment Grade credit rating² or with the DNB;
- Securitisation. The CBN Group does not securitise its own assets, but has exposure to securitisations by purchasing variable funding notes and mezzanine notes issued by Amatheia Funding PLC ('Amatheia'). Amatheia is a traditional securitisation vehicle, which provides funding to fund of hedge funds, collateralised by hedge fund shares, with limits to maximum Loan-to-Value and minimum diversification to minimise risk. The notes held by the CBN Group are not held for trading purposes; and
- Direct lending. The CBN Group has limited exposure to direct lending counterparties. Direct lending is only performed for highly collateralized exposures.

The following Credit Risk subcategories have been identified by the CBN Group based on its key investments:

- Counterparty Default: the risk that the counterparty defaults and cannot pay back the funds that the CBN Group placed or invested with it. This includes Counterparty Credit Risk arising from derivatives;
- Client Default: the risk that a client who is in receipt of a loan or is required to post collateral for foreign exchange ('FX') trades is unable to provide sufficient collateral or to repay the loan when due; and
- Concentration: the risk that the CBN Group has an aggregate exposure to an asset held as collateral or to a counterparty used for investment, cash placement or FX, that has the potential to produce losses large enough (relative to the Bank's capital, total assets, or overall risk level) to threaten the CBN Group's health or ability to maintain its core operations.

The objective for managing Credit Risk is to minimize exposure to Counterparty Credit Risk by maintaining a strict internal limit system, monitoring concentrations and credit deterioration. Credit Ratings, Credit Default Swap spreads and expert judgement are used to set maximum exposure and tenor limits by counterparty and are updated daily. The CBN Group applies default definition that is in line with CRR, Art. 178, as supplemented by Guidelines on the application of the definition of default³ and Regulation on the materiality threshold for credit obligations past due⁴. The CBN Group, as well as its subsidiary, are self-funded, hence there is little intra-group reliance. The CBN Group exposure to Citco Group is limited by large exposure framework. Exposures are governed by the Credit Risk Management Policy and associated daily monitoring systems, to ensure the conservative credit Risk Appetite is maintained. The CBN Group does not receive public subsidies. The Management Board has determined that the Risk Appetite for Credit Risk can be classified as 'Minor', which covers increased Risk Appetite for realised losses and expected credit losses, correspondingly.

² Credit Rating not lower than A-1 (Short-term, S&P equivalent)

³ EBA/GL/2016/07

⁴ Regulation 2018/171

4.5.3. Market Risk (including Interest Rate Risk in the Banking Book)

Market Risk is defined as the CBN Group's current or prospective risk to earnings and capital arising from adverse movements in market variables mainly interest rates and foreign exchange rates. This risk can arise from dealing and position taking in securities, currencies, or derivatives. The CBN Group functional currency is USD.

The following Market Risks have been identified:

- Foreign exchange risk. FX risk arises from Client FX dealing and FX mismatch between assets and liabilities. Client FX dealing are FX deals done with the CBN Group's clients who wish to hedge their FX exposure. A covering trade matching the clients trade with the CBN Group must be placed with an FX market maker to ensure there is no residual Market Risk for the CBN Group. The FX mismatch between assets and liabilities arises from the fact that the majority of the CBN Group's funding base is in USD but investment opportunities may be in another currency; and
- Interest Rate Risk in the Banking Book ('IRRBB'). Interest rate risk arises from the existence of mismatches in interest rate exposures or sensitivities between assets and liabilities on the CBN Group's balance sheet. The CBN Group funding consists of both non-interest bearing accounts or accounts that do not receive interest when interest rates are below a certain threshold. In prior years, most accounts have been non-interest bearing or charged a negative rate due to the low or negative interest rates, with some receiving interest in the last number of years as interest rates increased significantly. Using these liabilities to fund interest-bearing assets, the CBN Group earnings may partially reflect any variation in interest rates from one reporting period to the next. In this situation a drop in the level of interest rates will partially reduce earnings unless a hedge is in place or rate reductions can be passed onto liabilities.

The objective with respect to Market Risk is to minimise any exposure. Therefore, the Management Board has determined that the I Risk Appetite towards Foreign exchange risk as 'Low' and towards IRRBB risk as 'Minor'. As the CBN Group does not make any investments with intent to trade, no trading book has been established. The Interest Rate Risk Appetite is set as risk-accepting volatility in earnings as long as the business model is sustainable.

Strict limits described in the Market Risk Management Policy are in place and daily monitoring and reporting on those limits to the Management Board and ALCO are key to the ongoing objective to minimize Market Risk.

4.5.4. Liquidity Risk

Liquidity Risk is the inability to meet payment obligations when they fall due and to replace funds when they are withdrawn. This risk is covered in full detail in the Bank's ILAAP document, updated annually.

The following main Liquidity Risks have been identified:

- Funding Liquidity Risk is the risk that the Bank will not be able to efficiently meet both expected and unexpected current and future flows and collateral needs without affecting either daily operations or the financial condition of the Bank; and
- Market Liquidity Risk is the risk that the Bank cannot easily offset or eliminate a position without significantly affecting the market price because of inadequate market depth or market disruption.

The Management Board has a 'Minor' appetite for Liquidity Risk and wants to maintain the ability to repay clients on demand at all times.

The CBN Group's Liquidity Risk Management Strategy is to hold sufficient resources of high-quality liquid assets and other potential sources of liquidity that it can comply with all regulatory liquidity requirements and ensure survival of internal liquidity stress scenarios. The objective of Liquidity Risk Management Strategy is to maintain a very liquid balance sheet by applying appropriate maturity transformation limits and following an investment strategy aligned to the liquidity of the liabilities. Active monitoring of key regulatory and internal limits and ratios is in place. Management of Liquidity Risk ensures the CBN Group remains fully flexible in the event of sudden changes in the liabilities side of the balance sheet. The liquidity risk management systems put in place are adequate with regards to the institution's profile and strategy.

The Bank maintains a contingency funding plan as a series of actions it could perform to increase available liquidity. Given the business model with large balances held overnight, there is less need for this, but actions including ceasing maturity transformation could realise large increases in overnight liquidity in a short timeframe. The actions are identified alongside its Recovery Plan process and are considered in the ILAAP. The Bank's subsidiary operates on a standalone basis and maintains a comparable Liquidity Risk Management Framework to the CBN Group.

The Bank performs liquidity stress testing to analyse the impact on the balance sheet of a variety of stresses and ensure that liquidity levels are in line with its Risk Appetite. These consider horizons from overnight to one year and a mix of sensitivities and scenarios, which include idiosyncratic, market-wide and combined drivers.

4.5.5. Operational Risk

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

Operational Risk is inherent in a transactional organization like the CBN Group. The Management Board manages the Bank's operational activities to minimise Operational Risk. The Bank seeks efficient and resilient operations balanced with minimal risk, meaning limited disruptions to critical services and deliverables and limited operational losses. The Risk Appetite for Operational Risk is 'Minor'. The core Operational Risk drivers for the CBN Group are data quality and business control.

To manage this risk an Operational Risk Management framework, as described in the Operational Risk Management Policy, is in place. Its execution, by the First Line, is monitored by Second Line staff in order to actively control the level of Operational Risk and potential losses within the CBN Group. The objective for management of Operational Risk is to minimize both the financial and reputational impacts of operational activities.

