



# 2025

## Annual Report

As adopted by the  
shareholder on the  
19<sup>th</sup> November 2025

Commonwealth Bank  
of Australia (Europe) N.V.

# Contents

<b>Directors' Report</b>	<b>3</b>
About Commonwealth Bank of Australia (Europe) N.V.	5
Core Values and Governance	9
Management Board Report	13
<b>Supervisory Board Report</b>	<b>21</b>
Tasks and Responsibilities	23
Composition of the Board	23
Changes to the composition of the Boards	26
Lookback and Outlook	26
Risk and Audit Committee	27
Nomination and Remuneration Committee	28
Remuneration	29
<b>Financial Statements</b>	<b>31</b>
Income Statement	33
Statement of Comprehensive Income	34
Balance Sheet	35
Statement of Changes in Equity	36
Statement of Cash Flows	37
Notes to the financial statements	39
Other Information	102
Independent auditor's report	103

# 2025 Snapshot

---

**€8,757k**

Net profit after tax  
(NPAT)



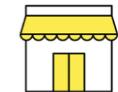
⬇ 24% on FY24

---

**€1,413m**

Assets

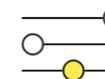
⬆ 23% on FY24



---

**€31,121k**

Operating income



⬇ 9% on FY24

---

**€360m**

Share Capital

▬ 0% on FY24



---

**60**

# of employees



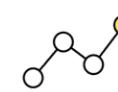
⬆ 12% on FY24

---

**31.58%**

Capital Ratio

⬆ 1.1% on FY24



# Directors' Report

In this part of the annual accounts for the financial year that ended 30 June 2025 ("the 2025 financial year" or "FY25") the Directors' Report is presented.

The Directors' Report comprises of three sections. In the first section Commonwealth Bank of Australia (Europe) N.V. (hereinafter "CBA NV", or the "Bank") key information on the Bank is presented. The second section describes our Core Values and Governance and the third section contains the Management Board Report.

## In this section

	Page
Commonwealth Bank of Australia (Europe) N.V.	5
Core Values and Governance	9
Management Board Report	13

# About Commonwealth Bank of Australia (Europe) N.V.

## Corporate structure

CBA NV is a licensed bank since December 2020 and a public limited company (Naamloze Vennootschap) in the Netherlands. It is a wholly owned subsidiary of Commonwealth Bank of Australia (the "Group", or "CBA Group"), an Australian banking corporation. The Bank forms part of the Group's wholesale banking division, Institutional Banking and Markets ("IB&M").

## About Institutional Banking and Markets

IB&M serves the commercial and wholesale banking needs of large corporate, institutional and government clients across Australia and select international markets, including Europe. It provides clients with a full range of banking services including access to debt capital markets, transactional banking, working capital and risk management solutions through dedicated product and industry specialists.

## Focus areas

The Bank's sole focus is IB&M, targeting wholesale clients in the European Economic Area ("EEA"). The Bank's strategic ambition is to act as a "Gateway to Australia and New Zealand" for EEA clients, and to facilitate access to European markets for Australian corporates, governments, and financial institutions. This Australian nexus underpins the Bank's differentiation in Europe and supports the Group's global capabilities in areas such as commodities, carbon, renewable energy and securitised asset financing.

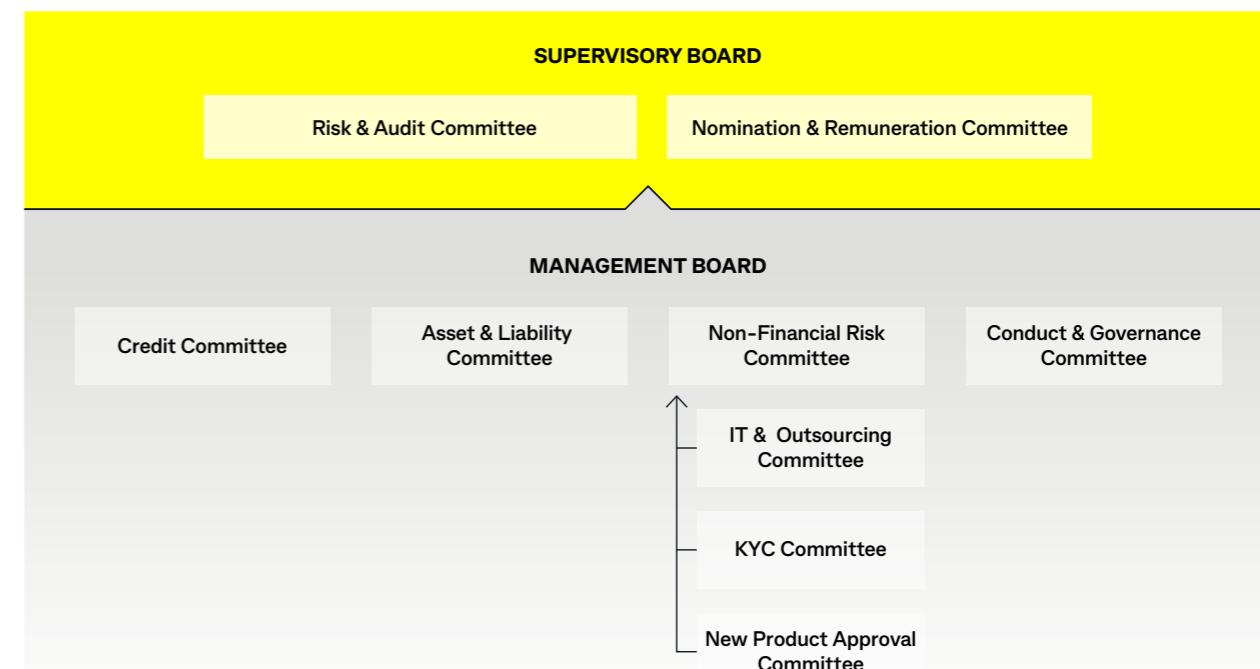
To achieve its strategic ambitions, the Bank offers a suite of products across two core areas, Lending and Global Markets. These products are tailored to meet the specific needs of the Bank's clients. Structured offerings are developed from this core product set:

- Lending (Global Institutional Banking Coverage or "Coverage"): Including funds financing, corporate lending, secured asset lending and project finance structures.
- The Bank also supports European banks and public sector entities with payment flows to and from Australia, focusing on large corporates with an Australian connection; and
- Global Markets: Facilitating access to EEA debt markets for Australian and New Zealand issuers, and to AUD and NZD capital markets for EEA issuers. The Bank also provides hedging solutions across foreign exchange, interest rate, commodity and carbon markets.

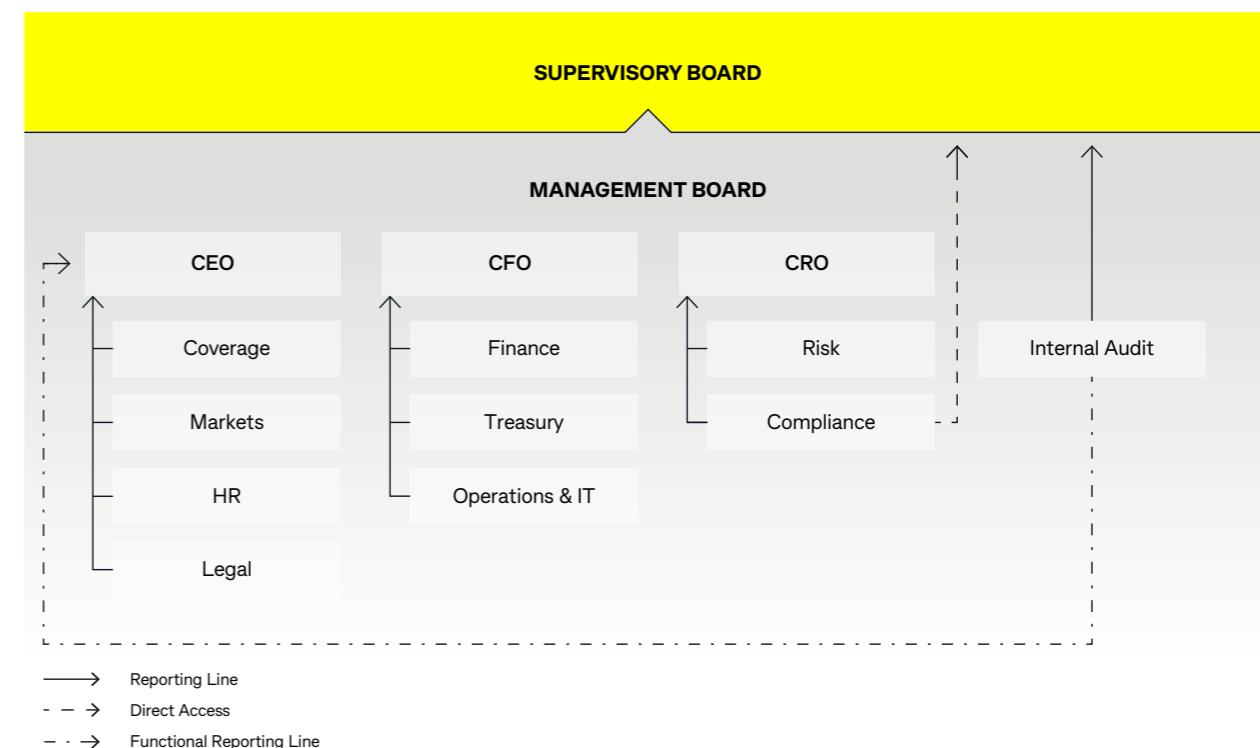
	30 Jun 25 €000	30 Jun 24 €000
Operating Income	31,121	34,316
Operating Expenses	(19,704)	(17,883)
NPAT	8,757	11,550
Total Assets	1,413,480	1,147,126
Total Equity	363,022	354,273
Total FTEs	60	53

## Organisation

CBA NV operates under a two-tier governance model with a Supervisory Board and a Management Board. Both boards have delegated certain responsibilities to (sub)committees. Per 30 June 2025 the following (sub)committees are installed:



The following reporting lines exist within CBA NV:



## Risk management

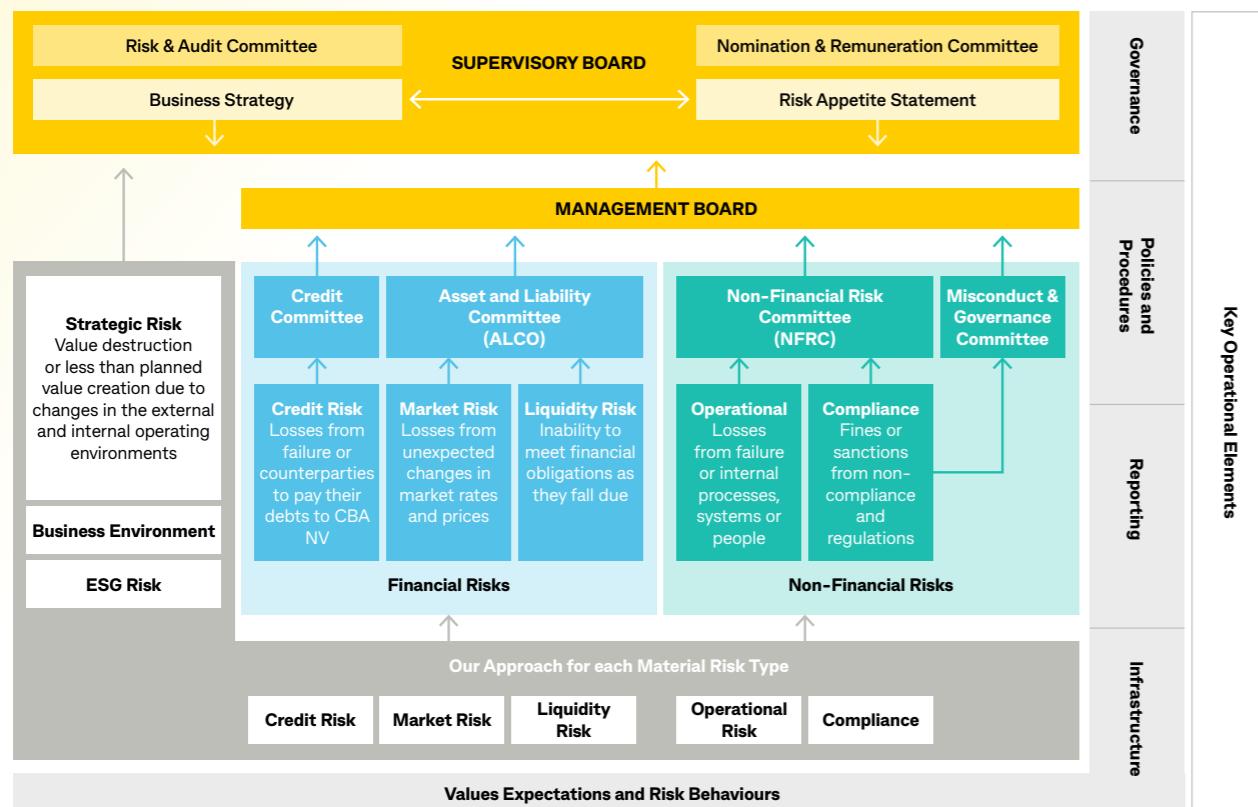
### Overview

The Bank is exposed to financial risks, non-financial risks and business risks arising from its operations. The Bank manages these risks through its Risk Management Framework ("RMF") which evolves to accommodate changes in its business operating environment, best practice standards, and regulatory expectations.

### Risk management framework

The components of the RMF are illustrated below, including the governance that enables oversight of these risks by the Management and Supervisory Board. The RMF articulates the key risk management practices across all material risk classes and demonstrates how the Bank ensures the comprehensive management of risks in support of achieving strategic goals. The main building blocks of the RMF are risk governance, policies & procedures, reporting, risk management infrastructure, training, and risk culture (i.e. values expectations and risk behaviours).

Figure 1. Risk Management Framework



The RMF provides the framework in respect of the Bank's strategy for managing risks. Key documents associated with the RMF are:

- **CBA NV's Business Strategy:** CBA NV provides the services currently carried out by International Banking & Markets (IB&M) to European Economic Area (EEA30) counterparties. CBA NV's Business Strategy, initially integrated in CBA NV's Business Plan which was drafted as part of the license application, is updated annually, articulating the strategy and the services CBA NV will provide. As such, IB&M's strategy and the CBA NV's strategy both play a key role in the CBA NV's approach to risk management.
- **CBA NV's Risk Management Framework (RMF) document:** The RMF document articulates the key risk management practices across all material risk classes and demonstrates how CBA NV ensures a comprehensive management of risks while achieving its strategic goals.
- **CBA NV's Risk Appetite Statement (RAS):** The RAS articulates the degree of risk CBA NV is prepared to accept, expressed in terms of key business outcomes taking into consideration the interests of all stakeholders.
- **CBA NV's Internal Capital Adequacy Process (ICAAP):** This process is used, in combination with other risk management practices (including stress testing), to understand, manage and quantify CBA NV's risks; the outcomes of which are used to inform risk decisions, set capital buffers and assist strategic planning.
- **CBA NV's Internal Liquidity Adequacy Assessment Process (ILAAP):** This process is used, in combination with other risk management practices, to understand, manage and quantify CBA NV's liquidity risks. The ILAAP documents the liquidity and funding management framework for CBA NV in accordance with statutory liquidity requirements and the CBA NV Liquidity Management Policy and Standard.
- **CBA NV's New Product Approval Process (NPAP):** This process ensures that new or major changes in products, operational procedures and systems that could impact the risk profile of the Bank, are properly understood and supported.
- **CBA NV's Risk Control Self-Assessment (RCSA) and related Systemic Integrity Risk Assessment (SIRA):** A forward-looking assessment of key risks (including Integrity risks) and controls relating to CBA NV.

## Core Values and Governance

Integrity and due diligence are crucial for the financial sector. Therefore, the Bank applies the Dutch Banking Code, and the 'Future-oriented Banking package' (including the Social Charter, Bankers' Oath as part of the Rules of Conduct) which is endorsed by all members of the Netherlands Bankers' Association. The Bank also has its own cultural values and a set of governance documents that support CBA NV's staff to do what is right, including among others a Code of Conduct and Whistleblower policy. As the Bank is a non-listed financial institution, the Bank is not formally subject to the Dutch Corporate Governance Code. However, the Bank regards the Code as a reference point for its governance framework and incorporates principles and best practices that are considered appropriate and relevant for a small, non-listed institution.

### Cultural Foundations

Supporting the delivery of the Bank's strategy are 3 core values:

- The Bank's staff cares about the customers and each other – they serve with humility and transparency.
- The Bank's staff have the courage to step in, speak up and lead by example.
- The Bank's staff is unwavering in their commitment – they do what's right and they work together to get things done.

These values form the cultural foundation of the Bank by instilling the right behaviours and actions, allow reflection, and encourage constructive challenge. The Management Board plays a critical role in setting the cultural tone of the Bank through role-modelling these values and communicating authentically. A strong culture means the constituents of this Bank share the same values, mindsets and behaviours regardless of role, background or experience.

### Code of Conduct

The Code of Conduct sets out expectations for how the Bank's staff act, solve problems and make decisions. It is integral to our license to operate as a bank and provides the foundation for the way the Bank's staff do business at CBA Europe NV.

It describes the standards of conduct the Bank expects. The Code connects our Purpose, Values, and key Policies with a series of questions: 'Must We', 'Can We' and 'Should We?', to help the Bank's staff to deliver the right outcomes for all our stakeholders.

The Bank's staff all need to live by the Code every day. It applies to every single one of us, including Board Members, employees and contractors. No one is exempt. And it applies to how the Bank's staff interacts with everyone they encounter, both at work and outside work – colleagues, customers, clients, shareholders, regulators, government, business partners, suppliers, competitors, and the wider community.

