# Annual Report FY2024

For the year ended 31 March 2025

**MUFG Bank (Europe) N.V.**

A member of MUFG, a global financial group

MUFG

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Management message

# Message from the CEO

I am pleased to report that MUFG Bank (Europe) N.V. (the Bank) has entered into a phase of growth and increased profitability. Following a successful return to profit under our FY21–FY23 business plan, our focus for FY24–FY26 is clear: to grow our business, optimise our operations and build a stronger, simpler, and more sustainable platform for the future.

The Bank is the cornerstone of this strategy. As we explore further integration of our platforms, our aim is to create a unified, more powerful client offering—delivered through a simplified integrated European platform that enables scale, efficiency and enhanced service and paired with a strong risk culture.

## Focus on clients and services

At the Bank, our client purpose is grounded in three core strengths:

- Supporting our global clients in Europe, wherever their business takes them
- Delivering seamless, cross-border solutions for European clients with global ambitions
- Providing world-class financing, leveraging MUFG's extensive global capabilities across sectors and asset classes

Mitsubishi UFJ Financial Group, Inc (the Group) operates in over 40 countries, with over 120,000 professionals serving clients worldwide. The Bank continues to grow as a foundational part of our global model. We are expanding our on-the-ground presence in Europe, for example by strengthening our financial institutions teams and building a leveraged finance capability in Frankfurt.

As part of our broader growth plans, we are investing in talent, deepening our capabilities, and fostering a values-driven culture grounded in collaboration, integrity, and a strong sense of belonging to our parent bank.

## Transformation

Our transformation across the European Union (EU) is well underway. Through a hub-and-spoke model, we are placing expertise where it matters—local presence for proximity to clients, and regional hubs for scale, collaboration, and depth of expertise.

We are aligning platforms to deliver a streamlined and efficient operating model, supporting future growth and regulatory readiness. In parallel, we are investing in technology, upgrading core systems, and exploring how artificial intelligence (AI) and robotics can help us scale more effectively and deliver higher-quality outcomes.

Management message

# Message from the CEO

## Culture and people

We are a truly international organisation, with over 50 nationalities represented at the Bank. This diversity is a strength, but also requires us to be intentional in defining our shared identity and how we collaborate across Europe.

Fostering a culture of purpose, belonging, and collaboration is essential. We have made meaningful progress; illustrated by improvements in 16 out of 18 employee engagement indicators, and we are committed to creating an environment where people feel empowered to speak up, own and contribute.

We have set high expectations for our leadership, and we are investing time on the ground with teams, breaking down silos and promoting knowledge sharing. Our network of "culture influencers" and growing corporate networks is helping to maintain close touch points across the organisation, support open levels of feedback, create inclusiveness and ensure we extract value out of our diversity. Our purpose is reflected in the staff participation rate for corporate social responsibility activities up to 50% during 2024.

The MUFG way[1], our shared values of integrity, teamwork, and agility, guides everything that we do and how we do it. Developing a team of people who feel truly connected to our business, our clients and its purpose.

## Sustainability

Sustainability is a central pillar of our growth strategy. We see a clear opportunity—and responsibility—to help our clients navigate constructively lasting change and impact. The Bank has an enterprise-wide strategy to manage sustainability agendas comprehensively, promoting our own activities and upgrading our internal control and risk management in the midst of heightening regulatory expectations.

## Outlook

While external risks continue to be elevated—from geopolitical tensions to evolving trade dynamics—we remain confident in the underlying resilience of the European economy. A more stable inflation environment, coupled with fiscal reform and green investment ambitions, offers a constructive backdrop for growth and confirms our strategic direction. With increased market volatility and uncertainty, we are focusing on continued strong risk management discipline and frameworks. Our mission is to ensure we keep risks well under control in order to deliver better to our clients and other stakeholders.

At the Bank, we have a clear path forward. Our strategy is focused on building a stronger, simpler, and more sustainable model -one that drives long-term value for our clients and contributes to the Group's global vision of becoming the world's most trusted financial group.

*Harm Bots, Chief Executive Officer (CEO)*

[1] For more information, visit the website on the MUFG way

Management message

# Message from the Supervisory Board Chair

## Strong financial performance

The year to March 2025 marked the Bank's third consecutive year of profitability, a clear testament to the hard work and focus of every employee across MUFG Europe.

Achieving enhanced and sustainable profitability is a core objective of the Bank's Medium-Term Business Plan (MTBP). Through disciplined cost management and business growth, the Bank has exceeded profit targets. Business growth has been driven while interest income has been under pressure due to falling rates. Efforts to encourage cross-selling, targeted diversification to higher-yielding assets, and develop new opportunities with non-investment grade clients and the financial institutions sector have started to contribute positively.

## Enhancing control to enable growth

Another key MTBP objective is the continued strengthening of controls. The Supervisory Board (SB) fully supports the Bank's work to enhance its control framework. In recent years, the Bank has significantly improved its risk management practices, and we are pleased to see a growing culture of risk awareness embedded across the business. This has enabled the strategic pivot, allowing the Bank to serve broader client segments with a broader spectrum of products including providing leveraged, project, and structured finance. Recent transactions have showcased our strengths as a global financing bank, supporting the energy transition, and positioning our strong capabilities with new client segments including financial institutions.

## Simplification and collaboration

During visits by the SB and Management Board (MB) to the Madrid branch, we observed tangible progress toward the MTBP goals of simplified governance and improved efficiency, paired with a strong client focus and orientation. This approach reflects the "One MUFG" vision—a global principle focused on simplifying structures, enhancing collaboration, and breaking down silos across geographies and business lines. Building a culture of collaboration has also manifested itself in the new office design that has been implemented in Amsterdam. Employees have responded positively to the enhanced workspace, designed to foster collaboration across business areas and with colleagues from MUFG Securities (Europe) N.V. (MUS(EU)), now brought together into a single premise. The redesign has also supported employee well being and advanced our sustainability goals.

Management message

# Message from the Supervisory Board Chair

## Sustainability

This year, for the first time, the Bank has included a detailed sustainability statement in its Annual Report. Both the SB and MB have examined the requirements of the Corporate Sustainability Reporting Directive (CSRD) in depth—considering risk, audit, and compliance—while also evaluating how our business units are progressing towards sustainability goals. These goals align closely with MUFG's global pillars, and we remain committed to supporting clients through their own energy transition journeys. MUFG's global management has expressed strong support for our sustainability efforts in the EU.

## Anchoring of a new strategic plan

Looking ahead to the second half of the MTBP period, MUFG in the EU will continue on its transformation journey. We aim to further integrate our banking and securities operations, allowing us to enhance our resilience and booking flexibility in light of CRD6, position for future growth, deliver scalability and simplify product delivery. These plans will deliver a strong EU entity as platform for our growing business, underpinned by new client segments and more and better product. We have change delivery track record, having already delivered significant transformation in recent years. It is vital that we now implement the next phase of our strategic plan in a responsible and stakeholder-conscious manner.

Together, we have made remarkable progress in reshaping our EU business and reinforcing stakeholder trust. On behalf of the Supervisory Board, I would like to express sincere thanks to all employees and management for their continued dedication and efforts in bringing the Bank to its current strong position.

*Wietze Reehoorn, Chair*

# Corporate value

Corporate value

# At a glance

**Total net result** (thousands of €s)

134,984

FY23 191,530

**Cost to income ratio**

44%

FY23 38%

**Operating income** (thousands of €s)

391,003

FY23 415,027

**Operating expenses** (thousands of €s)

170,851

FY23 157,045

**Total employees**

671

FY23 626

**Total loans & advances** (in millions of €s)

9,577

FY23 9,026

Corporate value

# Who we are

The Bank is the primary entity for our EU business, incorporated in the Netherlands and supervised by De Nederlandsche Bank N.V. (DNB), the central bank of the Netherlands. The Bank is a wholly-owned subsidiary of MUFG Bank Ltd. (the Parent), one of the world's largest banks in terms of assets, with more than a century of experience in both Japan and the international financial markets. The Bank offers a comprehensive financial product suite, serving a solid global client base, that has been established following more than 60 years of experience in Europe. Our clients include some of the leading and largest EU headquartered global corporates. We aim to fulfil our corporate clients' needs, working with our parent bank and taking full advantage of the exceptional network and resources of the Group.

The principal activities of the Bank are described in the section Our business model & activities.


MUFG Bank (Europe) N.V.
MUFG Bank (Europe) Office
MUFG Bank (Europe) Rep Office

Corporate value

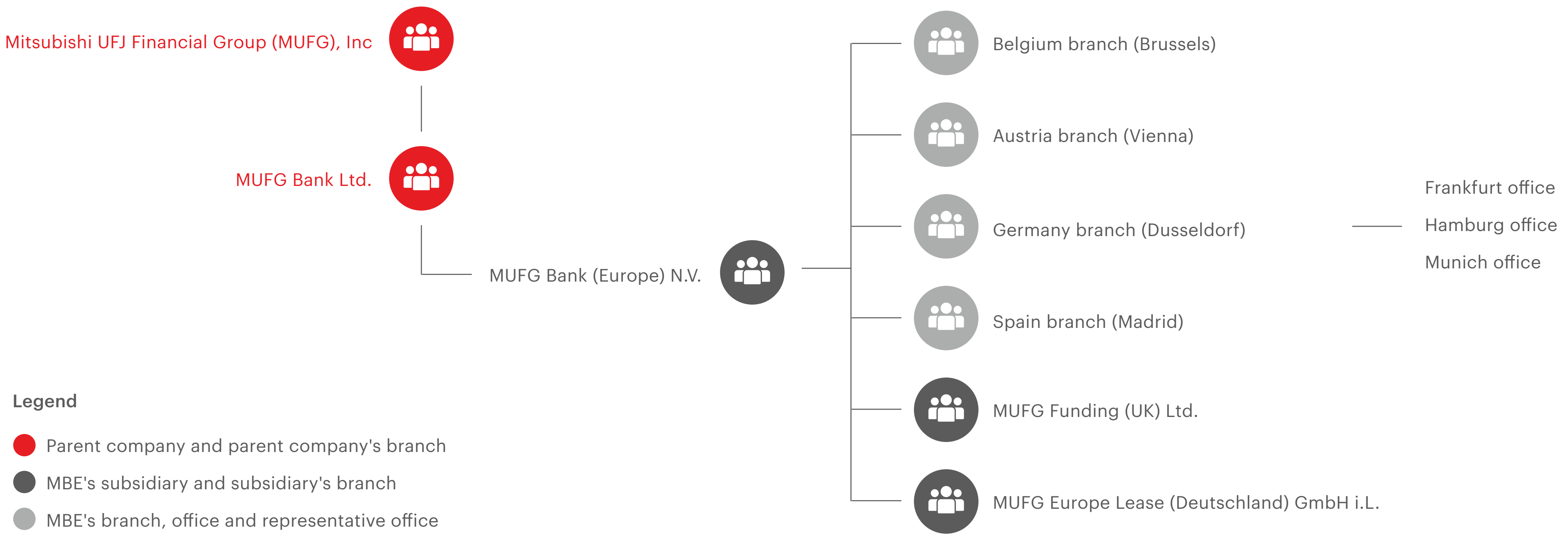
# Who we are

**Corporate structure**

The Bank is a statutory two-tiered company under Dutch law. All shares are held by MUFG Bank Ltd., Tokyo, Japan. The ultimate parent is Mitsubishi UFJ Financial Group, Inc., Tokyo, Japan.

The Bank operates in the Netherlands (Amsterdam) and through branches in the following countries: Austria (Vienna), Belgium (Brussels), Germany (Dusseldorf) and Spain (Madrid). The Bank also has two subsidiaries: MUFG Funding (UK) Limited and MUFG Europe Lease (Deutschland) GmbH i.L.

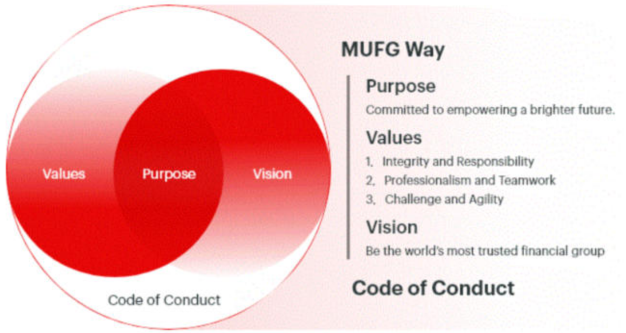
The Bank has its statutory seat in Amsterdam, the Netherlands. The Bank's head office is located at Strawinskylaan 1887, 1077XX Amsterdam. The Dutch chamber of commerce number is 33132501.



Corporate value

# Our business model & activities

MUFG's vision is to be the world's most trusted financial group by providing the highest quality service for clients, while building sustainable trust with the communities where we operate. In this way, we can serve clients and society, and foster shared and sustainable growth. This corporate vision underlies and guides all MUFG activities as we grow our business. Our unchanging purpose now, and looking forward, is to empower a brighter future for our stakeholders.




To achieve our vision, our highest priority is protecting the interests of our clients, while maintaining a robust organisation that is effective, professional and responsive. This requires a strong understanding of the individual needs of our clients, so we can provide them with reliable and strategic support and help them achieve their business strategy. As part of a prominent Japanese banking group with an excellent international reputation, the Bank aims to fulfil its corporate clients' needs in cooperation with its parent bank.

The Bank's competitiveness derives from its capacity to meet clients' financial needs through a variety of international services and products, the extensive global network and client base of MUFG, its expertise and experience in corporate banking, and -most importantly -its commitment to building durable relationships with clients.

We offer a broad range of products, including corporate finance and lending, aviation finance, project finance, leveraged finance, treasury services, cash management and payment services, trade finance, supply chain finance, international syndicated finance, securitisation and other activities. Additionally, the Bank acts as an intermediary connecting clients to other banks for new underwriting and existing facilities. Through our branches, we serve a growing number of companies active in continental Europe. Our activities include the introduction of our corporate clients to other members or affiliates of the Group. Our corporate client portfolio consists of Japanese-based and global clients. We work in partnership with other entities within the Group, allowing us to offer tailor-made solutions to our clients. The strength and global presence of the Group, in which we play a key role, enables us to provide a strong business case to prospective companies.

In line with the Parent, we continue to focus on growing our corporate client portfolio, with a special focus on global corporate business opportunities. The global markets division of the Europe, Middle East, and Africa (EMEA) regional office remains our sole counterparty for executing our inter-bank funding market. Our objective is to serve our global clients seamlessly as a financially viable and sustainable entity as an integral part of the Group's EMEA business.

Corporate value

# Client focus

To learn more about our clients' experience of working with the Bank, here are some client testimonials.

## Elawan Energy

"At Elawan Energy, a subsidiary of the ORIX Group, we are proud to partner with financial institutions like MUFG, whose commitment to advancing sustainable finance aligns seamlessly with our vision of driving the energy transition. Their support as one of our corporate and project finance lenders has been instrumental in enabling us to develop and execute renewable energy projects that contribute to a greener, more sustainable future. This collaboration reflects a shared dedication to creating value for stakeholders while addressing the global need for clean energy solutions. Together, we are making strides toward achieving a low-carbon future and demonstrating the critical role of responsible financing in accelerating the shift toward sustainability."

*Ignacio Pérez Feito | Chief Financial Officer, Elawan Energy*

elawan energy

AN ORIX COMPANY

## Van Mossel

"The team of MUFG strongly supported our recent growth in the Benelux. They really co-operate in a very down-to-earth way of working and have in-depth knowledge of all automotive developments. We see MUFG as an essential partner in our strategic roll out to other European countries and in jointly working on new financial solutions to finance our leasing and automotive activities."

*Geert Hoek | Chief Financial Officer, Van Mossel Automotive Group*

Van Mossel

Corporate value

# Client focus

## AGC Glass Europe

"The AGC Glass Europe Group is a leading producer of flat glass for the construction and automotive industries. Since many years, MUFG is a key bank for AGC Glass Europe and MUFG supports us efficiently in markets such as the UK and Belgium and with different products such as short-term and long-term financing, foreign exchange and guarantees. We particularly appreciate the long-term trust and commitment to our Group, the high level of service and expertise as well as the extended international network of MUFG coupled with an efficient one single point of contact within the Bank."

*Stéphane Voos | Group treasurer, AGC Glass Europe*

## Daimler Truck AG

"MUFG Bank has been a reliable partner for us since our spin-off in 2021, supporting us across various markets and a wide range of needs. As one of our core banks, their expertise and their proactive approach to providing tailored solutions have been invaluable. MUFG's dependable and innovative financial services continuously contribute to our global growth and strategic initiatives."

*Claus Bässler | Vice president treasury & tax, Daimler Truck AG*

## Mitsubishi Electric Europe B.V., German Branch

"Mitsubishi Electric Europe B.V., German Branch was founded in 1978 as a 100% subsidiary of Mitsubishi Electric Corporation (Tokyo, Japan) and is engaged in the sale of electric and electronic products and related services in the European market. MUFG is our core banking partner for more than 40 years and strongly supported our business activities in the areas of banking, guarantees and foreign exchange management. Having MUFG as our partner, we have enjoyed excellent service and valuable inputs over all these years."

*Andreas Wagner | President, Mitsubishi Electric Europe B.V., German branch*

## JAB Holding

"MUFG's combination of long-term view, global perspective and local relationships is second to none. I am always impressed by the range of capabilities across functions and geographies, including Europe, North America and Asia. MUFG is for us not only a bank, but a true capital partner."

*Rafael Cunha | Chief Financial Officer, JAB Holding*

Corporate value

# Corporate governance

The Bank adheres to the principles and best practice provisions regarding corporate governance, as laid down in the Dutch Corporate Governance Code and chooses to apply this voluntarily being a non-listed financial institution. The Bank has a code of conduct, corporate governance framework and governance-related policies such as a whistleblowing policy and insider trading rules that apply to all employees and others working with the Bank. All employees joining the Bank in the Netherlands, including the MB members and SB members, have taken the Banker's Oath. Both the code of conduct and the Banker's Oath emphasise the role of banks in society and their commitment to meeting societal expectations and contributing to public trust in banks. Meetings and training on our core values and behaviours are regularly organised to ensure the highest level of integrity of all staff.

## Corporate governance framework

The Bank has a two-tiered board governance structure with two management bodies, the MB with its executive functions and the SB with non-executive supervisory functions. The MB and its standing committees are responsible for providing effective governance over Bank affairs for the benefit of its clients, employees, shareholder(s) and other stakeholders. As part of their responsibilities, the MB developed the corporate governance framework to establish a common set of clear expectations and responsibilities for how the Bank, the MB and its committees should perform their roles and duties, and interact with its affiliates, the shareholder and the SB.

The MB is ultimately responsible for an effective control environment and management of risks in the Bank, supported by several committees listed below:

- Operations & IT committee
- Business continuity committee
- Risk management committee
- Credit committee
- Compliance committee
- Client acceptance committee
- Asset liability management committee
- New product committee
- Data management committee
- Outsourcing committee
- Breach control committee
- ESG committee

The SB approves the risk profile and control framework of the Bank. The SB supervises, advises and challenges the MB in the exercise of its duties, and is responsible for the general course of business of the Bank and its related companies pursuant to the Bank’s articles of association, MUFG principles of ethics and conduct, and prevailing legal and regulatory requirements, including the Dutch Banking Code. The SB plays a vital role in the corporate governance framework of the Bank.

The SB established an audit, compliance and risk management committee (ACRMC). The ACRMC is responsible for supervising matters related to financial reporting, risk, and compliance. The task of the ACRMC is to prepare the SB for making final decisions by holding prior and separate meetings with internal audit, the Chief Risk Officer (CRO) and the Chief Financial Officer (CFO) and representatives of those functions, as well as the external auditors of the Bank.

Underpinning the importance of good corporate governance, the Bank has a separate compliance division, risk division and internal audit division. The compliance division is headed by the Chief Compliance Officer (CCO) who reports to the CRO.

Corporate value

# Dutch Banking Code

The Dutch Banking Code sets out principles that banks with a corporate seat in the Netherlands should observe in terms of corporate governance, risk management, audit and remuneration. The Bank implements the principles of the Dutch Banking Code. The principles fit within the corporate governance principles applied by the Parent.

All important issues addressed in the banking code and similar rules and regulations are discussed in the MB and committee meetings including risk management (especially credit risk and provisioning), compliance, audit and internal control framework, remuneration and the new product approval process.

Mindful of the characteristics of and circumstances surrounding the Bank as explained below, we have decided not to apply the following provisions of the Dutch Banking Code:

- No variable remuneration is paid to SB members appointed by the Bank, pursuant to the Parent group policy in this respect
- Regarding the composition of the SB in relation to independence, the composition of the SB is such that up to a maximum of 50% are non-independent SB members.
  Pursuant to the SB by-laws of the Bank, the chair of the SB is independent and in each meeting the independent members are jointly capable of casting at least half the votes

The reasons for not applying these provisions of the Dutch Banking Code result from the following characteristics and circumstances of the Bank:

- The Parent is the sole (100%) shareholder of the Bank; as a consequence, the shares of the Bank are not listed
- The shareholder, the Parent, also acts as the global head office of the Bank, implying central oversight in key areas such as risk management, compliance, internal audit, and financial and management accounting
- Important statutory authorities are assigned to the shareholder, such as appointment of SB members, MB members and the external auditor
- In terms of organisation and management control, the Bank is part of a larger, internationally operating banking group, supervised by the financial supervisory authorities of the home country, Japan

# Strategy to improve corporate value

Strategy to improve corporate value

# Medium term business plan

The previous FY21-FY23 MTBP was centred around returning the Bank to profitability, which was achieved through strong business performance, a well-managed cost base and the implementation of planned strategic initiatives.

Revenue performance and business growth were achieved by delivering assets growth, diversifying income streams including expansion of foreign exchange (FX) capabilities, enhanced balance sheet optimisation and improving net interest margin (NIM) combined with active portfolio management and strategic asset and liability management (ALM) initiatives. Consistently disciplined cost management, while simultaneously supporting the key strategic and business initiatives, ensured profit remained robust.

The MB is committed to improving the Bank's profitability in a controlled and sustainable manner over the next few years. Our focus is to grow our business, optimise our EU operations and build a stronger, simpler, and more sustainable platform for the future.

In this context our three-year FY24-FY26 MTBP focuses on:
1. Simplifying our platform in order to reduce organisational complexity and support business growth
2. Transforming into a leaner organisation –enhancing efficiency and optimising our resources
3. Creating further sustainable growth –building our business and driving a strong culture

## Simplifying our platform and transforming into a leaner organisation

It is the Bank's intention to explore the integration of our platform to deliver a streamlined and efficient operating model, supporting future growth and regulatory readiness. In parallel, we are investing in technology, upgrading core systems, and exploring how AI and robotics can help us scale more effectively and deliver higher-quality outcomes. Simplifying the platform and transforming into a leaner organisation are considered the main challenges for further sustainable growth to be addressed during the current MTBP period.

## Create further sustainable growth

The Bank aims to increase the profitability of its assets and create new business opportunities. To advance this, the Bank continues to expand its product offering and strengthen its existing product capabilities to ensure it can provide its customers with a seamless and timely service. To realise the Group's vision to be the world’s most trusted financial group, the Bank operates within an extensive risk management framework and adheres closely to regulatory requirements.

| Financial year | Focus points | Progress |
|---|---|---|
| FY24 | Business growth initiatives and consistently disciplined cost management | • Further simplified functions and streamlined organisational structure.<br>• Continuing to diversify revenue by expanding product offering and capabilities. |

Strategy to improve corporate value

# The Bank's outsourcing direction

In line with the strategy, the Bank operates a profitable and scalable business model, with an integrated network of EU branches, while leveraging the centre of excellence capabilities of MUFG EMEA in London. The strategy aims to make optimal use of the economies of scale and expertise that are available in a global organisation. This includes support for transactions and payments processing, IT service and delivery (including infrastructure). Further, commercial departments and staff functions make use of services provided by specialists located in London. The model maintains an appropriate balance between leveraging the Group’s capabilities, whilst controlling the safety and soundness of the Bank.

A dedicated resilience team supports the organisation with outsourcing matters. All business processes have been evaluated to identify services which may qualify as outsourcing. These services have been subject to criticality and risk assessments, using a set of structured metrics. Inter affiliate agreements (IAAs) articulate the relevant service levels and key performance indicators (KPIs), which are used by business owners to monitor and evaluate that the services meet the agreed standards. The outsourcing committee ensures appropriate governance, steering and oversight.

The resilience team has coordinated a review of all outsourcing agreements, thereby ensuring compliance with the Digital Operational Resilience Act (DORA). Outsourced services have been linked to critical and important functions (CIFs), the IAAs have been enhanced with clauses on criticality of the service, termination rights, access and inspection rights, and applicable incident notification timelines.

Strategy to improve corporate value

# Risk management

## Developments

### External risk environment

The external risk environment remained turbulent over the course of FY24. Persistent geopolitical uncertainty, driven by wars in Ukraine and the Middle East, and political changes in the US and EU, were a dominant theme throughout the year. Macro-economic risk increased after March 2025 following announcements of US trade policy, with new import taxes announced in April 2025 including custom tariffs on EU and Japan. While tariffs were mostly delayed and markets stabilized, the ripple effects remain a tangible risk for economic growth going forward.

Still the macroeconomic picture in Europe improved, and the EU inflation showed a downward trend allowing the European Central Bank (ECB) to decrease the key interest rate. In the US, economic activity remained strong but with a persistent inflation, to which the Federal Reserve reacted with a less accommodative interest rate reduction than was anticipated by market participants. Despite aforementioned geopolitical instability, credit risk in the Bank’s portfolio has remained stable with a slight increase over the year.

Complex regulatory requirements and rapid changes continued to pose a challenge, in particular regulatory changes related to payment infrastructure, operational resilience, and climate change.

The Bank has allocated significant resources to implement these changes, where applicable implementation effort will continue in FY25 to ensure structural incorporation in business as usual (BAU) processes.

Cyber risk remains a concern, as phishing attacks are on the rise in the financial services industry, with increasing sophistication. With generative AI and large language models widely used, malicious actors are launching attacks at machine speed and scale. The Bank is dedicated to proactively strengthen its cybersecurity measures to provide protection against evolving threats. Every month, the Bank reviews external developments to assess and continually improve its cyber response and recovery capabilities in order to be able to keep pace with ever-evolving attack scenarios. While it's impossible to be completely prepared for every eventuality, this approach helps the Bank stay as prepared as possible to adapt and respond effectively to changes, thereby reducing any potential impact on its stability and profitability. The Bank invests significant effort and resources into these ongoing assessments and improvements, demonstrating our commitment to safeguarding our operations and customers. The Bank has implemented robust measures to protect its systems and data, such as encryption, multi-factor authentication, network layering, data loss prevention, and continuous monitoring and logging. The Bank also makes use of the Group's global expertise and resources, including security operation centres on different continents to continuously monitor and act upon the emerging cyber threats on its digital assets.

### Internal risk management framework

The Bank enhanced its control framework to improve management of risks and ensure sustainable profitability. This effort involved fortifying the risk management framework (RMF) through several key initiatives. Firstly, enhancements were made to the RMF and risk appetite statement (RAS) to further align with MUFG EMEA, ensuring more efficient governance and effective control over the risks.

Following the completion of the climate-related and environmental (C&E) risk materiality assessments, the Bank continued implementing those considerations in the risk framework. In terms of governance, the risk management committee (RMC)'s scope now includes C&E, while also being included in the RMF, RAS, and relevant policy and procedure documents, as well as relevant internal processes.

Moreover, climate risk scoring has been developed at top-down and bottom-up levels. Risk oversight continues to advance given business strategy on products with increased risk taking opportunities. The Bank has also enhanced risk models, namely the credit risk stress testing model and concentration risk model.

In the area of non-financial risk, the operational risk management adoption program was completed. Instruments such as risk control self-assessment and self-identified issue management have been enhanced.

In addition, the IT standard was enhanced in line with regulatory requirements (i.e. Digital Operations Resilience Act). Implementation effort will continue in FY25 to ensure structural integration in BAU to strengthen the Bank's operational resilience. Finally, compliance systems and processes were uplifted and adjusted to the current needs of the organisation.

Strategy to improve corporate value

# Risk management

## Risk management

The Bank's risk control framework is based on the RMF and the RAS, which are proposed by the MB and approved by the SB. These enable the organisation to operate and grow in a sustainable and balanced manner. The Bank defines the risk management activity based on the RMF as "The culture, capabilities, and practices, integrated with strategy-setting and performance that organisations rely on to manage risk in creating, preserving, and realising value."

## Risk management framework

The RMF describes a holistic approach to risk management in the form of rules and principles for the Bank to ensure risks are adequately controlled in line with the risk strategy and within defined risk appetite/limits. The RMF has been instituted by the Bank to systematically identify, manage, monitor, and report risks, ensuring a balanced relationship between risk and reward. It is used to support the Bank's risk-based decision making and the sustainability of operations to achieve the Bank's long-term goals. Within the Bank, the RMF consists of several key items that interact and build upon each other.

### Risk management objectives

The Bank aims to create, protect, and realise value by aligning risk and strategy, enabling informed decision-making, reducing surprise and loss, managing multiple and cross-enterprise risks, seizing opportunities, improving capital deployment, addressing foreseeable risks, and using data-driven assessment to minimise subjectivity in risk evaluation.

The risk management and compliance functions pursue these objectives, operating within the RMF to ensure that the Bank meets regulatory requirements; aligns with the Group; and is both cost-effective and less complex through use of, amongst other things, automation and innovation.

### Risk governance

Risk management is integrated throughout all activities of the Bank: from daily operations to strategic reviews, and from front office to supporting processes.

#### General governance principles

The MB of the Bank has introduced a number of core principles relating to general governance:

- The CRO is responsible for the risk management and compliance functions
- The CEO is responsible for the audit function
- The MB has instituted committees to concentrate on particular areas. In certain cases, these committees have received (delegated) decision-making authority from the MB. This delegated authority for decision-making can only be given when at least three MB members are present and one of them is chairing the committee
- Committees are only official if approved terms of reference (ToR) are present. The whole MB must be informed about decisions taken in committees

Within the broader parent context, the CRO has a reporting line into the CRO of MUFG EMEA and is a member of the MUFG EMEA risk management committee. This reinforces the link between risk management in the Bank and the Group.

The Bank has multiple committees. A comprehensive overview of the key decision-making committees is provided in the Corporate governance framework section.

#### Three lines model of defence

Governance of risk is centred on a three lines of defence model. The model identifies and defines the responsibilities of all employees in the organisation to provide clarity and understanding to support the implementation of the RMF. The three lines of defence provide a clear understanding of these roles and ensures alignment, collaboration and accountability in realising organisational objectives within the defined risk appetite.

Strategy to improve corporate value

# Risk management

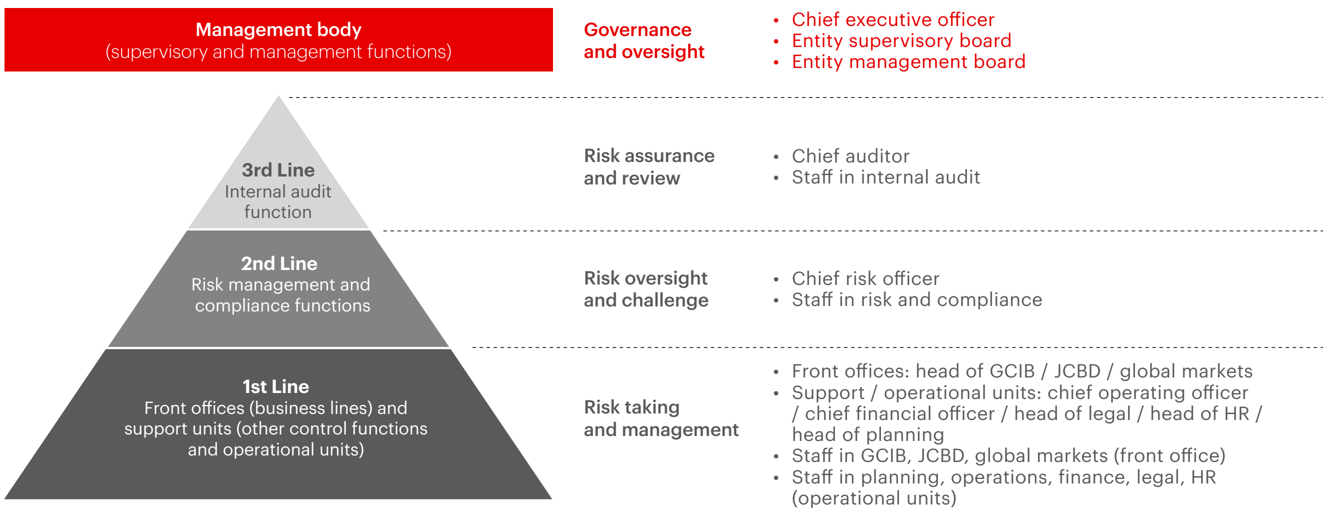
*First line of defence (1LoD)*
The 1LoD (the business division, client-facing divisions, operational and control units) undertakes risks in accordance with risk appetite and is responsible and accountable for identifying, evaluating, and controlling business risks. Business lines take risks and are responsible for their operational management on a permanent basis. The business lines ensure prudent risk-taking, risk management and compliance to ensure a sound risk culture across the Bank.

*Second line of defence (2LoD)*
The 2LoD consists of the risk management function and compliance function. The risk management function and compliance function are responsible for further identifying, measuring, monitoring and reporting risks to which the Bank is or might be exposed, independently of the 1LoD. The compliance function is in charge of ensuring compliance with applicable laws, rules, standards and advising the management body on measures to be taken in the case of non-compliance. The 2LoD develops and maintains the risk framework and its associated policies, procedures and guidance, that guide and affect the management of risks. It provides independent advice and governance, as well as independent oversight and challenge on the effectiveness of risk controls owned by the 1LoD. Finally, it acts as trusted advisor to the business and senior management on matters related to regulatory compliance.

*Third line of defence (3LoD)*
The 3LoD responsibility is with the Bank's internal audit function which independently reviews the 1LoD and 2LoD, assesses the efficiency and effectiveness of the Bank’s risk management, governance and internal control processes, and informs the management body about deficiencies. It provides independent and objective assurance of the effectiveness of governance, risk management and internal control practices in the 1LoD and 2LoD. It challenges senior management and the MB on the adequacy and effectiveness of governance, risk management and system of internal controls. It acts as a trusted advisor to the SB, the MB and other key stakeholders over the control environment.

It informs and reports to the SB and MB on the adequacy, design and effectiveness of the Bank’s risk governance framework and critical issues as they arise. The Bank's Chief Auditor reports functionally to the chair of the ACRMC. Internally, the Bank's Chief Auditor hierarchically reports to the Bank's CEO, with the purpose of providing day-to-day support and administrative oversight.

For more information on risk management, please refer to Financial note 27 Risk management.



Strategy to improve corporate value

# Our people and culture

The employees of the Bank are key to our success, and how we engage with them has always been central to our culture and workforce engagement initiatives. Our leaders and managers are accountable and responsible for the engagement of our employees and we ensure they are equipped with appropriate tools, such as useful people data, employee feedback and training to help them succeed.

## Our culture

Our code of conduct describes culture as the patterns of thinking and behaviour shared by our employees.

Our company culture reflects the core values of the Group as outlined in the MUFG way.

- Vision – be the world's most trusted financial group
- Purpose – committed to empowering a brighter future
- Values – integrity and responsibility; professionalism and teamwork; challenge and agility
- Culture principle – client centric; people focused; listen up, speak up; innovate and simplify; own and execute

The Bank shares the core values of the Group and its strategy includes "strengthen culture" as one of its four key strategic pillars, aiming to foster a culture of collaboration, inclusivity, diversity and high performance.

## Employee engagement

The Bank places considerable value on how we engage with our employees and the importance of keeping them well informed and involved in matters affecting them as employees.

Employees are given the opportunity to share feedback on a wide range of matters affecting their current and future interests. This connectivity and open dialogue is driven through a variety of avenues including formal and informal meetings, employee networks, focus groups, twice per financial year 'pulse check' survey and an annual employee engagement survey.

The pulse check survey is designed to provide real-time insights into employee sentiment and engagement levels, while the annual employee engagement survey provides meaningful feedback on how the Bank is progressing on a variety of categories year after year. The twice a year pulse survey was launched in FY24 for the Bank. Engagement scores in the pulse survey have improved since adoption. During the 2024 annual engagement survey, the Bank made progress in 16 out of the 18 survey categories, and our engagement score has continued to improve. This is a direct reflection of the changes the Bank has actively made following the survey feedback last year.

One key area of improvement that was identified last year, and which the Bank will continue to focus on and invest in, is providing employees with new and better tools and resources to enable hybrid working more effectively. The Bank has already made significant strides, investing in new, modern office designs where people want to work and connect.

As the Bank continues with its efforts to build a truly inclusive culture and to increase opportunities for employees to be part of the discussion, the Bank formed a team of volunteers to become the Bank's cultural influencer network. The network leverages ideas to make a positive impact, representing employees' voices to help shape the Bank's focus and actions while engaging and empowering employees. All employees are encouraged to share suggestions with the culture influencers and be part of the action plan.

## Diversity, equity & inclusion

The Bank is committed to building an inclusive, equitable and diverse workplace that reflects our society, where everyone feels they can succeed and be their authentic best. The priorities of the Bank are:

- Increase diverse representation by attracting, developing and retaining diverse talent so the Bank can better reflect the world in which it lives
- Support learning, development and career path progression to increase opportunities for personal growth and the achievement of career ambitions
- Build an inclusive culture where difference and individualism are valued as strengths and where every employee is able to be their authentic self at work

Strategy to improve corporate value

# Our people and culture

The Group has established a dedicated function to promote diversity, equity & inclusion (DEI). Since then, it has been working on DEI initiatives as part of its management strategies with commitment from senior management.

DEI promotion teams globally have been working on DEI issues specific to each region. Since 2023, the Group established three key DEI pillars; "gender equity", "learning and development" and "embedding DEI into our culture", accelerating a variety of DEI initiatives globally, in close collaboration with the heads of human resources (HR) in respective regions.

Inclusion requires proactive, continued dialogue and positive action. An inclusive culture also requires diversity, however, just because an organisation is diverse does not mean it is inclusive. Therefore, whilst the Bank continues to focus on diversity, building an inclusive culture remains a critical component of the culture pillar of the Bank's strategy. The MB receives regular updates on key metrics, actions and concerns relating to culture, inclusion and diversity, in order to influence decision making and hold leaders accountable for taking action.

The Group is committed to placing more women in leadership positions with a goal of at least 25% female representation in top management positions. The ratio of women in managing director and director levels for the Bank is at 26.40% at 31 March 2025, a slight increase from 2024 (25.90%). Whilst the Bank is above the Group's target, the Bank remains committed to further increasing senior female representation in management.

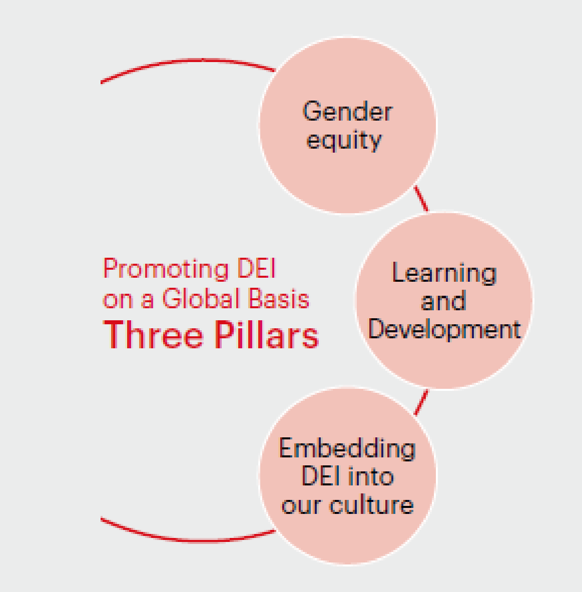
The Bank provides a platform for its DEI network through a volunteer-led employee network group from different offices. The DEI network proactively runs initiatives aimed at improving both inclusion and diversity across all the countries that the Bank operates in.

The Bank has launched various initiatives last year to enable colleagues to interact and connect across the Bank's locations and more broadly across cultures. Along with many organised events, a key initiative include the DEI-led rotation program, which creates opportunities for colleagues to connect with different teams across the organisation, gain multinational exposure, provide hands-on learning, network opportunities and cultural enrichment. This program also helps people gain new skills, share insights, learn from others' stories and experiences and engage in meaningful discussions.

### Recruitment and DEI: championing diversity

The Bank has continued to take steps towards creating a more diverse workforce through key recruitment initiatives: utilising a diverse interview panel, and adopting an unbiased hiring process. These initiatives have brought advantages to the Bank's recruitment strategy:

- The power of a diverse interview panel. Recognising the importance of diverse perspectives, the Bank formed interview panels comprising individuals from various backgrounds, gender, experiences and identities. By having a more diverse panel, the Bank ensured different viewpoints were considered during the hiring process. The approach promotes fairness, reduced unconscious bias, and enriches the decision-making process




- To enable reduction of bias from the Bank's hiring process, the Bank adopted a more structured and unbiased approach. The Bank introduced interview alignment meetings to ensure diverse perspectives were included to achieve objective evaluation. By focusing on skills, qualifications and cultural fit rather than personal characteristics, candidates are to be evaluated fairly and objectively

Building on last year's efforts, the Bank has further strengthened our onboarding journey to enhance the new joiner experience, and the Bank continues to support training to enhance intercultural awareness.

Strategy to improve corporate value

# Our people and culture

Through these initiatives, the Bank aims to create a seamless onboarding experience that not only equips new employees with essential knowledge but also fosters a strong sense of connection and belonging within the Bank.

## Learning & development

The Bank's goal is to ensure that employees have the right skills, knowledge and attitude to drive productivity, create efficiencies and grow the business, and that the Bank retains a high quality and diverse workforce. In FY24, the Bank expanded and strengthened its learning and development catalogue to offer a wider range of opportunities such as technical training, soft skill development, coaching and mentoring.

The Bank is committed to continuously improving business performance by harnessing the full potential of all employees. The Bank provides the framework, investment and resources to enable people to improve their capabilities and knowledge to remain proficient and deliver business objectives in their current role, to acquire the competencies needed to develop their career, and to demonstrate appropriate behaviours to support a high performing culture.

The Bank ensures all employees are able to access the learning and development program using new learning solutions and tools, including online and face-to-face training.

The Bank continues to invest in training and talent programmes across all corporate levels, including:

- Global leaders forum for our managing directors (MDs) who are in or are successors to global key positions
- Global LEAD programme for our high-potential MDs who have been in role for more than two years
- “LeadForward” for our top talent directors in order to support them for MD promotion
- Newly refreshed “Leading Beyond Boundaries” for our high-potential directors to develop within their roles
- Newly launched vice president (VP) milestone programme for our high-potential VPs
- Associate/Assistant vice president milestone programme for our high-potential talent
- Manage for excellence, a mandatory programme for our line managers and new line managers
- MUFG has established an internal coaching faculty, offering coaching support to staff who would like to develop
- Mentoring programme to connect mentors and mentees across MUFG globally
- Annual career week and global career fair to enable employees to network virtually across regions
- Many other internal skills development and training opportunities

| Training expenses in Euro's | FY24 | FY23 | FY22 |
|---|---|---|---|
| Training expenses per employee | 587 | 535 | 592 |

Strategy to improve corporate value

# Corporate social responsibility

Throughout FY24, the Bank's corporate social responsibility (CSR) initiatives focused on environmental sustainability, community engagement, and social inclusion. Across multiple impactful events especially during the Group's global 'Season of giving', employees actively participated in volunteering activities, strengthening our commitment to positive change. Below is a summary of some key events held during the year across the Bank's branches.

## The Netherlands

- Through the "Roll up your sleeves" initiative, colleagues supported a local farm in Amsterdam, Gliphoeve, by helping renovate the site in preparation for summer
- During the "Programme Like a Pro" event, colleagues interacted with schools on imparting essential digital skills
- At the "Winter Fair" colleagues interact with elderly attendees to create a warm space for those who may feel isolated during the Christmas holidays
- In a visit to a refugee centre, the systems team spent two days upgrading the IT room, planning IT training, preparing meals, and running cultural exchange activities
- In collaboration with Stichting Havendiners, the Bank's colleagues hosted 80 refugees, serving dinner and providing the families with a chance to unwind from daily challenges

## Belgium

- Colleagues participated in a blood donation campaign
- To support the unhoused residents of Brussels, the office helped prepare food packages
- Additionally, the office promoted monetary donations towards a local Belgian food bank

## Germany

- At the "UNICEF Christmas Market" colleagues sold UNICEF Christmas cards to support global welfare initiatives
- Through the "Stups Initiative" colleagues donated to fulfil Christmas wishes and delivered gifts for children with disabilities
- Colleagues read to elementary school children during "Reading Day" to promote the love for reading
- During the "Die Arche Christmas Party" children who combat poverty enjoyed festive food, games, creative activities, and gifts

## Austria

- Colleagues at the Vienna office participated in a blood donation drive at the Austrian Red Cross
- The branch contributed to pack and distribute festive season packages to vulnerable communities

## Spain

- The Spanish branch collaborated closely with their CSR partner organisation throughout the year. Amongst others, to support the opening of a new accommodation for young people transitioning into independence

The Bank's CSR initiatives successfully fostered environmental awareness, social inclusion, and community engagement. Through hands-on activities, educational programs, and social support initiatives, employees demonstrated a strong commitment to making a positive difference. Moving forward, MUFG remains dedicated to driving meaningful change and expanding our impact in the communities the Bank and the Group serve.

# Financial performance

Financial performance

# Three years at a glance

| in thousands of €s | As at 31 March 2025 | As at 31 March 2024 | As at 31 March 2023 |
|---|---|---|---|
| **Income statement** | | | |
| Net interest income | 291,883 | 321,010 | 161,454 |
| Total operating income | 391,003 | 415,027 | 270,428 |
| Credit loss expense (recovery) | 8,271 | (8,165) | 81 |
| Operating expenses | 170,851 | 157,045 | 164,956 |
| Cost to income ratio | 44% | 38% | 61% |
| **Result (loss) for the year** | **134,984** | **191,530** | **100,447** |
| | | | |
| **Balance sheet** | | | |
| Loans & advances | 9,577,404 | 9,026,438 | 9,178,344 |
| Deposits | 10,133,921 | 9,836,435 | 10,454,011 |
| Shareholder's equity | 2,165,180 | 2,030,184 | 1,840,173 |
| | | | |
| **Other** | | | |
| Risk-weighted assets | 11,315,552 | 10,024,168 | 10,904,594 |
| Common equity tier 1 ratio | 18.6% | 19.3% | 15.8% |
| Total capital ratio | 18.6% | 19.3% | 18.5% |
| Leverage ratio | 12.8% | 11.2% | 7.2% |
| Liquidity coverage ratio | 131.5% | 178.8% | 139.8% |
| Net stable funding ratio | 111.0% | 117.3% | 109.0% |
| Return on equity | 6.2% | 9.4% | 5.6% |

Financial performance

# General developments

## Introduction

Our focussed strategy execution in FY21-FY23 delivered robust and sustainable profitability. The turnaround is characterised with strong top line growth, partly driven by market rates, and disciplined cost management. Higher expenses are the reflection of continued investments in the business growth and capability build up to support the growth, as well as the impact of inflationary pressures. Despite the gradual decrease of market rates throughout the FY24 and aforementioned higher expenses, the Bank delivered strong results with a net profit of € 135 million.

We are progressing well on the FY24-FY26 strategic plan, which is focussed on the optimisation of the European presence to accelerate the business growth, simplification & efficiency, with a clear goal of building a stronger, simpler and more sustainable platform for the future.

While external risks continue to elevate, from geopolitical tension and evolving trade dynamics, the Bank is further investing in the tools used to operate in this dynamic environment and the people who utilise these tools to further grow the Bank.

## Operating income

| in thousands of €s | FY24 | FY23 |
|---|---|---|
| Interest income | 532,329 | 568,476 |
| Interest expense | 240,446 | 247,466 |
| **Net interest income** | **291,883** | **321,010** |
| | | |
| Fee and commission income | 68,863 | 84,668 |
| Fee and commission expense | 18,014 | 24,127 |
| **Net fee and commission income** | **50,849** | **60,541** |
| | | |
| Result on financial transactions | 44,297 | 32,871 |
| Other operating income | 3,975 | 605 |
| **Total operating income** | **391,003** | **415,027** |

Total operating income decreased by € 24,024 to € 391,003 (FY23: € 415,027). The decrease is due to declining interest rates which has lowered net interest income by € 29,127 to € 291,883 (FY23: € 321,010) and is mostly observed in the interest income derived from cash and balances with central banks. The decline of the deposit facility rates during the year have a direct effect on the interest income earned on deposits placed at central banks, whereas for loans and advances to customers this effect on interest income applies slightly delayed and is in part mitigated by increased loan balances. The interest expense decreased as well on the back of the aforementioned rate environment, albeit at a slower pace, with the interest expenses decreasing by € 7,020 to € 240,446 (FY23: € 247,466).

The net fee and commission income decreased by € 9,692 to € 50,849 (FY23: € 60,541).

The fee and commission income has decreased compared to FY23, as there were some larger one-off fees that were derived from (the support of) originating transactions in the previous year. The fee and commission expense has decreased by € 6,113 to € 18,014 (FY23: € 24,127) and these relate to to commissions paid for guarantees and other services charged to the Bank, among which are aforementioned significant fees earned in FY23 which are partially shared with MUFG group entities for their support in originating the transactions. Hence for these type of business, fee income and fee expense is at the same time lower.

The result on financial transactions has increased by € 11,426 to € 44,297 (FY23: € 32,871) due to the realised gains on foreign currency transactions and supply chain finance transactions.

## Operating expenses

| in thousands of €s | FY24 | FY23 |
|---|---|---|
| Personnel expenses | 105,138 | 92,467 |
| Depreciation of property and equipment | 4,437 | 4,061 |
| Amortisation of intangible assets | 3,536 | 4,316 |
| Other operating expenses | 57,741 | 56,201 |
| **Total operating expenses** | **170,851** | **157,045** |

The operating expenses increased by € 13,806 to € 170,851 (FY23: € 157,045). This is mainly attributable to the increase of personnel expenses by € 12,671 to € 105,138 (FY23: € 92,467) in line with building up our capabilities, qualitatively and quantitatively. As a result there is an increase in full time employees (FTE) to

Financial performance

# General developments

654 as at 31 March 2025 (2024: 626), the yearly salary indexation and the increase from the collective labour agreement (CLA).

### Cost to income ratio

The cost to income ratio shows the efficiency of the Bank operations and is calculated as total operating expense divided by total operating income. Despite the year on year increase of 6%, the current year ratio is strong at 44% (FY23: 38%). The increase is the combined result of the reduction of the aforementioned market rate driven reduction of the operating income, and higher expenses reflecting investments in the business growth and capability build up to support the growth, as well as the delayed impact of inflationary pressures.

### Impairment of financial and non-financial assets

Credit loss provision expenses increased by € 16,436 to € 8,271 for the current year (FY23: € (8,165)). In the previous year, there was a significant release of provision due to changes in the specific provisioning for credit-impaired clients as the expected recovery scenarios were updated. The increase in the current year is due to a new credit-impaired client, changes in the model and macroeconomic scenarios. For more details on the model and scenarios, refer to Credit risk.

The Bank has recognised an impairment on property, plant and equipment in the form of operations equipment and other leasehold improvements. This is part of the office renovation in the Amsterdam office which replaced certain previously recognised assets, making these existing assets obsolete. For this year, the impairment of non-financial assets is € 1,105. For more details on the movement, refer to 6 Property and equipment.

## Liquidity and capital adequacy

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| Total capital ratio | 18.6% | 19.3% |
| Common equity tier 1 ratio | 18.6% | 19.3% |
| Liquidity coverage ratio | 131.5% | 178.8% |
| Net stable funding ratio | 111.0% | 117.3% |

The total capital ratio (TCR) has decreased to 18.6% at 31 March 2025 (2024: 19.3%), The amount of own funds[1] increased to € 2,101,162 (2024: € 1,934,722) stemming from inclusion of remaining FY23 second half year profits and FY24 interim profits being added to common equity tier 1 capital.

Total risk weighted assets (RWA) amounted to € 11,315,552 at 31 March 2025 (2024: € 10,024,168), with the increase observed on RWA for credit risks, both for on-balance and off balance sheet positions. Furthermore, the RWA for operational risk increased due to change in methodology.

The liquidity coverage ratio (LCR) decreased to 131.5% (2024: 178.8%). The net stable funding ratio (NSFR) decreased to 111.0% (2024: 117.3%), mainly as a result of a decrease of the deposits from non-financial corporates.

The Bank is placing funds with the global markets division at the EMEA regional office of our Parent. At 31 March 2025, the Bank placed € 561,701 (2024: € 1,007,319) with the Parent bank and related parties.

[1] The amounts below are specified in thousands unless stated otherwise.

Financial performance

# General developments

The Bank's liquidity and capital management continues to be focused on maintaining ratios in excess of internally and externally required levels.

# Report of the Supervisory Board

Report of the Supervisory Board

# Supervisory Board

The SB supervises, advises and challenges the MB in the exercise of its duties, and is responsible for the general course of business of the Bank and its related companies, pursuant to the Bank's articles of association, the SB by-laws, MUFG's principles of ethics and conduct and prevailing legal and regulatory requirements, including the Dutch Banking Code. The SB approves the risk profile and control framework of the Bank.

The role of the SB, as laid down in the Bank's articles of association and SB by-laws, lies with the SB collectively. The SB has established the ACRMC. Taking into consideration the characteristics of the Bank and its position within the broader financial group, as well as the size of the SB, we have decided not to establish separate committees for remuneration or nomination, instead this role is fulfilled by the SB itself and at least two SB remuneration meetings are held annually. The chair of the ACRMC is an independent SB member.

As well as holding regular meetings, the SB has frequent direct contact with MB members and with senior leaders. The MB consults with the SB on a regular basis outside of the ACRMC and SB meetings. If and when required, it also keeps the SB informed of important developments within the Bank.

SB members participate in a lifelong learning programme. In FY24, training was offered on AI, the EU Pay Transparency Directive and on litigation/ liability and implications for the board in terms of climate risks and/or environmental, social, and governance (ESG) risks.

The SB has drawn up a profile to be used as a basis for its composition. As at 31 March 2025, the SB consists of four members, the gender diversity ratio is 50%.

Two members of the SB are employed by the Parent. The other two members, including the chair, are independent members. The ratio of independent SB members as at 31 March 2025 is 50%. All SB members are non-executive. In line with its by laws, the SB ensures careful consideration of the interests of the Bank and stakeholders involved in the Bank, such as clients, creditors, shareholder(s), regulator and its employees.

The SB members have extensive knowledge in fields such as banking and finance, corporate governance and risk management.

Report of the Supervisory Board

# Composition of the Supervisory Board

Chair
**Mr Wietze Reehoorn**

Mr Reehoorn joined the SB on 3 June 2020. Mr Reehoorn is a highly experienced banker and (non-executive) director with great merit in the Dutch banking sector. He spent 30 years at ABN AMRO, where he worked in a variety of roles including head of corporate banking, head of financial restructuring and recovery, group strategist and Chief of Risk and Strategy. He was a member of ABN AMRO's MB for eight years, concluding his tenure in 2017. Mr Reehoorn is also a board member at the National Bank of Greece and holds several non-executive positions, amongst them chair of the SB of MUFG Securities (Europe) N.V., member of the SB of Anthos Private Wealth Management B.V., member of the board of trustees of Frans Hals Museum and chair of the Topsport Community Foundation. Mr Reehoorn is also member of the Bank's ACRMC. In June 2024, Mr Reehoorn was reappointed for another four year term.

Vice Chair
**Mr Hidefumi Yamamura**

Mr. Yamamura joined the SB of the Bank on 20 July 2022. Mr. Yamamura is currently MUFG's regional executive for EMEA. He has a long track record at the Group, where he has worked for more than 31 years in a variety of roles including European credit division in London, planning division for the Americas in New York and global planning division in Tokyo. He moved to the UK in 2017 and assumed the role of Chief Operating Officer of EMEA region for MUFG Bank Ltd. in 2018. Eventually he was appointed to the role of regional CEO for EMEA, MUFG Bank Ltd. in 2024. Mr. Yamamura holds a masters degree in law and diplomacy from Tufts University.

Member
**Ms Colleen Stack**

Ms Stack joined MUFG on 1 July 2018 as EMEA's region's head of financial crime compliance. Ms Stack, a managing director, is the money laundering reporting officer for MUFG EMEA. On 16 September 2024, Ms Stack joined the Bank's SB. She has over 20 years of experience in anti-money laundering, counterterrorism finance and sanctions related matters, gained from executive-level roles in both banking and government. Ms Stack is a graduate of Georgetown University.

Member
**Ms Gisella Eikelenboom**

Ms Eikelenboom became a member of the SB and Chair of the Bank's ACRMC on 31 March 2020. Ms Eikelenboom is a highly knowledgeable person in the financial sector. She spent many years at ING as well as the banking regulator in the Netherlands (DNB). She is experienced in risk management, model validation as well as pension supervision. Ms Eikelenboom is also a board member at ASR, MUFG Securities (Europe) N.V. and Bunq amongst others. Ms Eikelenboom holds a masters degree in actuarial sciences from University of Amsterdam.

Report of the Supervisory Board

# Meetings of the Supervisory Board

The SB held six formal meetings during the year including two meetings on remuneration; topics were also discussed outside the formal meetings including strategy, the annual report and lifelong learning. All members were either physically present at these meetings, or else were represented or attended via video conference.

The SB meeting in March 2025 took place at the Madrid office, as part of a visit to the Madrid branch by both the SB and MB. During this visit, meetings were held with local management, clients and with the general manager of the Treasury and Financial Policy of the Spanish government.

The SB discussed subjects with the MB, including risk management, AI, credit provisioning, integrity, remuneration, corporate governance, business development, ESG and the Dutch Banking Code, to ascertain the adequate management of risk and the control framework of the Bank. The chair of the SB also discussed with the MB the Dutch Banking Code, Basel IV, the ICAAP/ILAAP process and IT.

Members of the SB consulted the external auditor Deloitte, the head of the internal audit division, division heads in charge of risk management and compliance, the head of finance and representatives of the Dutch Works Council. The SB and/or its chair also held meetings with DNB on issues such as the Bank's performance and strategy.

In its role as provider of overall governance for reward at the Bank, the SB reviewed the Bank's reward policy, individual remuneration for the MB and all other staff identified as material risk takers (MRTs) and approved these.

During the year, the SB focused on:

- Business development, strategy, financial position and results as they relate to the MTBP
- Restructuring of branches within existing Bank structures
- Compliance with legislation, codes and regulations
- Risk appetite, risk framework and strategy, as well as its governance
- The changes in the SB and MB
- Its own functioning

Several actions were taken to enhance the Bank's proxy framework, governance and internal control framework, including the implementation of new policies and procedures.

Report of the Supervisory Board

# Audit, compliance and risk management committee

The ACRMC assembles on a quarterly basis. The members of the committee are the independent SB members and it is chaired by Gisella Eikelenboom.

The ACRMC advises the SB by ensuring that matters affecting the Bank's internal control framework are adequately discussed and challenged. This is achieved by holding regular meetings with internal audit, compliance, risk management and relevant MB members, as well as with the external auditors. The activities of the ACRMC do not impair the collective responsibility of the SB itself.

Topics discussed in the ACRMC include:

- The Annual Report: Based on the work of the Bank's external auditors, the ACRMC discussed and challenged the underlying content, focusing on disclosures, as well as the way the Bank aims to address financial results in its strategy. The overall audit process, as well as the division of roles and responsibilities, was also discussed, to ensure that potential improvements are duly noted for future cycles
- Increased regulatory requirements: The ACRMC was informed about the regulatory horizon, on-site visits planned by DNB, and progress made on remediation activities related to regulatory findings. The supervisory review and evaluation process content was discussed and challenged. Additionally, the ACRMC challenged the Bank's position on emerging regulatory areas such as diversity and climate risk, to ensure sufficient efforts are made to address such topics
- Annual plan of key functions: To make sure the Bank has a robust 2LoD in place, the annual compliance plan and charter were discussed within the ACRMC. The internal audit plan was also discussed, to ensure that an adequate level of assurance is provided from a 3LoD perspective in key areas of risk for the Bank
- Emerging risks: The ACRMC discussed ESG Risk with the MB, as well as the Bank's external auditors. The ACRMC focused on the Bank's efforts to ensure compliance with current regulations, as well as to anticipate upcoming regulatory expectations
- Data management: Given inherent data risks, limitations in the current infrastructure and architecture, the ACRMC discussed plans for a new enterprise data warehouse
- Audit tender: A new statutory auditor should start 1 April 2026 as European and Dutch legislation limits the term of appointment. During FY24, a tender process was conducted to identify a new external auditor. The result of the tender process was discussed, and a proposal to appoint a new auditor was shared
- Other key topics discussed within the ACRMC were the DORA, tax strategy, systematic integrity risk analysis (SIRA), RAS, Pillar 3 and CSRD

Report of the Supervisory Board

# Remuneration report

The Group is dedicated to fostering a culture of sustainable high performance and ethical standards that encourages prudent risk-taking. The Group, and therefore the Bank, is committed to creating an environment where employees can reach their full potential and are rewarded fairly and appropriately for their contributions to the the Bank's success.

The remuneration report describes the philosophy, governance and elements of the reward policy within the Bank. It also gives an overview of the payment of (variable) remuneration in FY24, as well as the actual remuneration of the members of the MB, SB and MRTs in FY24. The data presented is based on policies and processes applicable to performance year FY24.

## Remuneration philosophy

At MUFG, our employees are our greatest asset and are key to delivering our business strategy. The Bank is dedicated to creating a diverse and inclusive workforce that reflects the dynamic nature of our business and the communities that we serve. The Bank's regulatory aligned reward philosophy is designed to attract, motivate and retain top talent by recognising and rewarding employees fairly and consistently. The approach aligns with our organisation purpose, strategic goals and culture.

The Bank is committed to fostering a culture of sustainable high performance, that supports prudent risk taking, where employees can achieve their full potential and are acknowledged for their contributions to our success. By emphasising fairness and inclusivity, we ensure that our reward systems not only drive individual excellence but also support the broader objectives, values, risk appetite, and long-term interests of the Group.

Our reward philosophy is underpinned by the following principles:

- Align with performance: Compensation outcomes are linked to individual performance contributions, potential, conduct and behaviours, as well as the performance of their business unit or function and the Group as a whole
- Market competitiveness: Offer a competitive total reward package that attracts, retains and recognises key talent while remaining aligned with the Bank's financial stability
- Risk awareness and governance: Promote sound and effective risk management including ESG risk-related objectives
- Transparency and fairness: Maintain pay practices that foster a fair and inclusive workplace that is free from discrimination, promote equality and are consistently applied
- Regulatory compliance: Ensure full compliance with all applicable legal, regulatory and governance requirements
- Society: Reflect broader values with regards to economic stability, social equity and corporate governance

The Bank assesses the remuneration of all its employees on an annual basis against a peer group predominantly consisting of financial companies both in the Netherlands and Europe. The peer group consists of companies comparable either in market, size or profile to the Bank. Any scenario analysis carried out is presented to the MB for input and subsequently to the SB for independent review and approval.

All compensation at the Bank is set with reference to the MTBP. The strategic plans of the Bank are measured through KPIs which are monitored at both Bank and business unit level (where applicable).

Report of the Supervisory Board

# Remuneration report

## Reward policy

The Bank's reward policy is the cornerstone of the Bank's approach to rewarding its employees.

It promotes sound and effective risk management and does not encourage risk-taking that exceeds the level of tolerated risk of the Bank. Its objective is to align the Bank's and Group's strategic objectives and core values with the reward for employee performance, whilst ensuring compliance with regulatory requirements. The reward policy allows the Bank to provide locally competitive pay to attract and retain employees, while operating a consistent framework that rewards the achievement of business objectives and the delivery of shareholder value in a sustainable way.

The reward policy is reviewed and assessed on an annual basis or whenever changes in local laws and regulations, or other relevant Group official documents have been issued. The reward policy is maintained by the head of HR who makes sure it aligns with relevant laws and regulations and safeguards continuing effectiveness.

The Bank's policy takes the Group's policies and principles on remuneration into account with deviations applied as necessary to align to local requirements. The policy complies with: the Capital Requirements Directive (CRD), Markets in Financial Instruments Directive II, the Act on Remuneration Policies of Financial Undertakings included in the Dutch Financial Supervision Act (WFT), the Guidelines on sound remuneration policies as issued by the European Banking Authority (EBA), and the Regulation on Sound Remuneration Policies under WFT 2021 as issued by the DNB, collectively referred to hereafter as 'The remuneration code'.

## Governance

The Bank's remuneration governance arrangements provide robust oversight and effective management of any potential conflicts of interest and ensure that remuneration decision processes are consistent with the Bank's risk appetite. Transparent evidence of effective practices enables the Bank to meet the expectations of its stakeholders, including regulatory authorities.

The objective of the SB is to act as an independent oversight body for the purposes of considering, supporting and approving remuneration matters and policies for the Bank (and where applicable its branches) in order to meet applicable legal and regulatory requirements related to remuneration.

The SB is responsible for approving the Bank's reward policy whilst the MB is responsible for implementing activities in accordance with the reward policy. Governance for reward is secured through the SB. For locally hired staff, the SB monitors and authorises the level of remuneration through the Bank's approved policies and processes, with the MB responsible for execution and management of the processes. For head office expatriates, the SB reviews and approves reward proposals with head office in Tokyo, via HR, prior to making a final determination.

Each year, the Bank's internal audit function also conducts an independent review of the annual remuneration process to ensure compliance with the reward policy and all regulatory requirements.

At the end of the performance year the SB held two meetings to specifically assess and approve the annual compensation review for the Bank. The SB meetings acts in a 'remuneration committee' capacity, as the size of the Bank does not warrant a separate formal remuneration committee at this time.

## Material risk takers

The Bank's MRTs are identified through an annual identification process based on the regulatory technical standards (RTS) published by the EBA in June 2020 under CRD V.

This process applies qualitative and quantitative criteria to identify employees whose professional activities have a material impact on an institution's risk profile including:

- All members of the MB and senior management
- Employees with managerial responsibility over the Bank's control functions or material business units
- Employees with a significant total remuneration in the preceding year, or comparable to that of senior management
- All other employees who, in the opinion of the SB, materially impact the Bank's risk profile

As part of the annual review, the Bank carefully considers how to apply the RTS criteria for the year and identifies roles and individuals that qualify as MRTs. Periodic checks and consideration of any new joiners and role changes throughout the year ensure an up-to-date list of MRTs is maintained.

All MRTs receive individual communication notifying them that they have been identified as an MRT and the impact on their compensation.

Report of the Supervisory Board

# Remuneration report

## Total compensation

The Bank operates a total compensation philosophy whereby the level of overall compensation awarded to an employee takes into account the combined value of fixed and variable remuneration.

Fixed compensation includes salary and fixed allowances; and variable remuneration is the performance related bonus (a portion of which may be deferred on a mandatory basis).

### Fixed remuneration

Fixed remuneration is intended to remunerate employees for their skills and experience, taking into account local market practices. Fixed remuneration is reviewed on an annual basis in line with the performance evaluation. This ensures that performance from the previous year can be considered when reviewing individual remuneration.

### Variable remuneration

Variable remuneration is a discretionary component of total compensation and does not constitute a contractual entitlement.

Variable remuneration rewards employees for their performance and the delivery of financial and non-financial targets, values and behaviours, whilst reflecting performance, affordability and the financial situation of global business functions and the Bank. There is a correlation between remuneration outcomes and performance ratings.

### Performance management

The Bank's individual performance management process includes objective setting, formal evaluation against objectives, mid-year and year-end performance reviews, and the allocation of an overall performance rating. Non-financial performance criteria make up a significant portion of an individual's assessment.

MUFG’s global performance management framework focuses on two main areas of assessment:

- “What” has been accomplished, measured against specific performance objectives (50%)
- “How” results are achieved (50%), measured against expectations on risk, compliance, and internal controls (25%) and demonstration of behaviours against the five MUFG Culture Principles (25%)

The framework sets out the high-performance behaviours and values that the Bank expects employees to demonstrate at each corporate level. It should be referred to as part of the performance review process to add further granularity about each of the values and to assist the self-assessment and performance discussions.

### Bonus cap

The Bank applies the following maximum caps for variable remuneration:

- It cannot exceed 20% of fixed remuneration for anyone who works 50% or more of their time in the Netherlands
- For EU branches and subsidiaries, the ratio between variable remuneration and fixed remuneration is at maximum 100%

The Bank updated the reward policy in FY24 with consideration of the 20% averaging-out exception in the Netherlands. Any group of employees in this are pre-determined and by exception. This does not apply to staff in control functions who remain capped at 20%. The DNB is notified of any employees who are above the 20% cap.

### Deferred awards

The Bank operates two mandatory deferral plans for variable remuneration rewards:

- A general deferral plan for employees who have not been identified as MRTs
- An MRT deferral plan for employees who have been identified as MRTs

Where the variable remuneration awarded to an MRT is less than € 50,000 and 10% of total remuneration, the MRT's deferral plan will not apply and the employee will be subject to the general deferral plan.

Under the rules of the general deferral plan, the deferred award is granted as 100% cash and vests on a pro-rated annual basis over three years. The deferral is calculated using various thresholds starting at 10% of any bonus over € 90,000.

Under the rules of the MRT's deferral plan, a deferral rate of 40% is applied to awards of up to € 499,999 and a deferral rate of 60% is applied to awards above € 500,000, with the deferral vesting on a pro-rata basis for four years. Half of the total award (non-deferred and deferred) is granted as cash with the remaining half granted as a share price linked (SPL) award which is subject to one year retention.

Report of the Supervisory Board

# Remuneration report

### Performance adjustment and clawback

The Bank has the authority to adjust or reclaim variable remuneration in exceptional circumstances (e.g. clawback) for MRTs, including MB members, for four years from the date of award. In addition to clawback, the SB may also make use of malus. This is an arrangement that permits the Bank to prevent vesting of all or part of the amount of deferred compensation in relation to risk outcomes of performance.

Individual adjustment of all or part of the variable remuneration, including deferred awards, may be done with the discretion of SB generally, but not exclusively, along the following guidelines:

- There is a material downturn in the financial performance of the Bank and it is not sustainable or justified according to the financial situation to pay vested awards
- The Bank's risk related policies or limits have been breached
- A compliance failure has been committed
- A regulatory breach has taken place
- There have been actions or behaviours which have damaged the Bank's reputation
- Where an award (or vesting of) is inconsistent with the Bank's long-term risk or compliance interests
- Any incident which the SB determines to warrant an adjustment

## Overview remuneration

### Variable remuneration

In FY24, a total amount of 9 million euros' was awarded to 631 employees as variable remuneration over performance year 2024. This is an increase of 20% against FY23, which was € 7,5 million euros' for 601 employees[1]. Whilst the increase reflected positive business results, it was also largely driven by a number of senior new hires, promotions and internal adjustments reflecting role expansion.

In FY24, the Bank did not use the right to apply a hold back or clawback.

### Pension and benefits

The Bank provides pension and benefits according to local market practice and regulatory requirements.

## Remuneration of the Management Board

The MB members' remuneration consists of a fixed annual income, pension contribution and fringe benefits, such as the salary supplement as compensation for the loss of pension accrual and car allowance.

### Fixed remuneration

The fixed pay of the MB members is set according to their ability, skills and experience, taking into account local market practice. It is paid fully in cash and reviewed as part of the annual year-end process in line with all other employees.

For the fixed pay rates of the head office expatriate MB member, the Bank follows the conditions as provided by the Bank's shareholder. Both the SB and MB understand that the shareholder in principle applies to its staff, principles of sound remunerations based on CRD IV and V.

### Variable remuneration

The amount of variable remuneration is based on performance as measured against the MB's agreed objectives (financial, non-financial and risk / culture objectives).

The maximum annual variable remuneration opportunity is 20% of fixed remuneration for all MB members. It is awarded in accordance with the MRT remuneration rules, including a minimum 4-year deferral period; 50% awarded in SPL awards which consist of a number of units linked to MUFG shares; and malus and clawback.

### Benchmarking

For the MB members' fixed pay, the Bank aligns with prevailing market conditions and best practices.

A peer group of Dutch and European banks in other EU locations, with similar size, governance framework and business profile, is selected to ensure pay is balanced, fair and appropriately competitive. Market data used in benchmarking is based on total compensation.

[1] The employees eligible for variable remuneration allocation are lower than the the total employees.

Report of the Supervisory Board

# Remuneration report

## Performance objectives

Each year, the SB agrees the performance objectives with the MB, based on the Group's strategy, taking the desired risk profile, the sustainability of the Bank and the interests of all stakeholders into account.

At the end of each performance period, the SB evaluates the MB against performance targets and progress on long-term financial and non-financial objectives.

## Pension

The local MB members participate in the same pension scheme as all other staff of the Bank. This is a percentage of the income based on salary and age.

## Benefits

The benefits provided to the MB members are in line with the benefits that apply to all other employees.

## Other considerations

- In the event of termination of employment by the Bank, MB members are entitled to compensation with a maximum of one year's fixed annual income
- The Bank does not apply any derogation laid down in Article 94(3) of Directive 2013/36/EU relating to the regulations surrounding variable elements of remuneration

## Remuneration of the Supervisory Board

Remuneration of SB members encourages the adequate performance of the position and does not depend on the results of the Bank. SB members are not eligible for variable compensation.

There have been no changes to the remuneration of the SB for FY24. Financial Services companies, with similar markets, size or profile to the Bank, were selected for comparison to ensure that SB remuneration is aligned to the market.