4.5.6. Cyber Risk

Cyber risk is the risk of loss or damage due to failed or inadequate IT Security against cyber risks. The Bank seeks to maintain effective IT Security controls and protect its assets, including sensitive data, from cyber-attacks. The Bank is dedicated to protection of its information assets and systems from cyber related risk, with a commitment to Information Communication & Technology ('ICT') Resilience as is relevant to its business and functions. The CBN Group enhances its management of Cyber Risk with an ICT Risk Management Framework, Technology Risk Management Policy, Business Strategy for Technology and IT Controls Committee. This is supported by Citco Technology Management, which has a dedicated framework covering areas such as Bank Technology, IT Security, Data Security, Data Privacy, Access Management and Change Management. The Management Board has determined that the overall Risk Appetite towards Cyber Risk as 'Medium' due to significant complexity in cyber security and the potential of risk outside its control. The Bank's seeks to maintain a robust cybersecurity and ICT risk management posture in line with industry standards and regulatory requirements.

4.5.7. 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's good standing.

The Bank fosters a culture of compliance and ongoing staff education on regulatory requirements. The Bank has no appetite for engaging in activities or markets where it lacks the capability to ensure compliance with regulatory requirements and ethical business conduct. The Bank wishes to service only those clients whose purpose and nature are legitimate in a convincing manner and fall within the bounds of the Bank's AML CTF CPF Client Acceptance Policy.

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 the 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 CBN's Management Board Risk Committee and CBN's Supervisory Board.

The CBN Group may be susceptible through the services they offer to be used for illegal or illegitimate purposes. These risks are relating to, money laundering, financing of terrorism, or other illegitimate goals like tax evasion, which may be achieved by using CBN's products and services. To mitigate these risks the CBN Group applies a rigorous integrity risk framework to identify, assess, mitigate or avoid risks in this area, subsequently potential clients may be on-boarded, or

existing clients may be off-boarded. The CBN Group permanently engages with its clients and performs a continuous monitoring of its clients and their transactions.

The CBN Group has set a 'Minor' appetite for Client Conduct Risk. The key statement in the Financial Economic Crime ('FEC') Risk Appetite Statement ('FEC RAS') is:

'CBN wishes to service only those clients whose purpose and nature are legitimate in a convincing manner. This means that prospective clients need to submit information and documentation so that CBN is convinced that the client poses no unacceptable FEC risk to CBN. It is the duty of the Bank to ask the right questions and the client's duty to provide the right answers: it is reciprocal.'

'CBN conducts all its business in accordance with principles of integrity and high ethical and professional standards. CBN recognizes that clients have a right to consider tax ramifications when they structure their business and their investments. However, CBN does not facilitate tax evasion nor aggressive tax planning.'

4.5.8. Legal Risk

Legal risk is the risk of loss, litigation or regulatory impact due to non-compliance with applicable global and jurisdictional laws. 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 willful misconduct, which are managed separately. The Bank will seek the opinion of external counsel for specialised advice where necessary. The Management Board has determined that the overall Risk Appetite towards Legal Risk as 'Minor'.

4.5.9. External Environment Risks

External Environment risk is the risk to earnings and capital to the organisation's exposure to or interaction with external factors.

The Management Board has determined that the overall Risk Appetite towards External Environment Risks as 'Low' and there are not material risk drivers to disclose. The Bank considers the potential for Climate and Environment Risks as drivers of existing risks rather than standalone risks. The Bank seeks to maintain a low direct exposure to incremental risks from sustainability risk drivers, including climate risks (physical and transitional) as well as low direct exposure to the financing of high impact sectors. An example could be climate change leading to rising sea levels (risk driver) materially reducing the value of collateral provided for client lending (transmission channel), leading to increased credit risk on client lending (primary risk). These are seen as risk drivers of primary risks rather than a primary risk and the Bank covers their identification, assessment, mitigation, monitoring and reporting, in its Climate and Environment Risk Management Policy. The monitoring of these risk drivers is integrated into the Bank's governance framework through existing risk committees.

The Bank performed a Climate and Environment Risk Assessment in the year, finding the impact to Operations is assessed as 'Low', reflecting its share of the low Greenhouse Gas ('GHG') emissions of Citco overall as an office-based organization and due to existing frameworks in place – factoring in resilience considerations into the office locations strategy and increased flexibility provided from Hybrid Working.

Environmental Risk Metrics

The Bank's greenhouse gas inventory was completed in accordance with the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (GHG Protocol) and was considered for the period Jan 1st through to December 31st, 2025. Given the Bank's operating structure, the operational control approach was used to define the organizational boundary, meaning the Bank includes emissions from facilities where they control day to day operations. This excludes emissions from operations where the Bank has no control, or where control existed for part or all of the reporting period, but activity data could not be obtained within a reasonable timeframe.

Scope 1 and Scope 2 emissions include natural gas combustion, leakage of hydrofluorocarbons HFCs from air conditioning units, and emissions associated with electricity consumption are that are in CBN's control and calculated on a location-based approach and emissions from leased vehicles. Where the Bank does not maintain operational control over the

energy consumption and building operations, this would fall into Scope 3 classification, but these emissions are not believed to be material.

The Scope 1 and Scope 2 greenhouse gas emissions attributable to CBN for 2025 equates to 23.7 and 46.60 mtCO₂e respectively.

In accordance with the GHG Protocol Scope 3, Category 15 (Investments), only equity investments, project finance and debt instruments with a clearly defined use of proceeds are considered mandatory for financed emissions accounting. Currently, most of the Bank's exposures are classified as debt investments without known use of proceeds and therefore did not meet the inclusion criteria for Scope 3 financed emissions at year-end. In such cases, emissions estimates would rely on sector-specific averages which are unlikely to accurately reflect the Bank's operating model or provide useful information on emissions associated with lending activities. Corporate Bond exposures are monitored and would only be included where the use of proceeds is clearly defined and meets GHG Protocol criteria. At year-end, no exposures met these criteria and accordingly, no Scope 3 financed emissions were calculated or reported

The Bank does not currently have climate-related targets, avoiding material direct financing of high impact sectors and working through lean operations in modern offices, it does not expect its emissions to be elevated, but will continue to assess its position.

Impact to the Balance Sheet is assessed as 'Low', reflecting the typical focus of short-term, high-quality exposures and typically to just banks and sovereigns, state agencies and supranational and not exposures with material physical or transition risk impacts.

Due to the limited direct exposure and Low risk rating, there are currently not KPIs used for strategy setting, this is assessed on an ongoing basis. The Bank includes a KRI for limiting and monitoring its direct exposure to High Impact Sectors (sectors that would be most at risk from climate change factors (both physical and transitional risks) is shown below based on December 31, 2025 data, reflecting a zero share of total assets, this has typically been low and short tenor or zero, as the Bank prioritises the preservation of capital – largely via conservative Credit and Liquidity Risk Management Frameworks – above all else.

TABLE 4. IMPACT ON BALANCE SHEET

US\$ bn	Total	0 – 3 Months	3 – 12 Months	1 – 5 Years	>5 Years
A. Agriculture, Forestry, and Fishing	0				
B. Mining and Quarrying	0				
C. Manufacturing	0				
D. Electricity, Gas, Steam, and Air Conditioning Supply	0				
E. Water Supply; Sewerage, Waste Management, and Remediation Activities	0				
F. Construction	0				
G. Wholesale and Retail Trade; Repair of Motor Vehicles and Motorcycles	0				
H. Transportation and Storage	0				
L. Real Estate Activities	0				
Total High Impact Sectors	0				
Total Assets	9.57				
High Impact % of Total Assets	0.0%				

4.6. Monitoring and reporting

Risk monitoring is carried out daily by both First and Second line, to ensure compliance with regulatory requirements and the Risk Appetite of the CBN Group. Key regulatory metrics on capital and liquidity are reported daily by the Capital Management team (for more detailed information, please refer to Chapter 5). Key internal metrics on Credit Risk, Market Risk and Liquidity Risk are reported daily on the Risk Management website, accessible by all staff of the CBN Group. The Compliance function monitors Compliance Risks (e.g. client, organisational and personal conduct risks) and reports on a quarterly basis to the Management Board Risk Committee.