The Code of Conduct describes:

- Staff responsibilities.
- Staff professionalism and respect.
- Requirements regarding staff integrity.
- Requirements regarding the confidentiality of information.
- Requirements regarding external communication.
- Security of data and information, use of internal equipment and means of communication; and
- Violations of the Code of Conduct and consequences.

### Three Lines of Accountability

The Bank practices a Three Lines of Accountability ("3LoA") governance model:

- The 1st LoA is accountable to manage all risks in their business by effectively identifying, understanding and mitigating risks, to maintain compliance with the risk appetite prescribed by the Management Board and approved by the Supervisory Board.
- The 2nd LoA has three main functions:
  - Appetite and framework: Establishes and maintains an appropriate and effective risk management framework across all risk types to ensure the Bank operates within its risk appetite as prescribed by the Management Board and approved by the Supervisory Board. Translates Board-approved risk appetite into risk policies and risk metrics.
  - Oversight: Reviews and challenges business strategy against risk appetite and oversees the appropriateness and effectiveness of the risk and control environment, through monitoring and assurance activity.
  - Insight and advice: Provides proactive advice, support, and insight to enhance business decision making.
- The 3rd LoA provides independent and objective assurance on the effectiveness of risk management, internal controls and governance processes by checking first and second line controls and activities.



## Dutch Banking Code

In 2015 the Dutch Bankers' Association published the 'Future Oriented Banking' package. Included in the package is the Banking Code, a Social Charter and rules of conduct (including the Bankers' Oath). As explained in the 'Future Oriented Banking' package: "The Social Charter describes the (preferred) position of the sector as a whole in society and the shared values of the sector". The Banking Code safeguards sound administration at every bank, and the rules of conduct make the responsibility of every individual employee at the Bank explicit.

### Sound and ethical operation

The Bank is exposed to financial risks, non-financial risks and business risks arising from its operations. The Bank manages these risks through its Risk Management Framework ("RMF") as set out in the Risk Management paragraph in the About Commonwealth Bank of Australia (Europe) N.V. chapter above. Key documents within the RMF are – among others – the Business Plan and the Risk Appetite Statement ("RAS"). Furthermore, the Bank adopted the ESG Policy that sets out the Bank's approach and commitment to managing the environmental and social impacts of the Bank's business activities and operations.

CBA NV operates under a two-tier board structure, with a Management Board that is supervised by the Supervisory Board. The roles and responsibilities are laid down in a sound governance framework. Furthermore, the Bank has implemented the 3-Lines of Accountability model ("3-LoA Model"). Under this 3-LoA Model proper checks and balances are part of the overall (risk) governance framework.

Responsible behaviour and a healthy culture are very important within CBA NV and CBA Group. The expectations are among others reflected in the core values and Code of Conduct. The assumptions of the Social Charter are incorporated in the charters, the Code of Conduct and the ESG Policy of CBA NV. Furthermore, all staff, including members of the Management Board and Supervisory Board have taken the Bankers' Oath. Finally, within CBA NV there is a continuous learning program to keep staff up to date.

### Supervisory Board

The Supervisory Board is composed of four members. Two members, including the Chair, are independent. The Supervisory Board members have been selected based on the best fit in respect of expertise, experience and diversity to act in the best interest of all stakeholders as required by the Bank's statutory requirements. The Supervisory Board installed two subcommittees: the Nomination and Remuneration Committee and the Risk and Audit Committee.

All members of the Supervisory Board have a background in the financial sector and comprehend the role of a bank in society and the interests of the various stakeholders.

The Supervisory Board follows a permanent education program covering different topics. The aim of the learning program is to maintain the expertise of the members at the required level and therefore focusses on topics that are relevant for developments at the Bank and in the financial sector.

The Supervisory Board evaluates its own performance. With a view to the recent and upcoming changes in the composition of the board the envisaged external review will take place in the course of 2026.

The remuneration of the independent members of the Supervisory Board is not dependent on the Bank results. It is approved by the shareholder. The dependent members of the Supervisory Board are employed by the parent company. They do not receive any remuneration specifically for their work as Supervisory Board members.

## Management Board

The Management Board is composed in such a way that it is able to perform its tasks properly with a focus on complementarity and diversity. All Management Board members that have been appointed after CBA NV received its bank licence were appointed upon binding nomination of the Supervisory Board. Each member of the Management Board possesses thorough knowledge of the financial sector in general and the banking sector in particular, the Bank's functions in society and of the interests of all parties involved in CBA NV.

Within the Management Board of CBA NV, the Chief Risk Officer ("CRO") is responsible for the risk function of the Bank. CBA NV applies the 3-LoA Model, under which the risk function is second line and the business function is first line. Under this 3-LoA Model the CRO does not bear individual commercial responsibility. The Management Board attends the permanent education program of the Supervisory Board. In addition, the Management Board members participate in the annual learning program for all staff members within CBA. The Management Board periodically evaluates their performance as a board and individually. An external review will be conducted in the first quarter of calendar year 2026.

### Risk Policy

The Management Board acts in accordance with the Risk Appetite Statement that is periodically reviewed and approved by the Supervisory Board. Furthermore, the risks of the Bank (including reputational risk and non-financial risks) are monitored through several committees that have been installed by the Management Board. This includes a Non-Financial Risk Committee. Also, every quarter the Risk function reports to the Risk and Audit Committee.

### Audit

In accordance with the 3-LoA Model, CBA NV installed an Internal Audit function. Internal Audit conducts audits, in accordance with the annual audit plan that has been approved by the Supervisory Board.

In accordance with the Internal Audit charter, the Internal Auditor represents the Internal Audit function in the tripartite meetings with DNB and the External Auditor.

### Remuneration Policy

The Management Board incorporated a remuneration policy that is aligned with the remuneration policy of CBA Group but subject to local laws, regulations and guidelines applicable in the Netherlands. The remuneration policy is periodically reviewed and approved by the Supervisory Board.



# Management Board Report

The members of the Management Board present their report for the financial year ended 30 June 2025 ("the 2025 financial year").

## Tasks and Responsibilities

The Management Board is collectively responsible for the Bank's management and general state of affairs. In this context, as further set out in the Management Board charter, the Management Board is, among other things, accountable for achieving the Bank's objectives, strategy, and for managing risks and control systems attached to its activities. The Management Board is composed such that each member possesses a thorough knowledge of the financial sector, the Bank's role in society, and the interests of all relevant stakeholders (the Bank's clients, shareholder, and employees, amongst others). Furthermore, the composition aligns with the ambition of the Bank to have a diversely composed Management. It is composed of a female member, a male member and one member of any gender that holds the relevant skills and experience. Collectively the Management Board is able to perform its tasks and responsibilities.

The Management Board respects the risk appetite approved by the Supervisory Board, in ensuring a balanced assessment between commercial interests and related risks, including Environmental, Social and Governance ("ESG") and IT & cyber risk considerations.

The Management Board meets frequently to discuss and decide on tabled agenda items and general affairs (i.e. financials, risk and compliance updates, audits etc.).

## Composition of the Board

### **Mr. Wilco Hendriks Chief Executive Officer**

Appointed in this role as Chief Executive Officer on 1 February 2019, Wilco Hendriks is responsible for the Business, HR and Legal functions. Furthermore, together with the other board members, he is responsible for establishing and maintaining a corporate culture reinforcing appropriate norms for responsible, robust and ethical behaviour.

Wilco Hendriks is a seasoned banking executive with over 20 years of international banking experience across Far East Asia, Europe and USA. He has held a variety of executive banking positions at Rabobank including CEO China, Global head of corporate banking, CFO Asia. He was also Chairman of the Benelux chamber of commerce in Shanghai.

Before Rabobank, Wilco Hendriks worked for two years for ING group Central and Eastern Europe. He started his career with Ernst & Young. Wilco Hendriks holds a Master's degree in Audit and Control from Nyenrode Business University, and a Post Graduate Auditing degree. He is also a registered Dutch CPA/RA.

### **Mr. Bas Peters Chief Financial Officer**

Bas Peters was appointed as Chief Financial Officer for CBA NV on 1 February 2019. Bas Peters is responsible for the management and financial accounting functions, ensuring CBA NV has a financially stable and sufficiently capitalised entity. Furthermore, Bas Peters is responsible for the Operations and IT functions.

Bas Peters commenced his career within Treasury, then proceeded to specialise within financial planning and analysis for 6 years. Bas Peters held numerous roles within GE Artesia bank as an Operational Controller, Financial Controller and was then appointed Chief Financial Officer. Most recently, prior to joining CBA NV, Bas was Global Controller at GE Working Capital Solutions. Bas Peters has also held positions as a Member of the Management Board at FE Artesia Bank Pension Fund and as Chairman of 'Verantwoordingsorgaan'. Bas Peters holds a Master's degree in Economics from the University of Tilburg.

### **Ms. Pien van Erp Taalman Kip Chief Risk Officer**

Pien van Erp Taalman Kip was appointed as Chief Risk Officer for CBA NV on 1 November 2024 after a career in banking supervision and banking.

Pien van Erp Taalman Kip joined the European Central Bank (ECB) in 2014 at the very start of the set-up of banking supervision at European (instead of national) level. She worked as a Head of Division, helping to build the organisation and was responsible for the supervision of several of the largest European banks. Between 2000 and 2014 she worked at the Dutch Central bank (DNB) in banking supervision as well as in statistics. Pien van Erp Taalman Kip started her career at ABN AMRO Bank where she served Global Clients and subsequently headed the Aircraft Financing Department.

Pien van Erp Taalman Kip holds a Master's degree in Business Economics from the Vrije Universiteit in Amsterdam.



## Business Development & Operationalisation

The 2025 financial year marked the start of a new phase for the Bank as the Bank is transforming from a start-up company to a scale up company.

On the day the banking licence was granted in December 2020, the Bank had 11 employees on the payroll. By the end of the 2025 financial year that number had grown to 60. The operating income showed similar material growth. After the first full year of operations (financial year 2022) the Bank reported an operating income of €9.9 million which had grown to €31.1 million for the financial year ended 30 June 2025. This is also reflected in the net profit after tax (NPAT). At the end of financial year 2022 a net loss after tax of €1.4 million was reported compared with a positive NPAT of €8.8 million in this financial year.

Important for this new phase is recalibrating the Bank's strategic plans. CBA NV aims to be the leading Australian-linked bank in Europe as "No one understands Australia like we do!". The new business strategy forms the foundation for the next phase of growth of the Bank. It is robust and ambitious, and it includes updated multiyear projections in respect of the business growth and related capital requirements.

With the support of its parent company, the Bank is working towards the establishment of the necessary infrastructure to offer repurchase agreements (Repos) as a product and further enhancements to operational capabilities.

An important building block for the next phase of development is making sure that the organisation is further professionalised. Besides further investments in product capabilities, this will require additional resources in support and risk departments and proportional enhancements in the governance framework.

On the regulatory side, CBA NV put a lot of effort into ensuring compliance with new regulations. Just before the start of the 2025 financial year, the final pieces of the Basel III reforms were published: CRR 3 and CRD VI. Among others, new FRTB regulation is embedded. Furthermore, the Digital Operational Resilience Act became effective. Together with the technology teams of CBA Group, the IT & Operations team in CBA NV made all the necessary preparations to meet the requirements. Also on the Markets side, there are new regulations for which the Bank has to prepare (MiFIR II, MiFID III and EMIR III). Another indicator that the Bank has entered a new phase is that the Bank had to be AnaCredit compliant by October 2024.

The Bank is closely monitoring the implementation of CRD VI and is preparing to ensure full compliance, including the alignment of governance frameworks, risk management practices, and ESG integration with its requirements once it comes into force.

## Business review and profit for the year

The 2025 financial year marked four full years of business operations since the Bank was granted its licence in December 2020. Throughout the year, the Bank continued to broaden its institutional banking presence across Europe, maintaining a disciplined approach to loan origination and portfolio management. Despite persistent macroeconomic challenges arising from geopolitical instability and market fluctuations, the loan portfolio achieved profitability and growth levels consistent with management's forecasts.

Global Markets Sales and Debt Capital Markets (DCM) activities recorded a positive performance, underpinned by active client engagement in fixed income markets and continued growth in repurchase agreement (Repo) transactions. The Bank continues to invest in operational capabilities to support the future development of Global Markets which will enable transactions across a broader product set.

The Bank's Treasury revenues are closely tied to the ECB deposit rate since most of the Bank's capital is placed with the Dutch Central Bank (DNB). In FY25, the deposit facility rate dropped from 3.75% to 2.00%, leading to lower revenues compared to FY24. Despite this, the Treasury team continued to support Group cash management through money market placements with DNB throughout the year.

The Bank advanced its operational capabilities by enhancing product infrastructure and strengthening control frameworks in support of its strategic growth objectives. To facilitate these developments, the number of full-time employees (FTEs) increased to 60.

Overall, the Bank reported a profit of €8.8 million for FY25. Issued capital remained at €360 million, and total assets stood at €1,413 million as at 30 June 2025. For FY24, profit was €11.6 million for the year and total assets as at 30 June 2024 were €1,147 million. FY25 profit decreased year-on-year, primarily due to lower net interest income following the exit of high-margin, non-strategic clients and reduced treasury revenue driven by declining ECB deposit rates, alongside higher staff costs. These impacts were partially mitigated by a reduction in expected credit losses.

The Bank also provides significant franchise value to the CBA Group beyond the statutory results, through activities including, but not limited to, deal origination by the Bank and risk participations across other CBA Group branches.

There are no special events that should be taken into account for the financial statements.

## Outlook

In FY26, the Bank will continue to execute on its new growth strategy by strengthening its European franchise through targeted investments in systems and infrastructure to support the expansion of Global Markets capabilities. This includes a phased rollout of new products and services, underpinned by strengthened risk governance and compliance with evolving regulatory requirements. Lending volumes are expected to grow in a measured and disciplined manner, with loan portfolio profitability projected to remain broadly in line with FY25. Treasury revenues are anticipated to remain subdued, reflecting the ECB's rate environment.

The Bank is positioning itself as the "Go to bank for investment and trade flows between Europe and Australia" and to support clients through tailored, bespoke solutions. Core product strengths are Structured Asset Finance, Funds Finance, Renewable Energy Project Finance, Trade Finance, AUS/NZD DCM, Carbon and Commodities. Recent geopolitical developments have shown a degree of de-dollarisation resulting in positive momentum around the Australian / New Zealand capital markets. Next to that we observe positive momentum on the trade and capital flows between Europe and Australia. These developments play into our core capabilities and strength and provide us with a relevant value proposition to our clients in Europe and Australia and ensure that our European franchise remains responsive to evolving client needs in a complex macroeconomic landscape.



## Macro-economic developments

The Bank continues to monitor international developments which could affect global economic growth, including continuing Ukraine war, increased trade tariffs impacting global trade, elevated inflation and interest rates, increasing risk from organised cyber-crime, and risks related to the energy transition. Potential adverse impacts on the financial projections and operational timelines of the Bank are regularly assessed through portfolio analysis and stress testing.

On behalf of the European Commission, the former ECB president Mr. Draghi issued a report indicating €800 billion of investments are needed in Europe to close the EU's innovation gap, achieve the energy transition goals and to increase security and reduce dependencies on other countries. The Bank is well positioned to support these objectives and is well equipped to continue executing on its operational readiness and will continue to adapt as the economic and geopolitical landscape evolves.

## Environmental, Social and Governance

ESG remains an important topic for the Bank. In line with the Code of Conduct and values, the Bank has adopted the Environmental, Social and Governance ("ESG") policy that sets out its approach and commitment to managing the environmental and social impacts of the business activities and operations it conducts. The Bank's ESG Policy is closely aligned with the CBA Group's commitments in this area and addresses, among others, climate change, human rights, biodiversity, agriculture, fisheries & forestry, diversity/discrimination and violation of labour rights. The ESG policy was reviewed in 2025.

While the CEO is accountable for promoting and championing the ESG considerations outlined in this policy in business decisions and interactions, the CRO is accountable for providing guidance and ensuring that the Bank comprehensively includes ESG risks in its assessment of materiality for all business areas. The Management Board is collectively accountable, among others, for (i) taking a strategic, forward-looking and comprehensive approach to considering ESG risks and the effects on the business environment in which the Bank operates and (ii) overseeing adherence to the ESG policy, monitoring progress towards targets, and serving as a point of escalation on related considerations. These responsibilities may be delegated to relevant Management Board committees and/or a Project Steering committee as appropriate. Characteristics of these risks are:

### Environmental risk

Climate change and environmental degradation are sources of structural change that affect economic activity and, in turn, the financial system. Climate-related and environmental risks are commonly understood to comprise two main risk drivers: (i) physical risk and (ii) transition risk.



Physical and transition risk drivers impact economic activities, which in turn impact the financial system. This impact can occur directly, through for example lower corporate profitability or the devaluation of assets, or indirectly, through macro-financial changes.

In addition, physical and transition risks can stem directly or indirectly from legal claims (commonly referred to as "liability risk") and reputational loss as a result of the public, the institution's counterparties and/or investors associating the institution with adverse environmental impacts (reputational risk).

### Social risk

Social risks are related to the rights, well-being and interests of people and communities, which may have an impact on the activities of the institution's counterparties. Social factors, such as equality, health, inclusiveness, labour relations, and investing in human capital and communities, are increasingly being considered in the business strategies and the operating frameworks of businesses, institutions, and their counterparties.