## Remuneration of Material Risk Takers (MRTs)

The Bank ensures that MRTs are rewarded adequately to avoid excess risk-related behaviour. The variable remuneration awarded is subject to MRT deferral plan in line with regulations.

# Financial statements

In accordance with article 15 of the Bank's articles of association, we hereby submit to the shareholder the Annual Report for the financial year 1 April 2024 to 31 March 2025, which includes among others the report of the MB and the financial statements drawn up by the MB, examined by the SB and audited by Deloitte Accountants B.V.

We propose that the shareholder approves the Annual Report including the sustainability and financial statements as submitted by the MB and to discharge the members of the MB and the SB for their management and supervisory duties respectively during the year ended 31 March 2025. We endorse the proposal by the MB to have no dividend payment to the shareholder.

Report of the Supervisory Board

# Information, consultation and conclusion

All important matters addressed in the Dutch Banking Code and similar rules and regulations were discussed in the meetings, including risk management, especially credit risk and provisioning, compliance, audit and internal control framework, remuneration and the new product approval process.

Contact between the SB and the Dutch Works Council took place in a constructive and professional atmosphere.

The relationship between the MB and the SB is well-established and the SB holds the MB accountable for its actions. The SB explicitly discussed the conduct and effectiveness of each of its members. It concluded that the SB as a whole and each of its members function properly.

The SB acknowledges that the MB duly provided adequate and up-to-date information and consulted the SB on the Bank's policy and controls where needed, enabling the SB to perform its supervisory tasks adequately. The SB approves the Annual Report, including the sustainability and financial statements of the Bank as presented by the MB.

Amsterdam, 9 July 2025

**W. Reehoorn, Chair of the SB**

**H. Yamamura, Vice Chair of the SB**

**C.F. Stack, Member**

**G. Eikelenboom, Member**

# Report of the Management Board

Report of the Management Board

# Management Board

The MB is responsible for the day-to-day operations of the business and for the sustainable long-term strategy. The MB also ensures that the Bank complies with relevant legislation and regulatory requirements.

The MB takes into account the Dutch Banking Code principles regarding composition and expertise requirements, lifelong learning programmes and risk management. It ensures all stakeholders' interests are considered in everything it does. The gender diversity ratio at 31 March 2025 was 25%. All MB members are executives within the Bank. The Bank's corporate governance framework outlines the MB's responsibility to provide effective and sustainable governance over the Bank's affairs for the benefit of its clients, employees, shareholder(s) and other stakeholders.

The members of the MB have in-depth knowledge of the financial sector and the banking sector in particular. Collectively, they have broad experience in the fields of governance, strategy, organisation, communication, products, services, markets and ESG within the Bank's scope of activities.

The MB collectively manages the Bank and is responsible for its objectives, strategy and related risk appetite, as well as the development of financial results. It enforces standards of integrity, morality and leadership in the Bank, stimulating a healthy culture throughout the organisation. It is assisted in its duties by various committees.

The MB participates in a lifelong education programme, including the Bank's e-learning sessions on topics such as risk, the code of conduct and compliance.

The CCO together with the head of financial crime office holds regular study sessions with the CEO and CRO. The programme is designed to keep board members' expertise up to date and aligned with regulatory developments regarding financial crime.

*From left to right: Hideyuki Okamoto, Deputy President & Chief Strategy and Planning Officer (CSPO), Marije Elkenbracht-Huizing, Chief Risk Officer, Harm Bots, President & Chief Executive Officer, Mark Selles, Chief Financial Officer.*

Report of the Management Board

# Composition of the Management Board

Chief Executive Officer
**Mr Harm Bots**

Mr Bots joined the Bank on 1 October 2021 and was appointed as President and CEO on 1 April 2022 and subsequently as head of EU and executive officer in 2023. Mr Bots holds extensive global markets and international banking experience. He has been in international executive roles in banking for more than 25 years. Mr. Bots has previously been the CEO of the European bank of a large international financial group. Mr Bots holds a master's degree in finance from the SOAS University of London.

Chief Strategy and Planning Officer
**Mr Hideyuki Okamoto**

Mr Okamoto has been with MUFG for over 25 years, and has worked across Japan, the United States, Indonesia and the United Kingdom in various roles, mainly in strategic planning, corporate governance, regulatory affairs and corporate finance. Mr Okamoto holds a master's degree in law from Northwestern University.

Chief Financial Officer
**Mr Mark Selles**

Mr Selles has a wealth of experience in the banking sector, having worked at major financial institutions across Europe in roles including several executive positions as CFO and COO and non-executive director. His areas of expertise include finance, accounting, regulatory reporting and liquidity and ALM. Besides his role as CFO, Mr Selles is also the Chief Data Officer of the Bank. Mr Selles holds a master's degree in business economics from the Rijksuniversiteit Groningen.

Chief Risk Officer
**Ms Marije Elkenbracht-Huizing**

Ms Elkenbracht-Huizing joined the MB on 1 April 2024 as CRO. Ms Elkenbracht-Huizing brings more than 25 years' experience in an international financial services environment including leadership roles at NIBC, ABN AMRO and Natwest. With a background in market risk, asset liability risk, modelling and implementing change Ms Elkenbracht-Huizing has previously been the CRO of the NatWest Markets N.V. She holds a PhD in mathematics from Leiden University.

Report of the Management Board

# Outlook

The Bank is exposed to both external and internal challenges that may impact its business performance and overall profitability. While the Bank's performance has stabilised in the last few years, returning to profitability and offering new products to clients, the economic operating environment remains fluid and may pose challenges for the Bank. Inflationary pressures on personnel expenses, further investments in the capability build-up and business growth, geopolitical conflicts and mounting cost pressures driven by increased or stricter regulatory compliance requirements, may all put further pressure on the overall profitability of the Bank going forward. The Bank may also face future resilience exposure, caused by heightened cybersecurity threats, unexpected system disruptions and increasingly complex dependencies on third party service providers.

In FY24, the Bank maintained its profitability despite the declining interest rate environment, as increased loan balances helped offset some of the impact of lower rates. The financial result is explained further in the Financial performance section.

The MB is committed to maintaining and improving the Bank's profitability in a controlled and sustainable manner over the next few years. To address our internal and external challenges, and to maintain the Bank on a financially sustainable and viable path, our three-year MTBP focuses on:

- Further increasing revenue by leveraging the MUFG global network and capability, expanding our product capability and strengthening the client portfolio
- Reducing the volatility in net interest income in an expected declining interest rate environment via planned investments into longer term fixed rate government bonds
- Further reducing costs by reducing complexity within our organisation and optimising our business model
- Maintaining strict internal control and governance by balancing initiatives with regulatory requirements and implementing initiatives under the MTBP in a controlled manner

We are developing our strategy and plan to reform our EU platform to achieve sustainable growth, aiming to enable the businesses to continue to grow and to position the Bank and Securities closer together in alignment with Group strategy. In addition, we want to create a more integrated platform, making it easier for our clients to do business with us; improving controls to ensure greater resilience; and establishing a powerful consolidated capital base to drive growth.

## Regulatory outlook

As regulatory expectations evolve, the Bank is committed to proactive engagement with regulators, ensuring a robust compliance framework, and aligning its risk management practices with emerging requirements. Below, we outline key regulations that the Bank is closely monitoring.

### Anti-money laundering and combating the financing of terrorism

The Bank is investing significant resources in its internal control system in the areas of anti-money laundering (AML) and combating the financing of terrorism, as well as keeping abreast of changing regulatory requirements and market practices. On 19 June 2024, the new EU AML package was published in the Official Journal of the EU.

This package consists of:

- Regulation establishing a new EU AML authority which will have powers to impose sanctions and penalties. The AML authority will commence its operations on 1 July 2025 and the direct supervision of selected obliged entities will commence in 2028
- Regulation on AML requirements for the private sector
- A Directive on Anti-Money Laundering Mechanisms (AMLD VI)

The Bank has been closely following development of this AML package and is assessing any need for further enhancement in its internal control system to meet the new requirements set by the regulations.

Report of the Management Board

# Outlook

### Basel III: Finalising post-crisis reform

On 19 June 2024, the texts of the Capital Requirement Regulation (CRR III) and Directive (CRD VI) were published in the Official Journal of the EU.

The CRR III implements in the EU the finalised Basel III reforms. The CRR III started to apply on 1 January 2025, with several of the provisions subject to transitional arrangements.

Member states have until 10 January 2026 to transpose the CRD VI into their national laws.

The CRD VI includes new provisions applicable to cross-border services restricting the possibility for certain services to be provided from outside the EU, except under specific circumstances and exemptions.

The cross-border restriction provisions will become applicable as of January 2027. While the extent of the impact and asset relocation is still to be completely detailed and will also partially depend on the specific national implementation, its effects may influence the Intermediate Parent Undertaking (IPU) threshold of the Bank. The IPU regulation has been applicable since 29 December 2020 and is included under the CRD V. It is expected that the Bank will remain below IPU threshold for FY25.

The Bank has finalised the implementation of CRR III amendments that have been included in the 31 March 2025 capital and leverage calculations.

Main CRR III amendments impacting the Bank capital ratios include new class exposures for credit risk capital requirements, such as specialised lending exposures framework, unrated institutions framework (e.g. SCRA), new credit conversion factor bucket allocation, and amendments on the external credit assessments institutions risk weighted assets mapping for corporates and institutions. Additionally, the Bank has also implemented the new methodologies for calculating operational risk capital requirements and credit valuation adjustment (CVA) risk capital requirements.

### Fundamental Review of the Trading Book

The implementation of the Fundamental Review of the Trading Book (FRTB) is embedded into the CRR III final texts with additional implementing technical standards (ITS) on specific reporting requirements for market risk with the new FRTB templates already published in the Official Journal of the EU.

To ensure international consistency with other jurisdictions, the European Commission has adopted a delegated act in June 2025 that postpones by one additional year - until 1 January 2027 - the date of application the Fundamental Review of the Trading Book (FRTB).

### PSD 3 and PSR

In June 2023, the EU Commission launched a revision of the Payments Services Regulation (PSR) and Directive (PSD 3).

The PSR in particular includes several areas that are expected to have an impact on MUFG especially in the area of fraud prevention and risk management, as well as potential provisions related to open banking. While the EU Parliament Economic and Monetary Affairs Committee has already agreed on its negotiating position in February 2024, the Council of the EU is expected to reach an agreement in Spring 2025. After that, inter-institutional negotiations are expected to start and to be concluded in the second half of 2025. The Bank is monitoring the negotiation of the file and assessing the impact on its operations.

### Financial Data Access Regulation

On 28 June 2023, the European Commission published a legislative proposal, the Financial Data Access Regulation (FIDA) to regulate access to and use of customer data held by entities in the financial sector.

This proposal aims to establish clear rights and obligations for managing the exchange of customer data in the financial sector, beyond payment accounts. The main amendments include:

- Establishment of the rules for customer data in finance that may be accessed, shared and used and new legal obligations for data holders
- New requirements to ensure responsible data use and security including data access
- Requirements for the creation and governance of financial data sharing schemes whose aim is to bring together data holders, data users, and consumer organisations

Report of the Management Board

# Outlook

Both the Council of the EU and the European Parliament have reached an agreement on the respective position on the text and the inter-institutional negotiations started in April 2025.

Given several concerns have been raised by various stakeholders on the potential impact and unintended consequences of the proposal, the outcome and timing for the finalisation of the text are still unclear. The Bank currently monitors the ongoing negotiations and assesses the potential impact of the proposal in the area of open finance and data access.

### Digital Operational Resilience Act

The DORA entered into force on 16 January 2023, and became directly applicable from January 2025. DORA is a broad legislation and applies to regulated financial institutions in the EU, including banks, payment service providers/electronic money institutions, investment firms, and fund managers.

It aims to consolidate and upgrade information and communication technology (ICT) risk requirements in the EU to guard against cyber-attacks and ensure that in-scope financial entities are subject to standardised rules that mitigate ICT-related operational risks. Most significantly, it requires financial entities to:

- Have internal governance and control frameworks that ensure they manage all ICT risks effectively
- Report major ICT-related incidents to national crime authorities
- Carry out digital operational resilience testing
- Manage ICT third-party risk as an integral component of their ICT RMF

DORA and its RTS and/or ITS are applicable to the Bank. MUFG EMEA wide project to implement all the provisions applicable to the Bank has now been completed.

The Bank's resilience team was established in February 2025, and is tasked with ensuring that all processes and internal controls continue to operate effectively, to safeguard adherence to the requirements set out by DORA.

### Supervisory reporting

Since the 2008 financial crisis, supervisory reporting requirements have increased significantly.

The development of these reporting needs has sometimes led to overlaps. In addition, ad-hoc requests and national requirements need significant investments in IT infrastructure to meet and maintain the supervisory standards. The Bank is investing in its system infrastructure to strengthen data availability and streamline internal and supervisory reporting processes. The Bank is cognisant of the current regulatory reporting burden and that improving the efficiency of reporting is one of the main concerns for EU legislators.

The EBA has published a feasibility report for the development of a consistent and integrated system for collecting statistical, resolution and prudential data. The report concludes that the implementation of the Integrated Reporting Framework (IReF) is beneficial for the financial sector and describes crucial conditions to start its implementation. The ECB announced the design phase of the IReF programme in a press release in December 2021. The programme was expected to start in 2027, but the ECB has set a new timeline for the start of reporting under the IReF which is now planned for the fourth quarter of 2029.

Supervisory reporting requirements have been amended through the publication of the ITS to incorporate the CRR III amendments.

The new templates, instructions, validations and dictionary have been included in the taxonomy EBA Data Point Model (DPM) 4.0 that has been used for March 2025 submissions.

The Bank is already in preparation for the next EBA DPM 4.2 taxonomy that would include the new templates which will provide more granularity to the operational capital risk capital requirements calculation.

Finally, it is expected that according to various EBA mandates disseminated throughout the CRR III amendments, there are new supervisory reporting requirements in relation to prudential ESG reporting.

### Amendments to Markets in Financial Instruments Regulation and Markets in Financial Instruments Directive

On 8 March 2024, the regulation and directive amending the Markets in Financial Instruments Regulation (MiFIR II) and Markets in Financial Instruments Directive (MiFID III) were published in the Official Journal of the EU.

The revised texts include provisions on: consolidated market data, ban of payment for order flow (by 30 June 2026) and commodity derivatives. The main changes impacting the Bank are the revisions of the systematic internaliser regime and post-trade disclosure

Report of the Management Board

# Outlook

by investment firms regime. The provisions embedded in MiFIR II started to apply on 28 March 2024, while member states have until 29 September 2025 to transpose the directive into national legislation.

Considering the scale of changes under MiFID III and limited MiFID products and services offered by the Bank with focus on professional clients, the Bank assessed this as a moderate impact and has been taking necessary steps to be compliant on time.

### Instant credit transfers in Euro

On 19 March 2024, the text of the Single European Payment Area (SEPA) Instant Payment Regulation was published in the Official Journal of the EU. The regulation aims to ensure that instant payments in Euro are affordable, secure and processed without hindrance across the EU. The regulation, which amends and modernises the 2012 regulation on the SEPA regulation, consists of four requirements regarding Euro instant payments:

- Making instant Euro payments universally available
- Making instant Euro payments affordable
- Increasing trust in instant payments
- Effectiveness of screening of persons that are subject to EU sanctions

In order to meet global trends in the payment space, including EU SEPA Instant Payment Regulation, MUFG launched a global project to enhance its payment infrastructure. MUFG is deploying all its resources to be compliant as soon as possible with the legislation and provision.

### Corporate Sustainability Reporting Directive

Over the last few years, the Bank has worked intensely to implement the requirements stemming from the EU CSRD and the supplementary sustainability reporting requirements. The section Sustainability statement presents the first year disclosures under CSRD.

### EU Commission work programme for 2025

In the context of the overall political priority to reduce the administrative burden and increase the competitiveness of EU companies, at the end of February, the European Commission published the Omnibus sustainability simplification draft legislative proposal. The Omnibus package mainly introduces changes to the CSRD.

Specifically on the CSRD, the proposed changes, pending their approval by the EU co-legislators, are expected to exclude from the scope around 80% of the companies that were previously included. In particular, the provisions are expected to apply only to companies with more than 1000 employees in Europe. The draft proposal is also proposing to exclude all companies that will be outside the scope of the CSRD from the obligations to report under the EU taxonomy regulation.

Should the changes be confirmed, the Bank may no longer be required as of 2028 to report under the CSRD requirements. The text is expected to be finalised in the first half of 2026.

In the context of the Omnibus proposal, the European Commission has also tasked the European Financial Reporting Advisory Group (EFRAG) to revise and simplify the European Sustainability Reporting Standards (ESRS) by 31 October 2025.

The Bank is closely monitoring the legislative process and assessing the impact on the Bank.

Report of the Management Board

# Financial crimes compliance

The Bank understands and is committed to its role as a gatekeeper to protect the wider financial system against financial crime risks. A comprehensive financial crime compliance (FCC) programme has been established as part of the global MUFG framework. The internal controls within the FCC framework are designed to prevent and/or detect: money laundering, terrorist finance, violations of imposed sanctions, bribery and corruption. The MUFG framework further requires the execution of frequent internal risk assessments such as the SIRA.

## Financial crimes compliance policy framework

As a wholly owned subsidiary of the Group, the Bank adopts the Group's global financial crimes compliance (GFCD) policies and standards which have been defined based on international laws, regulations and best practices. Where appropriate, the Bank incorporates additional requirements from the EU and the Netherlands as well as other EU countries in which the Bank maintains a presence. Four key pillars of the FCC policy framework, including additional procedures, operating manuals and standards, are: financial crimes compliance policy, anti money-laundering policy, sanctions policy and anti-bribery and corruption policy. The Bank has established a comprehensive training programme to ensure staff remain aware of financial crime and other integrity risks.

### Anti-money laundering/Counter terrorist financing

The Bank has implemented a framework for client and third-party due diligence (CDD) to minimise the risk of financial crime. This includes the ongoing monitoring of client activities and reporting of unusual transactions to the relevant authorities.

### Anti-bribery and corruption

The Bank maintains an anti-bribery and corruption policy with a zero-tolerance approach, as established in the Bank's principles of ethics and conduct. This policy is designed to promote a corporate culture of ethical business practices and compliance with the letter and the spirit of all applicable anti-bribery and corruption (ABC) laws. These prohibit offering, giving, soliciting or receiving, directly or indirectly, anything of value to or from any public official or private party in exchange for an improper business benefit or advantage.

### Sanctions

In accordance with applicable rules and directives of relevant jurisdictions, the Bank has established an operating framework to comply with relevant sanctions and restrictive measures as issued by the authorities.

### Tax integrity risk

The Bank plays a crucial role in tax-related crimes such as tax evasion, but also aggressive tax avoidance, which, although not illegal, can be damaging to the communities in which the Bank operates. The Bank will not facilitate such activities so it has included a tax-integrity assessment in its overall customer risk assessment process to ensure there is no involvement in facilitating tax-related crimes.

Report of the Management Board

# Internal audit

The internal audit function serves as a cornerstone of the Bank's governance framework. Internal audit is independently positioned as the organisation's 3LoD, reporting directly to the chair of the ACRMC and hierarchically to the CEO of the Bank. Internal audit acts as a strategic partner to the SB and executive management through its evaluation of the Bank's resilience and alignment with its business objectives in a safe, ethical and sustainable manner.

In accordance with the internal audit charter, the mission of internal audit is to enhance and protect organisational value by providing risk-based and objective assurance, advice, and insight. Internal audit helps the Bank accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of governance, risk management, and control processes. The internal audit function strives to provide senior management independent assurance over the effectiveness of risk management, internal controls and compliance with the organisation's regulatory obligations. In doing so, the internal audit function also aims to uphold the Bank's commitment to excellence in governance whilst supporting its strategic ambitions as a financial institution.

The function operates in accordance with the Institute of Internal Auditors (IAA) International Professional Practices Framework (IPPF), as well as with regulatory guidelines that govern internal audit in the banking sector, including EBA Guidelines on internal governance.

Once a year, the Chief Auditor initiates a meeting with DNB, as an opportunity to exchange views on relevant risks, assurance and supervision priorities.

In addition, internal audit meets on a monthly basis with the Bank's external auditor to share views on relevant developments and significant outcomes of respective assurance activities.

The Bank's internal audit function operates within the global MUFG internal audit structure and as such, operates within a harmonised global audit framework. By enhancing collaboration across the third line and operating a more consistent internal audit function across all parts of MUFG worldwide, internal audit can provide group-wide assurance more effectively and leverage subject matter expertise, global tools and practices. Key elements of internal audit's global integration include; risk-based audit planning, cross-border collaboration and the ability to leverage global insights to benchmark practices.

In FY24, internal audit delivered 17 individual engagements as part of the Bank's audit plan. In addition, the MUFG EMEA and global internal audit network delivered 32 audits where the Bank was in scope. The total number of engagements (49) is higher than the previous year (32) and is a reflection of a continued increase in the Bank's internal audit collaboration with the MUFG internal audit network at both an EMEA and global level. This increase is also due to a rise in the number of processes and controls operated centrally in London on behalf of the Bank. Internal audit actively seeks to influence the organisation towards a mature risk culture, where risks and control issues are promptly identified, reported and remediated through a management self-identified issues framework, which should help to reduce the reliance on third line assurance work.

The internal audit assurance activity covers processes and controls which support the finance division, ultimately to help safeguard the accuracy of the Bank’s financial statements and financial reporting.

Report of the Management Board

# Proposed profit appropriation

In the financial year ending 31 March 2025, the Bank has made a net profit of in thousands € 134,984. There is no proposed dividend payment for FY24. Net profit has been added to the reserves for the current financial year, to strengthen the capital base, increase its resilience and further optimise the possibilities for significant lending to support future growth opportunities.

Report of the Management Board

# Gratitude

We wish to express our sincere gratitude to our employees, clients, business partners and the Parent, for their continued support during FY24.

The MB declares to the best of its knowledge, that the Annual Report including the financial statements, provides a true and fair view of the assets and liabilities of the Bank, its financial position, net profit and the material risks to which the Bank was and is exposed.

Amsterdam, 9 July 2025

**H.D.L. Bots**

**H. Okamoto**

**M.A.B. Selles**

**R.M. Elkenbracht-Huizing**

# Sustainability statement



# CSRD sustainability statement

The Group's stated purpose is being "committed to empowering a brighter future" and one of the three pillars of its MTBP is to strengthen efforts to drive social and environmental progress. The Group has set ten priority issues and one of the most important issues is the achievement of a carbon neutral society. The Group climate report can be found on the MUFG website.[1]

The Bank as a subsidiary of the Group, shares this commitment and recognises that the protection and preservation of the global environment is the shared responsibility of all. For some years, the Bank has invested in its ESG governance; embedded C&E risks into its risk framework; has expanded its sustainable finance offering; and worked towards more sustainable business operations, all integrated with its wider strategy.

The Bank has previously reported on the Group's wider efforts related to net-zero banking as a member of the Net-Zero Banking Alliance (NZBA). Although the Group withdrew from NZBA in March 2025, the commitment and approach towards a net-zero future continues to remain unchanged. The Group as a whole, including the Bank, aims to contribute to real-economy decarbonization by providing our clients with the advice and capital required to transform their business models whilst ensuring security and stable supply of energy.

The Bank's CSRD disclosures are structured to provide stakeholders with a clear understanding of its sustainability strategy, policies and processes, and business conduct.

Guided by the ESRS, this report highlights the Bank's efforts to:
- Promote and invest in sustainable finance
- Facilitate the transition to a low-carbon economy
- Manage risks related to climate change mitigation
- Strengthen governance practices to ensure ethical and responsible decision-making

Through transparent reporting, the Bank aims to inspire stakeholder confidence and contribute meaningfully to the Group's global sustainability agenda. The Bank is committed to use the process of determining and reporting on its material topics in line with the CSRD as a catalyst for continuous improvement, collaboration and innovation in the field of ESG, finance, governance, risk management and disclosure.

1 For more information visit the website on the MUFG climate report

# General disclosures

CSRD sustainability statement

# General disclosures

## General information

### Basis for preparation

The Bank's sustainability statement has been prepared in accordance with the ESRS as required by the CSRD. It is presented on a consolidated basis reflecting the combined operations of the Bank's branches and subsidiaries. There are no subsidiary undertakings included in the consolidation that are exempted from individual or consolidated sustainability reporting.

As CSRD has not yet been transposed into Dutch law, it is not yet in effect for the Bank. The Bank has however, under reasonable presumption of the transposition, and the relevance of sustainability matters for its clients, stakeholders and society, chosen to apply the requirements of the ESRS. In early 2025, the EU introduced the Omnibus package to streamline and harmonise regulations in regards to sustainability. The Bank is monitoring and discussing the Omnibus proposals in appropriate governance bodies.

For further information, please refer to the EU Commission work programme for 2025 section.

In this first year of CSRD implementation, the Bank made a strategic decision to use transitional and phase-in reliefs that are available and applicable to the Bank. For more information, refer to the Use of phase-in provisions section. The Bank has not opted to omit any information corresponding to intellectual property, know-how, results of innovation, impending developments, or matters in the course of negotiation. The Bank does not disclose comparative information in the first year of preparation of the sustainability statement under the ESRS, with the exception of EU Taxonomy disclosures.

### Scope of consolidation

The scope of consolidation applied to the Bank's sustainability statement aligns with those of the consolidated financial statements.

The value chain mapping in the Bank's double materiality assessment (DMA) was limited to one degree of separation which means that only the impact, risk or opportunity directly linked to the Bank's operations were considered.

The policies and processes, however, might be applicable to upstream and/or downstream stakeholders in the value chain. The Bank makes use of the transitional provision for information from its value chain.

### Time horizons

The time horizons considered for the preparation of the sustainability statement are in line with the ESRS.

*Time horizons*

CSRD sustainability statement

# General disclosures

### Sources of estimation and outcome uncertainty

As this is the Bank's first report in accordance with the CSRD, a certain level of uncertainty regarding implementation is expected. In this sustainability statement, uncertainty arises from the assumptions in the methodology applied in the DMA and the C&E risk materiality assessment. In subsequent years, when experience around implementation and interpretation improves, the Bank will reflect and where applicable improve its CSRD disclosures. The Bank has not disclosed any quantitative metrics and monetary amounts that are subject to a high level of measurement uncertainty.

### Disclosures based on other EU laws or reporting frameworks

As prescribed by ESRS 1, disclosures for the EU Taxonomy Regulation (Article 8 of Regulation (EU) 2020/852 and the accompanying Delegated Acts) are included in this statement in the EU Taxonomy section.

### Disclosures incorporated by reference

The Bank has incorporated some disclosures by referencing the Directors' report section of this Annual Report. Find further information regarding disclosures incorporated by referencing in the Material disclosure requirements covered by the Bank's sustainability statement section.

## Sustainability governance

For general information related to corporate governance, refer to the Corporate governance section.

### Audit, compliance, and risk management committee

The ACRMC was closely involved in, and provided input for discussions around the topic of CSRD. Topics discussed included, amongst others:

- Key stakeholders, and why certain stakeholders were not considered as key stakeholder
- The DMA process and outcome, and its specific topics such as climate change mitigation, water, and biodiversity
- Remuneration policy of the MB members, and the consideration around how sustainability indicators can be linked to the policy
- Draft CSRD disclosures at 80% completion of the text

### ESG committee

At the Bank, the MB has formally delegated the responsibility of ESG matters to the Bank's ESG committee. The ESG committee is a tier-1 committee with its own ToR that provide an overview of the purpose, membership, decision making mechanism and operational elements such as reporting, meeting agendas, frequency and conduct of meetings. Tier 1 committee is a committee with approval authority which discusses matters within its mandate on essential matters for the Bank's healthy growth and development. The ESG committee has three voting members: CSPO, CFO, and CRO.

The ESG committee is accountable for integrating ESG considerations into the business strategy; for establishing and evaluating the Bank-wide sustainability strategy; and for ensuring the implementation of relevant head office developments within the Bank. The ESG committee sets the overall agenda and seeks to assign resources based on appropriate skills and expertise.

The members of the ESG committee include experts on business, risk, finance, compliance, legal, HR, and sustainability. Relevant regional representatives also have a standing invitation to the ESG committee to ensure regional alignment. The ESG committee meets on a monthly basis.

The CSPO is the responsible executive for ESG matters and chairs the Bank's ESG committee where sustainability strategy and regulatory matters are discussed. CSPO steers the Bank's overall direction of ESG initiatives and has a team within the planning department dedicated to ESG matters. Other committee members including the CFO and CRO are also actively involved in ESG in their respective fields.

### ESG reporting design authority

The Bank set up an ESG reporting design authority (DA) responsible for the operational execution of various sustainability reporting mandates within the Bank. The DA consists of cross-functional members and is entrusted with an execution role of sustainability reporting and regulatory updates. The DA is led by the finance function. It is responsible for design choices which can be submitted for ratification to the ESG committee. The DA meets on a monthly basis.

CSRD sustainability statement

# General disclosures

A dedicated ESG reporting project team, under the leadership of finance and ESG planning, has been established within the Bank to lead sustainability reporting. The core team consists of various functions within the Bank, such as ESG planning, finance, risk management and business departments.

The core team reviewed the work performed for the DMA. Sequentially, the ESG committee approved the DMA. This process is described in further detail in the Double materiality assessment section.

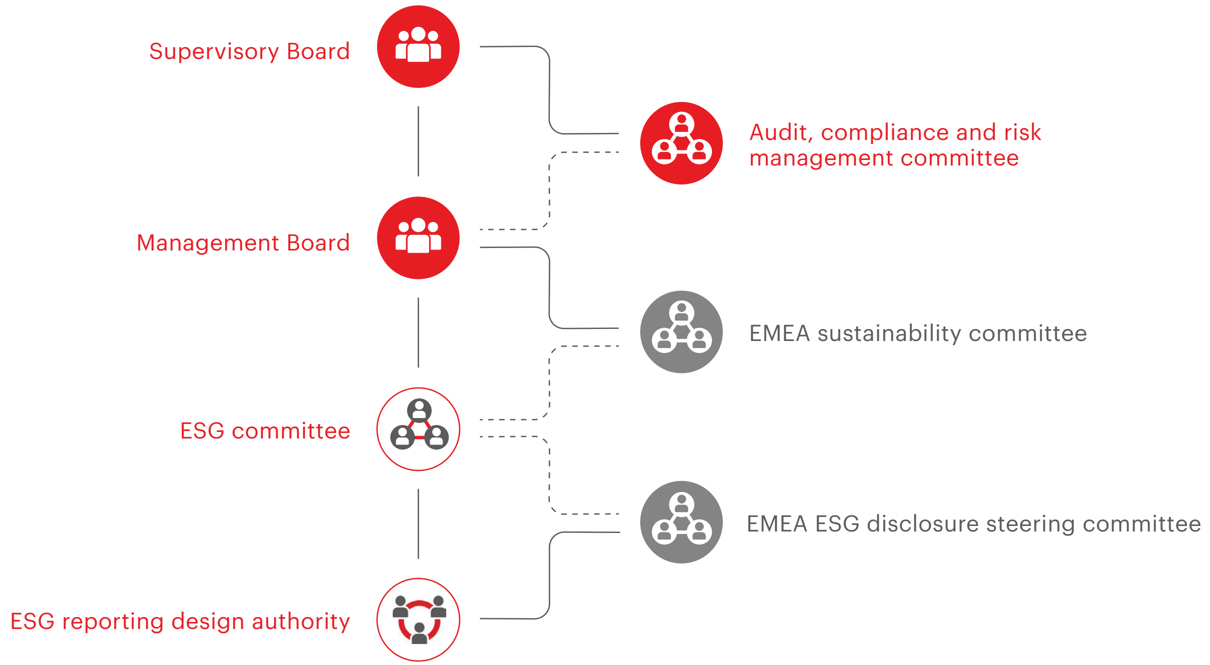
### EMEA committees

The Bank has significant dependency on the wider MUFG entities. The Bank participates, contributes and receives guidance from various regional committees.

The EMEA disclosure steering committee steers on the EMEA region's sustainability reporting matters, deliberates about non-financial reporting issues, escalates material issues to relevant senior management or committees, and reports local statutory non-financial information to senior management. The Bank has permanent representation on this committee. The committee meets on a monthly basis and is chaired by the CFO for EMEA and International Securities.

The EMEA sustainability committee oversees the development and execution of the EMEA regional sustainability strategy. The EMEA sustainability committee is held quarterly and reviews progress against plans, emerging regulations and considers risks and escalations.

The EMEA sustainability committee is chaired by the deputy regional executive of EMEA and reports into the EMEA executive committee. The purpose of the EMEA sustainability committee is to keep alignment with the Group, to receive updates regarding progress, and to escalate risks and issues. The Bank is represented on this committee by the planning team.



CSRD sustainability statement

# General disclosures

### Information provided to and sustainability matters addressed by the Bank's governance bodies

| Committee | Frequency | Topics discussed |
|---|---|---|
| Audit, compliance, risk management committee (ACRMC) | Quarterly | DMA, transition plan, climate change mitigation, water, C&E risk, reporting and disclosures |
| ESG committee | Monthly | DMA, sustainable financing, ESG risks, reporting and disclosures, control framework, head office updates related to ESG, C&E risks, audit, regulatory updates, green house gas (GHG) emissions, water, transition plan, green washing risk and review |
| ESG reporting design authority | Monthly | DMA, EU taxonomy, disclosures scope and target, internal audit, regulatory updates, stakeholder management, sustainable financing, external audit, internal control framework on ESG reporting |
| EMEA ESG disclosure steering committee | Monthly | DMA, EU taxonomy, control framework, regulatory updates, external and internal audit control framework, sustainable financing, green washing review |
| EMEA sustainability committee | Quarterly | Sustainable financing, emerging sustainability regulation, Industry best practices, sustainability related disclosures, environmental and social impact of operations |

CSRD sustainability statement

# General disclosures

### Sustainability-related performance in incentive scheme

The Bank's sustainability objectives are integrated into the overall business strategy. However, the Bank currently does not have clear and measurable sustainability-related objectives in the incentive scheme for MB members.

As the independent non-executive SB members receive fixed pay only, the above reward policy does not apply to them.

## Statement on due diligence

The table below states where in the sustainability statement, the Bank provides information about the core elements of the due diligence process.

## Risk management and internal controls over sustainability reporting

The Bank has implemented a comprehensive sustainability reporting management control framework (SRMCF) to ensure the integrity, completeness, and timeliness of its sustainability disclosures, as mandated by the CSRD.

The framework outlines the risk management and internal control systems governing first year's sustainability reporting and integrates the process into internal decision-making structures.

The SRMCF is applicable to this sustainability statement of the Bank. The main features are that it lays out governance around reporting, identifies risk and control, as well as applicable policies and guidelines on the reporting.

The Bank's FY24 CSRD sustainability statement consists primarily of qualitative disclosures. Hence, the primary risks revolve around non-compliance and reputation. The Bank has mitigated both these risks equally through adequate governance, an internal audit review of the DMA for the risks related non-compliance of reporting requirements, and a reputational risk mitigation review through an EMEA expert group.

Regarding the EU Taxonomy disclosures, the main risks faced by the Bank are around data completeness, accuracy and traceability. The Bank has performed data quality checks and has controls in place to mitigate potential risks.

| Core elements of the Bank's due diligence | Explanation and reference |
|---|---|
| a) Embedding due diligence in governance, strategy and business model | See the Sustainability governance section. |
| b) Engaging with affected stakeholders in all key steps of the due diligence | The Bank's approach has been to identify and engage with internal representatives of external stakeholders. See the Stakeholder identification and engagement section. |
| c) Identifying and assessing negative impacts on people and the environment. | See the Double materiality assessment section. |
| d) Taking actions to address negative impacts on people and the environment | See the Actions to mitigate negative impact of climate change mitigation section. |
| e) Tracking the effectiveness of these efforts and communicating | See the Sustainability governance section. |

The SRMCF is approved by the ESG committee. The framework is reviewed yearly, and in case of breaches, reported to the ESG committee.

## Strategy, business model and value chain

### Sustainability strategy and financing

The Bank's sustainability strategy is informed by and aligned with the Group's MTBP. As such, the Bank aims to support clients in responding to their financial needs, while fostering shared and sustainable growth for society. The Bank typically adapts its strategy and business model during the development of each MTBP. The plan includes a product strategy for sustainable financing, where sustainable finance products are offered to all customer groups and in all geographical areas within which the Bank operates. Additionally, the Bank derives all its income from commercial banking activities.

The Group has a goal to achieve 100 trillion yen in sustainable financing by 2030. The Bank supports and contributes to this goal. More details on sustainable financing are described in the section Actions to manage impact and opportunities of climate change mitigation section.

Additionally, the Bank invests in developing expertise on ESG in various departments across the Bank, including finance, planning and enterprise risk management.

CSRD sustainability statement

# General disclosures

### Income from certain sectors

As per CSRD, the Bank is required to disclose income generated from some specific sectors, namely fossil fuel, chemicals production, weapons and the cultivation and production of tobacco. The Bank does not generate income from the weapons industry and from the cultivation and production of tobacco industry.

The Bank's current portfolio does generate income from the fossil fuel sector and the chemicals production sector. 10% of the income derived from the fossil fuel sector relates to sustainable finance transactions in the form of green loan and sustainability linked loan[1] which are also designed to support clients in their transition towards sustainable business activities.

The income as displayed in the table below consists of interest, fees and commission, and other operating income.

| Sector in million €s | Income (For the year ended 31 March 2025) | % of total income |
|---|---|---|
| Fossil fuel | 30 | 4.62% |
| Chemicals production | 0.28 | 0.04% |

## Business model

Please refer to the Who we are section for the Bank's business model.

The table shows the Bank's employee count as at the 31 March 2025.

| Country | Employees (As at 31 March 2025) |
|---|---|
| The Netherlands | 393 |
| Germany | 215 |
| Spain | 35 |
| Austria | 15 |
| Belgium | 13 |
| **Total** | **671** |

## Value chain

The Bank's value chain as referred to in this CSRD sustainability statement consists of own operations, upstream, and downstream activities of the Bank. The Bank's value chain encompasses the range of activities, resources and relationships underpinning the Bank's business model and its interaction with the external environment.

The upstream value chain for the Bank includes the entities that provide resources, products or services to the Bank which enable it to create and deliver its products and services. The Bank receives funding, services, and operational support from both internal Group entities and select external third-party providers. The Bank buys from external suppliers products and services including IT (i.e. software/hardware), facilities and office equipment, data, service and consulting.

The downstream value chain comprises the clients who receive products and services from the Bank.

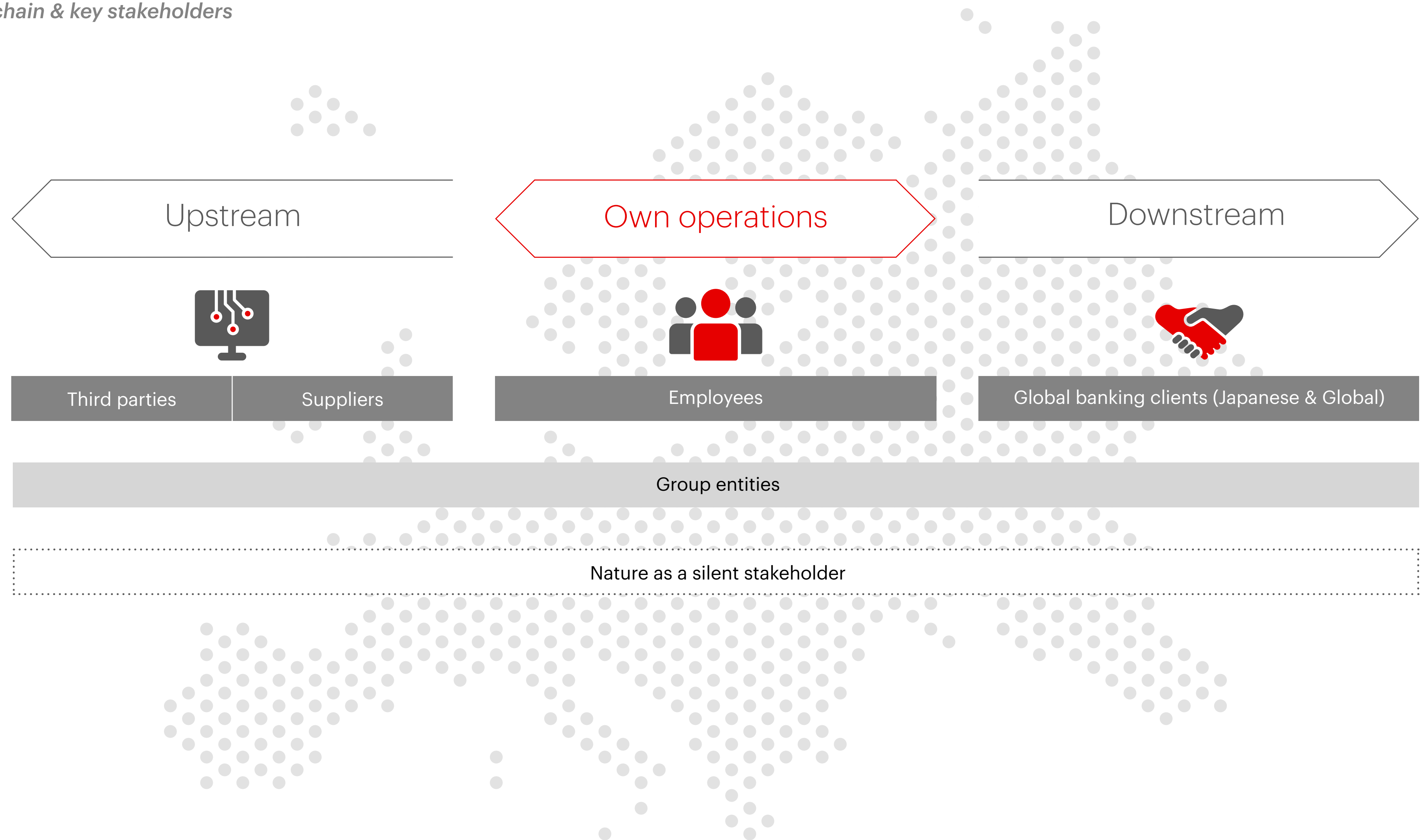
Own operations include the Bank's offices and its employees. The employees of the Bank form the human and intellectual capital. The Bank attracts and retains employees with a competitive remuneration and reward policy, learning & development opportunities and a strong corporate culture.

[1] Please see section Actions to manage impact and opportunitites of climate change mitigation for more information on the Bank's sustainable finance efforts.

CSRD sustainability statement

# General disclosures

***Value chain & key stakeholders***



CSRD sustainability statement

# General disclosures

## Stakeholder identification and engagement

In the year 2024, the Bank performed a stakeholder analysis as part of its DMA. The stakeholder identification process began with identifying relevant stakeholder groups. This was guided by the Bank's business model and peer analysis done through desktop research. Thereafter, the list of all identified stakeholders was analysed based on two criteria:

- How crucial were stakeholders to the Bank's business model
- Stakeholders' potential to be affected by or to affect the Bank's business activities

The next step was the quantitative assessment for each of these stakeholders of 1) the extent to which the stakeholder (group) is or could be affected by the Bank and 2) the extent to which the stakeholder (group) affects or could affect the Bank. Internally appointed subject matter experts conducted the assessment using a quantitative scoring scale from 1 to 10. A threshold-based decision-making process involving both internal and external experts produced a final list of key stakeholders. Certain stakeholders from the main list were not found to be key stakeholders. One notable example being the regulators. The reasoning is due to the fact that regulators have a significant impact on the Bank as a whole, the Bank, however, has limited impact on the regulators.

This list was also reviewed during the DMA refresh process, which resulted in minor amendments and changes.

| Key stakeholders | Inter-linkages with the Bank |
|---|---|
| Corporate banking clients (Japanese and Global) | Japanese and Global corporate clients in the Bank's portfolio, as well as financial institutions and other institutional clients |
| Group entities | Group entities are interlinked external stakeholders of the Bank who provide capital, operational support, relationship leverage and influence on management strategy and control |
| Employees | Employees significantly influence the Bank, as they are essential to its operations. The Bank has a significant influence on employees since it is their place of employment |
| Nature as a silent stakeholder | Nature and climate have an influence on the Bank's impacts, risks and opportunities. The Bank has an impact on nature through the financed GHG emissions, negative water impact and the impact on biodiversity |
| Suppliers | Suppliers who provide goods or services to the Bank, including technology providers, office suppliers, security services. Suppliers have an influence on the Bank since they are needed to operate. The Bank has an impact on suppliers since the Bank can influence contracts |
| Third parties | Third parties are a subset of suppliers which can be external or Group entities providing only specific services to the Bank. These services are ongoing activities that a third party performs that otherwise would be realistically undertaken by the Bank such as core banking activities and control functions |

CSRD sustainability statement

# General disclosures

For the DMA, the Bank has opted to use proxy representation as permitted under the ESRSs. The selection of internal representatives was based on their knowledge, experience and their role. The relevant management bodies have been informed about the process, the proxies used, and their views and interests through the Bank's sustainability governance structure. More information on the structure can be found in the Sustainability governance section.

Stakeholder discussions with these internal representatives took place during the DMA workshops. Additional information can be found in the Double materiality assessment section.

## Material topics and their interaction with strategy and business model

For the environmental material topics, enterprise risk is spread across the value chain while credit risk originates from clients. The Bank's corporate banking clients are negatively impacted by all material environmental topics but climate change mitigation also impacts the clients positively through sustainable financing products offered by the Bank.

For the social material topics, negative impact occurs across the value chain. The Bank's employees are particularly affected, experiencing both its positive and negative impacts, while also benefiting from the opportunities.

For the governance material topics, positive impact occurs across the value chain and opportunities are located in the Bank's own operations.

| Key stakeholders | Proxy representation |
|---|---|
| Corporate banking clients (Japanese and Global) | Relationship managers interact through e-mail, phone or video calls and through in person meetings. The client engagement is primarily to maintain and build a relationship with the clients and to discuss and identify clients' needs, including ESG-related products and services. |
| Group entities | ESG business coordinator and sustainability representatives. The engagement is through direct communication between functions and through various ESG committees. |
| The Bank's employees | Human resources function. Employees are given the opportunity to share feedback on a wide range of matters affecting their current and future interests. This connectivity and open dialogue is driven through a variety of avenues including formal and informal meetings, employee networks, focus groups and an annual employee engagement survey. The survey provides meaningful feedback to HR function on how the Bank is progressing in eighteen categories year on year. To note that not all 18 categories are related to sustainability matters. |
| Nature and climate as a silent stakeholder | ESG planning function and climate risk specialists. Nature related reports, position papers are analysed, shared and incorporated into the decision making. |
| Suppliers | Functions who deal with the suppliers as well as the head of procurement. Engagement with suppliers takes place as part of daily business and communication by the procurement function. Head of procurement is responsible for its allocated suppliers and interacts with them about daily business topics, including sustainability. |
| Third parties | Outsourcing function engages and communicates as part of daily business. |

## Double materiality assessment

The Bank carried out a DMA based on the ESRS between October 2023 and April 2024. This DMA formed the basis for the Bank's sustainability matters and set the reporting scope for FY24 CSRD disclosures.

Each step of the DMA was discussed and aligned through the governance described in the section Sustainability governance. The Bank also discussed the outcome and process of the DMA with its internal and external auditors to ensure proactive engagement. The sustainability matters will be re-assessed through a DMA, only when regulatory change, business developments or strategic initiatives triggers a reassessment of the DMA, or every three years. A DMA refresh, in which the description and related sub topic applicability is re-assessed, but not scoring or the topics itself, will be conducted as an annual exercise. A DMA refresh was conducted in October 2024, results of which were incorporated in the DMA described in this report. The Bank has not conducted an analysis of the current and anticipated financial effects of the impacts of the material topics on the strategy and business model since the Bank is in the early stages of its CSRD reporting journey.

All the material impacts, risks, and opportunities (IROs) were found to have an impact across all time horizons. Further details can be found in the section Double materiality assessment outcome.

CSRD sustainability statement

# General disclosures

| | Material impacts, risks and opportunities | Location in value chain | | |
|---|---|---|---|---|
| | | Upstream | Own operation | Downstream |
| **Environmental** | | | | |
| Climate change mitigation | | | | |
| Negative impact | Negative impact on global warming through scope 3 GHG-emissions from the financed projects and corporates. | | | ⊖ |
| Positive impact | Positive impacts on climate transition through sustainable financing (loans that support projects or clients with positive environmental, social outcomes. The focus is on fostering economic growth that aligns with the Group sustainability goals) and through financing of renewable energy and/or climate change mitigation projects to support clients or projects. | | | ⊕ |
| Risk | • Failure of climate change mitigation leading to the physical risks faced by Bank's clients, such as extreme weather conditions, temperature rise, sea level rise and droughts, due to which the clients may not be willing or able to avail products and services from the Bank.<br>• Operational risk, strategic risk and reputational risk across the value chain due to change in government policies and regulations related to climate change. | ▲ | ▲ | ▲ |
| Opportunity | Business opportunity related to sustainable financing (loans that support projects or clients with positive environmental, social outcomes. The focus is on fostering economic growth that aligns with the Group sustainability goals) and through financing of renewable energy/climate change mitigation projects and Green, Social, and Sustainability (or Sustainability-Linked) transactions. | | | → |
| Water | | | | |
| Negative impact | Impacts on water availability as a result of water consumption especially in utilities sector. | | | ⊖ |
| Biodiversity | | | | |
| Negative impact | Negative impact on biodiversity due to climate change and water usage, land use change, sea-use change and land degradation associated with Bank's counterparties, e.g. through project financing. | | | ⊖ |
| **Social** | | | | |
| Own workforce | | | | |
| Negative impact | • Negative impact on workers in the own workforce by not providing equal treatment and opportunities for all (covering age, gender, culture, special needs/disabilities), including equal pay for equal work worsening the position of minorities and disadvantaged groups in the workforce and by not providing measurements against harassment in the workplace.<br>• Impact on employees in case of breaches of data privacy, exposure to IT-related risks and cyber threats that could affect the confidentiality and integrity of information, which can lead to potential negative impacts on personal security and confidential information of employees. | | ⊖ | |
| Positive impact | Positive impact on employee well-being through working conditions including secure employment, decent working times, work-life balance, adequate wages. | | ⊕ | |
| Opportunity | • Opportunities in employee engagement and talent attraction and retention which may lead to business growth, by providing attractive working conditions.<br>• Opportunities in employee engagement and talent attraction and retention which may lead to business growth by installing measures against harassment in the workplace, leading to an equal opportunity environment (that fosters diversity and inclusion), ethical behaviour by employees (e.g. lack of discrimination, harassments, racism) resulting in availability of personnel (low absenteeism, illness), ability to ensure effective leadership, ability to attract, develop recruit and retain talent, and engaged employees. | | → | |
| Workers in the value chain | | | | |
| Negative impact | • Impact on workers in the upstream value chain (Bank's suppliers) including exposure of workers to breaches of data privacy, forced labour, child labour and human trafficking.<br>• Impact on workers in the downstream value chain (Bank's customers) including exposure of workers to breaches of data privacy forced labour, child labour, pressure on availability of adequate housing, and human trafficking. | ⊖ | | ⊖ |
| **Governance** | | | | |
| Business conduct | | | | |
| Positive impact | • Effective management of corruption and/or bribery and prevention to avoid and/or timely detect corruption and bribery related incidents.<br>• Reduction of possibility for suppliers, employees, shareholders and clients to be involved in acts of financial irregularities or non-compliance with the code of conduct and other policies that could deny the benefits to the intended stakeholders.<br>• Impact on society, employees, customers, shareholders, and suppliers through combating potential financial frauds that could affect the broader stakeholder groups or society. Protection of human rights of employees, as well as whistleblowers across the value chain. | ⊕ | ⊕ | ⊕ |
| Opportunity | Opportunity to leverage a healthy corporate culture to ensure efficient utilisation of resources, better access to capital, better and higher quality employment opportunities, and a better chance of developing business in a sustained way. | | → | |

⊕ Positive impact ⊖ Negative impact → Opportunity ▲ Risk

CSRD sustainability statement

# General disclosures

## Overview of applied methodologies and assumptions

### Assumptions

During the DMA, the Bank relied on internal stakeholders to represent the perspectives of external stakeholders. For more details see the Stakeholder identification and engagement section.

In the process of determining the material topics of the Bank, the ESG reporting project team started with assessing the list of topics from ESRS. The Bank considered this list of topics a sufficiently complete list that could be used as a foundation for determining its sustainability matters. Desktop reviews were used to determine the significance of topics.

### Methodologies

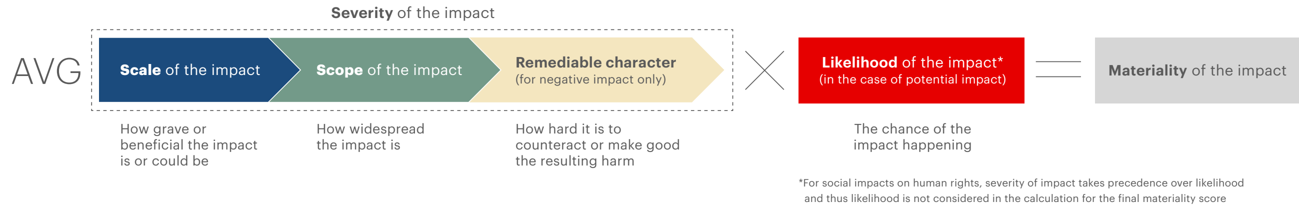
The DMA scoring methodology used by the Bank evaluates both impact materiality and financial materiality to determine the significance of sustainability matters. The Bank aligned the scale of 0-4 scoring with existing scoring in the Bank, such as the one used for C&E risk materiality assessments and climate risk heat map.

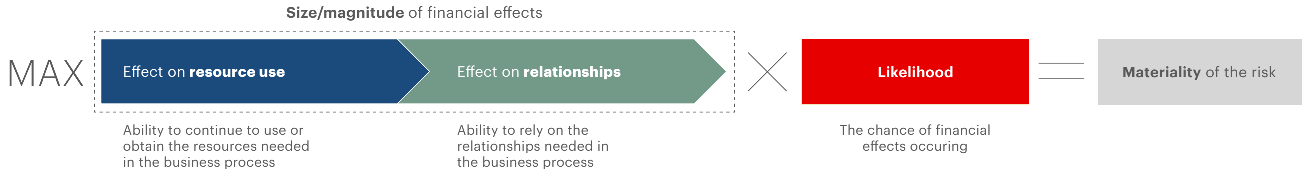
- **Impact materiality** assesses how the Bank's activities affect ESG factors. For impact materiality, the severity of negative impacts were assessed based on scale, scope and irremediability. Positive impacts were assessed based on scale and scope with their likelihood also considered and also considering both actual and potential effects.
- **Financial materiality** focuses on how sustainability-related risks and opportunities influence the Bank's financial performance, including revenue, costs, asset values, and liabilities. Financial materiality was assessed based on the size and likelihood of financial effects.

For the determination of the sustainability matters, the Bank applied a scoring method that included a quantitative threshold. The Bank used a weighted scale of 0 to 4. The threshold was set on 2.75, meaning that each topic with a score of 2.75 or higher was deemed material. The threshold of 2.75 was discussed within the Bank and was concluded to provide a reasonable threshold to ensure material topics are captured.

### Expert workshops

The Bank conducted multiple expert workshops during the DMA. For each step of the DMA, the group of cross functional experts was tailored in order to collect the required input and to assess the IROs of the topic. The workshops enabled substantive discussions during the DMA process with the dedicated content experts.



CSRD sustainability statement

# General disclosures

## Approach framework

**A. Understand the context**
To identify and assess material sustainability matters, the Bank started by creating a detailed overview of the Bank's business and activities (as explained in the Business model and Value chain section). Secondly, the Bank identified key stakeholders to be involved in the DMA (as explained in the Stakeholder identification and engagement section).

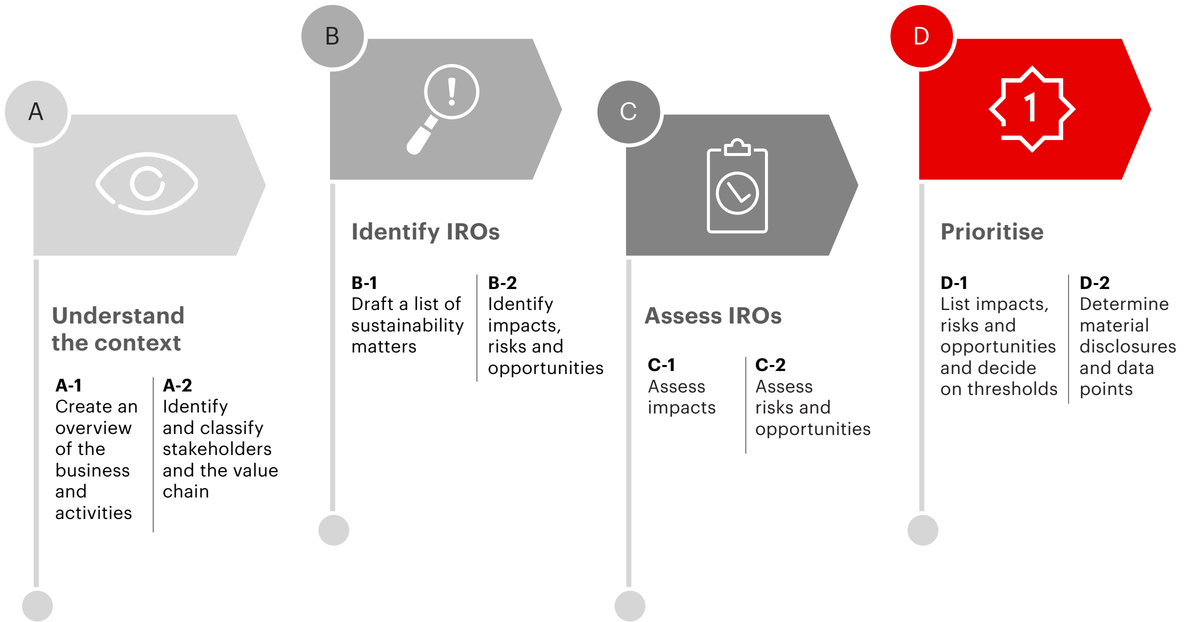
**B. Identify impact, risks and opportunities (IROs)**
The Bank used the topic list provided within the ESRS as the starting point for its assessment.

**C. Assess IROs**
To assess the impact materiality and financial materiality, expert sessions were organised to score each topic. The outcome of the workshops and the feedback received was used to verify and justify the sustainability matters.

Additional input on IROs and scoring was obtained by professional judgement and external consultation on topics. Based on a threshold applied, the material topics were finally identified (as explained in the Methodologies section).

**D. Prioritise**
The Bank considered both impacts through its own operations as well as through its business relationships. The Bank did not focus on any specific activities, business relationships, geographies or other factors that give rise to heightened risk of adverse impacts. The Bank did not prioritise negative impacts based on their relative severity and likelihood nor positive impacts on their relative scale, scope and likelihood. All topics are being reported on, in an equal manner.

The results of the discussions are processed in the IRO descriptions.



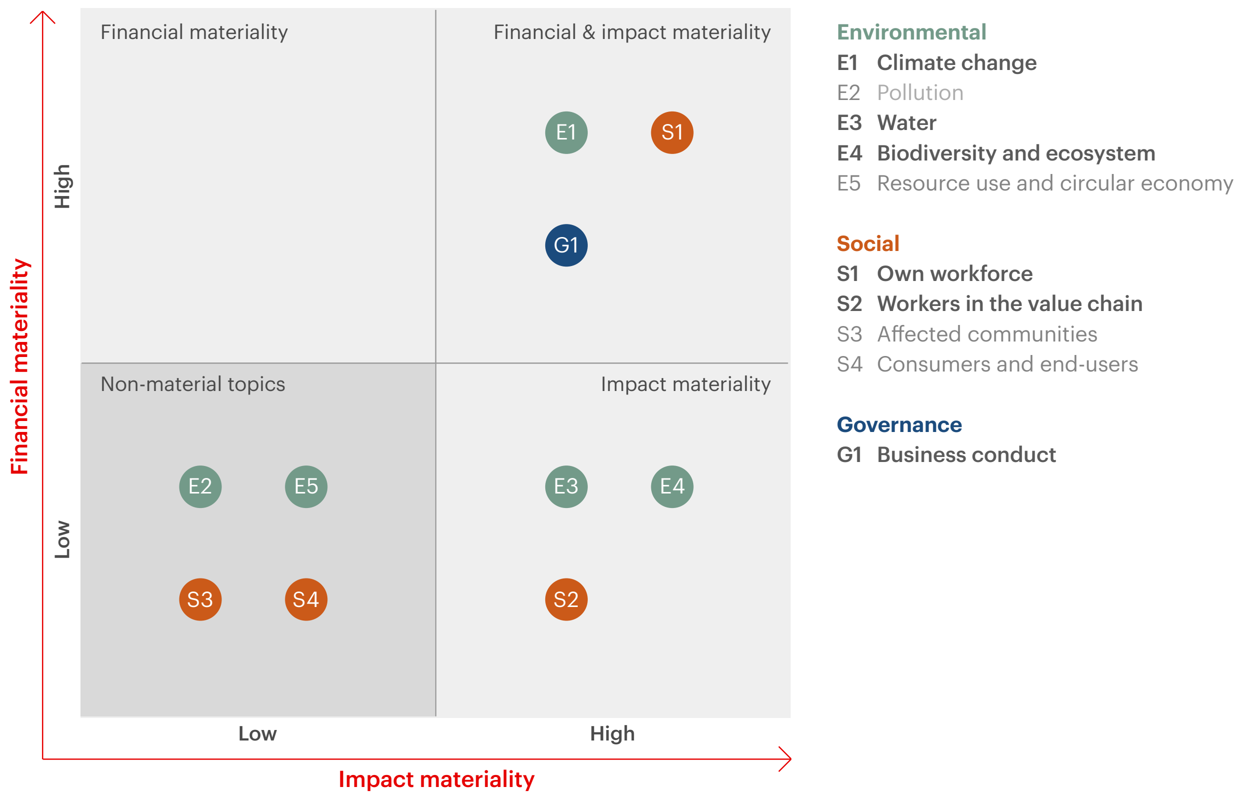
CSRD sustainability statement

# General disclosures

### Materiality matrix

The materiality matrix plots each topic based on its financial and impact materiality scores.

**Materiality matrix**




### Double materiality assessment: non-material topics

The following topics were found to be not material, given the presented reasoning.

**E2 Pollution**

Regarding pollution, the Bank impacts the environment and people through its entire value chain. Upstream mainly via suppliers, downstream through financing to clients and in own operations through its employees and office related activities. Firstly, the local geographical scope of the Bank's suppliers and the characteristics of the suppliers result in limited impact. The risk for the Bank to have an unstable supply chain as a result of pollution issues or increased regulation was considered minimal because suppliers are replaceable. Secondly, clients of the Bank that operate in polluting sectors are limited or are using pollution control technologies. The Bank is unlikely to make significant impact (positive or negative) through corporate banking clients at times due to limited exposure. For the same reasons, opportunities for business growth and increase of favourable reputation are unlikely to manifest. The risk that the Bank can be impacted in its income (credit risk) due to higher compliance costs is significant, but unlikely to happen. The same counts for the risk of reputational damage. In the Bank's own operations, the impact is minimal due to the local geographical scope and office characteristics.

These factors contributed to scores below the thresholds, making "Pollution" not a material topic for the Bank.

CSRD sustainability statement

# General disclosures

**E5 Circular economy**
The resource usage in the upstream and own operations value chain of the Bank are not significant.

The distribution of resources and waste through clients is moderate, cancelling out the impact (remendability and likelihood). The potential positive impact through sustainable finance on resource use or waste is also limited due to the Bank's exposure. Opportunities to contribute to reduction of unsustainable resource outflows in the Bank's client portfolio is unlikely, as this is not the main focus for the sustainable financing projects of the Bank. The risk of increased credit risk on corporate banking clients resulting from reputational damages or imposition of penalties on counterparties in high waste generating sectors such as construction is moderate.

These factors contributed to scores below the thresholds, making "Circular economy" not a material topic for the Bank.

**S3 Affected communities**
Social projects are not the main focus of the sustainable financing projects of the Bank. Therefore the impact (positive or negative) on affected communities through client financing is limited. For own operations that includes the Bank's corporate social responsibility activities, the impact was considered limited. Opportunities for building goodwill, resulting in increased revenue and positive effect on reputation is unlikely to manifest due to limited financial effects and limited media attention on the Bank's financing projects. Risks are managed by the review processes as described in the framework, that prescribe in depth the due diligence on the area of financing.

These factors contributed to scores below the thresholds, making "Affected communities" not a material topic for the Bank.

**S4 Consumers and end-users**
The Bank's consumers are corporates. Since the Bank does not have any retail customers, the Bank predominantly processes non-personal data and hence the impact was considered limited.

The scope of consumers that benefit from quality information, non-discriminatory marketing practices and adequate services resulting from the Bank's financing, is also limited, due to Bank's small customer base. The regulatory scrutiny that the Bank is subject to limits the risks related to consumers. Potential negative impact on consumers as a result of financing of clients that adversely affect health or safety, is unlikely due to the due diligence processes on the financing. Benefiting from financing clients that cater to the needs of society and facilitate widespread access of products and services without discrimination is also considered limited as the growth would be moderate and unlikely to happen.

These factors contributed to scores below the thresholds, making "Consumers and end-users" not a material topic for the Bank.

### Managing the material impact, risks and opportunities
Driving environmental and social progress is a pillar of the Group's latest MTBP, which lays out the Group's strategy. In addition, the Bank also manages risks associated with the transition to net-zero to ensure its resilience as a financial institution. The Bank has shown robust liquidity and effective risk management through its past and current financial results. This enables the Bank to manage the material IROs.

In this context, the Bank's risk management function actively identifies, measures, and manages risks arising from ESG risk drivers. The financial effects of material risk and opportunities are integrated into its existing business practices. Additional details about the identified material IROs are provided in the topical sections of this sustainability statement.

The Bank does not have financial exposures to operational expenditures and capital expenditures in relation to action plans for its material sustainability topics.

### Reporting on the material impacts, risks and opportunities
To determine the reporting of the material impacts, risks and opportunities, the ESG reporting team analysed the disclosure and application requirements under the ESRSs that are applicable for each identified material topic. The applicable mandatory information was collected and reported to meet the objective of the disclosure and application requirements.

# Climate change mitigation

CSRD sustainability statement

# Climate change mitigation

## Introduction

The Group has set achievement of carbon neutral society as one of the priority issues under sustainability management. It has a defined unwavering climate change commitment, which includes to help achieve the 1.5°C target. This approach reflects the Group's understanding of the interconnectedness between environmental health and economic prosperity.[1] The Bank takes its direction from the Group and is cognisant of its role to mitigate climate change. The below table describes the DMA results as it relates to climate change mitigation.

## Transition plan

Every year, the Group publishes its climate report which sets out the overall transition strategy. It is based on Glasgow Financial Alliance for Net Zero (GFANZ) guidance and contains the progress of the transition, record of the decarbonisation initiatives and the underlying approach.

The transition strategy contains objectives regarding global sustainable finance and net-zero GHG emissions.

The Bank will utilise the Group's transition strategy and map it to its portfolio and business in order to create the Bank's transition plan.

The details and timelines of implementation of the Bank's transition plan will be communicated in future CSRD reports.

## Targets related to climate change mitigation

The Bank has not set any targets related to climate change mitigation. The Bank seeks to further develop related work on climate change mitigation and this might include adjusting the Group's transition plan to the Bank. The Group's transition plan also includes targets & measurement on the progress of these targets.

| Type | Impact (positive/ negative) risk / opportunity | Topic | Value chain | Impact type | (Sub)-sub topic | Description of the material IRO |
|---|---|---|---|---|---|---|
| Impact materiality | Positive | Climate change | Downstream | Actual | Climate change mitigation | Positive impacts on climate transition through sustainable financing (loans that support projects or clients with positive environmental, social outcomes). The focus is on fostering economic growth that aligns with Group's sustainability goals and through financing of renewable energy and/or climate change mitigation projects. |
| | Negative | | Downstream | Actual | | Negative impact on global warming through scope 3 GHG emissions from the financed projects and corporates. |
| Financial materiality | Risks | | Downstream | N/A | | Failure of climate change mitigation leading to the physical risks faced by the Bank's clients, such as extreme weather conditions, temperature rise, sea level rise and droughts, due to which the clients may not be willing or able to avail products and services from the Bank. |
| | | | Across value chain | N/A | | Operational risk, strategic risk and reputational risk across the value chain due to change in government policies and regulations related to climate change. |
| | Opportunities | | Downstream | N/A | | Business opportunity related to sustainable financing (loans that support projects or clients with positive environmental, social outcomes). The focus is on fostering economic growth that aligns with the Group's sustainability goals and through financing of renewable energy/climate change mitigation projects and green, social, and sustainability linked transactions. |

[1] For more information visit the website on the MUFG climate report

CSRD sustainability statement

# Climate change mitigation

## Managing risk related to climate change

Climate change presents both risks and opportunities for the Bank. As the Bank supports clients in transitioning to lower carbon business models, fully exploring green business opportunities, the Bank also recognizes the need to clearly articulate its approach to identifying, assessing and managing C&E risks, in response to growing expectations from regulators, investors, and other stakeholders.

The Bank identifies C&E factors as important drivers that can influence the Bank's traditional risk categories, including credit risk, market risk, operational risk, reputational risk, and strategic risk.

The Bank recognises that management of climate change risk, including both physical risks (i.e. the impact of acute weather events and chronic changes to the climate) and transitional risks (i.e. the impact of shifts to a low-carbon economy) is crucial to safeguard its clients' portfolios and assets. To achieve this goal, the Bank is integrating C&E factors into its processes and procedures. The integration of climate into the Bank's RMF encompasses the identification, management, measurement, and monitoring of these risks as well as the implementation of mitigation measures.

Beyond compliance, the Bank is integrating C&E risk management into its strategy.

Proactively addressing these risks helps safeguard long-term financial stability by:

- Anticipating the impacts of climate transition and environmental degradation, supporting clients' transitions by engaging with high-impact sectors to manage risk and explore green financing opportunities
- Maintaining reputational integrity by meeting stakeholder expectations for responsible environmental and climate management
- Fostering innovation and competitiveness by capitalising on the growth of sustainable finance markets

| Categories | Description |
|---|---|
| Physical risks | Risks resulting from climate change that can be event driven (acute) or longer-term shifts (chronic) in climate patterns. As part of the environmental risk, this means the risk of any negative financial impact on the institution stemming from the current or prospective impacts of the physical effects of environmental factors on the institution's counterparties or invested assets. |
| Transition risk | Transitioning to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements related to climate change. Depending on the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to organisations. As part of the environmental risk, this means the risk of any negative financial impact on the institution stemming from the current or prospective impacts of the transition to an environmentally sustainable economy on the institution's counterparties or invested assets. |
| Other environmental risks | Risks that arise from destruction and/or degradation of the environment, including biodiversity risk. |
| C&E risk event | Climate or environment occurrence that is external to the Bank which could impact the Bank's risk categories outlined above. |
| Transmission channels | Causal chains that explain how climate & environment risk drivers give rise to financial risks that impact the Bank directly or indirectly through its counterparties, the assets it holds, and the economy in which it operates. |

CSRD sustainability statement

# Climate change mitigation

## Managing risk across the value chain

### Integration of climate-related and environmental risks into the risk management framework

As part of a commitment to address C&E risks and to safeguard capital and profitability on an ongoing basis, the Bank has identified climate-related risks as drivers that can amplify existing risk types such as credit, market, operational, strategic and reputational risks. C&E risk is defined as risk related to the physical consequences of climate change and environmental degradation as well as transition to a climate-neutral economy. It is classified into physical risk, transition risk, and other environmental risks.

### Climate-related and environmental risk assessment

C&E risks are not considered new or separate risk categories but rather as cross-cutting drivers that influence existing risk types. Assessment of C&E risk materiality plays a critical role in the Bank's risk management.

The C&E risk materiality assessment is a live and interactive tool for consistently documenting, assessing and monitoring C&E risk that impacts the Bank's risk categories including credit, operational, market, liquidity, strategic and reputational risk across the value chain.

An annual assessment of the risk materiality is conducted to evaluate the relevance and impact of climate-related risk factors across existing risk categories including the aforementioned. This assessment, performed in the last quarter of the year and approved in December 2024, considers short, medium and long term time frames using scenario analysis.

The materiality assessment used to identify and prioritise the Bank's most significant C&E risks is a dynamic evaluation that combines both quantitative data and qualitative insights. It includes a vulnerability assessment and a risk evolution assessment using two scenarios. The scenarios have been split in short, medium & long term according to the following time horizons:

- Short-term: Less than 1 year
- Medium-term: 1 to 5 years
- Long-term: More than 5 years

The risk materiality assessment is based on identification and classification of:

- C&E risk drivers
- C&E risk events associated with each risk driver

The tables on the next page display the different C&E risk drivers.