Reporting on key risks to Management Board Risk Committee is performed on a quarterly basis.

4.7. Management Board declaration on Risk Management

The Management Board periodically reviews Risk Management arrangements within the CBN Group. The Management Board is not aware of anything, which affects their ability to make the following declaration:

Risk Management and related systems in the CBN Group are adequate with regards to the CBN Group's profile and strategy.

5. Capital Adequacy

5.1. Capital ratios

The CBN Group maintains own funds to cover minimum capital requirements and in order to have capital to be able to achieve the goals set in the business planning. The composition of the CBN Group capital corresponds to the CRR requirements for own funds.

The CBN Group's own funds consists only of Common Equity Tier 1 capital ('CET1').

For the CBN Group the consolidated CET1 capital is composed of the following items:

- Paid-in capital;
- Share premium;
- Retained earnings;
- Accumulated other comprehensive income;
- Other reserves; and
- Adjustments to CET1 due to:
 - Prudential filters;
 - Other intangible assets; and
 - Deferred tax assets that rely on future profitability and do not arise from temporary differences net of associated tax liabilities.

Annex I contains the overview of the components of the CBN Group's capital and Annex II contains information on the reconciliation of regulatory own funds to balance sheet in the audited financial statements.

Key ratios are used for the purposes of measurement and control of capital adequacy, leverage levels and liquidity of the CBN Group's balance sheet (Table 5). In determining key ratios for capital adequacy, leverage and liquidity the CBN Group uses the definitions as set by CRR.

The key ratios are:

- CET1 ratio. The CET1 ratio measures the availability of capital against assets held, taking into account the level of risk of those assets. The formula used is CET1 capital divided by the Total Risk Exposure Amount ('TREA');
- Liquidity Coverage Ratio ('LCR'). LCR is a stress test designed to ensure that a financial institution has enough High-Quality Liquid Assets ('HQLA') to withstand short term liquidity stress;
- Net Stable Funding Ratio ('NSFR'). NSFR indicates if an institution holds sufficient stable funding to meet its funding needs during a one-year period under both normal and stressed conditions; and
- Leverage Ratio ('LR'). The Leverage Ratio measures the size of CBN's Group capital versus the assets it holds. The higher the Leverage Ratio, the less capital the CBN Group uses versus its assets. The Leverage Ratio is calculated as the ratio of Tier 1 capital (for the CBN Group equivalent to CET1) versus the Total Exposure Measure ('TEM').

Definitions used in the key ratios are:

- TREA: the sum of the total of risk weighted exposure amounts for Credit Risk, Operational Risk, Market Risk and CVA;
- HQLA: assets that are deemed most liquid in stressed situations, mostly cash, short term government/ central bank debt, or government/ central bank guaranteed debt; and
- TEM: the sum of the exposure of all assets (including derivatives) and off-balance sheet items, post credit conversion factor, not deducted when determining the capital measure.

The CBN Group measures its CET1 ratio, LCR, NSFR and Leverage Ratio daily for both solo and consolidated levels. Measurement is performed against regulatory and internal set of limits. The CBN Group is managing board limits above regulatory limits. Board limits are set at levels that allow for business growth and maintain flexibility to manage the CBN Group's balance sheet. Daily monitoring helps to prevent the ratios falling below the minimum regulatory and board limits and includes monitoring of the underlying risk drivers, such as projected deposit levels. Based on the monitoring of the ratios, actions will be required in case of any potential breach of the board limits and thresholds set by the CBN Group. Management of excessive leverage risk is done via balance sheet size management.

TABLE 5. CBN GROUP RATIOS, DECEMBER 31, 2025

CONSOLIDATED CBN GROUP	REGULATORY LIMIT	BOARD LIMIT	CBN GROUP PER DECEMBER 31, 2025
Common Equity Tier 1 Ratio	0.1446	0.1606	0.2551
Leverage Ratio	0.0300	0.0310	0.0405
Liquidity Coverage Ratio	1.0000	1.1000	1.6955
Net Stable Funding Ratio	1.0000	1.2500	2.9354

Per 31 December 2025, the CBN Group is not subject to MREL requirements. The CBN Group does not hold eligible liabilities.

The quantitative information on all key ratios and metrics is provided in Annex III. The decrease in CAR versus December 31, 2024, is mainly driven by increase in credit risk exposure amount, due to a higher risk-weights applied to some of the counterparties, following CRR3 implementation in Q2 2025. The decrease in NSFR versus December 31, 2024, is mainly driven by higher required stable funding from loans and investments in securities. The CBN Group's ALCO reviews the capital structure on a periodic basis. As a part of this review, the ALCO considers the structure of capital and the risks associated with each business line. Based on the recommendations of the ALCO, the CBN Group manages its overall capital structure.

It is CBN policy to inform the DNB⁵ prior to paying dividends to its shareholder, after receiving approval from the Supervisory Board. During 2025 (similar with prior years) CBN maintained healthy capital levels and did not utilize any buffers, including P2G. As a result, CBN remained fully compliant with CRD Article 141. The CBN Capital Management Policy does not allow any dividend distributions that would result in a breach of the minimum regulatory requirements.

The CBN Group's return on assets for 2025 amounted to 1.39% (versus 1.65% in 2024).

5.2. Capital requirements (Pillar 1)

The minimum capital requirements under Pillar 1 are calculated for Credit, Market, Operational Risks and CVA based on the chosen approaches by the CBN Group.

For Credit Risk the Standardised Approach is used for each asset, the relevant risk weight is determined by using the exposure type and external rating. Credit Risk includes Pillar 1 capital allocations for Counterparty Credit Risk ('CCR') (for derivative exposures). Assets are weighted according to broad categories of notional risk, being assigned a risk weight in accordance with the amount of capital deemed to be necessary to support them. Off-balance sheet Credit Risk-related positions are taken into account by applying different categories of conversion factors, designed to convert these items into balance sheet equivalents. The resulting equivalent amounts are then weighted for risk using the same percentages as for on-balance sheet assets. For Credit risk exposure for FX contracts Standardised approach is used.

Table 6 provides an overview of the asset classes against which the CBN Group holds risk weighted assets, and applicable risk weighted assets.

⁵ The CBN Group policy does not allow dividend to be paid that will lead a breach of the regulatory minimum requirements.

TABLE 6. CREDIT RISK WEIGHTED ASSETS

CREDIT RISK WEIGHTED ASSETS (EUR mm)	
Label	December 31, 2025
Central governments	0
Regional governments or local authorities	
Public sector entities	
Institutions	451
Corporates	407
Retail	
Collective investments undertakings	
Equity	1
Securitisation	88
Other Items	6
Standardised approach (SA)	954

Corporate exposures have increased versus December 31, 2024, mainly due to the growth in the lending book, as well as in the placements with credit institutions that are treated as Corporates under CRR. The CBN Group's securitisation positions through investment in notes issued by Amatheia range over three classes of seniority. The CBN Group holds a small amount of the Junior notes, in addition to Mezzanine notes and Senior notes. The risk weights of the Senior and Mezzanine tranches in Amatheia are based on Moody's ratings. From the accounting perspective, Senior and Mezzanine tranches are classified at amortised cost in the books of the CBN Group, which equals the actual drawn balance (no fair value adjustments). The Bank applies adjusted approach for risk weighted assets calculation of securitisation exposures, in line with Regulation 2017/2401⁶. The Bank applies SEC-ERBA approach for Senior and Mezzanine tranche and SEC-SA approach for Junior tranche. Securitisation position has decreased in comparison to December 31, 2024, due to increase in the relevant guaranteed amount (which correspondingly led to the increase in the balances with Institutions).