Counterparties' violation of social rules can lead to legal and reputational risks for themselves and may, in turn, affect the relationships with the institutions financing these counterparties' business activities. In this example, social factors such as lack of diversity/discrimination, violation of labour rights and violation of human rights can create counter-party credit risk for institutions.

### Governance risk



Governance risks include the practices of the institution's counterparties, such as the inclusion of ESG factors in governance frameworks, policies and procedures. Inclusion within the governance structure is fundamental to ensuring the appropriate consideration of environmental and social factors by a given counterparty. The counterparty's management is accountable for understanding the impact of these ESG risks on the business environment and to take a strategic, forward-looking and comprehensive approach to them.

Climate change can create risks arising from extreme weather events, longer-term shifts in weather patterns, and from the shift towards a low carbon economy. These risks have the potential to disrupt wellbeing and economic activity in our target markets, affect the value of assets, and affect customers' ability to repay loans.

Addressing climate change risk calls for the development of new technologies, industries and activities that can also create opportunities for our customers and CBA NV.

The Bank is committed to playing its part in limiting climate change in line with the goal of the Paris Agreement and supporting the orderly global transition to net zero emissions by 2050 by:

- ensuring CBA NV's lending activities remain in compliance with CBA Group's sector level targets.
- tracking its progress in this area over time, in cooperation with the Group, including by publishing and providing updates against sustainability targets.

Exposure to ESG risks in relation to outstanding credit facilities and Global Markets clients is assessed through an internal model, both as part of the due diligence at inception of each client and/or credit relationship, and as part of regular credit reviews. At a portfolio level, periodic stress testing of climate risk-related scenarios is performed with a primary focus on the impact through credit and liquidity risk.

As part of CBA NV's Internal Capital Adequacy Assessment Process (ICAAP) each year a (sector wide) materiality assessment on Climate & Environmental ("C&E") risk is conducted by the Risk department of the bank. From this assessment it was concluded that CBA NV is exposed to credit risk resulting from transitional C&E risk drivers, which also contributes to the strategic risk profile of the Bank. The Bank's exposure to credit risk could be impacted by ESG-driven changes in regulation and technology that could have a negative influence on the revenues and profitability of the Bank's borrowers in industry sectors that are sensitive to climate change risk.

The outcome of this year's assessment confirms that the isolated impact of climate change on the Bank's profitability and capital adequacy falls well below the severity of idiosyncratic and macro-economic stress that is assessed as part of the ICAAP process to manage its capital adequacy.

Going forward, the ESG Program, led by the Management Board will ensure that the Bank remains compliant with all regulatory expectations and guidelines in respect of ESG.

Further enhancements to the current ESG framework are identified, planned for, and partially implemented as part of the Bank's ongoing ESG Program at Work in close cooperation with CBA Group and IB&M's Environmental & Social Risk functions.

Realised activities for FY2025 contributed to the uplift of the materiality assessment in terms of quantification of climate risk and depth of analysis.

For FY2026, key objectives under this Program in relation to C&E risk include:

- Preparations for improved risk management standards including monitoring of specific KRI's, and uplift of internal ESG reporting to the respective MB risk committees; and
- Preparations for enhanced disclosure standards under the Capital Requirements Regulation ("CRR"), which apply to CBA NV as of calendar year 2026.<sup>1</sup>

The Bank has not, at this stage, identified a need to adjust Expected Credit Losses for current exposures to C&E risk.

For more information on the C&E risk strategy of the Bank and its parent company the CBA Group, CBA NV refers to its most recent Pillar 3 disclosure and the CBA Group's Climate Report.

## Staff

At the core of CBA NV is a team of talented and dedicated individuals. Throughout the 2025 financial year, our people have worked tirelessly to deliver outstanding service to our customers, consistently demonstrating our values of care, courage, and commitment. Despite ongoing economic and geopolitical challenges, our diverse workforce has continued to drive the growth of our business. At the same time, the Bank remains agile in navigating an evolving regulatory landscape, ensuring the Bank maintains full compliance in a dynamic environment.

As the Bank matures and grows, the Management Board recognises the range of complex and challenging demands placed on staff. The Management Board is focused on attracting and retaining talented individuals who are essential to the execution of the strategy. The Management Board recognizes the team's hard work and is grateful for their dedication.

## Post balance sheet events

There were no post balance sheet events that had an impact on the 2025 financial year.

Amsterdam, November 2025

W.T.G. Hendriks  
*Chief Executive Officer*

E.E. van Erp Taalman Kip  
*Chief Risk Officer*  
(appointed on 1 November 2024)

B.J.J. Peters  
*Chief Financial Officer*

<sup>1</sup> CBA NV works towards compliance with ECB's Guide on climate-related and environmental risk, as of end of calendar year 2025, and EBA's Guidelines on the management of ESG risks as of end of 2026.

# Supervisory Board Report

The Supervisory Board present their report as part of the annual report of Commonwealth Bank of Australia (Europe) N.V. for the financial year ended 30 June 2025.

## In this section

	Page
Tasks and Responsibilities	23
Composition of the Board	24
Changes to the composition of the Boards	26
Lookback and Outlook	26
Risk and Audit Committee	27
Nomination and Remuneration Committee	28
Remuneration	29



## Tasks and Responsibilities

The Supervisory Board is composed of two independent members, including the Chair, and two dependent members who are employed by the parent company. The maximum tenor of an appointment of a Supervisory Board member is 12 years. The Supervisory Board is composed such that the combined experience and expertise of its members enable it to best carry out the variety of its responsibilities to the Bank, consistent with applicable laws and regulations. The Supervisory Board acts independently, applying the EBA Guidelines on internal governance in such a way that is commensurate to the current size of the organisation.

The Supervisory Board aims to have a well-balanced and diverse composition of both the Management Board as well as the Supervisory Board. This results in different opinions and perspectives which contribute to sound supervision of the Bank.

As further set out in the Supervisory Board charter, the Supervisory Board is collectively responsible for supervising the Management Board, the Bank's general affairs and the business connected with it. This includes supervision of the implementation and adherence to the Company's key policies, advising the Management Board, and ensuring sound governance and compliance. In fulfilling their tasks, the Supervisory Board is guided by the interests of the Bank and its business. It also considers the relevant interests of all stakeholders (including the Bank's shareholder, clients, and employees). For financial businesses, ESG is an important part of that. The role of the Supervisory Board in respect of ESG is to ensure that the institution adequately embeds ESG risks in the overall business strategy and risk management framework, as well as exercising effective oversight of the institution's exposures and response to ESG risks.

## Composition of the Board

### Jeroen Kremers - Chair of the Supervisory Board

First appointed as member and Chair of CBA NV's Supervisory Board on 2 December 2020, reappointed for his second term in December 2024. Jeroen Kremers is also Chair of the Nomination and Remuneration Committee, as well as member of the Risk and Audit Committee.

Besides this position at CBA NV, he holds positions as Supervisory Board member and Chair of the Audit Committee at NIBC Bank and Chair of the Advisory Board of the Dutch Authority for Consumers and Markets.

In his past career he held the position amongst others of Dutch State Agent at KLM, Chair of the Supervisory Board at Robeco, Chair of the Supervisory Board at bunq bank, Crown appointed member of the Board of Supervision of the Legal Profession (Nederlandse Orde van Advocaten), member of the Supervisory Board at Nederlandse Spoorwegen, Chair of the Board at Tinbergen Institute, member of the Managing Board at ABN AMRO Bank, member of the Managing Board and Chief Risk Officer at RBS NV, Executive Director at the IMF, director for Financial Markets at the Netherlands Finance Ministry and professor of Economics at Erasmus University Rotterdam.

He received a doctorate in Economics from the University of Oxford, a Master's degree in Quantitative Economics from the University of Bristol, and a Bachelor's degree in Econometrics from the University of Tilburg.

### Anna Jepson - Member of the Supervisory Board (from 17 February 2025)

Anna Jepson was first appointed in February 2025 as member of the Supervisory Board, as successor of James Rickward. She is also a member of the Risk and Audit Committee and the Nomination and Remuneration Committee.

Anna Jepson is an accomplished finance executive with over 20 years of experience across corporate finance, M&A, and strategic leadership roles in banking and financial services. Currently serving as CFO of Institutional Banking & Markets at Commonwealth Bank, she leads financial strategy, performance management, and governance for one of Australia's largest institutional divisions.

Before joining Commonwealth Bank, Anna held senior positions at Macquarie Bank, including Associate Director, Investments & Advisory, where she advised on large-scale M&A transactions across the banking and financial services sector. Earlier in her career, Anna built a strong foundation in finance and infrastructure at Access Capital Advisers and Challenger Financial Services Group, following six years at PwC in Transaction Services..

Anna Jepson is a Chartered Accountant (ICAS) and holds a BSc (Hons) in Economics from the University of York. Passionate about strategic transformation, digital enablement, and sustainable growth, she combines deep technical expertise with a collaborative leadership style that empowers teams and drives long-term value creation.

### Bill Woodley - Member of the Supervisory Board

First appointed as member of the CBA NV's Supervisory Board on 2 December 2020. Bill Woodley is also a member of the Risk and Audit Committee and the Nomination and Remuneration Committee.

Bill Woodley, Head of Americas, UK and Europe of Commonwealth Bank of Australia (CBA), is a veteran of the Financial Industry, having spent over 30 years in a variety of roles with banks in Europe, Asia and the USA. Before joining CBA in 2019, Bill Woodley's prior role was the CEO of Deutsche Bank Americas and DB USA Corporation, the firm's US Intermediate Holding Company. Previous roles included: Deputy CEO of Deutsche Bank Americas and Group Chief Operating Officer, Asia Pacific region. He has extensive banking and securities business and operational experience and has spent time in strategic, business development, risk management and regulatory roles.

Immediately before joining CBA, Bill Woodley was President of Pendo Systems Inc., a New Jersey based technology company. In respect of non-executive roles, Bill is a member of the Board of Trustees of the Institute of International Bankers (IIB) and serves on the Board and Audit Committee of the Tiger Woods Foundation.



## Mr Eric Drok - (former) Member of Supervisory Board (until 30 September 2025)

Eric Drok was appointed as member of CBA NV's Supervisory Board on 2 December 2020, and after being reappointed in December 2024, resigned per the end of September 2025. Eric Drok was member of the Supervisory Board, Chair of the Risk and Audit Committee and member of the Nomination and Remuneration Committee. Besides this position at CBA NV, Eric Drok also held positions as member of the Supervisory Board of ABN AMRO Clearing NV, chair of the Supervisory Board of KNAB bank and managing director at Stichting Mondu Netherlands.

For more than 30 years, Eric Drok worked as an Executive and Non-executive for banks in Europe, Australia/New Zealand, the USA and West Africa. In Australia/New Zealand, he was CEO of ING Direct/ ING Bank and Non-Executive of Rabo Bank Australia and Rabo Bank New Zealand.

Eric Drok holds a Master's degree in Economics and a Master's degree in Law from the Erasmus University Rotterdam.

## Mr James Rickward – (former) Member of Supervisory Board (until 17 February 2025)

James Rickward was appointed as member of CBA Europe NV's Supervisory Board on 2 December 2020. James Rickward also was a member of the Risk and Audit Committee and the Nomination and Remuneration Committee. He was succeeded after his first tenure by Anna Jepson.

In December 2021 James Rickward was appointed Chief Credit Officer at CBA Group, reporting directly to the Group Chief Risk Officer. He has been with the Commonwealth Bank of Australia since May 2003 and has over 20 years' corporate and investment banking experience leading teams across both domestic and international markets.

James Rickward has held a number of senior positions including Chief Risk Officer for Institutional Banking and Markets as well as the Business Banking division. Prior to this James was the Executive General Manager International based in Hong Kong where he was responsible for IB&M's international businesses in the UK, Europe, New Zealand, Asia and the US. Before that, he was Executive General Manager Corporate Finance responsible for IB&M's debt products and the property, infrastructure and resources industries.

James Rickward has worked at Bankers Trust, Macquarie Bank and Zurich Capital Markets covering project finance and corporate risk management. He is a Chartered Accountant having started his career with PwC Australia.

## Changes to the composition of the Boards

Over the last approximately 12 months, there have been several changes in both boards. Initially in November 2024 when Pien Van Erp Taalman Kip was appointed as CRO, succeeding Gunalan Bhaskaran who acted as interim-CRO.

During the 2025 financial year the first term of the Supervisory Board members ended. James Rickward was succeeded by Anna Jepson at the end of his tenure. The other members were reappointed for a new term.

Due to circumstances unrelated to his performance Eric Drok resigned per 30 September 2025. The Dutch Central Bank was informed on the exceptional circumstances and allowed temporarily that Jeroen Kremers was the only independent member on the Supervisory Board. Nonetheless, the Supervisory Board is pleased that after a diligent recruitment process, a suitable successor was found. The appointment process is underway and is expected to be completed before the calendar year end.

Finally, during the 2025 financial year also Bill Woodley announced that he would retire from his role as Head of the Americas, UK & Europe by the end of this calendar year. As Bill Woodley is a dependent member, he will also retire from his position as Supervisory Board member. A suitable successor has been identified. Upon the binding nomination of this (female) candidate by the Supervisory Board, the General Meeting appointed the candidate as successor, subject to a successful outcome of the fit & proper screening by DNB.

In accordance with the Streefcijferregeling in article 2:166 Dutch Civil Code the Bank has an ambition that its Management Board should be composed of one female member, one male member and one member of any gender that holds the relevant skills and experience. Furthermore, for its Supervisory Board the Bank has the ambition that it is composed of an equal number of male and female. The Supervisory Board succeeded in its ambition to maintain a well-balanced and diversely composed Management Board and Supervisory Board as this results in different opinions and perspectives which contribute to a sound management of the Bank.

## Lookback and Outlook

During the 2025 financial year the Supervisory Board tabled four regular meetings and when needed extraordinary meetings. The focus of the regular meetings is on business and strategy. Risk, Finance, Audit and HR related matters are discussed in the RAC and NRC subcommittees. Given this focus, the standing agenda items include the business updates in respect of the lending and the global markets business and strategy. As the strategy was renewed during this financial year, the Supervisory Board next to the strategy itself focussed especially on the governance around the operating model, the regulatory environment and the funding position to support the growth strategy. These topics were discussed with senior leadership of the parent company during a visit to Sydney in October 2024.

The Supervisory Board is pleased to note that the Bank is reaching a new level of maturity and welcomes the new strategy as a solid foundation for the years to come.

Forward looking, the Supervisory Board will continue to focus on the execution of the renewed strategy, to ensure that the development of the business model and the related governance will be sufficient and robust to support the business growth.



## Risk and Audit Committee

To assist the Supervisory Board in discharging their responsibilities related to financial reporting, risk management, controls, and compliance the Risk & Audit Committee ("RAC") has been installed. Given the size of the Supervisory Board, the members of the Supervisory Board are also appointed members of the RAC. The Risk and Audit Committee is chaired by one of the independent members, namely by Eric Drok until end September 2025 and the envisaged successor going forward with Jeroen Kremers in the interim.

During the 2025 financial year, the RAC tabled four regular quarterly meetings, and when needed extraordinary meetings. Standard items on the RAC agenda include, among others:

- The annual report: As the approval of the annual accounts is a post end of financial year event, the RAC discussed and challenged during financial year 2025 the 2024 financial year annual report with the Management Board and the external independent auditor.
- The annual budget: The RAC discussed and challenged the annual budget as prepared by the Management Board, followed by a formal approval by the Supervisory Board.
- The risk appetite statement and trackers: The RAC discussed and challenged the trackers in respect of the risk appetite statement.
- Internal Audit Plan and Findings: The RAC discussed the annual Internal Audit Plan and Findings, including the risk assessment and resourcing model, with the Management Board and the internal auditor.
- External Audit Plan and Findings: Like the Internal Audit Plan and Findings, the RAC discussed the annual External Audit Plan and Findings with the Management Board and the external independent auditor.
- The Management Board reports: In the quarterly held regular meetings, the RAC is updated by the Risk, Compliance, Finance and Internal Audit functions on relevant developments in those areas.

Next to the standard items, the RAC also focussed on themes that are currently relevant for the financial sector or the Bank, for example risk related to the new strategy, CRR 3, AnaCredit and DORA.

While the new business strategy of the Bank is discussed with the Management Board in the Supervisory Board meeting, topics closely related to the new strategy are discussed in the RAC. This includes among others the operational risks, outsourcing risks and reputational risks around the introduction of the new products. Furthermore, the RAC was informed on the regulatory changes in respect of the Fundamental Review of the Trading Book and the Credit Valuation Adjustment (CVA) as a result of CRR 3 becoming effective.

The RAC was very pleased with the successful implementation of all the changes to be compliant with the AnaCredit regulation in October 2024. The implementation was a recurring topic on the agenda of the RAC in financial year 2024.

The RAC has also extensively been informed on Digital Operational Resilience Act (DORA) that became effective per the beginning of this year. DORA is a new EU regulation aimed at strengthening the resilience of the financial sector against digital operational risks, such as cyberattacks and ICT-related disruptions.

## Nomination and Remuneration Committee

The NRC has been established to assist the Supervisory Board in discharging its responsibilities, among others, in respect of the remuneration strategy of the Bank, the Management Board and the identified staff/control personnel, the identification of identified staff (i.e. staff who have a material impact on the Bank's risk profile as determined in accordance with the Regulatory Technical Standards of the European Banking Association) and the nomination, succession, and evaluation of Management Board members. The committee is chaired by an independent member, namely by Jeroen Kremers.

During the 2025 financial year, the NRC tabled four regular quarterly meetings, and extraordinary meetings when needed. Standard items on the RAC agenda include among others:

- The HR report: In the quarterly held regular meetings, the NRC is updated by HR in respect of the recruitment to fill all identified key positions, updates in respect of pension plans, health care insurance, training programs, staff surveys.
- Identification of the identified staff.
- The revised remuneration strategy of the Bank; and
- Determined remuneration outcomes for the 2024 financial year, as these determinations are a post end of financial year event.