CSRD sustainability statement

# Climate change mitigation

| Risk | Climate risk driver | Hazard | Description (various sources) |
|---|---|---|---|
| Physical | | | Physical risks resulting from climate change can be event driven (acute) or longer-term shifts (chronic) in climate patterns. Physical risks may have financial implications for organisations, such as direct damage to assets and indirect impacts from supply chain disruption. |
| Physical | Acute | | Acute physical risks refer to those that are event-driven, including increased severity of extreme weather events, such as cyclones, hurricanes, or floods. |
| Physical | Acute | Storms (cyclones, hurricanes and typhoons) | Extreme weather event or tropical storm consisting of very high winds and/ or high rainfall, often thunder and lightning. |
| Physical | Acute | Flood | A large amount of water covering an area that is usually dry, rapid onset. |
| Physical | Acute | Extreme heat | A period of time when the weather is much hotter than usual (in excess of average expected for country/season, longer than 2 weeks). |
| Physical | Acute | Drought | A long period when there is little or no rain (less than average expected for country/ season, longer than 3 months). |
| Physical | Acute | Wildfires | A fire burning strongly and out of control in the countryside (longer than 1 week, impacting free movement). |
| Physical | Chronic | | Chronic physical risks refer to longer-term shifts in climate patterns (e.g., sustained higher temperatures) that may cause sea level rise or chronic heat waves. |
| Physical | Chronic | Water level reduction | Sea or fresh water level decrease. |
| Physical | Chronic | Water level increase | Sea or fresh water level increase. |
| Physical | Chronic | Land degradation and water stress | Process in which the value of the biophysical environment is affected and perceived to be deleterious or undesirable. Water stress occurs when the demand for water exceeds the available amount during a certain period or when poor quality restricts its use. |
| Physical | Chronic | Human migration | The permanent change of residence by a group, causing socioeconomic impact in an original and new location. |

| Risk | Climate risk driver | Description (various sources) |
|---|---|---|
| Transition | | Transitioning to a lower-carbon economy may entail extensive policy, legal, technology, and market changes to address mitigation and adaptation requirements that are related to climate change. Depending upon the nature, speed, and focus of these changes, transition risks may pose varying levels of financial and reputational risk to organisations. |
| Transition | Policy & legal | Policy actions around climate change continue to evolve. Their objectives generally fall into two categories—policy actions that attempt to constrain actions that contribute to the adverse effects of climate change or policy actions that seek to promote adaptation to climate change.<br>Another important risk is litigation or legal risk. Reasons for such litigation include the failure of organizations to mitigate impacts of climate change, failure to adapt to climate change, and the insufficiency of disclosure around material financial risks. As the value of loss and damage arising from climate change grows, litigation risk is also likely to increase. |
| Transition | Technology | Technological improvements or innovations that support the transition to a lower-carbon, energy efficient economic system can have a significant impact on organizations. The extent that new technology displaces old systems and disrupts some parts of the existing economic system, winners and losers will emerge from this “creative destruction” process. The timing of technology development and deployment, however, is a key uncertainty in assessing technology risk. |
| Transition | Market | While the ways in which markets could be affected by climate change are varied and complex, one of the major ways is through shifts in supply and demand for certain commodities, products, and services as climate-related risks and opportunities are increasingly taken into account. |

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# Climate change mitigation

**The vulnerability assessment**
The Bank assigned to each C&E risk a rating from minimal to very high vulnerability, using a vulnerability scoring framework.

The vulnerability assessment describes how these risks could potentially affect the Bank through possible transmission channels for each of the risk types respectively. This assesses the resilience of the bank for each of these risk types. For the different risk types, vulnerability has been defined accordingly.

At the same time, a risk event evolution assessment gauges how a threat might intensify over short, medium and long-term horizons. Applying two scenarios to assess different risk types. The two scenarios have been selected from the six Network for Greening the Financial System (NGFS) scenarios as the most extremes for physical risk and transition risk based on the Bank's business and portfolio:

- The delayed transition scenario explores higher transition risks due to policies being delayed or divergent across countries and sectors. For example, (shadow) carbon prices are typically higher for a given temperature outcome
- The hot house world scenario assumes that some climate policies are implemented in some jurisdictions, but globally efforts are insufficient to halt significant global warming. The scenarios result in severe physical risk including irreversible impacts such as sea-level rise

The same scenarios were used across the five analyses carried out for strategic and reputational, operational, liquidity, market and credit risk including for biodiversity risk.

For each of the five risk analyses, a risk evolution score has been determined for each risk driver and risk event, using scenario specific assumptions based on the statistics on climate risks. The process of assessment takes into account limitations, critical assumptions and constraints of the scenario analysis, in a wide confrontation of various stakeholders through meetings, reviews and workshops, as foreseen in the C&E risk materiality assessment procedure.

With specific reference to the critical assumptions about the transition to a lower economy in the long term, the Bank identified the following:

- New climate policies are not introduced until 2030, which results in need for strong policies and high technological costs
- Significant change in policies is expected past 5 years period. The litigation risk is still high
- Shift in market demand in >5 year period is expected to significantly increase, also due to the increased policies. The market is experiencing oscillations in the economy because of the constant need of improvements for all companies and banks
- There is quite a lot of uncertainty in market signals and customer behaviour will depend on their view of sustainability of bank's operations.

The combined vulnerability assessment and scenarios lead to materiality scores for the short, medium and long-term, for the two scenarios respectively.

The final materiality score is calculated as the average of the vulnerability score and the evolution score (derived from scenarios), as a general rule.

Based on all the materiality assessments' final scores, the Bank was able to draw conclusions on materiality:

- The outcomes are in line with expectations considering the Bank's business model. The materiality score is assessed as low or slightly higher (but immaterial) in the short and medium term for the hot house world scenario (high physical) across all risk categories
- Delayed transition (high transition) scenario results are of overall higher materiality due to higher costs from the transition and quicker phase out of fossil fuels. Risks are assessed as material in the long term for operational, strategic and reputational risk
- Biodiversity risk is moderately higher from a reputational risk perspective, as it subject to media scrutiny, and material over all time horizons for credit risk. C&E (beyond biodiversity) risk, market, policy & legal are seen as material in the medium term and long-term for credit risk

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# Climate change mitigation

The Bank has conducted a thorough materiality assessment for all risk types related to C&E risks. Specifically the analysis on strategic risk, which only shows materiality in the long-term also considers how the undertakings' strategy might be affected. The Bank will continuously update this materiality assessment, monitor external and internal developments and implement mitigating actions, where needed or deemed necessary. The proposed mitigation actions will be reported to and monitored by the ESG committee. Results of this scoring feeds into the broader risk framework, ensuring that any material C&E risks are flagged at an early stage. Further, refer to the section on Sustainability governance, where the Bank has a thorough framework in place to protect itself against associated (arising) risks.

The Bank supports client transitions to net-zero by offering products and services aligned with low-carbon strategies. Thus, the Bank has a variety of products and services in place that it can offer to its clients to support their transition, which it continuously updates in line with market standards and practices.

| Risk type | Vulnerability | High physical risk scenario | High transition risk scenario |
|---|---|---|---|
| Strategic and reputational | Moderate vulnerability to risk events: physical risk, loans concentration in carbon intensive sectors, consideration of C&E risks in business strategy, monitoring of C&E risks, loan pricing framework, reporting, stakeholder expectations, greenwashing<br>High vulnerability for land use change and biodiversity loss | Material result in long term for land use change and biodiversity loss. | Material results for 7 risk events in medium term and long term: loans concentration in carbon intensive sectors, consideration of C&E risks in business strategy, monitoring of C&E risks, loan pricing framework, reporting, stakeholder expectations and greenwashing |
| Credit | Moderate vulnerability to risk events: resource scarcity, pollution, policy & legal, technology and market<br>Low vulnerability to other risk events | Immaterial results | Material results for policy & legal and market, in the medium and long term |
| Operational | Moderate vulnerability to risk events: flood, extreme heat, wildfires, rising sea levels & coastal erosion, technological developments, policy & legal,<br>Low or no vulnerability to all other risk events | Immaterial results | Material results for policy & legal in the medium and long term |
| Liquidity | Moderate vulnerability to storms<br>Low or no vulnerability to all other risk events | Immaterial results | Immaterial results |
| Market | Low or no vulnerability to all risk events | Immaterial results | Immaterial results |

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# Climate change mitigation

## Risk appetite statement

Based on the results of the C&E materiality assessment, dedicated RASs are drawn up regarding C&E risks, to represent the Bank's commitment to assist its clients in the climate transition and the continuous integration of C&E risks within the RMF.

The risk appetite framework and statement (RAFS) outlines the comprehensive approach through which risk appetite is established, communicated, and monitored across the EMEA region. It includes policies, processes, controls, and systems, as well as the RAS, risk limits, and oversight roles. The RAFS considers material risks to the Bank and its stakeholders, supported by a risk taxonomy that catalogues all risks. It combines top-down strategy and bottom-up risk assessments, ensuring formal governance over primary and significant subordinate risks. The RAS is a living document that guides decision-making and adapts to changing conditions.

Risk appetite is defined both qualitatively and quantitatively, with metrics and indicators for monitoring adherence. This approach is integral to the Bank’s wider RMF.

Climate change risk is captured in the RMF as a driver of risk that permeates a number of strands of existing risks, covering both physical and transitional risks. Monitoring is conducted on a monthly basis via the RMC as part of the top risks report and key risk indicators (KRIs) for climate change in the RAS dashboard report.

As a result of the 2024 C&E materiality assessment, there are no immediate material risks in the short term. However, in the medium to long term there are actions required.

### Short term

- No immediate risks

### Medium to long term

- Material risks are identified
- For some of those risks, sufficient mitigation actions are already in place (reporting, stakeholder expectations, operational risk, policy & legal)
- Other risks are owned and addressed through dedicated planned directions by the risk owners
- The risks that are not yet fully addressed have received specific recommendations and dedicated remediation actions

Further analyses and actions will be developed throughout the vulnerability assessments taking place in the coming years. This is considered acceptable as the identified risks are only deemed material in the medium to long term.

As per the recent C&E risk materiality assessment, C&E aspects for credit, operational, strategic and reputational risks have been considered for inclusion in the RAS.

### Credit risk

- Portfolio quality KRI into the RAS for credit risk
- Green to brown asset ratio

### Reputational risk

The Bank recognises the long-term reputational risks associated with climate change. The reputational risk policy has been updated to address C&E considerations. While specific KRIs for reputational risk related to climate change are still developing, the Bank is actively exploring options to integrate these metrics into its RMF.

### Strategic risk

The Bank acknowledges the materiality of climate risk to its strategic objectives. The Bank will work on collecting data and developing methodologies to incorporate climate considerations into its strategic risk assessment and RAS.

### Operational risk

The Bank acknowledges a potential for operational risks related to climate change, such as physical risks and transition risks. The Bank will continue working on collecting data and developing methodologies to incorporate climate considerations into operational risk.

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# Climate change mitigation

### Embedding climate-related and environmental risk in policies and processes of existing risk typologies

Following the completion of the C&E risk materiality assessments, the Bank started implementing C&E consideration in the risk framework.

The Bank updated relevant risk policies and procedures and is actively working to incorporate these findings into strategic planning, as well as scenario analysis for capital and liquidity decisions. This way, the climate materiality assessment remains a dynamic, forward looking process, reinforcing the Bank's commitment to transparency and resilience in managing environmental challenges.

In terms of governance, the Bank's RMC's scope now includes C&E considerations, while C&E aspects were included in the RMF, RAS, and relevant policies. Moreover, a dedicated risk manager focused on ESG risk responsibilities was hired.

Further integration of C&E drivers into risk framework is foreseen in the future. Based on its strategy, and to meet regulators' expectations, the Bank aims to identify measure, monitor, manage and report on the impact of C&E changes.

It is the Bank's ambition to fully embed the impact of C&E change into governance and risk management, to manage and mitigate the financial C&E risks in line with the evolution of sustainability matters in the Group. All relevant risk documentation shall be updated under consideration of C&E impact.

New regulations have been recently published, including EBA Guidelines on the management of ESG risk, which defines the principle and minimum requirements for the management of C&E risk, and draft EBA Guidelines on ESG scenario analysis. During 2025 the Bank will be working on further C&E risk integration to meet supervisory expectation.

### Climate change as risk driver for strategic and reputational risk

C&E risk factors may also be included in the reputational risk assessments. If the Bank's financial products and services were found to be supporting activities or projects that harmed the environment and contributed to a worsening climate change scenario, this could lead to criticism and a negative perception of the Bank by stakeholders, constituting a reputational risk.

Reputational risk has been identified as a material risk for the Bank over the long-term horizon, within the reputational and strategic C&E materiality risk assessment and within the biodiversity C&E materiality risk assessment. The Bank periodically reassesses risk materiality to ensure C&E risk is measured and managed within the defined risk appetite.

### Climate change as risk driver for operational risk

C&E risk factors might also be considered as operational risks. In the event of adverse extreme climate conditions, the Bank might face temporary disruption or unavailability of key premises (e.g. data centres, operational centres, headquarters) or discontinuity of services by some of its third-party service providers.

In the C&E risk materiality assessment, the Bank considered flooding as part of acute physical risk events and water and/or sea level rise as part of chronic physical risk events. These risks received a moderate vulnerability score. The assessment also considered a hot house scenario, a similar but not as extreme scenario (selected from the NGFS scenarios 2024, which gave a low risk score for the short and medium term, but a moderate risk score for the long term, noting flooding in Austria, Germany, Belgium and Spain (but not in cities with major financial organisation centres). The combined materiality results of the vulnerability and scenario assessments for flooding and rising water and/or sea levels resulted in a score of 2 and 1.5 respectively for the short term (i.e. short term is applicable to the scenario analysis), showing a low and slightly higher immaterial but still informative result. The mitigation action strategy is useful in this scenario as it identifies increased regulatory pressure and reporting requirements that expose the Bank to legal and compliance risk, which will further strengthen controls related to funding and resource transfer.

# Climate change mitigation

During the latest operational risk scenario analysis cycle, with an initial assessment of climate risk from an operational risk perspective, the Bank has considered a flood scenario as a key natural hazard and its associated socio-economic impact globally and in the Netherlands in particular. A 2017 report from the DNB has noted that out of all natural disasters, floods are likely to cause the highest potential losses in the Netherlands[1]. Despite extensive investments in flood protection, severe floods cannot be ignored and remain a risk.

Impacts have been carefully assessed, elaborating on assumptions taken into consideration in the quantification of severe and extreme impacts. The results predict limited impact on the Bank's own operations and a list of appropriate remedial actions has been developed.

**Stress testing and scenario analysis**

C&E risk is assessed using qualitative and quantitative approaches. Quantification of transition risk is captured both bottom up during the underwriting process at a loan origination stage and also top down through scenario analysis (using macroeconomic and market factors). Quantification of physical risk is under development.

As part of the annual stress testing programme, the Bank performs stress testing through internal quarterly stress tests and yearly regulatory stress tests to quantify the impact over the short-medium horizon.

At EMEA regional level, the high physical risk scenario and high transition risk scenario from NGFS are used to estimate credit risk losses over a long term horizon (up to 30 years) using a probability of default (PD) model with one single macro factor (e.g. GDP). Integrated stress testing impact is reflected on the balance sheet, profit and loss statement, and capital and liquidity metrics.

Scenario analysis has been used to inform risk identification and assessment/measurement. The set of climate scenarios used for the analysis was designed to evaluate and quantify potential vulnerabilities through analyses under stressed conditions for the short, medium and long term. The primary climate assumptions incorporated into the scenarios, regarding transition policies and emission/temperature levels, are aligned with established international frameworks to ensure consistency with scientific climate change trajectories. This alignment is crucial for accurately assessing the impact of physical and transition risk drivers.

The Bank has developed three multi-decade scenarios which are based around the core NGFS scenarios covering physical, transition and combined risk. These scenarios complement the internal fossil fuel scenario and builds upon the original, internally developed, shorter-term carbon tax scenario which is run for the EMEA portfolio every six months.

In addition, qualitative assessment of physical risk (acute and chronic) events has been added to the strategic and reputational C&E risk materiality assessment.

Quantification using scenario assessment is performed via operational risk scenario analysis (impact of climate change) as part of the internal capital adequacy assessment process (ICAAP).

Further work is in progress: given that the results of the qualitative assessment show the immaterial nature of physical risk on the corporate book, the Bank has not developed an approach to quantify physical risk at portfolio level yet and plans to leverage on the Group's approach going forward.

At the global level, the Group is currently developing a methodological approach that will address impact at portfolio level using specific climate risk factors. Both top down and bottom up approaches for the corporate book are being considered.

The Bank has taken further steps to implement integrated stress testing in 2025 in line with new EBA Guidelines on the management of ESG risk and EBA Guidelines on ESG scenario analysis. Finally, the Bank will follow Group developments and timelines in this area to ensure global alignment and benefit from wider Group resources.

[1] For more information, refer to the DNB report

CSRD sustainability statement

# Climate change mitigation

## Managing risks pertaining to corporate banking clients

### Policy on managing risks pertaining to corporate banking clients in relation to climate change mitigation

The adopted policy in the Bank to manage climate related issues of clients refers to the MUFG EMEA regional credit policy, where a specific section on climate change details the requirements for managing the credit risk arising from climate change.

From a financial risk perspective, assets on the balance sheet may be exposed to risks arising related to climate as well as new business. Credit risk is the most material financial risk for Group entities.

Clients could be exposed to severe climate change risk, either in the form of physical risks to its operations and assets (e.g. breakdown of supply chains due to weather events and subsequent financial losses), or transition risk to its sector of operation (e.g. an automotive company solely focused on manufacturing internal combustion engine vehicles). If the climate change risks manifest, the client's PD could increase and/or its loss given default (LGD) could increase the likelihood of a stranded asset risk.

### Approach to managing climate change risks

The following key principles form the basis of the approach to managing climate change risk:

- Top-down climate scores assessed at counterparty level using a heat map approach to provide an overview of the portfolio
- Bottom-up credit risk assessment client level analysis considers qualitative and quantitative factors in consideration of potential impact due to climate risk considerations
- Climate risk appetite metrics and climate portfolio reporting provides overview and steer on the evolution of the portfolio

The following design principles have been considered in designing the EMEA regional climate change credit risk framework:

- Financial flows can be aligned with either or both mitigation and adaption objectives. The approach focuses on mitigation objectives given the scarcity of information on adaption objectives
- Scenario-agnostic such that it can be adapted to various climate scenarios
- Data-agnostic such that any input data can be used in the model
- Product-agnostic such that the approach can be applied to any financial instrument
- Sector-based where each economic sector is described by its own set of indicators and refers to its own benchmark and targets
- Client-driven such that Group entities work with existing clients to support on their transition journey – stewardship over divestment
- Asset-level data measuring alignment on a forward-looking basis on production and emission forecasts, considering the portfolios' maturity profile

### Approach to credit risk

The approach to managing the credit risk arising from climate change is defined in the EMEA regional procedures for climate change credit risk management.

EMEA procedures for climate change credit risk management serve as procedures to the EMEA regional credit policy which sets out the high-level requirements and controls for managing credit risk arising from climate change in EMEA, as well as the functions responsible for performing them. The climate heat map is a formulaic top-down assessment at client level to perform an initial quantitative assessment of the climate related risks. Driven by a combination of industry, country and tenor scores this facilitates a quick initial assessment of the climate related risks. The industry climate heat map is a static scoring of climate related industries mapped to transmission channels across physical and transition risk.

The country climate heat map is a static scoring for each country based on:

- MUFG country grade
- Physical risk – risks from gradual global warming
- Physical risk – risks from extreme weather conditions
- Transition risk – transition from CO2 intensive economies
- Transition risk – climate change policy

A tenor score is also allocated to each credit risk exposure. Corporates and project finance/ financial institutions are aggregated based on either industry or country score being a leading factor.

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# Climate change mitigation

To facilitate the assessment of clients, both as part of on-boarding and the annual review, an EMEA credit climate change assessment focused review is performed and split into two parts:

- Primary evaluation – assessment of the current situation of the clients' effort toward transition in an objective manner, leveraging the carbon disclosure project (CDP) data or customer disclosures where CDP data is not available
- Secondary evaluation – assessment of the current situation of the clients' effort toward transition in a qualitative manner by completing questionnaires which will form the rationale if an override is needed for the 'primary evaluation' result

For customers with CDP data, a primary evaluation is to be carried out by the Tokyo head office.

The secondary evaluation consists of completion of questionnaires which consider the customers':

- Decarbonisation strategy
- Peer comparison
- Execution
- Governance
- Financing

Final outlook scores will be set and agreed between 1LoD and the credit division, using the five-stage grading evaluation definition.

## Five stage grading evaluation

| Definition | Target | Governance | Progress of the plan |
|---|---|---|---|
| **1. Net zero** | Current emissions is net zero and sustainable system has been developed | | |
| **2. Aligned (to a net zero pathway)** | • Paris agreement alignment (1.5°C) can be confirmed<br>• Criteria for grade 3 is satisfied | Well organised | Reduction has been progressed or can confirm the feasibility of the plan is high. |
| **3. Aligning (to a net zero pathway)** | • Has intermediate target<br>• Has transition plan or committed to create<br>• Criteria for grade 4 is satisfied | Well or organised | No significant delay or can confirm the feasibility of the plan is high. |
| **4. Committed to aligning** | • Has net zero commitment by 2050 | Minimally organised | - |
| **5. Not aligned** | All other than above | | |

CSRD sustainability statement

# Climate change mitigation

## Policies to material impacts and opportunities as it relates to climate change mitigation

In alignment with Group's environmental and social policy framework (E&S framework), the Bank promotes positive impact, identifies opportunities and mitigates negative impact of the Bank's transactions and financing on climate change.

### MUFG environmental and social policy framework

The E&S framework is designed to identify and manage environmental and social risks associated with the Group's business operations. It is based on the the Group's environmental policy statement and the human rights policy statement.[1] It aligns with the Group's reputational RMF to prevent negative impacts and promote positive impact and opportunities. It outlines the approach that the Group takes in responding appropriately to environmental and social issues in its business activities and contributing to sustainable development.

It applies to products and services provided to clients that include the extension of credit and the underwriting of bonds and stocks, also known as financing. Additionally, the E&S framework sets out prohibited transactions and transactions of high caution, which may be harmful from an environmental perspective[2]. The latest version of the E&S framework was announced on July 2024[3] but the original was published in May 2018. The E&S framework was approved by the Group's executive committee.

The Group's sustainability committee regularly reviews the need to update the E&S framework and makes amendments as necessary to reflect changes in business activities and the business environment.

The E&S framework is cascaded to all Group entities including the Bank. It is important to note that the application of the E&S framework within Group entities is based on a fundamental premise of not violating the local laws and regulations.

### ESG policy

#### Summary

The ESG policy localises relevant Group ambitions and makes them applicable to the Bank. Further, it outlines what sustainable financing standards are relevant for the Bank. This policy is applicable to the Bank and to the products and services offered by the Bank. The Bank's ESG policy sets out the Bank's overall sustainability ambitions (e.g. that the Bank is committed to the Group's net-zero ambitions and sustainable finance targets, which are also contributing to climate change mitigation, among others), and describes the Bank's ESG governance framework. It also outlines how the Bank adheres to relevant ESG-related regulatory matters.

Currently the ESG Policy does not address GHG emissions, GHG removals and transition risks over different time horizons, in its own operations and/or in the upstream and downstream value chain.

When the Bank drafts its transition plan utilising the Group's transition strategy, the ESG policy will describe each of these topics in more detail.

The ESG policy is owned by the CSPO who is also responsible for its implementation. It is published on the intranet of the Bank, accessible by all Bank employees. The ESG policy is reviewed at least annually and whenever it is necessary to do so; this may be due to changes in Group policies, regulatory requirements or simply when deemed necessary. Additionally, the ESG policy's monitoring and governance is managed through the ESG committee.

1 For more information on the E&S framework, the MUFG environmental policy, and the MUFG human rights policy statement, refer to the Group's website
2 For more information, refer to paragraph 3 and 4 of the E&S framework
3 There was update to the E&S framework in April 2025, effective May 2025, which is however after the end of the Bank's financial year

CSRD sustainability statement

# Climate change mitigation

## Actions to manage impact and opportunities of climate change mitigation

The Group actively supports sustainability-linked project finance. The Group also takes part in global initiatives to drive adoption of the best environmental and sustainability practices. In line with the Group, the Bank is committed to addressing climate change by implementing strategies that mitigate environmental impact while creating opportunities for sustainable growth.

### Key actions

In FY24, the Bank engaged in sustainable finance activities. This was done through project financing and through participating in issuance of green loans and sustainability-linked financing. These projects include renewable energy, infrastructure and sustainable transport. Additionally, the Bank promoted investments that deliver long term climate benefits. The Bank has tracked its green loan and sustainability-linked loan (SLL) commitments and drawn amount for FY24 as shown[4].

These transactions are classified and labelled within the Bank's core system and they can be easily identified for reporting. To ensure a correct representation of the Bank's portfolio funding these activities, any sub-participated amounts are subtracted from the total number. Only transactions that align with the APLMA / LMA / LSTA principles for green loan and SLL were included in this list. Due to data limitation, it is not possible to separate loans with a positive impact on social and governance from those with a positive environmental impact, in the SLL.

The Bank also monitors other sustainable finance transactions (with environmental and social benefits) that are not defined according to the ALPMA / LMA / LSTA Principles. These are counted towards the Group's goal of achieving 100 trillion yen in sustainable financing by 2030.

The Bank has allocated sufficient resources including having experts in relevant departments to manage impact and opportunities of climate change mitigation. The Parent, providing unlimited liquidity support, is the Bank's main source for contingency funding.

## Actions to mitigate negative impact of climate change mitigation

The Group is committed to addressing negative environmental impact through responsible financing and transaction practices.

As outlined in the E&S framework, the Bank integrates rigorous assessments into decision-making processes to ensure that its transactions considers potential negative impacts on climate change. Outlined below are the categories of transactions from the E&S framework that were also adhered by the Bank during FY24. These categories are applicable across all financing activities of the Bank.

### Applicable transactions

Taking into consideration the nature and severity of associated environmental risks or impacts, transactions are classified as "prohibited transactions" or "transactions of high caution".

#### Prohibited transactions

Transactions that could cause significant environmental and social risks or impacts are strictly prohibited.

| Type | Description | Committed Amount FY24 (in million Euro's) | Drawn Amount FY24 (in million Euro's) |
|---|---|---|---|
| Green loan | Any loan instrument made available exclusively to finance or re-finance, in whole or in part, new and/or existing eligible green projects. These loans aligns with the APLMA / LMA / LSTA Green Loan Principles (GLP) | 138 | 86 |
| Sustainability-linked loan (SLL) | Any types of loan instruments and / or contingent facilities which incentivize the borrower's achievement of predetermined sustainability performance objectives from an environmental and/or social and/or governance perspective. The borrower's sustainability performance is measured using sustainability performance target(s) (SPT) against corresponding KPIs. These loans align with the APLMA / LMA / LSTA Sustainability Linked Loan Principles (SLLP) | 1,184 | 186 |
| Total | | 1,322 | 272 |

4 The data reported here was not validated by any external bodies other than the assurance provider

CSRD sustainability statement

# Climate change mitigation

This includes amongst others:
- Illegal transactions and transactions for illegal purposes
- Transactions violating the convention on international trade in endangered species of wild fauna and flora
- Transactions that negatively impact wetlands designated under the Ramsar Convention

**Transactions of high caution**
The Group entities, including the Bank, identify "transactions of high caution" as activities that carry significant climate-related risks but may not qualify as prohibited. This consists of cross-sector guidelines and sector specific guidelines. These include amongst others:
- Transactions that negatively impact high conservation value areas
- Sector specific guidelines on oil & gas, coal-fired power generation amongst others

When the Group provides financing for these transactions of high caution, the identification and assessment process is used to confirm the client's approach to managing environmental issues.

**Sustainable finance escalation forum**
The Bank is part of the regional sustainable finance escalation forum within EMEA region which acts as a resource for relationship managers and wider front office business to escalate matters which need attention and actions related to deals and/or transactions labelled as green, social, sustainable, or sustainability-linked (GSSS). Escalations can be made pre-deal approval or post-approval in the case of amendments. Other ad-hoc ESG and/or sustainable finance issues may also be considered where the business requires guidance beyond what is available in existing internal documentation.

The outcome of the sustainable finance escalation forum can be that a transaction is expected to not be completed or be divested.

**Financing reputational risk management approach**
Transactions assessed as having the potential to have significant negative impacts on the corporate value of the Bank are evaluated with the involvement of executive management through a financing reputational risk management approach. If a client's environmental approach is not considered sufficient relative to the level of the potential risks or impacts, financing is not provided.

# Water

CSRD sustainability statement

# Water

## Introduction

The Group acknowledges the importance of water conservation and the mitigation of negative impacts on natural water resources. The E&S framework requires entities to manage risks associated with business activities, encompassing environmental considerations such as water usage and its impact on natural ecosystems. The topic of water was found to be material for the Bank due to the indirect impact of issuing loans to companies with high water usage (such as utilities, energy, materials and construction & engineering sectors). The following table describes the identified DMA impact as it relates to water consumption of the Bank.

## Policy related to water

The E&S framework and the Bank's ESG policy are leading policies related to all environmental matters. Since the topic of water is fairly new, limited best practices are available. Hence, the Bank does not have a dedicated policy to mitigate negative impact by water consumption. However, the Group's existing policies, which are also applicable to the Bank, sufficiently ensure that the Bank mitigates severe negative environmental impact.

## Actions and resources related to water

The Bank's negative impact in relation to water and any actions to mitigate that impact were not tracked for FY24. The Bank follows the Group's E&S framework on prohibited transactions and transactions of high caution and ensures standards or enhanced assessment take place for such transactions with higher risk of negatively impacting the environment and water availability.

## Road ahead

The Bank is currently investigating the feasibility of setting actions and targets related to water consumption and will take appropriate steps in the future to mitigate its negative impact on water availability.

| Type | Impact (positive / negative) risk / opportunity | Topic | Value chain | Impact type | (Sub)-sub topic | Description of the material IRO |
|---|---|---|---|---|---|---|
| Impact materiality | Negative | Water | Downstream | Actual | Water consumption and water discharges | Impacts on water availability as a result of water consumption especially in utilities sector |

CSRD sustainability statement

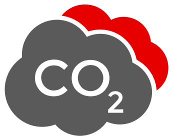
# EU Taxonomy

CSRD sustainability statement

# EU Taxonomy

## Introduction

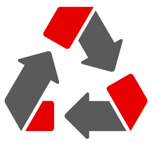
The EU Taxonomy is a regulation published by the European Commission (EC) in the Official Journal of the EU (Regulation (EU) 2020/852) and established as part of the European green deal. It serves as a common classification system for what is considered an environmentally sustainable activity, by defining a list of criteria to be fulfilled for the activity to be considered as aligned under one or more of the six environmental objectives.



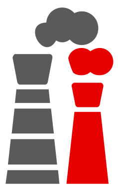

**Climate change mitigation (CCM)**

**Climate change adaptation (CCA)**

**Sustainable use and protection of water and marine resources (WTR)**



**Transition to a circular economy (CE)**



**Pollution prevention and control (PPC)**

**Protection and restoration of biodiversity and ecosystems (BIO)**

CSRD sustainability statement

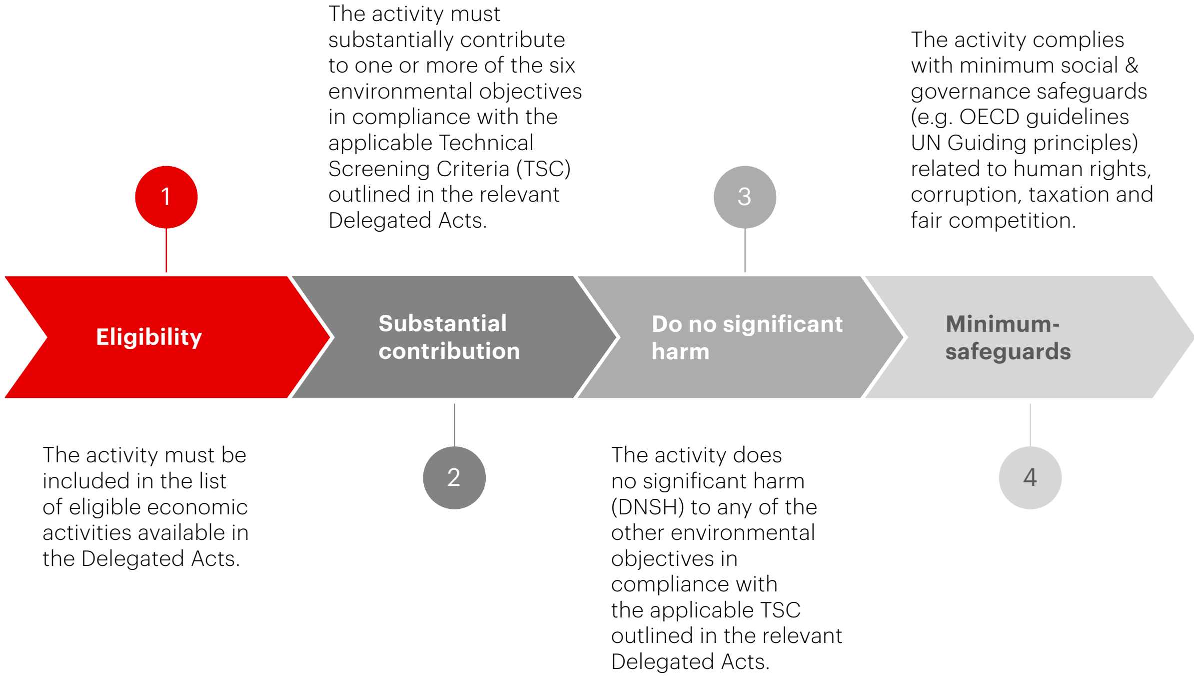
# EU Taxonomy

Under Article 8 of the EU Taxonomy, entities subject to the CSRD[1], are required to disclose their eligible and aligned economic activities. A vigorous assessment is performed to establish whether an activity is defined as environmentally sustainable and hence aligned with the EU Taxonomy.

This assessment comprises 4 steps. The first step determines eligibility: an asset is eligible if it is included in the list of eligible activities in the Climate Delegated Act or the Environmental Delegated Act (Delegated Acts). After eligibility is determined the assessment proceeds to the other steps (substantial contribution, do no significant harm, minimum safeguard). Therefore, the fact that an economic activity is taxonomy-eligible does not give any indication of the environmental performance and sustainability of that activity. Only if all steps of the assessment are successfully completed the activity is then deemed as aligned. The diagram beside describes these steps.

The Bank is required to disclose the taxonomy-aligned ratio in the form of green asset ratio (GAR) reporting the proportion of assets related to taxonomy aligned activities (the numerator) as a share of the total covered assets (the denominator).

The Bank's scope of this year's disclosures covers taxonomy-aligned ratio for climate change mitigation and climate change adaptation and taxonomy-eligible ratio for the other four environmental objectives.




[1] For FY24 these are EU public-interest companies: credit institutions, insurance undertaking and listed European corporations with more than 500 employees and either € 40 million turnover or € 20 million balance sheet value

CSRD sustainability statement

# EU Taxonomy

## Reporting methodology

EU Taxonomy disclosures can be both of mandatory and voluntary nature. Mandatory disclosures include exposures to financial and non-financial undertakings subject to CSRD, households and local government financing. Exposure to entities not subject to CSRD for FY24 (e.g. small and medium-sized enterprises (SMEs) and companies listed outside the EU) are considered voluntary. Since FY23, the EU Taxonomy requires credit institutions to disclose GAR using the official templates published by the EC in the relative Delegated Acts[1]. The official templates focus strictly on mandatory disclosures. Therefore, for the purpose of computing the GAR, only exposure to mandatory disclosures can be included in the numerator[2]. For this reason, the Bank has decided to omit any voluntary disclosures at this stage.

Given the Bank's large involvement with clients headquartered and listed outside the EU, who are, thus, themselves not in scope of the EU Taxonomy and cannot be included in mandatory disclosures, the Bank's mandatory disclosures represent a small part of the overall portfolio, approximately 4.4% of total covered assets.

The EU Taxonomy application outlines distinct approaches for general purpose lending, i.e. loans with unknown use of proceeds; and special purpose lending i.e. loans with known use of proceeds, such as specialised lending.

For general purpose lending, the assessment is performed on an entity level. The Bank determined its eligibility and alignment ratio relying on counterparties' disclosed ratios for their turnover and capital expenditure (CapEx). The Bank gathered this data from its counterparties' annual reports by desk research. Subsequently, the Bank multiplied these ratios with its exposures to the underlying counterparties.

In line with guidance provided by the EC, a look-through approach was applied with regards to exposures to multiple entities of the same group, where the group is a CSRD compliant entity. Thus, the EU Taxonomy ratios of the group and/or ultimate parent were applied in analogy to subsidiaries. In cases where subsidiaries published their own EU Taxonomy disclosures, the respective data was used.

For special purpose lending, the regulation requires to apply the technical screening criteria (TSC) and minimum safeguard (MS) principles at activity level.

For FY24, the Bank found no exposures to entities subject to CSRD with specialised lending products i.e. project finance and eligible for the EU Taxonomy assessment. Therefore, the scope of disclosures over FY24 comprises solely the general lending portfolio.

1 Annex VI (templates for the KPIs of credit institutions) in the Delegated Act ((EU) 2021/2178) and Annex XII (template for nuclear energy and fossil gas-related activities) of the complementary Climate Delegated Act ((EU) 2022/1214)
2 Exposures to undertakings that are not obliged to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU shall be excluded from the numerator of the GAR (Delegated Regulation (EU) 2021/2178, p.37)

CSRD sustainability statement

# EU Taxonomy

## Reported figures

The figures reported under the EU Taxonomy are reconciled with financial regulatory reporting (FinRep) disclosures, the major difference is that the EU Taxonomy figures are reported in gross carrying amounts (amortised cost of a financial asset before adjusting for any loss allowance), while FinRep figures are reported in carrying amounts.

The Bank's percentage of aligned activities is 0.1% and 0.2% based on turnover and CapEx respectively. These ratios are reflective of the composition of the Bank's portfolio, its asset classes and its large exposure to clients listed outside the EU. All aforementioned factors reduce the number of assets in scope of mandatory disclosures hence, limiting the GAR reported by the Bank.

The table beside shows the GAR for FY23 and FY24. The full reporting templates as prescribed in Annex VI of the Disclosure Delegated Act and templates related to nuclear and fossil gas activities' exposure as prescribed in Annex XII of the Complementary Climate Delegated Act are included in the EU taxonomy - Reporting templates section.

| | As at 31 March 2025 | As at 31 March 2024 |
|---|---|---|
| GAR - Based on turnover | 0.1% | 0.1% |
| GAR - Based on CapEx | 0.2% | 0.2% |

CSRD sustainability statement

# EU Taxonomy

## Limitations and future considerations

While the EU Taxonomy introduces a common classification system for environmentally sustainable economic activities in the EU, its application scope is limited to specific sectors and entities in scope of CSRD. The Bank's exposures to CSRD entities accounts for approximately 4.4% of the total covered assets. This is due to the Bank's large exposures to clients not in scope[1] of the Taxonomy mandatory disclosures which therefore, do not count towards the GAR percentage. In addition, limitations on data availability and quality as well as discrepancies in reporting methodologies hindered the Bank's assessment on EU Taxonomy.

The Group has its own targets to contribute to a more sustainable future, supporting its clients in their transition with concrete sustainable products that the Bank finances which are described under Action to manage impact and opportunities to climate change and differ in scope from the EU Taxonomy. Hence, while the GAR is considered an integral part of the EU regulatory and reporting framework towards a more sustainable future, the Bank's sustainable finance efforts should be considered more widely as part of the Group's global efforts and contributions. The Bank will continue to engage with clients and other stakeholders to promote transparency in a manner aligned with the Taxonomy, other regulatory disclosure requirements and public expectations. The Bank is committed to continue to promote sustainability, human rights and environmental awareness among our clients, suppliers and other stakeholders, where it reasonable can.

The EU Taxonomy framework is constantly evolving, as additional guidance is published every year clarifying the reporting obligations. The Bank has incorporated, where applicable, in its reporting methodology, the guidance published in November 2024 and will continue to implement this and future requirements in the coming reporting years.

The Bank is aware that its EU Taxonomy-related disclosures will need further enhancements in the future, once more data is available, as the scope expands to include more entities falling under the CSRD obligation. Moreover, the ESG regulatory framework is in constant development with potential impact on the Bank's reporting scope. In particular, the EU Omnibus package proposes to simplify the EU Taxonomy requirements by, for instance, reducing the data points required for reporting. For this reason, the Bank is closely monitoring these developments and refining its reporting methodology and scope on an annual basis.

[1] Clients in scope for FY24 are credit institutions, insurance undertaking and listed European corporation with more than 500 employees and either € 40 million turnover or € 20 million balance sheet value.

CSRD sustainability statement

# EU Taxonomy

## Restatement

In the course of preparing FY24 EU Taxonomy disclosures, the Bank has reviewed and refined its methodology and data inputs with evolving expectations and internal interpretation practices. As a result of this review, GAR previously reported for FY23 has been restated. These restatements reflect clarification in client identification criteria. The Bank believes these adjustments enhance the consistency and accuracy of its EU taxonomy reporting. The Bank discloses in the table beside, the previously reported GAR and restated GAR.

| | FY23 GAR TURNOVER | FY23 GAR CAPEX |
|---|---|---|
| As reported in previous annual report | 0.4% | 1% |
| As restated in current annual report | 0.1% | 0.2% |

# Business conduct

CSRD sustainability statement

# Business conduct

## Introduction

The Group emphasises ethical business conduct as a cornerstone of its operations. The Group's code of conduct outlines the standards guiding employees' decisions and actions in daily business activities, aligning with the MUFG way. The Bank has implemented this code of conduct, a corporate governance framework, and related policies, such as a whistleblowing policy and insider trading regulations, applicable to all employees and associates. The MB and SB members, have taken the Banker's Oath, as required by Dutch regulation, emphasising the Bank's role in society and commitment to meeting societal expectations and maintaining public trust. Regular meetings and training sessions are organised to ensure the highest level of integrity among all staff. These comprehensive measures highlight the Group's dedication to ethical business conduct and robust corporate governance across its global operations.

The topic of business conduct was found material for the Bank, given its location in the Netherlands, a highly regulated market, and its operation in the financial sector, particularly commercial banking. The table describes the identified DMA results as it relates to the business conduct of the Bank.

## Governance

The Bank's MB is responsible for the establishment of a robust control environment which facilitates and enhances the code of conduct and business conduct matters across the Bank's controls:

- The MB is responsible for ensuring that division heads implement and execute sound practices on business conduct matters, and enforces accountability if so required
- The MB establishes an 'effective tone at the top' on corporate documentation management, in addition each individual board member operates as a steward for those senior managers and employees operating under his/her responsibility
- Each individual board member is responsible for the establishment of a robust control environment for their respective area of responsibility, which facilitates and enhances the proper documentation and management of business processes and internal controls
- Each individual board member addresses, within the boundaries of his or her responsibility, the need to develop and/or review top documents (the highest documents in the corporate documentation hierarchy including MTBP, code of conduct, charter) with the MB (with the assistance of the corporate secretary).
- Each individual board member is responsible for making sure that senior management under his or her direct responsibility, implements and executes sound practices on corporate documentation management
- Each individual board member is responsible for presenting corporate documents, which are developed by division heads under their direct responsibility, for approval to the MB and/or SB in their capacity of approving authority

For more information on the expertise of the Management and Supervisory board please refer to the Report of the Management Board and Report of the Supervisory Board.

| Type | Impact(positive/ negative) risk/opportunity | Topic | Value chain | Impact type | (Sub)-sub topic | Description of the material IRO |
|---|---|---|---|---|---|---|
| Impact materiality | Positive | Business conduct | Own operations | Potential | Prevention and detection, including training | Effective management of corruption and/or bribery and prevention to avoid and/or timely detect corruption and bribery related incidents |
| | | | Across the value chain | Potential | Protection of whistleblowers | Impact on society, employees, customers, shareholders, and suppliers through combating potential financial frauds that could affect the broader stakeholder groups or society. Protection of human rights of employees, as well as whistleblowers across the value chain |
| Financial materiality | Opportunities | Business conduct | Own operations | N/A | Corporate culture | Opportunity to leverage a healthy corporate culture to ensure efficient utilisation of resources, better access to capital, better and higher quality employment opportunities, and a better chance of developing business in a sustained way |

CSRD sustainability statement

# Business conduct

## Business conduct policy and corporate culture

### Introduction

The policy below relates to business conduct and it showcases how the Bank mitigates the possibility for clients, employees, shareholders and suppliers to be involved in acts of financial irregularities or non-compliance with the Group's code of conduct. On the part around corporate culture, please refer to the section Our culture.

### Code of conduct

The Group's code of conduct outlines the guiding principles for responsible and ethical behaviour for employees within the organisation. The code emphasises ethical decision making, transparency and integrity in business practices.

The Group's global compliance division develops a draft of the code, taking into consideration changes in both the external environment and within the Group; as well as the results of the employee survey.  The responsibility for the stipulation of the code is with the the board at group level. The code is distributed to each entity or subsidiary of the Group, including the Bank.

The code of conduct is aligned with the MUFG way[1]. The code is built around the following core elements:

**Customer centric approach**

- MUFG places customers at the heart of its business. The goal is to maintain long-term trust by providing high quality financial services while safeguarding customers assets and privacy
- Employees handle customer information with care, avoiding conflict of interest and ensuring transparency

**Ethical behaviour and integrity**

- All employees must act fairly, ensuring that decisions and business activities align with the Group's values and ethical guidelines
- MUFG expects its employees to avoid illegal or unethical activities, and to comply with all laws, internal policies and regulations
- The code of conduct stresses the importance of maintaining the Group's reputation by adhering to the highest ethical standards

**Corporate and social responsibility**

- The Group and the Bank integrate social and environmental considerations into their business strategy and daily operations, promoting sustainability and responsible citizenship
- The Group and the Bank aim to minimise the environmental impact of corporate activities and strive to develop and supply products and services that contribute to addressing climate change, environmental conservation and protection, contributing to a sustainable society
- This includes managing environmental risks and prohibiting transactions that could cause harm

**Managerial responsibilities**

- Managers have additional responsibilities in promoting ethical behaviour. They are responsible for setting an example, encouraging open communication and addressing any concerns promptly

**Commitment to compliance / Training and compliance monitoring**

- The Group and the Bank conduct regular trainings and surveys to emphasise adherence to the code of conduct and ensure continuous improvement based on both internal feedback and external changes
- The code of conduct is reviewed annually to reflect changes in regulations, and the internal and external business environment

This code of conduct promotes a culture of integrity, transparency and sustainability, aligning with the Group's mission to operate responsibly across global markets, ensuring that all employees are aligned with the Group's values, helping maintain its reputation with stakeholders worldwide.

[1] For more information visit the website on the MUFG way

CSRD sustainability statement

# Business conduct

### Governance

The MB of the Bank is responsible for the implementation of the code of conduct within the Bank.

Employees are instructed (in the code and in annual training) to promptly report the matter and seek advice from a supervisor, HR, compliance officer or issue a report via the compliance helpline (where applicable) or local whistleblowing arrangements made available by the Group if in case they become aware of (or suspect) conduct that contravenes the law, company regulations, the provisions of the code of conduct, or any other problem situations.

Regardless of the reporting channels adopted, the person who receives the report or information about any problem must treat it with the strictest confidentiality. MUFG is committed to ensuring that reporting colleagues do not suffer retaliation or other negative consequences. Reports of suspected violations made in good faith, including those made to law enforcement or a government agency, will not be subject to any adverse action based on such reporting.

Individual accountability is a key component of the Group's risk culture. To support this, the Bank has established a breach management procedure which handles incidents that may be regarded as breaches under the reward policy and ensure that individuals are held to account for such breaches.

This includes risk limit breaches and all other breaches of law, regulation, policy, procedures and inappropriate behaviour against company culture and values, or the MUFG code of conduct. The Bank has also established a breach control committee (BCC), the structure of this committee is further described in section Prevention and detection of corruption and bribery.

The procedure does not cover staff disciplinary processes, which are addressed under HR policies but identifies where there may be linkages between the breach management process and any disciplinary activity notification obligations between the two processes.

The intention of the procedure is to establish a fair and consistent approach to breaches and ensure they lead to an appropriate response. The procedure and its associated processes, acknowledges human error, but seeks to ensure that staff will exhibit the highest level of conduct and prudential risk management expected in line with the Bank's values and responsible and controlled approach to risk-taking.

All staff (temporary and permanent) receive annual training on the MUFG global code of conduct. The training is rolled-out via the internal learning management portal. The training is completed after passing a quiz/test of understanding successfully and completion of an attestation. The completion rate is monitored and reported to the Bank's compliance committee and to head office accordingly.[2]

## Protection of whistleblower

### Introduction

The whistleblower policy describes how the Bank counters potential financial frauds by protecting the human rights of employees and whistleblowers across the value chain and providing a potential positive impact on employees, customers, shareholders, suppliers and society at large.

### Policy

The EU Whistleblowing Directive (2019/1937) has been implemented by national law in the various countries where the Bank has branches. The Bank's whistleblower policy is aligned with these national regulations and revised on a yearly basis to ensure it remains up to date.

This policy explains what whistleblowing is, who can be a whistleblower, what options are available and for what purposes whistleblowing is intended. It includes contact details for the various whistleblowing options internally and externally, describes the obligations of the Bank for ensuring adequate protection of whistleblowers and gives further details about appropriate follow up of whistleblowing cases. The policy includes the mechanisms in place to prevent cover up of whistleblowing cases, gives clear timelines and indicates who will receive reports raised within the Bank.

[2] For more information visit the website on the MUFG Group's code of conduct

CSRD sustainability statement

# Business conduct

The whistleblower policy and the contact details for whistleblowing are available on our internal channels and our website[1].

The CCO is responsible for the implementation of the whistleblower policy within the Bank.

The topic of whistleblowing is covered by several trainings that occur on a yearly basis and a yearly awareness reminder on the importance of whistleblowing is sent by the MB to all staff, which also includes the contact details and availability of the policy.

## Whistleblower reporting channels and governance

The Bank has several ways to enable a whistleblower to come forward and file a report; a whistleblower can file a report directly to the relevant line manager, the compliance department or relevant senior management, under the same protection as any other formal whistleblowing report. A second option is to report externally to a relevant regulator. As a third option the Bank offers maximum protection of anonymity for whistleblowers that choose to use EthicsPoint, an independent, external whistleblowing service provider for the Bank. EthicsPoint not only ensures that no personal data relating to any whistleblowing case is shared with the Bank (unless the whistleblower explicitly requests his or her data to be made available to the Bank), it also safeguards full anonymity.

A hotline is operated that is available in the business languages in use in the various locations of the Bank and a website is available to make online reports.

The CRO, CCO, and head of core compliance and core compliance officer/data protection officer will all receive whistleblowing reports, which ensures investigations and other follow up can be prioritized appropriately.

Registration of whistleblowing cases is performed in a central register/dashboard provided by Navex Global which is set up in line with the EU Directive (2019/1937) and contains all required data fields. Regardless of the way the whistleblower has elected to make the issue known, the designated compliance officer in the core compliance team will register the case in the dashboard or ensure it is registered correctly by the Navex Global team according to the applicable legal requirements. If a whistleblower utilises the dedicated whistleblowing website or hotline the case registration will be performed by Navex Global. For all cases the appropriate confidentiality will be respected, which depends on whether the whistleblower chooses to make its identity known to the Bank or elects to remain anonymous. This register also serves to ensure that appropriate safeguarding of the rights of the whistleblower during employment at the Bank can be made possible.

An investigation following a whistleblowing report shall commence without delay. An acknowledgement of receipt of the whistleblowing report will be shared with the whistleblower within seven days.

The employee shall be notified in writing about the conclusions related to the whistleblowing report and such notification must be received within a period of eight weeks of the internal report being made. The notification shall also indicate the steps taken following the employee's report.

The Bank has strict standards for protection of whistleblowers, a whistleblower shall not suffer any detrimental effects to their job (including protection from dismissal), to his or her future career possibilities and to any other employment conditions, such as:
- Suspension, lay-off, dismissal or equivalent measures
- Demotion or withholding of promotion
- Transfer of duties, location changes for place of work, reduction in wages, or change in working hours
- Withholding of training
- A negative performance assessment or employment reference
- Imposition or administration of any disciplinary measure, reprimand, or other penalty, including a financial penalty
- Coercion, intimidation, harassment, or ostracism
- Discrimination, disadvantageous or unfair treatment
- Failure to convert a temporary employment contract into a permanent one, where the worker had legitimate expectations for a permanent employment offer
- Failure to renew, or early termination of, a temporary employment contract
- Harm, including to the person's reputation, particularly in social media, or financial loss, including loss of business and loss of income

[1] For more information visit the website on the whistleblowing policy

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- Blacklisting based on a sector or industry-wide informal or formal agreement, which may entail that the person will not, in the future, find employment in the sector or industry
- Early termination or cancellation of a contract for goods or services
- Cancellation of a license or permit
- Psychiatric or medical referrals

The Bank also provides several protection and support measures in order to proactively protect whistleblowers against retaliation such as dismissal, suspension, transfer, or harassment (as listed in the detrimental effects above). The prohibition on detriment within the Bank and the Group includes any form of detriment against a reporting person, including threats of and attempts to do so. Any investigation will be carried out in a manner so as to ensure anonymity of the whistleblower and the chance of (accidental) discovery of the whistleblowers identity by anyone subject to the investigation is effectively minimised. The Bank will ensure compensation of whistleblowers in respect of relevant legal proceedings. Furthermore, the Bank will cooperate with the competent authority in providing reporting persons with evidence and documents to provide additional support.

## Management of corruption and bribery

### Introduction

The anti-bribery and corruption policy relates to the effective management of corruption and/or bribery and prevention to avoid and/or timely detect corruption and bribery related incidents .

### Policy

The Bank recognises that its continued success depends in large part upon the trust and confidence of its clients. The Bank is committed to supporting the integrity of the financial system and combating financial crimes, including bribery and corruption.

Consistent with its zero-tolerance approach for bribery and corruption as set forth in the code of conduct, the Group established the ABC policy to promote a corporate culture of ethical business practices and compliance with the letter and spirit of all applicable ABC laws. The policy, in conjunction with the Parent global ABC standard, sets forth minimum requirements for the regions and across Group offices to adopt and tailor to their respective operations and business activities.

The Bank has adopted the ABC policy and recognises it adequately captures requirements from Dutch laws and regulations including branches' local regulations and SIRA specific risks.

The policy applies to the whole Bank including its branches, representative offices, and majority-owned or controlled banking subsidiaries, as well as their employees, officers, and Board of Directors (collectively referred in this disclosure as employees). The MB is accountable for the implementation of the policy.

The ABC policy, which is made available to all employees, comprehensively addresses the key concepts of bribery and corruption and prohibits:

- Offering, giving, soliciting, or receiving, directly or indirectly anything of value to or from anyone in exchange for an improper business benefit or advantage
- Offering, promising, or giving facilitation payments[1]
- Falsifying books, records, and accounts relating to Subsidiaries' business activities
- Providing a political contribution to improperly influence any external party in connection with subsidiaries' business, or in exchange for an improper business advantage

[1] For instance payments made to a public official to improperly expedite or facilitate routine, non-discretionary government actions or services, such as processing a visa, providing mail service, or supplying utility services

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### Prevention and detection of corruption and bribery

Consistent with the ABC policy, the Bank has implemented an ABC compliance program, including the following risk-based control processes:

- Policies and procedures: ABC-related policies and procedures with adherence to applicable regulatory requirements
- Risk assessment: annual assessment of bribery and corruption risks and controls
- Third-party provider engagements: due diligence and oversight of third-party service providers who act on the Bank's behalf (i.e., intermediaries)
- Gifts and hospitality: pre-clearance of gifts and hospitality above certain value thresholds particularly when such activities involve public officials
- Offers of employment/work experience: pre-clearance of offers of employment/work experience particularly when such activities involve public officials
- Charitable donations: pre-clearance of charitable donations above certain value thresholds, particularly when such activities involve public officials
- Appropriate due diligence for business transactions: evaluation and management of ABC risks associated with business transactions, including mergers and acquisitions
- Training: periodic employee training on applicable bribery and corruption risks and controls (e.g. a review of key concepts of bribery and corruption, including different elements/types, and policy and procedure requirements)
- Record keeping: compliance with applicable record keeping and record retention requirements
- Testing, auditing, and other control-based reviews: periodic testing, auditing, and, as appropriate, other control-based reviews to assess the design and effectiveness of ABC-related control processes

Our employees play an important role in the fight against bribery and corruption.

All employees are responsible for complying with the ABC policy, and are encouraged to proactively manage ABC risks, including asking questions when unsure about any aspect of the ABC policy[1] or associated controls, and escalating concerns promptly to management or through our anonymous reporting channels. The Group prohibits retaliation against anyone who raises concerns in good faith. Employees who violate the ABC policy may be subject to disciplinary measures, up to and including termination and possible referral to regulators and other legal authorities.

In addition to the ABC policy, the Bank has adopted the global anti-bribery and corruption standard. This standard is designed to establish minimum requirements for the ABC compliance program. These minimum requirements promote an effective and consistent approach to ABC compliance across the Group. All policies, standards and procedures are made available to all employees, which are also informed of updates via compliance newsletter.

One of the core ways of maintaining integrity within the Bank is creating a framework which would allow staff to report any concerns they may have about the practices within the Bank safely and without risk of retaliation.

Whenever a whistleblower notices suspected malpractice(s) and/or has a complaint, employees and other potential whistleblowers, are encouraged to report such suspected malpractices and/or complaints as soon as possible for which there are internal and external options. The MB is regularly informed on the working and application of the whistleblower policy by the CCO via periodic reports.

The Bank established the BCC which is responsible for determining whether identified incidents are to be judged as breaches of the Bank's policies. This also includes breaches related to the anti-bribery and corruption policy. The BCC is chaired by the CCO and includes members from control functions (risk, compliance, HR and legal). The committee is accountable for ensuring the consistency and fairness of treatment of all staff, and to ensure that all relevant information about an identified breach is appropriately evaluated and provided to the MB and HR as part of the Bank's internal governance processes.

[1] For more information visit the website on the global financial crimes policy statement

# Business conduct

Each year the Group goes through a training needs assessment that feeds the global financial crime training plan. For all employees, including the MB (except SB[2]) anti-bribery and corruption trainings are part of the curriculum, i.e.:

- Third party intermediaries and general principles
- Gifts, hospitality & hiring, donations and sponsorships
- All new joiners receive training on ABC compliance which is a more comprehensive module that covers all of the topics targeted to new employees

The Bank provides training for its own at-risk employees in terms of its policy. For those at-risk functions the training is mandatory, but the Bank also makes available voluntary training for other employees.

Next to the above trainings, a risk-based targeted training on "bribery and corruption risks in the recruitment process" is in place for HR/talent acquisition/targeted staff with a completion rate of 100% for FY24.

**Number of policy breaches**

There were no convictions for violation of anti- bribery and corruption laws, nor breaches in *procedures and standards*.

[2] SB members participate in a lifelong learning programme. In FY24, training was offered on AI, the EU Pay Transparency Directive and on litigation/ liability and implications for the board in terms of climate risks and ESG

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## Material disclosure requirements covered by the Bank's sustainability statement

| ESRS | Disclosure requirements | Section reference sustainability statement | Incorporation by reference |
|---|---|---|---|
| ESRS 2 | BP-1 – General basis for preparation of sustainability statement | Basis for preparation | |
| | | Scope of consolidation | |
| | BP-2 – Disclosures in relation to specific circumstances | Time horizons | |
| | | Sources of estimation and outcome uncertainty | |
| | | Disclosures based on other EU laws or reporting frameworks | |
| | | Disclosures incorporated by reference | |
| | | Use of phase-in provisions | |
| | GOV-1 – The role of the administrative, management and supervisory bodies | ESG committee | Report of the Management Board |
| | | ESG reporting design authority | Report of the Supervisory Board |
| | | EMEA committees | |
| | GOV-2 – Information provided to and sustainability matters addressed by the undertaking's administrative, management and supervisory bodies | Information provided to and sustainability matters addressed by the Bank's governance bodies | |
| | GOV-3 – Integration of sustainability-related performance in incentive schemes | Sustainability-related performance in incentive scheme | |
| | GOV-4 – Statement on due diligence | Statement on due diligence | |
| | GOV-5 – Risk management and internal controls over sustainability reporting | Risk management and internal controls over sustainability reporting | |
| | SBM-1 – Strategy, business model and value chain | Sustainability strategy and financing | |
| | | Business model | Who we are<br>Our business model & activities |
| | | Value chain | |
| | SBM-2 – Interests and views of stakeholders | Stakeholder identification and engagement | |
| | SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model | Material topics and their interaction with strategy and business model | |
| | | The vulnerability assessment | |
| | IRO-1 – Description of the process to identify and assess material impacts, risks and opportunities | Double materiality assessment | |
| | IRO-2 – Disclosure requirements in ESRS covered by the undertaking's sustainability statement | Material disclosure requirements covered by the Bank's sustainability statement | |
| | | Use of phase-in provisions | |
| | | Double materiality assessment: non-material topics | |

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| ESRS | Disclosure requirements | Section reference sustainability statement | Incorporation by reference |
|---|---|---|---|
| E1 Climate change | ESRS 2 GOV-3 – Integration of sustainability-related performance in incentive schemes | Sustainability-related performance in incentive scheme | |
| | E1-1 – Transition plan for climate change mitigation | Transition plan | |
| | ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model | Material topics and their interaction with strategy and business model | |
| | ESRS2 IRO-1 Description of the processes to identify and assess material climate-related impacts, risks and opportunities | Double materiality assessment | |
| | E1-2 – Policies related to climate change mitigation | | |
| | | Embedding climate-related and environmental risk in policies and processes of existing risk typologies | |
| | | Policy on managing risks pertaining to corporate banking clients in relation to climate change mitigation | |
| | | Policies to material impacts and opportunities as it relates to climate change mitigation | |
| | E1-3 – Actions and resources in relation to climate change policies | Managing risk across the value chain | |
| | | Managing risks pertaining to corporate banking clients | |
| | | Actions to manage impact and opportunities of climate change mitigation | |
| | | Actions to mitigate negative impact of climate change mitigation | |
| | E1-4 – Targets related to climate change mitigation | Targets related to climate change mitigation | |
| | E1-5 – Energy consumption and mix | Not material | |
| | E1-6 – Data points on scope 3 emissions and total GHG emissions | Use of phase-in provisions | |
| | E1-7 – GHG removals and GHG mitigation projects financed through carbon credits | Not material | |
| | E1-8 – Internal carbon pricing | Not material | |
| | E1-9 – Anticipated financial effects from material physical and transition risks and potential climate-related opportunities | Use of phase-in provisions | |
| E2 Pollution | ERSR2 IRO-1 – Description of the processes to identify and assess material pollution-related impacts, risks and opportunities | Double materiality assessment | |
| E3 Water and marine resources | ESRS 2 IRO-1 – Description of the processes to identify and assess material water and marine resources-related impacts, risks and opportunities | Double materiality assessment | |
| | E3-1 – Policies related to water and marine resources | Policy related to water | |
| | E3-2 – Actions and resources related to water and marine resources | Actions and resources related to water | |
| | E3-3 – Targets related to water and marine resources | Road ahead | |
| | E3-4 – Water consumption | Not material | |
| | E3-5 – Anticipated financial effects from water and marine resources-related impacts, risks and opportunities | Use of phase-in provisions | |

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| ESRS | Disclosure requirements | Section reference sustainability statement | Incorporation by reference |
|---|---|---|---|
| E4 Biodiversity and eco-systems | ESRS 2 IRO-1 – Description of processes to identify and assess material biodiversity and ecosystem-related impacts, risks and opportunities | Double materiality assessment | |
| | Not applicable for FY24 disclosures | Use of phase-in provisions | |
| E5 Resource use and circular economy | ESRS 2 IRO-1 – Description of the processes to identify and assess material resource use and circular economy-related impacts, risks and opportunities | Double materiality assessment | |
| S1 Own workforce | Not applicable for FY24 disclosures | Use of phase-in provisions | |
| | ESRS 2 SBM-2 – Interests and views of stakeholders | Stakeholder identification and engagement | |
| S2 Workers in value chain | ESRS 2 SBM-2 – Interests and views of stakeholders | Stakeholder identification and engagement | |
| | ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model | Material topics and their interaction with strategy and business model | |
| | Not applicable for FY24 disclosures | Use of phase-in provisions | |
| S3 Affected communities | ESRS 2 SBM-2 – Interests and views of stakeholders | Stakeholder identification and engagement | |
| | ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model | Material topics and their interaction with strategy and business model | |
| S4 Consumers and end-users | ESRS 2 SBM-2 – Interests and views of stakeholders | Stakeholder identification and engagement | |
| | ESRS 2 SBM-3 – Material impacts, risks and opportunities and their interaction with strategy and business model | Material topics and their interaction with strategy and business model | |
| G1 Business conduct | ESRS 2 GOV-1 – The role of the administrative, supervisory and management bodies | Governance | Report of the Management Board<br><br>Report of the Supervisory Board |
| | ESRS 2 IRO-1 – Description of the processes to identify and assess material impacts, risks and opportunities | Double materiality assessment | |
| | G1-1 – Business conduct policies and corporate culture | Business conduct policy and corporate culture | Our culture |
| | | Protection of whistleblower | |
| | G1-2 – Management of relationships with suppliers | Not material | |
| | G1-3 – Prevention and detection of corruption and bribery | Management of corruption and bribery | |
| | G1-4 – Incidents of corruption or bribery | Number of policy breaches | |
| | G1-5 – Political influence and lobbying activities | Not material | |
| | G1-6 – Payment practices | Not material | |

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## Use of phase-in provisions

The Bank has decided to use the phase-in reliefs for the below disclosure requirements.

| Standard | Disclosure requirement(s) | Disclosure |
|---|---|---|
| Environmental | E1-6 Data points on scope 3 emissions and total GHG emissions<br>E1-9 Anticipated financial effects from material physical and transition risks and potential climate-related opportunities | In the DMA, the Bank has found only scope 3 category 15 (financed emission) to be material. The Bank is working on collecting and reporting on this data over FY25 in 2026 |
| | E4 Biodiversity and eco-systems | The Bank has identified actual negative impact on downstream value chain through project financing as material for the topic of biodiversity. The Group code of conduct states Bank's "commitment to the environment". The Group environmental policy statement sets out guidelines for environmental awareness and behaviour to implement these practices. Specifically, the Group policy is to support projects that conserve natural capital and biodiversity, while striving to identify risks and take appropriate measures to avoid negative impacts on natural capital and biodiversity. Since phase-in reliefs were applied to this standard until FY26, the Bank still needs to decide on an approach to collect data required for these disclosures |
| Social | S1 Own workforce | The Bank has identified for impact materiality one actual positive impact and two potential negative impacts on own workforce. On the financial materiality, the Bank has identified two areas of opportunities for own workforce. The Group has human resources principles in place. These serve as the foundation for our human capital management strategy and enable our global organisation to deliver our business strategy in support of the MUFG way. These global HR principles support this goal by providing the framework for delivering consistent, industry-leading human capital management practices across all global entities. The Group is committed to creating an organisational and workplace environment where each employee, regardless of gender, disability, nationality, race, age, or sexual orientation, can have fair and equitable growth opportunities, succeed and be their authentic best. The Group strives to create a culture where each employee recognises and appreciates each other's differences and strengths, creating new value and driving innovation. The Bank is working on collecting data required for these disclosures |
| | S2 Workers in value chain | The Bank has identified one potential negative impact on employees of upstream value chain entities and one potential negative impact on employees of downstream value chain entities. The Group's human rights policy statement pledges to respect human rights in our business activities across the value chain. Under MUFG human rights policy statement, the Bank has guidelines, policies and rules to also respect the human rights of our suppliers and customers. Since phase-in reliefs were applied to this standard until FY26, the Bank still needs to decide on an approach to collect data required for these disclosures |

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# Appendix

## Double materiality assessment outcome

| Type | Impact(Positive/ Negative) Risk/opportunity | Topic | Value Chain | Impact type | (Sub)-sub topic | Description of the Material IRO |
|---|---|---|---|---|---|---|
| Impact materiality | Positive | Climate change | Downstream | Actual | Climate change mitigation | Positive impacts on climate transition through sustainable financing (loans that support projects or clients with positive environmental, social outcomes. The focus is on fostering economic growth that aligns with the Group sustainability goals) and through financing of renewable energy and/or climate change mitigation projects to support clients or projects |
| | | Own work force | Own operations | Actual | Secure employment<br>Working time<br>Adequate wages<br>Work-life balance | Positive impact on employee well-being through working conditions including secure employment, decent working times, work-life balance, adequate wages |
| | | Business conduct | Own operations | Potential | Prevention and detection, including training | Effective management of corruption and/or bribery and prevention to avoid and/or timely detect corruption and bribery related incidents |
| | | | | | Corporate Culture | Reduction of possibility for suppliers, employees, shareholders and clients to be involved in acts of financial irregularities or non-compliance with the code of conduct and other policies that could deny the benefits to the intended stakeholders |
| | | | Across the value chain | Potential | Protection of whistleblowers | Impact on society, employees, customers, shareholders, and suppliers through combating potential financial frauds that could affect the broader stakeholder groups or society. Protection of human rights of employees, as well as whistleblowers across the value chain |
| | Negative | Climate change | Downstream | Actual | Climate change mitigation | Negative impact on global warming through scope 3 GHG-emissions from the financed projects and corporates |
| | | Water | Downstream | Actual | Water consumption and water discharges | Impacts on water availability as a result of water consumption especially in utilities sector |
| | | Biodiversity and ecosystems | Downstream | Actual | Climate change | Negative impact on biodiversity due to climate change and water usage, land use change, sea-use change and land degradation associated with Bank's counterparties, e.g. through project financing |
| | | | | | Land-use change<br>Fresh water-use change<br>Sea-use change | |
| | | | | | Land degradation | |
| | | Own workforce | Own operations | Potential | Gender equality and equal pay for work of equal value<br>The employment and inclusion of persons with disabilities<br>Diversity<br>Measures against harassment in the workplace | Negative impact on workers in the own workforce by not providing equal treatment and opportunities for all (covering age, gender, culture, special needs/ disabilities), including equal pay for equal work worsening the position of minorities and disadvantaged groups in the workforce -and by not providing measurements against harassment in the workplace |
| | | | | | Privacy (own workforce) | Impact on employees in case of breaches of data privacy, exposure to IT-related risks and cyber threats that could affect the confidentiality and integrity of information, which can lead to potential negative impacts on personal security and confidential information of employees |

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| Type | Impact(Positive/ Negative) Risk/opportunity | Topic | Value Chain | Impact type | (Sub)-sub topic | Description of the Material IRO |
|---|---|---|---|---|---|---|
| | | Works in the value chain | Upstream | Potential | Child labour | Impact on workers in the upstream value chain (Bank's suppliers) including exposure of workers to breaches of data privacy, forced labour, child labour and human trafficking |
| | | | | | Forced labour | |
| | | | | | Human trafficking | |
| | | | | | Privacy | |
| | | | Downstream | Potential | Child labour | Impact on workers in the downstream value chain (Bank's customers) including exposure of workers to breaches of data privacy forced labour, child labour, pressure on availability of adequate housing, and human trafficking |
| | | | | | Forced labour | |
| | | | | | Adequate housing | |
| | | | | | Human trafficking | |
| | | | | | Privacy | |
| Financial materiality | Risks | Climate change | Downstream | N/A | Climate change mitigation | Failure of climate change mitigation leading to the physical risks faced by Bank's clients, such as extreme weather conditions, temperature rise, sea level rise and droughts, due to which the clients may not be willing or able to avail products and services from the Bank |
| | | | Across value chain | N/A | Climate change mitigation | Operational risk, strategic risk and reputational risk across the value chain due to change in government policies and regulations related to climate change |
| | Opportunities | Climate change | Downstream | N/A | Climate change mitigation | Business opportunity related to sustainable financing (loans that support projects or clients with positive environmental, social outcomes. The focus is on fostering economic growth that aligns with the Group sustainability goals) and through financing of renewable energy/climate change mitigation projects and GSSS transactions |
| | | Own workforce | Own operations | N/A | Social dialogue | Opportunities in employee engagement and talent attraction and retention which may lead to business growth, by providing attractive working conditions |
| | | | | | Freedom of association The existence of work councils and the information, consultation and participation rights of workers | |
| | | | | | Collective bargaining, including rate of workers covered by collective agreements | |
| | | | | | Gender equality and equal pay for work of equal value | Opportunities in employee engagement and talent attraction and retention which may lead to business growth by installing measures against harassment in the workplace, leading to an equal opportunity environment (that fosters diversity and inclusion), ethical behaviour by employees (e.g. lack of discrimination, harassments, racism) resulting in availability of personnel (low absenteeism, illness), ability to ensure effective leadership, ability to attract, develop recruit and retain talent, and engaged employees |
| | | | | | Employment and inclusion of persons with disabilities | |
| | | | | | Measures against violence and harassment in the workplace | |
| | | | | | Diversity | |
| | | Business conduct | Own operations | N/A | Corporate culture | Opportunity to leverage a healthy corporate culture to ensure efficient utilisation of resources, better access to capital, better and higher quality employment opportunities, and a better chance of developing business in a sustained way |