Amatheia securitisation does not fall under definition of simple and transparent securitisation. Amatheia does not perform re-securitisation or synthetic securitisation. The CBN Group does not securitise its own assets (as such, there is no risk transfer). Amatheia is the CBN Group related entity, issuing securitisation positions. The CBN Group obtains a Guarantee from its parent company for part of the securitisation portfolio.

The CBN Group does not actively invest in equities. The only equity exposures it has are investments in its subsidiary and SWIFT. The CBN Group does not fund itself through securities financing transactions or securitisations and as such encumbered assets of the CBN Group consist only of collateral posted for the OTC derivative deals (in the form of cash collateral or securities, with a total amount of 3% of its total assets as of December 31, 2025).

The CBN Group does not have non-performing or forborne exposures, including securitisation positions (reported as zero in all relevant regulatory reports, including FINREP). More details are provided in Annexes IV and V.

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

For Operational Risk the Business Indicator Component is used. The CBN Group needs to take into account Interest, leases and dividend component, Services component and Financial component. All components are calculated based on financial reporting information. Operational Risk capital charge has slightly increased on December 31, 2025, versus previous disclosure period due to higher interest income in 2025 as well as calculation/methodology changes introduced by CRR III. The details on Business Indicator Components calculations and own fund requirements for Operational Risk are provided in Annexes VI and VII.

⁶ Regulation (EU) 2017/2401 of the European Parliament and of the Council of 12 December 2017 amending Regulation (EU) No 575/2013 on prudential requirements for credit institutions and investment firms, as amended. Referred as Regulation 2017/2401

The CVA is an adjustment to the mid-market valuation of the portfolio of derivative transactions, and (Reduced) Basic Approach is applied.

As of December 31, 2025, the Pillar 1 capital requirement amount for the CBN Group is EUR 111.1mm.

Annex VIII provides an overview of Total Risk Exposure Amounts as well as Pillar 1 own funds requirements.

5.3. Internal capital assessment (Pillar 2)

The following table details the CBN Group's additional capital required to cover Pillar 2 risks:

TABLE 7. PILLAR 2 CAPITAL REQUIREMENTS

PILLAR 2 CAPITAL REQUIRED (EUR mm)	
Label	December 31, 2025
Strategic Risk - Integrity	4.5
Strategic Risk - Data Governance	3.6
Strategic Risk - Business Model	8.0
Market Risk - IRRBB	15.3
Market Risk - FX Translation Risk	1.9
Operational Risk - Loan Servicing	0.1
Operational Risk – Risk Profile	
Credit Risk - Concentration Risk	4.2
Cyber Risk	1.4
Total Pillar 2	39.0

The level of the Pillar 2 capital requirements is based on the outcomes of the CBN Group's latest supervisory review and evaluation process that took place in 2024. Under SREP 2024 process, one new risk sub-category was identified: Cyber Risk.

The following paragraphs detail the Pillar 2 Capital requirements for each of the relevant identified risks.

5.3.1. Strategic Risk – Integrity

The capital allocation for Integrity Risk is based on the potential level of administrative fines imposed under Wft and potential harm to business model. Following the continuous improvements that have been implemented over the past two years, the Management Board has decided to revise capital allocation for Client (Tax) Integrity risk. Taking into account the significant strengthening of the control framework around KYC, implementation of a post-event transaction monitoring system and adding additional resources supplemented by strengthened education system, EUR 4.5 mm is allocated for Integrity Risk under Pillar 2 which is added to its Strategic Risk capital charge.

5.3.2. Strategic Risk – Data Governance

Data Governance is a priority on the agenda of the CBN Group, and hence, the CBN Group re-assesses the associated risk continuously to take appropriate additional measures when needed and remain ahead of regulatory requirements on data. For Data Governance risk, the Management Board has reserved a capital charge of EUR 3.6 mm, based on the assessment of its Data Governance Risk.

5.3.3. Strategic Risk – Business Model

Strategic Risk could potentially have a major impact on the business model, as the CBN Group has a business model that is largely focused on servicing Collective Investment Scheme clients. The business model risk analysis is based on range of risk scenarios relating to its business model (bottom-up approach). In total, Pillar 2 capital charge of EUR 8 mm is allocated for Strategic Business Model Risk based on risks of lost clients under increased competition.

5.3.4. Market Risk – Interest Rate Risk in the Banking Book ('IRRBB')

The CBN Group has performed a variety of analyses on duration gaps, interest rate mismatches and any reliance on interest rate increases. Analysis includes regulatory prescribed +/- 200bps interest rate shock scenarios on its Economic Value of Equity, Earning at Risk and internal analysis on reliance on growth in interest rates, as well as six regulatory interest rate shocks. In total, Pillar 2 capital charge of EUR 15.3 mm is allocated for IRRBB, based on the highest rates down shock on Economic Value of Equity.

5.3.5. Market Risk – FX Translation Risk

FX Translation is identified as a sub-category of Market Risk. This is caused by the fact that the CBN Group capital is largely nominated in USD (functional currency of the CBN Group) but having to report it in EUR (reporting currency of the CBN Group). For FX Translation risk, the Management Board has reserved a capital charge of EUR 1.9 mm, based on the impact of a significant USD/ EUR exchange rate shock on the CBN's Group CET1 capital.

5.3.6. Operational Risk – Loan Servicing

Loan Servicing is identified as a sub-category of Operational Risk. The overall impact to revenues and profitability is not significant, but as a new business, it is not captured under Pillar 1 capital in full for the first three years. Hence, a temporary Pillar II capital allocation is made, in the amount of EUR 0.1 mm based on expected revenues.

5.3.7. Operational Risk – Risk Profile

Based on the residual level of the Risk and the stress test outcomes, the Management Board does not retain additional capital above the existing Pillar I amounts to cover for this risk category.

5.3.8. Concentration Risk

The CBN Group places its funds entrusted mainly in interbank overnight and short-term sovereign and state-agency bonds, which leads to the Single Name Concentration Risk. Exposures are limited to top tier counterparties and restricted to 25% of CET1 Capital or EUR 150 million by the Large Exposure Rule. The CBN Group reserves EUR 4.2 mm in Pillar 2 capital charge for the single name Credit Concentration Risk.

5.3.9. Cyber Risk

Based on the residual level of the Risk, the Management Board retains an additional EUR 1.4 mm in Pillar 2 capital charge above the existing Pillar I amounts to cover for these risks, based on costs it could need to fund prior to cyber insurance for severe-yet-plausible stresses.

5.4. Total capital requirements

The total capital requirements for the CBN Group are the sum of Pillar 1, Pillar 2 capital requirements and Combined buffer requirements ('CBR'). CBR for the Bank consists of Capital Conservation Buffer ('CCoB') and Countercyclical Capital Buffer ('CCyB'). The CCoB is fixed and set to 0.0250. CCyB is calculated by CBN quarterly, depending on the country of origination of the risk exposure amounts. December 31, 2025, capital composition, including buffer requirements, is provided in Annex III.

6. Remuneration Policy

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 ('AFS'), the Regulation on Sound Remuneration Policies 2021 (RBB 2021), the Dutch Banking Code and the Guidelines on Sound Remuneration Policies, as amended from time to time. The CBN Group consists of Citco Bank Nederland N.V. including its branches and subsidiary. Insofar as required, the Remuneration Policy is applicable to the CBN Group.

The CBN Group Remuneration Policy annual review 2024 has commenced in 2025 and has been finalized in 2025. The CBN Group Remuneration Policy reflects the sustained and long-term interests for the CBN Group and its stakeholders. The Remuneration Policy is gender neutral and it helps to ensure equal career opportunities and equal pay for the same job and jobs of equal value. Additionally, the Policy ensures that:

- The CBN Group is able to attract, develop and retain high-performing and motivated employees in a competitive, international market, by offering a competitive remuneration package;
- The CBN Group's strategy is supported, especially concerning risk;
- Staff members act within the Risk Appetite of the CBN Group by making any variable remuneration restrained and risk neutral;
- Staff members feel encouraged to create sustainable results; and
- Appropriate steps are taken to identify, prevent and/ or manage (potential) conflicts of interest.