Next to the standard items, the NRC also focussed on themes that are currently relevant for the financial sector or the Bank, for example developments in respect of the new Pension Act and the developments in respect of equal pay. These topics are expected to remain on the agenda of the NRC going forward.

## Remuneration

The Bank's remuneration policy is in line with the remuneration principles set out in Articles 92 to 95 of Directive 2013/36/EU, the European Banking Authority ("EBA") guidelines on sound remuneration policies under Articles 74(3) and 75(2) of Directive 2013/36/EU, the Dutch Financial Supervision Act ("Wft") and Dutch Regulation on Sound Remuneration Policies 2021. The Bank's remuneration policy aims to enhance accountability, ownership, and cooperation in contribution to the mission and vision of the Bank.

The total pay at the Bank consists of a fixed component ("fixed remuneration") and for some of the staff members of a variable component ("variable remuneration"). Variable remuneration may be awarded based on the outcome of the performance of the individual staff members. The score is determined on the individual's performance on risk (awareness), company values, and (individual) KPIs. Furthermore, the variable remuneration will be awarded on a pro rata basis (depending on the employment contract and duration).

From the start of the 2024 financial year onwards, the majority of the staff are no longer eligible for variable remuneration, except for certain defined (commercial) roles. This change has been implemented following the tightening of remuneration laws for banks in the Netherlands from 1 January 2024 under the Act on Further Remuneration Measures on financial undertakings. The Bank is committed to making sure that, also after this change, all staff members remain properly and competitively remunerated.

In accordance with the CBA Group's Remuneration Policy, employees whose Short Term Variable Remuneration (STVR) exceeds the Euro equivalent of AUD 150 thousand are subject to a deferral requirement. One-third of their total awarded STVR will be converted and deferred into cash-settled rights. The number of cash-settled rights to be awarded will be calculated using CBA's share price. These cash-settled rights will vest in three equal tranches over the following three financial years subject to the terms and conditions of the award. On vesting of the cash-settled rights, the individual will receive a cash payment based on the CBA share price at the vesting.

Prior to the vesting of any deferred awards, it is required that the Supervisory Board, based on the recommendation of the Nomination and Remuneration Committee, decides on whether any malus adjustments are required as per the requirements of the Bank's Remuneration Policy and the Bank's Remuneration Adjustment Procedure for Serious Risk and Misconduct Matters.

The aggregated variable remuneration awarded to staff of the Bank will not exceed 20% of the aggregated fixed remuneration. In exceptional circumstances, and within legal boundaries that apply from time to time, it may be possible to award individual staff members with a variable remuneration over 20% of the individual's fixed remuneration. However, the variable remuneration of an individual will never exceed 100% of the fixed remuneration. The (variable) remuneration of the members of the Management Board and certain other roles are determined by the Supervisory Board taking into account the remuneration policy and submitted to the General Meeting of Shareholders (represented by the Group's People and Remuneration Committee) for approval.

For the 2025 financial year, a total amount of STVR of €738 thousand was awarded to the eligible CBA NV employees for their work for CBA NV in FY25. This awarded amount includes the portions of STVR that in accordance with the Remuneration Policy need to be deferred. These deferred portions will be vested to the relevant employees over the next 3 years. Of the €738 thousand that has been awarded in 2025, an amount of €81 thousand is deferred.

The total variable remuneration paid was €760 thousand (FY24: €681 thousand). This includes the STVR paid from the current year as well as the paid vested amounts of deferred STVR from prior years. No employee received a remuneration in excess of €1 million.

The remuneration of the members of the Management Board and Identified Staff is determined by the Supervisory Board taking into account the remuneration policy. The process includes an approval by the Group's People and Remuneration Committee.

In accordance with article 192 of the EBA Guidelines on Sound Remuneration Policies, members of the Supervisory Board are compensated only with fixed remuneration i.e. not related to the Bank's financial results. The remuneration is deemed to be proportional to the time required to perform their duties

Each year an assessment is made which staff members are deemed Identified Staff. In addition, Internal Audit performs an annual audit in respect of the remuneration process.

## Appreciation

As a final note, the Supervisory Board appreciates the progress made during the 2025 financial year and would like to thank the Management Board and all staff members for their ongoing drive and resilience.

Amsterdam, November 2025

J.J.M Kremers  
*Chair of the Supervisory Board*

A.L. Jepson  
*Member of the Supervisory Board  
(appointed on 17 February 2025)*

W. Woodley  
*Member of the Supervisory Board*

# Financial Statements

In this third part of the annual accounts the audited Financial Statements for the 2025 financial year are presented.

## In this section

	Page
Income Statement	33
Statement of Comprehensive Income	34
Balance Sheet	35
Statement of Changes in Equity	36
Statement of Cash Flows	37
Notes to the financial statements	39
Independent auditor's report	103



## Income Statement

For the year ending 30 June 2025

	Note	30 Jun 25 €000	30 Jun 24 €000
Interest income	4	59,065	60,244
Interest expense	4	(36,986)	(35,778)
<b>Net interest income</b>		<b>22,079</b>	<b>24,466</b>
Other banking income	5	9,042	9,850
<b>Operating income</b>		<b>31,121</b>	<b>34,316</b>
Expected credit loss and other credit impairment allowances	6	396	(806)
Operating expenses	7	(19,704)	(17,883)
<b>Profit before income tax</b>		<b>11,813</b>	<b>15,627</b>
Corporate income tax	8	(3,056)	(4,077)
<b>Profit for the year</b>		<b>8,757</b>	<b>11,550</b>

The above Income Statement should be read in conjunction with the accompanying notes.

## Statement of Comprehensive Income

For the year ending 30 June 2025

	30 Jun 25 €000	30 Jun 24 €000
Profit for the year	8,757	11,550
Other comprehensive income/(expense)	0	0
<b>Items that may be reclassified subsequently to profit:</b>		
Gains/(losses) on debt investment securities at fair value through other comprehensive income net of tax	(7)	1
Total of items that may be reclassified	8,750	11,551
Items that will not be reclassified to profit	0	0
<b>Total comprehensive income/(loss) for the year</b>	<b>8,750</b>	<b>11,551</b>
<b>Total comprehensive income for the period is attributable to:</b>		
Equity holders of the Bank	8,750	11,551
Non-controlling interests	0	0
<b>Total comprehensive income net of tax</b>	<b>8,750</b>	<b>11,551</b>

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes



## Balance Sheet

As at 30 June 2025 (before appropriation of result)

	Note	30 Jun 25 €000	30 Jun 24 €000
<b>Assets</b>			
Cash and cash equivalents	9	426,605	266,354
Receivables from financial institutions	10	6,322	6,247
Derivative assets	11	10,544	4,383
Investment securities	12	79,322	10,972
Loans and advances	13	824,450	818,781
Property, plant and equipment	14	1,792	2,039
Right of use asset	15	1,363	1,657
Deferred tax assets	16	2,795	4,440
Current tax assets	16	459	0
Other assets	17	59,828	32,253
<b>Total assets</b>		<b>1,413,480</b>	<b>1,147,126</b>
<b>Liabilities</b>			
Payables to financial institutions	18	980,172	766,526
Derivative liabilities	19	9,690	3,819
Lease liability	20	1,390	1,795
Current tax liabilities	16	0	451
Other liabilities	21	59,206	20,262
<b>Total liabilities</b>		<b>1,050,458</b>	<b>792,853</b>
<b>Equity</b>			
Share capital	22	360,000	360,000
Reserves	23	(10)	(3)
Accumulated losses		(5,724)	(17,274)
Net profit/(loss)		8,757	11,550
<b>Total shareholders' equity</b>		<b>363,022</b>	<b>354,273</b>
<b>Total equity and liabilities</b>		<b>1,413,480</b>	<b>1,147,126</b>

The above Balance Sheet should be read in conjunction with the accompanying notes.

## Statement of Changes in Equity

For the year ending 30 June 2025

	Share Capital €000	Accumulated losses €000	Net income/ (loss) €000	Reserves €000	Total equity €000
<b>As at 01 July 2023</b>	360,000	(21,544)	4,270	(4)	342,722
Profit for the prior financial year	0	4,270	(4,270)	0	0
Profit for the current financial year	0	0	11,550	0	11,550
Issue of ordinary shares	0	0	0	0	0
Other comprehensive income/ (expense)	0	0	0	1	1
<b>As at 30 June 2024</b>	360,000	(17,274)	11,550	(3)	354,273
<b>As at 01 July 2024</b>	360,000	(17,274)	11,550	(3)	354,272
Profit for the prior financial year	0	11,550	(11,550)	0	0
Profit for the financial year	0	0	8,757	0	8,757
Issue of ordinary shares	0	0	0	0	0
Other comprehensive income	0	0	0	(7)	(7)
<b>As at 30 June 2025</b>	360,000	(5,724)	8,757	(10)	363,022

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

A proposal will be put to the General Meeting of Shareholders to appropriate the result for the 2025 financial year of €8,757 thousand to the accumulated profits/losses. The proposal has not yet been incorporated in the financial statements.



## Statement of Cash Flows

For the year ending 30 June 2025

	30 Jun 25 €000	30 Jun 24 €000
<b>Cash flow from Operating activities:</b>		
Profit/(Loss) before tax in the income statement	11,813	15,627
<i>Adjustments relating to non-cash revenue and expense items:</i>		
ECL provisions	(396)	806
PPE depreciation	302	386
Right of use asset depreciation	352	344
Unrealised trading income and FX movement	3	2
Interest expense on lease liability	5	68
<i>Change in operating assets and liabilities:</i>		
(Increase)/Decrease in loans and advances to customers	(5,473)	(155,368)
(Increase)/Decrease in receivables from financial institutions	(74)	(5,791)
Increase/(Decrease) in payables to financial institutions	3,286	2,578
(Increase)/Decrease in derivative assets	(6,158)	3,054
Increase/(Decrease) in derivative liabilities	5,871	(3,163)
(Increase)/Decrease in investment securities	(68,350)	23
(Increase)/Decrease in other assets	(27,575)	1,193
Increase/(Decrease) in other liabilities	39,072	(12,492)
Tax (payments)/refunds	(2,322)	(2,064)
<b>Net Cash flow from operating activities</b>	<b>(49,644)</b>	<b>(154,797)</b>
<b>Cash flow from investing activities:</b>		
Payments for Property, plant and equipment	(55)	(49)
<b>Net cash flow from investing activities</b>	<b>(55)</b>	<b>(49)</b>
<b>Cash flow from financing activities:</b>		
Funding of external loans	210,360	155,872
Lease	(410)	(403)
<b>Net cash flow from financing activities</b>	<b>209,950</b>	<b>155,469</b>
Net increase/(decrease) in cash and cash equivalents	160,251	623
Cash and cash equivalents at beginning of financial year	266,354	265,731
<b>Cash and cash equivalents at end of financial year</b>	<b>426,605</b>	<b>266,354</b>

Cash flows from interest are included in the net cash flow from operating activities. The total interest received was €55.5 million and the total interest paid was €37.0 million. In FY24, the total interest received was €55.4 million and the total interest paid was €35.8 million.

# Notes to the financial statements

## 1.0 General notes

Amounts in thousands of euros unless otherwise stated.

### 1.1 Activities

CBA NV is a wholly owned subsidiary of Commonwealth Bank of Australia (the "Group"), an Australian banking corporation. The Bank forms part of the Group's wholesale banking division, Institutional Banking and Markets ("IB&M").

Maintaining a presence in the European market is critical for the Group as it provides the global capability and connectivity that is required to build a better Australia. CBA NV supports this by acting as the European gateway to Australia and New Zealand for investment and bilateral trade. To achieve this aim, IB&M focuses on its connections within and unique understanding of the Australian corporate landscape. It provides clients with access to capital, risk management solutions and facilitates cross-border trade and capital flows.

### 1.2 Going Concern

Management has concluded that the Bank has the resources to continue the business for the foreseeable future. Management is not aware of any material uncertainties which could lead to uncertainty regarding the continuity of the business.

### 1.3 Registered office, legal form and registration number at the chamber of commerce

CBA NV is registered at the Chamber of Commerce under number 72946520. Its registered office is at Gustav Mahlerlaan 352 (UN Studio Tower, 14th Floor), 1082 ME Amsterdam.

### 1.4 Group structure

CBA NV is a public limited company incorporated and domiciled in the Netherlands whose shares are fully owned by the parent company Commonwealth Bank of Australia.

### 1.5 Judgments, estimates and uncertainties

In applying the principles and policies for drawing up the financial statements, the directors of the Bank make different estimates and judgments that may be essential to the amounts disclosed in the financial statements. If it is necessary in order to provide the true and fair view required under Book 2, article 362, paragraph 1, the nature of these estimates and judgments, including assumptions related to the uncertainties, is disclosed in the notes to the relevant financial statement items. Estimates and assumptions are continually evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

### Measurement of the Expected Credit Losses

The measurement of the Expected Credit Losses ("ECL") allowance is an area that requires the use of complex models and significant assumptions about future economic conditions and credit behaviour (e.g. the likelihood of customers defaulting and the resulting losses).

A number of significant judgements are also required in applying the accounting requirements for measuring ECL, such as:

- Determining criteria for significant increase in credit risk.
- Choosing appropriate models and assumptions for the measurement of ECL.
- Establishing the number and relative weightings of forward-looking scenarios for each type of product/market and the associated ECL.
- Establishing groups of similar financial assets for the purposes of measuring ECL; and
- Determination of model adjustments and industry overlays for the purpose of measuring ECL.

Details about the judgements and estimates made by the Bank in the above areas are set out in the notes 2.4 and 3.2.

### Deferred tax asset recoverability

In recognising a deferred tax asset of €2.8 million relating to carried forward tax losses, the Bank is expected to continue to be profitable in the future. Taxable profits are expected to be available against which the tax losses can be utilised. Further, from 1 January 2022, tax losses can be carried forward indefinitely and utilised up to an amount of €1 million, with 50% of taxable profits above this threshold offset against tax losses.

### 1.6 Related parties

Parties are considered to be related if one party has the ability to control the other party or exercise significant influence over the other party in making financial or operational decisions, or a separate party controls both. The definition includes subsidiaries, associates, joint ventures as well as other persons. Details of related party transactions are set out in note 2.3.

### 1.7 Accounting policies for the cash flow statement

The cash flow statement has been prepared using the indirect method. The cash items disclosed in the cash flow statement comprise cash at banks and in hand except for deposits with a maturity longer than three months. Cash flows denominated in foreign currencies have been translated at average estimated exchange rates. Interest paid and income taxes are included in cash from operating activities. Transactions not resulting in inflow or outflow of cash, are not recognised in the cash flow statement. The value of the related asset and liability are disclosed in the notes to the Balance Sheet.

## 2.0 Summary of significant accounting policies

### 2.1 General

The financial statements are prepared in accordance with the provisions of Title 9, Book 2 of the Dutch Civil Code and have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union.

Assets and liabilities are generally measured at historical cost, production cost or at fair value at the time of acquisition. If no specific valuation principle has been stated, valuation is at historical cost. In the Balance Sheet, Income Statement, Statement of Comprehensive Income, and Statement of Cash Flows, references are made to the notes.

CBA NV's financial statements are presented in euros, which is also the Bank's functional currency. Transactions in foreign currencies are initially recorded at their respective functional currency spot rates at the date the transaction first qualifies for recognition.

Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. All differences are taken to the Income Statement and Statement of Comprehensive Income. Non-monetary items that are measured at historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transaction.

### 2.2 New accounting standards and reforms

Effective for annual periods beginning on or after 1 January 2024

IAS 1 Presentation of Financial Statements – clarifies requirements for classifying liabilities as current or non-current.

IAS 12 Income Taxes – requires companies to recognise deferred tax on particular transactions that, on initial recognition, give rise to equal amounts of taxable and deductible temporary differences.

IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – distinguishing between accounting policies and accounting estimates.

These standards do not have a material impact on the Bank. Standards, amendments to standards and interpretations issued by IFRS and IASB that are not yet effective are not expected to result in significant changes to the Bank's accounting policies. No other new standards are applicable nor have a material impact on these financial statements.

### 2.3 Related parties and related party transactions

Related parties of the Bank include the ultimate parent company, Commonwealth Bank of Australia, including its branches, all entities controlled by the ultimate parent, key management personnel, close family members of key management personnel and entities which are controlled or jointly controlled by key management personnel or their close family members. Key management personnel are defined as those persons having authority and responsibility for planning, directing and controlling the activities of the Bank being its Management Board.

All transactions with related parties were carried out on an arm's length basis.

## Balance Sheet

	30 Jun 25 €000	30 Jun 24 €000
Receivables from financial institutions	689	1,608
Securities sold not delivered	41,897	9,750
Cash and cash equivalents	15	6
<b>Total assets</b>	<b>42,601</b>	<b>11,364</b>
Payables to financial institutions – Loan funding	(968,603)	(758,242)
Payables to financial institutions – Other accruals	(5,703)	(4,786)
Securities purchased not delivered	(13,947)	(7,281)
<b>Total liabilities</b>	<b>(988,253)</b>	<b>(770,309)</b>
Off-balance sheet commitments	359,816	457,313
<b>Total off-balance sheet</b>	<b>359,816</b>	<b>457,313</b>

## Profit & Loss

	30 Jun 25 €000	30 Jun 24 €000
Interest received on deposits	34	41
Other banking income – Lending fee	687	1,041
Other banking income – Other	4,618	3,782
Other banking expense – Lending fees paid	(1,637)	(1,982)
Other Interest expense	(36,890)	(35,504)
Operating expenses – Intercompany recharges	(3,548)	(3,558)
<b>Total income/(expense)</b>	<b>(36,736)</b>	<b>(36,180)</b>

### Receivables from financial institutions

This balance relates to fees from CBA Group primarily as remuneration for services provided in the completion of various lending and Global Markets transactions.