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## List of data points in cross-cutting and topical standards that derive from other EU legislation

| Disclosure requirement and related data point | SFDR reference | Pillar 3 reference | Benchmark regulation reference | EU climate law reference | Material / non-material | Paragraph reference |
|---|---|---|---|---|---|---|
| ESRS 2 GOV-1<br><br>Board's gender diversity paragraph 21 (d) | Indicator number 13 of table #1 of annex 1 | | Commission delegated Regulation (EU) 2020/1816 ( [27] ) , Annex II | | Material | Composition of the Supervisory Board, Composition of the Management Board |
| ESRS 2 GOV-1<br><br>Percentage of board members who are independent paragraph 21 (e) | | | Delegated regulation (EU) 2020/1816, Annex II | | Material | Composition of the Supervisory Board, Composition of the Management Board |
| ESRS 2 GOV-4<br><br>Statement on due diligence paragraph 30 | Indicator number 10 table #3 of annex 1 | | | | Material | Statement on due diligence |
| ESRS 2 SBM-1<br><br>Involvement in activities related to fossil fuel activities paragraph 40 (d) i | Indicators number 4 table #1 of annex 1 | Article 449a regulation (EU) No 575/2013;<br><br>Commission implementing regulation (EU) 2022/2453 ( [28] ) Table 1: qualitative information on environmental risk and Table 2: qualitative information on social risk | Delegated regulation (EU) 2020/1816, Annex II | | Material | Income from certain sectors |
| ESRS 2 SBM-1<br><br>Involvement in activities related to chemical production paragraph 40 (d) ii | Indicator number 9 table #2 of annex 1 | | Delegated regulation (EU) 2020/1816, Annex II | | Material | Income from certain sectors |
| ESRS 2 SBM-1<br><br>Involvement in activities related to controversial weapons paragraph 40 (d) iii | Indicator number 14 table #1 of annex 1 | | Delegated regulation (EU) 2020/1818 ( [29] ) , article 12(1) delegated regulation (EU) 2020/1816, Annex II | | Material | Income from certain sectors |
| ESRS 2 SBM-1<br><br>Involvement in activities related to cultivation and production of tobacco paragraph 40 (d) iv | | | Delegated regulation (EU) 2020/1818, article 12(1) delegated regulation (EU) 2020/1816, annex II | | Material | Income from certain sectors |
| ESRS E1-1<br><br>Transition plan to reach climate neutrality by 2050 paragraph 14 | | | | Regulation (EU) 2021/1119, article 2(1) | Material | Transition plan |
| ESRS E1-1 | | Article 449a | Delegated regulation (EU) 2020/1818, Article12.1 (d) to (g), and article 12.2 | | Material | Policies to material impacts and opportunities as it relates to climate change mitigation |

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| Disclosure requirement and related data point | SFDR reference | Pillar 3 reference | Benchmark regulation reference | EU climate law reference | Material / non-material | Paragraph reference |
|---|---|---|---|---|---|---|
| Undertakings excluded from Paris-aligned Benchmarks paragraph 16 (g) | | Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book-Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity | | | | |
| ESRS E1-4<br><br>GHG emission reduction targets paragraph 34 | Indicator number 4 table #2 of annex 1 | Article 449a<br><br>Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics | Delegated regulation (EU) 2020/1818, Article 6 | | Material | Transition plan |
| ESRS E1-5<br><br>Energy consumption from fossil sources disaggregated by sources (only high climate impact sectors) paragraph 38 | Indicator number 5 table #1 and Indicator n. 5 table #2 of annex 1 | | | | Not material | |
| ESRS E1-5 Energy consumption and mix paragraph 37 | Indicator number 5 table #1 of annex 1 | | | | Not material | |
| ESRS E1-5<br><br>Energy intensity associated with activities in high climate impact sectors paragraphs 40 to 43 | Indicator number 6 table #1 of annex 1 | | | | Not material | |
| ESRS E1-6<br><br>Gross scope 1, 2, 3 and total GHG emissions paragraph 44 | Indicators number 1 and 2 table #1 of annex 1 | Article 449a; Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 1: Banking book – Climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity | Delegated regulation (EU) 2020/1818, article 5(1), 6 and 8(1) | | Phased in - not disclosed | |
| ESRS E1-6<br><br>Gross GHG emissions intensity paragraphs 53 to 55 | Indicators number 3 table #1 of annex 1 | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 Template 3: Banking book – Climate change transition risk: alignment metrics | Delegated regulation (EU) 2020/1818, Article 8(1) | | Phased in - not disclosed | |
| ESRS E1-7<br><br>GHG removals and carbon credits paragraph 56 | | | | Regulation (EU) 2021/1119, article 2(1) | Not material | |

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| Disclosure requirement and related data point | SFDR reference | Pillar 3 reference | Benchmark regulation reference | EU climate law reference | Material / non-material | Paragraph reference |
|---|---|---|---|---|---|---|
| ESRS E1-9<br><br>Exposure of the benchmark portfolio to climate-related physical risks paragraph 66 | | | Delegated regulation (EU) 2020/1818, annex II Delegated regulation (EU) 2020/1816, annex II | | Phased in - not disclosed | |
| ESRS E1-9<br><br>Disaggregation of monetary amounts by acute and chronic physical risk paragraph 66 (a)<br><br>ESRS E1-9<br><br>Location of significant assets at material physical risk paragraph 66 (c). | | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraphs 46 and 47; Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk. | | | Phased in - Not disclosed | |
| ESRS E1-9<br><br>Breakdown of the carrying value of its real estate assets by energy-efficiency classes paragraph 67 (c). | | Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453 paragraph 34;Template 2:Banking book -Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral | | | Phased in - not disclosed | |
| ESRS E1-9<br><br>Degree of exposure of the portfolio to climate-related opportunities paragraph 69 | | | Delegated regulation (EU) 2020/1818, annex II | | Phased in - not disclosed | |
| ESRS E2-4<br><br>Amount of each pollutant listed in Annex II of the E-PRTR Regulation (European Pollutant Release and Transfer Register) emitted to air, water and soil, paragraph 28 | Indicator number 8 table #1 of annex 1 Indicator number 2 table #2 of annex 1 Indicator number 1 table #2 of annex 1 Indicator number 3 table #2 of annex 1 | | | | Not material | |
| ESRS E3-1<br><br>Water and marine resources paragraph 9 | Indicator number 7 table #2 of annex 1 | | | | Material | Water |
| ESRS E3-1<br><br>Dedicated policy paragraph 13 | Indicator number 8 table 2 of annex 1 | | | | Material | Policy related to water |
| ESRS E3-1<br><br>Sustainable oceans and seas paragraph 14 | Indicator number 12 table #2 of annex 1 | | | | Material | Policy related to water |

Additional sustainability information

# Appendix

| Disclosure requirement and related data point | SFDR reference | Pillar 3 reference | Benchmark regulation reference | EU climate law reference | Material / non-material | Paragraph reference |
|---|---|---|---|---|---|---|
| ESRS E3-4<br><br>Total water recycled and reused paragraph 28 (c) | Indicator number 6.2 table #2 of annex 1 | | | | Not material | |
| ESRS E3-4<br><br>Total water consumption in m $^3$ per net revenue on own operations paragraph 29 | Indicator number 6.1 table #2 of annex 1 | | | | Not material | |
| ESRS 2- SBM 3 - E4 paragraph 16 (a) i | Indicator number 7 table #1 of annex 1 | | | | Phased in - not disclosed | |
| ESRS 2- SBM 3 - E4 paragraph 16 (b) | Indicator number 10 table #2 of annex 1 | | | | Phased in - not disclosed | |
| ESRS 2- SBM 3 - E4 paragraph 16 (c) | Indicator number 14 table #2 of annex 1 | | | | Phased in - not disclosed | |
| ESRS E4-2<br><br>Sustainable land / agriculture practices or policies paragraph 24 (b) | Indicator number 11 table #2 of annex 1 | | | | Phased in - not disclosed | |
| ESRS E4-2<br><br>Sustainable oceans / seas practices or policies paragraph 24 (c) | Indicator number 12 table #2 of annex 1 | | | | Phased in - not disclosed | |
| ESRS E4-2<br><br>Policies to address deforestation paragraph 24 (d) | Indicator number 15 table #2 of annex 1 | | | | Phased in - not disclosed | |
| ESRS E5-5<br><br>Non-recycled waste paragraph 37 (d) | Indicator number 13 table #2 of annex 1 | | | | Not material | |
| ESRS E5-5<br><br>Hazardous waste and radioactive waste paragraph 39 | Indicator number 9 table #1 of annex 1 | | | | Not material | |
| ESRS 2- SBM3 - S1<br><br>Risk of incidents of forced labour paragraph 14 (f) | Indicator number 13 table #3 of annex I | | | | Phased in - not disclosed | |
| ESRS 2- SBM3 - S1 | Indicator number 12 table #3 of annex I | | | | Phased in - not disclosed | |

Additional sustainability information

# Appendix

| Disclosure requirement and related data point | SFDR reference | Pillar 3 reference | Benchmark regulation reference | EU climate law reference | Material / non-material | Paragraph reference |
|---|---|---|---|---|---|---|
| Risk of incidents of child labour paragraph 14 (g) | | | | | | |
| ESRS S1-1<br>Human rights policy commitments paragraph 20 | Indicator number 9 table #3 and indicator number 11 table #1 of annex I | | | | Phased in - not disclosed | |
| ESRS S1-1<br>Due diligence policies on issues addressed by the fundamental International Labor Organisation Conventions 1 to 8, paragraph 21 | | | Delegated regulation (EU) 2020/1816, annex II | | Phased in - not disclosed | |
| ESRS S1-1<br>Processes and measures for preventing trafficking in human beings paragraph 22 | Indicator number 11 table #3 of annex I | | | | Phased in - not disclosed | |
| ESRS S1-1<br>Workplace accident prevention policy or management system paragraph 23 | Indicator number 1 table #3 of annex I | | | | Phased in - not disclosed | |
| ESRS S1-3<br>Grievance/complaints handling mechanisms paragraph 32 (c) | Indicator number 5 table #3 of annex I | | | | Phased in - not disclosed | |
| ESRS S1-14<br>Number of fatalities and number and rate of work-related accidents paragraph 88 (b) and (c) | Indicator number 2 table #3 of annex I | | Delegated regulation (EU) 2020/1816, annex II | | Phased in - not disclosed | |
| ESRS S1-14<br>Number of days lost to injuries, accidents, fatalities or illness paragraph 88 (e) | Indicator number 3 table #3 of annex I | | | | Phased in - not disclosed | |
| ESRS S1-16<br>Unadjusted gender pay gap paragraph 97 (a) | Indicator number 12 table #1 of annex I | | Delegated regulation (EU) 2020/1816, annex II | | Phased in - not disclosed | |
| ESRS S1-16<br>Excessive CEO pay ratio paragraph 97 (b) | Indicator number 8 table #3 of annex I | | | | Phased in - not disclosed | |
| ESRS S1-17<br>Incidents of discrimination paragraph 103 (a) | Indicator number 7 table #3 of annex I | | | | Phased in - not disclosed | |

Additional sustainability information

# Appendix

| Disclosure requirement and related data point | SFDR reference | Pillar 3 reference | Benchmark regulation reference | EU climate law reference | Material / non-material | Paragraph reference |
|---|---|---|---|---|---|---|
| ESRS S1-17<br><br>Non-respect of UNGPs on business and human rights and OECD Guidelines paragraph 104 (a) | Indicator number 10 table #1 and indicator n. 14 table #3 of annex I | | Delegated regulation (EU) 2020/1816, annex II Delegated regulation (EU) 2020/1818 Art 12 (1) | | Phased in - not disclosed | |
| ESRS 2- SBM3 – S2<br><br>Significant risk of child labour or forced labour in the value chain paragraph 11 (b) | Indicators number 12 and n. 13 table #3 of annex I | | | | Phased in - not disclosed | |
| ESRS S2-1<br><br>Human rights policy commitments paragraph 17 | Indicator number 9 table #3 and indicator n. 11 table #1 of annex 1 | | | | Phased in - not disclosed | |
| ESRS S2-1<br><br>Policies related to value chain workers paragraph 18 | Indicator number 11 and n. 4 table #3 of annex 1 | | | | Phased in - not disclosed | |
| ESRS S2-1<br><br>Non-respect of UNGPs on business and human rights principles and OECD guidelines paragraph 19 | Indicator number 10 table #1 of annex 1 | | Delegated regulation (EU) 2020/1816, Annex II Delegated regulation (EU) 2020/1818, Art 12 (1) | | Phased in - not disclosed | |
| ESRS S2-1<br><br>Due diligence policies on issues addressed by the fundamental International Labor Organisation conventions 1 to 8, paragraph 19 | | | Delegated regulation (EU) 2020/1816, Annex II | | Phased in - not disclosed | |
| ESRS S2-4<br><br>Human rights issues and incidents connected to its upstream and downstream value chain paragraph 36 | Indicator number 14 table #3 of annex 1 | | | | Phased in - not disclosed | |
| ESRS S3-1<br><br>Human rights policy commitments paragraph 16 | Indicator number 9 table #3 of annex 1 and indicator number 11 table #1 of annex 1 | | | | Not material | |
| ESRS S3-1<br><br>Non-respect of UNGPs on business and human rights, ILO principles or OECD guidelines paragraph 17 | Indicator number 10 table #1 annex 1 | | Delegated regulation (EU) 2020/1816, annex II Delegated regulation (EU) 2020/1818, Art 12 (1) | | Not material | |
| ESRS S3-4 | Indicator number 14 table #3 of annex 1 | | | | Not material | |

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# Appendix

| Disclosure requirement and related data point | SFDR reference | Pillar 3 reference | Benchmark regulation reference | EU climate law reference | Material / non-material | Paragraph reference |
|---|---|---|---|---|---|---|
| Human rights issues and incidents paragraph 36 | | | | | | |
| ESRS S4-1<br><br>Policies related to consumers and end-users paragraph 16 | Indicator number 9 table #3 and indicator number 11 table #1 of annex 1 | | | | Not material | |
| ESRS S4-1<br><br>Non-respect of UNGPs on business and human rights and OECD guidelines paragraph 17 | Indicator number 10 table #1 of annex 1 | | Delegated regulation (EU) 2020/1816, annex II Delegated regulation (EU) 2020/1818, art 12 (1) | | Not material | |
| ESRS S4-4<br><br>Human rights issues and incidents paragraph 35 | Indicator number 14 table #3 of annex 1 | | | | Not material | |
| ESRS G1-1<br><br>United Nations convention against corruption paragraph 10 (b) | Indicator number 15 table #3 of annex 1 | | | | Material | Business conduct policy and corporate culture |
| ESRS G1-1<br><br>Protection of whistleblowers paragraph 10 (d) | Indicator number 6 table #3 of annex 1 | | | | Material | Protection of whistleblower |
| ESRS G1-4<br><br>Fines for violation of anti-corruption and anti-bribery laws paragraph 24 (a) | Indicator number 17 table #3 of annex 1 | | Delegated regulation (EU) 2020/1816, Annex II) | | Material | Management of corruption and bribery |
| ESRS G1-4<br><br>Standards of anti- corruption and anti- bribery paragraph 24 (b) | Indicator number 16 table #3 of annex 1 | | | | Material | Management of corruption and bribery |

Additional sustainability information

# EU Taxonomy - Reporting templates

This section contains the mandatory templates applicable to the EU Taxonomy disclosures and published in Annex VI of Commission Delegated Regulation (EU) 2021/2178. In the templates, a blank cell implies the Bank has no exposures to that asset, while 0 indicates no eligible and/or aligned assets.

## 0. Summary of KPIs to be disclosed by credit institutions under Article 8 Taxonomy Regulation

| in millions of €s | | Total environmentally sustainable assets (Turnover) | Total environmentally sustainable assets (CapEx) | KPI**** | KPI***** | % coverage (over total assets)*** | % of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V) | % of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V) |
|---|---|---|---|---|---|---|---|---|
| Main KPI | Green asset ratio (GAR) stock | 12 | 23 | 0.1% | 0.2% | 84% | 80% | 16% |
| in millions of €s | | | | | | | | |
| Additional KPIs | GAR (flow) | 2 | 15 | 0.0% | 0.3% | | | |
| | Trading book** | | | | | | | |
| | Financial guarantees | 2 | 8 | 0.1% | 0.4% | | | |
| | Assets under management | | | | | | | |
| | Fees and commissions income** | | | | | | | |

**Fees and commissions and Trading Book KPIs shall only apply starting 2026

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

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

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

Additional sustainability information

# EU Taxonomy - Reporting templates

## 1. Assets for the calculation of GAR based on Turnover

### Template 1 - Climate Change Mitigation and Climate Change Adaptation - Based on Turnover

As at 31 March 2025

| | in millions of €s | Total gross carrying amount | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Use of Proceeds | Of which Enabling | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | | | |
| 1 | Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 468 | 134 | 12 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 134 | 12 | 0 | 1 | 0 |
| 2 | **Financial undertakings** | 22 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 |
| 3 | Credit institutions | 22 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 |
| 4 | Loans and advances | 22 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 |
| 5 | Debt securities, including UoP | | | | | | | | | | | | | | | |
| 6 | Equity instruments | | | | | | | | | | | | | | | |
| 7 | Other financial corporations | | | | | | | | | | | | | | | |
| 8 | of which investment firms | | | | | | | | | | | | | | | |
| 9 | Loans and advances | | | | | | | | | | | | | | | |
| 10 | Debt securities, including UoP | | | | | | | | | | | | | | | |
| 11 | Equity instruments | | | | | | | | | | | | | | | |
| 12 | of which management companies | | | | | | | | | | | | | | | |

As at 31 March 2024

| | in millions of €s | Total gross carrying amount | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Use of Proceeds | Of which Enabling | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | | | |
| 1 | Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 461 | 147 | 15 | 0 | 0 | 2 | 10 | 0 | 0 | 0 | 157 | 15 | 0 | 0 | 2 |
| 2 | **Financial undertakings** | 44 | 13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14 | 0 | 0 | 0 | 0 |
| 3 | Credit institutions | 42 | 13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 13 | 0 | 0 | 0 | 0 |
| 4 | Loans and advances | 42 | 13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 13 | 0 | 0 | 0 | 0 |
| 5 | Debt securities, including UoP | | | | | | | | | | | | | | | |
| 6 | Equity instruments | | | | | | | | | | | | | | | |
| 7 | Other financial corporations | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 | of which investment firms | | | | | | | | | | | | | | | |
| 9 | Loans and advances | | | | | | | | | | | | | | | |
| 10 | Debt securities, including UoP | | | | | | | | | | | | | | | |
| 11 | Equity instruments | | | | | | | | | | | | | | | |
| 12 | of which management companies | | | | | | | | | | | | | | | |

Additional sustainability information

# EU Taxonomy - Reporting templates

As at 31 March 2025

| | in millions of €s | Total gross carrying amount | Climate Change Mitigation (CCM) – Of which towards taxonomy relevant sectors (Taxonomy-eligible) | CCM – Of which environmentally sustainable (Taxonomy-aligned) | CCM – Use of Proceeds | CCM – Of which transitional | CCM – Of which Enabling | Climate Change Adaptation (CCA) – Of which towards taxonomy relevant sectors (Taxonomy-eligible) | CCA – Of which environmentally sustainable (Taxonomy-aligned) | CCA – Use of Proceeds | CCA – Of which Enabling | TOTAL (CCM + CCA) – Of which towards taxonomy relevant sectors (Taxonomy-eligible) | TOTAL – Of which environmentally sustainable (Taxonomy-aligned) | TOTAL – Use of Proceeds | TOTAL – Of which transitional | TOTAL – Of which Enabling |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 13 | Loans and advances | | | | | | | | | | | | | | | |
| 14 | Debt securities, including UoP | | | | | | | | | | | | | | | |
| 15 | Equity instruments | | | | | | | | | | | | | | | |
| 16 | of which insurance undertakings | | | | | | | | | | | | | | | |
| 17 | Loans and advances | | | | | | | | | | | | | | | |
| 18 | Debt securities, including UoP | | | | | | | | | | | | | | | |
| 19 | Equity instruments | | | | | | | | | | | | | | | |
| 20 | **Non-financial undertakings** | 446 | 132 | 12 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 132 | 12 | 0 | 1 | 0 |
| 21 | Loans and advances | 446 | 132 | 12 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 132 | 12 | 0 | 1 | 0 |
| 22 | Debt securities, including UoP | | | | | | | | | | | | | | | |
| 23 | Equity instruments | | | | | | | | | | | | | | | |
| 24 | **Households** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 | of which loans collateralised by residential immovable property | | | | | | | | | | | | | | | |
| 26 | of which building renovation loans | | | | | | | | | | | | | | | |
| 27 | of which motor vehicle loans | | | | | | | | | | | | | | | |
| 28 | **Local governments financing** | | | | | | | | | | | | | | | |
| 29 | Housing financing | | | | | | | | | | | | | | | |

As at 31 March 2024

| | in millions of €s | Total gross carrying amount | Climate Change Mitigation (CCM) – Of which towards taxonomy relevant sectors (Taxonomy-eligible) | CCM – Of which environmentally sustainable (Taxonomy-aligned) | CCM – Use of Proceeds | CCM – Of which transitional | CCM – Of which Enabling | Climate Change Adaptation (CCA) – Of which towards taxonomy relevant sectors (Taxonomy-eligible) | CCA – Of which environmentally sustainable (Taxonomy-aligned) | CCA – Use of Proceeds | CCA – Of which Enabling | TOTAL (CCM + CCA) – Of which towards taxonomy relevant sectors (Taxonomy-eligible) | TOTAL – Of which environmentally sustainable (Taxonomy-aligned) | TOTAL – Use of Proceeds | TOTAL – Of which transitional | TOTAL – Of which Enabling |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 13 | Loans and advances | | | | | | | | | | | | | | | |
| 14 | Debt securities, including UoP | | | | | | | | | | | | | | | |
| 15 | Equity instruments | | | | | | | | | | | | | | | |
| 16 | of which insurance undertakings | | | | | | | | | | | | | | | |
| 17 | Loans and advances | | | | | | | | | | | | | | | |
| 18 | Debt securities, including UoP | | | | | | | | | | | | | | | |
| 19 | Equity instruments | | | | | | | | | | | | | | | |
| 20 | **Non-financial undertakings** | 416 | 133 | 15 | 0 | 0 | 2 | 10 | 0 | 0 | 0 | 143 | 15 | 0 | 0 | 2 |
| 21 | Loans and advances | 416 | 133 | 15 | 0 | 0 | 2 | 10 | 0 | 0 | 0 | 143 | 15 | 0 | 0 | 2 |
| 22 | Debt securities, including UoP | | | | | | | | | | | | | | | |
| 23 | Equity instruments | | | | | | | | | | | | | | | |
| 24 | **Households** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 | of which loans collateralised by residential immovable property | | | | | | | | | | | | | | | |
| 26 | of which building renovation loans | | | | | | | | | | | | | | | |
| 27 | of which motor vehicle loans | | | | | | | | | | | | | | | |
| 28 | **Local governments financing** | | | | | | | | | | | | | | | |
| 29 | Housing financing | | | | | | | | | | | | | | | |

Additional sustainability information

# EU Taxonomy - Reporting templates

## As at 31 March 2025

| # | in millions of €s | Total gross carrying amount | Climate Change Mitigation (CCM): Of which towards taxonomy relevant sectors (Taxonomy-eligible) | CCM: Of which environmentally sustainable (Taxonomy-aligned) | CCM: Use of Proceeds | CCM: Of which transitional | CCM: Of which Enabling | Climate Change Adaptation (CCA): Of which towards taxonomy relevant sectors (Taxonomy-eligible) | CCA: Of which environmentally sustainable (Taxonomy-aligned) | CCA: Use of Proceeds | CCA: Of which Enabling | TOTAL (CCM + CCA): Of which towards taxonomy relevant sectors (Taxonomy-eligible) | TOTAL: Of which environmentally sustainable (Taxonomy-aligned) | TOTAL: Use of Proceeds | TOTAL: Of which transitional | TOTAL: Of which Enabling |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 30 | Other local government financing | | | | | | | | | | | | | | | |
| 31 | **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | | | | |
| 32 | **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | 10,242 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 33 | **Financial and Non-financial undertakings** | 9,982 | | | | | | | | | | | | | | |
| 34 | SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations | 8,291 | | | | | | | | | | | | | | |
| 35 | Loans and advances | 7,951 | | | | | | | | | | | | | | |
| 36 | of which loans collateralised by commercial immovable property | | | | | | | | | | | | | | | |
| 37 | of which building renovation loans | | | | | | | | | | | | | | | |
| 38 | Debt securities | 340 | | | | | | | | | | | | | | |
| 39 | Equity instruments | | | | | | | | | | | | | | | |
| 40 | Non-EU country counterparties not subject to NFRD disclosure obligations | 1,691 | | | | | | | | | | | | | | |
| 41 | Loans and advances | 1,685 | | | | | | | | | | | | | | |
| 42 | Debt securities | 6 | | | | | | | | | | | | | | |
| 43 | Equity instruments | | | | | | | | | | | | | | | |
| 44 | **Derivatives** | | | | | | | | | | | | | | | |

## As at 31 March 2024

| # | in millions of €s | Total gross carrying amount | Climate Change Mitigation (CCM): Of which towards taxonomy relevant sectors (Taxonomy-eligible) | CCM: Of which environmentally sustainable (Taxonomy-aligned) | CCM: Use of Proceeds | CCM: Of which transitional | CCM: Of which Enabling | Climate Change Adaptation (CCA): Of which towards taxonomy relevant sectors (Taxonomy-eligible) | CCA: Of which environmentally sustainable (Taxonomy-aligned) | CCA: Use of Proceeds | CCA: Of which Enabling | TOTAL (CCM + CCA): Of which towards taxonomy relevant sectors (Taxonomy-eligible) | TOTAL: Of which environmentally sustainable (Taxonomy-aligned) | TOTAL: Use of Proceeds | TOTAL: Of which transitional | TOTAL: Of which Enabling |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 30 | Other local government financing | | | | | | | | | | | | | | | |
| 31 | **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | | | | |
| 32 | **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | 8,988 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 33 | **Financial and Non-financial undertakings** | 8,788 | | | | | | | | | | | | | | |
| 34 | SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations | 6,841 | | | | | | | | | | | | | | |
| 35 | Loans and advances | 6,841 | | | | | | | | | | | | | | |
| 36 | of which loans collateralised by commercial immovable property | | | | | | | | | | | | | | | |
| 37 | of which building renovation loans | | | | | | | | | | | | | | | |
| 38 | Debt securities | | | | | | | | | | | | | | | |
| 39 | Equity instruments | | | | | | | | | | | | | | | |
| 40 | Non-EU country counterparties not subject to NFRD disclosure obligations | 1,947 | | | | | | | | | | | | | | |
| 41 | Loans and advances | 1,947 | | | | | | | | | | | | | | |
| 42 | Debt securities | | | | | | | | | | | | | | | |
| 43 | Equity instruments | | | | | | | | | | | | | | | |
| 44 | **Derivatives** | 0 | | | | | | | | | | | | | | |

Additional sustainability information

# EU Taxonomy - Reporting templates

**As at 31 March 2025**

| | in millions of €s | Total gross carrying amount | Climate Change Mitigation (CCM): Of which towards taxonomy relevant sectors (Taxonomy-eligible) | CCM: Of which environmentally sustainable (Taxonomy-aligned) | CCM: Use of Proceeds | CCM: Of which transitional | CCM: Of which Enabling | Climate Change Adaptation (CCA): Of which towards taxonomy relevant sectors (Taxonomy-eligible) | CCA: Of which environmentally sustainable (Taxonomy-aligned) | CCA: Use of Proceeds | CCA: Of which Enabling | TOTAL (CCM + CCA): Of which towards taxonomy relevant sectors (Taxonomy-eligible) | TOTAL: Of which environmentally sustainable (Taxonomy-aligned) | TOTAL: Use of Proceeds | TOTAL: Of which transitional | TOTAL: Of which Enabling |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 45 | **On demand interbank loans** | 129 | | | | | | | | | | | | | | |
| 46 | **Cash and cash-related assets** | | | | | | | | | | | | | | | |
| 47 | **Other categories of assets (e.g. Goodwill, commodities etc.)** | 131 | | | | | | | | | | | | | | |
| 48 | **Total GAR assets** | 10,710 | 134 | 12 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 134 | 12 | 0 | 1 | 0 |
| 49 | **Assets not covered for GAR calculation** | 2,034 | | | | | | | | | | | | | | |
| 50 | **Central governments and Supranational issuers** | | | | | | | | | | | | | | | |
| 51 | **Central banks exposure** | 1,894 | | | | | | | | | | | | | | |
| 52 | **Trading book** | 140 | | | | | | | | | | | | | | |
| 53 | Total assets | 12,744 | 134 | 12 | 0 | 1 | 0 | 0 | 0 | 0 | 0 | 134 | 12 | 0 | 1 | 0 |
| | | | **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations** | | | | | | | | | | | | | |
| 54 | Financial guarantees | 166 | 5 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 5 | 2 | 0 | 0 | 0 |
| 55 | Assets under management | | | | | | | | | | | | | | | |
| 56 | Of which debt securities | | | | | | | | | | | | | | | |
| 57 | Of which equity instruments | | | | | | | | | | | | | | | |

**As at 31 March 2024**

| | in millions of €s | Total gross carrying amount | Climate Change Mitigation (CCM): Of which towards taxonomy relevant sectors (Taxonomy-eligible) | CCM: Of which environmentally sustainable (Taxonomy-aligned) | CCM: Use of Proceeds | CCM: Of which transitional | CCM: Of which Enabling | Climate Change Adaptation (CCA): Of which towards taxonomy relevant sectors (Taxonomy-eligible) | CCA: Of which environmentally sustainable (Taxonomy-aligned) | CCA: Use of Proceeds | CCA: Of which Enabling | TOTAL (CCM + CCA): Of which towards taxonomy relevant sectors (Taxonomy-eligible) | TOTAL: Of which environmentally sustainable (Taxonomy-aligned) | TOTAL: Use of Proceeds | TOTAL: Of which transitional | TOTAL: Of which Enabling |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 45 | **On demand interbank loans** | 82 | | | | | | | | | | | | | | |
| 46 | **Cash and cash-related assets** | | | | | | | | | | | | | | | |
| 47 | **Other categories of assets (e.g. Goodwill, commodities etc.)** | 118 | | | | | | | | | | | | | | |
| 48 | **Total GAR assets** | 9,449 | 147 | 15 | 0 | 0 | 2 | 10 | 0 | 0 | 0 | 157 | 15 | 0 | 0 | 2 |
| 49 | **Assets not covered for GAR calculation** | 2,707 | | | | | | | | | | | | | | |
| 50 | **Central governments and Supranational issuers** | | | | | | | | | | | | | | | |
| 51 | **Central banks exposure** | 2,622 | | | | | | | | | | | | | | |
| 52 | **Trading book** | 84 | | | | | | | | | | | | | | |
| 53 | Total assets | 12,156 | 147 | 15 | 0 | 0 | 2 | 10 | 0 | 0 | 0 | 157 | 15 | 0 | 0 | 2 |
| | | | **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations** | | | | | | | | | | | | | |
| 54 | Financial guarantees | 290 | 80 | 57 | 0 | 0 | 37 | 0 | 0 | 0 | 0 | 80 | 57 | 0 | 0 | 37 |
| 55 | Assets under management | | | | | | | | | | | | | | | |
| 56 | Of which debt securities | | | | | | | | | | | | | | | |
| 57 | Of which equity instruments | | | | | | | | | | | | | | | |

Additional sustainability information

# EU Taxonomy - Reporting templates

## Template 1 - Water & Marine Resources, Circular Economy, Pollution and Biodiversity & Ecosystems - Based on Turnover

| | | As at 31 March 2025 | | | | | | As at 31 March 2024 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | in millions of €s | Total gross carrying amount | Water and marine resources (WTR) | Circular economy (CE) | Pollution (PPC) | Biodiversity and Ecosystems (BIO) | TOTAL (WRT+CE+PPC+BIO) | Total gross carrying amount | Water and marine resources (WTR) | Circular economy (CE) | Pollution (PPC) | Biodiversity and Ecosystems (BIO) | TOTAL (WRT+CE+PPC+BIO) |
| | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | |
| 1 | Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 468 | 0 | 0 | 0 | 0 | 0 | 461 | 0 | 0 | 0 | 0 | 0 |
| 2 | **Financial undertakings** | 22 | 0 | 0 | 0 | 0 | 0 | 44 | 0 | 0 | 0 | 0 | 0 |
| 3 | Credit institutions | 22 | 0 | 0 | 0 | 0 | 0 | 42 | 0 | 0 | 0 | 0 | |
| 4 | Loans and advances | 22 | 0 | 0 | 0 | 0 | 0 | 42 | 0 | 0 | 0 | 0 | 0 |
| 5 | Debt securities, including UoP | | | | | | | | | | | | |
| 6 | Equity instruments | | | | | | | | | | | | |
| 7 | Other financial corporations | | | | | | | 2 | 0 | 0 | 0 | 0 | 0 |
| 8 | of which investment firms | | | | | | | | | | | | |
| 9 | Loans and advances | | | | | | | | | | | | |
| 10 | Debt securities, including UoP | | | | | | | | | | | | |
| 11 | Equity instruments | | | | | | | | | | | | |
| 12 | of which management companies | | | | | | | | | | | | |
| 13 | Loans and advances | | | | | | | | | | | | |
| 14 | Debt securities, including UoP | | | | | | | | | | | | |
| 15 | Equity instruments | | | | | | | | | | | | |
| 16 | of which insurance undertakings | | | | | | | | | | | | |
| 17 | Loans and advances | | | | | | | | | | | | |
| 18 | Debt securities, including UoP | | | | | | | | | | | | |
| 19 | Equity instruments | | | | | | | | | | | | |
| 20 | **Non-financial undertakings** | 446 | 0 | 0 | 0 | 0 | 0 | 416 | 0 | 0 | 0 | 0 | 0 |

Additional sustainability information

# EU Taxonomy - Reporting templates

| | in millions of €s | As at 31 March 2025 | | | | | | As at 31 March 2024 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Total gross carrying amount | Water and marine resources (WTR) | Circular economy (CE) | Pollution (PPC) | Biodiversity and Ecosystems (BIO) | TOTAL (WRT+CE+PPC+BIO) | Total gross carrying amount | Water and marine resources (WTR) | Circular economy (CE) | Pollution (PPC) | Biodiversity and Ecosystems (BIO) | TOTAL (WRT+CE+PPC+BIO) |
| | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) |
| 21 | Loans and advances | 446 | 0 | 0 | 0 | 0 | 0 | 416 | 0 | 0 | 0 | 0 | 0 |
| 22 | Debt securities, including UoP | | | | | | | | | | | | |
| 23 | Equity instruments | | | | | | | | | | | | |
| 24 | **Households** | 0 | | | | | 0 | 0 | | | | | 0 |
| 25 | of which loans collateralised by residential immovable property | 0 | | | | | 0 | 0 | | | | | 0 |
| 26 | of which building renovation loans | | | | | | | | | | | | |
| 27 | of which motor vehicle loans | | | | | | | | | | | | |
| 28 | **Local governments financing** | | 0 | 0 | 0 | 0 | | | 0 | 0 | 0 | 0 | |
| 29 | Housing financing | | | | | | | | | | | | |
| 30 | Other local government financing | | | | | | | | | | | | |
| 31 | **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | |
| 32 | **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | 10,242 | 0 | 0 | 0 | 0 | 0 | 8,988 | 0 | 0 | 0 | 0 | 0 |
| 33 | **Financial and Non-financial undertakings** | 9,982 | | | | | | 8,788 | | | | | |
| 34 | SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations | 8,291 | | | | | | 6,841 | | | | | |
| 35 | Loans and advances | 7,951 | | | | | | 6,841 | | | | | |
| 36 | of which loans collateralised by commercial immovable property | | | | | | | | | | | | |
| 37 | of which building renovation loans | | | | | | | | | | | | |
| 38 | Debt securities | 340 | | | | | | | | | | | |
| 39 | Equity instruments | | | | | | | | | | | | |
| 40 | Non-EU country counterparties not subject to NFRD disclosure obligations | 1,691 | | | | | | 1,947 | | | | | |

Additional sustainability information

# EU Taxonomy - Reporting templates

| | | As at 31 March 2025 | | | | | | As at 31 March 2024 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Water and marine resources (WTR) | Circular economy (CE) | Pollution (PPC) | Biodiversity and Ecosystems (BIO) | TOTAL (WRT+CE+ PPC+BIO) | | Water and marine resources (WTR) | Circular economy (CE) | Pollution (PPC) | Biodiversity and Ecosystems (BIO) | TOTAL (WRT+CE+ PPC+BIO) |
| | in millions of €s | Total gross carrying amount | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Total gross carrying amount | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) |
| 41 | Loans and advances | 1,685 | | | | | | 1,947 | | | | | |
| 42 | Debt securities | 6 | | | | | | | | | | | |
| 43 | Equity instruments | | | | | | | | | | | | |
| 44 | **Derivatives** | | | | | | | 0 | | | | | |
| 45 | **On demand interbank loans** | 129 | | | | | | 82 | | | | | |
| 46 | **Cash and cash-related assets** | | | | | | | | | | | | |
| 47 | **Other categories of assets (e.g. Goodwill, commodities etc.)** | 131 | | | | | | 118 | | | | | |
| 48 | **Total GAR assets** | 10,710 | 0 | 0 | 0 | 0 | 0 | 9,449 | 0 | 0 | 0 | 0 | 0 |
| 49 | **Assets not covered for GAR calculation** | 2,034 | | | | | | 2,707 | | | | | |
| 50 | **Central governments and Supranational issuers** | | | | | | | | | | | | |
| 51 | **Central banks exposure** | 1,894 | | | | | | 2,622 | | | | | |
| 52 | **Trading book** | 140 | | | | | | 84 | | | | | |
| 53 | Total assets | 12,744 | 0 | 0 | 0 | 0 | 0 | 12,156 | 0 | 0 | 0 | 0 | 0 |
| | | **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations** | | | | | | **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations** | | | | | |
| 54 | Financial guarantees | 166 | 0 | 0 | 0 | 0 | 0 | 290 | 0 | 2 | 0 | 0 | 2 |
| 55 | Assets under management | | | | | | | | | | | | |
| 56 | Of which debt securities | | | | | | | | | | | | |
| 57 | Of which equity instruments | | | | | | | | | | | | |

Additional sustainability information

# EU Taxonomy - Reporting templates

## 1. Assets for the calculation of GAR based on CapEx

### Template 1 - Climate Change Mitigation and Climate Change Adaptation - Based on CapEx

As at 31 March 2025

| | in millions of €s | Total gross carrying amount | Climate Change Mitigation (CCM) - Of which towards taxonomy relevant sectors (Taxonomy-eligible) | CCM - Of which environmentally sustainable (Taxonomy-aligned) | CCM - Use of Proceeds | CCM - Of which transitional | CCM - Of which Enabling | Climate Change Adaptation (CCA) - Of which towards taxonomy relevant sectors (Taxonomy-eligible) | CCA - Of which environmentally sustainable (Taxonomy-aligned) | CCA - Use of Proceeds | CCA - Of which Enabling | TOTAL (CCM + CCA) - Of which towards taxonomy relevant sectors (Taxonomy-eligible) | TOTAL - Of which environmentally sustainable (Taxonomy-aligned) | TOTAL - Use of Proceeds | TOTAL - Of which transitional | TOTAL - Of which Enabling |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | | | |
| 1 | Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 468 | 164 | 23 | 0 | 2 | 1 | 0 | 0 | 0 | 0 | 164 | 23 | 0 | 2 | 1 |
| 2 | **Financial undertakings** | 22 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 |
| 3 | Credit institutions | 22 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 |
| 4 | Loans and advances | 22 | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 2 | 0 | 0 | 0 | 0 |
| 5 | Debt securities, including UoP | | | | | | | | | | | | | | | |
| 6 | Equity instruments | | | | | | | | | | | | | | | |
| 7 | Other financial corporations | | | | | | | | | | | | | | | |
| 8 | of which investment firms | | | | | | | | | | | | | | | |
| 9 | Loans and advances | | | | | | | | | | | | | | | |
| 10 | Debt securities, including UoP | | | | | | | | | | | | | | | |
| 11 | Equity instruments | | | | | | | | | | | | | | | |
| 12 | of which management companies | | | | | | | | | | | | | | | |

As at 31 March 2024

| | in millions of €s | Total gross carrying amount | Climate Change Mitigation (CCM) - Of which towards taxonomy relevant sectors (Taxonomy-eligible) | CCM - Of which environmentally sustainable (Taxonomy-aligned) | CCM - Use of Proceeds | CCM - Of which transitional | CCM - Of which Enabling | Climate Change Adaptation (CCA) - Of which towards taxonomy relevant sectors (Taxonomy-eligible) | CCA - Of which environmentally sustainable (Taxonomy-aligned) | CCA - Use of Proceeds | CCA - Of which Enabling | TOTAL (CCM + CCA) - Of which towards taxonomy relevant sectors (Taxonomy-eligible) | TOTAL - Of which environmentally sustainable (Taxonomy-aligned) | TOTAL - Use of Proceeds | TOTAL - Of which transitional | TOTAL - Of which Enabling |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | | | |
| 1 | Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 461 | 183 | 30 | 0 | 0 | 19 | 24 | 0 | 0 | 0 | 207 | 30 | 0 | 0 | 19 |
| 2 | **Financial undertakings** | 44 | 13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14 | 0 | 0 | 0 | 0 |
| 3 | Credit institutions | 42 | 13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14 | 0 | 0 | 0 | 0 |
| 4 | Loans and advances | 42 | 13 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 14 | 0 | 0 | 0 | 0 |
| 5 | Debt securities, including UoP | | | | | | | | | | | | | | | |
| 6 | Equity instruments | | | | | | | | | | | | | | | |
| 7 | Other financial corporations | 2 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 8 | of which investment firms | | | | | | | | | | | | | | | |
| 9 | Loans and advances | | | | | | | | | | | | | | | |
| 10 | Debt securities, including UoP | | | | | | | | | | | | | | | |
| 11 | Equity instruments | | | | | | | | | | | | | | | |
| 12 | of which management companies | | | | | | | | | | | | | | | |

Additional sustainability information

# EU Taxonomy - Reporting templates

### As at 31 March 2025

| | in millions of €s | Total gross carrying amount | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Use of Proceeds | Of which Enabling | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling |
| 13 | Loans and advances | | | | | | | | | | | | | | | |
| 14 | Debt securities, including UoP | | | | | | | | | | | | | | | |
| 15 | Equity instruments | | | | | | | | | | | | | | | |
| 16 | of which insurance undertakings | | | | | | | | | | | | | | | |
| 17 | Loans and advances | | | | | | | | | | | | | | | |
| 18 | Debt securities, including UoP | | | | | | | | | | | | | | | |
| 19 | Equity instruments | | | | | | | | | | | | | | | |
| 20 | **Non-financial undertakings** | 446 | 162 | 22 | 0 | 2 | 1 | 0 | 0 | 0 | 0 | 162 | 22 | 0 | 2 | 1 |
| 21 | Loans and advances | 446 | 162 | 22 | 0 | 2 | 1 | 0 | 0 | 0 | 0 | 162 | 22 | 0 | 2 | 1 |
| 22 | Debt securities, including UoP | | | | | | | | | | | | | | | |
| 23 | Equity instruments | | | | | | | | | | | | | | | |
| 24 | **Households** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 | of which loans collateralised by residential immovable property | | | | | | | | | | | | | | | |
| 26 | of which building renovation loans | | | | | | | | | | | | | | | |
| 27 | of which motor vehicle loans | | | | | | | | | | | | | | | |
| 28 | **Local governments financing** | | | | | | | | | | | | | | | |
| 29 | Housing financing | | | | | | | | | | | | | | | |

### As at 31 March 2024

| | in millions of €s | Total gross carrying amount | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Use of Proceeds | Of which Enabling | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling |
| 13 | Loans and advances | | | | | | | | | | | | | | | |
| 14 | Debt securities, including UoP | | | | | | | | | | | | | | | |
| 15 | Equity instruments | | | | | | | | | | | | | | | |
| 16 | of which insurance undertakings | | | | | | | | | | | | | | | |
| 17 | Loans and advances | | | | | | | | | | | | | | | |
| 18 | Debt securities, including UoP | | | | | | | | | | | | | | | |
| 19 | Equity instruments | | | | | | | | | | | | | | | |
| 20 | **Non-financial undertakings** | 416 | 170 | 29 | 0 | 0 | 19 | 23 | 0 | 0 | 0 | 193 | 29 | 0 | 0 | 19 |
| 21 | Loans and advances | 416 | 170 | 29 | 0 | 0 | 19 | 23 | 0 | 0 | 0 | 193 | 29 | 0 | 0 | 19 |
| 22 | Debt securities, including UoP | | | | | | | | | | | | | | | |
| 23 | Equity instruments | | | | | | | | | | | | | | | |
| 24 | **Households** | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 25 | of which loans collateralised by residential immovable property | | | | | | | | | | | | | | | |
| 26 | of which building renovation loans | | | | | | | | | | | | | | | |
| 27 | of which motor vehicle loans | | | | | | | | | | | | | | | |
| 28 | **Local governments financing** | | | | | | | | | | | | | | | |
| 29 | Housing financing | | | | | | | | | | | | | | | |

Additional sustainability information

# EU Taxonomy - Reporting templates

**As at 31 March 2025**

| | in millions of €s | Total gross carrying amount | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Use of Proceeds | Of which Enabling | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling |
| 30 | Other local government financing | | | | | | | | | | | | | | | |
| 31 | **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | | | | |
| 32 | **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | 10,242 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 33 | **Financial and Non-financial undertakings** | 9,982 | | | | | | | | | | | | | | |
| 34 | SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations | 8,291 | | | | | | | | | | | | | | |
| 35 | Loans and advances | 7,951 | | | | | | | | | | | | | | |
| 36 | of which loans collateralised by commercial immovable property | | | | | | | | | | | | | | | |
| 37 | of which building renovation loans | | | | | | | | | | | | | | | |
| 38 | Debt securities | 340 | | | | | | | | | | | | | | |
| 39 | Equity instruments | | | | | | | | | | | | | | | |
| 40 | Non-EU country counterparties not subject to NFRD disclosure obligations | 1,691 | | | | | | | | | | | | | | |
| 41 | Loans and advances | 1,685 | | | | | | | | | | | | | | |
| 42 | Debt securities | 6 | | | | | | | | | | | | | | |
| 43 | Equity instruments | | | | | | | | | | | | | | | |
| 44 | **Derivatives** | | | | | | | | | | | | | | | |

**As at 31 March 2024**

| | in millions of €s | Total gross carrying amount | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Use of Proceeds | Of which Enabling | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which environmentally sustainable (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling |
| 30 | Other local government financing | | | | | | | | | | | | | | | |
| 31 | **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | | | | |
| 32 | **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | 8,988 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| 33 | **Financial and Non-financial undertakings** | 8,788 | | | | | | | | | | | | | | |
| 34 | SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations | 6,841 | | | | | | | | | | | | | | |
| 35 | Loans and advances | 6,841 | | | | | | | | | | | | | | |
| 36 | of which loans collateralised by commercial immovable property | | | | | | | | | | | | | | | |
| 37 | of which building renovation loans | | | | | | | | | | | | | | | |
| 38 | Debt securities | | | | | | | | | | | | | | | |
| 39 | Equity instruments | | | | | | | | | | | | | | | |
| 40 | Non-EU country counterparties not subject to NFRD disclosure obligations | 1,947 | | | | | | | | | | | | | | |
| 41 | Loans and advances | 1,947 | | | | | | | | | | | | | | |
| 42 | Debt securities | | | | | | | | | | | | | | | |
| 43 | Equity instruments | | | | | | | | | | | | | | | |
| 44 | **Derivatives** | 0 | | | | | | | | | | | | | | |

Additional sustainability information

# EU Taxonomy - Reporting templates

**As at 31 March 2025**

| | in millions of €s | Total gross carrying amount | Climate Change Mitigation (CCM): Of which towards taxonomy relevant sectors (Taxonomy-eligible) | CCM: Of which environmentally sustainable (Taxonomy-aligned) | CCM: Use of Proceeds | CCM: Of which transitional | CCM: Of which Enabling | Climate Change Adaptation (CCA): Of which towards taxonomy relevant sectors (Taxonomy-eligible) | CCA: Of which environmentally sustainable (Taxonomy-aligned) | CCA: Use of Proceeds | CCA: Of which Enabling | TOTAL (CCM + CCA): Of which towards taxonomy relevant sectors (Taxonomy-eligible) | TOTAL: Of which environmentally sustainable (Taxonomy-aligned) | TOTAL: Use of Proceeds | TOTAL: Of which transitional | TOTAL: Of which Enabling |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 45 | **On demand interbank loans** | 129 | | | | | | | | | | | | | | |
| 46 | **Cash and cash-related assets** | | | | | | | | | | | | | | | |
| 47 | **Other categories of assets (e.g. Goodwill, commodities etc.)** | 131 | | | | | | | | | | | | | | |
| 48 | **Total GAR assets** | 10,710 | 164 | 23 | 0 | 2 | 1 | 0 | 0 | 0 | 0 | 164 | 23 | 0 | 2 | 1 |
| 49 | **Assets not covered for GAR calculation** | 2,034 | | | | | | | | | | | | | | |
| 50 | **Central governments and Supranational issuers** | | | | | | | | | | | | | | | |
| 51 | **Central banks exposure** | 1,894 | | | | | | | | | | | | | | |
| 52 | **Trading book** | 140 | | | | | | | | | | | | | | |
| 53 | Total assets | 12,744 | 164 | 23 | 0 | 2 | 1 | 0 | 0 | 0 | 0 | 164 | 23 | 0 | 2 | 1 |
| | | | **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations** | | | | | | | | | | | | | |
| 54 | Financial guarantees | 166 | 29 | 8 | 0 | 0 | 1 | 8 | 0 | 0 | 0 | 37 | 8 | 0 | 0 | 1 |
| 55 | Assets under management | | | | | | | | | | | | | | | |
| 56 | Of which debt securities | | | | | | | | | | | | | | | |
| 57 | Of which equity instruments | | | | | | | | | | | | | | | |

**As at 31 March 2024**

| | in millions of €s | Total gross carrying amount | Climate Change Mitigation (CCM): Of which towards taxonomy relevant sectors (Taxonomy-eligible) | CCM: Of which environmentally sustainable (Taxonomy-aligned) | CCM: Use of Proceeds | CCM: Of which transitional | CCM: Of which Enabling | Climate Change Adaptation (CCA): Of which towards taxonomy relevant sectors (Taxonomy-eligible) | CCA: Of which environmentally sustainable (Taxonomy-aligned) | CCA: Use of Proceeds | CCA: Of which Enabling | TOTAL (CCM + CCA): Of which towards taxonomy relevant sectors (Taxonomy-eligible) | TOTAL: Of which environmentally sustainable (Taxonomy-aligned) | TOTAL: Use of Proceeds | TOTAL: Of which transitional | TOTAL: Of which Enabling |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 45 | **On demand interbank loans** | 82 | | | | | | | | | | | | | | |
| 46 | **Cash and cash-related assets** | | | | | | | | | | | | | | | |
| 47 | **Other categories of assets (e.g. Goodwill, commodities etc.)** | 118 | | | | | | | | | | | | | | |
| 48 | **Total GAR assets** | 9,449 | 183 | 30 | 0 | 0 | 19 | 24 | 0 | 0 | 0 | 207 | 30 | 0 | 0 | 19 |
| 49 | **Assets not covered for GAR calculation** | 2,707 | | | | | | | | | | | | | | |
| 50 | **Central governments and Supranational issuers** | | | | | | | | | | | | | | | |
| 51 | **Central banks exposure** | 2,622 | | | | | | | | | | | | | | |
| 52 | **Trading book** | 84 | | | | | | | | | | | | | | |
| 53 | Total assets | 12,156 | 183 | 30 | 0 | 0 | 19 | 24 | 0 | 0 | 0 | 207 | 30 | 0 | 0 | 19 |
| | | | **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations** | | | | | | | | | | | | | |
| 54 | Financial guarantees | 290 | 147 | 74 | 0 | 1 | 36 | 2 | 0 | 0 | 0 | 149 | 74 | 0 | 1 | 36 |
| 55 | Assets under management | | | | | | | | | | | | | | | |
| 56 | Of which debt securities | | | | | | | | | | | | | | | |
| 57 | Of which equity instruments | | | | | | | | | | | | | | | |

Additional sustainability information

# EU Taxonomy - Reporting templates

## Template 1 - Water & Marine Resources, Circular Economy, Pollution and Biodiversity & Ecosystems - Based on CapEx

| | in millions of €s | As at 31 March 2025 | | | | | | As at 31 March 2024 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Total gross carrying amount | Water and marine resources (WTR) | Circular economy (CE) | Pollution (PPC) | Biodiversity and Ecosystems (BIO) | TOTAL (WRT+CE+PPC+BIO) | Total gross carrying amount | Water and marine resources (WTR) | Circular economy (CE) | Pollution (PPC) | Biodiversity and Ecosystems (BIO) | TOTAL (WRT+CE+PPC+BIO) |
| | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | |
| 1 | Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 468 | 0 | 0 | 0 | 0 | 0 | 461 | 0 | 2 | 0 | 0 | 2 |
| 2 | **Financial undertakings** | 22 | 0 | 0 | 0 | 0 | 0 | 44 | 0 | 0 | 0 | 0 | 0 |
| 3 | Credit institutions | 22 | 0 | 0 | 0 | 0 | 0 | 42 | 0 | 0 | 0 | 0 | |
| 4 | Loans and advances | 22 | 0 | 0 | 0 | 0 | 0 | 42 | 0 | 0 | 0 | 0 | 0 |
| 5 | Debt securities, including UoP | | | | | | | | | | | | |
| 6 | Equity instruments | | | | | | | | | | | | |
| 7 | Other financial corporations | | | | | | | 2 | 0 | 0 | 0 | 0 | 0 |
| 8 | of which investment firms | | | | | | | | | | | | |
| 9 | Loans and advances | | | | | | | | | | | | |
| 10 | Debt securities, including UoP | | | | | | | | | | | | |
| 11 | Equity instruments | | | | | | | | | | | | |
| 12 | of which management companies | | | | | | | | | | | | |
| 13 | Loans and advances | | | | | | | | | | | | |
| 14 | Debt securities, including UoP | | | | | | | | | | | | |
| 15 | Equity instruments | | | | | | | | | | | | |
| 16 | of which insurance undertakings | | | | | | | | | | | | |
| 17 | Loans and advances | | | | | | | | | | | | |
| 18 | Debt securities, including UoP | | | | | | | | | | | | |
| 19 | Equity instruments | | | | | | | | | | | | |
| 20 | **Non-financial undertakings** | 446 | 0 | 0 | 0 | 0 | 0 | 416 | 0 | 2 | 0 | 0 | 2 |

Additional sustainability information

# EU Taxonomy - Reporting templates

| | in millions of €s | As at 31 March 2025 | | | | | | As at 31 March 2024 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Total gross carrying amount | Water and marine resources (WTR) | Circular economy (CE) | Pollution (PPC) | Biodiversity and Ecosystems (BIO) | TOTAL (WRT+CE+PPC+BIO) | Total gross carrying amount | Water and marine resources (WTR) | Circular economy (CE) | Pollution (PPC) | Biodiversity and Ecosystems (BIO) | TOTAL (WRT+CE+PPC+BIO) |
| | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) |
| 21 | Loans and advances | 446 | 0 | 0 | 0 | 0 | 0 | 416 | 0 | 2 | 0 | 0 | 2 |
| 22 | Debt securities, including UoP | | | | | | | | | | | | |
| 23 | Equity instruments | | | | | | | | | | | | |
| 24 | **Households** | 0 | | | | | 0 | 0 | | | | | 0 |
| 25 | of which loans collateralised by residential immovable property | 0 | | | | | 0 | 0 | | | | | 0 |
| 26 | of which building renovation loans | | | | | | | | | | | | |
| 27 | of which motor vehicle loans | | | | | | | | | | | | |
| 28 | **Local governments financing** | | 0 | 0 | 0 | 0 | | | 0 | 0 | 0 | 0 | |
| 29 | Housing financing | | | | | | | | | | | | |
| 30 | Other local government financing | | | | | | | | | | | | |
| 31 | **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | |
| 32 | **Assets excluded from the numerator for GAR calculation (covered in the denominator)** | 10,242 | 0 | 0 | 0 | 0 | 0 | 8,988 | 0 | 0 | 0 | 0 | 0 |
| 33 | **Financial and Non-financial undertakings** | 9,982 | | | | | | 8,788 | | | | | |
| 34 | SMEs and NFCs (other than SMEs) not subject to NFRD disclosure obligations | 8,291 | | | | | | 6,841 | | | | | |
| 35 | Loans and advances | 7,951 | | | | | | 6,841 | | | | | |
| 36 | of which loans collateralised by commercial immovable property | | | | | | | | | | | | |
| 37 | of which building renovation loans | | | | | | | | | | | | |
| 38 | Debt securities | 340 | | | | | | | | | | | |
| 39 | Equity instruments | | | | | | | | | | | | |
| 40 | Non-EU country counterparties not subject to NFRD disclosure obligations | 1,691 | | | | | | 1,947 | | | | | |

Additional sustainability information

# EU Taxonomy - Reporting templates

| | in millions of €s | As at 31 March 2025 | | | | | | As at 31 March 2024 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Total gross carrying amount | Water and marine resources (WTR) | Circular economy (CE) | Pollution (PPC) | Biodiversity and Ecosystems (BIO) | TOTAL (WRT+CE+PPC+BIO) | Total gross carrying amount | Water and marine resources (WTR) | Circular economy (CE) | Pollution (PPC) | Biodiversity and Ecosystems (BIO) | TOTAL (WRT+CE+PPC+BIO) |
| | | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) | Of which towards taxonomy relevant sectors (Taxonomy-eligible) |
| 41 | Loans and advances | 1,685 | | | | | | 1,947 | | | | | |
| 42 | Debt securities | 6 | | | | | | | | | | | |
| 43 | Equity instruments | | | | | | | | | | | | |
| 44 | **Derivatives** | | | | | | | 0 | | | | | |
| 45 | **On demand interbank loans** | 129 | | | | | | 82 | | | | | |
| 46 | **Cash and cash-related assets** | | | | | | | | | | | | |
| 47 | **Other categories of assets (e.g. Goodwill, commodities etc.)** | 131 | | | | | | 118 | | | | | |
| 48 | **Total GAR assets** | 10,710 | 0 | 0 | 0 | 0 | 0 | 9,449 | 0 | 2 | 0 | 0 | 2 |
| 49 | **Assets not covered for GAR calculation** | 2,034 | | | | | | 2,707 | | | | | |
| 50 | **Central governments and Supranational issuers** | | | | | | | | | | | | |
| 51 | **Central banks exposure** | 1,894 | | | | | | 2,622 | | | | | |
| 52 | **Trading book** | 140 | | | | | | 84 | | | | | |
| 53 | Total assets | 12,744 | 0 | 0 | 0 | 0 | 0 | 12,156 | 0 | 2 | 0 | 0 | 2 |
| | | **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations** | | | | | | **Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations** | | | | | |
| 54 | Financial guarantees | 166 | 0 | 1 | 0 | 0 | 1 | 290 | 0 | 0 | 0 | 0 | 0 |
| 55 | Assets under management | | | | | | | | | | | | |
| 56 | Of which debt securities | | | | | | | | | | | | |
| 57 | Of which equity instruments | | | | | | | | | | | | |

Additional sustainability information

# EU Taxonomy - Reporting templates

## 2. GAR - Sector information based on Turnover

| Breakdown by sector - NACE 4 digits level (code and label) | Climate Change Mitigation (CCM) | | | | Climate Change Adaptation (CCA) | | | | TOTAL (CCM + CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | |
| | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | |
| | Mn of €s | Of which env.* sustainable (CCM) | Mn of €s | Of which env.* sustainable (CCM) | Mn of €s | Of which env.* sustainable (CCA) | Mn of €s | Of which env.* sustainable (CCA) | Mn of €s | Of which env.* sustainable (CCM + CCA) | Mn of €s | Of which env.* sustainable (CCM + CCA) |
| B06.0.0 - None | 193 | 2 | | | | 0 | | | 193 | 2 | | |
| C20.5.9 - None | 10 | 0 | | | | 0 | | | 10 | 0 | | |
| C28.9.1 - Manufacture of machinery for metallurgy | 136 | 0 | | | | 0 | | | 136 | 0 | | |
| C29.3.0 - Manufacture of parts and accessories for motor vehicles | 5 | 0 | | | | 0 | | | 5 | 0 | | |
| H52.2.9 - Other transportation support activities | 0 | 0 | | | | 0 | | | 0 | 0 | | |
| L68.3.1 - None | 103 | 10 | | | | 0 | | | 103 | 10 | | |

*environmentally

Additional sustainability information

# EU Taxonomy - Reporting templates

## 2. GAR - Sector information based on CapEx

| Breakdown by sector - NACE 4 digits level (code and label) | Climate Change Mitigation (CCM) | | | | Climate Change Adaptation (CCA) | | | | TOTAL (CCM + CCA) | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | | Non-Financial corporates (Subject to NFRD) | | SMEs and other NFC not subject to NFRD | |
| | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | | Gross carrying amount | |
| | Mn of €s | Of which env.* sustainable (CCM) | Mn of €s | Of which env.* sustainable (CCM) | Mn of €s | Of which env.* sustainable (CCA) | Mn of €s | Of which env.* sustainable (CCA) | Mn of €s | Of which env.* sustainable (CCM + CCA) | Mn of €s | Of which env.* sustainable (CCM + CCA) |
| B06.0.0 - None | 193 | 15 | | | | 0 | | | 193 | 15 | | |
| C20.5.9 - None | 10 | 0 | | | | 0 | | | 10 | 0 | | |
| C28.9.1 - Manufacture of machinery for metallurgy | 136 | 0 | | | | 0 | | | 136 | 0 | | |
| C29.3.0 - Manufacture of parts and accessories for motor vehicles | 5 | 0 | | | | 0 | | | 5 | 0 | | |
| H52.2.9 - Other transportation support activities | 0 | 0 | | | | 0 | | | 0 | 0 | | |
| L68.3.1 - None | 103 | 7 | | | | 0 | | | 103 | 7 | | |

*environmentally

Additional sustainability information

# EU Taxonomy - Reporting templates

## 3. GAR KPI Stock based on Turnover

### Template 3 - Climate Change Mitigation and Climate Change Adaptation - Based on Turnover

As at 31 March 2025

| | % (compared to total covered assets in the denominator) | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | Use of Proceeds | Of which Enabling | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | | |
| 1 | Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 1.3% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.3% | 0.1% | 0.0% | 0.0% | 0.0% |
| 2 | **Financial undertakings** | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 3 | Credit institutions | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 4 | Loans and advances | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 5 | Debt securities, including UoP | | | | | | | | | | | | | | |
| 6 | Equity instruments | | | | | | | | | | | | | | |
| 7 | Other financial corporations | | | | | | | | | | | | | | |
| 8 | of which investment firms | | | | | | | | | | | | | | |
| 9 | Loans and advances | | | | | | | | | | | | | | |

As at 31 March 2024

| | % (compared to total covered assets in the denominator) | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | Use of Proceeds | Of which Enabling | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | | |
| 1 | Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 1.6% | 0.2% | 0.0% | 0.0% | 0.0% | 0.1% | 0.0% | 0.0% | 0.0% | 1.7% | 0.2% | 0.0% | 0.0% | 0.0% |
| 2 | **Financial undertakings** | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% |
| 3 | Credit institutions | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% |
| 4 | Loans and advances | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% |
| 5 | Debt securities, including UoP | | | | | | | | | | | | | | |
| 6 | Equity instruments | | | | | | | | | | | | | | |
| 7 | Other financial corporations | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | | | | 0.0% | 0.0% | 0.0% | 0.0% |
| 8 | of which investment firms | | | | | | | | | | | | | | |
| 9 | Loans and advances | | | | | | | | | | | | | | |

Additional sustainability information

# EU Taxonomy - Reporting templates

**As at 31 March 2025**

| | % (compared to total covered assets in the denominator) | Climate Change Mitigation (CCM): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | CCM: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | CCM: Use of Proceeds | CCM: Of which transitional | CCM: Of which Enabling | Climate Change Adaptation (CCA): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | CCA: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | CCA: Use of Proceeds | CCA: Of which Enabling | TOTAL (CCM + CCA): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | TOTAL: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | TOTAL: Use of Proceeds | TOTAL: Of which transitional | TOTAL: Of which Enabling |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 10 | Debt securities, including UoP | | | | | | | | | | | | | | |
| 11 | Equity instruments | | | | | | | | | | | | | | |
| 12 | of which management companies | | | | | | | | | | | | | | |
| 13 | Loans and advances | | | | | | | | | | | | | | |
| 14 | Debt securities, including UoP | | | | | | | | | | | | | | |
| 15 | Equity instruments | | | | | | | | | | | | | | |
| 16 | of which insurance undertakings | | | | | | | | | | | | | | |
| 17 | Loans and advances | | | | | | | | | | | | | | |
| 18 | Debt securities, including UoP | | | | | | | | | | | | | | |
| 19 | Equity instruments | | | | | | | | | | | | | | |
| 20 | **Non-financial undertakings** | 1.2% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.2% | 0.1% | 0.0% | 0.0% | 0.0% |
| 21 | Loans and advances | 1.2% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.2% | 0.1% | 0.0% | 0.0% | 0.0% |
| 22 | Debt securities, including UoP | | | | | | | | | | | | | | |
| 23 | Equity instruments | | | | | | | | | | | | | | |
| 24 | **Households** | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

**As at 31 March 2024**

| | % (compared to total covered assets in the denominator) | Climate Change Mitigation (CCM): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | CCM: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | CCM: Use of Proceeds | CCM: Of which transitional | CCM: Of which Enabling | Climate Change Adaptation (CCA): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | CCA: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | CCA: Use of Proceeds | CCA: Of which Enabling | TOTAL (CCM + CCA): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | TOTAL: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | TOTAL: Use of Proceeds | TOTAL: Of which transitional | TOTAL: Of which Enabling |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 10 | Debt securities, including UoP | | | | | | | | | | | | | | |
| 11 | Equity instruments | | | | | | | | | | | | | | |
| 12 | of which management companies | | | | | | | | | | | | | | |
| 13 | Loans and advances | | | | | | | | | | | | | | |
| 14 | Debt securities, including UoP | | | | | | | | | | | | | | |
| 15 | Equity instruments | | | | | | | | | | | | | | |
| 16 | of which insurance undertakings | | | | | | | | | | | | | | |
| 17 | Loans and advances | | | | | | | | | | | | | | |
| 18 | Debt securities, including UoP | | | | | | | | | | | | | | |
| 19 | Equity instruments | | | | | | | | | | | | | | |
| 20 | **Non-financial undertakings** | 1.4% | 0.2% | 0.0% | 0.0% | 0.0% | 0.1% | 0.0% | 0.0% | 0.0% | 1.5% | 0.2% | 0.0% | 0.0% | 0.0% |
| 21 | Loans and advances | 1.4% | 0.2% | 0.0% | 0.0% | 0.0% | 0.1% | 0.0% | 0.0% | 0.0% | 1.5% | 0.2% | 0.0% | 0.0% | 0.0% |
| 22 | Debt securities, including UoP | | | | | | | | | | | | | | |
| 23 | Equity instruments | | | | | | | | | | | | | | |
| 24 | **Households** | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

Additional sustainability information

# EU Taxonomy - Reporting templates

As at 31 March 2025

| | % (compared to total covered assets in the denominator) | Climate Change Mitigation (CCM) – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling | Climate Change Adaptation (CCA) – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | Use of Proceeds | Of which Enabling | TOTAL (CCM + CCA) – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 25 | of which loans collateralised by residential immovable property | | | | | | | | | | | | | | |
| 26 | of which building renovation loans | | | | | | | | | | | | | | |
| 27 | of which motor vehicle loans | | | | | | | | | | | | | | |
| 28 | **Local governments financing** | | | | | | | | | | | | | | |
| 29 | Housing financing | | | | | | | | | | | | | | |
| 30 | Other local government financing | | | | | | | | | | | | | | |
| 31 | **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | | | |
| **32** | **Total GAR assets** | 1.3% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.3% | 0.1% | 0.0% | 0.0% | 0.0% |

As at 31 March 2024

| | % (compared to total covered assets in the denominator) | Climate Change Mitigation (CCM) – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling | Climate Change Adaptation (CCA) – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | Use of Proceeds | Of which Enabling | TOTAL (CCM + CCA) – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 25 | of which loans collateralised by residential immovable property | | | | | | | | | | | | | | |
| 26 | of which building renovation loans | | | | | | | | | | | | | | |
| 27 | of which motor vehicle loans | | | | | | | | | | | | | | |
| 28 | **Local governments financing** | | | | | | | | | | | | | | |
| 29 | Housing financing | | | | | | | | | | | | | | |
| 30 | Other local government financing | | | | | | | | | | | | | | |
| 31 | **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | | | |
| **32** | **Total GAR assets** | 1.6% | 0.2% | 0.0% | 0.0% | 0.0% | 0.1% | 0.0% | 0.0% | 0.0% | 1.7% | 0.2% | 0.0% | 0.0% | 0.0% |

Additional sustainability information

# EU Taxonomy - Reporting templates

### Template 3 - Water & Marine Resources, Circular Economy, Pollution and Biodiversity & Ecosystems - Based on Turnover

| | % (compared to total covered assets in the denominator) | As at 31 March 2025 | | | | | As at 31 March 2024 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Water and marine resources (WTR) | Circular economy (CE) | Pollution (PPC) | Biodiversity and Ecosystems (BIO) | TOTAL (WRT+CE+PPC+BIO) | Water and marine resources (WTR) | Circular economy (CE) | Pollution (PPC) | Biodiversity and Ecosystems (BIO) | TOTAL (WRT+CE+PPC+BIO) |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | |
| 1 | Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 2 | **Financial undertakings** | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 3 | Credit institutions | | | | | | | | | | |
| 4 | Loans and advances | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 5 | Debt securities, including UoP | | | | | | | | | | |
| 6 | Equity instruments | | | | | | | | | | |
| 7 | Other financial corporations | | | | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 8 | of which investment firms | | | | | | | | | | |
| 9 | Loans and advances | | | | | | | | | | |
| 10 | Debt securities, including UoP | | | | | | | | | | |
| 11 | Equity instruments | | | | | | | | | | |
| 12 | of which management companies | | | | | | | | | | |
| 13 | Loans and advances | | | | | | | | | | |
| 14 | Debt securities, including UoP | | | | | | | | | | |
| 15 | Equity instruments | | | | | | | | | | |
| 16 | of which insurance undertakings | | | | | | | | | | |
| 17 | Loans and advances | | | | | | | | | | |
| 18 | Debt securities, including UoP | | | | | | | | | | |

Additional sustainability information

# EU Taxonomy - Reporting templates

| % (compared to total covered assets in the denominator) | As at 31 March 2025 | | | | | As at 31 March 2024 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| | Water and marine resources (WTR) | Circular economy (CE) | Pollution (PPC) | Biodiversity and Ecosystems (BIO) | TOTAL (WRT+CE+PPC+BIO) | Water and marine resources (WTR) | Circular economy (CE) | Pollution (PPC) | Biodiversity and Ecosystems (BIO) | TOTAL (WRT+CE+PPC+BIO) |
| | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |
| 19 Equity instruments | | | | | | | | | | |
| 20 **Non-financial undertakings** | | | | | | | | | | |
| 21 Loans and advances | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 22 Debt securities, including UoP | | | | | | | | | | |
| 23 Equity instruments | | | | | | | | | | |
| 24 **Households** | | 0.0% | | | | | 0.0% | | | |
| 25 of which loans collateralised by residential immovable property | | | | | | | | | | |
| 26 of which building renovation loans | | | | | | | | | | |
| 27 of which motor vehicle loans | | | | | | | | | | |
| 28 **Local governments financing** | | | | | | | | | | |
| 29 Housing financing | | | | | | | | | | |
| 30 Other local government financing | | | | | | | | | | |
| 31 **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | |
| 32 **Total GAR assets** | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

Additional sustainability information

# EU Taxonomy - Reporting templates

## 3. GAR KPI Stock based on CapEx

### Template 3- Climate Change Mitigation and Climate Change Adaptation - Based on CapEx

As at 31 March 2025

| | % (compared to total covered assets in the denominator) | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | Use of Proceeds | Of which Enabling | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | | |
| 1 | Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 1.5% | 0.2% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.5% | 0.2% | 0.0% | 0.0% | 0.0% |
| 2 | **Financial undertakings** | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 3 | Credit institutions | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 4 | Loans and advances | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 5 | Debt securities, including UoP | | | | | | | | | | | | | | |
| 6 | Equity instruments | | | | | | | | | | | | | | |
| 7 | Other financial corporations | | | | | | | | | | | | | | |
| 8 | of which investment firms | | | | | | | | | | | | | | |
| 9 | Loans and advances | | | | | | | | | | | | | | |

As at 31 March 2024

| | % (compared to total covered assets in the denominator) | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | TOTAL (CCM + CCA) | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | Use of Proceeds | Of which Enabling | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | Use of Proceeds | Of which transitional | Of which Enabling |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | | |
| 1 | Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 1.9% | 0.3% | 0.0% | 0.0% | 0.2% | 0.3% | 0.0% | 0.0% | 0.0% | 2.2% | 0.3% | 0.0% | 0.0% | 0.2% |
| 2 | **Financial undertakings** | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% |
| 3 | Credit institutions | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% |
| 4 | Loans and advances | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% |
| 5 | Debt securities, including UoP | | | | | | | | | | | | | | |
| 6 | Equity instruments | | | | | | | | | | | | | | |
| 7 | Other financial corporations | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | | | | 0.0% | 0.0% | 0.0% | 0.0% |
| 8 | of which investment firms | | | | | | | | | | | | | | |
| 9 | Loans and advances | | | | | | | | | | | | | | |