During the review of the Policy, the fixed-variable remuneration percentages have been revised based on the WFT changes.

The CBN Group does not have a divisional split of remuneration by business areas as seen in universal banks (Investment banking, Retail banking, Asset management etc.), because of the CBN Group's niche business model.

The CBN Group strives to reward the Management Board at the median level (or above if needed) of the local, geographical relevant Financial Services Market. For all other employees the CBN Group strives to reward at the market level, or above if needed, of the local Financial Services Market.

Article 450 of CRR and article 1:120 AFS requires annual publication of selected aggregate quantitative remuneration data. Please refer to Annexes IX and X for more information.

The CBN Group does not benefit from a derogation, as laid down in Article 94(3) of CRD V.

6.1. Identified Staff

Identified Staff are employees whose work has a material impact on the risk profiles of the CBN Group. Identified Staff include the CBN Group's Management Board, its senior management, staff working in control functions and other individuals who may have a material impact on the CBN Group's risk profile. An overview of the number of Identified Staff is given in the Annual Report (section 4.5).

6.2. Governance

The Supervisory Board has ultimate oversight and responsibility for the Remuneration Policy of the CBN Group and has appointed a Remuneration Committee ('RemCo') to assist in this regard. The RemCo meets as and when it deems necessary, but at a minimum of twice per year, in order to fulfil its duties regarding the Remuneration Governance Framework.

The Supervisory Board approves the general principles underpinning the overall remuneration, as defined in the CBN Group Remuneration Policy for Identified and non-Identified staff, and oversees its implementation. Its duties include the approval of CBN remuneration and the individual remuneration of Identified Staff against identified staff targets. The Supervisory Board has the right to adjust the Variable Remuneration downward (to 0%).

The CBN Group's Management Board sets the Remuneration Policy and is responsible for its implementation. The Management Board establishes the maximum budget for the Variable Remuneration that must be approved by the Supervisory Board, upon advice from the RemCo on an annual basis.

A Monitoring Committee Remuneration Policy ('MCRP'), with HR, Risk Management and Compliance as its members, provides advice to the Management Board with regards to the design, review and adjustment, and implementation of the Remuneration Policy. The MCRP consults with the Management Board and provides input on identified staff regarding Malus and Clawback, as due, for use by the RemCo. The MCRP convenes at least twice a year to flag, monitor and manage the risks around the proper execution of the Remuneration Policy and continued compliance with all relevant legislation from the standpoint of HR.

The CBN Group Annual Report contains the detail on the RemCo meetings in 2025, including the name and composition of this body (Supervisory Board's Report). For the year 2025, the CBN Group did seek services of external legal counsel concerning determination of the Remuneration Policy or the role of the relevant stakeholders.

6.3. Performance-based remuneration policy for Identified Staff: key elements

6.3.1. Variable remuneration: principles

The 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 functions. The performance-based remuneration is a discretionary management tool and is based on a combination of the assessment of the employee and the overall result of the CBN Group. This remuneration varies according to the type of position held and is never a 'right' as it is not embedded in employment agreements.

The performance-based remuneration is awarded in a manner which promotes sound Risk Management and does not induce excessive risk-taking and respects the Risk Appetite of the CBN Group.

Identified Staff in control functions mainly enjoy fixed remuneration like all other CBN Group employees. If they receive variable remuneration, this will be linked to at least 50% non-financial targets and are largely (for at least 70%) specific to the staff position as a control function and separately from the business units they control.

Maximum ratios between fixed and variable remuneration have been set for Identified Staff employees, including the Management Board, at 20% for Risk Takers and Control Functions. The variable component shall not exceed 20% of the fixed component of the total remuneration for employees in the Netherlands.

These limiting ratios include levels of pay-outs covering 'above target' or exceptional performance and do not only reflect 'on target' or expected performance.

Variable remuneration is based on the applied (formal) annual performance cycle process, including a manager appraisal with the rationale for performance metric, formal approval by the Supervisory Board and adoption by the Shareholder.

The performance metric is based on clear and measurable Key Performance Indicators ('KPIs') that have been established prior to the performance period.

The KPIs are determined by the outcome of the applied process for which operational and/or compliance incidents are taken into account. Achieving the KPIs is a condition for granting variable remuneration. In the event of a weak score, the remuneration results in lower or (in extreme cases) no variable remuneration award.

The Supervisory Board retains the discretionary power to adjust downward the percentage of Variable Remuneration. Employment contracts do not award a right to variable remuneration.

6.3.2. Performance management

At the CBN Group, variable remuneration rewards top performance and performance management therefore has a crucial role to play.

At the start of the year, Identified Staff and their managers agree annual objectives and targets, reflecting a mix of performance criteria, financial and non-financial (ex-ante risk adjustments to performance management), qualitative and quantitative such as:

- The CBN Group financial targets on 'return on equity', expenses and compliance, which are determined annually by the CBN Group Management and are consistent for all staff in exception of staff in Control Functions; The targets of the latter are mainly function-specific, and not depending on the firm's commercial performance;
- The CBN Group non-financial targets on compliance, control and employee engagement which are determined annually by the CBN Group Management and are consistent for all staff; and
- Individual objectives including contribution to the CBN culture (and its core values Prudency, Transparency and Client focus) and subsidiary performance (if applicable), of which a number will be determined annually by the CBN Group Management.

Every KPI has a weighting factor expressed in a percentage of the total that corresponds to 100%. The weight of the KPIs may differ per category of Identified Staff and is included in the table below.

TABLE 8. WEIGHT PER KPI

CBN GROUP WEIGHT PER KPI (units)		
Label	Risk Takers	Control Function
CBN Group financial performance	0.1500	0.0000
CBN Group non-financial performance	0.1500	0.3000
Individual performance	0.7000	0.7000
Total	1.0000	1.0000

Performance criteria never encourages irresponsible risk-taking. Current and future risks are taken into account in the remuneration process via the above objectives and targets. The performance review at the end of the year results in a final assessment, which will be the basis for any variable remuneration staff might receive.

The targets regarding the CBN Group are set annually and depend on the strategic goals. These targets are set and assessed by the Management Board, and approved by the Supervisory Board, upon advice from the Remuneration Committee. The individual targets depend on the personal situation and are set and assessed by the hierarchical manager and approved by the Supervisory Board, upon advice from the Remuneration Committee. Financial KPI's will be adjusted for risks, including ESG Risks. Risk Management and Compliance also have an important role in this adjustment process.

6.3.3. Payment

Variable remuneration for Identified Staff is subject to deferral. The deferral scheme parameters apply according to the rules and legislation in force to ensure it remains subject to risk adjustments.

The ratios between the upfront and deferred portion of the variable remuneration for Identified Staff are linked to job position.

TABLE 9. VARIABLE REMUNERATION DEFERRAL

VARIABLE REMUNERATION DEFERRAL		
Label	Chair CBN Group	Other Identified Staff
Deferral period	4 years	4 years
Deferred portion	0.5000	0.4000

Unauthorized use of this report is prohibited.

Deferred variable remuneration is vested annually, with equal parts of cash and phantom shares vesting each year (phantom shares being the sole instrument. The Bank is not stock exchange listed; hence, related instruments are not applicable). The first deferred portion of the variable remuneration does not vest sooner than 12 months after the start of the deferral period. See the table below for an elaboration of such a scheme. No interest is paid during or after the deferral period.