### Payables to financial institutions – Overnight DNB deposits and loan funding

The Bank entered into Intra-Group Facility Agreements with CBA Group to fund external client loans. The total payable of this loan as at 30 June 2025 is €968.6 million and the total interest paid in FY25 is €36.9 million (FY24: loan balance was €758.2 million, and the interest paid was €35.5 million). During the 2025 financial year, the total facility limit remained at €1.6 billion in line with prior year.

As at 30 June 2025, no overnight deposits were taken from CBA Group to be placed with the Dutch Central Bank.



#### Payables to financial institutions – Other accruals

Of the €5.7 million accruals, €5.5 million relates to accrued interest payable on loan funding from CBA London, and the remaining €0.2 million relates to payables for various services and pass-through costs from CBA Group. All these other accruals are short term in nature.

#### Securities sold not delivered / Securities purchased not delivered

The Bank entered into agreements to purchase fixed income securities from CBA Group to on-sell to external clients. The total payable for these securities is €13.9 million. The Bank also entered into agreements to sell fixed income securities to CBA Group that were purchased from external clients. The total receivable for these securities is €41.9 million. The settlement period of these agreements is typically on a T+2 basis. The income received related to these purchase / sale agreements is €1.2 million, reflected in other banking income.

#### Off-balance sheet exposures to CBA Group

To ensure that credit risk in relation to newly originated loans and credit risk at portfolio level stays within predefined boundaries and is diversified proportionate to the own funds of the Bank, the Bank entered into a Risk Participation Agreement with CBA Group which guarantee the funding for a portion of drawn and undrawn commitments the bank has to its clients.

As at 30 June 2025, the total drawn balance is €1,619.9 million and undrawn balance is €359.8 million from CBA Hong Kong and Singapore branches (FY24: drawn €910.1 million and undrawn €457.3 million).

Income relating to the risk participated loans are not recognised as income of the Bank. The Bank passes through income relating to risk participations to the risk participant when it is received. The total income passed through during the current financial year amounted to €15.5 million (FY24: €5.3 million).

#### Other banking income –Other

The Bank received service fees from Group entities for various services provided. This primarily reflects €4.6 million from CBA Australia for Global Markets sales activities relating to products sold on an agency or back-to-back basis (FY24: €3.8 million).

#### Other banking expense – Lending fees paid

Lending fees paid reflect a portion of loan establishment fees received by the Bank that are payable to other CBA Group entities. This reflects a fee for support services received by the Bank in connection with the origination and execution of loans. The €1.6 million paid during the financial year have a net nil impact on the profit and loss (FY24: €2.0 million).

#### Operating expenses – Intercompany recharges

This balance relates to various services provided to CBA NV by other group entities, as well as costs passed through from CBA Sydney and CBA London.

#### Risk participation arrangements with CBA London

CBA London transferred certain client exposures to CBA NV in November 2021 under the Risk Participation Agreement. As at 30 June 2025, €0.0 million of the Bank's loans are risk participated from CBA London (FY24: €30.4 million).

#### All other related party transactions

All other related party transactions were part of the Bank's normal operating activities.

#### Compensation of key management personnel and management board of CBA NV

Remuneration of key management personnel are disclosed in Note 7.

## 2.4 Financial assets

### 2.4.1 Initial recognition and measurement

The Bank recognises a financial asset in its Balance Sheet when it becomes a party to the contractual provisions of the instrument. Regular way purchases and sales of financial assets are recognised on the trade date, which is the date on which the Bank commits to purchase or sell the asset. Accordingly, the Bank uses trade date accounting for regular way contracts when recording financial asset transactions.

At initial recognition, the Bank measures a financial asset at its fair value plus or minus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are incremental and directly attributable to the acquisition or issue of the financial asset, such as fees and commissions. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss. Immediately after initial recognition, an expected credit loss allowance is recognised for financial assets measured at amortised cost and fair value through other comprehensive income, which results in an accounting loss being recognised in profit or loss when an asset is newly originated.

When the fair value of financial assets differs from the transaction price on initial recognition, the Bank recognises the difference as follows:

When the fair value is evidenced by a quoted price in an active market for an identical asset (i.e. a Level 1 input) or based on a valuation technique that uses only data from observable markets, the difference is recognised as a gain or loss.

In all other cases, the difference is deferred and the timing of recognition of deferred day one profit or loss is determined individually. It is either amortised over the life of the instrument, deferred until the instrument's fair value can be determined using market observable inputs, or realised through settlement.

### 2.4.2 Classification and subsequent measurement

On initial recognition the Bank classifies its financial assets in the following measurement categories: (a) amortised cost; (b) fair value through profit or loss ("FVPL"); or (c) fair value through other comprehensive income ("FVOCI"). The classification varies depending on whether the financial asset is a debt or an equity instrument.

Debt instruments are those instruments that meet the definition of a financial liability from the issuer's perspective such as loans, government and corporate bonds, and trade receivables purchased from clients in factoring arrangements without recourse.

Equity instruments are instruments that meet the definition of equity from the issuer's perspective; that is, instruments that do not contain a contractual obligation to pay and that evidence a residual interest in the issuer's net assets. Examples of equity instruments include ordinary shares. The Bank does not have any investments in equity instruments.

Classification and subsequent measurement of debt instruments depend on:

- The Bank's business model for managing the asset; and
- The cash flow characteristic of the asset.



Based on these factors, the Bank classifies its debt instruments into one of the following three measurement categories.

**Amortised cost:**

Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest ("SPPI"), and that are not designated at FVPL, are measured at amortised cost. The carrying amount of these assets are adjusted by any expected credit loss allowance. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

**Fair value through other comprehensive income ("FVOCI"):**

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the asset's cash flows represent SPPI, and that are not designated at FVPL, are measured at FVOCI. Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest income and foreign exchange gains and losses on the instrument's amortised cost which are all recognised in profit or loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in 'Net gain or loss on disposal of financial assets measured at fair value through other comprehensive income'. Interest income from these financial assets is included in 'Interest income' using the effective interest rate method.

**Fair value through profit or loss ("FVPL"):**

Assets that do not meet the criteria for amortised cost or FVOCI are measured through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in profit or loss and presented in the profit or loss statement within 'Trading income/(losses)' in the period in which it arises, unless it arises from debt instruments that were designated at fair value or which are not held for trading, in which case they are presented separately in 'Trading income/(losses)'. Interest income from these financial assets is included in 'Interest income'.

**(a) Business model assessment**

The Business model reflects how the Bank manages the assets to generate cash flows. That is, whether the Bank's objective is solely to collect the contractual cash flows from the assets or is to collect both the contractual cash flows and cash flows arising from the sale of assets. If neither of these are applicable, then the financial assets are classified as part of an 'other' business model and measured at FVPL.

Factors considered by the Bank in determining the business model for a group of assets include past experience on how the cash flows for those assets were collected, how the asset's performance is evaluated and reported to key management personnel, how risks are assessed and managed, and how managers are compensated.

**(b) Assessment of whether contractual cash flows meet the SPPI test**

Where the business model is to hold assets to collect contractual cash flows or to collect contractual cash flows and sell, the Bank assesses whether the financial instrument's cash flows represent solely payments of principal and interest (the "SPPI test").

In making this assessment, the Bank considers whether the contractual cash flows are consistent with a basic lending arrangement, i.e. interest includes only consideration for the time value of money, credit risk, other basic lending risks and a profit margin that is consistent with a basic lending arrangement. Where the contractual terms introduce exposure to risk or volatility that are inconsistent with a basic lending arrangement, the related financial asset is classified and measured at FVPL.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are SPPI.

#### 2.4.3 Impairment of financial assets

The Bank assesses on a forward-looking basis the ECL associated with its debt instruments carried at amortised cost and with the exposure arising from loan commitments and financial guarantee contracts. The Bank recognises a loss allowance for such losses at each reporting date. The measurement of ECLs reflect:

- An unbiased and probability-weighted amount that is determined by evaluating a range of possible outcomes.
- The time value of money; and
- Reasonable and supportable information that is available without undue cost or effort at the reporting date about past events, current conditions and forecasts of future economic conditions.

#### 2.4.4 De-recognition of financial assets

Financial assets are derecognised when the contractual rights to receive cash flows from the assets have expired or when the Bank has transferred its contractual rights to receive the cash flows of the financial assets, and either:

- Substantially all the risks and rewards of ownership have been transferred; or
- The Bank has neither retained nor transferred substantially all the risks and rewards of ownership but has not retained control.



#### 2.4.5 Expected credit loss measurement

The ECL models apply to all financial assets measured at amortised cost, loan commitments and financial guarantee contracts not measured at FVPL. The models use a three-stage approach to recognise expected credit losses.

At initial recognition, an allowance (or provision in the case of credit related commitments) is required for ECL resulting from default events that are possible within the next 12 months or less, where the remaining life is less than 12 months ("12-month ECL"). In the event of a significant increase in credit risk, an allowance (or provision) is required for ECL resulting from all possible default events over the expected life of the financial instrument ("lifetime ECL").

Performing financial assets are considered to be 'stage 1' with a recognition of 12-month ECL; financial assets which are considered to have experienced a significant increase in credit risk are classified as 'stage 2'; and financial assets which are considered to be in default or otherwise credit impaired, are classified as 'stage 3'. Purchased or originated credit-impaired financial assets ("POCI") are treated differently, as set out below.

#### 2.4.6 Definition of default, credit impaired assets, write-offs, renegotiation and purchased or originated credit impaired

##### Default, credit impaired assets

Default occurs when there are indicators that a debtor is unlikely to pay its credit obligations to the Bank in full, without recourse to actions such as the realisation of security or collateral, or the debtor is 90 days or more past due on any material credit obligations to the Bank.

##### Write-off

When there is no reasonable expectation of recovering contractual cash flow of the exposure, it must lead to a partial or full write-off of the exposure. Generally, this is done when the account is administratively closed. However, a write-off may be done before legal actions against the obligor to recover the debt have been concluded in full.

##### Renegotiation

Loans are identified as renegotiated and classified as credit impaired when contractual payment terms are modified due to significant credit distress of the borrower. Renegotiated loans, that are not derecognised, remain classified as credit impaired until there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows. These loans could be transferred to stage 1 or 2 based on the mechanism as described below by comparing the risk of a default occurring at the reporting date (based on the modified contractual terms) and the risk of a default occurring at initial recognition (based on the original, unmodified contractual terms).

A loan that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement is made on substantially different terms, or if the terms of an existing agreement are modified such that the renegotiated loan is a substantially different financial instrument. Loans that arise following de-recognition events may be considered POCI.

#### Purchased or originated credit impaired

Financial assets that are purchased or originated at a deep discount that reflects the incurred credit losses are considered to be POCI.

This population includes the recognition of a new financial instrument following a renegotiation where concessions have been granted for economic or contractual reasons relating to the borrower's financial difficulty, where the Bank's assessment is such that the repayment according to the modified contractual terms are still doubtful. The amount of change-in-lifetime ECL is recognised in profit or loss until the POCI is derecognised, even if the lifetime ECL is less than the amount of ECL included in the estimated cash flows on initial recognition.

#### 2.4.7 Significant increase in credit risk

Significant increase in credit risk ("SICR") is assessed by comparing the risk of default occurring over the expected life of the financial asset at reporting date to the corresponding risk of default at origination or transfer date, as applicable. The Bank considers all available qualitative and quantitative information that is relevant to assessing SICR.

For the Bank's portfolio, the risk of default is defined using the existing Probability of Default ("PD") Masterscale. The PD Masterscale is used in internal credit risk management and includes 24 risk grades that are assigned at a borrower/counterparty level using rating tools reflecting specific financial and non-financial information and management experienced credit judgement. Internal credit risk ratings are updated regularly based on the most recent financial and non-financial information.

The primary indicator of SICR is a significant deterioration in an exposure's internal credit rating grade between origination or the initial recognition of the asset and reporting date. Application of the primary SICR indicator uses a sliding threshold such that an exposure with a higher credit quality at origination would need to experience a more significant downgrade compared to a lower credit quality exposure before SICR is triggered.

The assessment of a SICR includes the impact of forward-looking adjustments for emerging risks at an industry, geographic location or a particular portfolio segment level, which are calculated by stressing an exposure's internal credit rating grade at the reporting date.

In addition to the primary SICR indicator, the Bank also uses secondary SICR indicators as backstops. This includes a 30-days past due presumption and a referral to a service provider for analysis and recommendations regarding options for work-out and/ or restructuring.

#### 2.4.8 Movement between stages

Financial assets (other than POCI) may be transferred between the different stages, dependent upon their credit quality. Financial instruments are transferred out of stage 2 if their credit risk is no longer considered to be significantly increased since initial recognition based on the assessments described above. Financial instruments are transferred out of stage 3 when they no longer exhibit any evidence of credit impairment as described above. Renegotiated loans that are not derecognised will continue to be in stage 3 until there is sufficient evidence to demonstrate a significant reduction in the risk of non-payment of future cash flows, observed over a minimum 1-year period and there are no other indicators of impairment.



#### 2.4.9 Measuring ECL – Explanation of inputs, assumptions and estimation techniques

ECL is a probability weighted credit loss estimated by evaluating a range of possible outcomes and taking into account the time value of money, past events, current conditions and forecasts of future economic conditions.

For each exposure within the Bank's portfolio, ECL is calculated as a product of the following credit risk factors:

- **Probability of Default ("PD"):** The likelihood that a debtor: (1) will not be able to fulfill its contractual obligations without remedial actions, such as realizing security, being necessary, or (2) will become 90 days overdue on obligations or contractual commitments.
- **Exposure at Default ("EAD"):** Expected balance sheet exposure at default. EAD is calculated as the higher of the drawn balance and total credit limit; and
- **Loss Given Default ("LGD"):** The amount that is not expected to be recovered following default.

For exposures in Stage 2, impairment provisions are determined as a lifetime expected loss. The Bank uses a range of approaches to estimate expected lives of financial instruments subject to ECL requirements:

- **Non-revolving products:** Expected life is determined as a maximum contractual period over which the Bank is exposed to credit risk.
- **Revolving products:** For revolving products that include both a loan and an undrawn commitment such as corporate lines of credit, the Bank's contractual ability to cancel the undrawn limits and demand repayments does not limit the exposure to credit losses to the contractual notice period. For such products, ECL is measured over the behavioural life.

The measurement of credit risk uses analytical tools to calculate expected losses. Management exercises experienced credit judgement in determining the most appropriate amount of expected credit losses. Where applicable, credit risk factors (PD and LGD) are adjusted to incorporate reasonable and supportable forward-looking information about known or expected risks for specific segments of portfolios that would otherwise not have been considered in the modelling process.

For defaulted exposures in Stage 3, ECL is replaced by the Expected Loss Best Estimate ("ELBE") that is used to determine the specific provision level, and that also includes an assessment of underlying collateral value as applicable.

#### 2.4.10 Forward-looking information incorporated in the ECL model

Credit risk factors of PD and LGD used in the ECL calculation are point-in-time estimates based on current conditions and adjusted to include the impact of multiple probability-weighted future forecast economic scenarios.

Forward looking PD and LGD factors are modelled based on macro-economic factors that are most closely correlated with credit losses in the Bank's portfolio.

The Bank uses the following four alternative macro-economic scenarios ("MES") to reflect an unbiased probability-weighted range of possible future outcomes in estimating ECL:

- **Central scenario:** This scenario is aligned to the Reserve Bank of Australia forecasts and reflects the Bank's base case assumptions used in business planning and forecasting.
- **Upside and Downside scenarios:** These scenarios are set relative to the Central scenario based on reasonably possible alternative macro-economic conditions. Downside scenario represents plausible but less likely alternative to the Central scenario, such as a global recession. Upside scenario is included to account for the potential impact of less likely, more favourable macro-economic conditions.
- **Severe Downside scenario:** This scenario has been included to account for a potentially severe impact of less likely extremely adverse economic conditions, such as the impact of an escalated trade war.

Weights are assigned to each scenario based on management's best estimate of the proportion of potential future loss events that each scenario represents. By end of June 2025 the following scenario weighting was applied: Central: 52.5%; Downside: 35%; Upside: 2.5%; and Severe Downside: 10% (FY24: Central: 55%; Downside: 32.5%; Upside: 2.5%; and Severe Downside: 10%).

The Bank's assessment of SICR also incorporates the impact of multiple probability-weighted future forecast economic scenarios on an exposures' internal risk grades using the same four forecast macro-economic scenarios as described above.

To ensure that the IFRS 9 model also considers the macro-economic conditions of countries other than Australia and to which the Bank is exposed to, an adjustment is made which is based on the countercyclical buffer as set by the respective central banks of these countries.

#### 2.5 Interest income and expense

Interest income and expense for all interest-bearing financial instruments measured at amortised cost are recognised within 'Interest income' and 'Interest expense' in the Income Statement using the effective interest method. The effective interest method calculates the amortised cost of a financial instrument such as a loan or deposit and allocates the interest income or interest expense over the expected life of the financial instrument.

Interest income is recognised on gross carrying amounts for financial assets in Stage 1 and Stage 2, and gross carrying amounts net of expected credit loss allowances for financial assets in Stage 3.