Additional sustainability information

# EU Taxonomy - Reporting templates

**As at 31 March 2025**

| | % (compared to total covered assets in the denominator) | Climate Change Mitigation (CCM) – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | CCM – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | CCM – Use of Proceeds | CCM – Of which transitional | CCM – Of which Enabling | Climate Change Adaptation (CCA) – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | CCA – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | CCA – Use of Proceeds | CCA – Of which Enabling | TOTAL (CCM + CCA) – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | TOTAL – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | TOTAL – Use of Proceeds | TOTAL – Of which transitional | TOTAL – Of which Enabling |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 10 | Debt securities, including UoP | | | | | | | | | | | | | | |
| 11 | Equity instruments | | | | | | | | | | | | | | |
| 12 | of which management companies | | | | | | | | | | | | | | |
| 13 | Loans and advances | | | | | | | | | | | | | | |
| 14 | Debt securities, including UoP | | | | | | | | | | | | | | |
| 15 | Equity instruments | | | | | | | | | | | | | | |
| 16 | of which insurance undertakings | | | | | | | | | | | | | | |
| 17 | Loans and advances | | | | | | | | | | | | | | |
| 18 | Debt securities, including UoP | | | | | | | | | | | | | | |
| 19 | Equity instruments | | | | | | | | | | | | | | |
| 20 | **Non-financial undertakings** | 1.5% | 0.2% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.5% | 0.2% | 0.0% | 0.0% | 0.0% |
| 21 | Loans and advances | 1.5% | 0.2% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.5% | 0.2% | 0.0% | 0.0% | 0.0% |
| 22 | Debt securities, including UoP | | | | | | | | | | | | | | |
| 23 | Equity instruments | | | | | | | | | | | | | | |
| 24 | **Households** | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

**As at 31 March 2024**

| | % (compared to total covered assets in the denominator) | Climate Change Mitigation (CCM) – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | CCM – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | CCM – Use of Proceeds | CCM – Of which transitional | CCM – Of which Enabling | Climate Change Adaptation (CCA) – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | CCA – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | CCA – Use of Proceeds | CCA – Of which Enabling | TOTAL (CCM + CCA) – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | TOTAL – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | TOTAL – Use of Proceeds | TOTAL – Of which transitional | TOTAL – Of which Enabling |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 10 | Debt securities, including UoP | | | | | | | | | | | | | | |
| 11 | Equity instruments | | | | | | | | | | | | | | |
| 12 | of which management companies | | | | | | | | | | | | | | |
| 13 | Loans and advances | | | | | | | | | | | | | | |
| 14 | Debt securities, including UoP | | | | | | | | | | | | | | |
| 15 | Equity instruments | | | | | | | | | | | | | | |
| 16 | of which insurance undertakings | | | | | | | | | | | | | | |
| 17 | Loans and advances | | | | | | | | | | | | | | |
| 18 | Debt securities, including UoP | | | | | | | | | | | | | | |
| 19 | Equity instruments | | | | | | | | | | | | | | |
| 20 | **Non-financial undertakings** | 1.8% | 0.3% | 0.0% | 0.0% | 0.2% | 0.2% | 0.0% | 0.0% | 0.0% | 2.0% | 0.3% | 0.0% | 0.0% | 0.2% |
| 21 | Loans and advances | 1.8% | 0.3% | 0.0% | 0.0% | 0.2% | 0.2% | 0.0% | 0.0% | 0.0% | 2.0% | 0.3% | 0.0% | 0.0% | 0.2% |
| 22 | Debt securities, including UoP | | | | | | | | | | | | | | |
| 23 | Equity instruments | | | | | | | | | | | | | | |
| 24 | **Households** | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

Additional sustainability information

# EU Taxonomy - Reporting templates

As at 31 March 2025

| % (compared to total covered assets in the denominator) | Climate Change Mitigation (CCM): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | CCM: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | CCM: Use of Proceeds | CCM: Of which transitional | CCM: Of which Enabling | Climate Change Adaptation (CCA): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | CCA: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | CCA: Use of Proceeds | CCA: Of which Enabling | TOTAL (CCM + CCA): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | TOTAL: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | TOTAL: Use of Proceeds | TOTAL: Of which transitional | TOTAL: Of which Enabling |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 25 of which loans collateralised by residential immovable property | | | | | | | | | | | | | | |
| 26 of which building renovation loans | | | | | | | | | | | | | | |
| 27 of which motor vehicle loans | | | | | | | | | | | | | | |
| 28 **Local governments financing** | | | | | | | | | | | | | | |
| 29 Housing financing | | | | | | | | | | | | | | |
| 30 Other local government financing | | | | | | | | | | | | | | |
| 31 **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | | | |
| **32 Total GAR assets** | 1.5% | 0.2% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.5% | 0.2% | 0.0% | 0.0% | 0.0% |

As at 31 March 2024

| % (compared to total covered assets in the denominator) | Climate Change Mitigation (CCM): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | CCM: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | CCM: Use of Proceeds | CCM: Of which transitional | CCM: Of which Enabling | Climate Change Adaptation (CCA): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | CCA: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | CCA: Use of Proceeds | CCA: Of which Enabling | TOTAL (CCM + CCA): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | TOTAL: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | TOTAL: Use of Proceeds | TOTAL: Of which transitional | TOTAL: Of which Enabling |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 25 of which loans collateralised by residential immovable property | | | | | | | | | | | | | | |
| 26 of which building renovation loans | | | | | | | | | | | | | | |
| 27 of which motor vehicle loans | | | | | | | | | | | | | | |
| 28 **Local governments financing** | | | | | | | | | | | | | | |
| 29 Housing financing | | | | | | | | | | | | | | |
| 30 Other local government financing | | | | | | | | | | | | | | |
| 31 **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | | | |
| **32 Total GAR assets** | 1.9% | 0.3% | 0.0% | 0.0% | 0.2% | 0.3% | 0.0% | 0.0% | 0.0% | 2.2% | 0.3% | 0.0% | 0.0% | 0.2% |

Additional sustainability information

# EU Taxonomy - Reporting templates

## Template 3 - Water & Marine Resources, Circular Economy, Pollution and Biodiversity & Ecosystems - Based on CapEx

| | % (compared to total covered assets in the denominator) | As at 31 March 2025 | | | | | As at 31 March 2024 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Water and marine resources (WTR) | Circular economy (CE) | Pollution (PPC) | Biodiversity and Ecosystems (BIO) | TOTAL (WRT+CE+ PPC+BIO) | Water and marine resources (WTR) | Circular economy (CE) | Pollution (PPC) | Biodiversity and Ecosystems (BIO) | TOTAL (WRT+CE+ PPC+BIO) |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | |
| 1 | Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 2 | **Financial undertakings** | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 3 | Credit institutions | | | | | | | | | | |
| 4 | Loans and advances | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 5 | Debt securities, including UoP | | | | | | | | | | |
| 6 | Equity instruments | | | | | | | | | | |
| 7 | Other financial corporations | | | | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 8 | of which investment firms | | | | | | | | | | |
| 9 | Loans and advances | | | | | | | | | | |
| 10 | Debt securities, including UoP | | | | | | | | | | |
| 11 | Equity instruments | | | | | | | | | | |
| 12 | of which management companies | | | | | | | | | | |
| 13 | Loans and advances | | | | | | | | | | |
| 14 | Debt securities, including UoP | | | | | | | | | | |
| 15 | Equity instruments | | | | | | | | | | |
| 16 | of which insurance undertakings | | | | | | | | | | |
| 17 | Loans and advances | | | | | | | | | | |
| 18 | Debt securities, including UoP | | | | | | | | | | |

Additional sustainability information

# EU Taxonomy - Reporting templates

| | % (compared to total covered assets in the denominator) | As at 31 March 2025 | | | | | As at 31 March 2024 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | **Water and marine resources (WTR)** | **Circular economy (CE)** | **Pollution (PPC)** | **Biodiversity and Ecosystems (BIO)** | **TOTAL (WRT+CE+ PPC+BIO)** | **Water and marine resources (WTR)** | **Circular economy (CE)** | **Pollution (PPC)** | **Biodiversity and Ecosystems (BIO)** | **TOTAL (WRT+CE+ PPC+BIO)** |
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) |
| 19 | Equity instruments | | | | | | | | | | |
| 20 | **Non-financial undertakings** | | | | | | | | | | |
| 21 | Loans and advances | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 22 | Debt securities, including UoP | | | | | | | | | | |
| 23 | Equity instruments | | | | | | | | | | |
| 24 | **Households** | | 0.0% | | | | | 0.0% | | | |
| 25 | of which loans collateralised by residential immovable property | | | | | | | | | | |
| 26 | of which building renovation loans | | | | | | | | | | |
| 27 | of which motor vehicle loans | | | | | | | | | | |
| 28 | **Local governments financing** | | | | | | | | | | |
| 29 | Housing financing | | | | | | | | | | |
| 30 | Other local government financing | | | | | | | | | | |
| 31 | **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | |
| 32 | **Total GAR assets** | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |

Additional sustainability information

# EU Taxonomy - Reporting templates

## 4. GAR KPI flow based on Turnover

| | % (compared to total covered assets in the denominator) | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | WTR | CE | PPC | BIO | TOTAL | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | |
| | | | | Use of Proceeds | Of which transitional | Of which Enabling | | | Use of Proceeds | Of which Enabling | | | | | | | Use of Proceeds | Of which transitional | Of which Enabling |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | | | | | | |
| 1 | Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 0.7% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.7% | 0.0% | 0.0% | 0.0% | 0.0% |
| 2 | **Financial undertakings** | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 3 | Credit institutions | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 4 | Loans and advances | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 5 | Debt securities, including UoP | | | | | | | | | | | | | | | | | | |
| 6 | Equity instruments | | | | | | | | | | | | | | | | | | |
| 7 | Other financial corporations | | | | | | | | | | | | | | | | | | |
| 8 | of which investment firms | | | | | | | | | | | | | | | | | | |
| 9 | Loans and advances | | | | | | | | | | | | | | | | | | |
| 10 | Debt securities, including UoP | | | | | | | | | | | | | | | | | | |
| 11 | Equity instruments | | | | | | | | | | | | | | | | | | |
| 12 | of which management companies | | | | | | | | | | | | | | | | | | |
| 13 | Loans and advances | | | | | | | | | | | | | | | | | | |
| 14 | Debt securities, including UoP | | | | | | | | | | | | | | | | | | |

Additional sustainability information

# EU Taxonomy - Reporting templates

| | % (compared to total covered assets in the denominator) | Climate Change Mitigation (CCM) – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | CCM – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | CCM – Use of Proceeds | CCM – Of which transitional | CCM – Of which Enabling | Climate Change Adaptation (CCA) – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | CCA – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | CCA – Use of Proceeds | CCA – Of which Enabling | WTR – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | CE – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | PPC – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | BIO – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | TOTAL – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | TOTAL – Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | TOTAL – Use of Proceeds | TOTAL – Of which transitional | TOTAL – Of which Enabling |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 15 | Equity instruments | | | | | | | | | | | | | | | | | | |
| 16 | of which insurance undertakings | | | | | | | | | | | | | | | | | | |
| 17 | Loans and advances | | | | | | | | | | | | | | | | | | |
| 18 | Debt securities, including UoP | | | | | | | | | | | | | | | | | | |
| 19 | Equity instruments | | | | | | | | | | | | | | | | | | |
| 20 | **Non-financial undertakings** | 0.7% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.7% | 0.0% | 0.0% | 0.0% | 0.0% |
| 21 | Loans and advances | 0.7% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.7% | 0.0% | 0.0% | 0.0% | 0.0% |
| 22 | Debt securities, including UoP | | | | | | | | | | | | | | | | | | |
| 23 | Equity instruments | | | | | | | | | | | | | | | | | | |
| 24 | **Households** | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | 0.0% | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 25 | of which loans collateralised by residential immovable property | | | | | | | | | | | | | | | | | | |
| 26 | of which building renovation loans | | | | | | | | | | | | | | | | | | |
| 27 | of which motor vehicle loans | | | | | | | | | | | | | | | | | | |
| 28 | **Local governments financing** | | | | | | | | | | | | | | | | | | |
| 29 | Housing financing | | | | | | | | | | | | | | | | | | |
| 30 | Other local government financing | | | | | | | | | | | | | | | | | | |
| 31 | **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | | | | | | | |

Additional sustainability information

# EU Taxonomy - Reporting templates

| % (compared to total covered assets in the denominator) | | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | WTR | CE | PPC | BIO | TOTAL | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | |
| | | | | Use of Proceeds | Of which transitional | Of which Enabling | | | Use of Proceeds | Of which Enabling | | | | | | | Use of Proceeds | Of which transitional | Of which Enabling |
| 32 | **Total GAR assets** | 0.7% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.7% | 0.0% | 0.0% | 0.0% | 0.0% |

Additional sustainability information

# EU Taxonomy - Reporting templates

## 4. GAR KPI flow based on CapEx

| | % (compared to total covered assets in the denominator) | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | WTR | CE | PPC | BIO | TOTAL | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | |
| | | | | Use of Proceeds | Of which transitional | Of which Enabling | | | Use of Proceeds | Of which Enabling | | | | | | | Use of Proceeds | Of which transitional | Of which Enabling |
| | **GAR - Covered assets in both numerator and denominator** | | | | | | | | | | | | | | | | | | |
| 1 | Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation | 1.5% | 0.3% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.5% | 0.3% | 0.0% | 0.0% | 0.0% |
| 2 | **Financial undertakings** | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 3 | Credit institutions | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 4 | Loans and advances | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 5 | Debt securities, including UoP | | | | | | | | | | | | | | | | | | |
| 6 | Equity instruments | | | | | | | | | | | | | | | | | | |
| 7 | Other financial corporations | | | | | | | | | | | | | | | | | | |
| 8 | of which investment firms | | | | | | | | | | | | | | | | | | |
| 9 | Loans and advances | | | | | | | | | | | | | | | | | | |
| 10 | Debt securities, including UoP | | | | | | | | | | | | | | | | | | |
| 11 | Equity instruments | | | | | | | | | | | | | | | | | | |
| 12 | of which management companies | | | | | | | | | | | | | | | | | | |
| 13 | Loans and advances | | | | | | | | | | | | | | | | | | |
| 14 | Debt securities, including UoP | | | | | | | | | | | | | | | | | | |

Additional sustainability information

# EU Taxonomy - Reporting templates

| | % (compared to total covered assets in the denominator) | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | WTR | CE | PPC | BIO | TOTAL | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | |
| | | | | Use of Proceeds | Of which transitional | Of which Enabling | | | Use of Proceeds | Of which Enabling | | | | | | | Use of Proceeds | Of which transitional | Of which Enabling |
| 15 | Equity instruments | | | | | | | | | | | | | | | | | | |
| 16 | of which insurance undertakings | | | | | | | | | | | | | | | | | | |
| 17 | Loans and advances | | | | | | | | | | | | | | | | | | |
| 18 | Debt securities, including UoP | | | | | | | | | | | | | | | | | | |
| 19 | Equity instruments | | | | | | | | | | | | | | | | | | |
| 20 | **Non-financial undertakings** | 1.4% | 0.3% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.4% | 0.3% | 0.0% | 0.0% | 0.0% |
| 21 | Loans and advances | 1.4% | 0.3% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.4% | 0.3% | 0.0% | 0.0% | 0.0% |
| 22 | Debt securities, including UoP | | | | | | | | | | | | | | | | | | |
| 23 | Equity instruments | | | | | | | | | | | | | | | | | | |
| 24 | **Households** | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | | 0.0% | | | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% |
| 25 | of which loans collateralised by residential immovable property | | | | | | | | | | | | | | | | | | |
| 26 | of which building renovation loans | | | | | | | | | | | | | | | | | | |
| 27 | of which motor vehicle loans | | | | | | | | | | | | | | | | | | |
| 28 | **Local governments financing** | | | | | | | | | | | | | | | | | | |
| 29 | Housing financing | | | | | | | | | | | | | | | | | | |
| 30 | Other local government financing | | | | | | | | | | | | | | | | | | |
| 31 | **Collateral obtained by taking possession: residential and commercial immovable properties** | | | | | | | | | | | | | | | | | | |

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# EU Taxonomy - Reporting templates

| | % (compared to total covered assets in the denominator) | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | WTR | CE | PPC | BIO | TOTAL | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | |
| | | | | Use of Proceeds | Of which transitional | Of which Enabling | | | Use of Proceeds | Of which Enabling | | | | | | | Use of Proceeds | Of which transitional | Of which Enabling |
| 32 | **Total GAR assets** | 1.5% | 0.3% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.5% | 0.3% | 0.0% | 0.0% | 0.0% |

Additional sustainability information

# EU Taxonomy - Reporting templates

## 5. KPI off-balance sheet exposures based on Turnover

| | % (compared to total eligible off-balance sheet assets) | Climate Change Mitigation (CCM) | | | | | Climate Change Adaptation (CCA) | | | | WTR | CE | PPC | BIO | TOTAL | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | | | | |
| | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | | | | | | Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | | | |
| | | | | Use of Proceeds | Of which transitional | Of which Enabling | | | Use of Proceeds | Of which Enabling | | | | | | | Use of Proceeds | Of which transitional | Of which Enabling |
| 1 | Financial guarantees (KPI) | 0.2% | 0.1% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.2% | 0.1% | 0.0% | 0.0% | 0.0% |
| 2 | Assets under management (KPI) | | | | | | | | | | | | | | | | | | |

Additional sustainability information

# EU Taxonomy - Reporting templates

## 5. KPI off-balance sheet exposures based on CapEx

| | % (compared to total eligible off-balance sheet assets) | Climate Change Mitigation (CCM): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | CCM: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | CCM: Use of Proceeds | CCM: Of which transitional | CCM: Of which Enabling | Climate Change Adaptation (CCA): Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | CCA: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | CCA: Use of Proceeds | CCA: Of which Enabling | WTR: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | CE: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | PPC: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | BIO: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | TOTAL: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible) | TOTAL: Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned) | TOTAL: Use of Proceeds | TOTAL: Of which transitional | TOTAL: Of which Enabling |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Financial guarantees (KPI) | 1.4% | 0.4% | 0.0% | 0.0% | 0.0% | 0.4% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 0.0% | 1.8% | 0.4% | 0.0% | 0.0% | 0.0% |
| 2 | Assets under management (KPI) | | | | | | | | | | | | | | | | | | |

Additional sustainability information

# EU Taxonomy - Reporting templates

## EU Taxonomy mandatory templates for Nuclear Energy and Fossil gas-related activities

| Template 1 Nuclear and fossil gas related activities | | |
|---|---|---|
| **Row** | **Nuclear energy related activities** | |
| 1 | The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle. | Yes |
| 2 | The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies. | Yes |
| 3 | The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades. | Yes |
| | Fossil gas related activities | |
| 4 | The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels. | Yes |
| 5 | The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels. | Yes |
| 6 | The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels. | Yes |

Additional sustainability information

# EU Taxonomy - Reporting templates

### Template 2 Taxonomy-aligned economic activities (denominator) - Based on Turnover

| Row | Economic activities (amounts in millions of €s) | CCM + CCA | | Climate change mitigation (CCM) | | Climate change adaptation (CCA) | |
|---|---|---|---|---|---|---|---|
| | | Amount | % | Amount | % | Amount | % |
| 1 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 4 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7 | **Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI** | **11.93** | **0.00** | **11.93** | **0.00** | **0.00** | **0.00** |
| 8 | **Total applicable KPI** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** | **0.00** |

### Template 2 Taxonomy-aligned economic activities (denominator) - Based on CapEx

| Row | Economic activities (amounts in millions of €s) | CCM + CCA | | Climate change mitigation (CCM) | | Climate change adaptation (CCA) | |
|---|---|---|---|---|---|---|---|
| | | Amount | % | Amount | % | Amount | % |
| 1 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.16 | 0.02 | 0.16 | 0.02 | 0.00 | 0.00 |
| 4 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.03 | 0.00 | 0.03 | 0.00 | 0.00 | 0.00 |
| 5 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.01 | 0.00 | 0.01 | 0.00 | 0.00 | 0.00 |
| 6 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7 | **Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI** | **22.33** | **0.00** | **22.32** | **0.00** | **0.00** | **0.00** |
| 8 | **Total applicable KPI** | **0.20** | **0.03** | **0.20** | **0.03** | **0.00** | **0.00** |

Additional sustainability information

# EU Taxonomy - Reporting templates

**Template 3 Taxonomy-aligned economic activities (numerator) - Based on Turnover**

| Row | Economic activities (amounts in millions of €s) | CCM + CCA | | Climate change mitigation (CCM) | | Climate change adaptation (CCA) | |
|---|---|---|---|---|---|---|---|
| | | Amount | % | Amount | % | Amount | % |
| 1 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0.16 | 0.00 | 0.16 | 0.00 | 0.00 | 0.00 |
| 4 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 5 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 6 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7 | **Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI** | **11.78** | **98.7%** | **11.78** | **99%** | **0.00** | **99.8%** |
| 8 | **Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI** | **11.93** | **100%** | **11.93** | **100%** | **0.00** | **100%** |

**Template 3 Taxonomy-aligned economic activities (numerator) - Based on CapEx**

| Row | Economic activities (amounts in millions of €s) | CCM + CCA | | Climate change mitigation (CCM) | | Climate change adaptation (CCA) | |
|---|---|---|---|---|---|---|---|
| | | Amount | % | Amount | % | Amount | % |
| 1 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 2 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 3 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0.53 | 0.00 | 0.53 | 0.00 | 0.00 | 0.00 |
| 4 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0.04 | 0.00 | 0.04 | 0.00 | 0.00 | 0.00 |
| 5 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0.01 | 0.00 | 0.01 | 0.00 | 0.00 | 0.00 |
| 6 | Amount and proportion of taxonomy- aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the numerator of the applicable KPI | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 | 0.00 |
| 7 | **Amount and proportion of other taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the numerator of the applicable KPI** | **21.95** | **97.4%** | **21.95** | **97%** | **0.00** | **100%** |
| 8 | **Total amount and proportion of taxonomy-aligned economic activities in the numerator of the applicable KPI** | **22.53** | **100%** | **22.53** | **100%** | **0.00** | **100%** |

Additional sustainability information

# EU Taxonomy - Reporting templates

### Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities - Based on Turnover

| Row | Economic activities (amounts in millions of €s) | CCM + CCA | | Climate change mitigation (CCM) | | Climate change adaptation (CCA) | |
|---|---|---|---|---|---|---|---|
| | | Amount | % | Amount | % | Amount | % |
| 1 | Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | - | 0.00 | - | 0.00 | - | 0.00 |
| 2 | Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | - | 0.00 | - | 0.00 | - | 0.00 |
| 3 | Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | - | 0.00 | - | 0.00 | - | 0.00 |
| 4 | Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.14 | 0.00 | 0.14 | 0.00 | - | 0.00 |
| 5 | Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.80 | 0.00 | 0.80 | 0.00 | 0.00 | 0.00 |
| 6 | Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.00 | 0.00 | 0.00 | 0.00 | - | 0.00 |
| 7 | **Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI** | **121.04** | **0.01** | **121.03** | **0.01** | **0.01** | **0.00** |
| 8 | **Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI** | **121.98** | **0.01** | **121.97** | **0.01** | **0.01** | **0.00** |

### Template 4 Taxonomy-eligible but not taxonomy-aligned economic activities - Based on CapEx

| Row | Economic activities (amounts in millions of €s) | CCM + CCA | | Climate change mitigation (CCM) | | Climate change adaptation (CCA) | |
|---|---|---|---|---|---|---|---|
| | | Amount | % | Amount | % | Amount | % |
| 1 | Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | - | 0.00 | - | 0.00 | - | 0.00 |
| 2 | Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | - | 0.00 | - | 0.00 | - | 0.00 |
| 3 | Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.09 | 0.00 | 0.09 | 0.00 | - | 0.00 |
| 4 | Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.10 | 0.00 | 0.10 | 0.00 | - | 0.00 |
| 5 | Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.49 | 0.00 | 0.49 | 0.00 | - | 0.00 |
| 6 | Amount and proportion of taxonomy- eligible but not taxonomy-aligned economic activity referred to in Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.00 | 0.00 | 0.00 | 0.00 | - | 0.00 |
| 7 | **Amount and proportion of other taxonomy-eligible but not taxonomy-aligned economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI** | **141.29** | **0.01** | **141.28** | **0.01** | **0.01** | **0.00** |
| 8 | **Total amount and proportion of taxonomy eligible but not taxonomy- aligned economic activities in the denominator of the applicable KPI** | **141.96** | **0.01** | **141.96** | **0.01** | **0.01** | **0.00** |

Additional sustainability information

# EU Taxonomy - Reporting templates

**Template 5 Taxonomy non-eligible economic activities - Based on Turnover**

| Row | Economic activities (amounts in millions of €s) | Amount | % |
|---|---|---|---|
| 1 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.00 | 0.00 |
| 2 | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.00 | 0.00 |
| 3 | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.01 | 0.00 |
| 4 | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.00 | 0.00 |
| 5 | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.00 | 0.00 |
| 6 | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.00 | 0.00 |
| 7 | **Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI** | **10,576** | **98.7%** |
| 8 | **Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'** | **10,576** | **98.7%** |

**Template 5 Taxonomy non-eligible economic activities - Based on CapEx**

| Row | Economic activities (amounts in millions of €s) | Amount | % |
|---|---|---|---|
| 1 | Amount and proportion of economic activity referred to in row 1 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.26 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | - | 0.00 |
| 2 | Amount and proportion of economic activity referred to in row 2 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.27 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.00 | 0.00 |
| 3 | Amount and proportion of economic activity referred to in row 3 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.28 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.01 | 0.00 |
| 4 | Amount and proportion of economic activity referred to in row 4 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.29 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.00 | 0.00 |
| 5 | Amount and proportion of economic activity referred to in row 5 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.30 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.00 | 0.00 |
| 6 | Amount and proportion of economic activity referred to in row 6 of Template 1 that is taxonomy-non-eligible in accordance with Section 4.31 of Annexes I and II to Delegated Regulation 2021/2139 in the denominator of the applicable KPI | 0.00 | 0.00 |
| 7 | **Amount and proportion of other taxonomy-non-eligible economic activities not referred to in rows 1 to 6 above in the denominator of the applicable KPI** | **10,546** | **98.5%** |
| 8 | **Total amount and proportion of taxonomy-non-eligible economic activities in the denominator of the applicable KPI'** | **10,546** | **98.5%** |

## Limited assurance report of the independent auditor on the Sustainability Statement

### To: The shareholder and supervisory board of MUFG Bank (Europe) N.V.

### Our conclusion

We have performed a limited assurance engagement on the (consolidated) sustainability statement for the year ended 31 March 2025 of MUFG Bank (Europe) N.V. based in Amsterdam (hereinafter: the Bank) in section 'Sustainability statement' of the accompanying annual report including the information incorporated in the sustainability statement by reference (hereinafter: the sustainability statement).

Based on our procedures performed and the assurance evidence obtained, nothing has come to our attention that causes us to believe that the sustainability statement is not, in all material respects:

- Prepared in accordance with the European Sustainability Reporting Standards (ESRS) as adopted by the European Commission and in accordance with the double materiality assessment process carried out by the Bank to identify the information reported pursuant to the ESRS
- Compliant with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)

### Basis for our conclusion

We have performed our limited assurance engagement on the sustainability statement in accordance with Dutch law, including Dutch Standard 3810N, 'Assurance-opdrachten inzake duurzaamheidsverslaggeving' (Assurance engagements relating to sustainability reporting) which is a specified Dutch standard that is based on the International Standard on Assurance Engagements (ISAE) 3000 (Revised) 'Assurance engagements other than audits or reviews of historical financial information'.

Our responsibilities in this regard are further described in the section 'Our responsibilities for the limited assurance engagement on the sustainability statement' of our report.

We are independent of MUFG Bank (Europe) N.V. in accordance with the 'Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics for Professional Accountants).

The ViO and VGBA are at least as demanding as the International code of ethics for professional accountants (including International independence standards) of the International Ethics Standards Board for Accountants (the IESBA Code).

We believe that the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

### Emphasis of matter

#### Emphasis on the context of the new sustainability reporting standards

We draw attention to section 'Sources of estimation and outcome uncertainty' (page 59) of the sustainability statement. This disclosure sets out that the sustainability statement has been prepared in a context of new sustainability reporting standards requiring management interpretations and inherent measurement and evaluation uncertainties.

#### Emphasis on the double materiality assessment process

We draw attention to section 'Double materiality assessment' (page 66-71) in the sustainability statement. This disclosure explains the iterative nature of the on-going due diligence and double materiality assessment process. The double materiality assessment process is an on-going process that responds to and may trigger changes in the Bank's strategy, business model, activities, business relationships, operating, sourcing and selling contexts. The sustainability statement may not include every impact, risk and opportunity or additional entity-specific disclosure that each individual stakeholder (group) may consider important in its own particular assessment.

Our conclusion is not modified in respect of these matters.

### Comparative information not subject to assurance procedures

No reasonable or limited assurance procedures have been performed on the sustainability information of the prior year. Consequently, the comparative information in the sustainability statement and thereto related disclosures for the year ended 31 March 2024 have not been subject to reasonable or limited assurance procedures.

Our conclusion is not modified in respect of this matter.

### Limitations to the scope of our assurance engagement

In reporting forward-looking information in accordance with the ESRS, management of the Bank is required to prepare the forward-looking information on the basis of disclosed assumptions about events that may occur in the future and possible future actions by the Bank. The actual outcome is likely to be different since anticipated events frequently do not occur as expected. Forward-looking information relates to events and actions that have not yet occurred and may never occur. We do not provide assurance on the achievability of this forward-looking information.

Our conclusion is not modified in respect of this matter.

### Responsibilities of management and the supervisory board for the sustainability statement

Management is responsible for the preparation of the sustainability statement in accordance with the ESRS, including the double materiality assessment process carried out by the Bank as the basis for the sustainability statement and disclosure of material impacts, risks and opportunities in accordance with the ESRS. As part of the preparation of the sustainability statement, management is responsible for compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation).

Management is also responsible for selecting and applying additional entity-specific disclosures to enable users to understand the Bank's sustainability-related impacts, risks or opportunities and for determining that these additional entity-specific disclosures are suitable in the circumstances and in accordance with the ESRS.

Furthermore, management is responsible for such internal control as it determines is necessary to enable the preparation of the sustainability statement that is free from material misstatement, whether due to fraud or error.

The supervisory board is responsible for overseeing the sustainability reporting process including the double materiality assessment process carried out by the Bank.

### Our responsibilities for the limited assurance engagement on the sustainability statement

Our responsibility is to plan and perform the limited assurance engagement in a manner that allows us to obtain sufficient appropriate assurance evidence for our conclusion.

Our assurance engagement is aimed to obtain a limited level of assurance that the sustainability statement is free from material misstatements. The procedures vary in nature and timing from, and are less in extent than for a reasonable assurance engagement. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed.

We apply the applicable quality management requirements pursuant to the 'Nadere voorschriften kwaliteitsmanagement' (NV KM, regulations for quality management), and accordingly maintain a comprehensive system of quality management including documented policies and procedures regarding compliance with ethical requirements, professional standards and other relevant legal and regulatory requirements.

Our limited assurance engagement included among others:

- Performing inquiries and an analysis of the external environment and obtaining an understanding of relevant sustainability themes and issues, the characteristics of the Bank, its activities and the value chain and its key intangible resources in order to assess the double materiality assessment process carried out by the Bank as the basis for the sustainability statement and disclosure of all material sustainability-related impacts, risks and opportunities in accordance with the ESRS
- Obtaining through inquiries a general understanding of the internal control environment, the Bank's processes for gathering and reporting entity-related and value chain information, the information systems and the Bank's risk assessment process relevant to the preparation of the sustainability statement and for identifying the Bank's activities, determining eligible and aligned economic activities and prepare the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), without obtaining

assurance information about the implementation, or testing the operating effectiveness, of controls
- Assessing the double materiality assessment process carried out by the Bank and identifying and assessing areas of the sustainability statement, including the disclosures provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) where misleading or unbalanced information or material misstatements, whether due to fraud or error, are likely to arise ('selected disclosures'). We designed and performed further assurance procedures aimed at assessing that the sustainability statement is free from material misstatements responsive to this risk analysis
- Considering whether the description of the double materiality assessment process in the sustainability statement made by management appears consistent with the process carried out by the Bank
- Performing analytical review procedures on quantitative information in the sustainability statement, including consideration of data and trends
- Assessing whether the Bank's methods for developing estimates are appropriate and have been consistently applied for selected disclosures. We considered data and trends; however, our procedures did not include testing the data on which the estimates are based or separately developing our own estimates against which to evaluate management's estimates
- Analysing, on a limited sample basis, relevant internal and external documentation available to the Bank (including publicly available information or information from actors throughout its value chain) for selected disclosures
- Reading the other information in the annual report to identify material inconsistencies, if any, with the sustainability statement
- Considering whether:
  - the disclosures provided to address the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation) for each of the environmental objectives, reconcile with the underlying records of the Bank, are consistent or coherent with the sustainability statement and appear reasonable, in particular whether the eligible economic activities meet the cumulative conditions to qualify as aligned and whether the technical screening criteria are met
  - the key performance indicators disclosures have been defined and calculated in accordance with the Taxonomy reference framework as defined in Appendix 1 Glossary of Terms of the CEAOB Guidelines on limited assurance on sustainability reporting adopted on 30 September 2024 and in compliance with the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation), including the format in which the activities are presented
- Considering the overall presentation, structure and the fundamental qualitative characteristics of information (relevance and faithful representation: complete, neutral and accurate) reported in the sustainability statement, including the reporting requirements provided for in Article 8 of Regulation (EU) 2020/852 (Taxonomy Regulation)
- Considering, based on our limited assurance procedures and evaluation of the assurance evidence obtained, whether the sustainability statement as a whole is free from material misstatements and prepared in accordance with the ESRS

Amsterdam, 9 July 2025

Deloitte Accountants B.V.

Signed on the original: A. den Hertog

# Financial statements

## Consolidated financial statements



## Parent company financial statements



## Other information



## Independent auditor's report



## Corporate data



# Consolidated financial statements

Consolidated financial statements

# Consolidated statement of financial position

As at 31 March

| in thousands of €s | Notes | 2025 | 2024 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and balances with central banks | 1 | 1,893,636 | 2,622,278 |
| Loans and advances to banks | 2 | 1,041,014 | 1,601,915 |
| Loans and advances to customers | 3 | 8,536,389 | 7,424,523 |
| Derivatives | 4 | 140,131 | 84,454 |
| Financial investments | 5 | 948,916 | 259,065 |
| Property and equipment | 6 | 22,982 | 9,319 |
| Intangible assets | 7 | 9,413 | 9,295 |
| Current tax assets | 20 | 44,261 | 30,455 |
| Deferred tax assets | 20 | 20,028 | 34,326 |
| Retirement benefit asset | 11 | 2,926 | 4,253 |
| Other assets | 8 | 31,694 | 30,524 |
| **Total assets** | | **12,691,391** | **12,110,407** |

| in thousands of €s | Notes | 2025 | 2024 |
|---|---|---|---|
| **LIABILITIES** | | | |
| Due to banks | 9 | 5,180,778 | 4,405,232 |
| Due to customers | 10 | 4,953,143 | 5,431,203 |
| Derivatives | 4 | 138,560 | 82,868 |
| Current tax liabilities | 20 | 106,276 | 57,835 |
| Provisions | 11 | 22,255 | 21,558 |
| Other liabilities | 12 | 125,199 | 81,495 |
| **Total liabilities** | | **10,526,211** | **10,080,191** |
| **EQUITY** | | | |
| Issued capital | 13 | 100,003 | 100,003 |
| Share premium | 13 | 1,334,304 | 1,334,304 |
| Retained earnings | 13 | 739,382 | 604,398 |
| Fair value reserve: financial instruments measured at FVOCI | 13 | 1,470 | 143 |
| Foreign currency translation reserve | 13 | 466 | 316 |
| Actuarial reserve | 13 | (10,445) | (8,980) |
| **Shareholder's equity** | | **2,165,180** | **2,030,184** |
| **Non-controlling interest** | 13 | - | 32 |
| **Total equity** | | **2,165,180** | **2,030,216** |
| **Total liabilities and equity** | | **12,691,391** | **12,110,407** |

Consolidated financial statements

# Consolidated statement of profit or loss

For the year ended 31 March

| in thousands of €s | Notes | 2025 | 2024 |
|---|---|---|---|
| Interest income | | 532,329 | 568,476 |
| Interest expense | | 240,446 | 247,466 |
| **Net interest income** | 14 | **291,883** | **321,010** |
| Fee and commission income | | 68,863 | 84,668 |
| Fee and commission expense | | 18,014 | 24,127 |
| **Net fee and commission income** | 15 | **50,849** | **60,541** |
| Result on financial transactions | 16 | 44,297 | 32,871 |
| Other operating income | 17 | 3,975 | 605 |
| **Total operating income** | | **391,003** | **415,027** |
| Personnel expenses | 18 | 105,138 | 92,467 |
| Depreciation of property and equipment | 6 | 4,437 | 4,061 |
| Amortisation of intangible assets | 7 | 3,536 | 4,316 |
| Other operating expenses | 19 | 57,741 | 56,201 |
| **Total operating expenses** | | **170,851** | **157,045** |
| Credit loss expenses (recovery) | 27 | 8,271 | (8,165) |
| **Profit (loss) before tax** | | **211,881** | **266,147** |
| Income tax expense/(benefit) | 20 | 76,897 | 74,617 |
| **Net result continued operations** | | **134,984** | **191,530** |
| **Attributable to:** | | | |
| Equity holders of the Parent | | 134,984 | 191,552 |
| Non-controlling interest | | - | (22) |

Consolidated financial statements

# Consolidated statement of comprehensive income

For the year ended 31 March

| in thousands of €s | Notes | 2025 | 2024 |
|---|---|---|---|
| **Result for the year** | | **134,984** | **191,530** |
| **Items which will not be reclassified to the statement of profit or loss** | | | |
| Remeasurement of the net defined benefit asset/liability | 21 | 1,475 | (150) |
| **Items which may be reclassified to the statement of profit or loss in a subsequent period** | | | |
| Gain / (loss) on foreign currency translation reserve | 21 | 150 | 180 |
| Gain / (loss) on financial instruments measured at FVOCI | 21 | 1,789 | (39) |
| Income tax relating to components of other comprehensive income | 21 | (3,401) | (1,513) |
| **Other comprehensive income for the year, net of tax** | | **11** | **(1,522)** |
| **Total comprehensive income, net of tax** | | **134,995** | **190,008** |
| **Attributable to:** | | | |
| Equity holders of the Parent | | 134,995 | 190,030 |
| Non-controlling interest | | - | (22) |

Consolidated financial statements

# Consolidated statement of changes in equity

| in thousands of €s | Issued capital | Share premium | Retained earnings | Reserves | | | Non-controlling interest | Total equity |
|---|---|---|---|---|---|---|---|---|
| | | | | Fair value | Foreign currency translation | Actuarial revaluation | | |
| **As at 31 March 2023** | **100,003** | **1,334,304** | **412,863** | **170** | **137** | **(7,306)** | **445** | **1,840,619** |
| Opening balance adjustment | - | - | (17) | - | - | - | - | (17) |
| Profit for the year | - | - | 191,552 | - | - | - | (22) | 191,530 |
| Dividend | - | - | - | - | - | - | (392) | (392) |
| Other comprehensive income | - | - | - | (27) | 180 | (1,674) | - | (1,521) |
| **As at 31 March 2024** | **100,003** | **1,334,304** | **604,398** | **143** | **316** | **(8,980)** | **32** | **2,030,216** |
| Profit for the year | - | - | 134,984 | - | - | - | - | 134,984 |
| Dividend | - | - | - | - | - | - | - | - |
| Other comprehensive income | - | - | - | 1,327 | 150 | (1,465) | - | 12 |
| Other changes | - | - | - | - | - | - | (32) | (32) |
| **As at 31 March 2025** | **100,003** | **1,334,304** | **739,382** | **1,470** | **466** | **(10,445)** | **-** | **2,165,180** |

Consolidated financial statements

# Consolidated statement of cash flows

For the year ended 31 March, based on the indirect method,

| in thousands of €s | Notes | 2025 | 2024 |
|---|---|---|---|
| **Operating activities** | | | |
| Profit before tax for the year | | 211,881 | 266,147 |
| Income tax expense | 20 | (76,897) | (74,617) |
| **Profit after tax for the year** | | **134,984** | **191,530** |
| | | | |
| **Adjustments on non-cash items** | | | |
| Unrealised revaluations | 4 | 42 | 38 |
| Depreciation, amortisation and impairment of assets | 6, 7 | 9,078 | 8,377 |
| Impairment charges on financial instruments | 27 | 8,271 | (8,164) |
| Loss / (gain) on sale of assets | 16 | (1,796) | 4,058 |
| Tax movements other than taxes paid & income taxes | 20 | 14,298 | 20,707 |
| Changes in provisions | 11 | (723) | (1,253) |
| Changes in right of use (RoU) assets | 6 | (12,753) | (441) |
| **Total adjustment non-cash items** | | **16,415** | **23,322** |
| | | | |
| **Changes in operating assets and liabilities** | | | |
| Loans and advances to banks, not available on demand | 2 | 607,704 | (334,167) |
| Loans and advances to customers | 3 | (1,116,885) | 408,763 |
| Other assets | 8 | (1,170) | (5,260) |
| Financial investments | 5 | (688,062) | 49,089 |
| Due to banks | 9 | 775,545 | (539,673) |
| Due to customers | 10 | (478,060) | (77,904) |
| Provisions | 11 | - | (281) |
| Other liabilities | 12 | 34,276 | (31,364) |
| Income tax paid | 20 | 34,635 | 70,420 |
| **Net cash flow from (used in) operating activities** | | **(680,619)** | **(245,524)** |

| in thousands of €s | Notes | 2025 | 2024 |
|---|---|---|---|
| **Investing activities** | | | |
| Purchase of property and equipment | 6 | (6,219) | (537) |
| Proceeds from sale of property and equipment | 6 | 68 | - |
| Purchase of intangible assets | 7 | (3,762) | (3,142) |
| **Net cash flow from (used in) investing activities** | | **(9,913)** | **(3,679)** |
| | | | |
| **Financing activities** | | | |
| Repayments of principal portion of lease liabilities | 12 | 9,428 | (3,170) |
| Repayment of subordinated debt | | - | (300,369) |
| **Net cash flow from (used in) financing activities** | | **9,428** | **(303,539)** |
| | | | |
| **Net cash** | | **(681,103)** | **(552,742)** |
| Effect of exchange rate changes on cash and cash equivalents | | (743) | 908 |
| Cash and cash equivalents as at 1 April | | 2,704,296 | 3,256,130 |
| **Cash and cash equivalents as at 31 March** | | **2,022,450** | **2,704,296** |

| **Cash and cash equivalents comprise:** | **Notes** | **2025** | **2024** |
|---|---|---|---|
| Cash and balances with central banks | 1 | 1,893,636 | 2,622,278 |
| Due from banks, net balances on demand | 2 | 128,814 | 82,018 |
| **Cash and cash equivalents as at 31 March** | | **2,022,450** | **2,704,296** |

| **Interest received and paid** | **2025** | **2024** |
|---|---|---|
| Interest received | 526,538 | 555,661 |
| Interest paid | 256,057 | 225,556 |

Consolidated financial statements

# Notes to the consolidated financial statements

## Accounting policies

### Authorisation of the consolidated financial statements
These consolidated financial statements of the Bank for the year ended 31 March 2025 have been issued by the MB and examined by the SB. These after the SB's recommendation are adopted at the general shareholder's meeting on 9 July 2025.

### Summary of material accounting policies
The notes to the consolidated financial statements, including the audited information in the section 27 Risk management, are an integral part of these consolidated financial statements. This section describes the Bank's material accounting policies and critical accounting estimates or judgements to the consolidated financial statements. If an accounting policy or a critical accounting estimate relates to a specific note, it is included in the relevant note.

The material accounting policies set out below have been applied consistently to all periods presented in these consolidated financial statements, unless otherwise indicated.

### Statement of compliance
The consolidated financial statements of the Bank have been prepared in accordance with International Financial Reporting Standards as adopted by the EU (IFRS-EU) and the relevant articles of part 9 of book 2 of the Dutch Civil Code.

### Basis of preparation
The consolidated financial statements of the Bank have been prepared on a going concern basis and there are no significant doubts about the ability of the Bank to continue as a going concern.

The MB has assessed the Bank's ability to continue as a going concern, considering the current macroeconomic and geopolitical unrest. The MB is not aware of any material uncertainties that may cast significant doubt upon its ability to continue as a going concern. Furthermore, a letter of intent has been issued by the Parent stating that support will be provided, if needed, by the Bank to comply with its regulatory capital requirements and liquidity requirements imposed by DNB.

The consolidated financial statements of the Bank have been prepared on a historical cost basis, except for:
- Financial assets which are not measured at historical cost basis, these include derivatives measured at fair value
- Financial liabilities measured at fair value

The carrying values of recognised assets and liabilities that are hedged items in fair value hedge accounting relationships, and otherwise carried at amortised cost (AC), are adjusted to record changes in fair value attributable to the risks that are being hedged.

The preparation of consolidated financial statements in conformity with IFRS-EU requires the use of certain critical accounting estimates. It also requires management to exercise judgement in the process of applying the Bank's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in the relevant explanatory notes.

The consolidated financial statements are presented in EUR (€) and all values are rounded to the nearest € thousands, except when otherwise indicated. Amounts may not add up due to rounding.

### Basis of consolidation
Subsidiaries are fully consolidated from the date on which control is acquired by the Bank and deconsolidated from the date control ceases. Control is achieved when the Bank is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. This implies that control is achieved through situations including, but not limited to:
- Ownership, directly or indirectly, of more than half of the voting power
- Ability to appoint or remove the majority of the board of directors
- Power to govern operating and financial policies under statute or agreement
- Power over more than half of the voting rights through an agreement with other investors

Consolidated financial statements

# Notes to the consolidated financial statements

The results of the operations and the net assets of subsidiaries are included in the statement of profit or loss and the statement of financial position from the date control is obtained until the date control is lost. On disposal, the difference between the sales proceeds, net of directly attributable transaction costs, and the net assets is included in net result.

The consolidated financial statements for the year ended 31 March 2025 comprise data from the Bank as well as the two subsidiaries in the following table:

| Name of the subsidiary | Country of incorporation | Place | % equity interest 2025 | % equity interest 2024 |
|---|---|---|---|---|
| MUFG Funding (UK) Limited | United Kingdom | London | 100 | 100 |
| MUFG Europe Lease (Deutschland) GmbH i.L. | Germany | Düsseldorf | 95 | 95 |

The liquidation of MUFG Europe Lease (Deutschland) GmbH i.L. is in progress and expected to be finalised in the near future. As the entity has been in liquidation during the full year, all connected expenses are provided for by the Bank.

The financial year of the Bank's subsidiary is aligned to the reporting period of the Bank, using consistent accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

## Changes to accounting policies and presentations

The Bank has consistently applied its accounting policies to all periods presented in these consolidated financial statements.

### Changes in IFRS that went into effect in the current financial year

There were no changes in IFRS in FY24 that had an effect on the Bank's consolidated financial statements.

### Upcoming changes in IFRS that will go into effect after 1 April 2025

The Bank has not voluntarily adopted the amendments and reporting standards earlier:

| FY25 | FY26 | FY27 |
|---|---|---|
| • Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments - Disclosures': contracts referencing nature dependent electricity<br>• Amendments to IFRS 9 'Financial Instruments' and IFRS 7 'Financial Instruments - Disclosures': classification and measurement requirements of IFRS 9<br>For the changes in FY25, the Bank has deemed the changes of the impact as insignificant. | For FY26, no new IFRS changes expected. | • New standard IFRS 18 'Presentation and Disclosure in Financial Statements'<br>For the change in FY27, the Bank is currently assessing the impact of the new standard going into effect in FY27. |

## Foreign currency translation

### Functional and presentation currency

Items included in the consolidated financial statements are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The consolidated financial statements are presented in EUR (€), the functional currency and presentation currency of the Bank.

### Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions. FX gains and losses resulting from the settlement of such transactions and from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognised in the income statement.

FX translation differences are recognised in the income statement and other changes in the carry amount are recognised in other comprehensive income (OCI).

Consolidated financial statements

# Notes to the consolidated financial statements

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency at the spot rate of exchange at the date of the statement of financial position.

FX translation differences on non-monetary assets and liabilities that are stated at fair value through profit or loss (FVPL) are reported as part of the fair value gain or loss. Translation differences on non-monetary items classified at fair value through other comprehensive income (FVOCI) are included in the revaluation reserve in OCI. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions.

### Group companies

As at the reporting date, the assets and liabilities of subsidiary and foreign branches are translated into the Bank's presentation currency if these are denominated in a currency other than the presentation currency at the rate of exchange as at the date of the statement of financial position. Results of the foreign branches and subsidiaries are translated at the weighted average rates over the period in which the results are recognised. All resulting exchange rate differences are recognised in a separate component of equity.

## Financial instruments

### Recognition, classification and measurement

Financial assets and financial liabilities are recognised when the entity becomes a party to the contractual provision of the instrument. Regular way purchases and sales of financial assets are recognised on settlement date, the date on which the Bank obtains an asset or delivers an asset to a (third) party. When not fulfilling the criteria of a regular way purchase or sale, trade accounting is applied.

All financial instruments are initially measured at fair value. In the case of financial instruments subsequently measured at AC the initial fair value is adjusted for directly attributable transaction cost.

A debt instrument is measured at AC if it meets both the following conditions:

- It is held within a business model that has an objective to hold financial assets to collect contractual cash flows
- The contractual terms of the financial asset results in cash flows that are assessed as solely payments of principal and interest (SPPI)

A debt instrument is measured at FVOCI if it meets both of the following conditions:

- It is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets
- The contractual terms of the financial assets result in cash flows that are SPPI

Financial assets are mandatorily measured at FVPL where they do not meet the criteria to be carried under a different classification. The Bank may irrevocably designate a financial asset as held at FVPL upon initial recognition, where doing so eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise from carrying financial assets or financial liabilities on different bases.

Forward purchases and sales other than those requiring delivery within the time frame established by regulation or market convention are treated as derivative forward contracts.

Equity instruments are accounted for at FVPL.

### Business model assessment

The Bank determines the nature of the business model, for example if the objective is to hold the financial assets and collect the contractual cash flows, by considering the way in which the financial assets are managed to achieve a particular business objective as determined by management.

The Bank has mainly originated loans in a held to collect business portfolio. Exceptions include loans at origination that are intended to be sold onwards, for instance in an underwriting transaction, via sub-participation and classified in a business model held for sale and assets which might be held to maturity or might be sold in a business model held to collect and sell.

# Notes to the consolidated financial statements

The Bank determines its business models at the level that best reflects how it manages groups of financial assets to achieve its business objective.

Therefore, the business model is not assessed on an instrument by instrument basis, but at a higher level of aggregated portfolio based on observable factors such as:
- How the performance of the business model and the financial assets held within that business model are evaluated and reported to the Bank's senior management
- The risks that affect the performance of the business model and the financial assets held within it. In particular, the way those risks are managed
- How the Bank's management is compensated, i.e. whether the compensation is based on the fair value of the assets managed or on the contractual cash flows collected
- The expected frequency, value and timing of sales are also important aspects of the Bank's assessment

**Contractual cash flow characteristics**
In assessing whether the contractual cash flows are SPPI, the Bank considers whether the contractual terms of the financial asset contain a term that could change the timing or amount of contractual cash flows arising over the life of the instrument, which could affect whether the instrument is considered to meet the SPPI criteria.

The contractual provision will pass the SPPI test as long as the interest/provisions reflect consideration for the time value of money, for the credit risk associated with the instrument during the term of the instrument and for other basic lending risks and costs, as well as profit.

**Derecognition, restructured and modified financial assets**
The Bank derecognises a financial asset, such as a loan to a customer, when either:
- Contractual rights to the cash flows from the financial assets expire
- The financial asset is modified substantially so that it results in extinguishment of the asset and recognition of a new financial asset
- The reporting entity retains the contractual rights to receive the cash flows of the financial asset but assumes a contractual obligation to pay the cash flows to another entity in an arrangement that meets the pass-through criteria

When a counterparty is in financial difficulties or where default has already occurred, the Bank may restructure financial assets by providing concessions that would otherwise not be considered and that are outside the Bank's normal risk appetite, such as preferential interest rates, extension of maturity and subordination of the debt.

Concessions granted when there is no evidence of financial difficulties, or where changes to terms and conditions are within the Bank's usual risk appetite, are not to be considered to be credit restructuring.

Modifications represent contract amendments that result in an alteration of future contractual cash flows and that can occur within the Bank's normal risk appetite or as part of a credit restructuring where a counterparty is in financial difficulties.

**Derecognition of financial liabilities**
Financial liabilities are derecognised when the obligation under the liability is discharged, cancelled or expires. Where an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognised in the statement of profit or loss.

**Classification of financial instruments**
After initial recognition, the Bank classifies, measures and presents its financial assets and liabilities in accordance with IFRS 9 as described in the next table:

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# Notes to the consolidated financial statements

| Financial instrument classification | | Significant items included | Measurement and presentation |
|---|---|---|---|
| Measured at AC | | This classification of financial assets measured at AC includes:<br>• Cash and balances at central banks<br>• Due from other banks<br>• Corporate loans<br>This classification of financial liabilities measured at AC includes:<br>• Due to other banks<br>• Deposits from customers<br>• Guarantees (letters of credit) | Measured at AC using the effective interest rate (EIR) method less allowances for expected credit losses (ECL).<br>The following items are recognised in the income statement:<br>• Interest income<br>• ECL and reversals<br>• FX translation gains and losses<br>Upfront fees and direct costs relating to loan origination, refinancing, restructuring or loan commitments - when it is probable that the Bank will enter into a specific lending relationship - are deferred and amortised over the life of the loan using EIR method.<br>Guarantees (including letters of credit) and loan commitments are in scope of IFRS 9 ECL. The ECL is reported separately under Provisions.<br>When the financial asset at AC is derecognised, the gain or loss is recognised in the income statement, under line item 'Result on financial transactions'. |
| Measured at FVOCI | | This classification includes financial assets which are held to collect and sell. | Measured at fair value with unrealised gains and losses reported in OCI, net of applicable income taxes, until such investments are derecognised (when sold, collected or otherwise disposed).<br>Upon derecognition, any accumulated balances in OCI are reclassified to the income statement and reported within Result on financial transactions.<br>The following items are recognised in the income statement:<br>• Interest income<br>• ECL and reversals<br>• FX translation gains and losses The amounts recognised in the income statement are determined on the same basis as for financial assets measured at AC |
| Measured at FVPL | Held for sale / derivatives | Financial assets held for sale include:<br>• All derivatives with a positive replacement value<br>• Other financial assets acquired principally for the purpose of selling or repurchasing in the near term, or that are part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit taking | Measured at fair value with changes in fair value recognised in profit or loss. |
| | Other | A financial asset is mandatorily measured at FVPL if:<br>• It is not held in a business model whose objective is to hold assets to collect contractual cash flows or to hold them to collect contractual cash flows and sell<br>• The contractual terms give rise to cash flows that are not SPPI<br>• It is not held for trading | Financial assets held for trading and other financial assets mandatory measured at FVPL are presented under financial assets at FVPL. |

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# Notes to the consolidated financial statements

## Fair value estimation

In accordance with IFRS 13, the estimated fair values represent the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. It is a market-based measurement, which is based on assumptions that market participants would use and considers the characteristics of the asset or liability that market participants would consider when pricing the asset or liability.

The Bank has categorised its financial instruments that are either measured in the statement of financial position at fair value or of which the fair value is disclosed, into a three-level hierarchy based on the observability of the valuation inputs from (unadjusted) quoted prices. The highest priority is retained to (unadjusted) quoted prices in active markets for identical assets or liabilities and the lowest priority to valuation techniques supported by unobservable inputs. Transfers into and transfers out of fair value hierarchy levels are made on a quarterly basis at the end of the reporting period. The three levels are defined as:

- Level 1: quoted (unadjusted) prices in active markets for identical assets or liabilities. A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer markets, brokered markets, or principal to principal markets. Those prices represent actual and regularly occurring market transactions with sufficient frequency and volume to provide pricing information on an ongoing basis
- Level 2: other techniques for which all inputs that have a significant effect on the recorded fair value are observable, either directly or indirectly. For financial instruments that do not have a reference price available, fair value is determined using a valuation technique (e.g. a model), where inputs in the model are taken from an active market or are observable, such as interest rates and yield curves observable at commonly quoted intervals, implied volatilities, and credit spreads
- Level 3: techniques which use inputs which have a significant effect on the recorded fair value that are not based on observable market data. Unobservable inputs are inputs which are based on the Bank's own assumptions about the factors that market participants would use in pricing an asset or liability, developed based on the best information available in the market

### Determination of fair value of financial instruments

The fair value of a financial instrument is the price that would be received to sell or paid to transfer a particular asset or liability in an orderly transaction between market participants at the measurement date in the principal or, in its absence, the most advantageous market to which the Bank has access at that date. The Bank determines fair value either by reference to quoted market prices or dealer price quotation without adjustment for transaction costs for those financial instruments that are currently traded in an active market. These financial instruments are reported as level 1 in the fair value hierarchy.

A financial instrument is regarded as quoted in an active market if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. If the above criteria are not met, the market is regarded as being inactive.

The fair value of financial instruments not quoted in an active market is determined using appropriate valuation techniques. These valuation techniques are applied using, where possible, relevant market observable inputs (level 2) or unobservable inputs (level 3). Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist, option pricing models and credit models.

The level within the fair value hierarchy at which an instrument measured at fair value is categorised, is determined on the basis of the lowest level input that is significant to the measurement of fair value in its entirety.

The Bank recognises transfers between levels of the fair value hierarchy as of the end of the reporting period during which the change has occurred. CVAs are incorporated in the derivative valuation.

We refer to 22 Fair value measurement for an analysis of the fair values of financial instruments and further details as to how they are measured.

# Notes to the consolidated financial statements

**Recognition of day one profit or loss**
The Bank has entered into transactions where fair value is determined using valuation models for which not all inputs are market observable prices or rates. Such financial instruments are initially recognised at the transaction price, which is the best indicator of fair value, although the value obtained from the relevant valuation model may differ. Significant differences between the transaction price and the model value, commonly referred to as day one profit or loss, are not recognised immediately in the income statement.

Deferred day one profit or losses are amortised to income over the life until maturity, settlement or until they become observable, which could be through passage of time. The financial instrument is subsequently measured at fair value as determined by the relevant model adjusted for any deferred day one profit or loss.

## Single unit of account

The Bank applies the "single unit of account" principle to all clients with notional pooling contracts that meet the following criteria:

- All accounts are included in one notional pooling and interest allocation contract
- All accounts involved are owned by the same legal entity
- All accounts within one contract are in the same currency
- Interest is calculated on the net balance of the accounts in scope

If all these criteria are met the related assets of clients such as current accounts and liabilities such as deposits are presented as being one single unit of account on a net basis in the statement of financial position.

## Collateral

The Bank enters into master agreements and credit support annexes (CSA) with counterparties whenever possible and when appropriate. Master agreements provide that, if the master agreement is being terminated as a consequence of an event of default or termination event, all outstanding transactions with the counterparty will fall due and all amounts outstanding will be settled on a net basis. In the case of a CSA with counterparties, the Group has the right to obtain collateral for the net counterparty exposure.

The Bank obtains collateral in respect of counterparty liabilities when this is considered appropriate. The collateral normally takes the form of a pledge over the counterparty's assets, cash collateral or in the form of securities and gives the Bank a claim on these assets for both existing and future liabilities. Collateral paid or received in the form of cash or securities is recorded on the balance sheet at fair value. Any interest payable or receivable arising is recorded as interest expense or interest income respectively.

## Derivative financial instruments

The Bank uses derivative financial instruments to hedge its exposure to interest rate risk.

Derivative financial instruments are both at initial recognition and subsequently measured at fair value. The fair value of exchange-traded derivatives is obtained from quoted market prices. Fair values of over-the-counter (OTC) derivatives are obtained using valuation techniques, including discounted cash flow models and option pricing models.

For derivatives designated as hedges, the Bank classifies them as either:

- Fair value hedge of interest rate risk or currency risk (micro fair value hedge)
- Cash flow hedge of the variability of highly probable cash flows (cash flow hedge)

Hedge accounting is applied to derivatives designated as hedging instruments, provided certain criteria are met.

**Hedge accounting**
The Bank elected, as a policy choice permitted under IFRS 9, to continue to apply hedge accounting in accordance with IAS 39. When a hedging relationship meets the specified hedge accounting criteria set out in IAS 39, the Bank applies fair value hedge accounting or cash flow hedge accounting as appropriate to the risk being hedged.

At the inception of a hedging relationship, the Bank documents the relationship between the hedging instrument and hedged item, its risk management objective and its strategy for undertaking the hedge. The Bank also requires a documented assessment, both at hedge inception and on an ongoing basis, of whether or not the derivatives that are used in hedging relationships are highly effective in offsetting changes attributable to the hedged risk in the fair value or cash flows of the hedged items.

Consolidated financial statements

# Notes to the consolidated financial statements

A hedge is considered to be highly effective if the change in fair value or cash flows attributable to the hedged risk are expected to be offset by the hedging instrument in a range of 80% to 125%. Interest on designated qualifying hedges is included in net interest income.

The Bank discontinues hedge accounting prospectively when:
- It is determined that a derivative is not, or has ceased to be, highly effective as a hedge
- The derivative expires, or is sold, terminated, or exercised
- The hedged item matures, or is sold or repaid
- It voluntarily decides to discontinue the hedge relationship

**Fair value hedge accounting**
The Bank applies micro fair value hedge accounting. Changes in the fair value of derivatives that are designated and qualify as fair value hedging instruments are recorded in the income statement together with changes in the fair value of the hedged items attributable to the hedged risk.

If a hedge relationship no longer meets the criteria for hedge accounting, the cumulative fair value adjustment to the carrying amount of the hedged item is amortised to the income statement over the remaining period to maturity using the effective interest rate method. If the hedged item is derecognised, the unamortised fair value adjustment is recognised immediately in the income statement.

**Hedge effectiveness testing**
To qualify for hedge accounting, the Bank requires that at the inception of the hedge and throughout its life, each hedge must be expected to be highly effective (prospective effectiveness). Actual effectiveness (retrospective effectiveness) must also be demonstrated on an ongoing basis.

The documentation of each hedging relationship describes how effectiveness will be assessed. For prospective effectiveness, the hedging instrument must be expected to be highly effective in achieving offsetting changes in fair value or cash flows attributable to the hedged risk during the period for which the hedge is designated. For actual effectiveness, the changes in fair value or cash flows must offset each other in the bandwidth of 80% - 125% for the hedge to be deemed effective.

Hedge ineffectiveness can arise from:
- Differences in timing of cash flows of hedged items and hedging instruments
- Different interest rate curves applied to discount the hedged items and hedging instruments
- Derivatives used as hedging instruments having a non-nil fair value at the time of designation
- The effect of changes in counterparties' credit risk on the fair values of hedging instrument or hedged items

Hedge ineffectiveness is recognised in the income statement.

**Interbank offered rates (IBOR) transition**
After the closure of the EMEA IBOR Programme (1 September 2023) and completion of the USD LIBOR (London interbank offered rate) remediation activities, any remaining demising rates will be handled as a activity, unless there is a significant reference rate cessation (such as the Euro interbank offered rate). There is still ongoing horizon scanning as part of the EMEA reforming benchmarks committee (RBOC), with any demise being communicated to the front office, with both the general management (GM) and GCIB management functions providing support, with an example being the Warsaw interbank offered rate (WIBOR) transition by the end of 2027.

All client facing staff of the Bank have been informed on the remediation activities and have been trained accordingly. All clients have been informed on the remediation as well as have been contacted by their relationship manager. The biggest risks identified relate to client risk and legal risk. Client risk is mitigated by timely client communication and improvements in IT infrastructure and legal risk is managed by the involvement of legal advisors in the transition process.

As at 31 March 2025, the Bank has loans and loan commitments that are to transition to alternative benchmark rates, summarised by significant benchmark rate. The Bank uses Euro interbank offered rate (EURIBOR) for most loans and loan commitments, which is now currently set to demise. However, in spite of this, there are actions being taken to ensure robust fall backs are in place.

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# Notes to the consolidated financial statements

The table presents the nominal exposure of the benchmark rate in two maturity buckets.

| By benchmark rate in thousands of €s | Maturity between 2026-2028 | Matures after 2028 |
|---|---|---|
| WIBOR | - | 17,142 |
| **Total** | **-** | **17,142** |

## Expected credit losses

The Bank recognises loss allowances for expected credit losses (ECL) on the following financial instruments that are not measured at FVPL:

- Cash with central banks
- Financial assets that are debt instruments and measured at AC or FVOCI
- Financial guarantee contracts issued
- Loan commitments issued

### Recognition of expected credit loss

ECL represents the difference between contractual cash flows and the actual cash flows the Bank expects to receive, discounted using the effective interest rate (EIR). For loan commitments and other credit facilities in scope of ECL, expected cash shortfalls are determined by considering expected future drawdowns during the contractual life of the instruments.

ECL changes are recognised in profit or loss with a corresponding ECL allowance reported as a decrease in the carrying value of financial assets measured at AC on the balance sheet. For financial assets measured at FVOCI, the carrying value is not reduced, but an accumulated amount is recognised in OCI. See also section Financial instruments.

For off-balance sheet financial instruments and other committed credit lines but not recognised (i.e. related to undrawn positions such as loan commitments or financial guarantees), provisions for ECLs are reported in 11 Provisions. The changes in ECL are recognised in the income statement in Credit loss expenses (recovery).

### Measurement of expected credit loss

The Bank calculates ECL based on probability-weighted scenarios (baseline, upturn and downturn) measuring the expected cash shortfalls, discounted at an approximation to the EIR. A cash shortfall is the difference between the cash flows that are due in accordance with the contractual cash flows and the cash flows that are expected to be received. The ECL estimates are unbiased and include reasonable and supportable information about past events, current conditions, and forecasts of future economic conditions. These scenarios include a macroeconomic variable that have historically been correlated with historic credit losses. The variable used by the Bank is the Eurozone gross domestic product forecast. Each scenario is given a weighting depending on various factors which include recent economic conditions and views of both internal and third-party economists. The weighting and variable is updated periodically.

The 12-month ECL and the lifetime ECL represent the ECL that results from all possible default events over the next 12 months and the expected remaining life of the instrument respectively. The 12-month ECL and lifetime ECL are calculated using probability of the three scenarios and are based on the unbiased and point-in-time (PiT) estimates of the risk parameters: PD, LGD and exposure at default (EAD).

Credit losses and reversals are accounted for and disclosed separately from modification losses or gains that are accounted for as an adjustment of the financial asset's gross carrying value. The movements of the financial instruments between the different stages due to changed credit risk profiles are disclosed in the movement schedules in the notes of these consolidated financial statements. Movements between stages of credit loss allowances, caused by eventual changes in the models or in the input parameters used, are disclosed as separate items in these movement schedules. Refer to 27 Risk management for full disclosure on scenarios and scenario weights as well as used macroeconomic and other factors.

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# Notes to the consolidated financial statements

| ECL | Measurement |
| --- | --- |
| Stage 1 | The 12-month ECL is calculated as the portion of lifetime ECLs that represent the ECLs that result from default events on a financial instrument that are possible within twelve months or a shorter period if applicable after the reporting date.<br><br>The Bank calculates the 12-month ECL based on the expectation of a default occurring in the twelve months following the reporting date. These expected twelve month default probabilities are applied to the EAD and multiplied by the expected LGD and discounted by an approximation to the original EIR. |
| Stage 2 | When a loan has shown a significant increase in credit risk (SICR) since origination, the Bank records an allowance for the lifetime ECLs.<br><br>The mechanics are similar to those explained above, including the use of multiple scenarios, but ECL calculations are summed over the remaining lifetime of the instrument. The expected cash shortfalls are discounted by an approximation to the original EIR. This rate is fixed to discount the cash flows over the remaining life of the loan until its expected maturity. This rate applies to all financial instruments, including undrawn loan commitments and financial guarantees. |
| Stage 3 | For loans considered credit-impaired, the Bank recognises the lifetime ECL, based on facility level individual cash flow estimates determined by the department special credits team (SCT).<br><br>SCT applies at least three scenarios (unless it is 100% impaired) and assigns probabilities to each of these scenarios. Focus is on recovery of the client, while in parallel an enforcement strategy, a loan trade or sale of the company are considered as alternative scenarios.<br><br>The method is conceptually similar to that for Stage 2 assets, but requires an individual assessment. For the purpose of impairment calculation, the EIR is approximated by the sum of the applicable swap curve plus the original contractual margin. |
| POCI | POCI assets are financial assets that are credit-impaired on initial recognition.<br>The Bank only recognises the cumulative changes in lifetime ECLs since initial recognition, based on a probability-weighting of the three scenarios, discounted by the credit-adjusted EIR. |
| Financial guarantee contracts | The Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the income statement, and the ECL provision. For this purpose, the Bank estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs.<br><br>The calculation is made using a probability-weighting of the three scenarios. The ECLs related to financial guarantee contracts are recognised within 11 Provisions. |
| Loan commitments and letters of credit | When estimating lifetime ECLs for undrawn loan commitments, the Bank estimates the expected portion of the loan commitment that will be drawn down over its contractual life. The ECL is then based on the present value of the expected shortfalls in cash flows if the loan is drawn down, based on a probability-weighting of the three scenarios. The expected cash shortfalls are discounted at an approximation to the expected EIR on the loan.<br><br>For loan commitments relating to revolving facilities that include both a loan and an undrawn commitment, ECLs are calculated and presented together with the loan. For fully undrawn loan commitments and letters of credit, the ECL is recognised within 11 Provisions.<br><br>The Bank's liability under each guarantee is measured at the higher of the amount initially recognised less cumulative amortisation recognised in the income statement, and the ECL provision. For this purpose, the Bank estimates ECLs based on the present value of the expected payments to reimburse the holder for a credit loss that it incurs. The calculation is made using a probability-weighting of the three scenarios. The ECLs related to financial guarantee contracts are recognised within 11 Provisions. |

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# Notes to the consolidated financial statements

**Forbearance**
The exposures are governed by the Bank's forbearance policy. The Bank classifies exposures as forborne, if:
- The obligor is in financial difficulties or is about to face financial difficulties, and
- The Bank grants a concession to the obligor

The exposure can be classified as performing forborne exposure (if the client did not trigger an unlikely to pay trigger, see also section Default and credit impairment below). If the client has triggered an unlikely to pay trigger, then the exposure is considered a forborne non-performing exposure. Performing forborne exposures are transitioned to Stage 2, whereas non-performing forborne exposures are transitioned to Stage 3.

Financial difficulties are defined as client facing or about to face difficulties meeting financial obligations. Concessions refers to one of the following (per facility):
- Modification of terms or conditions of a troubled facility to allow sufficient debt service capacity (that would not be granted if the obligor were not in financial difficulties)
- Refinancing (or partial refinancing) of a troubled facility (that would not be granted without financial difficulties)

In such cases, the net present value of the postponement, reduction of loan principal and/or interest payments is taken into account in the determination of the appropriate level of ECL. If the forbearance results in a substantial modification of the terms of the loan, the original loan is derecognised and a new loan is recognised at fair value at the modification date. In the event of a modification the Bank recalculates the gross carrying amount based on the revised cash flows of the financial asset and recognises a modification gain or loss in profit or loss. The Bank determines whether there has been a substantial modification using both quantitative and qualitative factors.

Forborne exposure is either classified as stage 2 or stage 3, depending on its circumstances. We also refer to section Derecognition, restructured and modified financial assets.

**Default and credit impairment**
The Bank has fully aligned the implementation of the prudential definition of default, the supervisory definition of non-performing exposures and the accounting definition of credit-impaired exposures in the Bank's definition of default, process, monitoring and reporting.

An obligor or credit facility is considered to be in default when either one or both events have taken place:
- The Bank considers that the obligor is unlikely to pay its credit obligation to the Bank in full, without recourse by the Bank to actions such as seizing collateral
- The obligor/facility is past due more than 90 days on any material credit obligation to the Bank

An instrument is classified as credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired include observable data about the following events:
- Significant financial difficulty of the issuer or the client
- A breach of contract, such as a default or past due event
- The Bank, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the client a concession(s) that the Bank would not otherwise consider
- It is becoming probable that the client will enter bankruptcy or other financial reorganisation
- The disappearance of an active market for that financial asset because of financial difficulties

Once a financial asset is classified as defaulted (with the exception of purchased or originated credit impaired assets), it remains as such unless the client has an improvement in the credit rating. Defaulted / credit-impaired financial assets with a forborne measure, are reported defaulted or credit-impaired for at least one year. Defaulted or credit-impaired assets without a forborne measure, are reported defaulted or credit-impaired for a minimum of atleast three months.

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# Notes to the consolidated financial statements

Interest income on financial assets that are not credit impaired (i.e. in stages 1 and 2) is calculated by applying the effective interest rate to the gross carrying amount of the asset. Once a financial asset is credit-impaired, interest income is calculated by applying the effective interest rate on the net carrying amount of a financial asset (gross carrying amount less the ECL). If a financial asset cures, i.e. when the financial asset transfers back to stage 2, interest income is again recognised based on the gross carrying amount. The adjustment required to bring the loss allowance to the amount required is presented as credit loss recovery in the consolidated income statement instead of net interest income.

**Write-off**

Financial assets are written off either in their entirety or partially when the Bank has no reasonable expectation of recovering the asset in its entirety, or a portion thereof. If the amount to be written-off is greater than the accumulated loss allowance, the difference will be an additional impairment loss, which is presented as an addition to the allowance applied against the gross carrying amount. Any subsequent recoveries are credited to credit loss expense.

The following events represent examples of circumstances which could lead to a full or partial write-off:

- The borrower is declared bankrupt or insolvent, especially in the case of unsecured exposures where the liquidator or administrator has indicated that there are not sufficient resources available to satisfy the unsecured creditors
- There is external evidence (for example, via third-party valuations) available that there has been an irreversible decline in expected cash flows and, accordingly, the Bank has no reasonable expectation of recovery
- Individually assessed loans that are secured, are generally written-off after the receipt of the proceeds from the realisation of the security, and there is no expectation that any further amounts will be recovered by any other means

**Expected credit loss measurement period**

The maximum period for which the ECL is determined is the contractual life of a financial instrument unless the Bank has the legal right to call it earlier. For revolving facilities, the ECL is measured over the period the Bank is exposed to credit risk.