TABLE 10. VARIABLE REMUNERATION DEFERRAL SPLIT

VARIABLE REMUNERATION DEFERRAL SPLIT						
Label	Year n Upfront payment	Year n+1 Tranche 1 Deferred payment	Year n+2 Tranche 2 Deferred payment	Year n+3 Tranche 3 Deferred payment	Year n+4 Tranche 4 Deferred payment	Year n+5 Tranche 5 Deferred Payment
Chair						
– Cash	0.2500	0.0625	0.0625	0.0625	0.0625	
– Shares		0.2500	0.0625	0.0625	0.0625	0.0625
Other Identified Staff						
– Cash	0.3000	0.0500	0.0500	0.0500	0.0500	
– Shares		0.3000	0.0500	0.0500	0.0500	0.0500

The CBN Group has set criteria for the application of malus and clawback to adjust awarded remuneration as part of the CBN Group Remuneration Policy, such as careless action, incorrect information and/or fraudulent behaviour by the employee or former employee.

6.3.4. Guaranteed bonus

Only in exceptional cases and only in the first year of employment may the CBN Group offer sign-on or guaranteed minimum bonuses to new employees. The CBN Group does not offer any form of guaranteed bonus or retention bonus to existing employees.

6.3.5. Severance payments

Severance payments are payable in accordance with article 1:125 AFS, relevant employment laws and industry specific regulations, including but not limited to the transitional payment (*'transitievergoeding'*), the (anticipated) equitable payment (*'billijke vergoeding'*) and the Dutch Corporate Governance Code. Payments related to early termination of a contract reflect performance achieved over time and do not reward failure.

7. Frequency of updates

The CBN Group will provide quantitative disclosure information and the qualitative disclosure information on an annual basis to its stakeholders. When information on risk exposure, monitoring or capital levels is significantly changed after filing of the Annual Report and the Supervisory Board is of the opinion that the changes need to be communicated to its stakeholders, appropriate disclosures will be made on an ad hoc basis.

8. Annual review

The Pillar 3 Disclosure information will be reviewed at least on an annual basis, or in the event deemed necessary, more frequently. The Pillar 3 disclosure is not subject to an external audit.

Annex I: CC1 – Composition of regulatory own funds

Template EU CC1 - Composition of regulatory own funds (EUR mm)			
Labels		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	54	33,34
	of which: Ordinary shares	5	33
	of which: Share premium	49	34
2	Retained earnings	292	39
3	Accumulated other comprehensive income (and other reserves)	10	35,36,37
EU-3a	Funds for general banking risk		
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1		
5	Minority interests (amount allowed in consolidated CET1)		
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend		
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	356	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(1)	
8	Intangible assets (net of related tax liability) (negative amount)	(0)	3
9	Not applicable		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)		
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value		
12	Negative amounts resulting from the calculation of expected loss amounts		
13	Any increase in equity that results from securitised assets (negative amount)		
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing		

Unauthorized use of this report is prohibited.

Template EU CC1 - Composition of regulatory own funds (EUR mm)			
Labels		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
15	Defined-benefit pension fund assets (negative amount)		
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)		
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
20	Not applicable		
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative		
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)		
EU-20c	of which: securitisation positions (negative amount)		
EU-20d	of which: free deliveries (negative amount)		
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)		
22	Amount exceeding the 17,65% threshold (negative amount)		
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities		
24	Not applicable		
25	of which: deferred tax assets arising from temporary differences		
EU-25a	Losses for the current financial year (negative amount)		

Unauthorized use of this report is prohibited.

Template EU CC1 - Composition of regulatory own funds (EUR mm)			
Labels		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)		
26	Not applicable		
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)		
27a	Other regulatory adjustments		
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)	(2)	
29	Common Equity Tier 1 (CET1) capital	354	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts		
31	of which: classified as equity under applicable accounting standards		
32	of which: classified as liabilities under applicable accounting standards		
33	Amount of qualifying items referred to in Article 484 (4) and the related share premium accounts subject to phase out from AT1		
EU-33a	Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1		
EU-33b	Amount of qualifying items referred to in Article 494b(1) subject to phase out from AT1		
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties		
35	of which: instruments issued by subsidiaries subject to phase out		
36	Additional Tier 1 (AT1) capital before regulatory adjustments		
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct and indirect holdings by an institution of own AT1 instruments (negative amount)		

Template EU CC1 - Composition of regulatory own funds (EUR mm)			
Labels		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
41	Not applicable		
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)		
42a	Other regulatory adjustments to AT1 capital		
43	Total regulatory adjustments to Additional Tier 1 (AT1) capital		
44	Additional Tier 1 (AT1) capital		
45	Tier 1 capital (T1 = CET1 + AT1)	354	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts		
47	Amount of qualifying items referred to in Article 484 (5) and the related share premium accounts subject to phase out from T2 as described in Article 486 (4) CRR		
EU-47a	Amount of qualifying items referred to in Article 494a (2) subject to phase out from T2		
EU-47b	Amount of qualifying items referred to in Article 494b (2) subject to phase out from T2		
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties		
49	of which: instruments issued by subsidiaries subject to phase out		
50	Credit risk adjustments		
51	Tier 2 (T2) capital before regulatory adjustments		

Unauthorized use of this report is prohibited.

Template EU CC1 - Composition of regulatory own funds (EUR mm)			
Labels		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect holdings by an institution of own T2 instruments and subordinated loans (negative amount)		
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)		
54	Direct and indirect holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)		
54a	Not applicable		
55	Direct and indirect holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)		
56	Not applicable		
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)		
56b	Other regulatory adjustments to T2 capital		
57	Total regulatory adjustments to Tier 2 (T2) capital		
58	Tier 2 (T2) capital		
59	Total capital (TC = T1 + T2)		354
60	Total risk exposure amount		1,389
Capital ratios and requirements including buffers			
61	Common Equity Tier 1		0.2551
62	Tier 1		0.2551
63	Total capital		0.2551
64	Institution CET1 overall capital requirements		0.0984
65	of which: capital conservation buffer requirement		0.0250
66	of which: countercyclical capital buffer requirement		0.0116
67	of which: systemic risk buffer requirement		

Unauthorized use of this report is prohibited.

Template EU CC1 - Composition of regulatory own funds (EUR mm)			
Labels		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement		
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	0.0168	
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	0.1452	
69	Not applicable		
70	Not applicable		
71	Not applicable		
Amounts below the thresholds for deduction (before risk weighting)			
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)		
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)		
74	Not applicable		
75	Deferred tax assets arising from temporary differences (amount below 17.65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	0	8
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)		
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	11	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)		
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach		

Unauthorized use of this report is prohibited.

Template EU CC1 - Composition of regulatory own funds (EUR mm)			
Labels		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements		
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)		
82	Current cap on AT1 instruments subject to phase out arrangements		
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)		
84	Current cap on T2 instruments subject to phase out arrangements		
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)		

Annex II: CC2 – Own funds reconciliation

K_66.02 - EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements (EUR mm)			
Labels	(a)	(b)	(c)
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	0010	0020	0030
Assets			
Non-Current assets			
Plant and equipment	0	0	
Right-of-use assets	1	1	
Intangible assets ¹	0	0	8
Financial assets at amortized cost	164	164	
Financial assets at fair value through profit and loss	0	0	
Receivables from affiliated companies	0	0	
Deferred tax assets	0	0	75
Current assets			
Trade receivables	5	5	
Derivative financial assets ²	30	30	
Other receivables and accrued income	35	35	
Receivables from affiliated companies	1	1	
Financial assets at amortized cost	446	446	
Financial assets at fair value through other comprehensive income ²	1,363	1,363	
Financial assets at fair value through profit and loss ²	0	0	
Cash and cash equivalents	6,251	6,251	
Total Assets	8,296	8,296	
Liabilities			
Non-Current liabilities			
Lease liabilities	0	0	
Deferred remuneration	0	0	
Other liabilities	0	0	
Tax liabilities	2	2	
Current liabilities			
Trade payables	1	1	
Derivative financial liabilities ²	28	28	

1 Is subject to capital deduction as other intangible assets.

2 Of which €1.4 million is subject to capital deduction of 0.1% as a Prudential Valuation Adjustment.

Unauthorized use of this report is prohibited.