The effective interest rate is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial asset or financial liability to the gross carrying amount of a financial asset (i.e. its amortised cost before any expected credit loss allowance) or to the amortised cost of a financial liability.

The calculation does not consider expected credit losses and includes transaction costs, premiums or discounts, fees and points paid or received that are integral to the effective interest rate, such as origination fees. For POCI financial assets - assets that are credit-impaired at initial recognition - the Bank calculates the credit-adjusted effective interest rate, which is calculated based on the amortised cost of the financial asset instead of its gross carrying amount and incorporates the impact of expected credit losses in estimated future cash flows.

#### 2.6 Other banking income

Other Banking income includes lending fees, trading income, and foreign exchange gains and losses.

Lending fees are accounted for as follows:

Facility fees earned for managing and administering credit and other facilities for customers are generally charged to the customer on a monthly basis and are recognised as revenue over the serviced period.	Commitment fees and fees in relation to guarantee arrangements are deferred and recognised over the life of the contractual arrangements.	Fee income is earned for providing arrangement services. These fees are recognised and charged when the related service is completed which is typically at the time of the transaction.
--	---	---

Trading income represents both realised and unrealised gains and losses from the changes in the fair value of trading assets, liabilities and derivatives.



## 2.7 Operating expenses

Personnel expenses include salaries and related on-costs, annual leave, social security and pension contributions, employee incentives and relevant taxes. This also includes fees relating to external contractors. Staff expenses are recognised over the period the employee or contractor renders the service.

Property expenses include occupancy expenses and equipment expenses (such as depreciation). Depreciation is calculated using the straight-line method over the asset's estimated useful life.

IT service expenses are recognised as incurred as the related services are delivered, unless they qualify for capitalisation as computer software because they are identifiable and controlled in a way that allows future economic benefits to be obtained and others' access to those benefits can be restricted.

The Bank assesses at each Balance Sheet date useful lives and residual values of property, plant and equipment and whether there is any objective evidence of impairment. If an asset's carrying value is greater than its recoverable amount, the carrying amount is written down immediately to its recoverable amount.

Other expenses are recognised as the relevant service is rendered. This includes intercompany services received by the Bank. Operating expenses related to provisions are recognised for present obligations arising from past events where a payment to settle the obligation is probable and can be reliably estimated.

## 2.8 Cash and cash equivalents

Cash and cash equivalents include deposits at central banks, nostro balances, and money at call with an original maturity of three months or less. Cash and cash equivalents are initially recognised at fair value and subsequently measured at amortised cost. As at 30 June 2025, the majority of cash and cash equivalents consists of a deposit at the central bank.

## 2.9 Receivables from and payables to financial institutions

Receivables from and payables to financial institutions include cash collateral and other balances. Cash collateral includes initial and variation margins in relation to derivative transactions and varies based on trading activities. Receivables from and payables to financial institutions are initially recognised at fair value and subsequently measured at amortised cost.

## 2.10 Derivative financial instruments

Derivative financial instruments are contracts whose values are derived from one or more underlying prices, indexes or other variables. Derivatives are classified as "held for trading". Held for trading derivatives are contracts entered into to meet customers' needs, to undertake market making and positioning activities, or for risk management purposes that are not designated in hedge accounting relationships. Derivatives held for trading purposes are initially recognised at fair value. After initial recognition, gains and losses on derivatives are recognised in the Income Statement.

## 2.11 Investment securities

Investment securities include public debt securities held as part of the Bank's liquidity portfolio. These debt securities are held within the business model whose objective is achieved by both collecting contractual cash flows and selling the assets. The contractual cash flows on these financial assets comprise payments of principal and interest only. These securities are initially recognised at their fair value plus directly attributable transaction costs. After initial recognition, they are measured at FVOCI.

Interest income and foreign exchange gains and losses on these securities are recognised in the Income Statement. The securities are assessed for impairment using the expected credit losses approach and is recognised in the Income Statement.

When debt securities at FVOCI are derecognised, the cumulative gain or loss recognised in other comprehensive income is reclassified to 'Other banking income' in the Income Statement.

## 2.12 Loans and advances

Loans and advances are held within a business model whose objective is to hold financial assets to collect contractual cash flows. The contractual cash flows on these financial assets comprise the payment of principal and interest only. These instruments are accordingly measured at amortised cost.

Loans and advances are recognised on the transaction date. They are initially recognised at their fair value. After initial recognition, they are measured at amortised cost using the effective interest method and are presented net of provision for impairment.

## 2.13 Property, plant and equipment

Items of property, plant and equipment ("PPE") are stated at cost, less accumulated depreciation and accumulated impairment losses. The initial cost of an asset comprises its purchase price and any costs directly attributable to bringing the asset into operation.

Subsequent costs may be capitalised where it enhances the asset. Only expenditure that is included in the cost of an item of PPE can be capitalised in accordance with IAS 16 Property, Plant and Equipment.

Depreciation of an asset begins when it is available for use, i.e. when it is in the desired location and condition. Depreciation is calculated using the straight-line method over the asset's estimated useful economic life.

## 2.14 Impairment of non-financial assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

## 2.15 Leases

Under lease agreements where the Bank is a lessee, all leases are recognised in the Balance Sheet as a lease liability and right-of-use asset, unless the underlying asset is of low value or the lease has a term of 12 months or less.

Right-of-use assets are initially measured at cost comprising the following:

- The initial amount of the lease liability measured at the present value of the future lease payments.
- Any lease payments made at or before the commencement date less any lease incentives received.
- Any initial direct costs; and
- An estimate of the costs to be incurred upon disassembling or restoring the underlying asset to the condition required by the terms of the lease.

The right-of-use asset is depreciated over the lease term on a straight-line basis.

Lease liabilities are remeasured when there is a change in future lease payments. When the lease liability is remeasured, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recognised in the Income Statement if the carrying amount of the right-of-use asset has been fully written down.



CBA NV entered into a 10-year leasehold agreement on 1 April 2019 at Gustav Mahlerlaan 352 (UN Studio Tower, 14th Floor), 1082 ME Amsterdam.

Details of the Bank's lease liability is set out in note 20.

## 2.16 Corporate Income tax

### Current income tax

Current income tax assets and liabilities for the current year are measured at the amount expected to be recovered from, or paid to, the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the Netherlands.

Management periodically evaluates positions taken in the tax returns with respect to situations where applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred income tax

Deferred income tax is provided using the balance sheet method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred income tax assets are recognised for deductible temporary differences, the carry-forward of unused tax credits and any unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry-forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised. Unrecognised deferred income tax assets are reassessed at the end of each reporting period and are recognised to the extent that it has become probable that future taxable profit will be available to allow the deferred tax asset to be recovered.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply to 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 by the end of the reporting period.

## 2.17 Other assets

Other assets include receivables on unsettled trades, interest and fee receivables, prepayments, deposits for rent and other receivables for unsettled payments. Other assets are recognised on an accrual basis.

## 2.18 Other liabilities

Other liabilities include payables for securities purchased not delivered, accrued interest payable, accrued incentives payable, accrued fees payable, impairment allowances, value-added tax liabilities, and other accrued liabilities for goods and services provided to the Bank prior to the end of the financial year which are unpaid. As most payables are short-term in nature, the contractual amount payable approximates fair value.

## 2.19 Equity

The authorised share capital amounts to €1 billion. The issued share capital amounts to €360 million, divided in 360 million ordinary shares.

Each ordinary share gives the right to one voting right, participates equally in profits distributed by CBA NV and carries equal rights upon the distribution of assets by CBA NV in the event of a winding up.

## 2.20 Pensions

Two pension plans were in place during the 2025 financial year:

1

### Defined contribution plan:

This covers the employer pension contribution and provision for old age and benefits in case of death and disability. The mandatory contribution is 5% of the base salary.

2

### CBA NV internal transfer plan:

This plan is specifically designed for internal Group employee transfers employed at the Bank. It excludes the defined contribution plan and includes limited death-in-service benefits. This is paid by the employer, and the employee receives a cash allowance calculated as 8% of base salary capped according the annually determined maximum pensionable salary.

As of 1 January 2025, the maximum pensionable salary is €137,800, unchanged from prior year, in accordance with Dutch tax regulations.

Under the plans, the Bank is under no obligation to make any supplementary contributions in addition to payment of periodical pension contribution.

## 3.0 Risk management

### Overview

The Bank is exposed to financial risks, non-financial risks and business risks arising from its operations. The Bank manages these risks through its Risk Management Framework (the "Framework"), which evolves to accommodate changes in business operating environment, better practice approaches, and regulatory and community expectations.

### 3.1 Risk management framework

The Risk Management Framework (RMF), as adopted by the Management Board of CBA NV and aligned with Group, encompasses the principles and minimum requirements for managing the risks faced by CBA NV, enabling CBA NV to make fully informed decisions on risk-taking and defines the components of a robust second line of defence (Line of Accountability).

Besides the RMF document which articulates the key risk management practices across all material risk classes, CBA NV's risk management approach cascades down throughout the organisation by means of the following key documents:

#### CBA NV's Business Strategy:

CBA NV provides the services currently carried out by International Banking & Markets (IB&M) to European Economic Area (EEA30) counterparties. CBA NV's Business Strategy, initially integrated in CBA NV's Business Plan which was drafted as part of the license application, is updated annually, articulating the strategy and the services CBA NV will provide. As such, IB&M's strategy and the CBA NV's strategy both play a key role in the CBA NV's approach to risk management.

#### CBA NV's Internal Liquidity Adequacy Assessment Process (ILAAP):

This process is used, in combination with other risk management practices, to understand, manage and quantify CBA NV's liquidity risks. The ILAAP documents the liquidity and funding management framework for CBA NV in accordance with statutory liquidity requirements and the CBA NV Liquidity Management Policy and Standard.

#### CBA NV's Risk Control Self-Assessment (RCSA) and related Systemic Integrity Risk Assessment (SIRA):

A forward-looking assessment of key risks (including Integrity risks) and controls relating to CBA NV.

#### CBA NV's Risk Appetite Statement (RAS):

The RAS articulates the degree of risk CBA NV is prepared to accept, expressed in terms of key business outcomes taking into consideration the interests of all stakeholders.

#### CBA NV's Internal Capital Adequacy Process (ICAAP):

This process is used, in combination with other risk management practices (including stress testing), to understand, manage and quantify CBA NV's risks; the outcomes of which are used to inform risk decisions, set capital buffers and assist strategic planning.

#### CBA NV's New Product Approval Process (NPAP):

This process ensures that new or major changes in products, operational procedures and systems that could impact the risk profile of the Bank, are properly understood and supported.

### Risk governance and reporting

The Bank is committed to ensure that its risk management practices reflect a high standard of governance.

Decision making is organised through the Bank's governance bodies, including the Management Board and its delegated committees.

The Management Board has delegated its responsibilities to the following committees:

- Asset and Liability Committee.
- Credit Committee.
- Non-Financial Risk Committee and its subcommittees (IT & Outsourcing Committee, New Product Approval Committee and KYC Committee); and
- (Mis)Conduct Governance Committee.

The Management Board, together with these committees manage the risk profile of the Bank in compliance with the Risk Management Framework and Risk Appetite Statement of the Bank. Regular and transparent reporting mechanisms are established to provide the Management Board, their delegated risk committees, and all relevant units in CBA NV with reports in a timely, accurate, concise, understandable and meaningful manner, and share relevant information about the identification, measurement or assessment, monitoring and management of risks, and ensuring comprehensive management supervision.

The Bank operates a Three Lines of Accountability model that places the accountability for risk ownership in compliance with Risk Appetite and policies with the Line 1 Business units and supporting units, while focusing the mandate of Line 2 Risk teams on the design of the Risk Appetite Statement and Risk Management Framework, guidance, assurance, approval or acceptance of risk decisions of Line 1 and advice. Line 3 Internal Audit provides independent assurance to the Board, regulators and other stakeholders on the effectiveness of risk management, internal controls and governance.

### Risk policies and procedures

Risk policies and procedures provide guidance to the business on the management of each material risk. They support the Framework by:

- Summarising the principles and practices to be used by the Bank in identifying and assessing its material risks; and
- Quantifying the operating tolerances for material risks.

### Risk management infrastructure

The Risk Management Framework is supported by key infrastructure systems and processes for the management of the Bank's material risks. The Bank leverages the Group infrastructure for the management of its material risk types to ensure compliance with local regulatory requirements in accordance with the Bank's Outsourcing Policy.

The Bank's key risk management systems and processes in place include:

- Risk processes to identify, assess, escalate, monitor and manage risks and issues.
- Management information systems to measure and aggregate risks across the Group.
- Risk models and tools; and
- An Internal ICAAP used alongside other risk techniques (including stress-testing), to quantify the Bank's risks for use in risk decisions, capital plans and strategic decisions.

## Risk culture and conduct risk

Risk Culture means the Bank's norms, attitude and behaviours related to risk awareness, risk taking and risk management, and the controls that shape business decisions. The Risk Culture influences the decisions of management and employees during the day-to-day activities and has an impact on the risks they assume.<sup>2</sup>

A balance between inquiry and advocacy between questions and answers helps drive the right risk management decisions within the Bank. All members of the Bank are expected to encourage open discussion norms, high levels of respect among team members and resolve potential conflicts of opinions in a collaborative manner in line with the Bank's internal policies and values.

The Bank is committed to maintaining and enhancing CBA NV's Risk Culture based on the belief that a sound risk culture is crucial for a successful financial services organisation, from the perspective of shareholders, regulatory bodies, and customers.

## Risk of Fraud

In view of fraud, bribery and anti-corruption, the Management Board implemented manual and automated controls such as segregation of duties and provides training to help employees to identify fraudulent behaviour. In addition, the Management Board implemented, amongst others, a Code of Conduct, Whistleblower policy, controls to prevent corruption and key compliance and conduct processes, including controls and compliance monitoring (see Compliance Risk in the next section Material Risk Types). The Bank applies a zero-tolerance policy in relation to fraud, bribery and corruption. No instances of (internal or external) fraud or any other matters were identified in this respect that had a material effect on these financial statements.

## Material risk types

The table below provides an overview of the main risks the Bank is exposed to, governing policies, management committees, as well as the key controls and risk mitigation strategies that have been put in place.

### Credit Risk

#### Description

**Credit risk** is the potential for loss arising from the failure of a counterparty to meet their contractual obligations to the Bank.

The Bank is primarily exposed to credit risk through:

- Lending to large corporates.
- Deposits with other institutions; and
- Markets exposures (e.g. in the form of derivatives, repos or debt securities).

#### Governing Policies and Key Management Committees

##### Governing Policies:

- Credit Risk Management Policy.
- Credit Risk Concentration Policy.
- Definition of Default, Non-Performing and Forbearance Policy; and
- Troublesome and Impaired Assets Management Policy.

##### Key Management Committees:

- Credit Risk Committee

#### Key Controls and Risk Mitigation Strategies

- Defined credit risk indicators and thresholds set in the Risk Appetite Statement.
- Additional credit risk indicators defined at the CBA Group Business Unit level (e.g. aviation).
- Transacting with counterparties that demonstrate the ability and willingness to service their obligations through performance of due diligence and thorough credit quality assessments.
- Having a clear business strategy and dealing with clients where the Bank has a deep understanding of their industry and business.
- Applications assessed by independent credit function and reviewed by the credit committee, with less complex applications referred to credit authority holders.
- Taking collateral where appropriate.
- Pricing appropriately for risk.
- Credit concentration frameworks that set exposure limits to counterparties, groups of related counterparties, and countries.
- Regular monitoring of credit quality, concentrations, arrears, policy exceptions and policy breaches.
- Working with impaired counterparties, or those in danger of becoming so, to help them rehabilitate their financial positions; and
- Stress testing, either at counterparty or portfolio level.

<sup>2</sup> Risk Culture as defined in the EBA Guidelines on internal governance (EBA/GL/2021/05).

## Market Risk

### Description

**Market Risk** is the risk that market rates and prices will change and that this may have an adverse effect on the profitability and/or net worth of the Bank.

The Bank is primarily exposed to market risk through:

- Traded Market Risk.
- FX Risk arising from the mismatch between EUR as reporting currency and the denomination of large parts of its assets in USD, GBP and NOK; and
- Interest Rate in the Banking Book ("IRRBB").

### Governing Policies and Key Management Committees

#### Governing Policies:

- Market Risk Management Policy

#### Key Management Committees:

- Assets & Liabilities Committee

### Key Controls and Risk Mitigation Strategies

- Focusing on facilitating customer transactions with moderate traded market risk being held within the Bank.
- Hedging any foreign currency volatility on the Balance Sheet.
- Defined market risk indicators and thresholds set in the Risk Appetite Statement.
- Daily monitoring and attribution of traded and non-traded market risk exposures including risk sensitivities, Value-at-Risk ("VaR") and stress testing.
- Managing the Balance Sheet with a view to balancing Net Interest Income profit volatility and market value; and
- Monthly monitoring of Net Interest Earnings at Risk versus limits.

## Liquidity and Funding risk

### Description

**Liquidity and Funding risk** is the combined risks of not being able to meet financial obligations as they fall due (funding liquidity risk) and that liquidity in financial markets, such as the market for debt securities, may reduce significantly (market liquidity risk).

- The Bank is exposed to liquidity risk primarily through:
- The funding mismatch between CBA NV's loans, investments and sources of funding.

### Governing Policies and Key Management Committees

#### Governing Policies:

- Liquidity Management Policy; and
- Contingent Funding Plan.