**Significant increase of credit risk**

In order to determine whether an instrument or a portfolio of instruments is subject to 12-month ECL or lifetime ECL, the Bank assesses whether there has been a SICR since initial recognition.

The Bank established a framework, incorporating quantitative and qualitative indicators, to identify and assess SICR. The criteria considered when assessing if an instrument has experienced a SICR include quantitative or qualitative triggers.

| SICR trigger | Description of trigger | Indicator trigger |
|---|---|---|
| Significant change in PD since initial recognition | Threshold is the number of notches downgrade (between 1 and 3 notches downgrade depending on the rating at initial recognition).<br><br>And, if the change in lifetime PD at reporting date exceeds set threshold as compared to the PD at origination date. | Quantitative |
| Facility is on "close watch" | If the facility has an internal borrower rating of 8-2 or higher. | Quantitative |
| Facility is considered forborne | If the facility is considered forborne (concession has been granted to a client which is experiencing financial difficulties). | Qualitative |
| Facilities that are monitored via the early warning list due to having elevated risk | If the facility is under intensive care management (if the asset is put on the early warning list or close watch). | Qualitative |
| Facility is 30 days past due (unless rebutted) | If the facility has more than 30 days past due. | Quantitative |

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# Notes to the consolidated financial statements

The following table discloses the SICR trigger following a significant change in PD. The PD ratings are scaled over 10 notches.

| PD rating | SICR trigger determined by number of notches downgrade |
|---|---|
| 1 to 5-2 | -3 |
| 6-1 and 6-2 | -2 |
| 7 to 8-2 | -1 |
| 8-2 | Not applicable, a downgrade will lead to a default rating and per definition to stage 3. |
| 8-3 to 10 | Not applicable, rating 8-3 and above are per definition stage 3. |

As soon as the payment in arrears has been resolved or settled and no other impairment trigger is applicable, the borrower can become performing again after a probation period of at least three months in case all arrears have been cured by payments. However, if the defaults are resolved by agreeing an amendment (restructuring) a longer probation period applies of at least one year. If a forbearance measure is applied and the client is deemed non-performing, the probation period for the client to become performing again is two years.

### Intangible assets

Intangible assets are recognised only when their cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to them will flow to the Bank. The Bank's intangible assets consist of primarily self-developed software.

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses. The amortisation period and the amortisation method for an intangible asset are reviewed at least at each year-end. The amortisation expense on intangible assets is recognised in the statement of profit or loss in the expense category amortisation. Amortisation is calculated using the straight-line method to their residual values over their estimated useful lives, being 1-5 years.

#### Impairment of intangible assets

At each reporting date, the Bank assesses whether there is any indication that an asset may be impaired or whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

### Tangible assets

#### Property, equipment and right-of-use assets

Property and equipment are measured at cost excluding the costs of day–to–day servicing, less accumulated depreciation and accumulated impairment in value. Changes in the expected useful life are accounted for by changing the depreciation period or methodology, as appropriate, and treated as changes in accounting estimates. Right-of-use (RoU) assets are presented together with property and equipment in the statement of financial position. RoU assets are depreciated on a straight-line basis over the lease term.

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to their residual values over their estimated useful lives. The estimated useful lives are as follows:

| Type of asset | Depreciation |
|---|---|
| Operations equipment | 3-5 years |
| Leasehold improvements | 2-16 years |
| RoU assets: Offices | 5-10 years[1] |

1 Depending on the contractual terms, the Bank has multiple office locations with varying contract terms.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at each reporting date.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised within operating income. When revalued assets are sold, the amounts included in other reserves are transferred to retained earnings.

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# Notes to the consolidated financial statements

## Leases

A contract is, or contains, a lease if it conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

For contracts that contain both lease components and non-lease components, such as maintenance services, the Bank allocates the consideration payable on the basis of the relative stand-alone prices, which are estimated if observable prices are not readily available.

### The Bank is the lessee

Upon lease commencement the Bank recognises a RoU asset and a lease liability. The RoU asset is initially measured at cost, comprising:

- The amount of the initial measurement of the lease liability
- Lease payments made at or before the commencement date of the lease contract, less lease incentives received
- Initial direct costs
- An estimate of costs to be incurred by the Bank in dismantling and removing the underlying asset, restoring the site on which it is located or restoring the underlying asset to the condition required by the terms and condition of the lease. The Bank incurs the obligation for those costs either at the commencement date or as a consequence of having used the underlying asset during a particular period.

The lease liability is initially measured at the present value of the lease payments payable over the lease term, discounted at the rate implicit in the lease if that can be readily determined. If that rate cannot be readily determined, the Bank uses its incremental borrowing rate.

The Bank classifies the RoU assets as part of property and equipment, and subsequently applies:

- The impairment requirements from IAS 36
- The depreciation requirements from IAS 16

The lease liability is subsequently remeasured to reflect changes in:

- The lease term (using a revised discount rate)
- The assessment of a purchase option (using a revised discount rate)
- The amounts expected to be payable under residual value guarantees (using an unchanged discount rate)
- Future lease payments resulting from a change in an index or a rate used to determine those payments (using an unchanged discount rate)

The remeasurements are treated as adjustments to the RoU asset.

Lease modifications may also prompt remeasurement of the lease liability unless they are to be treated as separate leases.

The RoU assets are presented within note 6 Property and equipment, and the lease liabilities are presented within note 12 Other liabilities.

The Bank applies the following practical expedients:

- Short-term leases; no RoU assets and lease liabilities are recognised for lease terms of 12 months or less at commencement date
- Low value assets. This includes, leases for which the underlying assets have a value lower or equal to € 500; leases leading to recognition of a RoU asset lower or equal to € 30,000; leases of similar underlying assets (e.g. printers) leading to a total RoU asset of lower or equal to € 30,000, or leases of group assets whereby the costs and benefits of RoU asset recognition do not justify the reporting requirement.

Lease payments for assets falling under these practical expedients are recognised directly in operating expenses.

### The Bank is the lessor

The Bank classifies each lease as an operating lease or a finance lease.

A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise a lease is classified as an operating lease.

When assets are held subject to a finance lease, the present value of the lease payments is recognised as a receivable. The difference between the gross receivable and the present value of the receivable is recognised as unearned finance income. Lease income is

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# Notes to the consolidated financial statements

recognised over the term of the lease using the net investment method (before tax), which reflects a constant periodic rate of return.

When assets are held subject to an operating lease, the assets are included in assets held under operating leases under property and equipment.

### Financial guarantees

The Bank issues financial guarantees consisting of letters of credit, guarantees and acceptances. Financial guarantees are initially recognised under other liabilities at fair value, being the premium received and subsequently measured at the higher of the amount of the loss allowance; and the premium received on initial recognition less income recognised in accordance with the principles of IFRS 15.

Any increase in the liability relating to financial guarantees is recorded in the income statement in credit loss expenses. The premium received is recognised in the income statement in fee and commission income on a straight-line basis over the life of the guarantee.

### Cash and cash equivalents

For the purpose of the statement of cash flows, cash and cash equivalents comprise balances with less than three months' maturity from the date of acquisition, including cash and non-restricted balances with central banks and the net credit balances on current accounts with other banks.

Cash balances are measured at face value.

### Provisions

Provisions contain:

- ECL allowances for off-balance sheet financial instruments
- Restructuring and/or reorganisation provisions
- Employee benefits and pensions
- Other provisions

Where there are several similar obligations, the likelihood that an outflow will be required in settlement is determined by considering the class of obligations. A provision is recognised even if the likelihood of an outflow with respect to any one item included in the same class of obligation may be remote.

Provisions are measured at the present value of the expected required expenditure to settle the obligation using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

The increase in the provision due to passage of time is recognised as interest expense. Provisions are presented under other liabilities.

Contingent liabilities, if applicable, are recognised on the balance sheet but are disclosed separately, unless they are remote.

### Restructuring and/or reorganisation provisions

Provision for restructuring costs and legal claims are recognised when:

- The Bank has a present legal or constructive obligation as a result of past events
- It is more likely than not that an outflow of resources will be required to settle the obligation
- The amount has been reliably estimated

A constructive obligation to restructure arises only when the Bank has a detailed formal plan for the restructuring, identifying at least:

- The business or part of a business concerned
- The principal locations affected
- The location, function, and approximate number of employees who will be compensated for termination of their services
- The expenditure that will be undertaken
- When the plan will be implemented; and has raised a valid expectation in those affected that it will carry out the restructuring by starting to implement that plan or announcing its main features to those affected by it

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# Notes to the consolidated financial statements

## Employee benefits

### Pension benefits

The Bank operates two post-employment schemes, including both defined benefit and defined contribution pension plans for the Netherlands and Germany. On 31 December 2020 the defined pension benefit plan implemented in the Netherlands was closed for new participants. The existing rights remain in the defined benefit plan. From 1 January 2021, the Netherlands operated a defined contribution plan.

The net defined benefit asset or liability recognised in the statement of financial position in respect of defined benefit pension plans is the fair value of the plan assets less the present value of the defined benefit obligation at the balance sheet date.

Plan assets are measured at fair value at the balance sheet date. For determining the pension expense, the return on plan assets is determined using a high quality corporate bond rate identical to the discount rate used in determining the defined benefit obligation.

The defined benefit obligation is calculated by external independent qualified actuaries through actuarial models and calculations using the projected unit credit method. This method considers expected future payments required to settle the obligation resulting from employee service in the current and prior periods, discounted using a high quality corporate bond rate. Inherent in these actuarial models are assumptions including discount rates, rates of increase in future salary and benefit levels, mortality rates, the consumer price index and the expected level of indexation. The assumptions are based on available market data as well as management expectations and are updated regularly. The actuarial assumptions may differ significantly from the actual results due to changes in market conditions, economic and mortality trends, and other assumptions. Actuarial gains and losses arising from events and/or changes in actuarial assumptions are recognised in the statement of comprehensive income.

### Pension plan the Netherlands

The defined benefit plan of the Netherlands exists for former employees and current employees that joined before the plan was closed. New employees enter into a defined contribution plan. The net defined benefit pension asset or liability represents the difference between the fair value of the plan assets and the present value of the defined benefit obligation at the reporting date.

### Pension plan Germany

The pension obligations of the Bank's Germany branch comprise the pension obligations of the Bank's Germany branch as well as the pension obligations towards company pensions (Betriebsrentner) and former employees with accrued non-forfeitable pension rights pertaining (Arbeitnehmer mit unverfallbaren Rentenanwartschaften) to former German branches of the Parent.

By way of cumulative assumption of liability (Schuldbeitritt), the Bank assumes liability for the performance of all obligations arising under or relating to these pension obligations. According to German law, the Bank and the Parent are jointly and severally liable by virtue of the cumulative assumption of liability. Furthermore, the Parent and the Bank have agreed that the Bank alone shall be responsible for the performance of these pension obligations towards pension beneficiaries. The Bank shall fulfil any obligations arising from or in relation to these pension obligations in due time as they fall due.

### Termination benefits

The Bank recognises termination benefits at the earlier of the following dates:

- When the Bank can no longer withdraw the offer of those benefits
- When the entity recognises costs for a restructuring that is within the scope of IAS 37 and involves the payment of termination benefits. In the case of an offer made to encourage voluntary redundancy, the termination benefits are measured based on the number of employees expected to accept the offer. Benefits falling due more than 12 months after the end of the reporting period are discounted to their present value.

### Share-based compensation

The Bank operates a cash-settled share-based compensation plan.

### Cash-settled transactions

For the cash-settled share-based compensation plan, the fair value of the employee services received in exchange for the grant of share-based compensation is recognised as a liability. The liability is remeasured at each reporting date up to and including

# Notes to the consolidated financial statements

the settlement date with changes in fair value recognised in the income statement in personnel expenses.

### Accruals, deferred income and other liabilities
Trade payables are recognised initially at fair value and subsequently measured at AC using the effective interest method.

### Income tax
Income tax on the profit or loss for the year comprises current tax and deferred tax. Income tax is recognised in the income statement except to the extent that it relates to items recognised directly in shareholders' equity, in which case it is recognised in other comprehensive income.

#### Current tax
Current tax is the tax expected to be payable on the taxable profit for the year, calculated using tax rates (and laws) enacted or substantially enacted by the reporting date, and any adjustment to tax payable in respect of previous years. Current tax assets and liabilities are offset when the Bank intends to settle on a net basis and a legal right of offset exists.

#### Deferred tax
Deferred income tax is provided for in full, using the balance sheet approach, on temporary differences between the tax bases of assets and liabilities and their carrying amount in the consolidated financial statements. Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the reporting date and are expected to apply when the related deferred income tax asset is realised, or the deferred income tax liability is settled. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are recognised when it is probable that future taxable profit will be available against which the temporary differences can be utilised.

The Bank's principal temporary differences arise from the revaluation of certain financial assets and liabilities, including financial assets measured at FVOCI, lease liabilities, depreciation of property, pension liability and tax losses carried forward.

The tax effect of income tax losses available for carry forward are recognised as an asset when it is probable that future taxable profits will be available against which these losses can be utilised. Refer to note 20 Income tax.

Current and deferred taxes are recognised as income tax benefits or expenses in the income statement except for tax related to fair value remeasurement of debt instruments at fair value through OCI and FX differences, which are charged or credited to OCI.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are reassessed at each balance sheet date and are recognised to the extent that it has become probable that future taxable profit will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at statement of financial position date. Current tax and deferred tax relating to items recognised in other comprehensive income are also recognised in other comprehensive income.

The Bank has applied the temporary exception to deferred tax accounting in accordance with paragraphs 4A and 88A of IAS12.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

#### Uncertain tax positions
Uncertain tax positions are assessed continually by the Bank and in case it is probable that there will be a cash flow, a current tax asset or liability is recognised.

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# Notes to the consolidated financial statements

## Equity

### Share capital
Shares are classified as equity when there is not a contractual obligation to transfer cash or other financial assets.

### Equity reserves
The reserves recorded in equity on the Bank's statement of financial position include:
- Revaluation reserve of financial investments; which comprises changes in fair value of financial investments recognised at fair value through other comprehensive income
- Foreign currency translation reserve; which comprises changes in the Euro equivalents of different presentation currencies of branches and subsidiaries
- Revaluation actuarial defined benefit reserve; which comprises the actuarial gains and losses of the defined benefit obligations of the Netherlands and Germany

## Dividends on ordinary shares
Dividends on ordinary shares are recognised as a liability and deducted from equity when they are approved by the Bank's shareholder. Dividends for the year that are approved after the balance sheet date are disclosed as an event after statement of financial position date.

## Revenue recognition

### Net interest income
Interest income and expenses from financial instruments measured at AC and FVOCI are recognised in the income statement applying the EIR method. In determining interest income and expense, the EIR is applied to the gross carrying amount of the financial asset (unless the asset is credit-impaired) or the AC of a financial liability, based on estimated future cash flows that take into account all contractual cash flows. However, when a financial asset becomes credit-impaired after initial recognition, interest income is determined by applying EIR to the net carrying amount of the instrument. Furthermore, for financial assets that were credit-impaired on initial recognition, interest is determined by applying a credit-adjusted EIR to the AC of the instrument.

For POCI assets, the Bank calculates interest income by calculating the credit-adjusted EIR and applying that rate to the amortised cost of the financial asset. The credit-adjusted EIR is the interest rate that, at initial recognition, discounts the estimated future cash flows (including credit losses) to the amortised cost of the POCI asset. Penalty interest is directly recognised under interest income in case of early repayment (partial derecognition of the related financial instrument). Penalty interest is directly recognised under interest income in case of an interest reset.

Negative interest from liabilities is recognised as interest income, and negative interest from financial assets is recognised as interest expense.

### Net fee and commission income
The Bank recognises revenue in relation to fee income and other operating income, in accordance with IFRS 15 revenue from contracts with customers, when (or as) a performance obligation is satisfied by transferring a promised service (i.e. an asset) to a customer. An asset is transferred when (or as) the customer obtains control of the asset.

Revenue comprises the fair value of the consideration received or receivables for the sale of services in the ordinary course of the Bank's activities. Revenue is shown net of value added tax and discounts.

The Bank earns fee income from a diverse range of services it provides to its clients. Fee income can be divided into two categories:
- Fees earned from services that are provided for a certain period of time, such as to originate an asset
- Fees earned from point in time services such as structuring and advisory fees

### Measurement
Fee income is measured based on consideration specified in a legally enforceable contract with a customer. Consideration can include both fixed and variable amounts. Variable consideration includes discounts, performance bonuses and other amounts that are contingent on the occurrence or non-occurrence of a future event.

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# Notes to the consolidated financial statements

Variable consideration that is contingent on an uncertain event can only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue for a contract will not occur.

In the following table the recognition of revenue under IFRS 15 per main fee revenue earned by the Bank is listed:

| Fee revenue | Timing of satisfaction of performance obligation | Measuring progress towards complete satisfaction of a performance obligation |
|---|---|---|
| Underwriting fees - loan syndication fee | Performance obligation is not satisfied over time. As such the revenue recognition is point in time. | Recognition when the service has been completed. |
| Brokerage and advisory fees | Performance obligation is not satisfied over time. As such the revenue recognition is point in time. | Recognition when the service has been completed. |
| Structuring fees not IFRS 9 related such as setting up or advising in SPV structures | If the performance obligation is satisfied over time, the fees are recognised over time.<br><br>If the performance obligation is not satisfied over time, the fees are recognised when the service has been completed. | Depends on the type of performance obligation. |
| Commission on guarantees | Performance obligation is satisfied overtime. The customer simultaneously receives and consumes the benefits proved by the Bank's performance as it performs. | Straight line over time as the service is provided. |

### Services

Fees earned from services that are provided over a certain period of time are recognised rateably over the service period, provided the fees are not contingent on successfully meeting specified performance criteria that are beyond the Bank's control.

Costs to fulfil over time services are recorded in the income statement immediately because such services are considered to be a series of services that are substantially the same from day to day and have the same pattern of transfer.

### Presentation of fee income and expense

Fee income and expense are presented as gross on the face of the income statement.

## Statement of cash flows

The statement of cash flows, prepared based on the indirect method of calculation, gives details of the source of cash and cash equivalents that became available during the year, and the application of these cash and cash equivalents over the course of the year. The cash flows are analysed into cash flows from operations, investment and financing activities.

Movements in loans and receivables, deposits, sales and redemptions in respect of financial investments, are included in cash flows from operating activities.

Investment activities comprise property and equipment, and intangible assets. The issuing of shares, dividends and the borrowing and repayment of long-term funds are treated as financing activities. Movements due to currency translation differences and the effects of the consolidation of business acquisitions, when of material significance, are eliminated from the cash flow figures.

The difference between the net cash flow in accordance with the statement of cash flows and the change between the opening and closing balance of cash and cash equivalents in the statement of financial position is due to exchange rate differences and is presented separately in the cash flow statement.

During the year, no dividends have been paid.

## Significant accounting judgements, estimates and assumptions

In the process of applying the accounting policies, management has exercised assumptions, judgements and estimates in determining the amounts recognised in the consolidated financial statements. Existing circumstances and assumptions about future developments may change due to circumstances beyond the Bank's control and are reflected in the assumptions if and when they occur.

Estimates and judgements are principally made in the following areas:

- Fair value of certain financial instruments

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# Notes to the consolidated financial statements

- ECL of financial instruments not measured at FVPL
- Net defined benefit pension asset/liability
- Deferred tax asset

**Fair value of financial instruments**
The Bank measures certain financial assets and liabilities at fair value. The majority of such assets and liabilities are measured at fair value on a recurring basis, including trading securities and derivatives.

The fair value of financial instruments is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e., an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. We have an established and documented process for determining fair value in accordance with the guidance. To determine the fair value, we use quoted prices which include those provided from pricing vendors, where available. We generally obtain one price or quote per instrument and do not adjust it to determine the fair value of the instrument. We perform internal price verification procedures to ensure that the prices and quotes provided from the independent pricing vendors are reasonable. Such verification procedures include a comparison of pricing sources and analysis of variances among pricing sources. These verification procedures are periodically performed by independent risk management departments.

Where the fair values of financial assets and financial liabilities recorded on the statement of financial position cannot be derived from active markets (e.g. level 2 and 3 valuations), they are determined using a valuation technique that includes the use of mathematical models. The models range from discounted cash flow models to various valuation models with the market price of underlying reference instruments, market parameters (e.g. volatilities and credit ratings), and customer behaviour are taken as inputs. The inputs to these models are derived from observable and non-observable market data. Unobservable inputs are estimated using a combination of management judgement, historical data, market practice and benchmarking to other relevant observable market data.

The Bank maximises the use of market observable inputs and minimises the use of unobservable inputs in determining the fair value. To include credit risk in fair value, the Bank applies CVA. All input data that is used in the determination of the CVA is based on market implied data.

Reference is made to section Fair value estimation and note 22 Fair value measurement.

**Expected credit losses on financial assets**
The allowance for credit losses represents an estimate of the credit losses that are expected over the life of the financial instrument or exposure and has three components: the allowance for loans measured on a collective basis, when similar risk characteristics exist, the allowance for loans measured on an individual basis, for loans that do not share similar risk characteristics, and the allowance for losses on unfunded credit commitments, which is included in 11 Provisions.

The methodology for estimating credit losses uses relevant available information relating to past events, current conditions, and reasonable and supportable forecasts. Historical credit loss experience provides the basis for the estimation of expected credit losses. Adjustments to historical loss information are made over a forecast period to account for differences between current and expected future conditions and those reflected in historical loss information. Beyond the forecast period, estimated expected credit losses revert to average historical loss experience. The estimation of the allowance for credit losses involves significant judgement on a number of assumptions including the assessment of risk characteristics, assignment of a borrowers internal credit rating, valuation of collateral, expectations of future economic conditions, the development of qualitative adjustments and the assessment of a significant increase in credit risk. These estimates are driven by a number of factors and changes, which can result in different levels of expected credit losses.

The Bank's ECL calculations are outputs of models based on certain assumptions. Elements of the ECL models that are considered accounting judgements and estimates include:
- The Bank's internal credit grading model, which assigns credit grades to the customers
- The Bank's criteria for assessing if there has been a significant increase in credit risk
- The selected forward-looking macroeconomic scenarios and their probability weightings, to derive the economic inputs into the ECL models

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- The associations between macroeconomic scenarios on GDP and the effect on PD, EAD and LGD model

**Net defined benefit pension asset or liability**
In determining the present value of the defined benefit obligation, the Bank applies actuarial valuation techniques using the projected unit credit method. This method requires making assumptions about discount rates, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty and are sensitive to changes in assumptions used. All assumptions are reviewed at each reporting date.

In determining the appropriate discount rate, MB considers the interest rates of corporate bonds denominated in Euro with at least an 'AA' rating, set by an internationally acknowledged rating agency, and extrapolated as needed along the yield curve to correspond with the expected term of the defined benefit obligation. The mortality rate is based on publicly available mortality tables for the country. Future salary increases and pension increases are based on expected future inflation rates for the country.

Reference is made to section Employee benefits within this note and note 11.1 Defined benefit plan – Netherlands for the Dutch defined benefit pension plans and note 11.2 Defined benefit plan – Germany for the German defined benefit pension plan.

**Deferred tax assets**
Deferred tax assets are recognised in respect of temporary differences to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised. Judgement is required to determine the amount of deferred tax assets that can be recognised, based on the likely timing and level of future taxable profits, together with future tax-planning strategies.

Reference is made to section Income tax within this note and note 20 Income tax.

## Assets

### 1. Cash and balances with central banks

| Cash and balances with central banks | 2025 | 2024 |
|---|---|---|
| Balances with central banks | 1,893,636 | 2,622,278 |
| | **1,893,636** | **2,622,278** |
| Allowance for expected credit losses | - | - |
| **Cash and balances with central banks** | **1,893,636** | **2,622,278** |

The account 'Balances with central banks' is part of the cash and cash equivalents in the Consolidated statement of cash flows. The Bank does not hold any cash at hand.

Within the balances with central banks, mandatory reserve deposits are included for the amount of € 128,513 at 31 March 2025 (2024: € 112,636). The reserve deposits with central banks are not immediately available for the Bank's day-to-day operations.

Balances held with central banks, above the mandatory reserve amount, are interest-bearing on which the Bank earns the prevailing deposit facility rate as a return.

### 2. Loans and advances to banks

| Loans and advances to banks | 2025 | 2024 |
|---|---|---|
| Placements with banks - on demand | 128,814 | 82,018 |
| Placement with banks - term deposits | 466,218 | 987,813 |
| Loans and advances | 446,003 | 532,112 |
| | **1,041,035** | **1,601,942** |
| Allowance for expected credit losses | (21) | (27) |
| **Loan and advances to banks** | **1,041,014** | **1,601,915** |

The account 'Placement with banks - on demand' is part of the cash and cash equivalents in the Consolidated statement of cash flows.

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# Notes to the consolidated financial statements

The amount placed with the Parent's London branch in aggregate has decreased to € 561,701 at 31 March 2025 (2024: € 1,007,319). The decrease of the amount placed with the Parent's London Bank is a balance at point in time, in relation to deposits at the Bank and to the connected business.

## 3. Loans and advances to customers

This item includes amounts receivable in connection with commercial loans and advances (such as loans, overdrafts in current account, bills discounted) and dues from counterparties other than banks.

| Loans and advances to customers – by class | 2025 | 2024 |
|---|---|---|
| Corporate current accounts | 469,210 | 244,129 |
| Corporate term loans | 6,964,883 | 6,064,473 |
| Bills of exchange | 1,085,311 | 1,115,097 |
| Participation loans | 69,348 | 46,331 |
| | **8,588,753** | **7,470,030** |
| Allowance for expected credit losses | (52,364) | (45,507) |
| **Loans and advances to customers by class** | **8,536,389** | **7,424,523** |

The gross carrying amount of loans and advances to customers has increased by € 1,118,723 to € 8,588,753 at 31 March 2025 (2024: € 7,470,030).

The allowance for expected credit loss has increased by € 6,857 to € 52,364 at 31 March 2025 (2024: € 45,507).

The Bank has originated new deals under the business model held to collect and sell and are measured at FVOCI. These amounted to € 39,051 as at 31 March 2025 (2024: € nil) and have been classified as part of 'Corporate term loans'.

For further details expected credit losses and the management overlay, we refer to 27 Risk management.

## 4. Derivatives

The table below shows the fair values of derivatives, recorded as assets or liabilities, together with their notional amounts.

The notional amount is the amount of a derivatives underlying asset and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of client transactions outstanding at year-end.

| in thousands of €s | 2025 | | | |
|---|---|---|---|---|
| **Derivatives** | **Assets** | **Liabilities** | **Notional amounts (assets)** | **Notional amounts (liabilities)** |
| Interest rate swaps | - | 2 | 3,094 | 3,094 |
| **Derivatives used as fair value hedge** | **-** | **2** | **3,094** | **3,094** |
| Forward foreign exchange contract | 103,267 | 101,404 | 14,894,716 | 15,069,636 |
| Loan commitment derivatives | 35,888 | 36,177 | 2,515,662 | 2,613,637 |
| Currency options | 977 | 977 | 97,200 | 97,200 |
| **Derivatives other** | **140,131** | **138,558** | **17,507,578** | **17,780,473** |
| **Derivative financial instruments** | **140,131** | **138,560** | **17,510,672** | **17,783,567** |

| in thousands of €s | 2024 | | | |
|---|---|---|---|---|
| **Derivatives** | **Assets** | **Liabilities** | **Notional amounts (assets)** | **Notional amounts (liabilities)** |
| Interest rate swaps | 17 | 44 | 1,172 | 3,001 |
| **Derivatives used as fair value hedge** | **17** | **44** | **1,172** | **3,001** |
| Forward foreign exchange contract | 59,674 | 57,796 | 4,773,397 | 4,623,226 |
| Loan commitment derivatives | 24,763 | 25,028 | 1,315,196 | 1,397,246 |
| Currency options | - | - | - | - |
| **Derivatives other** | **84,436** | **82,824** | **6,088,593** | **6,020,473** |
| **Derivative financial instruments** | **84,454** | **82,868** | **6,089,765** | **6,023,473** |

The total notional amount of the derivative financial instruments (assets) has increased to € 17,510,672 (2024: € 6,089,765) and the notional amount of derivative financial

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instruments (liability) has increased to € 17,783,567 (2024: € 6,023,473). The fair value linked to the instruments has also increased to € 140,131 (2024: € 84,454), as a result of increase in underlying contracts and to market movements.

In addition, no new contracts have been brought into hedging relationships. The remaining hedging contract and connected loan is expected to mature in the near future.

The total notional amount of the commitments (undrawn facilities) that have been sub-participated amounted to € 2,613,637 (2024: € 1,397,246).

The Bank has also originated new currency options in FY24 and these are presented as 'currency options' on the balance sheet.

### Swaps

Swaps are contractual agreements between two parties to exchange streams of payments over time based on specified notional amounts, in relation to movements in a specified underlying index such as an interest rate, foreign currency rate or a combination of both.

Interest rate swaps relate to contracts taken out by the Bank with other financial institutions in which the Bank either receives or pays a floating rate of interest in return for paying or receiving, respectively, a fixed rate of interest. The payment flows are usually netted against each other, with the difference being paid by one party to the other.

### Foreign exchange contracts

FX contracts are contractual agreements to buy or sell a specified financial instrument at a specific price and date in the future. Forwards are customised contracts transacted in the OTC market. The Bank has a credit exposure to the counterparties of forward contracts. Forward contracts are settled gross and are, therefore, considered to bear liquidity risk. Forward contracts also result in market risk exposure.

Currency swaps relate to contracts taken out by the Bank with other parties. The Bank pays a specified amount in one currency and receives a specified amount in another currency. Currency swaps are settled in gross amounts.

### Derivatives used as fair value hedge

As part of its ALM, the Bank uses derivatives for hedging purposes in order to reduce its exposure to market risks. This is achieved by hedging specific financial instruments and forecast transactions as well as strategic hedging against overall financial position exposures.

Fair value hedges are used by the Bank to protect it against changes in the fair value of financial assets and financial liabilities due to movements in exchange rates and interest rates. The Bank uses currency swaps to hedge against specifically identified currency risks, and interest rate swaps to hedge interest rate risk.

The Bank has a legacy portfolio of hedging instruments and as of FY24 the portfolio is limited to only one remaining hedging contract. The remaining interest rate swap contracts are designated as fair value hedges to reduce the Bank's exposure resulting from volatility in interest rates on borrowings.

**Derivatives used as fair value hedge**

| Hedging instruments | Notional principal amount | | Carrying amount of the hedging instrument | | Change in fair value used for recognising hedge ineffectiveness | | Average contracted fixed interest rate (in %) | |
|---|---|---|---|---|---|---|---|---|
| in thousands of €s | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Derivative | 3,094 | 3,001 | 2 | 44 | - | - | - | - |

| Hedged item | Carrying amount of the hedged item | | Accumulated amount of fair value hedge adjustments on the hedged item included in the carrying amount of the hedged item | | Change in fair value used for recognising hedge ineffectiveness | | Accumulated amount of fair value hedge adjustments in SOFP for hedged items that have ceased to be adjusted for hedging gains and losses | |
|---|---|---|---|---|---|---|---|---|
| | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 | 2025 | 2024 |
| Loans to customers | 3,094 | 3,001 | 2 | 44 | - | - | - | - |

The portfolio is in run-off, which means that the Bank will not originate new hedging instruments. The notional amount has increased slightly as the facility was originated in GBP and is subject to FX changes.

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**Loan commitment derivatives**
The loan commitment derivatives are related to commitments that have been issued and which are sub-participated to other parties or intended to be sold. Hence, when the loan commitment is drawn, the resulting loan is immediately transferred to other parties. In the valuation of these derivatives it is assumed that the value of these commitments is generated by a divergence of the credit spread for a specific credit rating compared to the fixed margin of the credit rating in the contract.

Given the nature of the commitment, the loan commitment derivatives are valued using an interest rate option pricing model for credit spreads. The significant unobservable inputs used in the fair value measurement is the volatility of the credit spread. Significant increases (decreases) of this input in isolation would result in a significantly higher (lower) fair value measurement. Refer to 22 Fair value measurement for more details on the fair value movement of these instruments.

## 5. Financial investments

| Financial investments | 2025 | 2024 |
|---|---|---|
| Supply chain finance transactions measured at FVOCI | 554,908 | 248,553 |
| Government bonds measured at FVOCI | 345,584 | - |
| Loans measured at FVPL | 48,424 | 10,512 |
| **Financial investments** | **948,916** | **259,065** |

The financial investments increased by € 689,851 to € 948,916 at 31 March 2025 (2024: € 259,065).

Supply chain finance transactions measured at FVOCI increased by € 306,355 to € 554,908 at 31 March 2025 (2024: € 248,553).

The increase is attributable to business originating more supply chain finance transaction and the onboarding of a new client in FY24.

Loans FVPL are originated with a purpose to distribute as the cash flows are collected via a sale. As such the measurement is at fair value through profit and loss. As at 31 March 2025, the loans held by the Bank with the intention of sale amounted to € 48,424 (2024: 10,512).

The Bank has purchased new government bonds which are measured at FVOCI, as the intent is to hold these assets but with a possibility to sell the bonds if liquidity is required in the future. These are classified as financial assets measured at FVOCI with a total amount of € 345,584 at 31 March 2025 (2024: € nil). As of 31 March 2025 an amount of € 30,244 has been placed with EUROCLEAR as collateral.

## 6. Property and equipment

| Property and equipment | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Owned | | | Right-of-use assets | | |
| | Operations equipment | Lease improvements | Total | Operations equipment | Buildings | Total |
| **Opening balance** | 2,364 | 1,432 | 3,796 | - | 5,523 | 5,523 |
| Additions | 2,194 | 4,025 | 6,219 | - | 15,963 | 15,963 |
| Disposals | (63) | (5) | (68) | - | (3,210) | (3,210) |
| Depreciation | (885) | (231) | (1,116) | - | (3,324) | (3,321) |
| Impairment | (205) | (901) | (1,105) | | | - |
| Other changes | 3 | (3) | - | - | 304 | 301 |
| **Closing balance** | **3,408** | **4,318** | **7,726** | - | **15,256** | **15,256** |
| Accumulated cost | 12,030 | 8,996 | 21,026 | 186 | 27,640 | 27,826 |
| Accumulated depreciation | (8,622) | (4,678) | (13,300) | (186) | (12,384) | (12,570) |
| **Property and equipment** | **3,408** | **4,318** | **7,726** | - | **15,256** | **15,256** |

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# Notes to the consolidated financial statements

| Property and equipment | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Owned | | | Right-of-use assets | | |
| | Operations equipment | Lease improvements | Total | Operations equipment | Buildings | Total |
| **Opening balance** | 2,586 | 1,883 | 4,469 | - | 7,828 | 7,828 |
| Additions | 522 | 15 | 537 | - | 441 | 441 |
| Disposals | (31) | - | (31) | - | (163) | (163) |
| Depreciation | (877) | (390) | (1,267) | - | (2,890) | (2,890) |
| Other changes | 164 | (76) | 88 | - | 307 | 307 |
| **Closing balance** | **2,364** | **1,432** | **3,796** | **-** | **5,523** | **5,523** |
| Accumulated cost | 12,010 | 7,967 | 19,977 | 186 | 20,152 | 20,338 |
| Accumulated depreciation | (9,646) | (6,535) | (16,181) | (186) | (14,629) | (14,815) |
| **Property and equipment** | **2,364** | **1,432** | **3,796** | **-** | **5,523** | **5,523** |

The property and equipment relates to small office equipment and improvements to offices (leasehold improvements). The depreciation period is dependent on the type of asset, for more details see Tangible assets.

The Bank has renovated the office in Amsterdam in FY24, purchasing new operation equipment and also further improving the leasehold. Previously recognised assets have been assessed, impaired and (physically) discarded if deemed obsolete. The total addition for the current year amounted to € 6,219 (2024: € 537). The total impairment recognised in the current year amounted to € 1,105.

## 7. Intangible assets

| Intangible assets | 2025 | 2024 |
|---|---|---|
| Opening balance | 9,295 | 10,519 |
| Additions | - | 154 |
| Disposals | - | (965) |
| Amortisation | (3,536) | (4,316) |
| Under development | 3,762 | 2,988 |
| Impairment (loss) | - | (183) |
| Other changes | (109) | 1,099 |
| **Closing balance** | **9,413** | **9,295** |
| Accumulated cost | 45,099 | 43,004 |
| Accumulated amortisation and impairment (loss) | (35,687) | (33,709) |
| **Closing balance** | **9,413** | **9,295** |

The intangible assets consist of software and licenses. The total of projects in development as at 31 March 2025 amounted to € 3,762 (2024: € 2,988).

## 8. Other assets

| Other assets | 2025 | 2024 |
|---|---|---|
| Accounts receivable | 181 | 299 |
| Prepayments | 3,932 | 2,934 |
| Collateral posted | - | 7,042 |
| Funds held at Single Resolution Fund | 8,551 | 8,551 |
| Accounts paid (and in suspense) | 6,520 | 3,209 |
| Accrued fees | 7,038 | 8,133 |
| Other | 5,473 | 355 |
| **Other assets** | **31,694** | **30,524** |

The other assets have increased by € 1,170 to € 31,694 at 31 March 2025 (2024: € 30,524).

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# Notes to the consolidated financial statements

## Liabilities

### 9. Due to banks

This item comprises debts to credit institutions and central banks.

| Due to banks | 2025 | 2024 |
|---|---|---|
| Nostro accounts | 4,899 | 7,215 |
| Term deposits | 5,175,878 | 4,398,017 |
| **Due to banks** | **5,180,778** | **4,405,232** |

Term deposits increased by € 777,862 to € 5,175,878 at 31 March 2025 (2024: € 4,398,017). The total amount owed to the Parent, including pledged deposits is € 5,076,067 (2024: € 2,047,139) reflecting the intragroup funding relationship.

### 10. Due to customers

| Due to customers | 2025 | 2024 |
|---|---|---|
| Current accounts | 3,078,707 | 2,066,481 |
| Term deposits | 1,874,437 | 3,364,722 |
| **Due to customers** | **4,953,143** | **5,431,203** |

The amount due to customers decreased by € 478,060 to € 4,953,143 at 31 March 2025 (2024: € 5,431,203). The decrease is observed in term deposits with a decrease of € 1,490,285 to € 1,874,437 at 31 March 2025 (2024: € 3,364,722). The current accounts increased by € 1,012,226 to € 3,078,707 at 31 March 2025 (2024: € 2,066,481) and this is deemed to be a reflection of client activity as at 31 March 2025 with no specific longer trend visible.

### 11. Provisions

The provisions consist of the following:

| Provisions | Notes | 2025 | 2024 |
|---|---|---|---|
| Expected credit losses on off-balance facilities | 27 | 3,269 | 1,849 |
| Pension liability | 11.1, 11.2 | 6,461 | 9,204 |
| Restructuring provision | 11.3 | 5,461 | 5,072 |
| Provision for holiday allowance | | 3,600 | 2,858 |
| Other provisions | | 3,465 | 2,576 |
| **Provisions** | | **22,255** | **21,558** |

The provisions have remained stable with a slight increased to € 22,255 at 31 March 2025 (2024: € 21,558). The pension liability for the defined benefit plan in the Netherlands has decreased by € 2,762 to € 6,132 at 31 March 2025 (2024: € 8,894). For further details on the defined benefit plans, we refer to section 11.1 Defined benefit plan – Netherlands and 11.2 Defined benefit plan – Germany for respectively the plans in the Netherlands and Germany.

The expected credit losses for off-balance sheet items has increased by € 1,420 to € 3,269 at 31 March 2025 (2024: € 1,849). Refer to Credit risk for more information on the movement of expected credit losses.

The restructuring provision has increased to € 5,461 as at 31 March 2025 (2024: € 5,072). For more details on the restructuring provision, refer to 11.3 Restructuring provision.

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# Notes to the consolidated financial statements

### 11.1. Defined benefit plan – Netherlands

The defined benefit plan of the Netherlands exists for former employees and current employees that joined before the plan was closed. New employees enter into a defined contribution plan.

| Defined benefit plan – the Netherlands | 2025 | 2024 |
|---|---|---|
| Present value of defined benefit obligation | 39,342 | 46,460 |
| Fair value of plan assets | (33,210) | (37,567) |
| **Retirement benefit liability / (asset)** | **6,132** | **8,894** |

The Dutch defined benefit plan is a defined benefit obligation pension plan for Netherlands-based staff. The pension age is 67 year as of 31 March 2025.

The benefits are based on a career average system. There is also a legacy plan for 8 staff members, which is based on a final pay system. This plan is closed.

The reduction of the present value of the defined benefit obligation reflects both the changes in the interest and indexation assumptions, whilst the reduction of fair value of plan assets is a consequence of the increased interest rate.

Changes in the present value of the defined benefit obligation are as follows:

| Present value of the defined benefit obligation | 2025 | 2024 |
|---|---|---|
| Opening defined benefit obligation | 46,460 | 47,983 |
| Current service cost | - | - |
| Interest cost | 1,417 | 1,464 |
| Contributions by employees | - | - |
| Benefits paid | (1,506) | (1,495) |
| Actuarial (gains)/losses on obligations | (7,030) | (1,493) |
| Past service costs | - | - |
| **Closing defined benefit obligation** | **39,342** | **46,460** |

Changes in the fair value of plan assets are as follows:

| Plan assets - movement | 2025 | 2024 |
|---|---|---|
| Opening fair value of plan assets | (37,567) | (37,626) |
| Actual return on plan assets | - | - |
| Administrative expenses | - | - |
| Contributions by employer | (225) | (484) |
| Contributions by employees | - | - |
| Benefits paid | 1,506 | 1,495 |
| Actual expenses, taxes and premiums paid | 7 | 40 |
| Interest income on plan assets | (1,147) | (1,151) |
| Return on plan assets excluding amounts included in Interest income | 4,217 | 160 |
| **Closing fair value of plan assets** | **(33,210)** | **(37,567)** |

Retirement benefit costs

The assets of the retirement benefit plan consist of insurance contracts used for indexation of pensions paid.

| Plan assets | 2025 | 2024 |
|---|---|---|
| Insurance contracts with subsequent profit sharing clause | 100% | 100% |

The overall expected rate of return on assets is calculated based on three elements:

- The rate of return on the insurance contract which is effectively the discount rate
- Surcharges on contribution by the Bank which can be attributed to the year and which are caused by differences between market yields and yields used by the insurer
- Execution costs

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# Notes to the consolidated financial statements

The principal assumptions used in determining pension obligations for the Bank's plan are shown below:

| Defined benefit plan – the Netherlands - assumptions | 2025 | 2024 |
|---|---|---|
| Discount rate | 3.70% | 3.10% |
| Expected inflation rate | 2.10% | 2.20% |
| Expected pension increases (plan A) | 1.05% | 1.10% |
| Expected pension increases (plan B) | 1.05% | 2.20% |
| Mortality | AG 2024 | AG 2022 |

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out on behalf of the Bank at 31 March 2025. The present value of the defined benefit obligation, the related current service cost and the past service cost were measured using the projected unit credit method.

Sensitivity information – the Netherlands

The following table illustrates the sensitivity in the defined benefit obligation as in the projected IAS 19 expense to different discount rates. The sensitivity analysis calculates the financial impact on the defined benefit obligation if the discount rate would increase or decrease and all other assumptions were held constant.

In practice the discount rate is seen as the assumption which would have the most significant impact on the defined benefit obligation.

| Discount rate sensitivity information | Adjusted assumption | 2025 | 2024 |
|---|---|---|---|
| Discount rate | 3.70% | 39,342 | 47,983 |
| Discount rate -0.5% | 3.20% | 42,717 | 52,649 |
| Discount rate +0.5% | 4.20% | 36,377 | 43,932 |

| Expected pension increase sensitivity information | Adjusted assumption | 2025 | 2024 |
|---|---|---|---|
| Expected pension increases | 1.05% | 39,342 | 46,490 |
| Expected pension increases -0.5% | 0.55% | 36,234 | 42,576 |
| Expected pension increases +0.5% | 1.55% | 42,860 | 50,884 |

| Changes in life expectancy | Increase by 1 year | Decrease by 1 year |
|---|---|---|
| Life expectancy | DBO +4,04% | DBO -4,17% |

### 11.2. Defined benefit plan – Germany

The defined benefit plan of Germany exists for current and former employees. New employees enter into a defined contribution plan.

| Defined benefit plan – Germany | 2025 | 2024 |
|---|---|---|
| Present value of defined benefit obligation | 17,283 | 15,997 |
| Fair value of plan assets | (20,209) | (20,250) |
| **Retirement benefit liability / (asset)** | **(2,926)** | **(4,253)** |

For financial year 2024, the Bank has recognised a retirement benefit asset with a fair value of € 2,926 at 31 March 2025 (2024: € 4,253). The pension obligation has increased due to changes in the indexation assumption and the interest rate used in determining the pension obligation and the fair value of plan assets are relatively stable as the insurance contracts have a guaranteed component.

The asset ceiling is not applicable to both pension plans, given that the Bank has a right of a refund or a reduction in future contributions in accordance with the terms and conditions of the plan and the statutory requirements in Germany.

Changes in the present value of the defined benefit obligation are as follows:

| Present value of the defined benefit obligation | 2025 | 2024 |
|---|---|---|
| Opening defined benefit obligation | 15,997 | 14,550 |
| Current service cost | 270 | 401 |
| Interest cost | 595 | 381 |
| Contributions by employer | - | - |
| Benefits paid | (561) | (284) |
| Actuarial gain / (loss) on obligations | 983 | 949 |
| Past service costs | - | - |
| **Closing defined benefit obligation** | **17,283** | **15,997** |

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One insurance policy has been acquired for the plan assets of two (closed) pension schemes. Changes in the fair value of plan assets are as follows:

| Plan assets - movement | 2025 | 2024 |
|---|---|---|
| Opening fair value of plan assets | (20,250) | (19,684) |
| Actual return on plan assets | - | - |
| Administrative expenses | - | - |
| Contributions by employer | (729) | (502) |
| Contributions by employees | - | - |
| Benefits paid | 561 | 284 |
| Actual expenses, taxes and premiums paid | - | - |
| Interest income on plan assets | (761) | (391) |
| Return on plan assets excluding amounts included in Interest income | 970 | 43 |
| **Closing fair value of plan assets** | **(20,209)** | **(20,250)** |

Retirement benefit costs

The assets of the retirement benefit plan consist of insurance contracts used for indexation of pensions paid.

| Plan assets | 2025 | 2024 |
|---|---|---|
| Insurance contracts with subsequent profit sharing clause | 100% | 100% |

The overall expected rate of return on assets is calculated based on three elements:

- The rate of return on the insurance contract which is effectively the discount rate
- Surcharges on contribution by the Bank which can be attributed to the year and which are caused by differences between market yields and yields used by the insurer
- Execution costs

The principal assumptions used in determining pension obligations for the Bank's plan are shown in the next table:

| Defined benefit plan – Germany - assumptions | 2025 | | 2024 | |
|---|---|---|---|---|
| | Bank of Tokyo Mitsubishi UFJ | MUFG Bank (Europe) N.V. Germany branch | **Bank of Tokyo Mitsubishi UFJ** | **MUFG Bank (Europe) N.V. Germany branch** |
| Discount rate (defined benefit obligation) | 3.35% | 3.52% | 3.73% | 3.83% |
| Discount rate (plan assets) | 3.35% | 3.52% | 3.73% | 3.83% |
| Expected rate of salary increases | 0.00% | 3.00% | 0% | 3% |
| Expected rate of pension increases | 2.25% | 2.25% | 2.25% | 2.25% |
| Exp. rate of pension increases former participants (indexation) | 2.00% | 2.00% | 2% | 2% |
| Mortality | Richttafeln Heubeck 2018G | Richttafeln Heubeck 2018G | Richttafeln Heubeck 2018G | Richttafeln Heubeck 2018G |
| Disability | Richttafeln Heubeck 2018G | Richttafeln Heubeck 2018G | Richttafeln Heubeck 2018G | Richttafeln Heubeck 2018G |
| Marriage | Richttafeln Heubeck 2018G | Richttafeln Heubeck 2018G | Richttafeln Heubeck 2018G | Richttafeln Heubeck 2018G |
| Retirement age | 62 or 63 (with expectations) | 62 or 63 (with expectations) | 62 or 63 (with expectations) | 62 or 63 (with expectations) |
| Withdrawal rate | RT Heubeck | RT Heubeck | RT Heubeck | RT Heubeck |

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out on behalf of the Bank at 31 March 2025.

The present value of the defined benefit obligation, the related current service cost and the past service cost were measured using the projected unit credit method. The pension obligations are secured against insolvency by BVV Versicherungsverein des Bankgewerbes.

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# Notes to the consolidated financial statements

The return on plan assets is measured using the interest rates of corporate bonds denominated in Euros with at least an 'AA' rating, the same one which is used to discount the defined benefit obligation.

The current and past service costs as well as interest expense attributable to the defined benefit obligation are recognised as personnel expenses in the statement of profit or loss. Changes due to remeasurement of plan assets and defined benefit obligation (actuarial gains and losses) are accounted for in 'Other comprehensive income' and not recycled through the statement of profit or loss. Upon occurrence, any gains and losses on curtailments and settlements are recognised in the statement of profit or loss as past service costs. Amounts that are recognised in other comprehensive income shall not be reclassified to profit or loss upon settlement, but shall be transferred within equity.

The defined benefit asset or liability comprises the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled directly, less actuarial losses not yet recognised. The value of any asset is restricted to the sum of any actuarial losses not yet recognised and the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan.

A defined contribution plan is a post–employment benefit plan under which the Bank pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further contributions if the entity does not hold sufficient assets to pay all employee benefits relating to employee service in the current and prior periods. The Bank has no further payment obligations once the contributions have been paid. The contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.

Sensitivity information – Germany

The following table illustrates the sensitivity in the pension liability in Germany as in the projected IAS 19 expense to different discount rates. The sensitivity analysis calculates the financial impact on the defined benefit obligation if the discount rate would increase or decrease and all other assumptions were held constant. In practice the discount rate is seen as the assumption that would have the most significant impact on the defined benefit obligation.

| Discount rate sensitivity information | Adjusted assumption | | 2025 | | 2024 | |
|---|---|---|---|---|---|---|
| Assumption | Current employees | Former employees | Current employees | Former employees | Current employees | Former employees |
| Discount rate | 3.52% | 3.35% | 12,098 | 5,186 | 10,773 | 5,224 |
| Discount rate +0.5% | 4.02% | 3.85% | 11,128 | 4,943 | 9,905 | 4,982 |
| Discount rate -0.5% | 3.02% | 2.85% | 13,193 | 5,449 | 11,753 | 5,489 |

| Changes in life expectancy | Increase by 1 year | Decrease by 1 year |
|---|---|---|
| Life expectancy | DBO +4.46% | DBO -4.56% |

### 11.3. Restructuring provision

| Restructuring provision | 2025 | 2024 |
|---|---|---|
| **Opening balance** | 5,072 | 4,791 |
| Additions | 2,341 | 1,450 |
| Releases | - | - |
| Payments made | (1,951) | (1,194) |
| Other movements | - | 25 |
| **Closing balance** | **5,461** | **5,072** |

The restructuring provision has increased by € 389 to € 5,461 at 31 March 2025 (2024: € 5,072). The existing restructuring provisions consists of previous restructuring in the Spain branch which has led to the recognition of a restructuring provision. This provision if not used in the near future will be released, as the local regulatory requirement of recognising the provision for a minimum of four years will be met in FY25. Next the existing restructuring provision and an ongoing offshoring project in the Germany branch.

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# Notes to the consolidated financial statements

## 12. Other liabilities

| Other liabilities | 2025 | 2024 |
|---|---|---|
| Accrued expenses | 49,181 | 39,910 |
| Accounts payable | 6,883 | 12,352 |
| Lease liabilities | 15,419 | 5,991 |
| Collateral received | 23,317 | - |
| Other | 30,400 | 23,242 |
| **Other liabilities** | **125,199** | **81,495** |

The accrued expenses increased by € 9,271 to € 49,181 at 31 March 2025 (2024: € 39,910). These expenses relate to various intra-group expenses.

The accounts payable decreased by € 5,469 to € 6,883 at 31 March 2025 (2024: € 12,352). These relate to settlements of intra-group transactions.

The lease liability increased by € 9,428 to € 15,419 (2024: € 5,991) as the Bank has renewed lease contracts such as the office building in Amsterdam and amended existing lease contracts. See also note 6 Property and equipment.

The account 'Other' consists of amongst others cash receipts held in suspense amounts to € 29,097 at 31 March 2025 (2024: € 21,494).

## Equity

### 13. Issued capital and reserves

The authorised capital amounts to € 204,300 as at 31 March 2025 (2024: € 204,300) and consists of 450,000 ordinary shares of € 454 each. The number of issued and fully paid-up shares are 220,270 as at 31 March 2025 (2024: 220,270) and amounts to € 100,003 at 31 March 2025 (2024: € 100,003). All shares issued are held by the Parent.

Restrictions with respect to dividend and repayment of capital

Pursuant to statutory provisions the Bank can only pay a dividend to the shareholder in as far as its paid-up capital and retained earnings are larger than the paid-up and called-up part of the capital increased by the reserves which have to be maintained for regulatory purposes and the Bank’s articles of association.

By virtue of a resolution of the general meeting of the shareholder the Bank may acquire fully paid-up shares in the authorised capital of the Bank. Only if the paid-up capital and retained earnings, after deduction of the acquisition price, is not less than the paid-up and called-up part of the capital increased by the reserves which have to be maintained by law, and the par value of the shares to be acquired and already held by the Bank in its capital does not amount to more than one/tenth of the issued capital.

Dividend payment

No dividend is proposed for the year ended 31 March 2025 (2024: € nil).

See also Consolidated statement of changes in equity for more details on movement in the reserves.

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# Notes to the consolidated financial statements

## Profit or loss

### 14. Net interest income

| Net interest income | 2025 | 2024 |
|---|---|---|
| Interest income from cash and balances with central banks | 82,799 | 120,017 |
| Interest income from loan and advances to banks | 23,597 | 24,290 |
| Interest income from loans and advances to customers | 397,734 | 406,006 |
| Interest income from financial investments | 27,751 | 17,403 |
| Interest income from others | 447 | 759 |
| **Interest income** | **532,329** | **568,476** |
| | | |
| Interest expense from due to banks | 154,879 | 174,546 |
| Interest expense from due to customers | 84,900 | 72,460 |
| Interest expense from others | 667 | 460 |
| **Interest expense** | **240,446** | **247,466** |
| **Net interest income** | **291,883** | **321,010** |

#### Interest income

Total interest income decreased by € 36,147 to € 532,329 in FY24 (FY23: € 568,476). The decrease in interest income is observed mainly in the income derived from cash and balances with central banks due to the declining interest rate by € 37,218 to € 82,799 in FY24 (FY23: € 120,017).

The decline of the deposit facility rates during the year have a direct effect on deposits placed at central banks, whereas loans and advances to customers this effect applies slightly delayed and is in part mitigated by increased loan balances.

The interest income from loans and advances to customers decreased to € 397,734 in FY24 (FY23: € 406,006) as an effect from the declining interest rate and mitigated by the increase in loan balance.

The interest income from financial investments increased to € 27,751 in FY24 (FY23: € 17,403) and consists of interest income from supply chain finance transactions and government bonds. The income derived from loans measured at FVPL are not part of the account interest income from financial investments, but are included in Loans and advances to customers. For more details, refer to note Financial investments.

#### Interest expense

Interest expense also decreased by € 7,020 to € 240,446 in FY24 (FY23: € 247,466) due to the declining interest rate environment. It is mostly attributable to interest paid to banks amounting to a total of € 154,879 in FY24 (FY23: € 174,546) and interest expense paid for customers for deposits held with the Bank amounting to a total of € 84,900 in FY24 (FY23: € 72,460). The interest expense from interest rate swap has been aggregated under interest income from others.

### 15. Net fee and commission income

| Net fee and commission income | 2025 | 2024 |
|---|---|---|
| Commission on funds transfer and letters of credit | 10,597 | 11,123 |
| Commission on guarantees | 11,592 | 9,024 |
| Commission on corporate term loans | 12,083 | 30,590 |
| Commitment fees on loans | 17,838 | 19,079 |
| Other fee and commission income | 16,752 | 14,852 |
| **Fee and commission income** | **68,863** | 84,668 |
| | | |
| Commission on (credit replacing) guarantees | 6,865 | 10,284 |
| Commission on funds transfer and letters of credit | 936 | 937 |
| Other fee commission expenses | 10,213 | 12,905 |
| **Fee and commission expense** | **18,014** | **24,127** |
| **Net fee and commission income** | **50,849** | **60,541** |

#### Fee and commission income

The fee and commission income decreased by € 15,805 to € 68,863 in FY24 (FY23: € 84,668).

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# Notes to the consolidated financial statements

The fee and commission income decreased compared to FY23, as there were some larger one-off fees that were derived from (the support of) originating transactions in the previous year.

### Fee and commission expense

The fee expense decreased by € 6,113 to € 18,014 in FY24 (FY23: € 24,127). The decrease is attributable to less commission expenses on (credit replacing) guarantees by € 3,419 to € 6,865 in FY24 (FY23: € 10,284).

## 16. Result on financial transactions

| Result on financial transactions | 2025 | 2024 |
|---|---|---|
| Result on foreign currency transactions | 42,976 | 38,390 |
| Result on financial transactions | (312) | (5,201) |
| Result on other transactions | 1,633 | (318) |
| **Result on financial transactions** | **44,297** | **32,871** |

The result from financial transactions increased by € 11,426 to € 44,297 in FY24 (FY23: € 32,871). The increase is attributable to result on foreign currency transaction which increased by € 4,586 to € 42,976 in FY24 (FY23: € 38,390) and result on other transactions which has increased to € 1,633 in FY24 (FY23: loss of € 318) due to realised gains on supply chain finance transactions and derivative options.

## 17. Other operating income

| Other operating income | 2025 | 2024 |
|---|---|---|
| Other operating income | 3,975 | 605 |

The other operating income increased to € 3,975 in FY24 (FY23: € 605). The increase relate to one-off sundry profits realised in FY24.

## 18. Personnel expenses

| Personnel expenses | 2025 | 2024 |
|---|---|---|
| Wages and salaries | 76,569 | 67,667 |
| Social securities costs | 9,732 | 7,761 |
| Pension costs | 13,007 | 9,439 |
| Restructuring expenses | 389 | (39) |
| Other staff costs | 5,440 | 7,639 |
| **Personnel expenses** | **105,138** | **92,467** |

### Wages and salaries

The wages and salaries have increased to € 76,569 in FY24 (FY23: € 67,667) as a result of yearly salary indexation, the salary increases from the CLA and the increase in employees to 671 as at 31 March 2025 (FY23: 626). The pension cost have also increased to € 13,007 in FY24 (FY23: € 9,439) and relate to contributions paid. For more information, refer to 11.1 Defined benefit plan – Netherlands and 11.2 Defined benefit plan – Germany for respectively the pension plans in the Netherlands and Germany.

### Other staff costs

Other staff costs include mainly the costs related to contracted employees and/or agency employees of € 3,441 in FY24 (FY23: € 4,547). The number of contractors at 31 March 2025 is 11 (FY23: 29). Other amounts include recruitment expenses of € 628 in FY24 (FY23: € 1,246).

### Other variable remuneration

Employees in the Netherlands are eligible for variable remuneration. It never amounts to more than an average of 20% of the fixed income. Outside the Netherlands, any variable remuneration never amounts to more than 100% of the fixed income. Insofar as staff are eligible for variable remuneration, it is awarded for periods in which the risks associated with the underlying business activities are adequately taken into account.

The total variable remuneration in the current year for all employees employed by the Bank amounted to € 6,429 in FY24 (FY23: € 7,422). Refer to note 26 Key management remuneration for disclosure of remuneration paid to key management personnel.

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# Notes to the consolidated financial statements

## 19. Other operating expenses

| Other operating expenses | 2025 | 2024 |
|---|---|---|
| Occupancy expenses | 5,072 | 4,863 |
| Office expenses | 26,277 | 17,251 |
| Professional fees | 6,033 | 7,178 |
| Business promotion expenses | 6,095 | 5,473 |
| VAT and sundry taxes | 7,075 | 13,148 |
| Regulatory expenses | 3,678 | 7,158 |
| Other | 3,512 | 1,129 |
| **Other operating expenses** | **57,741** | **56,201** |

### Office expenses

The office expenses increased by € 9,026 to € 26,277 in FY24 (FY23: € 17,251). The expenses consists of amongst others intragroup (system and administrative) service charges.

### VAT and sundry taxes

The VAT and sundry taxes decreased by € 6,073 to € 7,075 in FY24 (FY23: € 13,148). The expenses relate to VAT charges on services provided and other sundry taxes.

### Regulatory expenses

The regulatory expenses decreased to € 3,678 in FY24 (FY23: € 7,158). The regulatory expenses decreased as compared to last year, as the Bank was not required to contribute to the single resolution fund (SRF) in FY24 (FY23: € 3,556). Other regulatory expenses relate to supervisory fees.

### Professional fees

Professional fees include fees charged by audit organisations and auditors, as defined in Article 382a, Part 9 of the Dutch Civil Code, book 2, which can be specified as follows:

| Fees charged by external auditor | 2025 | | |
|---|---|---|---|
| | Netherlands | Other offices | Total |
| Audit of financial statements | 1,217 | 521 | 1,738 |
| Other assurance services | 377 | - | 377 |
| Tax advisory services | - | - | - |
| Other non-audit services | - | - | - |
| **Fees charged by external auditor** | **1,594** | **521** | **2,115** |
| | | | |
| | **2024** | | |
| | Netherlands | Other offices | Total |
| Audit of financial statements | 1,267 | 515 | 1,782 |
| Other assurance services | 123 | - | 123 |
| Tax advisory services | - | - | - |
| Other non-audit services | - | - | - |
| **Fees charged by external auditor** | **1,390** | **515** | **1,905** |

This summary reflects fees charged by the Bank's external auditors in respect of audit services and other assurance services provided. Fees in the Netherlands amounted to € 1,594 in FY24 (FY23: € 1,390) relate to Deloitte Accountants B.V. The increase in other assurance service relate to the assurance provided for the sustainability statement as part of the CSRD and EU Taxonomy regulation, see also Independent assurance report. There were no fees paid for tax advisory and non-audit services.

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# Notes to the consolidated financial statements

## 20. Income tax

The net tax position is analysed in the following table:

| Income tax position | 2025 | 2024 |
|---|---|---|
| Current tax assets | 44,261 | 30,455 |
| Deferred tax assets | 20,028 | 34,326 |
| **Tax assets** | **64,289** | **64,781** |
| | | |
| Current tax liabilities | 106,276 | 57,835 |
| Deferred tax liabilities | - | - |
| **Tax liabilities** | **106,276** | **57,835** |
| | | |
| **Net tax position** | **(41,987)** | **6,946** |

Current tax assets and liabilities relate to amounts receivable and payable in relation to pending tax declarations. Increase in current tax liabilities mainly relates to FY24 taxable results in the Netherlands, as well as taxable results of FY23 and FY24 in Germany. Prepayments for these years have been based on (lower) historic profits, and are not netted with the current tax liability.

Unused tax losses in Belgium amount to € 11,007 (FY23: € 11,300) in total for which no deferred tax asset has been recognised. The Bank does not recognise a deferred tax asset for the tax losses incurred in Belgium as it does not meet the IFRS recognition criteria in connection to historic losses.

The Bank has applied the temporary exception to deferred tax accounting in accordance with paragraph 4A and 88A of IAS12.

The Bank, as a wholly owned subsidiary of the Parent, is subject to Pillar 2 legislation as of 1 April 2024. All jurisdictions where the Bank is located have enacted Pillar 2 rules in their domestic legislation. Based on this legislation, top-up tax will be levied if the Pillar 2 effective tax rate in a jurisdiction is below 15%.

All countries where the Bank is located have statutory tax rates that are well above 15% (we refer to note 28 CBCR for the percentages in each jurisdiction). Given the high statutory tax rate in each jurisdiction and the relatively limited adjustments to the IFRS figures for tax, no exposure to Pillar 2 taxes in any of the Bank jurisdictions is expected. The Bank will apply for the temporary country by country reporting (CbCr) safe harbour in FY24 - FY26 where appropriate.

### Income tax expense

The components of income tax expense for the years ended 31 March are:

| Income tax expense | 2025 | 2024 |
|---|---|---|
| Current income tax | 61,738 | 55,563 |
| Tax adjustment previous years | 4,187 | (109) |
| **Total current tax paid (received)** | **65,925** | **55,454** |
| | | |
| Utilisation of assessed losses | 8,036 | 21,964 |
| Initial recognition Dutch deferred tax asset | - | - |
| True-up of German tax loss carry forward balance | - | (3,592) |
| Restructuring and pension provision | (1,036) | (943) |
| Allowance for expected credit losses | 804 | 2,212 |
| Amortised fees | (603) | (741) |
| Prior year deferred tax | 3,116 | - |
| Other | 655 | 263 |
| **Total deferred tax expense (benefit)** | **10,972** | **19,163** |
| **Income tax expense (benefit)** | **76,897** | **74,617** |

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# Notes to the consolidated financial statements

### Reconciliation tax expense

The reconciliation between the income tax expense and the accounting profit multiplied by the Bank's domestic tax rate is as follows:

| Numerical reconciliation of income tax expense | 2025 | 2024 |
|---|---|---|
| **Profit (loss) before income tax expense** | **211,881** | **266,147** |
| Tax at statutory rate | 54,665 | 68,667 |
| Effect of different tax rates in other countries | 5,815 | 6,716 |
| Unused tax losses | (84) | 2 |
| True-up of German tax loss carry forward balance | - | (3,592) |
| Prior year items deferred tax | 3,116 | - |
| Prior year items current tax | 4,187 | (109) |
| Tax audit | 2,366 | |
| Other (permanent) differences | 6,832 | 2,933 |
| **Income tax expense (benefit)** | **76,897** | **74,617** |

The Dutch corporate income tax rate is 25.8% (with a step-up rate of 19% for profits up to € 200). The German combined corporate income tax rate (with solidarity surcharge and trade tax) is 31.225%, which is the main driver for the effect of different tax rates compared to the Dutch statutory rate.

For the period ended 31 March 2025, the effective income tax rate is 36.3% (FY23: 28.0%). The amount of € 6,832 in 'Other (permanent) differences' includes non-deductible expenses and tax-exempt income (FY23: € 2,933). For FY24, an amount of € 3,719 relates to a difference in the expected IFRS result when calculating the income tax, compared to the final IFRS result.

During FY24 a detailed review into the tax positions has been performed in Germany. Prior year items deferred tax relates to an adjustment of various German deferred tax items in FY24.

Most of the prior year items current tax relate to updates of estimates of the German corporate income tax expense based on information available, and a true up based on the FY21 corporate income tax assessment received.

In FY24, a tax audit on CIT and VAT is progressing in Germany. The Bank has estimated the additional corporate income tax to be € 2.366 based on the currently available information.

### Deferred tax assets and deferred tax liabilities

The following table shows deferred tax recorded on the consolidated statement of financial position in deferred tax asset and deferred tax liabilities and changes recorded in the income tax expense:

| Changes in deferred tax assets | 2025 | | | | |
|---|---|---|---|---|---|
| | Opening balance<br>Net liability (-)<br>Net asset (+) | Changes through profit and loss | Changes through equity | Other | Ending balance<br>Net liability (-)<br>Net asset (+) |
| Tax loss carry forward | 8,036 | 8,036 | - | - | - |
| Pensions | 5,011 | (1,036) | 2,940 | - | 3,108 |
| Restructuring provision | 461 | - | - | - | 461 |
| Allowance for expected credit losses | 13,549 | 804 | - | - | 12,744 |
| Revaluation of financial investments | (50) | - | 462 | - | (511) |
| Tangible and intangible assets | 202 | (63) | - | - | 264 |
| Amortised fees | 4,346 | (603) | - | - | 4,949 |
| Leases | 121 | 79 | - | - | 42 |
| Germany deferred taxable income | - | 1,287 | - | - | (1,287) |
| Other temporary differences | 2,650 | 2,468 | - | (75) | 258 |
| **Total** | **34,326** | **10,972** | **3,401** | **(75)** | **20,028** |

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# Notes to the consolidated financial statements

| Changes in deferred tax assets | 2024 | | | | |
|---|---|---|---|---|---|
| | Opening balance<br>Net liability (-)<br>Net asset (+) | Changes through profit and loss | Changes through equity | Other | Ending balance<br>Net liability (-)<br>Net asset (+) |
| Tax loss carry forward | 26,540 | 18,504 | - | - | 8,036 |
| Pensions | 5,592 | (943) | 1,524 | - | 5,011 |
| Restructuring provision | 461 | - | - | - | 461 |
| Allowance for expected credit losses | 15,648 | 2,080 | - | 20 | 13,549 |
| Revaluation of financial investments | (61) | - | (11) | | (50) |
| Tangible and intangible assets | 354 | 153 | - | - | 202 |
| Amortised fees | 3,605 | (741) | - | - | 4,346 |
| Leases | 174 | 53 | - | - | 121 |
| Germany deferred taxable income | - | - | - | - | - |
| Other temporary differences | 2,720 | 57 | - | 13 | 2,650 |
| **Total** | **55,033** | **19,163** | **1,513** | **32** | **34,326** |

The comparative figures of 'Tax loss carry forward' and 'Allowance for expected credit loss' have been restated, where 132 is reclassified from 'Allowance from expected credit losses' to 'Tax loss carry forward'.

## 21. Components of comprehensive income

The following table includes the movement in reserves and the related tax impact included in other comprehensive income.

| Other comprehensive income | 2025 | 2024 |
|---|---|---|
| **Financial Instruments at FVOCI** | | |
| Fair value gain / (loss) arising during the period | 1,789 | (39) |
| Income tax relating to fair value gain/(loss) arising during the period | (462) | 11 |
| Cumulative (gain)/loss on financial instruments classified as at FVOCI reclassified to profit or loss upon disposal | - | - |
| **As at 31 March** | **1,327** | **28** |
| | | |
| **Foreign currency translation** | | |
| Foreign currency translation movements | 150 | 180 |
| Income tax relating to fair value gain / (loss) arising during the period | - | - |
| **As at 31 March** | **150** | **180** |
| | | |
| **Post employment plan** | | |
| Remeasurement of the net defined asset/liability | 1,475 | (150) |
| Income tax relating to fair value gain / (loss) arising during the period | (2,940) | (1,524) |
| **As at 31 March** | **(1,465)** | **(1,674)** |

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# Notes to the consolidated financial statements

## Additional notes to the consolidated financial statements

### 22. Fair value measurement

The technique that is being used for the derivative financial instruments under level 2 is the discounted cash flow (DCF) model for instruments without optionality and option pricing techniques of Black-Scholes type, for instruments with optionality.

For derivative instruments, valuation adjustments are an integral part of the fair value. They are included as part of the fair value to provide better estimation of market exit value on measurement date.

Currently, the Bank considers one valuation adjustment to arrive at the fair value which is the credit valuation adjustment (CVA). CVA is the adjustment on the fair value of a derivative trade to account for the possibility that a counterparty can go into default. In other words, it is the market value of counterparty credit risk.

The calculation of CVA is based on the estimation of the expected exposure, the counterparties' risk of default, and taking into account the pledged collateral and the legal right of offset with the counterparty. The counterparties' risk of default is measured by PD and expected LGD, which is based on market information including credit default swap (CDS) spread. Where counterparty CDS spreads are not available, relevant proxy credit spreads are used. The fair values of financial instruments carried in the consolidated statement of financial position are:

| Fair value of financial instruments | 2025 | | | | 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| **Financial assets** | **Level 1** | **Level 2** | **Level 3** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Interest rate swaps | - | - | - | - | - | 17 | - | 17 |
| Loan commitment derivatives | - | - | 35,888 | 35,888 | - | - | 24,763 | 24,763 |
| Forward foreign exchange contract | - | 103,267 | - | 103,267 | - | 59,674 | - | 59,674 |
| Currency options | - | 977 | - | 977 | - | - | - | - |
| **Derivatives** | **-** | **104,244** | **35,888** | **140,131** | **-** | **59,691** | **24,763** | **84,453** |
| Supply chain finance transactions measured at FVOCI | - | 554,908 | - | 554,908 | - | - | 248,553 | 248,553 |
| Government bonds measured at FVOCI | 345,584 | - | - | 345,584 | - | - | - | - |
| Loans measured at FVPL | - | - | 48,424 | 48,424 | - | - | 10,512 | 10,512 |
| **Financial investments** | **345,584** | **554,908** | **48,424** | **948,916** | **-** | **-** | **259,065** | **259,065** |
| **Financial assets** | **345,584** | **659,152** | **84,312** | **1,089,048** | **-** | **59,691** | **283,828** | **343,519** |

| Fair value of financial instruments | 2025 | | | | 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| **Financial liabilities** | **Level 1** | **Level 2** | **Level 3** | **Total** | **Level 1** | **Level 2** | **Level 3** | **Total** |
| Interest rate swaps | - | 2 | - | 2 | - | 44 | - | 44 |
| Loan commitment derivatives | - | - | 36,177 | 36,177 | - | - | 25,028 | 25,028 |
| Forward foreign exchange contract | - | 101,404 | - | 101,404 | - | 57,796 | - | 57,796 |
| Currency options | | 977 | | 977 | - | - | - | - |
| **Financial liabilities** | **-** | **102,383** | **36,177** | **138,560** | **-** | **57,840** | **25,028** | **82,868** |

Throughout the year, The Bank monitors the observable and unobservable input for financial instruments measured and carried at fair value and for FY24 has not recorded any significant movement between the fair value hierarchy levels in FY24.