K_66.02 - EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements (EUR mm)			
Labels	(a)	(b)	(c)
	Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
	0010	0020	0030
Other payables and accrued expenses	10	10	
payables to affiliated companies	1	1	
Provisions			
Deferred income	0	0	
Lease liabilities	0	0	
Tax liabilities	33	33	
Amount owed to depositors	7,819	7,819	
Total Liabilities	7,895	7,895	
Total shareholders' equity			
Share Capital	5	5	1
Additional paid in capital	49	49	1
Translation reserve	8	8	3
Other reserves	3	3	3
Revaluation of fair value financial instruments through other comprehensive income	0	0	3
Retained earnings:			
<i>Prior years Retained earning</i>	292	292	2
<i>Profit & Loss³</i>	115	115	
<i>Interim Dividend³</i>	(70)	(70)	
Total Shareholders' equity	401	401	

Column c in template EU CC2 includes the reference numbers of the regulatory own funds breakdown disclosed in template EU CC1.

There is no difference between the regulatory scope of consolidation defined and the consolidation scope in the financial statements in the financial statements.

In accordance with Articles 36, 37 and 41, as amended by CRR II, amounts of intangible assets are deducted from the CET1.

Additional value adjustments to assets measured at fair value are deducted from CET1 in accordance with Articles 34 and 105 as amended by CRR II. Prudent valuation adjustments are currently not deducted from credit risk exposure value.

³ Current year profit & Loss and interim dividends are not included in CET1

Annex III: KM1 – Key Metrics Template

Template EU KM1 - Key metrics template			
Labels		a	e
		December 31, 2025	December 31, 2024
Available own funds (amounts)			
1	Common Equity Tier 1 (CET1) capital	354	370
2	Tier 1 capital	354	370
3	Total capital	354	370
Risk-weighted exposure amounts			
4	Total risk-weighted exposure amount	1,389	1,260
4a	Total risk exposure pre-floor	1,389	1,260
Capital ratios (as a percentage of risk-weighted exposure amount)			
5	Common Equity Tier 1 ratio (%)	0.2551	0.2940
5a	Not applicable		
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	0.2551	0.2940
6	Tier 1 ratio (%)	0.2551	0.2940
6a	Not applicable		
6b	Tier 1 ratio considering unfloored TREA (%)	0.2551	0.2940
7	Total capital ratio (%)	0.2551	0.2940
EU 7a	Not applicable		
EU 7b	Total capital ratio considering unfloored TREA (%)	0.2551	0.2940
Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)			
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	0.0299	0.0299
EU 7e	of which: to be made up of CET1 capital (percentage points)	0.0168	0.0168
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	0.0224	0.0224
EU 7g	Total SREP own funds requirements (%)	0.1099	0.1099
Combined buffer requirement (as a percentage of risk-weighted exposure amount)			
8	Capital conservation buffer (%)	0.0250	0.0250
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)		
9	Institution specific countercyclical capital buffer (%)	0.0116	0.0120
EU 9a	Systemic risk buffer (%)		
10	Global Systemically Important Institution buffer (%)		
EU 10a	Other Systemically Important Institution buffer		

Unauthorized use of this report is prohibited.

Template EU KM1 - Key metrics template			
Labels		a	e
		December 31, 2025	December 31, 2024
11	Combined buffer requirement (%)	0.0366	0.0370
EU 11a	Overall capital requirements (%)	0.1465	0.1469
12	CET1 available after meeting the total SREP own funds requirements (%)	0.1452	0.1841
Leverage ratio			
13	Total exposure measure	8,744	8,658
14	Leverage ratio (%)	0.0405	0.0428
Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)			
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)		
EU 14b	of which: to be made up of CET1 capital (percentage points)		
EU 14c	Total SREP leverage ratio requirements (%)	0.0300	0.0300
Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)			
EU 14d	Leverage ratio buffer requirement (%)		
EU 14e	Overall leverage ratio requirements (%)	0.0300	0.0300
Liquidity Coverage Ratio			
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	5,050	4,479
EU 16a	Cash outflows - Total weighted value	4,747	4,485
EU 16b	Cash inflows - Total weighted value	2,091	1,983
16	Total net cash outflows (adjusted value)	2,656	2,502
17	Liquidity coverage ratio (%)	1.9644	1.8326
Net Stable Funding Ratio			
18	Total available stable funding	2,509	2,545
19	Total required stable funding	855	658
20	NSFR ratio (%)	2.9354	3.8699

Annex IV: CR1 – Performing and non-performing exposures and related provisions

Template EU CR1: Performing and non-performing exposures and related provisions (EUR mm)

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collaterals and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures - Accumulated impairment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3		of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3			
005	Cash balances at central banks and other demand deposits	5,732	5,732					(0)	(0)							
010	Loans and advances	620	620					(0)	(0)							
020	Central banks															
030	General governments															
040	Credit institutions	522	522					(0)	(0)							
050	Other financial corporations	97	97													
060	Non-financial corporations	0	0													
070	Of which: SMEs	0	0													
080	Households	0	0													
090	Debt Securities	1,910	1,910												85	
100	Central banks															
110	General governments	952	952													
120	Credit institutions	677	677												85	

Unauthorized use of this report is prohibited.

Template EU CR1: Performing and non-performing exposures and related provisions (EUR mm)																
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collaterals and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures - Accumulated impairment and provisions			Non-performing exposures - Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3		of which: stage 1	of which: stage 2		of which: stage 2	of which: stage 3			
130	Other financial corporations	281	281													
140	Non-financial corporations															
150	Off-balance sheet exposures	520	520													
160	Central banks															
170	General governments															
180	Credit institutions															
190	Other financial corporations	519	519													
200	Non-financial corporations	0	0													
210	Households															
220	Total	8,782	8,782					(0)	(0)						85	

Annex V: CQ3 – Credit quality of performing and non-performing exposures by past due days

		Template EU CQ3 - Credit quality of performing and non-performing exposures by past due days (EUR mm)											
		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount / Nominal amount											
		Performing exposures			Non-performing exposures								
	Not past due or Past due < 30 days	Past due > 30 days < 90 days		Unlikely to pay that are not past-due or past-due < = 90 days	Past due > 90 days < = 180 days	Past due > 180 days < = 1 year	Past due > 1 year < = 2 years	Past due > 2 year < = 5 years	Past due > 5 year < = 7 years	Past due > 7 years	Of which defaulted		
005	Cash balances at central banks and other demand deposits	5,732	5,732										
010	Loans and advances	620	620										
020	<i>Central banks</i>												
030	<i>General governments</i>												
040	<i>Credit institutions</i>	522	522										
050	<i>Other financial corporations</i>	97	97										
060	<i>Non-financial corporations</i>												
070	<i>Of which SMEs</i>												
080	<i>Households</i>												
090	Debt Securities	1,910	1,910										
100	<i>Central banks</i>												
110	<i>General governments</i>	952	952										
120	<i>Credit institutions</i>	677	677										
130	<i>Other financial corporations</i>	281	281										
140	<i>Non-financial corporations</i>												

Unauthorized use of this report is prohibited.