#### Key Management Committees:

- Assets & Liabilities Committee

### Key Controls and Risk Mitigation Strategies

- Defined liquidity risk indicators and thresholds set in the Risk Appetite Statement and contingent liquidity plans.
- Ambition to develop a diverse, yet stable pool of potential funding sources, to reduce dependency on Group.
- Maintaining adequate liquidity buffers, and gradually reducing the dependency on the parent company in the coming years, by building a more diverse (by geography, currency, counterparty, term, product, marketability) yet stable pool of potential funding sources.
- Reducing potential mismatch between assets and liabilities maturities by applying mostly match funding.
- Daily monitoring of liquidity risk exposure, including Liquidity Coverage Ratio ("LCR") and Net Stable Funding Ratio ("NSFR").
- Market and idiosyncratic stress test scenarios; and
- The Contingency Funding Plan provides strategies for addressing liquidity shortfalls in a crisis situation.

## Operational risk

### Description

**Operational risk** is the risk of loss arising from inadequate or failed internal processes and systems or from external events. The Bank is exposed to operational risks primarily through:

- Process execution errors.
- Cyber security risks.
- Technology failures.
- Data management issues.
- Model risks.
- Accounting, legal and taxation risks.
- Third parties.
- People (employment practice and workplace safety).
- Fraud (external and internal); and
- Non-technology business disruption.

### Governing Policies and Key Management Committees

#### Governing Policies:

- Operational Risk Management Framework.
- Operational Risk Management Policy.
- Outsourcing Policy.
- IT Management Policy.
- Information Security Policy.
- Business Continuity Plan.
- Customer Complaint Policy.
- Training Policy.
- Risk Adjustment Policy (remuneration).
- Product Review, Approval and Distribution Policy.

#### Key Management Committees:

- Non-Financial Risk Committee

### Key Controls and Risk Mitigation Strategies

- Defined operational risk indicators and thresholds set in the Risk Appetite Statement.
- Robust set of controls to prevent, detect and mitigate the specific operational risks to which CBA NV is exposed.
- Regular Risk and Control Self-Assessment ("RCSA") to assess key risks and controls.
- Routine Controls Assurance Program tests to assess whether controls are designed and operating effectively to maintain risk exposures within acceptable levels.
- Incident management processes to identify, assess, record, report and manage actual operational or compliance events that have occurred. This data is used to guide management to strengthen processes and controls.
- Issue management process to ensure that control weaknesses or gaps are promptly identified, assessed, and that appropriate remediation plans are defined to address the root cause and prevent recurrence.
- Risk in Change process to effectively understand and manage the risks from changes to the business through projects or initiatives.
- Quantitative Risk Assessments to provide an understanding of potential unexpected losses.
- Establishment of additional Key Risk Indicators to monitor movements in risk exposure over time.
- Assurance undertaken by Line 2 Risk to assess that operational risks are appropriately identified and managed across the Bank; and
- Service Level Agreements ("SLA") to govern all activities which are outsourced to CBA Group and/or third parties and maintaining oversight of Outsourcing.

## Compliance risk

### Description

Compliance risk is the risk of legal or regulatory sanctions, material financial loss or loss of reputation the Bank may incur as a result of the Bank's failure to comply with applicable laws and regulations, industry standards, codes, guidelines or internal policies. The Bank is exposed to compliance risk primarily through:

- Regulatory and licencing obligations, including privacy and conflicts of interest obligations.
- Financial crime (Anti Money Laundering ("AML"), Counter- Terrorism Financing ("CTF"), Anti- Bribery and Corruption, and Sanctions); and Poor conduct (product design and distribution, market conduct and employee misconduct).

### Governing Policies and Key Management Committees

#### Governing Policies:

- Whistleblower Policy
- Anti-Money Laundering and Counter Terrorist Financing Policy
- Sanctions Policy
- Anti-Bribery and Corruption Policy
- Compliance Management Framework
- Incident Management Standard
- MIFID II Order Execution Policy
- Code of Conduct
- Conflicts Management Policy
- Customer Complaint Policy.
- Mandatory Learning Policy.
- Market Abuse and Customer Protection Policy
- Bankers' Oath Policy
- Privacy Policy

#### Key Management Committees:

- Non-Financial Risk Committee
- Misconduct & Governance Committee

### Key Controls and Risk Mitigation Strategies

- Code of Conduct, supported by mandatory training for all staff.
- Defined compliance risk indicators and thresholds set in the Risk Appetite Statement.
- Mandatory online compliance training and awareness sessions for all employees.
- Mandatory bankers' oath.
- Maintenance of obligation registers.
- Compliance risk profile through
- Compliance Self-Assessment.
- Review of key compliance and conduct processes and controls and compliance monitoring.
- Co-operative and transparent relationship with Regulators.
- Board and management governance and reporting.
- Pre-employment due diligence and screening of employees.
- Customer on-boarding processes to meet AML/CTF identification and screening requirements.
- Ongoing customer due diligence to ensure information is accurate.
- Monitoring customer transactions to manage the AML/CTF and sanction risks identified.
- Undertake statutory reporting requirements including Suspicious Matter Reports; and
- Controls to prevent corruption by employees, representatives, suppliers or third-party agents, including disclosure and approval of gifts and entertainment, charitable donations and sponsorships.

## Strategic risk

### Description

Strategic risk is the risk of material stakeholder value destruction or less than planned value creation.

- The Bank is exposed to strategic risk primarily through:
- Changes in the Bank's external and internal operating environments; and
- Risk associated with the process for strategy development and monitoring of strategy implementation.

### Governing Policies and Key Management Committees

#### Governing Policies:

- ESG Policy

#### Key Management Committees:

- Management and Supervisory Board

### Key Controls and Risk Mitigation Strategies

- Having a clear business strategy and dealing with clients where the Bank have a deep understanding of their industry and business.
- Annual business strategy review.
- Identifying and monitoring changes and potential changes to the operating environment through business and risk review processes.
- Monitoring execution of progress of the strategy.
- Assessment of risk and capital profile in conjunction with the business strategy and risk appetite (ICAAP).
- Consideration of Environmental, Social and Governance matters and risks during credit reviews.
- Capability and Culture development initiatives; and
- Performance and Remuneration process.

## 3.2 Credit risk

### 3.2.1 Introduction

Credit risk is the risk of loss arising from failure of a counterparty to meet their contractual obligations. The Bank is primarily exposed to credit risk through large corporate and markets exposures. There is also credit risk in off-balance sheet financial instruments, such as loan commitments. The Bank maintains controls and processes to optimise its credit risk-taking activities.

### 3.2.2 Exposure to credit risk

#### Cash and liquid assets

The Bank's 'Cash and liquid assets' balance included €425.9 million deposited with Central Banks and is considered to carry less credit risk. Collateral is not usually sought on the majority of Cash deposited with banks and other liquid asset balances as these types of exposures are generally considered low risk.

#### Receivables from financial institutions

The exposures are mainly short-term and unsecured to investment grade financial institutions and are considered lower risk.

#### Investment securities at FVOCI

These assets are carried at fair value, which reflects the current credit risk. Collateral is not generally sought from the issuer or borrower.

#### Derivative assets

The Bank is exposed to counterparty credit risk on derivative contracts. The counterparty credit risk is affected by the nature of the trades, the counterparty, netting, and collateral or margining arrangements. Credit risk from derivatives is mitigated where possible (typically for financial institution counterparties, but less frequently for corporate or government counterparties) through netting and margining agreements, whereby derivative assets and liabilities with the same counterparty can be offset, or, in certain cases, mitigated via clearing on Central Counterparties ("CCPs"). Generally, the Bank uses The International Swaps and Derivatives Association ("ISDA") Master Agreement (and related agreements where relevant) to document and govern its Over-the-Counter ("OTC") derivative activities.

Derivative exposures are reported on a gross basis under the Standardized Approach for Counterparty Credit Risk ("SA-CCR") framework, reflecting current and potential future exposure without full offset for netting or collateral.

#### Loans and advances to customers, credit commitments and contingent liabilities

The Bank is exposed to credit risk arising in its lending activities and applies the same risk management policies for both on and off-balance sheet exposures. Collateral may be sought depending on the strength of the borrower/ counterparty and the nature of the transaction.

The exposure to credit risk of financial assets equals their gross carrying amounts. In measuring credit exposure, the Bank aggregates exposures to groups of borrower/ counterparties that are connected such that the failure of one could lead to the failure of other connected borrower/ counterparties.

### Total Committed Exposure

The following tables presents the Banks total exposure from on-balance and off-balance sheet financial instruments, before taking into account of any collateral held or other credit enhancements.

	30 Jun 25 €000	30 Jun 24 €000
<b>Credit risk exposures relating to on Balance Sheets assets</b>		
Cash and cash equivalents	426,605	266,354
Receivables from financial institutions	6,322	6,247
Derivative assets	10,544	4,383
Investment securities at OCI	79,322	10,972
Loans and advances to customers	828,523	822,801
Other assets	59,828	32,253
<b>Total credit risk exposures relating to on-balance sheets assets</b>	<b>1,411,144</b>	<b>1,143,010</b>
<b>Credit risk exposures relating to off Balance Sheet assets</b>		
Undrawn commitments	412,993	369,250
Letters of credit commitments	21,919	10,019
Off-balance sheet exposure to CBA Group	359,816	457,313
<b>Total credit risk exposures relating to off-balance sheet items</b>	<b>794,728</b>	<b>836,582</b>



### 3.2.3 Large exposures

Concentration of exposure to any counterparty group is governed by the Credit Risk Concentration Policy. For EU regulatory purposes, a large exposure is defined as exposure to all borrower/ counterparties in an aggregated group with exposure of more than 10% of eligible capital.

Large exposures that exceed specified applicable regulatory thresholds may be mitigated through credit risk mitigation techniques, one of which is the Risk Participation Agreements ("RPAs") that CBA NV executed with the CBA Group. Under an RPA, the on-balance sheet exposure (i.e. the loan) is de-recognised as both the risk and reward of the outstanding balance are transferred to the Group. The off-balance sheet exposure (i.e. the undrawn committed facility) remains the Bank's commitment to the borrower/ counterparty. However, the credit risk on the exposure is substituted from the borrower/ counterparty to the CBA Group via a commitment received under the RPA. As such, the off-balance sheet commitment to the client is presented gross from an accounting point of view, and net after risk mitigation, for large exposure purposes.

The following table presents the Bank's loans and advances which are deemed to be large exposures:

	30 Jun 25	30 Jun 24
	€000	€000
<b>Gross carrying amount</b>	551,647	571,154
<b>Allowance for ECL</b>	776	1,249
<b>% of Total Loans and advances to customers</b>	66.58%	69.42%

### 3.2.4 Industry and geographic concentration

An industry sector is comprised of a group of industries reflecting a common systematic risk. Industry concentrations must be monitored and managed in line with the requirements set in the Credit Risk Concentration Policy.

Country risk is the risk that a client's ability to meet its contractual financial obligation to the Bank is adversely impacted by:

- Acts by foreign governments – expropriation, nationalisation, embargoes, transfer and convertibility restrictions.
- Foreign governments defaulting on financial commitments.
- Macroeconomic risks arising from political instability, government policies or socio-economic conditions; or
- Other events such as war, revolutions, civil disturbances or natural disasters.

The country of risk of an exposure is primarily determined by looking through the structure of a transaction or obligor to identify the primary source of repayment or recourse. Aggregated group exposures are used for the purpose of assessing country risk limits. Country risk limits are set in the Credit Risk Concentration Policy.

The following table presents loans and advances by industry and geographic concentration and by stage allocation for 30 June 2025 and 30 June 2024.

Stage	Gross carrying amount €000			Allowance for ECL €000			Total
	1	2	3	1	2	3	
<b>By Industry</b>							
Transport & Storage	289,231	0	0	289,231	302	0	302
Commercial Property	31,53	0	0	31,53	52	0	52
Finance and Insurance	136,152	0	0	136,152	178	0	178
Electricity, Gas & Water	156,497	0	0	156,497	355	0	355
Manufacturing	163,022	0	0	163,022	742	0	742
Wholesale Trade	46,369	0	0	46,369	209	0	209
<b>As at 30 June 2024</b>	<b>822,801</b>	<b>0</b>	<b>0</b>	<b>822,801</b>	<b>1,838</b>	<b>0</b>	<b>1,838</b>

### By Geography\*

Ireland	173,49	0	0	173,49	222	0	0	222
France	161,483	0	0	161,483	617	0	0	617
Norway	4,886	0	0	4,886	13	0	0	13
Netherlands	31,53	0	0	31,53	52	0	0	52
Luxembourg	6,508	0	0	6,508	12	0	0	12
UK	129,356	0	0	129,356	339	0	0	339
Germany	78,457	0	0	78,457	98	0	0	98
Denmark	46,745	0	0	46,745	30	0	0	30
Singapore	46,672	0	0	46,672	131	0	0	131
United States	126,18	0	0	126,18	201	0	0	201
Switzerland	17,494	0	0	17,494	123	0	0	123
<b>As at 30 June 2024</b>	<b>822,801</b>	<b>0</b>	<b>0</b>	<b>822,801</b>	<b>1,838</b>	<b>0</b>	<b>0</b>	<b>1,838</b>



Stage	Gross carrying amount €000				Allowance for ECL €000			
	1	2	3	Total	1	2	3	Total
<b>By Industry</b>								
Transport & Storage	209,721	0	0	209,721	115	0	0	115
Commercial Property	43,179	0	0	43,179	6	0	0	6
Finance and Insurance	210,641	0	0	210,641	246	0	0	246
Electricity, Gas & Water	157,818	0	0	157,818	309	0	0	309
Manufacturing	139,818	0	0	139,818	798	0	0	798
Wholesale Trade	67,346	0	0	67,346	167	0	0	167
<b>As at 30 June 2025</b>	<b>828,523</b>	<b>0</b>	<b>0</b>	<b>828,523</b>	<b>1,641</b>	<b>0</b>	<b>0</b>	<b>1,641</b>

<b>By Geography*</b>								
United States	133,374	0	0	133,374	237	0	0	237
Ireland	148,722	0	0	148,722	119	0	0	119
UK	150,211	0	0	150,211	353	0	0	353
Germany	102,761	0	0	102,761	222	0	0	222
France	123,842	0	0	123,842	352	0	0	352
South Korea	44,994	0	0	44,994	11	0	0	11
Australia	43,179	0	0	43,179	6	0	0	6
Belgium	31,304	0	0	31,304	273	0	0	273
Singapore	13,794	0	0	13,794	6	0	0	6
Denmark	18,145	0	0	18,145	7	0	0	7
Japan	9,253	0	0	9,253	3	0	0	3
Switzerland	8,944	0	0	8,944	52	0	0	52
Netherlands	0	0	0	0	0	0	0	0
<b>As at 30 June 2025</b>	<b>828,523</b>	<b>0</b>	<b>0</b>	<b>828,523</b>	<b>1,641</b>	<b>0</b>	<b>0</b>	<b>1,641</b>

\* Comparative information has been adjusted to conform to the presentation in the current period.

### 3.2.5 Credit risk rating

For internal risk management purposes, each exposure with commercial content is assigned an internal Credit Risk Rating ("CRR"). The CRR is normally assessed by reference to a matrix where the probability of default ("PD") and the estimated loss, in the event of default ("LGD") combine to determine a CRR grade. CRRs fall within the following categories:

- Pass: a) exceptional, b) very strong, c) strong d) good, e) satisfactory and f) weak
- No Pass: troublesome and defaulted

Investment grade is representative of lower assessed default probabilities whilst other classifications reflect progressively higher default risk. Specifically, Investment grade corresponds to S&P ratings AAA to BBB-, Pass grade corresponds to S&P ratings BB+ to B-, Weak grade corresponds to S&P ratings below B-.

Whereas ECL stage 3 ('non-performing') largely corresponds with the internal definition of 'default', ECL stage 2 ('underperforming') reflects both the current creditworthiness of the counterparty as well as a (foreseeable) deterioration of the creditworthiness since credit origination. ECL stage 1 ('performing') encompasses all other exposures. The following tables analyse loans and advances by credit quality and ECL stage:

	30 Jun 24			
	€000	€000	€000	€000
	Stage 1	Stage 2	Stage 3	Total
Investment	553,691	0	0	553,691
Pass	269,110	0	0	269,110
Weak	0	0	0	0
<b>As at 30 June 2024</b>	<b>822,801</b>	<b>0</b>	<b>0</b>	<b>822,801</b>
ECL Coverage %	0.22%	0.00%	0.00%	0.22%

	30 Jun 25			
	€000	€000	€000	€000
	Stage 1	Stage 2	Stage 3	Total
Investment	569,670	0	0	569,670
Pass	258,853	0	0	258,853
Weak	0	0	0	0
<b>As at 30 June 2025</b>	<b>828,523</b>	<b>0</b>	<b>0</b>	<b>828,523</b>
ECL Coverage %	0.20%	0.00%	0.00%	0.20%



### 3.2.6 Collateral held against loans and advances

The Bank's main collateral types consist of enforceable rights over specified assets of the borrower in the form of cash, industrial assets, corporate guarantees and RPAs by the parent, CBA Group. In some instances, a counterparty's exposure may be secured with value less than the carrying amount of the credit exposure. These facilities are deemed partly secured or unsecured (i.e. no collateral or collateral with no value).