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# Notes to the consolidated financial statements

**Derivatives**
Derivative contracts are over-the-counter (OTC) derivative instruments. Derivatives include interest rate derivatives, FX derivatives, derivatives arising out of loan commitments and currency options.

The valuation techniques and inputs depend on the type of derivatives and the nature of the underlying instruments. The principal techniques used to value these instruments are based on (amongst others) DCF and option pricing models. These valuation models calculate the present value of expected future cash flows, based on 'no-arbitrage' principles. The models are commonly used in the financial industry and inputs to the validation models are determined from observable market data where possible. Certain inputs may not be observable in the market, but can be determined from observable prices via valuation model calibration procedures. These inputs include prices available from exchanges, dealers, brokers or providers of pricing, yield curves, volatility of underlying interest rates, and foreign currency exchange rates.

For uncollateralised OTC derivatives, the Bank applies CVA to correctly reflect the counterparty credit risk in the valuation. The majority of the derivatives are priced using observable inputs and are classified as level 2. Derivatives for which the input cannot be implied from observable market data are classified as level 3.

Interest rate swaps
For interest rate swap contracts, the Bank uses the DCF method to calculate for the fair value.

The interest rate used to discount future cash flows is the defined reference rate in the market for the contract for the applicable period (where needed interpolation is done to obtain the proper interest rate).

Foreign exchange contracts
For FX contracts the calculation of the fair value is done by adding the spot rate and applicable forward points (depending on valuation currency). The result of the valuation is discounted by the applicable interest rate and if needed interpolation is done to obtain the proper forward points.

Currency options
Fair value of currency options is calculated by converting the market data, given by a matrix of delta and volatility pairs, into a strike and volatility matrix and to select the implied volatility, given the strike and the expiry of the trade. Implied volatility is fed into Black-Scholes-Merton formula to determine the fair value of the currency options.

**Financial investments**
Financial investments include government bonds, investments resulting from supply chain finance transactions and loans measured at FVPL. Where available, fair values for financial investments are generally based on quoted market prices. Quoted market prices are obtained from an exchange market, dealer, broker, industry group, pricing service, or regulatory service. The quoted prices from non-exchange sources are reviewed on their tradability of market prices. If quoted prices in an active market are not available, fair value is based on an analysis of available market inputs, which includes consensus prices obtained from one or more pricing services.

Furthermore, fair values are determined by valuation techniques discounting expected future cash flows using a market interest rate curves, referenced credit spreads, maturity of the investment, and estimated prepayment rates where applicable. Government bonds are generally traded in active markets, where quoted prices are readily and regularly available and are hence, classified as level 1. The remaining positions are classified as level 3.

**Fair value of financial assets and liabilities not carried at fair value**
The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the financial statements.

Assets for which fair value approximates carrying value
For financial assets and financial liabilities that have a short-term maturity (less than three months) it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits and savings accounts without a specific maturity.

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# Notes to the consolidated financial statements

Fixed rate financial instruments

The fair value of fixed rate financial assets and liabilities carried at amortised cost is estimated by comparing market interest rates when they were first recognised with current market rates for similar financial instruments. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and maturity.

For other variable rate instruments an adjustment is also made to reflect the change in required credit spread since the instrument was first recognised.

Set out in the next table is a comparison, by class, of the carrying amounts and fair values of the Bank's financial instruments that are not carried at fair value in the financial statements, separately for assets and liabilities. This table does not include the fair values of non-financial assets and non-financial liabilities. There have been no transfers of financial instruments between levels.

| Fair value of financial instruments | 2025 | | | | | 2024 | | | | |
|---|---|---|---|---|---|---|---|---|---|---|
| **Financial assets** | **Carrying amount** | **Total fair value** | **Level 1** | **Level 2** | **Level 3** | **Carrying amount** | **Total fair value** | **Level 1** | **Level 2** | **Level 3** |
| **Cash balances with central banks** | **1,893,636** | **1,893,636** | **1,893,636** | **-** | **-** | **2,622,278** | **2,622,278** | **2,622,278** | **-** | **-** |
| | | | | | | | | | | |
| Placement with banks - on demand | 128,814 | 128,814 | 128,814 | - | - | 82,018 | 82,018 | 82,018 | - | - |
| Placement with banks - term deposits | 466,218 | 326,492 | - | - | 326,492 | 987,813 | 993,994 | - | - | 993,994 |
| Loans and advances | 446,003 | 437,644 | - | - | 437,644 | 532,112 | 499,095 | - | - | 499,095 |
| **Loans and advances to banks** | **1,041,035** | **892,949** | **128,814** | **-** | **764,135** | **1,601,942** | **1,575,106** | **82,018** | **-** | **1,493,088** |
| | | | | | | | | | | |
| Corporate current accounts | 469,210 | 469,210 | - | - | 469,210 | 244,129 | 243,812 | - | - | 243,812 |
| Corporate term loans | 6,964,883 | 7,113,592 | - | - | 7,113,592 | 6,064,473 | 5,747,058 | - | - | 5,747,058 |
| Bills of exchange | 1,085,311 | 995,498 | - | - | 995,498 | 1,115,097 | 1,148,410 | - | - | 1,148,410 |
| Participation loans | 69,348 | 69,348 | - | - | 69,348 | 46,331 | - | - | - | - |
| **Loans and advances to customers** | **8,588,753** | **8,647,649** | **-** | **-** | **8,647,649** | **7,470,030** | **7,139,279** | **-** | **-** | **7,139,279** |
| | | | | | | | | | | |
| Other financial assets | - | - | - | - | - | - | - | - | - | - |
| **Financial assets** | **11,523,424** | **11,434,234** | **2,022,450** | **-** | **9,411,784** | **11,694,250** | **11,336,663** | **2,704,296** | **-** | **8,632,368** |
| | | | | | | | | | | |
| **Financial liabilities** | **Carrying amount** | **Total fair value** | **Level 1** | **Level 2** | **Level 3** | **Carrying amount** | **Total fair value** | **Level 1** | **Level 2** | **Level 3** |
| Due to banks | 5,180,778 | 5,185,545 | - | - | 5,185,545 | 4,405,232 | 4,550,196 | - | - | 4,550,196 |
| Due to customers | 4,953,143 | 4,943,551 | - | - | 4,943,551 | 5,431,203 | 5,417,754 | - | - | 5,417,754 |
| Other financial liabilities | 6,461 | 6,461 | - | - | 6,461 | 9,204 | 9,204 | - | - | 9,204 |
| **Financial liabilities** | **10,140,382** | **10,135,557** | **-** | **-** | **10,135,557** | **9,845,639** | **9,977,154** | **-** | **-** | **9,977,154** |

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# Notes to the consolidated financial statements

## 23. Maturity analysis of assets and liabilities

The table below shows an analysis of assets and liabilities presented according to when they are expected to be recovered or settled.

| Maturity analysis assets and liabilities | As at 31 March 2025 | | | As at 31 March 2024 | | |
|---|---|---|---|---|---|---|
| | Within 12 months | After 12 months | Total | Within 12 months | After 12 months | Total |
| **Assets** | | | | | | |
| In thousands of €s | | | | | | |
| Cash and balances with central banks | 1,893,636 | - | 1,893,636 | 2,622,278 | - | 2,622,278 |
| Loans and advances to banks | 661,759 | 379,256 | 1,041,014 | 1,208,139 | 393,803 | 1,601,942 |
| Loans and advances to customers | 3,287,086 | 5,249,303 | 8,536,389 | 3,056,348 | 4,413,682 | 7,470,030 |
| Derivatives (assets) | 109,481 | 30,651 | 140,131 | 49,479 | 34,975 | 84,454 |
| Financial investments | 554,908 | 394,008 | 948,916 | 248,553 | 10,512 | 259,065 |
| Property and equipment | - | 22,982 | 22,982 | 9,319 | - | 9,319 |
| Intangible assets | - | 9,413 | 9,413 | 9,295 | - | 9,295 |
| Current tax assets | 44,261 | - | 44,261 | 30,455 | - | 30,455 |
| Deferred tax assets | 20,028 | - | 20,028 | 34,326 | - | 34,326 |
| Retirement benefit assets | - | 2,926 | 2,926 | 4,253 | - | 4,253 |
| Other assets | 25,893 | 5,801 | 31,694 | 26,407 | 4,117 | 30,524 |
| **Total assets** | **6,597,052** | **6,094,339** | **12,691,391** | **7,298,852** | **4,857,088** | **12,155,940** |
| | | | | | | |
| **Liabilities** | | | | | | |
| Due to banks | 1,202,391 | 3,978,387 | 5,180,778 | 1,483,624 | 2,921,608 | 4,405,232 |
| Due to customers | 4,895,676 | 57,468 | 4,953,143 | 5,393,552 | 37,650 | 5,431,203 |
| Derivatives (liabilities) | 109,257 | 29,302 | 138,560 | 47,719 | 35,149 | 82,868 |
| Current tax liabilities | 106,276 | - | 106,276 | 57,834 | - | 57,835 |
| Provisions | 22,255 | - | 22,255 | 21,558 | - | 21,558 |
| Other liabilities | 109,780 | 15,419 | 125,199 | 80,533 | 962 | 81,495 |
| **Total liabilities** | **6,445,635** | **4,080,576** | **10,526,211** | **7,084,821** | **2,995,368** | **10,080,190** |
| | | | | | | |
| **Net** | **151,416** | **2,013,763** | **2,165,180** | **214,031** | **1,861,720** | **2,075,750** |

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# Notes to the consolidated financial statements

## 24. Financial guarantees and commitments

To meet the financial needs of customers the Bank issues various irrevocable commitments and contingent liabilities. These consist of financial guarantees, letters of credit and other undrawn commitments to lend. Even though these guarantees and commitments may not be recognised on the balance sheet, these instruments do carry credit risk.

| Contingent liabilities and commitments | 2025 | 2024 |
|---|---|---|
| Letters of credit and financial guarantees | 2,272,847 | 1,974,414 |
| Undrawn commitments to lend | 6,516,009 | 6,562,414 |
| Other uncommitted facilities | 6,076,368 | 6,147,585 |
| **Contingent liabilities and commitments** | **14,865,224** | **14,684,412** |

Letters of credit, guarantees and acceptances commit the Bank to make payments on behalf of customers that fail to perform under the terms of the contract, generally related to the export or import of goods. These carry the same credit risk as loans.

Commitments to extend credit represent contractual commitments to make loans and revolving credits. In general, commitments have fixed expiration dates or termination clauses. The Bank is potentially exposed to losses up to a maximum amount of the total unused commitments.

Other uncommitted facilities include loan commitments to our clients that are revocable.

## 25. Related party transactions

### 25.1. Transactions with key management

At 31 March 2025 no loans were outstanding to members of the SB and / or MB (2024: € 0). Loans, if granted, are at the Bank's standard terms of staff loans. Interest on staff loans is set at 3% per annum to be paid monthly. The amount is capped at 1.2 times monthly salary in the case of service up to one year, to be repaid in one year by equal monthly instalments, or 3.6 times monthly salary in the case of services in excess of one year to be repaid in 3 years by equal monthly instalments. No other transactions or arrangements have been entered into with key management.

### 25.2. Transactions with related parties

In the normal course of business, the Bank enters into various transactions with related parties. Parties are considered to be related if one party has the ability to control or exercise significant influence over the other party in making financial or operating decisions. All transactions with related parties took place at conditions customary in the market.

Interest income and interest expense relate to amounts due from/due to the Bank. Interest expense mainly relates to pledge deposits and guarantees for loans and advances to our clients provided for the Bank, detailed in section 3 Loans and advances to customers. Please also refer to section Credit risk for cash collateral received from the Bank for loans and advances to our clients. Administrative expenses relate to IT services provided by the Bank. There are no administrative services provided by the ultimate parent company.

Loan commitment derivatives for a notional amount of € 2,515,662 at 31 March 2025 (2024: € 1,315,196) are with the Group and the fair values are included in the derivatives.

### Terms and conditions of transactions with related parties

The above-mentioned outstanding balances arose from the ordinary course of business. The interest charged to and by related parties is at normal commercial rates. There is a minimal allowance for expected credit losses € 13 (2024: € 4) relating to amounts owed by related parties.

The next table shows the amounts receivable and payable as at the end of the financial year and the corresponding interest amounts during the financial year in connection with transactions with group companies:

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# Notes to the consolidated financial statements

| Related party transactions | 2025 | 2024 |
|---|---|---|
| Loans and advances to banks | 562,486 | 1,008,689 |
| Derivatives | 86,802 | 49,312 |
| Other assets | 6,006 | 8,205 |
| **Assets** | **655,294** | **1,066,206** |
| | | |
| Due to banks | 5,076,067 | 4,318,507 |
| Derivatives | 36,720 | 31,271 |
| Other liabilities | 32,569 | 20,586 |
| **Liabilities** | **5,145,355** | **4,370,364** |
| | | |
| Interest income | 23,507 | 25,000 |
| Interest expense | 154,569 | 174,324 |
| **Net interest income** | **(131,062)** | **(149,325)** |
| | | |
| Fee and commission income | 8,633 | 5,059 |
| Fee and commission expense | 15,837 | 21,431 |
| **Net commission income** | **(7,204)** | **(16,372)** |
| | | |
| Result on financial transactions | 65,273 | 2,300 |
| **Total operating income** | **(72,993)** | **(163,397)** |
| | | |
| Personnel expenses | (309) | - |
| Other operating expenses | 830 | 722 |
| **Total operating expenses** | **521** | **722** |
| | | |
| **Net result** | **(73,514)** | **(164,119)** |
| | | |
| **Commitments and contingent liabilities** | **95,841** | **69,069** |

## 26. Key management remuneration

This section sets out the remuneration of the Key Management which is defined as those persons being members of the MB and SB of the Bank. For details on the Bank's remuneration policy and processes, please see the Reward policy section.

A further qualitative breakdown of all MRT remuneration as per the Capital Requirements Regulation is provided in the annual Pillar 3 Report for the Bank.

### Remuneration

The following table shows the compensation paid to key management personnel. Compensation includes salaries, non-cash benefits and contributions to post-employment defined benefit plans.

| Key management remuneration | Senior management | |
|---|---|---|
| **In thousands of €s** | **2025** | **2024** |
| Short-term employee benefits | 2,673 | 2,840 |
| Post-employment benefits | 121 | 85 |
| Long-term benefits | 155 | 147 |
| Termination benefits | - | 514 |
| Share-based payments | 57 | 92 |
| **Total** | **3,006** | **3,678** |

Included in the short-term employee benefits is the total remuneration of the SB for FY24 which amounts to € 285 (FY23: € 225).

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# Notes to the consolidated financial statements

### Fixed remuneration

Fixed remuneration is intended to remunerate employees for their skills and experience, taking into account local market practices. Fixed remuneration is reviewed on an annual basis in line with the performance review process. This ensures that performance from the previous performance year can also be taken into consideration when reviewing individual remuneration.

### Variable remuneration

Variable remuneration rewards employees for their performance and the delivery of financial and non-financial targets, values and behaviours, whilst reflecting performance, affordability and the financial situation of relevant Global Business Functions where appropriate, and the Bank.

### Quantitative remuneration information

The following table discloses remuneration awards as required by EBA guidelines made to the Bank's MRTs for the performance year 2024, split between Senior Management and all other MRTs.

The fixed pay of Senior Management for the current period amounts to € 2,561 for FY24 (FY23: € 2,619). Total variable pay (bonus) for Senior Management and MRTs amounts to € 1,622 (FY23: € 1,206). Members of SB do not receive a bonus at the Bank. In case of non-independent SB members, these receive a bonus at their employing entity in MUFG Group, when qualifiyng for the criteria. The fixed pay for other MRTs staff is € 5,225 (FY23: € 3,721). This does not include remuneration awarded to expatriates from Tokyo who are remunerated via their home plan.

| | 31 March 2025 | | | 31 March 2024 | | |
|---|---|---|---|---|---|---|
| | All senior management | All other MRTs | Total | All senior management | All other MRTs | Total |
| No. of employees | 9 | 23 | 32 | 10 | 17 | 27 |
| Fixed remuneration[1] | 2,561 | 5,225 | 7,787 | 2,619 | 3,721 | 6,340 |
| Variable remuneration (total)[2] | 388 | 1,234 | 1,622 | 369 | 837 | 1,206 |
| of which is cash | 194 | 645 | 839 | 184 | 426 | 610 |
| of which is share linked | 194 | 589 | 783 | 184 | 410 | 594 |
| of which is deferred | 155 | 472 | 627 | 147 | 328 | 475 |
| Outstanding deferred remuneration (vested)[3] | 70 | 132 | 202 | 65 | 85 | 150 |
| Outstanding deferred remuneration (all unvested)[3] | 305 | 628 | 933 | 233 | 338 | 571 |
| Deferred remuneration paid out in the 2024 performance year[3] | 57 | 100 | 157 | 92 | 100 | 192 |

1 Fixed remuneration includes salary, all allowances and pension contribution by the Bank.

2 Variable pay for Japanese expats is paid in June and December each year. As amounts paid in December 2025 are not known yet, an estimated amount has been used based on the June 2025 bonus.

3 Deferred awards vest and are paid in June of each year. The deferrals calculated within this table are outstanding as of 31 March 2025.

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# Notes to the consolidated financial statements

## 27. Risk management

### Risk management approach

The Bank, stemming from its business model, faces various risks inherent in its operations. To mitigate the impact on business performance and to safeguard its reputation, the Bank actively engages in the identification and management of risks and evaluation of its risk management approach. This comprehensive approach ensures that risk management is not just a stand-alone process but is deeply embedded throughout the Bank's entire operation.

The Bank's risk management practices are dynamic and evolve in tandem with changing market conditions and regulatory requirements. By fostering a culture where risk management is prioritised and ingrained in daily operations, the Bank ensures maximum effectiveness in its efforts to manage risks.

Moreover, beyond mitigating risks, the Bank views risk management as an opportunity for growth and innovation. By embracing risk management as a driver for continuous improvement, the Bank capitalises on new insights and opportunities, further strengthening its competitive position in the market.

Risk profile

The Bank targets a healthy capital and liquidity position that supports the business strategy and long-term rating ambition of its parent. The Bank strives to limit its risks to the level defined in the Risk Appetite Statement (RAS). The Bank is mainly exposed to credit, market, liquidity, operational and compliance risks.

As a wholesale bank within the Group offering wholesale products to corporate clients, the Bank's credit portfolio consists of global clients that are predominantly based throughout the EU. Approximately sixty percent of the Bank's client exposure has a credit risk equivalent to investment-grade rating. Due to the nature of the business, the Bank recognises some concentrations in the credit portfolio which are actively managed within defined risk appetite levels. Defined provisions are adequate for any credit losses the Bank reasonably expects, while the capital position allows the Bank to absorb unexpected losses.

The majority of the Bank's income consists of net interest income, which is affected by interest rate levels and credit spreads in the market. The Bank manages interest rate risk, which for the Bank is the most important component of market risk, within limits set according to risk appetite, but noting that changes in the interest rate environment can impact the Bank's profitability.

The main source of the Bank's funding is through its parent bank and to a smaller extent the deposits received from the Bank's corporate clients. The cost of funding is therefore driven by the credit rating of the Parent and its ability to obtain funding in the market. The Bank applies liquidity risk management to ensure adequate funding is available at all times.

In running its day-to-day business activities, the Bank runs a number of operational risks that could harm its clients, its reputation, or the Bank itself. The Bank is continuously identifying these risks and assessing if risk controls are sufficient.

The Bank is committed to upholding the integrity of the financial system through a robust compliance risk profile. This focuses on three key areas: combating financial crime across its operations; conduct risk, covering inappropriate behaviour or unfair customer treatment; and regulatory risk, arising from non-compliance with laws and regulations. The Bank has developed standards for monitoring and effectively managing these risks promoting transparency, protecting customers, and strengthening trust in the financial sector.

Risk appetite

Risk appetite refers to the type and total amount of risk that the Bank is willing to accept within its risk capacity in order to fulfil its business strategies and financial objectives. In that context, the Bank defines risk capacity as an aggregated view of the maximum level of risk the Bank can assume given its current level of resources. It is determined by the level of available financial resources both at a point in time and projected forward, by operational capacity and by the Bank's willingness to incur non-financial risk.

The MB sets the RAS at least annually. The RAS is further specified to the main risk types as defined in the Bank's risk taxonomy.

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# Notes to the consolidated financial statements

It is translated into a set of risk appetite indicators (RAIs) to further detail the RAS and make it measurable. The RAS and RAIs are, where possible, aligned with the Parent policies and regulatory expectations. Also, indicators are tested against historical observed values, business plans, and results of stress testing. The MB is responsible for managing the risk appetite cycle, supported by the risk management division.

The RAS requires approval of the SB under the Bank's governance. The RAS is evaluated and re-aligned with the strategy and business plan of the Bank at least annually.

In the reporting period, the Bank operated under the following overall RAS:

*"The Bank's risk appetite is driven by its client-centric strategy, long-term rating ambition of the Group and risk management objective to protect the Bank from unexpected financial losses and/or reputational impact.*

*The Bank has receptive risk appetite for credit risk, and is actively taking credit risk to generate revenue income in line with objectives defined in the business strategy; for all other risk types the Bank either has some appetite, but no intention to actively pursue risk, or the risk is accepted but cannot be avoided in pursuing its business strategy."*

At no point in time does the Bank intend to carry a level of risk that would bring the Bank close to its risk capacity levels; doing so, would result in triggering the recovery plan.

Every month RAI actuals are reported to the monthly RMC meeting for evaluation. The table below presents how the Bank's risk profile compares to the RAS at 31 March 2025:

| Risk Type | Risk Appetite | Risk Materiality | Assessment |
|---|---|---|---|
| **Strategic risk** | Conservative | Moderate | Within defined risk appetite. |
| **Reputational risk** | Averse | Low | Within defined risk appetite. |
| **Liquidity risk** | Averse | Low | Within defined risk appetite. |
| **Credit risk** | | | |
| Credit portfolio | Receptive | Moderate to High | Within defined risk appetite. |
| Concentration risk | Conservative | High | Within defined risk appetite. |
| **Market risk** | | | |
| FX risk | Conservative | Low to Moderate | Within defined risk appetite. |
| IRRBB | Conservative | High | Within defined risk appetite. |
| **Operational risk** | | | |
| Organisation & process | Conservative | Low to Moderate | Outside of risk appetite, mitigating actions are executed to mitigate organisation & process risk to a level within risk appetite |
| Data risk | Averse | Low | Within defined risk appetite. |
| Technology risk | Averse | Low | Within defined risk appetite. |
| Fraud risk | Avoid | Low | Within defined risk appetite. |
| People risk | Averse | Low | Within defined risk appetite. |
| Outsourcing risk | Conservative | Low to Moderate | Outside of risk appetite, a remediation program in place to mitigate the outsourcing risk to a level within risk appetite. |
| **Compliance risk** | Averse | Low | Within defined risk appetite. |
| **Model risk** | Averse | Low | Within defined risk appetite. |

Risk culture

Risk management is strongly embedded in the Bank's culture to ensure maximum effectiveness of its efforts to refine and manage risks. At the same time, risk management may influence the culture of the Bank by creating new insights, making it a potential driver for continuous change/adjustments. To ensure optimal benefit of the effort to continuously improve the Bank's risk management, a careful balance needs to be found to sustainably implement the risk management improvements within its prevailing corporate culture.

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# Notes to the consolidated financial statements

The Bank's risk culture consists of corporate values, attitudes, competencies and behaviours of individuals and groups within the organisation, that determine the collective ability and responsibility to identify, understand and openly discuss and act on the Bank's current and future risks. A strong risk culture is critical to the Bank's success as it supports the Bank to deliver competitive products and solutions to clients, to protect the capital base, and to ensure the sustainability of the business. It is enabled by the Group's core values, corporate vision, and the principles of ethics and conduct. Risk culture is included in the MB's annual strategic review and is cascaded down through the organisation.

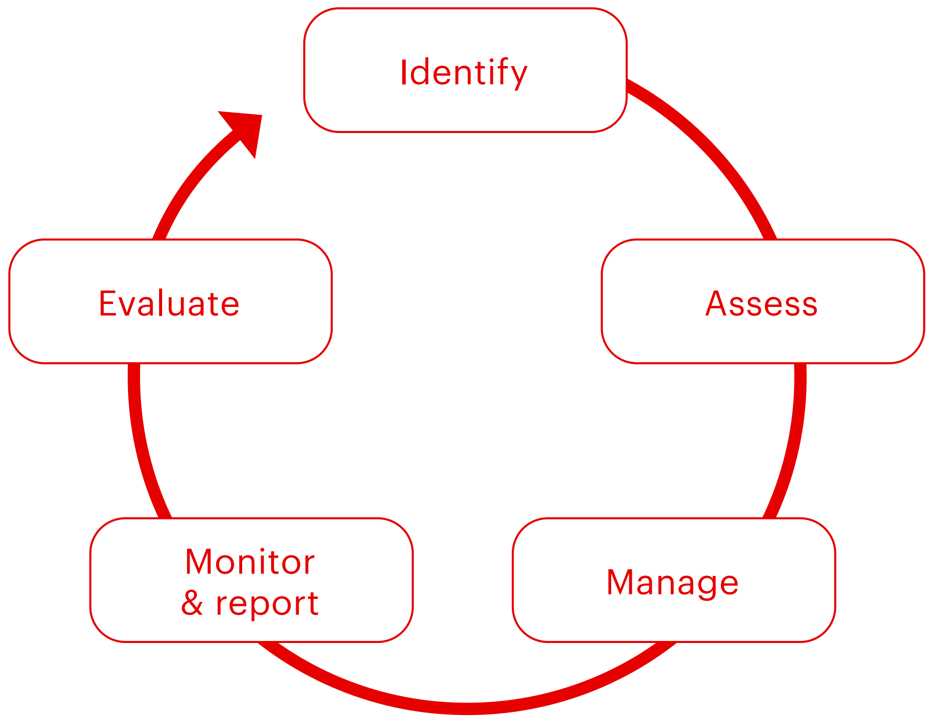
Risk cycle

The risk cycle, also known as the risk management cycle, is defined as a series of steps through which the Bank manages risks on a continuous basis in a cyclical manner.

This standard risk cycle is to be applied across all lines of defence, especially 1LoD and 2LoD, in all functions and branches across the Bank. The cycle consists of a number of process steps:

1. Identification is the process through which employees of the Bank identify risks the Bank is exposed to at a bank level, portfolio level, client level or transaction level
2. Assessment is the evaluation and measurement of risk to determine how and by how much the Bank is exposed to risk
3. Management involves the measures taken to handle (i.e. avoid, mitigate or accept) the risk
4. Monitoring and reporting involves monitoring the developments of risk exposure over time for adequate decision making
5. Evaluation is the reconsideration of risk and outcome of the risk steps

The cycles are executed at various levels of decision-making: strategic, tactical, and operational. The RMC serves as the governance forum for the whole risk cycle.



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# Notes to the consolidated financial statements

Risk taxonomy

Risk taxonomy is a structured classification of risks, focusing on categorisation and standardisation to ensure comprehensive risk identification and a common understanding within the Bank. The risk taxonomy is used to inform the approach on managing risks and assign framework components in an organised and consistent manner.

The Bank's risk taxonomy is reviewed at least annually. Newly identified (emerging) risk types are registered in the risk inventory. Existing types of risk may require additional attention and assessment when their nature changes or when they are increasing in their prominence. In principle, the Bank recognises eight main risk categories:

- Strategic
- Reputational
- Liquidity
- Credit
- Market
- Operational
- Compliance
- Model

The level 1 main risks (above) are broken down into level 2 risk types that provide insight in specific, relevant risks contributing to the main risk.

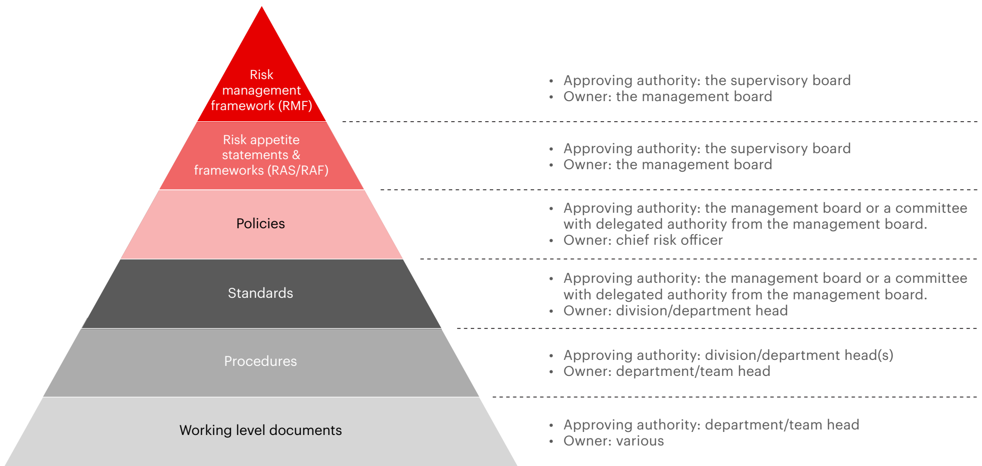
Risk inventory

One of the key elements of the overall risk framework is the risk inventory, where all risks identified in the Bank are registered and subsequently categorised under one of the categories in the risk taxonomy. The Bank-wide risk inventory provides a definitive list of all risks faced by the Bank and an assessment of the materiality of that risk relative to the materiality criteria. After registration (identification) they are run through the rest of the risk cycle. Any identified risk can fall under one of the four categories:

- Significant (material) risk – a material risk that requires a more mature framework than just a material risk. A significant risk cannot be non-material. To determine if a risk is significant, a 2LoD opinion is required
- (Non-significant) material risk – a risk which bears above threshold (defined in RAS) effects for the Bank should it materialise; to determine if a risk is material, it must cross materiality thresholds
- Non-material risk – a risk that, when materialised, does not push the Bank's profit and loss, capital or reputation beyond a given threshold
- Irrelevant risk – a risk that does not apply to the Bank in any way

Risk management policy house

The risk management policy house (RMPH) is a concept described in the RMF which guides the Bank's 2LoD on the structure, governance, cadence and definitions of its documentation. The RMPH is developed in accordance with the Parental rules, external law, regulation, and MB priorities. Parental rules and external regulations are high-level drivers that govern the Bank's risk management on an institution-wide level. In addition, MB priorities are drivers that reflect the local variation affecting the risk management in the Bank and should fit within the Parental rules and external regulations. The RMPH is constituted with six levels of documentation as shown on the right.



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# Notes to the consolidated financial statements

Risk appetite statement

The RAS is a critical component of the RMF. It expresses the types and amounts of risk that the Bank is willing to accept to meet its business strategies and financial plans.

The RAS is owned by the MB and is subject to approval by the SB. It is designed for a one-year horizon and is updated at least annually. Managing business activities within the RAS thresholds is a responsibility of the risk owners.

On a monthly basis, a risk appetite report with actual risk levels is discussed in the RMC. The Bank defined the following qualitative risk appetite levels:

| Risk appetite level | Meaning |
|---|---|
| Avoid | Avoiding any risk through not taking or hedging |
| Averse | Accept risk but does not want to actively take risk |
| Conservative | Some risk appetite |
| Receptive | Risk appetite to actively pursue risk |

The RAS is designed to increase management transparency and generate more business opportunities in an environment where risk is properly controlled. In particular, within the RAS relevant definitions and concepts, the RAIs and their thresholds for all level 1 risk types are described.

The RAS consists of 2 main elements:
- Qualitative statements on the appetite for identified key risk types
- A set of RAIs that translate the qualitative statements into measurable metrics

The RAS of the Bank complies with regulations and is fully aligned with the RMF. To manage the RAS, the Bank takes the following steps:
1. In an annual update (and evaluation) of the RAS, input from the strategy, as documented in the MTBP, is included as well as evaluation of the functioning of the RAS itself. Additional intermediate updates might be made when changes at the Group or the Bank will lead to changes in the Bank's strategy
2. The Bank will conduct business on a day-to-day basis and includes the RAS in key decision-making
3. The level of compliance with the RAS of the outcome of the business decisions is daily/monthly/quarterly tracked depending on the RAIs
4. The RAS is evaluated at least annually

The Bank has adopted an RAI metrics system with multiple threshold levels that trigger management intervention if needed, to prevent further deterioration of the Bank's financial soundness and reputation. The RAIs, as integral parts of the RAS, are set up to determine various levels of business conduct. In general, the Bank will operate within the bandwidth of BAU, where the Bank operates within its desired risk appetite. In certain circumstances, the Bank might start operating outside of its risk appetite, a bandwidth of management intervention level. Breaching key constraints may trigger the Bank's recovery plan (crisis zone). Before reaching the crisis zone, two additional zones - stress and severe stress - are in place to identify any potential risk of entering the crisis zone and to perform additional risk mitigating actions.

| Business as usual | | Management intervention | | |
|---|---|---|---|---|
| Risk averse | Accepted risk | Stress | Severe stress | Crisis |
| Target range | | Alert | Intervention | Recovery zone |

Risk limits

The Bank defines a risk limit as a maximum threshold permitted for a specific measure, established through a formalised governance framework and communicated to the owners and/or users of that specific measure.

Limits, in general, are possible to apply to risks and risk drivers that can be quantified. Where quantification proves not possible, but a control is required, limits do not have to be developed provided there are other controls in place. In general, there are three types of limits within the Bank.
- Parental limit: a limit that is defined by and communicated from the Parent company. The Bank is usually provided with a calculation sheet and a methodology for the limit
- Internal limit: a limit set internally by the MB or its delegated committee
- Regulatory limits: a limit set forth by relevant regulations. These are often translated into RAI with levels set either at severe stress or at crisis

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# Notes to the consolidated financial statements

The Bank defines a breach as an excess of a specific measure above a risk limit.

Risk monitoring and reporting

All risks require monitoring and reporting. 1LoD is required to have adequate monitoring and reporting mechanisms in place by which it observes the developments in risk levels at the level of individual transaction, clients, systems, processes, portfolios, products etc.

Monitoring and reporting of risk is carried out using risk monitoring and reporting processes to include historical, current and forward-looking risk management information. Material risks are reported to the RMC. Risk reporting informs business decisions, prompts appropriate responses to current and emerging issues, and ensures that senior management maintain a complete, accurate and timely view of the organisation's risk profile.

Risk evaluation

Analysis and meta-analysis are performed on the risk and the cycle itself. Evaluation happens periodically and can be triggered as required by the 2LoD or the RMC.

The main results of the evaluation step are follow-up actions that enhance the given framework, processes, models and controls. Evaluation can also result in the update of the risk taxonomy if 2LoD recommends excluding a risk category if the Bank is no longer exposed to it or it is immaterial and unlikely to become material in the next year.

**Strategic risk**

Strategic risk is associated with strategic decisions and with changes in an entity's general conditions, which both have an important impact on its business model in the medium and long term.

An entity's business model is a key factor for strategic risk. The business model should be feasible and sustainable, deliver acceptable results each year and for at least the next three years. The Bank further defines three types of strategic risk, which may lead to missed opportunities and/or higher costs than anticipated, leading to losses:

- Business model risk: This includes the risk of the business model being obsolescent, of it being irrelevant, and/or losing value, and so not being able to deliver the expected results. This risk is caused both by external factors (macroeconomic, regulatory, social and political factors, changes in the banking industry, etc.) as well as internal ones (strength and stability of the income statement, distribution model/channels, revenue and expenses structure, operational efficiency, adequacy of human resources and systems, etc.)
- Strategy design risk: This includes the risk that the entity's strategic plan may not be adequate per se, or due to its assumptions, and thus the Bank will not be able to deliver on its expected results. It is also important to consider the opportunity cost of designing another more adequate strategy or the lack of action resulting from not designing it
- Strategy execution risk: the risk associated with the process of implementing three-year strategic plans. As the strategy is implemented in the medium and long term, it often has execution risk due to the complexity and many variables involved in it. Other risk areas to be borne in mind are possibly inadequate resources, change management, or lack of capacity to cope with changes in the business environment

Strategic risk is managed in close coordination with the Parent, alignment with the Medium term business plan's strategy, and by having adequate information to respond to changes in internal and external factors, aiming for successful business outcomes.

To assess the risk for the Bank of not achieving its strategic objectives, risk management performs a periodic strategic risk assessment (SRA). In this SRA, business model risk, strategic design risk and execution risk are assessed. The output of the SRA is used to challenge the adequacy of the Bank's business plan and strategic planning. The input is also used to systematically monitor the strategy risks as part of the RAS.

The Bank's residual risk for strategic risk is assessed to be within the Bank's risk appetite. Despite limited impact to date, the Bank continues to consider geopolitical tensions a key external risk going forward. A decrease in interest rates could negatively impact the Bank's revenues and profitability in the medium term.

The regulatory risk of cross-border regulation and its implications on the Bank's operations is being addressed to clarify strategic direction and positioning within the EMEA region over medium and long term.

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# Notes to the consolidated financial statements

The Bank has defined a plan for FY24-FY26 to enhance its business model, operating models, and long-term strategy, while also enhancing its strategic risk management processes. The plan is to sustain the Bank's operations through emerging macroeconomic risks by shifting to a lower interest rate environment and by preparing the organisation for regulatory changes. Moreover, it involves adoption of various business initiatives at individual department level in order to remain profitable. Strategic risk is expected to decrease further under the new strategic plan due to measures implemented to improve the Bank's risk controls and as the Bank matures in this area.

**Reputational risk**

Reputational risk means risk of damage to corporate value that might arise from a negative reputation, in the event of the business activities of the Bank deviating substantially from the expectations and trust of customers, shareholders, investors, society and other stakeholders.

Reputational risk can occur directly as the result of the actions of the Bank, indirectly due to the actions/ inactions of an employee or employees, or tangentially through other parties, such as joint venture partners or suppliers.

Reputational risk issues can largely be grouped into two categories: transactional and non-transactional. Transactional reputational risk includes, but is not limited to, the on-boarding of a sensitive client, executing a transaction that falls under the restricted transaction list or involving sensitive sectors or industries. A non-transactional reputational risk might include an event that materialised as a result of a control failure of another risk type.

The Bank looks at reputational risk in the context of the Group, as any reputational damage outside of the Bank, but within the Group, will affect the Bank adversely and vice versa. The primary committees attached to this risk are the MUFG EMEA reputational risk committee and the Bank's RMC.

**Capital management**

The objective of the Bank's capital management is to maintain healthy capital ratios aligned to business strategy and risk appetite; and to observe regulatory requirements in order to support its business expansion and contribute to shareholder value.

The minimum capital requirements under the European CRD, based on the Basel Capital Accords Framework and implemented in local laws for Financial Supervision (e.g. WFT, CRD IV/CRR), are based on three pillars:

- Pillar 1 capital calculated based on standardised approach as specified in banking regulations to cover unexpected losses arising from credit, market and operational risk
- Pillar 2 capital needed according to the Bank's internal view, also including capital buffers to cover unexpected losses that may arise from risks not included in Pillar 1 calculations
- Pillar 3 regards disclosure requirements promoting transparency to stakeholders and market discipline

Current capital requirements compare total capital and common equity tier 1 (CET-1) capital with the total risk exposure amount (TREA, previously referred to as RWA), including the off-balance sheet credit risk exposure arising from commitments and undrawn credit facilities. The minimum Pillar 1 legal requirement for the TCR is 8% of risk-weighted assets. The minimum legal requirement for the leverage ratio is 3%.

The Bank manages its capital structure and makes adjustments to it in light of changes in economic conditions and the risk profile of its activities. In order to maintain or adjust the capital structure, the Bank may adjust the amount of dividend payment to the shareholder, return capital to the shareholder or issue capital securities. No changes have been made in the objectives, policies and processes from previous years.

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# Notes to the consolidated financial statements

Capital available

The Bank's capital consists of only CET-1 capital (also referred to as 'going concern' capital). After adjustment in order to calculate the capital ratio according to banking regulations, the breakdown is as follows as shown in the table on the next page.

| Capital requirements<br>in thousands of €s | 2025 | 2024 |
|---|---|---|
| **Common equity tier 1** | | |
| Issued capital | 100,003 | 100,003 |
| Share premium | 1,334,304 | 1,334,304 |
| Retained earnings | 604,398 | 412,845 |
| Accumulated OCI | (8,509) | (8,521) |
| Result for the year | 134,984 | 191,552 |
| Interim profit not-eligible | (58,758) | (90,581) |
| | | |
| **Regulatory adjustments** | | |
| Other intangible assets | (2,963) | (3,676) |
| Prudential filter | (1,267) | (426) |
| Prudential backstop | (1,031) | (777) |
| Non controlling interest | - | - |
| | | |
| **Common equity tier 1** | **2,101,162** | **1,934,722** |
| | | |
| **Eligible tier 2 capital instruments** | | |
| Subordinated debt | - | - |
| | | |
| **Tier 2 capital** | **-** | **-** |
| | | |
| Dividend proposed | - | - |
| **Total own funds** | **2,101,162** | **1,934,722** |
| | | |
| **Risk weighted assets** | **11,315,552** | **10,024,168** |

| Risk weighted assets per category<br>in thousands of €s | 2025 | 2024 |
|---|---|---|
| Credit risk | 10,726,436 | 9,681,361 |
| Operational risk | 571,262 | 342,735 |
| Other | 17,854 | 73 |
| **Total** | **11,315,552** | **10,024,168** |

The Bank has complied with the regulatory capital requirements throughout the reporting period and maintained capital ratios above the regulatory minimum CET-1 and TCR.

| Solvency ratios | 2025 | 2024 |
|---|---|---|
| Common equity tier 1 ratio | 18.6% | 19.3% |
| Tier 1 ratio | 18.6% | 19.3% |
| Total capital ratio | 18.6% | 19.3% |

As at 31 March 2025 the Bank's total capital own funds amounted to € 2,101,162 (2024: € 1,934,722). The TCR has decreased slightly to 18.6% at 31 March 2025 (2024: 19.3%). The leverage ratio (tier 1 capital / exposure) has increased to 12.8% at 31 March 2025 (2024: 11.2%). The CET-1 ratio has decreased to 18.6% at 31 March 2025 (2024: 19.3%).

The interim profits up until 30 September 2024 have been reviewed and hence are eligible for inclusion in the CET-1 capital, as DNB approved.

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# Notes to the consolidated financial statements

## Liquidity risk

Liquidity risk is defined as the risk that the Bank will be unable to efficiently meet expected and unexpected liability requirements as they fall due without affecting daily operations or at significant expense to the organisation.

The Bank is exposed to two key types of liquidity risk:

- Funding liquidity risk is the risk that the firm will not be able to meet efficiently both expected and unexpected current and future cash flow and collateral needs without affecting either daily operations or the financial condition of the firm
- Market liquidity risk is the risk that a firm cannot easily offset or eliminate a position at the market price because of inadequate market depth or market disruption

Liquidity risk is evaluated by the asset liability committee (ALCO) and is managed in compliance with the Bank's liquidity risk management policy, liquidity risk procedures and control framework. Daily and monthly monitoring of positions and/or limits and execution of periodical stress tests are performed by treasury and market risk management.

Buffer assets

The Bank maintains a portfolio of highly marketable assets that are assumed to be easily liquidated in the event of an unforeseen interruption of cash flow. Furthermore, the Bank's bond portfolio represents high quality collateral, which could be used to secure additional funding if required. The Bank's liquidity position is managed by the treasury division, which is mindful of expected future cash flows and liquidity, and is independently monitored/reported on a daily basis by the treasury back office and market risk management.

| | As at 31 March 2025 | | As at 31 March 2024 | |
|---|---|---|---|---|
| Funding source | Amount in millions of €s | % | Amount in millions of €s | % |
| Current accounts | 3,079 | 30% | 3,365 | 34% |
| Time deposits banks inter-group | 5,069 | 50% | 4,312 | 44% |
| Time deposits corporates | 1,861 | 19% | 2,057 | 21% |
| Time deposits banks | 100 | 1% | 80 | 1% |
| **Total** | **10,109** | **100%** | **9,813** | **100%** |

Contingency funding and liquidity

Additional funding is available from one of the Parent's global centres where treasury activities are regionally centralised. Funding liquidity risk is centrally managed by the Parent with a hub and spoke funding structure. Main hubs and risk management divisions are located in Tokyo, New York, Hong Kong, Singapore and London, the latter being responsible for the EMEA region. The Parent has set 3 main liquidity stages: normal, concern and crisis with according actions to which the Bank must adhere. The normal stage is further subdivided into 3 sub-stages: ordinary, pre-caution and caution.

The Parent, providing unlimited liquidity support, is the Bank's main source for contingency funding.

As local contingency funding, the Bank maintains sufficient liquidity and funding buffers, which allows the Bank to report the LCR and NSFR well above the regulatory required minimum.

| Liquidity ratio's | 2025 | 2024 |
|---|---|---|
| Liquidity Coverage Ratio (LCR) | 131.5% | 178.8% |
| Net Stable Funding Ratio (NSFR) | 111.0% | 117.3% |

The table below shows the contractual expiry by maturity of the Bank's contingent liabilities and commitments. Each undrawn loan commitment is included in the time band containing the earliest date it can be drawn down. For issued financial guarantee contracts, the maximum amount of the guarantee is allocated to the earliest period in which the guarantee could be called.

Regarding the Bank's ability to cope with unexpected utilisation of these contingent liabilities or commitments, the Bank has historical peak drawdown assumptions incorporated in its liquidity stress test scenarios.

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# Notes to the consolidated financial statements

| Contingent liabilities & commitments by contractual maturity | 2025 | | | | | |
|---|---|---|---|---|---|---|
| in millions of €s | On demand | 0-3 months | 3-12 months | 1-5 years | > 5 years | Total |
| Letters of credit and guarantees | 82 | 362 | 572 | 835 | 423 | 2,273 |
| Undrawn commitments to lend | - | 139 | 600 | 5,750 | 27 | 6,516 |
| **Total guarantees & commitments** | **82** | **501** | **1,172** | **6,584** | **450** | **8,789** |
| | **2024** | | | | | |
| in millions of €s | On demand | 0-3 months | 3-12 months | 1-5 years | > 5 years | Total |
| Letters of credit and guarantees | 42 | 158 | 678 | 693 | 404 | 1,974 |
| Undrawn commitments to lend | (33) | 15 | 453 | 6,004 | 123 | 6,562 |
| **Total guarantees & commitments** | **9** | **173** | **1,132** | **6,697** | **527** | **8,537** |

## Credit risk

The Bank defines credit risk as the potential that a borrower in a loan contract, or a counterparty in a derivative contract, will fail to meet its obligations in accordance with agreed terms, resulting in a financial loss for the Bank. This includes risks arising from counterparty, country, transaction structure, and concentration risks.

The business model of the Bank is focused on offering corporate banking and structured finance products and services to Japanese companies (subsidiary banking), global corporates (including European based multinational corporations, subsidiaries of non-European based multinational corporations known as inbound business and referral business), and financial institutions.

Credit risk derived from above mentioned business activities relates to wholesale exposure for various types of loans, commitments, guarantees, trade finance, structured products, and derivatives contracts. The Bank manages its credit risk within the boundaries set by its own policies, external regulations, and (where relevant) internal policies from the Parent. The Bank has an internal framework in place to assess credit quality, grant credit limits, monitor credit risk, manage the credit exposures and achieve earnings commensurate with the risks undertaken by the Bank.

To assess the credit risk for each borrower or counterparty, the Bank uses the internal credit rating system of the Parent bank, applied by the Group, where each credit rating corresponds to a probability that a counterparty will not meet its contractual obligations. In the credit assessment process the Bank uses the Group's global standards, but has in place its own independent credit approval authority (i.e. individual delegated credit authority, credit committee) to ensure that the borrower or counterparty credit profile meets the Bank's risk appetite criteria. All obligors have individual credit limits based on their creditworthiness.

Where deemed necessary, the credit risk is further mitigated by obtaining various types of collateral, primarily in the form of:

- Guarantees from parent companies for credit limits to their subsidiaries
- Bank guarantees, mainly from the Group
- Pledged cash deposits
- High-quality bonds
- Credit insurance and export credit agency (ECA) guarantees
- Variety of tangible collateral types such as pledges on moveable assets or immoveable assets

The Bank uses active credit management and ensures residual risk remains within risk appetite and limits.

The quality of collateral impacts asset recovery in case of default, which translates to estimated loss in case of counterparty default. It is the Bank’s policy to dispose of repossessed properties in an orderly fashion. The proceeds are used to reduce or repay the outstanding claim. In general, the Bank does not occupy repossessed properties for business use.

The Bank applies credit conversion factors using product types, limits and exposure values to estimate potential credit exposures in case of counterparty default.

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# Notes to the consolidated financial statements

The credit risk drivers are used in quantitative measurement of credit risk for internal risk management purpose and portfolio steering, loan pricing and assessment of provisions. For calculation of Pillar 1 capital for credit risk, the Bank uses the standardised approach defined according to the Capital Requirements Regulation (CRR).

Country risk (or sovereign, including transfer risk) is managed within the RMF and centrally managed limits of the the Parent. The Bank's country risk is concentrated in countries located in the EU. Credit exposures in higher risk countries are managed within defined risk appetite and limit framework. Where necessary, country risk is mitigated by using high quality collateral (e.g. cash, bonds), or by transferring risk by means of sovereign (e.g. ECA), corporate (e.g. credit insurance) or bank (in particular by the Parent) guarantees.

Due to the nature of the business model, the Bank recognises some concentrations in the credit portfolio. These are actively managed within defined risk appetite levels. Where material, concentrations in the credit portfolio are capitalised under Pillar 2 capital as part of annual ICAAP. For further information on credit risk concentrations, please refer to the sub-chapter below.

On a quarterly basis the Bank performs internal credit stress testing to provide insight on credit risk in the portfolio in case of idiosyncratic events or macroeconomic deterioration. Like other banks, the Bank is sensitive to fluctuations in macroeconomic environment. However, due to the strong capital position, conservative capitalisation of credit risk, and nature of the credit portfolio, the Bank has proven capable to withstand stress scenarios.

### Counterparty credit risk in derivative financial instruments

Counterparty credit risk is a default risk of a counterparty before the final settlement date of an OTC derivative instrument. The Bank determines the exposure value for derivative financial instruments (forward FX contracts, currency options, FX swaps and interest rate swaps) using the standardised approach as defined in CRR articles 274-280. Under this approach the exposure value is calculated as product of regulatory factor Alpha multiplied by the sum of replacement cost and potential future exposure.

### Credit-related commitment risks

The Bank makes guarantees available to its customers that may require the Bank to make payments and enter into commitments to extend credit lines to secure their liquidity needs. Letters of credit and guarantees (including standby letters of credit) commit the Bank to make payments on behalf of customers in the event of a specific act, generally related to the import or export of goods. Such commitments expose the Bank to similar risks as to on-balance sheet loans and are mitigated by the same credit risk control processes and policies.

### Commitments and guarantees

To meet the financial needs of customers, the Bank enters into various irrevocable commitments and contingent liabilities. Even though derecognition rules of IFRS 9 apply to these obligations, they do include credit risk and are therefore part of the overall risk of the Bank and they are in scope of ECL measurement.

Please see note Financial guarantees and commitments for detailed information on the balance of contingent liabilities and commitments. The table in the note shows the Bank's maximum credit risk exposure for commitments and guarantees.

The maximum exposure to credit risk relating to a financial guarantee is the maximum amount the Bank could have to pay if the guarantee is called upon.

The maximum exposure to credit risk relating to a loan commitment is the full amount of the commitment. In both cases, the maximum risk exposure is significantly greater than the amount recognised as a liability on the balance sheet.

### Risk concentrations

The Bank defines concentration risk as any single (direct and/or indirect) exposure or group of exposures with the potential to produce losses, impacting the Bank's capital, liquidity and/or earnings, that may threaten the Bank's health, ability to maintain core operations or materially change the Bank's risk profile. Large losses can be either a consequence of correlation between various assets in a portfolio or caused by an idiosyncratic event related to a single large customer exposure. With respect to credit risk, concentration risk arises from large (possibly connected) individual exposures and significant exposures to groups of counterparts whose likelihood of default is driven by common underlying factors, such as economic sector, geographic locations, mitigation measure or product.

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# Notes to the consolidated financial statements

The Bank assesses how it is exposed to credit risk concentrations by means of qualitative and quantitative analysis. On at least an annual basis credit risk concentrations are assessed for inherent and residual risk. The outcome of the assessment is used in setting risk tolerances and appetite levels and limit monitoring per credit risk concentration type, and included in the Bank's RAS. The level of concentration risk is measured and compared against risk appetite levels by using relevant risk metrics.

Credit concentrations are managed by business units that are responsible for the credit risk. They must also ensure adequate risk controls are in place at all times to remain within set appetite levels. On a periodic basis, 2LoD assesses that risk limits and controls are adequate to remain within risk appetite levels.

The Bank is actively managing risk arising from credit risk concentrations. Main risk mitigations are obtaining high quality collateral, acceptable third-party guarantee or lowering exposure to reduce the concentration risk. The Bank monitors the market value of collateral and when relevant, requests additional collateral in accordance with the underlying credit agreements.

The Bank also makes use of master pooling agreements with counterparties with whom a significant volume of transactions is undertaken. Such an agreement provides for a single net settlement of all financial instruments covered by the agreement in the event of default on any one contract. Master pooling agreements do not result in an offset of balance-sheet assets and liabilities. Although master pooling agreements may significantly reduce credit risk, it should be noted that:

- Credit risk is eliminated only to the extent that amounts due to the same counterparty will be settled after the assets are released
- The extent to which overall credit risk is reduced may change substantially within a short period because the exposure is affected by each transaction subject to the arrangement

The amount and type of collateral required depends on an assessment of the credit risk of the counterparty and risk appetite defined in the RAS.

The next tables show the maximum exposure to credit risk for the components of the balance sheet, including derivatives, by industry and by geographical region before the effect of mitigation through the use of master pooling and collateral agreements. Where financial instruments are recorded at fair value, the amounts shown represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

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# Notes to the consolidated financial statements

**Risk concentration: by industry sector**

in millions of €s

| 2025 Financial assets | Banks and financial intermediation | Consumer products (non-food) | Services | Capital goods | Auto-motive | Utilities | Oil & Gas | Telecom | Transport & Logistics | Other[1] | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Balances with central banks | 1,894 | - | - | - | - | - | - | - | - | - | 1,894 |
| **Cash and balances with central banks** | **1,894** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **1,894** |
| Placements with banks - on demand | 127 | - | - | - | - | - | - | - | - | 2 | 129 |
| Placements with banks - term deposits | 460 | - | - | - | - | - | - | - | - | 7 | 466 |
| Loans and advances | 443 | - | - | - | - | - | - | - | - | 3 | 446 |
| **Loans and advances to banks** | **1,029** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **12** | **1,041** |
| | | | | | | | - | | | | |
| Corporate current accounts | - | 59 | - | 57 | 232 | - | - | - | 4 | 116 | 469 |
| Corporate term loans | 731 | 60 | 377 | 387 | 464 | 1,018 | 292 | 1,093 | 503 | 2,041 | 6,965 |
| Bills of exchange | - | 9 | - | 66 | 112 | - | - | 343 | 15 | 540 | 1,085 |
| Participation loans | - | - | - | - | - | - | - | - | - | 69 | 69 |
| **Loans and advances to customers** | **731** | **128** | **377** | **511** | **808** | **1,018** | **292** | **1,436** | **522** | **2,766** | **8,589** |
| Derivative financial instruments | 66 | 8 | - | 3 | 10 | 1 | - | - | 1 | 51 | 140 |
| Financial investments | - | - | 20 | 178 | - | - | 194 | 28 | - | 529 | 949 |
| Other assets | 21 | - | - | - | - | - | - | 1 | - | 11 | 32 |
| **Total** | **3,740** | **136** | **397** | **691** | **819** | **1,020** | **485** | **1,465** | **523** | **3,369** | **12,644** |

1 Includes exposures to the following major industries: media, agriculture and fishing, real estate and food and beverages, which are not presented separately as the exposure is not considered to be material.

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# Notes to the consolidated financial statements

**Risk concentration: by industry sector**

in millions of €s

| 2024 Financial assets | Banks and financial intermediation | Consumer products (non-food) | Services | Capital goods | Auto-motive | Utilities | Oil & Gas | Telecom | Transport & Logistics | Other[1] | Total |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Balances with central banks | 2,622 | - | - | - | - | - | - | - | - | - | 2,622 |
| **Cash and balances with central banks** | **2,622** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **2,622** |
| Placements with banks - on demand | 81 | - | - | - | - | - | - | - | - | 1 | 82 |
| Placements with banks - term deposits | 982 | - | - | - | - | - | - | - | - | 6 | 988 |
| Loans and advances | 360 | - | - | - | - | - | - | - | - | 172 | 532 |
| **Loans and advances to banks** | **1,423** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **178** | **1,602** |
| Corporate current accounts | - | 52 | - | 64 | 28 | - | - | - | - | 101 | 244 |
| Corporate term loans | 469 | 48 | 372 | 287 | 506 | 864 | 318 | 721 | 470 | 2,009 | 6,064 |
| Bills of exchange | 5 | 16 | - | 56 | 117 | - | - | 321 | 1 | 600 | 1,115 |
| Participation loans | - | - | - | - | - | - | - | - | - | 46 | 46 |
| **Loans and advances to customers** | **474** | **116** | **372** | **406** | **651** | **864** | **318** | **1,042** | **471** | **2,755** | **7,470** |
| Derivative financial instruments | 52 | 1 | - | 3 | 5 | 1 | - | - | - | 21 | 84 |
| Financial investments | - | - | 11 | 126 | - | - | - | - | - | 123 | 259 |
| Other assets | 25 | - | - | - | 1 | - | - | 1 | - | 3 | 31 |
| **Total** | **4,597** | **118** | **383** | **535** | **657** | **865** | **318** | **1,043** | **471** | **3,081** | **12,068** |

1 Includes exposures to the following major industries: media, agriculture and fishing, real estate and food and beverages, which are not presented separately as the exposure is not considered to be material.

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# Notes to the consolidated financial statements

**Risk concentration: by geographical area**

in millions of €s

| 2025 Financial assets | Netherlands | Germany | Spain | Belgium | Switzerland | United Kingdom | Luxembourg | Others countries | Total |
|---|---|---|---|---|---|---|---|---|---|
| Balances with central banks | 1,847 | 47 | - | - | - | - | - | - | 1,894 |
| **Cash and balances with central banks** | **1,847** | **47** | **-** | **-** | **-** | **-** | **-** | **-** | **1,894** |
| Placements with banks - on demand | - | - | 2 | - | 6 | 33 | - | 88 | 129 |
| Placements with banks - term deposits | - | - | - | - | - | 445 | - | 22 | 466 |
| Loans and advances | 33 | 380 | 13 | - | - | - | - | 20 | 446 |
| **Loans and advances to banks** | **33** | **380** | **15** | **-** | **6** | **478** | **-** | **130** | **1,041** |
| Corporate current accounts | 102 | 158 | 9 | 181 | - | - | - | 20 | 469 |
| Corporate term loans | 1,308 | 1,230 | 722 | 588 | 215 | 102 | 751 | 2,049 | 6,965 |
| Bills of exchange | 10 | 909 | - | 154 | - | - | - | 13 | 1,085 |
| Participation loans | - | - | 69 | - | - | - | - | - | 69 |
| **Loans and advances to customers** | **1,420** | **2,297** | **800** | **923** | **215** | **102** | **751** | **2,081** | **8,589** |
| Derivative financial instruments | 32 | 15 | - | 3 | - | 87 | 1 | 2 | 140 |
| Financial instruments | 215 | 180 | 8 | - | 69 | 220 | - | 255 | 949 |
| Other assets | 18 | 8 | 2 | 2 | - | 2 | - | 1 | 32 |
| **Total** | **3,565** | **2,927** | **824** | **927** | **290** | **888** | **752** | **2,470** | **12,644** |

Consolidated financial statements

# Notes to the consolidated financial statements

**Risk concentration: by geographical area**

in millions of €s

| 2024 Financial assets | Netherlands | Germany | Spain | Belgium | Switzerland | United Kingdom | Luxembourg | Others countries | Total |
|---|---|---|---|---|---|---|---|---|---|
| Balances with central banks | 2,577 | 46 | - | - | - | - | - | - | 2,622 |
| **Cash and balances with central banks** | **2,577** | **46** | **-** | **-** | **-** | **-** | **-** | **-** | **2,622** |
| Placements with banks - on demand | - | - | 2 | - | 6 | 33 | - | 41 | 82 |
| Placements with banks - term deposits | - | - | - | - | - | 805 | - | 182 | 988 |
| Loans and advances | - | 473 | 10 | 1 | - | - | - | 48 | 532 |
| **Loans and advances to banks** | **-** | **473** | **12** | **1** | **6** | **839** | **-** | **271** | **1,602** |
| Corporate current accounts | 71 | 139 | 7 | - | - | - | - | 27 | 244 |
| Corporate term loans | 1,409 | 709 | 776 | 656 | 237 | 66 | 409 | 1,802 | 6,064 |
| Bills of exchange | 4 | 1,059 | - | 26 | - | - | 4 | 22 | 1,115 |
| Participation loans | - | - | 46 | - | - | - | - | - | 46 |
| **Loans and advances to customers** | **1,483** | **1,907** | **829** | **682** | **238** | **66** | **413** | **1,852** | **7,470** |
| Derivative financial instruments | 16 | 16 | 1 | - | - | 49 | - | 2 | 84 |
| Financial instruments | 11 | 14 | - | - | 70 | 36 | - | 129 | 259 |
| Other assets | 7 | 7 | 5 | 2 | - | 1 | - | 9 | 31 |
| **Total** | **4,093** | **2,462** | **848** | **685** | **314** | **991** | **413** | **2,263** | **12,068** |

Consolidated financial statements

# Notes to the consolidated financial statements

Credit quality by class of financial assets

The credit quality of financial assets is managed by the Bank using a 15-grade, internal credit rating system of the Parent bank, which is applied Group wide.

The primary data utilised in the assessment of borrowers include the borrower's financial statements and notes, as well as other public disclosures made by the borrower. The Bank might also obtain non-public financial and operating information from borrowers, such as their business plan, self-evaluation of operating assets, and other information about business and products.

Based on the borrower and industry information, the Bank assigns borrower ratings mainly by applying financial scoring models, either developed internally or by third-party vendors, depending on the borrower's attributes, whether it is domestic or foreign, whether it is a large corporation or an SME, and whether it is a corporate entity or another type of legal entity (such as a school, hospital or fund).

The financial score obtained through the models is reviewed and, when necessary, adjusted to reflect a qualitative assessment of the borrower's financial strength and other factors that could affect its ability to service the debt.

When adjusting the results of primary financial scoring assigned to borrowers with losses, the Bank consider's the severity of losses and the possibility of improving operating results. It will analyse and assess whether the loss is temporary, the trend in operating results is improving, or the loss is expected to continue for an extended period.

When adjusting the results of primary financial scoring assigned to borrowers with losses or negative net worth, the Bank also analyses whether the borrower can return to a positive net worth, and the time period needed to achieve such recovery.

Adjustments for industry risk are based on future prospects, applicable laws and regulations, and other factors surrounding the industry. Adjustments for management risk reflect our assessment of management's track record, the composition of the management team including the board of directors, any management succession plan, as well as the risk management and compliance framework of the borrower. Adjustments for legal risk are made when the borrower is facing a lawsuit and when there is a possibility of a significant claim payment related to product liability, intellectual property, environmental problems, building standard law, and other legal issues.

When assessing the probability of the borrower receiving support from a parent company, various factors are examined, such as the Parent company's credit standings, whether key management personnel are sent by the Parent, whether the borrower is consolidated by the Parent, and the proportion of the borrower in consolidated sales and profits of the Parent.

The Bank considers external ratings and internal borrower ratings may be adjusted when deemed appropriate. There are updates planned to the global internal borrower framework as of 1 April 2025 to further improve the ability to evaluate borrowers' credit risk and enhance risk management capability both under 1LoD and 2LoD.

The table shows the credit quality by class of asset for all financial assets exposed to credit risk, based on the Bank's internal credit rating system. Ratings 8-3, 9, and 10 are considered to be individually impaired. The amounts presented are gross of impairment allowances.

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# Notes to the consolidated financial statements

| Credit Quality Step | Meaning of the rating category | Bank's ratings | Status | | S&P Credit Rating equivalent |
|---|---|---|---|---|---|
| 1 | The rated entity has extremely/very strong capacity to meet its financial commitments and is subject to minimal/very low credit risk. | 1 | Normal | | AAA - / AA- |
| 2 | The rated entity has strong capacity to meet its financial commitments and is subject to low credit risk but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than rated entities in CQS 1. | 2 | | | A+ / A- |
| 3 | The rated entity has adequate capacity to meet its financial commitments and is subject to moderate credit risk. However, adverse economic conditions or changing circumstances are more likely to lead to a weakened capacity of the rated entity to meet its financial commitments. | 3 | | | BBB+ / BBB- |
| 4 | The rated entity has the capacity to meet its financial commitments but is subject to substantial credit risk. It faces major ongoing uncertainties and exposure to adverse business, financial, or economic conditions, which could lead to the rated entity's inadequate capacity to meet its financial commitments. | 4 | | | BB+ |
| | | 5-1 | | | BB |
| | | 5-2 | | | BB- |
| 5 | The rated entity has the capacity to meet its financial commitments but is subject to high credit risk. Adverse business, financial, or economic conditions will likely impair the rated entity's capacity or willingness to meet its financial commitments. | 6-1 | | | B+ |
| | | 6-2 | | | B |
| | | 7 | | | B- |
| 6 | The rated entity is currently vulnerable or highly vulnerable and is subject to very high credit risk, including in or very near to default. It is dependent upon favorable business, financial, and economic conditions to meet its financial commitments. | 8-1 | Close Watch | | CCC |
| | | 8-2 | | | CC / C |
| | | 8-3 | Likely to become bankrupt | Non Performing Exposure (NPE) | D |
| | | 9 | | | |
| | | 10-1 | Considered to be virtually bankrupt | | |
| | | 10-2 | Legally bankrupt | | |

| in millions of € | Credit quality | | | | | | | |
|---|---|---|---|---|---|---|---|---|
| **2025 Financial assets** | **Gross carrying amounts** | **Normal** | **Close watch** | **Likely to become bankrupt** | **Bankrupt or virtually bankrupt** | **Bankrupt** | **Total** | **ECL** |
| Cash and balances with central banks | 1,894 | 1,894 | - | - | - | - | 1,894 | - |
| Loans and advances to banks | 1,041 | 1,041 | - | - | - | - | 1,041 | - |
| Loans and advances to customers | 8,536 | 8,394 | 35 | 99 | 9 | - | 8,536 | 52 |
| Financial investments | 900 | 900 | - | - | - | - | 900 | - |
| Other assets | 32 | 32 | - | - | - | - | 32 | - |
| **Total** | **12,403**[1] | **12,261** | **35** | **99** | **9** | **-** | **12,403** | **-** |
| **2024 Financial assets** | | | | | | | | |
| Cash and balances with central banks | 2,622 | 2,622 | - | - | - | - | 2,622 | - |
| Loans and advances to banks | 1,602 | 1,601 | - | - | - | - | 1,602 | - |
| Loans and advances to customers | 7,470 | 7,250 | 69 | 103 | 48 | - | 7,470 | 44 |
| Financial investments | 249 | 249 | - | - | - | - | 249 | - |
| Other assets | 31 | 31 | - | - | - | - | 31 | - |
| **Total** | **11,973** | **11,753** | **70** | **103** | **48** | **-** | **11,973** | **44** |

1 The amount excludes derivative financial instruments and loans measured at FVPL.

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# Notes to the consolidated financial statements

Credit risk exposure for each internal credit risk rating

It is the Bank's policy to maintain accurate and consistent risk ratings across the credit portfolio. The rating system is supported by a variety of financial analytics, combined with processed market information to provide the main inputs for the measurement of counterparty risk. All internal risk ratings are derived in accordance with the Group's rating policy and procedures. The next table provides detailed information on the credit risk for each internal credit risk rating.

| in millions of €s | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| Balance sheet items | Gross carrying amounts | Net carrying amounts | ECL | Gross carrying amounts | Net carrying amounts | ECL |
| Normal | | | | | | |
| 1 | 1,952 | 1,952 | 0.0 | 2,834 | 2,834 | 0.0 |
| 2 | 3,992 | 3,992 | 0.1 | 2,347 | 2,347 | 0.0 |
| 3 | 1,330 | 1,330 | 0.1 | 2,685 | 2,685 | 0.1 |
| 4 | 1,857 | 1,857 | 0.5 | 1,544 | 1,544 | 0.2 |
| 5-1 | 1,275 | 1,274 | 0.9 | 1,226 | 1,226 | 0.2 |
| 5-2 | 1,041 | 1,040 | 1.0 | 546 | 545 | 0.2 |
| 6-1 | 420 | 420 | 0.3 | 208 | 208 | 0.2 |
| 6-2 | 125 | 124 | 0.3 | 135 | 135 | 0.1 |
| 7 | 198 | 197 | 1.4 | 227 | 227 | 0.1 |
| **Total 1-7** | **12,189** | **12,185** | **4.6** | **11,752** | **11,750** | **1.1** |
| Close watch | | | | | | |
| 8-1 | - | - | 0.0 | 2 | 2 | - |
| 8-2 | 35 | 34 | 0.0 | 67 | 67 | - |
| **Total 8** | **35** | **34** | **0.0** | **70** | **70** | **-** |
| Likely to become bankrupt | | | | | | |
| 8-3 | 99 | 57 | 42.2 | 99 | 57 | 42.3 |
| 9 | 71 | 66 | 5.3 | 4 | 4 | 0.1 |
| **Total 9** | **170** | **123** | **47.5** | **103** | **61** | **42.4** |
| Bankrupt or virtually bankrupt | | | | | | |
| 10-1 | 9 | 9 | - | - | - | - |
| 10-2 | - | - | - | - | - | - |
| **Total 10** | **9** | **9** | **-** | **-** | **-** | **-** |
| **Total ECL overlay** | **-** | **-** | **0.2** | **-** | **-** | **1.2** |
| **Total outstanding balance by risk class** | **12,403** | **12,351** | **52.3** | **11,923** | **11,881** | **44.7** |

Consolidated financial statements

# Notes to the consolidated financial statements

| in millions of €s | 2025 | | | 2024 | | |
|---|---|---|---|---|---|---|
| Off-balance facilities | Gross carrying amounts | Net carrying amounts | ECL | Gross carrying amounts | Net carrying amounts | ECL |
| Normal | | | | | | |
| 1 | 435 | 435 | 0.0 | 633 | 633 | 0.0 |
| 2 | 1,110 | 1,110 | 0.1 | 1,455 | 1,455 | 0.0 |
| 3 | 4,207 | 4,206 | 0.5 | 3,811 | 3,811 | 0.2 |
| 4 | 1,323 | 1,323 | 0.2 | 1,172 | 1,172 | 0.1 |
| 5-1 | 516 | 516 | 0.2 | 796 | 795 | 0.2 |
| 5-2 | 682 | 681 | 0.7 | 354 | 354 | 0.2 |
| 6-1 | 293 | 293 | 0.3 | 119 | 119 | 0.0 |
| 6-2 | 181 | 181 | 0.3 | 82 | 81 | 0.0 |
| 7 | 99 | 99 | 0.6 | 108 | 108 | 0.5 |
| **Total 1-7** | **8,847** | **8,844** | **2.9** | **8,530** | **8,529** | **1.3** |
| Close watch | | | | | | |
| 8-1 | 8 | 8 | 0.1 | 1 | 1 | 0.0 |
| 8-2 | 3 | 3 | 0.0 | 3 | 3 | 0.0 |
| **Total 8** | **11** | **11** | **0.1** | **4** | **4** | **0.1** |
| Likely to become bankrupt | | | | | | |
| 8-3 | 0 | 0 | 0.1 | - | - | - |
| 9 | 2 | 2 | 0.0 | 2 | 2 | 0.1 |
| **Total 9** | **2** | **2** | **0.1** | **2** | **2** | **0.1** |
| Bankrupt or virtually bankrupt | | | | | | |
| 10-1 | - | - | - | - | - | - |
| 10-2 | - | - | - | - | - | - |
| **Total 10** | **-** | **-** | **-** | **-** | **-** | **-** |
| **Total ECL overlay** | **-** | **-** | **0.2** | **-** | **-** | **1.2** |
| **Total outstanding balance by risk class** | **8,860** | **8,857** | **3.3** | **8,537** | **8,535** | **2.7** |

Consolidated financial statements

# Notes to the consolidated financial statements

Collateral repossessed

During FY24, the Bank took no possession of any collateral at balance sheet date.

Impairment assessment

The Bank aims to maintain a sufficient level of reserves to cover its incurred losses.

For accounting purposes, the Bank recognises a loss allowance for expected credit losses on financial assets and loans measured at either amortised cost or measured at FVOCI in accordance with IFRS 9.