Template EU CQ3 - Credit quality of performing and non-performing exposures by past due days (EUR mm)													
		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount / Nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or Past due < 30 days	Past due > 30 days < 90 days		Unlikely to pay that are not past-due or past-due < = 90 days	Past due > 90 days < = 180 days	Past due > 180 days < = 1 year	Past due > 1 year < = 2 years	Past due > 2 year < = 5 years	Past due > 5 year < = 7 years	Past due > 7 years	Of which defaulted
150	Off-balance sheet exposures	520											
160	Central banks												
170	General governments												
180	Credit institutions												
190	Other financial corporations	519											
200	Non-financial corporations												
210	Households												
220	Total	8,782	8,262										

Annex VI: OR2 – Business Indicator, components and subcomponents

Template EU OR2 - Business Indicator, components and subcomponents (EUR mm)					
BI and its subcomponents		a	b	c	d
		T	T-1	T-2	Average value
1	Interest, lease and dividend component (ILDC)				176
EU 1	ILDC related to the individual institution/consolidated Group (excluding entities considered by Article 314(3))				176
1a	Interest and lease income				
1b	Interest and lease expense				
1c	Total assets/Asset component				
1d	Dividend income/dividend component				
2	Services component (SC)				93
2a	Fee and commission income				
2b	Fee and commission expense				
2c	Other operating income				
2d	Other operating expense				
3	Financial component (FC)				0
3a	Net profit or loss applicable to trading book (TB)				
3b	Net profit or loss applicable to banking book (BB)				
EU 3c	Approach followed to determine the TB/BB boundary (PBA or accounting approach)				Accounting approach
4	Business Indicator (BI)				269
5	Business indicator component (BIC)				32

Disclosure on the BI:		a
6a	BI gross of excluded divested activities	269
6b	Reduction in BI due to excluded divested activities	
EU 6c	Impact in BI of mergers/acquisitions	

Annex VII: OR3 – Operational risk own funds requirements and risk exposure amounts

Template EU OR3 - Operational risk own funds requirements and risk exposure amounts (EUR mm)		a
1	Business Indicator Component (BIC)	32
EU1	Alternative Standardised Approach (ASA) Own Funds Requirements (OROF) under Article 314(4)	
2	Not applicable	
3	Minimum Required Operational Risk Own Funds Requirements (OROF)	32
4	Operational Risk Exposure Amounts (REA)	404

Annex VIII: OV1 – Overview of total risk exposure amount

Template EU OV1 – Overview of total risk exposure amounts (EUR mm)				
Labels		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		a	b	c
		December 31, 2025	December 31, 2024	December 31, 2025
1	Credit risk (excluding CCR)	823	675	66
2	Of which the standardised approach	823	675	66
3	Of which the Foundation IRB (F-IRB) approach			
4	Of which: slotting approach			
EU 4a	Of which: equities under the simple risk weighted approach			
5	Of which the Advanced IRB (A-IRB) approach			
6	Counterparty credit risk - CCR	43	50	3
7	Of which the standardised approach	43	50	3
8	Of which internal model method (IMM)			
EU 8a	Of which exposures to a CCP			
9	Of which other CCR			
10	Credit valuation adjustments risk - CVA risk	29	22	2
EU 10a	Of which the standardised approach (SA)			
EU 10b	Of which the basic approach (F-BA and R-BA)	29	N/A	2
EU 10c	Of which the simplified approach			
11	Not applicable			
12	Not applicable			
13	Not applicable			
14	Not applicable			
15	Settlement risk			
16	Securitisation exposures in the non-trading book (after the cap)	88	123	7
17	Of which SEC-IRBA approach			
18	Of which SEC-ERBA (including IAA)	86	120	7

Unauthorized use of this report is prohibited.

Template EU OV1 – Overview of total risk exposure amounts (EUR mm)				
Labels		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		a	b	c
		December 31, 2025	December 31, 2024	December 31, 2025
19	Of which SEC-SA approach	2	3	0
EU 19a	Of which 1250% / deduction			
20	Position, foreign exchange and commodities risks (Market risk)	2	5	0
21	Of which the Alternative standardised approach (A-SA)			
EU 21a	Of which the Simplified standardised approach (S-SA)			
22	Of which the Alternative Internal Models Approach (A-IMA)			
EU 22a	Large exposures			
23	Reclassifications between trading and non-trading books			
24	Operational risk	404	384	32
EU 24a	Exposures to crypto-assets			
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	0	0	0
26	Output floor applied (%)			
27	Floor adjustment (before application of transitional cap)			
28	Floor adjustment (after application of transitional cap)			
29	Total	1,389	1,260	111

On Solo level, the CBN Group treats investment in subsidiaries as exposure, and does not deduct it from own funds.

Annex IX: EU REM1 – Remuneration awarded for the financial year

Remuneration awarded for the financial year (EUR mm)						
Labels			a	b	c	d
			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	4	4	4	6
2		Total fixed remuneration	0.3	1.6	1.0	1.0
3		Of which: cash based	0.3	1.2	0.8	0.8
4		(Not applicable in the EU)				
EU-4a		Of which: shares or equivalent ownership interest				
5		Of which: share-linked instruments or equivalent non-cash instruments				
EU-5x		Of which: other instruments				
6		(Not applicable in the EU)				
7		Of which: other forms		0.5	0.1	0.2
8		(Not applicable in the EU)				
9	Variable remuneration	Number of identified staff	4	4	4	6
10		Total variable remuneration		0.4	0.2	0.1
11		Of which: cash based		0.2	0.1	0.1
12		Of which: deferred		0.1	0.0	
EU-13a		Of which: shares or equivalent ownership interest				
EU-14a		Of which: deferred				
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments				

Unauthorized use of this report is prohibited.

Remuneration awarded for the financial year (EUR mm)			a	b	c	d
Labels			MB Supervisory function	MB Management function	Other senior management	Other identified staff
EU-14b		Of which: deferred				
EU-14x		Of which: other instruments				
EU-14y		Of which: deferred				
15		Of which: other forms		0.2	0.1	
16		Of which: deferred		0.2	0.1	
17	Total remuneration (2+10)		0.3	2.0	1.1	1.1

Annex X: EU REM3 – Deferred remuneration

Deferred remuneration (EUR mm)		a	b	c	d	e	f	EU - g	EU - h
Deferred and retained remuneration		Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	MB Supervisory function								
2	Cash-based								
3	Shares or equivalent ownership interest								
4	Share-linked instruments or equivalent non-cash instruments								
5	Other instruments								
6	Other forms								
7	MB Management function	0.4	0.2	0.3	0.1	0.1	0.0	0.1	0.1
8	Cash-based	0.3	0.1	0.2	0.0	0.0	0.0	0.1	0.0
9	Shares or equivalent ownership interest								

Unauthorized use of this report is prohibited.

Deferred remuneration (EUR mm)		a	b	c	d	e	f	EU - g	EU - h
Deferred and retained remuneration		Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
10	Share-linked instruments or equivalent non-cash instruments								
11	Other instruments								
12	Other forms	0.2	0.1	0.1	0.1	0.1			0.1
13	Other senior management	0.2	0.1	0.1	0.0	0.0	0.0	0.0	0.0
14	Cash-based	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0
15	Shares or equivalent ownership interest								
16	Share-linked instruments or equivalent non-cash instruments								
17	Other instruments								
18	Other forms	0.1	0.0	0.0	0.0	0.0			0.0
19	Other identified staff	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
20	Cash-based	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Unauthorized use of this report is prohibited.

Deferred remuneration (EUR mm)		a	b	c	d	e	f	EU - g	EU - h
Deferred and retained remuneration		Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
21	Shares or equivalent ownership interest								
22	Share-linked instruments or equivalent non-cash instruments								
23	Other instruments								
24	Other forms								
25	Total	0.6	0.2	0.4	0.1	0.1		0.1	0.1