In section Accounting policies the expected credit loss approach is further elaborated. As of 31 March 2025, the breakdown of individually and collectively assessed expected credit losses for loans, cash and non-cash loans is as follows:

Consolidated financial statements

# Notes to the consolidated financial statements

| Expected credit loss | 2025 | | | | 2024 | | | |
|---|---|---|---|---|---|---|---|---|
| in thousands of €s | Stage 1 | Stage 2 | Stage 3 | Total | Stage 1 | Stage 2 | Stage 3 | Total |
| **Loan and advances to banks** | | | | | | | | |
| Opening balance | 20 | - | - | 20 | 2 | - | - | 2 |
| Net movement | (2) | 5 | - | 3 | 18 | - | - | 18 |
| **Closing balance** | **18** | **5** | **-** | **23** | **20** | **-** | **-** | **20** |
| **Loans and advances to customers** | | | | | | | | |
| Opening balance | 904 | 237 | 42,344 | 43,485 | 1,153 | 188 | 48,939 | 50,280 |
| Addition | 4,564 | 2,049 | 5,268 | 11,881 | 1,595 | 104 | - | 1,699 |
| Releases | (2,543) | (582) | (107) | (3,231) | (1,556) | (183) | (6,595) | (8,334) |
| Write-off | - | - | - | - | - | - | - | - |
| Transfer | - | - | | - | (288) | 128 | - | (160) |
| **Closing balance excluding overlay** | **2,925** | **1,705** | **47,505** | **52,135** | **904** | **237** | **42,344** | **43,485** |
| Overlay | 201 | 25 | - | 226 | 1,386 | (145) | - | 1,241 |
| **Closing balance including overlay** | **3,144** | **1,735** | **47,505** | **52,384** | **2,290** | **92** | **42,344** | **44,726** |
| | | | | | | | | |
| **Off-balance facilities** | | | | | | | | |
| Opening balance | 786 | 539 | 103 | 1,427 | 1,391 | 721 | 108 | 2,220 |
| Transfer | - | - | - | - | - | - | - | - |
| Net movement | 1,552 | 148 | (27) | 1,673 | (605) | (182) | (5) | (793) |
| **Closing balance excluding overlay** | **2,338** | **687** | **76** | **3,101** | **786** | **539** | **103** | **1,427** |
| Overlay | 157 | 11 | - | 168 | 451 | 778 | - | 1,229 |
| **Closing balance including overlay** | **2,495** | **698** | **76** | **3,269** | **1,237** | **1,316** | **103** | **2,657** |
| **Total ECL as at 31 March 2025** | **5,640** | **2,433** | **47,581** | **55,654** | **3,547** | **1,409** | **42,447** | **47,402** |

The table shows the notional value of financial instruments and expected credit losses in thousands of €s based on relative stages.

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# Notes to the consolidated financial statements

| | 2025 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | | | Stage 2 | | | Stage 3 | | |
| in thousands of €s | Gross carrying amount | ECL | Net | Gross carrying amount | ECL | Net | Gross carrying amount | ECL | Net |
| **On-balance sheet facilities** | | | | | | | | | |
| Cash and balances with central banks | 1,893,636 | - | 1,893,636 | - | - | - | - | - | - |
| Loans and advances to banks | 1,040,331 | 18 | 1,040,312 | 684 | 5 | 678 | - | - | - |
| Loans and advances to customers | 7,965,639 | 2,925 | 7,962,713 | 392,274 | 1,705 | 390,569 | 178,477 | 47,505 | 130,972 |
| Financial investments | 900,492 | - | 900,492 | - | - | - | - | - | - |
| Other assets | 31,694 | - | 31,694 | - | - | - | - | - | - |
| **Total on-balance** | **11,831,791** | **2,944** | **11,828,848** | **392,957** | **1,711** | **391,247** | **178,477** | **47,505** | **130,972** |
| **Off-balance sheet facilities** | | | | | | | | | |
| Letters of credit and guarantees | 2,217,504 | 346 | 2,217,158 | 53,469 | 566 | 52,903 | 1,874 | 76 | 1,798 |
| Undrawn commitments to lend | 6,464,000 | 1,992 | 6,462,008 | 52,009 | 120 | 51,889 | - | - | - |
| **Total off-balance** | **8,681,503** | **2,338** | **8,679,166** | **105,479** | **687** | **104,792** | **1,874** | **76** | **1,798** |

| | 2024 | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|
| | Stage 1 | | | Stage 2 | | | Stage 3 | | |
| in thousands of €s | Gross carrying amount | ECL | Net | Gross carrying amount | ECL | Net | Gross carrying amount | ECL | Net |
| **On-balance sheet facilities** | | | | | | | | | |
| Cash and balances with central banks | 2,622,278 | - | - | - | - | - | - | - | - |
| Loans and advances to banks | 1,348,858 | 19 | 1,348,839 | - | - | - | - | - | - |
| Loans and advances to customers | 7,559,859 | 1,124 | 7,558,735 | 141,411 | 237 | 141,174 | 144,030 | 42,344 | 101,687 |
| **Total off-balance** | **11,530,995** | **1,144** | **8,907,573** | **141,411** | **237** | **141,174** | **144,030** | **42,344** | **101,687** |
| **Off-balance sheet facilities** | | | | | | | | | |
| Letters of credit and guarantees | 1,870,521 | 254 | 1,870,267 | 32,435 | 435 | 32,000 | 1,918 | 103 | 1,815 |
| Undrawn commitments to lend | 6,547,988 | 532 | 6,547,456 | 21,426 | 104 | 21,322 | - | - | - |
| **Total off-balance** | **8,418,509** | **786** | **8,417,723** | **53,861** | **539** | **53,322** | **1,918** | **103** | **1,815** |

Consolidated financial statements

# Notes to the consolidated financial statements

The following table shows the collateral and other credit enhancements such as financial guarantees, pledged deposits and available bonds:

| Collateral and credit enhancements in thousands of €s | 2025 | 2024 |
|---|---|---|
| Bonds | 722,704 | 2,550,920 |
| Pledged deposits | 1,847,673 | 2,047,139 |
| Financial guarantees | 6,501,051 | 5,965,657 |
| **Total credit enhancements** | **9,071,428** | **10,563,717** |

ECL calculations

The Bank uses internal risk models to estimate and determine the ECL amount for all exposures in scope of provisioning. For the purpose of IFRS 9, the Bank uses one (i.e. EU GDP) model to estimate borrower or counterparty credit risk and the expected credit loss (ECL). The portfolio as of this year is segmented in Japanese and non-Japanese business. The Bank incorporates segmentation of the PD model by scaling the PDs in the credit portfolio with either the company or parent being domiciled in Japan and corporates not domiciled in Japan. The basis for the split is the onboarding of the client as domiciled in Japan or domiciled outside of Japan. Historic data has shown that the probability of default of clients domiciled in Japan (or parent) is lower than for corporates that are not domiciled in Japan. The PD model is a “point in time” model, which means it gives an estimate of the current weighted PD based on the current expectation of the economic state for for the tenor of the loans using three scsenarios (base, up and down). After five years the model reverts to historical average.

A base-scenario, an up-scenario and a down-scenario are determined to reflect an unbiased and probability-weighted ECL amount. The probability factors at 31 March 2025 have remained unchanged compared to last year, with the probabilities as: Up: 15%, Base: 50%, Down: 35%. The downside scenario represents an even more pronounced near-term global downturn than expected in the baseline scenario. ECL for stage 3 clients is determined individually on instrument level. The number of clients in stage 3 is limited. Although the ECL estimate is as well a result of different scenario's and their probability weightings, actual (future) developments in the client situation can have a material positive or negative impact on the ECL estimate and connected credit expense (or recovery).

ECL determined for financial instruments in stage 1 and stage 2 are estimated using the ECL model. As earlier mentioned the Bank has redeveloped its PD component of the ECL model and included segmentation into Japanese and non-Japanese clients as well as lifetime PD staging, into the model in use. As a result the overlay included for these components as per 31 March 2024 is not necessary anymore. The Bank continues to reflect on the appropriateness of its ECL model and where applicable will update the model and connected estimate accordingly.

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# Notes to the consolidated financial statements

In the table below the unweighted outcomes are presented if instead of the applicable weighting the full up, base or downturn scenario would be applied to estimate the ECL.

| Sensitivity analysis | 2025 | | |
|---|---|---|---|
| in millions of €s | Stage 1 | Stage 2 | Total |
| **Weighted** | 5.2 | 2.4 | 7.6 |

| Unweighted | Stage 1 | Stage 2 | Total |
|---|---|---|---|
| Up | 3.9 | 2.2 | 6.1 |
| Base | 4.9 | 2.4 | 7.3 |
| Down | 6.3 | 2.5 | 8.8 |

| Assumptions | As at 31 March 2025 | | | | | |
|---|---|---|---|---|---|---|
| | | FY24 | FY25 | FY26 | FY27 | FY28 |
| **Scenario** | **Model %** | **GDP** | **GDP** | **GDP** | **GDP** | **GDP** |
| Up | 15% | 0.9% | 0.9% | 1.2% | 1.4% | 1.3% |
| Base | 50% | 0.9% | -2.4% | 0.0% | 0.7% | 0.7% |
| Down | 35% | 0.9% | 2.0% | 3.2% | 2.9% | 2.7% |

| Assumptions | As at 31 March 2024 | | | | | |
|---|---|---|---|---|---|---|
| | | FY23 | FY24 | FY25 | FY26 | FY27 |
| **Scenario** | **Model %** | **GDP** | **GDP** | **GDP** | **GDP** | **GDP** |
| Up | 15% | 0.5% | 0.5% | 1.4% | 1.3% | 1.3% |
| Base | 50% | 0.5% | -2.6% | -0.7% | 0.0% | 0.4% |
| Down | 35% | 0.5% | 2.0% | 3.1% | 2.9% | 2.5% |

Macroeconomic forecasts are prepared and updated semi-annually by an independent economic team within the Group, and approved by the RMC. LGD and EAD models are static due to the nature of most of our collateral received and not sensitive to macroeconomic factors.

The approach determines the impact on provisions by considering the impact of a change in the expected macroeconomic environment to the provision calculation by considering how PDs are adjusted for those macro-economic predictions. The impact is allocated towards three stages. In stage 1 credit exposures are recognised with no significant deterioration in credit quality since initial recognition.

Provisions are calculated based on a 12 month expected loss, using PD, LGD and EAD values specific to each transaction. In Stage 2 performing credit exposures are recognised where significant deterioration in credit quality since initial recognition has been identified. Provisions are calculated based on a lifetime expected loss, using PD, LGD and EAD values specific to each transaction. In Stage 3 non-performing credit exposures are recognised. Individual provision for each non-performing transaction is calculated based on the weighted discounted cash flow of the estimated recovery amount under different scenarios.

Assets can be transferred from one stage to another stage during their lifetime according to the change in credit quality (whether there is evidence of a significant increase in credit risk) since initial recognition. Definitions of the three stages and what the Bank considers a significant increase of credit risk and what is considered as default are disclosed in section Accounting Policies.

### Assessment of past due payments

A critical element of the process of impairment provisioning includes the assessment of past due payments of principal or interest or whether there are any known difficulties in the cash flows of counterparties, credit rating downgrades, or infringement of the original terms of the contract. Loans that are past due are monitored closely and a financial asset is, among others, considered to have a SICR if 30 days have passed since its repayment date (i.e. past due starts on the 31st day) or to be defaulted if 90 days have passed since its repayment date (i.e. past due starts on the 91st day).

### Overlay

The Bank deems the upside scenario as determined not applicable anymore considering geopolitical uncertainty, due to changes in US Trade policy, announced in April 2025, such as increased custom tariffs on EU (20%) and Japan (24%).

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# Notes to the consolidated financial statements

Concerns are being raised about potential Eurozone and US recession risks, which are having an expected ripple effect globally.

As a result the Bank has recognised a management overlay which incorporates only two scenarios, being the base case and downside with respective probabilities: 50% for the base case and 50% for the downside, as the probability of these scenarios occuring are deemed more appropriate for the current macro-economic environment.

The changes do not affect stage 3 instruments, as the current stage 3 instruments are calculated based on a scenario analysis and therefore already reflect the current macro-economic environment.

Evaluating the potential effects of the aforementioned observations, the Bank believes that the ECL, including the overlay, more appropriately reflects the risks in the current economic environment.

**Market risk**

Market risk is defined as the potential for sustaining a loss due to a change in the price of (an open position of) assets or liabilities held (including off-balance sheet items) resulting from changes of risk factors like interest rates, foreign exchange rates, equity prices, commodity prices and others.

- FX risk (or currency risk): refers to the risk of loss resulting from an adverse movement in FX rates resulting from open positions in FX contracts. From the Bank's FX sales services to its customer open positions arise. These are normally hedged. However, frictional positions from an operational efficiency point of view may remain with the Bank. Additionally, the Bank is exposed to structural FX risk which is due to assets, liabilities or income in non-Euro currencies
- Interest rate risk (including IRRBB): refers to the risk arising from changes in the market-driven interest rates affecting the economic or market value of all on- and off-balance interest rate sensitive products. Interest rate risk includes risks arising from the change in the absolute level of interest rates, a change in the spread between two rates, a change in the shape of the yield curve, or a change in any other interest rate relationship that will affect the value of the security. Interest rate risk under the market risk policy is intended to cover interest rate risk in the (potential) trading book, interest rate risk in the banking book (IRRBB) is covered under EBA guidelines
- Basis risk: refers to the dependence on the profit and loss of second order risks. This can be secondary curves (e.g. cross currency swap curve which is measured as a spread to a base interest rate curve), curve positions (e.g. 2-year versus 10-year position), or an imperfect hedge (for example, hedging CPI inflation with more liquid Retail Price Index)
- Credit spread risk: refers to the dependence of profit and loss on counterparty spreads and issuer spreads (these can be described as the borrowing costs of the counterparty or issuer over risk free rates)
- Equity risk: refers to the dependence of profit and loss on equity prices and equity volatilities. The Bank is not exposed to equity risk
- Credit valuation adjustment risk: refers to the market value of counterparty credit spread risk arising from derivative positions measured at fair value. This is the risk of losses arising from changing CVA values in response to changes in counterparty credit spreads and market risk factors that drive prices of derivative transactions

Pursuant to the Bank's strategy, the policy is to minimise market risks. Therefore, the Bank does not have trading activity and minimises FX positions. Market transactions are limited to money market operations (mostly with the Parent's London branch), customer-driven FX cover transactions and bond investments, all deriving from and managed within the banking book. Consequently, no trading book is kept by the Bank and therefore, the Bank is not exposed to material price risk.

The Bank's bond investment portfolio can be composed of bonds and bills issued by sovereigns and supranationals, typically with high credit ratings and shorter duration. The composition of the portfolio makes it eligible to be pledged to secure any borrowings under credit facility agreements with DNB. Pursuant to the Bank's investment policy, the Bank is not active in any other securities investments.

Most of the Bank's non-FX derivative transactions (i.e. interest rate swaps) relate to legacy transactions with customers which are normally offset by transactions with other (market) counterparties (mostly, the Parent's London branch).

The risks are mitigated by strict quantitative limits, which are reviewed annually, and effective segregation between 1LoD and 2LoD responsibilities; the risks are tracked and controlled on an ongoing basis to ensure they are within predefined limits.

Consolidated financial statements

# Notes to the consolidated financial statements

The end of day foreign currency and interest rate position reports are prepared by the treasury division, the back office and market risk management and are reported to management. Monthly position reports are submitted to the Asset Liability Committee (ALCO) for review.

Foreign exchange (or currency) risk

FX (or currency) risk may arise from adverse movements in currency exchange rates. The Bank monitors FX using FX value-at-risk (VaR) and FX term (6-months rolling cumulative) profit and loss risk appetite indicators. These two risk appetite indicators provide an industry standard for monitoring market risk whilst also providing a stronger link between the risk appetite indicators and profit. The Bank is a so-called “Non-Limit-Granted Unit” which means that the Bank keeps FX positions within relatively narrow limits. The Bank has in place a FX VaR limit (10-day, 99%) of USD $500 thousand. As a result, the Bank is not exposed to any material foreign currency risk. Limits frameworks are in place to facilitate daily management of currency positions and forward transactions and currency time options. In accordance with the Bank’s policy, positions are monitored on a daily basis by 1LoD and 2LoD and reported to the ALCO for review. Hedging strategies are used to ensure positions are maintained within established limits.

Foreign currency (FC) positions

The below presents the positions translated to Euro's for the respective transaction currency.

| ***FC position in millions of €s*** | **2025** | | | **2024** | | |
|---|---|---|---|---|---|---|
| **Currency** | Total assets | Total liabilities | Position | Total assets | Total liabilities | Position |
| EUR | 9,828 | (7,680) | 2,148 | 9,725 | (7,709) | 2,016 |
| USD | 1,610 | (1,597) | 13 | 1,493 | (1,495) | (2) |
| GBP | 321 | (323) | (2) | 170 | (171) | (1) |
| JPY | 401 | (398) | 2 | 327 | (325) | 2 |
| Other | 532 | (528) | 3 | 395 | (380) | 15 |
| **Total** | **12,691** | **(10,526)** | **2,165** | **12,110** | **(10,080)** | **2,030** |

Currency sensitivity

| **Currency sensitivity in thousands of $s** | **2025** | **2024** |
|---|---|---|
| FX VaR | 299 | 184 |

(Traded) Interest rate risk

The Bank does not maintain a trading book that can expose it to (traded) interest rate risk. The only material interest rate risk resides in the banking book.

Interest rate risk in the banking book (IRRBB)

Interest rate risk is the current or prospective risk to earnings and capital arising from adverse movements in interest rates from positions booked in the banking book. The risk appetite for IRRBB consists of five metrics: EVE outlier criterion (supervisory outlier test), present value of a basis point, delta economic value of equity, delta net interest income and net interest income outlier criterion. In addition, the Bank reports a separate metric to MUFG Bank Ltd., Tokyo, Japan which is a repricing gap that is scaled down to a 3-month equivalent, multiplied by correlation factors.

In accordance with the Bank’s policy, IRRBB positions are monitored on a daily basis and hedging strategies are used to ensure positions are maintained within the established appetite.

On a monthly basis, the Bank reports the following four RAIs for IRRBB which are aligned with EBA guidelines on the management of interest rate risk arising from non-trading activities.

Consolidated financial statements

# Notes to the consolidated financial statements

| Risk appetite indicator | Description |
|---|---|
| EVE outlier criterion (supervisory stress test) | Impact on EVE of a sudden parallel +/- 200 basis point shift in the yield curve. |
| Present Value of 1-basis point (PV01) | Impact on EVE of a sudden parallel +/- 1 basis point shift in the yield curve. |
| Delta net interest income (NII) | Measurement of the change of the net interest income over a two-year time horizon resulting from a sudden or gradual interest rate movement. |
| Net interest income (NII) outlier criterion | Impact on NII of a sudden parallel +/- 200 basis point shift in the yield curve over a one-year time horizon. |
| Delta economic value of equity (EVE) | Calculation of the impact on EVE of interest rate shocks prescribed by EBA. |

The Bank's sensitivity to changes in interest rates is a measure of the sensitivities of its asset and liability mismatches to interest rate changes. The sensitivities include assumptions for products such as current accounts.

The Bank calculates these measures as the change in the present value of its asset and liability portfolios resulting from immediate and sustained interest rate shocks. The following table provides a sensitivity analysis of interest rate risk in relation to equity by currency for those currencies where the Bank has material exposure. The calculation of the economic value of equity (EVE) analysis at 31 March 2025 shows that, in total, an increase of 200 bp leads to an increase in € 6,346 of economic value of equity (2024: € 16,957 increase) and a decrease of 200 bp leads to decrease of € 15,047 of economic value of equity (2023: € 36,946 decrease).

| Interest rate sensitivity in thousands of €s | 2025 | | 2024 | |
|---|---|---|---|---|
| | Increase / (Decrease) in basis points | Sensitivity of equity | Increase / (Decrease) in basis points | Sensitivity of equity |
| **The Bank (EVE)** | 200 / (200) | 6,346 / (15,047) | 200 / (200) | 16,957 / (36,946) |
| **Currency** | | | | |
| EUR | 200 / (200) | 2,085 / (5,482) | 200 / (200) | 11,986 / (26,139) |
| USD | 200 / (200) | 2,536 / (5,592) | 200 / (200) | 3,263 / (7,093) |
| GBP | 200 / (200) | 1,430 / (3,154) | 200 / (200) | 1,210 / (2,659) |
| JPY | 200 / (200) | 278 / (596) | 200 / (200) | 213 / (454) |
| Other | 200 / (200) | 67 / (170) | 200 / (200) | 92 / (204) |

Consolidated financial statements

# Notes to the consolidated financial statements

Analysis of financial assets and liabilities by remaining contractual maturity

The tables below summarise the maturity profile of the Bank's financial assets and liabilities as at 31 March 2025. Trading derivatives, if any, are shown at fair value in a separate column. All derivatives used for hedging purposes are shown by maturity, based on their contractual undiscounted repayment obligations. Gross settled, non-trading derivatives are shown separately, by contractual maturity at the foot of the note.

Repayments which are subject to notice are treated as if notice were to be given immediately. However, the Bank expects that many customers will not request repayment on the earliest date possible.

Furthermore, the undiscounted future coupon interest on financial liabilities payable is included in a separate line and in the relevant maturity bucket.

**Financial assets and liabilities by remaining contractual maturity**

| in millions of €s | 2025 | | | | | | 2024 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Maturity analysis** | On demand | 0-3 months | 3-12 months | 1-5 years | > 5 years | Total | On demand | 0-3 months | 3-12 months | 1-5 years | > 5 years | Total |
| **Financial assets** | | | | | | | | | | | | |
| Balances with central banks | 1,894 | - | - | - | - | 1,894 | 2,622 | - | - | - | - | 2,622 |
| **Loans and advances to banks** | | | | | | | | | | | | |
| Placements with banks - on demand | 129 | - | - | - | - | 129 | 82 | - | - | - | - | 82 |
| Placement with banks - term deposits | 391 | 75 | - | - | - | 466 | 914 | 74 | - | - | - | 988 |
| Loans and advances | - | 15 | 51 | 299 | 80 | 446 | - | 60 | 79 | 394 | - | 532 |
| **Loans and advances to customers** | | | | | | | | | | | | |
| Corporate term loans | 223 | 1,237 | 603 | 3,590 | 1,311 | 6,965 | 352 | 1,290 | 329 | 2,992 | 1,101 | 6,064 |
| Corporate current accounts | 469 | - | - | - | - | 469 | 244 | - | - | - | - | 244 |
| Bills of exchange | 193 | 466 | 78 | 348 | - | 1,085 | 203 | 603 | 35 | 274 | - | 1,115 |
| Participation loans | 69 | - | - | - | - | 69 | - | - | - | 46 | - | 46 |
| **Financial investments** | | | | | | | | | | | | |
| Supply chain finance transactions measured at FVOCI | 7 | 246 | 302 | - | - | 555 | (2) | 178 | 72 | - | - | 249 |
| Government bonds measured at FVOCI | - | - | - | 346 | - | 346 | - | - | - | - | - | - |
| Loans measured at FVPL | - | - | - | 40 | 8 | 48 | - | - | - | 11 | - | 11 |
| Derivatives | 5 | 38 | 31 | 67 | - | 140 | 1 | 23 | 25 | 31 | 4 | 84 |
| **Total assets** | **3,380** | **2,077** | **1,066** | **4,689** | **1,400** | **12,612** | **4,417** | **2,228** | **540** | **3,747** | **1,106** | **12,038** |

Consolidated financial statements

# Notes to the consolidated financial statements

| in millions of €s | 2025 | | | | | | 2024 | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **Maturity analysis** | On demand | 0-3 months | 3-12 months | 1-5 years | > 5 years | Total | On demand | 0-3 months | 3-12 months | 1-5 years | > 5 years | Total |
| **Financial liabilities** | | | | | | | | | | | | |
| **Due to banks** | | | | | | | | | | | | |
| Nostro accounts | 5 | - | - | - | - | 5 | 7 | - | - | - | - | 7 |
| Term deposits | 13 | 621 | 564 | 3,856 | 122 | 5,176 | 19 | 649 | 808 | 2,916 | 6 | 4,398 |
| | | | | | | | | | | | | |
| **Due to customers** | | | | | | | | | | | | |
| Current accounts | 3,079 | - | - | - | - | 3,079 | 3,365 | - | - | - | - | 3,365 |
| Term deposits | 221 | 1,361 | 234 | 57 | - | 1,874 | 201 | 1,577 | 250 | 38 | - | 2,065 |
| | | | | | | | | | | | | |
| Derivatives | 4 | 37 | 32 | 36 | 29 | 139 | 1 | 22 | 24 | 31 | 4 | 83 |
| **Total liabilities** | **3,322** | **2,019** | **830** | **3,949** | **152** | **10,272** | **3,593** | **2,249** | **1,082** | **2,984** | **10** | **9,918** |
| | | | | | | | | | | | | |
| **Net** | **58** | **58** | **236** | **740** | **1,248** | **2,340** | **824** | **(20)** | **(542)** | **763** | **1,096** | **2,120** |

Consolidated financial statements

# Notes to the consolidated financial statements

**Operational risk**

Operational risk refers to the risk of loss resulting from either internal control issues, such as inadequate operational processes or misconduct, system failures, or external factors, such as a natural disaster. The term includes a broad range of risks that could lead to losses.

The Bank defines ten operational risk types, which constitute the operational risk taxonomy: technology risk, data risk, transaction processing risk, people risk, third party risk, fraud risk, legal risk, business continuity risk, project / change risk, and tangible asset risk. The taxonomy may change as emerging or new risks are recognised.

Out of the ten operational risk types, four are deemed significant given the current context:

- Technology risk: The risk of financial loss arising from destruction, disruption, malfunction, misuse of IT systems (hardware and software), as well as from unauthorised data alteration and leaks which are caused by inadequacies in system planning, development and operation as well as by threats and vulnerabilities related to IT and cyber security. Technology risk can result in financial losses, data breaches, service disruptions and reputational damage
- Data risk: The risk of financial loss or reputational damage arising from issues or limitations in Bank's ability to govern, manage, acquire, store, transform, move, and use its data assets
- Transaction processing risk: Risk of financial loss, fines, and/or penalties caused by inadequate, failed, incomplete, inaccurate, and/or untimely transaction processing, on-boarding/off-boarding or non-maintenance of clients and counterparties
- Third party risk: The risk of financial loss or reputational damage arising from the use of third parties (external and intra-group) to perform services or activities on behalf of the Bank, which could increase in the probability of operational disruption, theft of intellectual property, violations of laws, unethical conduct, data breaches, sub-contracting outside of the visibility of the Bank and the inability to provide services when faced with events outside the reasonable control of the affected party

Operational risk is managed in compliance with the Bank's operational risk management policy and broader operational RMF. Within the RMF standards and requirements for managing operational risk are defined, including relevant procedures. The RAS defines the amount of operational risk the Bank is willing to take within its risk capacity in order to fulfill business strategies and financial plans.

Operational risk is managed by written workflows, business process manuals and internal control measures. Different tools and systems are used to ensure proper management of events and incidents, risk and control self-assessments, and issues and actions.

The objective of operational risk management is not to remove operational risk entirely, but to keep it within risk appetite, and to ensure that the control environment is adequate to prevent any high-value losses that have the potential to damage the Bank.

**Compliance risk**

The Bank has established a compliance RMF to protect the Bank from financial and/or reputational losses related to compliance risks. We define compliance risk as the risk of damage to the Bank by failing to comply with financial services regulations, rules, guidelines, and industry codes of conduct. Based on this definition, the Bank has defined three main sub-categories of compliance risk:

Financial Crime

- Financial crime risk is the risk of financial loss or reputational damage to the Bank arising from misuse of its products and/or services for money laundering and terrorist financing, bribery and corruption.

Core Compliance

- Conduct risk is the risk of reputational or financial damage to the firm as a result of actions causing harm to customers, the efficient operation of the markets, or fair competition. Conduct risk includes risk themes such as market conduct and integrity, information asymmetry and conflicts of interest, customer treatment and protection, governance supervision and oversight, competency talent management and reward and other regulatory requirements for market activities
- Regulatory risk is the risk of reputational or financial damage to the firm as a result of failure to comply with laws and regulations. Regulatory risk includes risk themes such as regulatory requirements and controls, regulatory reporting, local and other regulation specific requirements and infrastructure resilience, technology and information management

Consolidated financial statements

# Notes to the consolidated financial statements

Due to comprehensiveness of the subject, the framework for managing compliance risks has led to implementation of (interconnected) policies, procedures, guidelines and processes within the Bank, as well as the governance structure. The risk management practices defined as part of the framework are being regularly reviewed as a result of changes in the internal and external environment, legal and regulatory requirements, changes of Group requirements and other circumstances having impact on the Bank's compliance risk profile.

### Model risk

Model risk is the potential for loss arising from decisions based on incorrect or misused model outputs and reports. A model is a quantitative process that applies advanced statistical or mathematical theories and techniques to transform input data, quantitative and judgemental, into quantitative estimates used for business decisions and/or regulatory reports.

The Bank has an averse risk appetite for model risk and aims to ensure that all identified models are subject to ongoing monitoring and independently validated regularly, and remain appropriate for the integrity of financial, management and risk management information. All models are subject to robust challenge and controls. This is monitored through two risk appetite indicators and model risk dashboard on a quarterly basis. The primary committee attached to this risk is the RMC.

## 28. Country by country reporting (CbCr)

In this paragraph an overview is provided on certain tax, financial and statistical data for each country in which the Bank operates. Details of the subsidiaries and branches that are included in the consolidated statements of the Bank are as follows:

| Country | Entity | Nature of activities |
|---|---|---|
| Netherlands | MUFG Bank (Europe) N.V. | Financial services |
| Spain | Branch | Financial services |
| Austria | Branch | Financial services |
| Belgium | Branch | Financial services |
| Germany | Branch | Financial services |
| Germany | MUFG Europe Lease (Deutschland) GmbH i.L. | Financial services |
| United Kingdom | MUFG Funding (UK) Ltd | Financial services |

| | 2025 | | | | | |
|---|---|---|---|---|---|---|
| Country | Total operating income | Average number employees[1] | Profit/(loss) before tax | Corporation tax (paid)/ received | Statutory corporate income tax rate | Public subsidies received |
| Netherlands | 228,581 | 373 | 101,257 | 30,145 | 25.8% | - |
| Germany | 143,139 | 214 | 105,095 | 45,254 | 31.2% | - |
| Spain | 12,130 | 34 | 4,718 | 1,397 | 30.0% | - |
| Austria | 3,066 | 14 | 205 | 34 | 23.0% | - |
| Belgium | 3,725 | 13 | 337 | - | 25.0% | - |
| United Kingdom | 362 | - | 268 | 67 | 25.0% | - |
| **Total** | **391,003** | **648** | **211,881** | **76,897** | | **-** |

1 Average number of employees is calculated as the year-on-year average. This excludes employees who are not working fulltime at the Bank such as contractors.

# Notes to the consolidated financial statements

## 29. Proposed profit appropriation

The statutory provision regarding the profit appropriation reads as follows:

The profit appearing from the financial statements shall be at the disposal of the general meeting of the shareholder. The profit for the current year amounts to € 134,984 (FY23: € 191,552). The proposal to the general shareholder meeting to appropriate the profit is as follows:

| Appropriation of profit (loss) | 2025 | 2024 |
|---|---|---|
| Transfer to reserves | 134,984 | 191,552 |
| **Profit (loss) for the year** | **134,984** | **191,552** |

There is no proposed dividend payment for FY24. Net profit has been added to the reserves for the current financial year, to strengthen the capital base, increase its resilience and further optimise the possibilities for significant lending to support future growth opportunities.

## 30. Subsequent events

There are no reportable events subsequent to 31 March 2025.

Consolidated financial statements

# Notes to the consolidated financial statements

## Authorisation of consolidated financial statements

Amsterdam, 9 July 2025

| The Supervisory Board | |
|---|---|
| W. Reehoorn, Chair | H. Yamamura, Vice Chair |
| C. Stack | G. Van Vollenhoven-Eikelenboom |

| The Management Board | |
|---|---|
| H.D.L. Bots | H. Okamoto |
| M.A.B. Selles | R.M. Elkenbracht-Huizing |

# Parent company financial statements

Parent company financial statements

# Parent company statement of financial position

As at 31 March

| in thousands of €s | Notes | 2025 | 2024 |
|---|---|---|---|
| **ASSETS** | | | |
| Cash and balances with central banks | 1 | 1,893,636 | 2,622,278 |
| Loans and advances to banks | 2 | 1,033,869 | 1,595,109 |
| Loans and advances to customers | 3 | 8,536,389 | 7,424,523 |
| Derivatives | 4 | 140,131 | 84,454 |
| Financial investments | 5 | 948,916 | 259,065 |
| Investments in subsidiaries | 8 | 7,072 | 7,325 |
| Property and equipment | 6 | 22,982 | 9,319 |
| Intangible assets | 7 | 9,413 | 9,295 |
| Current tax assets | 22 | 44,261 | 30,455 |
| Deferred tax assets | 22 | 20,028 | 34,326 |
| Retirement benefit assets | | 2,926 | 4,253 |
| Other assets | 9 | 31,694 | 30,489 |
| **Total assets** | | **12,691,316** | **12,110,890** |

| in thousands of €s | Notes | 2025 | 2024 |
|---|---|---|---|
| **LIABILITIES** | | | |
| Due to banks | 10 | 5,180,778 | 4,405,232 |
| Due to customers | 11 | 4,953,143 | 5,435,481 |
| Derivatives | 4 | 138,560 | 82,868 |
| Current tax liabilities | 22 | 106,282 | 54,231 |
| Provisions | 12 | 22,255 | 21,558 |
| Other liabilities | 13 | 125,119 | 81,335 |
| **Total liabilities** | | **10,526,137** | **10,080,706** |
| **EQUITY** | | | |
| Issued capital | 14 | 100,003 | 100,003 |
| Share premium | 14 | 1,334,304 | 1,334,304 |
| Retained earnings | 14 | 729,969 | 595,103 |
| Legal reserves | 14 | 904 | 775 |
| **Shareholder's equity** | | **2,165,179** | **2,030,184** |
| **Total equity** | | **2,165,179** | **2,030,184** |
| **Total liabilities and equity** | | **12,691,316** | **12,110,890** |

Parent company financial statements

# Parent company statement of profit or loss

For the year ended 31 March

| in thousands of €s | Notes | 2025 | 2024 |
|---|---|---|---|
| Interest income | | 531,971 | 568,118 |
| Interest expense | | 240,446 | 247,466 |
| **Net interest income** | 16 | **291,526** | **320,652** |
| Fee and commission income | | 68,857 | 84,663 |
| Fee and commission expense | | 18,014 | 24,127 |
| **Net fee and commission income** | 17 | **50,843** | **60,536** |
| Result on financial transactions | 18 | 44,298 | 32,872 |
| Other operating income | 19 | 3,975 | 492 |
| **Total operating income** | | **390,642** | **414,552** |
| Personnel expenses | 20 | 105,122 | 92,304 |
| Depreciation of property and equipment | 6 | 4,437 | 4,061 |
| Amortisation of intangible assets | 7 | 3,536 | 4,316 |
| Other operating expenses | 21 | 57,663 | 55,986 |
| **Total operating expenses** | | **170,758** | **156,666** |
| Credit loss expenses (recovery) | 2, 3 | 8,271 | (8,165) |
| **Profit (loss) before tax** | | **211,613** | **266,050** |
| Income tax expense/(benefit) | 22 | 76,830 | 74,275 |
| **Net result continued operations** | | **134,783** | **191,775** |
| Result of Group companies after taxation | | 201 | (223) |
| **Net result** | | **134,984** | **191,552** |

Parent company financial statements

# Notes to parent company financial statements

## Basis of preparation of the Parent company financial statements

The Parent company financial statements of the Bank are prepared in accordance with the financial reporting requirements included in Part 9 of Book 2, of the Dutch Civil Code. The accounting policies applicable to presentation and disclosures are in accordance with the financial reporting requirements included in Part 9 of Book 2, of the Dutch Civil Code. In accordance with section 8 of article 362, Book 2 of the Dutch Civil Code, the recognition and measurement principles applied in these parent company financial statements are the same as those applied in the consolidated financial statements, reference is made to Accounting policies. Investments in group companies are accounted for using the equity method of accounting in the Parent company financial statements in accordance with article 389, section 2 of Book 2, of the Dutch Civil Code.

Changes in balance sheet values due to changes in the revaluation reserve of subsidiaries are reflected in the Parent company's revaluation reserve, which forms part of shareholder's equity. Changes in balance sheet values due to the results of these subsidiaries, accounted for in accordance with IFRS-EU, are included in the Parent company statement of profit or loss. For information regarding the risk management policies, related party transactions and additional notes reference is made to the consolidated financial statements.

The parent company financial statements are presented in EUR (€) and all values are rounded to the nearest € thousands, except when otherwise indicated. Amounts may not add up due to rounding.

## Assets

### 1. Cash and balances with central banks

| Cash and balances with central banks | 2025 | 2024 |
|---|---|---|
| Balances with central banks | 1,893,636 | 2,622,278 |
| | **1,893,636** | **2,622,278** |
| Allowance for expected credit losses | - | - |
| **Cash and balances with central banks** | **1,893,636** | **2,622,278** |

Balances with central banks include mandatory reserve deposits amounting to € 128,513 at 31 March 2025 (2024: € 112,636), which are not immediately available for the Bank's day-to-day operations.

### 2. Loans and advances to banks

| Loans and advances to banks | 2025 | 2024 |
|---|---|---|
| Placement with banks - term deposits | - | - |
| Loans and advances | 379,256 | 393,803 |
| **Non-current loans and advances to banks** | **379,256** | **393,803** |
| | | |
| Placements with banks - on demand | 128,557 | 81,137 |
| Placement with banks - term deposits | 459,634 | 981,958 |
| Loans and advances | 66,443 | 138,238 |
| Allowance for expected credit losses | (21) | (27) |
| **Current loans and advances to banks** | **654,613** | **1,201,306** |
| **Loan and advances to banks** | **1,033,869** | **1,595,109** |

The amount receivable from the Parent's London branch is € 554,555 at 31 March 2025 (2024: € 1,000,981). The Bank entered into a financial collateral agreement with the Parent's London branch, whereby eligible government bonds are pledged by the Parent to the Bank.

Parent company financial statements

# Notes to parent company financial statements

## 3. Loans and advances to customers

| Loans and advances to customers | 2025 | 2024 |
|---|---|---|
| Corporate term loans | 4,901,470 | 4,093,082 |
| Bills of exchange | 347,833 | 320,600 |
| **Non-current loans and advances to customers** | **5,249,303** | **4,413,682** |
| | | |
| Corporate term loans | 2,063,413 | 1,971,391 |
| Corporate current accounts | 469,210 | 244,129 |
| Bills of exchange | 737,478 | 794,497 |
| Participation loans | 69,348 | 46,331 |
| **Current loans and advances to customers** | **3,339,450** | **3,056,348** |
| Allowance for expected credit losses | (52,364) | (45,507) |
| **Loans and advances to customers** | **8,536,389** | **7,424,523** |

Allowance expected credit losses for loans and advances to customers
The movements in the allowances can be specified as follows:

| Expected credit loss allowance for loans and advances to customers | 2025 | 2024 |
|---|---|---|
| **Opening balance** | (45,507) | (53,324) |
| Expected credit loss (expenses) recovery | (6,857) | 7,817 |
| Write off expenses | - | - |
| Recovery amounts previously written off | - | - |
| **Closing balance** | **(52,364)** | **(45,507)** |

For further details on expected credit losses we refer to note 27 Risk management in the consolidated financial statements.

## 4. Derivatives

The table below shows the fair values of derivatives, recorded as assets or liabilities, together with their notional amounts. The notional amount, recorded gross is the amount of a derivatives underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts indicate the volume of transactions outstanding at year-end and are not indicative of either market or credit risk.

| in thousands of €s | 2025 | | | |
|---|---|---|---|---|
| **Derivatives** | **Assets** | **Liabilities** | **Notional amounts (assets)** | **Notional amounts (liabilities)** |
| Interest rate swaps | - | 2 | 3,094 | 3,094 |
| **Derivatives used as fair value hedge** | **-** | **2** | **3,094** | **3,094** |
| Forward foreign exchange contract | 103,267 | 101,404 | 15,069,636 | 15,069,636 |
| Loan commitment derivatives | 35,888 | 36,177 | 2,515,662 | 2,613,637 |
| Currency options | 977 | 977 | 97,200 | 97,200 |
| **Derivatives other** | **140,131** | **138,558** | **17,682,498** | **17,780,473** |
| **Derivative financial instruments** | **140,131** | **138,560** | **17,685,592** | **17,783,567** |

| in thousands of €s | 2024 | | | |
|---|---|---|---|---|
| **Derivatives** | **Assets** | **Liabilities** | **Notional amounts (assets)** | **Notional amounts (liabilities)** |
| Interest rate swaps | 17 | 44 | 1,172 | 3,001 |
| **Derivatives used as fair value hedge** | **17** | **44** | **1,172** | **3,001** |
| Forward foreign exchange contract | 59,674 | 57,796 | 4,773,397 | 4,623,226 |
| Loan commitment derivatives | 24,763 | 25,028 | 1,315,196 | 1,397,246 |
| Currency options | - | - | - | - |
| **Derivatives other** | **84,436** | **82,824** | **6,088,593** | **6,020,473** |
| **Derivative financial instruments** | **84,454** | **82,868** | **6,089,765** | **6,023,473** |

Parent company financial statements

# Notes to parent company financial statements

## 5. Financial investments

| Financial investments | 2025 | 2024 |
|---|---|---|
| Supply chain finance transactions measured at FVOCI | 554,908 | 248,553 |
| Government bonds measured at FVOCI | 345,584 | - |
| Loans measured at FVPL | 48,424 | 10,512 |
| **Financial investments** | **948,916** | **259,065** |

For more information on the movements, we refer to the notes in the consolidated financial statements.

## 6. Property and equipment

| Property and equipment | 2025 | | | | | |
|---|---|---|---|---|---|---|
| | Owned | | | Right-of-use assets | | |
| | Operations equipment | Lease improvements | Total | Operations equipment | Buildings | Total |
| **Opening balance** | 2,364 | 1,432 | 3,796 | - | 5,523 | 5,523 |
| Additions | 2,194 | 4,025 | 6,219 | - | 15,963 | 15,963 |
| Disposals | (63) | (5) | (68) | - | (3,210) | (3,210) |
| Depreciation | (885) | (231) | (1,116) | - | (3,324) | (3,321) |
| Impairment | (205) | (901) | (1,105) | | | - |
| Other changes | 3 | (3) | - | - | 304 | 301 |
| **Closing balance** | **3,408** | **4,318** | **7,726** | - | **15,256** | **15,256** |
| Accumulated cost | 12,030 | 8,996 | 21,026 | 186 | 27,640 | 27,826 |
| Accumulated depreciation | (8,622) | (4,678) | (13,300) | (186) | (12,384) | (12,570) |
| **Property and equipment** | **3,408** | **4,318** | **7,726** | - | **15,256** | **15,256** |

| Property and equipment | 2024 | | | | | |
|---|---|---|---|---|---|---|
| | Owned | | | Right-of-use assets | | |
| | Operations equipment | Lease improvements | Total | Operations equipment | Buildings | Total |
| **Opening balance** | 2,586 | 1,883 | 4,469 | - | 7,828 | 7,828 |
| Additions | 522 | 15 | 537 | - | 441 | 441 |
| Disposals | (31) | - | (31) | - | (163) | (163) |
| Depreciation | (877) | (390) | (1,267) | - | (2,890) | (2,890) |
| Other changes | 164 | (76) | 88 | - | 307 | 307 |
| **Closing balance** | **2,364** | **1,432** | **3,796** | - | **5,523** | **5,523** |
| Accumulated cost | 12,010 | 7,967 | 19,977 | 186 | 20,152 | 20,338 |
| Accumulated depreciation | (9,646) | (6,535) | (16,181) | (186) | (14,629) | (14,815) |
| **Property and equipment** | **2,364** | **1,432** | **3,796** | - | **5,523** | **5,523** |

The property and equipment relates to small office equipment and improvements to the office (leasehold improvements). The depreciation period varies between 2-16 years.

For more details on the movements, we refer to the notes in the consolidated financial statements.

Parent company financial statements

# Notes to parent company financial statements

## 7. Intangible assets

| Intangible assets | 2025 | 2024 |
|---|---|---|
| Opening balance | 9,295 | 10,519 |
| Additions | - | 154 |
| Disposals | - | (965) |
| Amortisation | (3,536) | (4,316) |
| Under development | 3,762 | 2,988 |
| Impairment (loss) | - | (183) |
| Other changes | (109) | 1,099 |
| **Closing balance** | **9,413** | **9,295** |
| Accumulated cost | 45,099 | 43,004 |
| Accumulated amortisation and impairment (loss) | (35,687) | (33,709) |
| **Closing balance** | **9,413** | **9,295** |

## 8. Investments in subsidiaries

The Bank has the following subsidiaries:

| Investments in subsidiaries | | | 2025 | | 2024 | |
|---|---|---|---|---|---|---|
| Name of the subsidiary | Country of incorporation | Place | Interest held % | Balance sheet value | Interest held % | Balance sheet value |
| MUFG Europe Lease (Deutschland) GmbH i.L. | Germany | Dusseldorf | 95 | - | 95 | 604 |
| MUFG Funding (UK) Limited | United Kingdom | London | 100 | 7,072 | 100 | 6,720 |
| **Investments in subsidiaries** | | | | **7,072** | | **7,325** |

The liquidation of MUFG Europe Lease (Deutschland) GmbH i.L. is in progress and expected to be finalised in the near future. As the entity has been in liquidation during the full year, all assets and connected expenses are provided for by the Bank.

The shares of the subsidiaries are not listed on any stock exchange. The movements are as follows:

| Movements: investments in subsidiaries | 2025 | 2024 |
|---|---|---|
| **Opening balance** | **7,325** | **14,826** |
| Net profit/(loss) for the period | 201 | (223) |
| Dividend payment | - | (7,848) |
| Translation differences | 150 | 180 |
| Derecognition due to liquidation | (604) | 390 |
| **Closing balance** | **7,072** | **7,325** |

## 9. Other assets

| Other assets | 2025 | 2024 |
|---|---|---|
| Accounts receivable | 181 | 299 |
| Prepayments | 3,932 | 2,934 |
| Collateral posted | - | 7,042 |
| Funds held at Single Resolution Fund | 8,551 | 8,551 |
| Accounts paid (and in suspense) | 6,520 | 3,209 |
| Accrued fees | 7,038 | 8,109 |
| Other | 5,473 | 344 |
| **Other assets** | **31,694** | **30,489** |

For more details on the movements, we refer to the section Other assets in the notes of the consolidated financial statements.

Parent company financial statements

# Notes to parent company financial statements

## Liabilities

### 10. Due to banks

This item comprises debts to credit institutions and central banks.

| Due to banks | 2025 | 2024 |
|---|---|---|
| Term deposits | 3,978,387 | 2,921,608 |
| **Non-current due to banks** | **3,978,387** | **2,921,608** |
| | | |
| Nostro accounts | 4,899 | 7,215 |
| Term deposits | 1,197,491 | 1,476,409 |
| **Current due to banks** | **1,202,391** | **1,483,624** |
| **Due to banks** | **5,180,778** | **4,405,232** |

### 11. Due to customers

| Due to customers | 2025 | 2024 |
|---|---|---|
| Term deposits | 57,468 | 37,650 |
| **Non-current due to customers** | **57,468** | **37,650** |
| | | |
| Current accounts | 3,078,707 | 3,369,000 |
| Term deposits | 1,816,969 | 2,028,831 |
| **Current due to customers** | **4,895,676** | **5,397,831** |
| **Due to customers** | **4,953,143** | **5,435,481** |

### 12. Provisions

| Provisions | Notes | 2025 | 2024 |
|---|---|---|---|
| Expected credit losses on off-balance facilities | 27 | 3,269 | 1,849 |
| Pension liability | 11.1, 11.2 | 6,461 | 9,204 |
| Restructuring provision | 11.3 | 5,461 | 5,072 |
| Provision for holiday allowance | | 3,600 | 2,858 |
| Other provisions | | 3,465 | 2,576 |
| **Provisions** | | **22,255** | **21,558** |

For the post employment benefit plans and early retirement liability please refer to 11 Provisions to the consolidated financial statements. The pension plans as disclosed in the consolidated financial statements entirely relate to the Parent company.

### 13. Other liabilities

| Other liabilities | 2025 | 2024 |
|---|---|---|
| Accrued expenses | 49,101 | 39,750 |
| Accounts payable | 6,883 | 12,352 |
| Lease liabilities | 15,419 | 5,991 |
| Collateral received | 23,317 | - |
| Other | 30,400 | 23,242 |
| **Other liabilities** | **125,119** | **81,335** |

For more details on the movements, we refer to 12 Other liabilities in the notes of the consolidated financial statements.

Parent company financial statements

# Notes to parent company financial statements

## Equity

### 14. Issued capital and other reserves

The authorised capital amounts to € 204,300 as at 31 March 2025 (2024: € 204,300) and consists of 450,000 ordinary shares of € 454 each. The number of issued and fully paid-up shares are 220,270 as at 31 March 2025 (2024: 220,270) and amounts to € 100,003 at 31 March 2025 (2024: € 100,003). All shares issued are held by the Parent.

The Bank has no share option schemes under which options to subscribe for the Bank's shares have been granted to executives and senior employees. The revaluation reserve is a legal reserve under Dutch law.

| in thousands of €s | Issued capital | Share premium | Retained earnings | Legal reserves | | | | Total equity |
|---|---|---|---|---|---|---|---|---|
| | | | | Fair value | Foreign currency translation | Intangible assets | Actuarial revaluation | |
| **As at 31 March 2023** | **100,003** | **1,334,304** | **402,345** | **170** | **137** | **10,519** | **(7,306)** | **1,840,171** |
| Profit for the year | - | - | 191,534 | - | - | - | - | 191,534 |
| Other comprehensve income | - | - | - | (27) | 180 | - | (1,674) | (1,521) |
| Self developed software | - | - | 1,224 | - | - | (1,224) | - | - |
| **As at 31 March 2024** | **100,003** | **1,334,304** | **595,103** | **143** | **316** | **9,295** | **(8,980)** | **2,030,184** |
| Profit for the year | - | - | 134,984 | - | - | - | - | 134,984 |
| Other comprehensve income | - | - | - | 1,327 | 150 | | (1,465) | 12 |
| Self developed software | - | - | (117) | - | - | 117 | - | - |
| **As at 31 March 2025** | **100,003** | **1,334,304** | **729,969** | **1,470** | **466** | **9,413** | **(10,445)** | **2,165,180** |

Parent company financial statements

# Notes to parent company financial statements

## Contingent liabilities

### 15. Contingent liabilities and commitments

| Contingent liabilities and commitments | 2025 | 2024 |
|---|---|---|
| Letters of credit and financial guarantees | 2,272,847 | 1,974,414 |
| Undrawn commitments to lend | 6,516,009 | 6,562,414 |
| Other uncommitted facilities | 6,076,368 | 6,147,585 |
| **Contingent liabilities and commitments** | **14,865,224** | **14,684,412** |

Letters of credit, guarantees and acceptances commit the Bank to make payments on behalf of customers that fail to perform under the terms of the contract, generally related to the export or import of goods. These carry the same credit risk as loans. Other uncommitted facilities include loan commitments to our clients that are revocable.

## Notes to parent company statement of profit or loss

### 16. Net interest income

| Net interest income | 2025 | 2024 |
|---|---|---|
| Interest income from cash and balances with central banks | 82,799 | 120,017 |
| Interest income from loan and advances to banks | 23,240 | 23,950 |
| Interest income from loans and advances to customers | 397,734 | 406,006 |
| Interest income from financial investments | 27,751 | 17,403 |
| Interest income from others | 447 | 743 |
| **Interest income** | **531,971** | **568,118** |
| | | |
| Interest expense from due to banks | 154,879 | 174,546 |
| Interest expense from due to customers | 84,900 | 72,460 |
| Interest expense from others | 667 | 460 |
| **Interest expense** | **240,446** | **247,466** |
| **Net interest income** | **291,526** | **320,652** |

### 17. Net fee and commission income

| Net fee and commission income | 2025 | 2024 |
|---|---|---|
| Commission on funds transfer and letters of credit | 10,597 | 11,123 |
| Commission on guarantees | 11,592 | 9,024 |
| Commission on corporate term loans | 12,083 | 30,590 |
| Commitment fees on loans | 17,838 | 19,079 |
| Other fee and commission income | 16,747 | 14,847 |
| **Fee and commission income** | **68,857** | **84,663** |
| | | |
| Commission on (credit replacing) guarantees | 6,865 | 10,284 |
| Commission on funds transfer and letters of credit | 936 | 937 |
| Other fee commission expenses | 10,213 | 12,905 |
| **Fee and commission expense** | **18,014** | **24,127** |
| **Net fee and commission income** | **50,843** | **60,536** |

### 18. Result on financial transactions

| Result on financial transactions | 2025 | 2024 |
|---|---|---|
| Result on foreign currency transactions | 42,977 | 38,389 |
| Result on financial transactions | (312) | (5,201) |
| Result on other transactions | 1,633 | (318) |
| **Result on financial transactions** | **44,298** | **32,870** |

For more details on the personnel expenses, we refer to 16 Result on financial transactions in the consolidated financial statements.

### 19. Other operating income

| Other operating income | 2025 | 2024 |
|---|---|---|
| Other operating income | 3,975 | 492 |

Parent company financial statements

# Notes to parent company financial statements

## 20. Personnel expenses

| Personnel expenses | 2025 | 2024 |
|---|---|---|
| Wages and salaries | 76,554 | 67,506 |
| Social securities costs | 9,732 | 7,761 |
| Pension costs | 13,006 | 9,438 |
| Restructuring expenses | 389 | (39) |
| Other staff costs | 5,440 | 7,638 |
| **Personnel expenses** | **105,122** | **92,304** |

For more details on the personnel expenses, we refer to 18 Personnel expenses in the consolidated financial statements.

## 21. Other operating expenses

| Other operating expenses | 2025 | 2024 |
|---|---|---|
| Occupancy expenses | 5,072 | 4,838 |
| Office expenses | 26,250 | 17,215 |
| Professional fees | 5,991 | 7,043 |
| Business promotion expenses | 6,095 | 5,473 |
| VAT and sundry taxes | 7,067 | 13,140 |
| Regulatory expenses | 3,678 | 7,158 |
| Other | 3,512 | 1,119 |
| **Other operating expenses** | **57,665** | **55,986** |

Office expenses relate to IT services, regulatory supervision expenses and other office expenses.

Please refer to 19 Other operating expenses in the consolidated financial statements for disclosures on audit fees paid.

## 22. Income tax

The components of income tax expense:

| Income tax position | 2025 | 2024 |
|---|---|---|
| Current tax assets | 44,261 | 30,455 |
| Deferred tax assets | 20,028 | 34,326 |
| **Tax assets** | **64,289** | **64,781** |
| | | |
| Current tax liabilities | 106,282 | 54,231 |
| Deferred tax liabilities | - | - |
| **Tax liabilities** | **106,282** | **54,231** |
| | | |
| **Net tax position** | **(41,993)** | **10,550** |

| Income tax expense | 2025 | 2024 |
|---|---|---|
| Current income tax | 61,671 | 55,221 |
| Tax adjustment previous years | 4,187 | (109) |
| **Total current tax paid (received)** | **65,858** | **55,112** |
| | | |
| True-up of loss carry forward balances | - | (3,592) |
| Utilisation of assessed losses | 8,036 | 21,964 |
| Pension provision | (1,036) | (943) |
| Allowance for expected credit losses | 804 | 2,212 |
| Amortised fees | (603) | (741) |
| Prior year items deferred tax | 3,116 | |
| Other temporary differences | 655 | 263 |
| **Total deferred tax expense (benefit)** | **10,972** | **19,163** |
| **Income tax expense (benefit)** | **76,830** | **74,275** |

For more details on the tax movements, we refer to 20 Income tax in the consolidated financial statements.

Parent company financial statements

# Notes to parent company financial statements

## 23. Maturity analysis of assets and liabilities

Maturity analysis of financial assets and financial liabilities

| in millions of €s | 2025 | | | | | |
|---|---|---|---|---|---|---|
| **Maturity analysis** | On demand | 0-3 months | 3-12 months | 1-5 years | > 5 years | Total |
| **Assets** | | | | | | |
| Cash and balances with central banks | 1,894 | - | - | - | - | 1,894 |
| Loans and advances to banks | 508 | 96 | 51 | 299 | 80 | 1,034 |
| Loans and advances to customers | 903 | 1,703 | 681 | 3,938 | 1,311 | 8,536 |
| Financial investments | 7 | 246 | 302 | 386 | 8 | 949 |
| **Total assets** | **3,311** | **2,044** | **1,035** | **4,623** | **1,400** | **12,413** |
| **Liabilities** | | | | | | |
| Due to banks | 18 | 621 | 564 | 3,856 | 122 | 5,181 |
| Due to customers | 3,300 | 1,361 | 234 | 57 | - | 4,953 |
| **Total liabilities** | **3,318** | **1,982** | **798** | **3,913** | **122** | **10,133** |
| **Net** | **(7)** | **62** | **237** | **710** | **1,278** | **2,280** |

| in millions of €s | 2024 | | | | | |
|---|---|---|---|---|---|---|
| **Maturity analysis** | On demand | 0-3 months | 3-12 months | 1-5 years | > 5 years | Total |
| **Assets** | | | | | | |
| Cash and balances with central banks | 2,622 | - | - | - | - | 2,622 |
| Loans and advances to banks | 989 | 134 | 78 | 239 | 155 | 1,595 |
| Loans and advances to customers | 780 | 1,913 | 364 | 3,312 | 1,101 | 7,470 |
| Financial investments | 32 | 144 | 72 | 11 | - | 259 |
| **Total assets** | **4,423** | **2,190** | **515** | **3,562** | **1,256** | **11,947** |
| **Liabilities** | | | | | | |
| Due to banks | 26 | 649 | 808 | 2,916 | 6 | 4,405 |
| Due to customers | 3,571 | 1,577 | 250 | 38 | - | 5,435 |
| **Total liabilities** | **3,597** | **2,226** | **1,058** | **2,954** | **6** | **9,841** |
| **Net** | **826** | **(36)** | **(544)** | **608** | **1,250** | **2,106** |

## 24. Proposed profit appropriation

The statutory provision regarding the profit appropriation reads as follows:

The profit appearing from the confirmed financial statements shall be at the disposal of the general meeting of the shareholder. The profit for the current year amounts to €134,984 (2024: € 191,552). The proposal to the General shareholder meeting to appropriate the profit is as follows:

| Appropriation of profit (loss) | 2025 | 2024 |
|---|---|---|
| Transfer to reserves | 134,984 | 191,552 |
| **Profit (loss) for the year** | **134,984** | **191,552** |

There is no proposed dividend payment for FY24. Net profit has been added to the reserves for the current financial year, to strengthen the capital base, increase its resilience and further optimise the possibilities for significant lending to support future growth opportunities.

Parent company financial statements

# Notes to parent company financial statements

## 25. Subsequent events

There are no reportable events subsequent to 31 March 2025.

Parent company financial statements

# Notes to parent company financial statements

## Authorisation parent company financial statements

Amsterdam, 9 July 2025

**The Supervisory Board**

| | |
|---|---|
| W. Reehoorn, Chair | H. Yamamura, Vice Chair |
| C. Stack | G. Van Vollenhoven-Eikelenboom |

**The Management Board**

| | |
|---|---|
| H.D.L. Bots | H. Okamoto |
| M.A.B. Selles | R.M. Elkenbracht-Huizing |

# Other information

Other information

# Articles of Association – Appropriation of results

The result is appropriated pursuant to Article 16 of the Deed of Amendment Articles of Association of the Bank.

**16.1** The profit, which is apparent from the confirmed annual accounts, is at the disposal of the General Meeting of Shareholders.

**16.2** The company can only pay dividends to shareholders and other entitled to the distributable profits, in as far as its paid-up and called-up capital and retained earnings are larger than the paid-up and called-up part of the capital increased by the reserves which have to be maintained by law or under the articles of association.

**16.3** The General Meeting of Shareholders can decide in the course of a financial year to pay out an interim dividend if the legal requirements set forth in article 16.2 of this article are fulfilled.

# Independent auditor's report

Independent auditor's report

# Independent auditor's report

## Report on the audit of the financial statements for the year ended 31 March 2025 included in the annual report

**To: The shareholder and the supervisory board of MUFG Bank (Europe) N.V.**

### Our opinion

We have audited the financial statements for the year ended 31 March 2025 of MUFG Bank (Europe) N.V., based in Amsterdam. The financial statements comprise the consolidated and the parent company financial statements.

In our opinion:

- The accompanying consolidated financial statements give a true and fair view of the financial position of MUFG Bank (Europe) N.V. as at 31 March 2025, and of its result and its cash flows for the year ended 31 March 2025 in accordance with International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and with Part 9 of Book 2 of the Dutch Civil Code
- The accompanying parent company financial statements give a true and fair view of the financial position of MUFG Bank (Europe) N.V. as at 31 March 2025, and of its result for the year ended 31 March 2025 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated financial statements comprise:

- The consolidated statement of financial position as at 31 March 2025
- The following statements for the year ended 31 March 2025: the consolidated statement of profit or loss, the consolidated statements of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows
- The notes comprising material accounting policy information and other explanatory information

The company financial statements comprise:

- The parent company statement of financial position as at 31 March 2025
- The parent company statement of profit or loss for the year ended March 31, 2025
- The notes comprising a summary of the accounting policies and other explanatory information

### Basis for our opinion

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

We are independent of MUFG Bank (Europe) N.V. in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics for Professional Accountants).

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

### Information in support of our opinion

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

### Materiality

Based on our professional judgment we determined the materiality for the financial statements as a whole at € 12,000,000. The materiality is based on 0.6% of Shareholders equity. We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements in excess of € 600,000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

# Independent auditor's report

## Scope of the group audit

MUFG Bank (Europe) N.V. is at the head of a group. The financial information of this group is included in the consolidated financial statements of MUFG Bank (Europe) N.V.

Because we are ultimately responsible for the opinion, we are responsible for directing, supervising, and executing the group audit. In this respect, we have determined the nature and extent of the audit procedures to be carried out on the branches and subsidiaries. Our group audit mainly focussed on the Group, being MUFG Bank (Europe) N.V. Amsterdam and it's significant branch, MUFG Bank (Europe) N.V., Germany Branch.

We have:

- Performed audit procedures ourselves at group level on audit areas such as the allowance for expected credit losses, consolidation, disclosure requirements and regulatory compliance
- Used the work of other auditors when auditing MUFG Bank (Europe) N.V. Germany branch

For the German branch component team, the group audit team provided detailed written instructions, which, in addition to communicating requirements of the German component team, also detailed significant matters and information obtained centrally which is relevant to the German branch, including awareness for risks related to management override of controls. Furthermore, we developed a plan for directing, supervising and reviewing the Belgian component audit team. Our directing, supervising and reviewing procedures included (virtual) meetings with the component auditor and component management and remote working paper reviews. We also reviewed the component audit team's deliverables to gain a sufficient understanding of the work performed based on our instructions.

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

## Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and management's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as among others the code of conduct, whistle blower procedures and incident registration. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the risk of management override of controls as a fraud risk. Our procedures to address this risk included the following:

- We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance
- We considered available information and made enquiries of relevant executives, directors (including internal audit, legal, compliance) and the supervisory board
- We tested the appropriateness of journal entries recorded in the general ledger and other adjustments made in the preparation of the financial statements
- We evaluated whether the selection and application of accounting policies by the group, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting
- We evaluated whether the judgements and decisions made by management in making the accounting estimates included in the financial statements indicate a possible bias that may represent a risk of material misstatement due to fraud. Management insights, estimates and assumptions that might have a major impact on the financial statements are disclosed in the accounting policies of the financial statements

# Independent auditor's report

- We performed a retrospective review of management judgements and assumptions related to significant accounting estimates reflected in prior year financial statements
- For significant transactions we evaluated whether the business rationale of the transactions suggests that they may have been entered into to engage in fraudulent financial reporting or to conceal misappropriation of assets

We furthermore identified the risk of inappropriate accounting of loan-related fees (revenue recognition) as a fraud risk. Our procedures to address this risk included the following:
- We tested the design and implementation of relevant controls in the process for accounting for loan-related fees
- We performed test of details to evaluate the occurrence and accuracy of recognised fees by reconciling them with supporting documentation. Additionally, we assessed the cut-off of recorded fees by examining fees recognised after the year-end
- We scrutinized the nature of the fees and independently reassessed the appropriate accounting treatment
- We performed test of details to mitigate the risk that loan-related fees were either not recorded or were recorded in the incorrect financial year, whether due to fraud or error. This was achieved by examining the inclusion of fees in the unearned income balance

This did not lead to indications for fraud potentially resulting in material misstatements.

**Audit approach compliance with laws and regulations**
We assessed the laws and regulations relevant to the company through discussion with the management board, internal audit, compliance, the supervisory board, reading minutes and reports of internal audit.

We involved our forensic specialists in this evaluation.

As a result of our risk assessment procedures, and while realizing that the effects from non-compliance could considerably vary, we considered the following laws and regulations: (corporate) tax law, the wet nadere beloningsmaatregelen financiële ondernemingen, the requirements under the International Financial Reporting Standards as adopted by the European Union (EU-IFRS) and Part 9 of Book 2 of the Dutch Civil Code with a direct effect on the financial statements as an integrated part of our audit procedures, to the extent material for the financial statements.

We obtained sufficient appropriate audit evidence regarding provisions of those laws and regulations generally recognized to have a direct effect on the financial statements.

Apart from these, the entity is subject to other laws and regulations where the consequences of non-compliance could have a material effect on amounts and/or disclosures in the financial statements, for instance, through imposing fines or litigation.

Given the nature of the entity's business and the complexity of these other laws and regulations, there is a risk of non-compliance with the requirements of such laws and regulations

Our procedures are more limited with respect to these laws and regulations that do not have a direct effect on the determination of the amounts and disclosures in the financial statements. Compliance with these laws and regulations may be fundamental to the operating aspects of the business, to the entity's ability to continue its business, or to avoid material penalties (e.g., compliance with the terms of operating licenses and permits or compliance with environmental regulations) and therefore non-compliance with such laws and regulations may have a material effect on the financial statements. Our responsibility is limited to undertaking specified audit procedures to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements. Our procedures are limited to (i) inquiry of the Audit, Compliance and Risk Management Committee (“ACRMC”), the supervisory board, the management board, the compliance function and others within the entity as to whether the entity is in compliance with such laws and regulations and (ii) inspecting correspondence, if any, with the relevant licensing or regulatory authorities and taking notice of the policies, activities, internal controls and procedures the company has in place to comply with such laws and regulations to help identify non-compliance with those laws and regulations that may have a material effect on the financial statements.

Naturally, we remained alert to indications of (suspected) non-compliance throughout the audit.

# Independent auditor's report

Finally, we obtained written representations that all known instances of (suspected) fraud or non-compliance with laws and regulations have been disclosed to us.

### Audit approach going concern

Our responsibilities, as well as the responsibilities of the management board and the supervisory board, related to going concern under the prevailing standards, are outlined in the "Description of responsibilities regarding the financial statements" section below. In fulfilling our responsibilities, we evaluated management's assessment of the Company's ability to continue as a going concern for the next 12 months and considered key regulatory ratios. We refer to chapter 'Basis of preparation' of the Notes to the Consolidated Financial Statements for the disclosure on going concern assumption.

Our procedures included the following:

- Considering whether the management board's going concern assessment includes all relevant information of which we are aware of as a result of our audit
- Inquiring with the management board about its knowledge of going concern risks after the period of the continuity assessment performed by the management board and considering the impact of financial, operational, and other conditions
- Analysing MUFG Bank (Europe) N.V.'s financial position as at year-end and compared it to the previous financial year in terms of indicators that could identify going concern risks
- Inspecting documentation of stress testing of the economic and regulatory capital position performed during the year by management
- Assessing the duration gap between financial assets and liabilities and reported liquidity ratios to the Dutch Central Bank. In addition, we inspected the most recent internal liquidity adequacy assessment ("ILAAP") prepared by management
- Assessing the solvency position of MUFG Bank (Europe) N.V. by inspecting the reported capital ratios as imposed by the Capital Requirements Regulation. In addition, we inspected the most recent internal capital adequacy assessment ("ICAAP") prepared by management
- Inspecting regulatory correspondence to obtain an understanding of MUFG Bank (Europe) N.V. 's capital and liquidity position, that underpins management's assessment of the going concern assumption for financial reporting
- Obtaining an understanding of economic hedge policy and the overall risk framework of the Bank

Based on our procedures performed, we did not identify significant doubts on the Company's ability to continue as a going concern for the next 12 months. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report.

### Our key audit matters

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

| Key Audit Matter: Allowance for expected credit losses |
| --- |
| **Description:** |
| MUFG Bank (Europe) N.V. provides credit to corporate clients, with a focus on European corporates and subsidiaries of Japanese corporates. Because of the inherent uncertainty, subjectivity and complexity when estimating the allowance for expected credit losses ("ECL") for the loan portfolio, this allowance is a key area of judgement and estimate by management.<br><br>As a result of the significance of the ECL allowance and its dependence on assumptions and management judgement, we consider this area as a key audit matter for the 31 March 2025 audit. The total allowance for expected credit losses as of 31 March 2025 amounts to €55.6 million. Reference is made to note 27 (Risk management - Credit risk) in the financial statements. |
| **How the key audit matter was addressed in the audit** |
| As part of our planning and risk assessment we have held corroborative enquiries with the Bank's representatives in the Credit division and the Credit management division to perform walkthroughs of the credit origination, credit rating and credit monitoring processes. We have performed corroborative enquiries with Finance, Credit and Risk management representatives to discuss governance over the ECL process.<br><br>We have tested the design, implementation and operating effectiveness of relevant manual, application, and IT general controls in this process. We have engaged credit risk modelling experts, who assessed the IFRS 9 ECL methodology to estimate Probability of Default ("PD"), Exposure at Default ("EAD") and Loss Given Default ("LGD") variables of the collective stage 1 and 2 provision, and tested the implementation of this methodology. We furthermore engaged our specialist to validate and challenge the post model adjustment ("PMA"). We have reviewed key judgements and estimates made by management, including the need for additional PMAs. We have performed tests of details on data that have been used as input for the PD, EAD and LGD assumptions.<br><br>We (supported by our specialists) have tested and challenged the macroeconomic scenarios and forecasts that have been applied in the model. We have performed audit procedures to determine that the stage allocation of exposures has been performed in accordance with the Bank's policy and qualifies as a Significant Increase in Credit Risk ("SICR") event.<br><br>We have adopted a substantive testing approach for the individual provision of impaired loans (stage 3). We have performed tests of details on the discounted cashflow calculations. We have traced and agreed the input for |

Independent auditor's report

# Independent auditor's report

| Key Audit Matter: Allowance for expected credit losses |
| --- |
| these calculations to underlying source information. We have challenged management's assumptions applied in the discounted cashflow calculations.<br><br>Finally, we have assessed the adequacy of the disclosure notes in the consolidated financial statements in accordance with IFRS 7 (as adopted by the EU). |
| **Our observation**<br><br>The scope and nature of the procedures performed were appropriate and sufficient to address the key audit matter. We consider management's estimate to be reasonable and the disclosures adequate and appropriate. |

| Key Audit Matter: Reliability and continuity of the automated systems |
| --- |
| **Description:**<br><br>An adequate infrastructure ensures the reliability and continuity of MUFG Bank (Europe) N.V.'s business processes and financial reporting. In addition, the continuity of the operations is highly dependent on the IT-infrastructure as also explained in the risk management paragraph of the annual report. Therefore, reliability and continuity of the automated systems has been a key audit matter during our audit. |
| **How the key audit matter was addressed in the audit**<br><br>We have tested the reliability of the automated systems relevant for our audit of the financial statements. For this purpose, we have made use of IT auditors within our audit team. These procedures included testing the design, implementation and operating effectiveness of the relevant general IT and application controls. Our audit approach relies on automated controls and therefore on the effectiveness of controls over IT systems.<br><br>For the IT access management, we identified and reported that for certain applications within MUFG Bank (Europe) N.V. further improvements could be made. We note that MUFG Bank (Europe) N.V. is implementing new technology to resolve these observations and improve access management controls in general. Furthermore, we were able to identify and test mitigating (business) controls or to perform sufficient additional mitigating procedures in order to address the risks related to these observations. |
| **Our observation**<br><br>For the purposes of our audit of the financial statements we consider the reliability and continuity of the automated systems of MUFG Bank (Europe) N.V. at a sufficient level. |

## Report on the other information included in the annual report

The annual report contains other information, in addition to the financial statements and our auditor's report thereon.

The other information consists of:

- Directors report
- Sustainability statement
- Other information
- Corporate data

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

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

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

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

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

# Independent auditor's report

## Report on other legal and regulatory requirements

### Engagement

We were engaged by the supervisory board as auditor of MUFG Bank (Europe) N.V. on July 19, 2016, as of the audit for the year 2016 and have operated as statutory auditor ever since that financial year.

### No prohibited non-audit services

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

## Description of responsibilities regarding the financial statements

### Responsibilities of management and the supervisory board for the financial statements

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

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

Management should disclose events and circumstances that may cast significant doubt on the company's ability to continue as a going concern in the financial statements.

The supervisory board is responsible for overseeing the company's financial reporting process.

### Our responsibilities for the audit of the financial statements

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

Our audit has been performed with a high, but not absolute, level of assurance, which means we may not detect all material misstatements, whether due to fraud or error, during our audit.

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

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

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

# Independent auditor's report

the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or branches within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We bear the full responsibility for the auditor’s report.

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

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

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

Amsterdam, 9 July 2025

Deloitte Accountants B.V.

Signed on the original: A. den Hertog

# Corporate data

Corporate data

# Contact details

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| United Kingdom | United Kingdom | |

| MUFG Europe Lease (Deutschland) GmbH i.L. | | |
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Corporate data

# MUFG Inc. corporate data

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**Mitsubishi UFJ Trust and Banking Corporation**

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MUFG