The following tables presents the Bank's loans and advances by level of collateral:

	Gross carrying Amount	Allowance for ECL	Total
As at 30 June 2024	€000	€000	€000
<b>Stage 1:</b>			
Collateralised	82,475	40	82,435
Partially collateralised	202,361	266	202,095
Uncollateralised	537,965	1,532	536,433
<b>Stage 2:</b>			
Collateralised	0	0	0
Partially collateralised	0	0	0
Uncollateralised	0	0	0
<b>Stage 3:</b>			
Collateralised	0	0	0
Partially collateralised	0	0	0
Uncollateralised	0	0	0
<b>Total</b>	<b>822,801</b>	<b>1,838</b>	<b>820,963</b>

	Gross carrying Amount	Allowance for ECL	Total
As at 30 June 2025	€000	€000	€000
<b>Stage 1:</b>			
Collateralised	121,001	54	120,947
Partially collateralised	78,606	75	78,531
Uncollateralised	628,916	1,512	627,404
<b>Stage 2:</b>			
Collateralised	0	0	0
Partially collateralised	0	0	0
Uncollateralised	0	0	0
<b>Stage 3:</b>			
Collateralised	0	0	0
Partially collateralised	0	0	0
Uncollateralised	0	0	0
<b>Total</b>	<b>828,523</b>	<b>1,641</b>	<b>826,882</b>



### 3.2.7 Past due but not impaired gross loans and advances

Unless identified at an earlier stage, all financial assets which are 30 days past due are deemed to have suffered a significant increase in credit risk and accordingly are transferred from stage 1 to stage 2. Past due financial instruments are those loans where borrowers/ counterparties have failed to make payments in accordance with the contractual terms of their facilities. During the 2025 financial year, the Bank had no past due financial assets.

### 3.2.8 Renegotiated loans and advances and forbearance

There are instances where the contractual terms of a loan may be modified, due to for example, changing market conditions and other factors not related to the credit quality of a borrower/ counterparty. Where however, the modifications to contractual terms relate to financial difficulties, this is referred to as forbearance. Loan forbearance is undertaken by the Bank very selectively and is only granted in situations where the Bank assesses that the borrower/ counterparty has the ability to meet the revised contractual terms. As part of its forbearance measures, the Bank may extend payment terms, reduce interest or principal repayments, and defer foreclosure of collateral.

Forbearance is objective evidence of impairment, and a forborne loan is deemed to be credit impaired (i.e. stage 3) when there has been a change in contractual cash flows as a result of a concession which the Bank would otherwise not consider, and it is probable that without the concession, the borrower/ counterparty would be unable to meet the original contractual payment obligations in full. Forborne loans are not classified as credit impaired (i.e. stage 3) where the contractual cash flows arising from the forbearance measures are expected to be collected in full.

When a loan is restructured as part of a forbearance strategy and the restructuring results in a derecognition of the existing loan, the new loan is considered forborne. A loan that is renegotiated is derecognised if the existing agreement is cancelled and a new agreement made on substantially different terms, or if the terms of an existing agreement are modified, such that the renegotiated loan is substantially a different financial instrument. During the 2025 financial year, the Bank had no exposures that were classified as forborne.

### 3.2.9 Reconciliation by stage of the Bank's gross exposures and allowances for loans and advances

The following disclosure provides a reconciliation by stage of the Bank's gross exposures and allowances for loans and advances. The transfer of financial instruments represents the impact of stage transfers. The 'Net remeasurement of ECL arising from stage transfers' represents the increase or decrease due to these transfers, for example, moving from a 12-month (stage 1) to a lifetime (stage 2) ECL measurement basis. 'Net remeasurement arising from stage transfers' excludes the movements resulting from changes in risk parameters such as forward-looking information, overlays and adjustments. This is captured, along with other credit quality movements in the 'Changes in risk parameters' line item. The 'Net new and further lending/repayments' represent the allowance ECL impact from volume movements within the Bank's lending portfolio.

	Stage 1	Stage 2		
	Gross exposure €000	Allowance for ECL €000	Gross exposure €000	Allowance for ECL €000
<b>At 1 July 2023</b>	<b>667,279</b>	<b>1,339</b>	<b>0</b>	<b>0</b>
Gross new and further lending	543,260	4,453	0	0
Gross repayments	(404,302)	(707)	0	0
Transfers from Stage 2 to Stage 1	0	0	0	0
Net remeasurement of ECL arising from stage transfer	0	0	0	0
Changes in risk parameters	0	(3,247)	0	0
Other movements	16,564	0	0	0
<b>As at 30 June 2024</b>	<b>822,801</b>	<b>1,838</b>	<b>0</b>	<b>0</b>
<b>At 1 July 2024</b>	<b>822,801</b>	<b>1,838</b>	<b>0</b>	<b>0</b>
Gross new and further lending	565,767	501	0	0
Gross repayments	(563,415)	(162)	0	0
Transfers from Stage 2 to Stage 1	0	0	0	0
Net remeasurement of ECL arising from stage transfer	0	0	0	0
Changes in risk parameters	0	(536)	0	0
Other movements	3,370	0	0	0
<b>As at 30 June 2025</b>	<b>828,523</b>	<b>1,641</b>	<b>0</b>	<b>0</b>



### 3.2.10 Forward-looking information incorporated in the ECL model

In accordance with IFRS 9, the Bank incorporates forward-looking economic forecasts into its ECL estimates.

More specifically, the Bank applies forward economic scenarios into the calculation of ECL by incorporating the effect of macroeconomic variables into the estimation of both PDs and LGDs. As noted in Note 2.4.10, the Bank has adopted the use of four scenarios, representative of forecast economic conditions, sufficient to calculate unbiased expected losses. Each scenario is weighted by a probability of occurrence, determined by a combination of macroeconomic research and expert judgment.

Each of the four scenarios includes a forecast of macro-economic variables including GDP, unemployment rates, cash rate, business investment index, exchange rates and disposable income index.

### 3.2.11 Overlays and adjustments in the ECL model

Industry, country and model specific adjustments are applied to consider shortcomings to the base model and macro-economic scenarios. These adjustments are approved on a quarterly basis and re-calculated each month. At 30 June 2025, industry specific overlays were the most relevant, adjustment, resulting in PD or LGD downgrades for Manufacturing & Wholesale industries and contributing to ~20% of collective provisions. In line with the ECL methodology applied which considers the likelihood and impact of relevant forward-looking scenarios, this downward adjustment reflects the increased risk of a future adverse development in these sectors.

Currently the Watch List separately classifies relevant clients into two categories:

- High Risk Watch: There is a high risk the client will be downgraded to non-performing classification within the next 6 months.
- Low Risk Watch: All other clients on the Watch List not considered High Risk Watch.

The classification of a client in the Watchlist may result in higher provisioning levels provided that there are no other overlays applied.

## 3.3 Market risk

The Bank takes on exposure to market risk, which is the risk of losses for on- and off-balance sheet positions arising from movements in market variables such as interest rates, equity prices, foreign exchange rates, and commodity prices. In the case of the Bank, market risk arises primarily from currency risk and interest rate risk.

### Traded market risk

Traded market risk is generated through the Bank's participation in financial markets to service customers. The Bank trades and distributes interest rate, foreign exchange and debt products to provide treasury, capital markets and risk management services to its customers. The Bank uses Value-at-Risk ("VaR") as one of the measures of traded market risk.

VaR measures potential loss using historically observed market movements and correlation between different markets. VaR is modelled at a 99.0% confidence level. This means that there is a 99.0% probability that the loss will not exceed the VaR estimate on any given day for a given holding period. The VaR measured for traded market risk uses two years of daily movement in market rates. A 10-day holding period is used for trading book positions.

VaR is driven by historical observations and is not an estimate of the maximum loss that the Bank could experience from an extreme market event. As a result of this limitation, management also uses stress testing to measure the potential for economic loss at confidence levels higher than 99.0%. Management then uses these results in decisions to manage the economic impact of market risk positions.

	Average 30 Jun 25 €000	Spot 30 Jun 25 €000	Average 30 Jun 24 €000	Spot 30 Jun 24 €000
Interest rate risk	30	21	54	32
Foreign exchange risk	13	5	21	11
Credit spread risk	0	0	0	0
Diversification benefit	(14)	(7)	(17)	(9)
<b>Total</b>	<b>29</b>	<b>19</b>	<b>58</b>	<b>34</b>



## Non-traded market risk

### Interest rate risk in the banking book

Interest rate risk in the banking book is the risk that the value and/or earnings of the Bank decline because of adverse changes in interest rates to which the Bank's balance sheet is exposed. The Bank's objective is to manage interest rate risk to achieve stable and sustainable net interest income in the long-term.

The Bank measures and manages the impact of interest rate risk in two ways:

#### (a) Economic Value

Measuring the change in the economic value is an assessment of the long-term impact to the earnings potential of the Bank present valued to the current date. The Bank assesses the potential change in its economic value through the application of a VaR like methodology in a metric called Market Value Sensitivity ("MVS").

A 20-day 99.0% VaR using 6 years of historical market data measure is used to capture the net economic value impact over the long-term or total life of all balance sheet assets and liabilities to adverse changes in interest rates.

The figure below represents the net present value of the expected change in the Bank's future earnings in all future periods for the remaining term of all existing assets and liabilities.

	30 Jun 25	30 Jun 24
	€000	€000
As at Balance sheet date	404	824

In addition to the above-mentioned MVS metric, the Bank also looks at the Economic Value of Equity ("EVE"). The EVE-at-Risk measures the interest rate sensitivity of the EVE with respect to predefined shocked interest rate curves. This means that the EVE-at-Risk is defined as the difference between a baseline economic value and the economic value under different rate curve assumptions.

In accordance with regulatory requirements, the Bank must report to the Dutch National Bank the change in economic value that results from calculating the Supervisory Outlier Test ("SOT") as referred to in the Capital Requirements Directive and EBA guidelines on the management of interest rate risk arising from non-trading book activities.

#### (b) Earnings Perspective

Net interest income ("NII") is the metric to assess interest rate risk to earnings. The calculation is based on expected cash flows from all interest-rate sensitive assets, liabilities, and off-balance sheet items in the banking book.

NII is a simulation of the change in interest earnings of the Bank for the next 12 & 24 months under shocked interest rate scenarios of parallel  $\pm 100$ bps,  $\pm 200$ bps and gradual  $\pm 200$ bps to the (current implied) forward cash rate. The Net Interest Earnings at Risk ("NIER") calculation is then the shocked NII result minus the base NII for a given tenor, currency and gradual or parallel shock type.

The figures in the following table represent the potential unfavourable change to the Bank's net interest earnings at 30 June 2025 based on a 100 basis point parallel rate shock (i.e. the NIER).

	30 Jun 25	30 Jun 24
	€000	€000
As at Balance sheet date	1,150	685

## 3.4 Foreign exchange risk

The tables below summarise the Bank's exposure to foreign currency exchange rate risk at 30 June. Included in the tables are the entity's financial instruments which are subject to foreign exchange risk at carrying amounts, categorised by currency.

As at 30 June 2024	EUR	USD	Other	Total
	€000	€000	€000	€000
<b>Monetary assets</b>				
Cash and cash equivalents	266,314	9	31	<b>266,354</b>
Receivables from financial institutions	88	4,779	1,380	<b>6,247</b>
Derivative assets	3,049	0	1,334	<b>4,383</b>
Investment securities	0	10,972	0	<b>10,972</b>
Loans and advances	438,646	318,269	61,866	<b>818,781</b>
Other assets	13,582	6,276	12,395	<b>32,253</b>
<b>Total financial assets</b>	<b>721,679</b>	<b>340,305</b>	<b>77,006</b>	<b>1,138,990</b>
<b>Monetary liabilities</b>				
Payables to financial institutions	367,643	335,369	63,514	<b>766,526</b>
Derivative liabilities	2,696	0	1,123	<b>3,819</b>
Lease liability	1,795	0	0	<b>1,795</b>
Other liabilities	3,102	4,761	12,399	<b>20,262</b>
<b>Total financial liabilities</b>	<b>375,236</b>	<b>340,130</b>	<b>77,036</b>	<b>792,402</b>



	EUR €000	USD €000	Other €000	Total €000
<b>As at 30 June 2025</b>				
<b>Monetary assets</b>				
Cash and cash equivalents	423,912	2,610	83	<b>426,605</b>
Receivables from financial institutions	2,917	3,030	374	<b>6,322</b>
Derivative assets	8,954	0	1,590	<b>10,544</b>
Investment securities	(13)	79,335	0	<b>79,322</b>
Loans and advances	466,443	256,403	101,604	<b>824,450</b>
Other assets	2,498	2,893	54,437	<b>59,828</b>
<b>Total financial assets</b>	<b>904,712</b>	<b>344,272</b>	<b>158,088</b>	<b>1,407,072</b>
<b>Monetary liabilities</b>				
Payables to financial institutions	535,068	342,776	102,328	<b>980,172</b>
Derivative liabilities	8,291	0	1,398	<b>9,690</b>
Lease liability	1,390	0	0	<b>1,390</b>
<b>Other liabilities</b>	<b>3,542</b>	<b>1,233</b>	<b>54,431</b>	<b>59,205</b>
<b>Total financial liabilities</b>	<b>548,291</b>	<b>344,008</b>	<b>158,157</b>	<b>1,050,457</b>

### 3.5 Liquidity risk

Liquidity risk is the combined risk of not being able to meet financial obligations as they fall due (funding liquidity risk), and that liquidity in financial markets, such as the market for debt securities, may reduce significantly (market liquidity risk).

The Bank has a robust liquidity risk management framework that ensures it maintains sufficient liquidity, including a liquidity buffer of unencumbered, high quality liquid assets, to withstand a range of stress events, including those involving the loss or impairment of both unsecured and secured funding sources.

Liquidity Risk appetite is approved by the Supervisory Board, the Liquidity Management Policy of the Bank is approved by the Management Board, and the risk profile is overseen by the Asset and Liability Committee ("ALCO"). The Liquidity Risk Management Policy details principles that govern liquidity management practices, including the strategy for managing Liquidity Risk in the Bank as well as escalation procedures.

The Bank's Liquidity Management Policy is strongly linked to the Group's Liquidity Risk Management Policy and Strategy which details responsibilities for Liquidity Risk Management across the Group, and the quantitative tolerances for this risk.

In the 2025 financial year the Bank relied on intergroup funding through a facility. This intergroup facility has facilitated organic loan growth since its inception. It is expected that the exposures under the group facility will begin to be reduced when funding through external deposits and short-term funding issuances (certificates of deposits and commercial paper) are initiated by the Bank.

The following tables breakdown the Bank's principal financial liabilities into relevant maturity groupings based on the remaining period from the end of the reporting period to the contractual maturity date. The amounts disclosed in the tables are the contractual undiscounted cash flows.

	0 to 3 months €000	3 to 12 months €000	1 to 5 years €000	over 5 years €000	Total €000
<b>As at 30 June 2024</b>					
Payables to financial institutions	<b>91,011</b>	<b>70,612</b>	<b>466,372</b>	<b>138,531</b>	<b>766,526</b>
Derivative liabilities	3,819	0	0	0	<b>3,819</b>
Lease liabilities	117	298	1,380	0	<b>1,795</b>
Other liabilities	17,564	2,595	103	0	<b>20,262</b>
<b>Total monetary liabilities</b>	<b>112,511</b>	<b>73,505</b>	<b>467,855</b>	<b>138,531</b>	<b>792,402</b>

	0 to 3 months €000	3 to 12 months €000	1 to 5 years €000	over 5 years €000	Total €000
<b>As at 30 June 2025</b>					
Payables to financial institutions	<b>146,228</b>	<b>117,774</b>	<b>672,130</b>	<b>44,041</b>	<b>980,172</b>
Derivative liabilities	9,690	0	0	0	<b>9,690</b>
Lease liabilities	103	204	1,083	0	<b>1,390</b>
Other liabilities	56,614	2,417	173	0	<b>59,205</b>
<b>Total monetary liabilities</b>	<b>212,635</b>	<b>120,395</b>	<b>673,386</b>	<b>44,041</b>	<b>1,050,457</b>

### 3.6 Capital management

The Bank maintains an appropriate level of capital to meet its developing business needs and regulatory requirement, whilst safeguarding the Bank's ability to continue as a going concern so that it can ultimately provide returns to its shareholder.

Capital adequacy and the use of regulatory capital are monitored by the Bank's management, employing techniques based on the guidelines developed by the Basel Committee and the European Union Directives and Regulations, as implemented by the EBA for supervisory purposes.

The Bank is required to maintain a ratio of total regulatory "Own funds" capital to risk-weighted assets (Common Equity Tier 1 ratio) above the prescribed minimum level of 8% and other regulatory buffers, including the total Supervisory Review and Evaluation Process ("SREP") capital requirement of 13.98%. During the year, the Bank has comfortably met all externally imposed capital requirements with a Tier 1 capital ratio at 30 June 2025 of 31.58% based on a total risk exposure amount of €1,111 million. Further details can be found in the Bank's Pillar 3 report.

During the year changes related to the new EU Banking package (CRR III), operational as from 1 January 2025, have been implemented by the Bank. The CRR III changes mainly impact capital requirements for Standardised and IRB Credit Risk, credit valuation adjustment (CVA) risk, counterparty credit risk (CCR) and operational risk. The minimum capital requirements are calculated for credit, market and operational risks. During the year, the Bank utilised the Standardised Approach for credit risk and counterparty credit risk, the Basic Indicator Component approach for operational risk and the Basic Method for foreign exchange risk to calculate the Pillar 1 minimum capital requirements. For credit risk, under the Standardised Approach, risk weights are determined according to credit ratings provided by internationally recognised credit agencies such as Fitch or their equivalents and by using the applicable regulatory risk weights for unrated exposures. CRR III has introduced new credit conversion factors for off balance sheet exposures and new exposure classes for specialised lending. For counterparty credit risk, under the Standardised Approach, risk weights arising from (OTC) derivative transactions are calculated using the SA-CCR methodology. With the afore mentioned implementation of the CRR III, the methodology for calculating operational risk capital requirements has undergone a significant transformation. The Basic Indicator Component ("BIC") approach replaces the Basic Indicator Approach for calculating operational risk. The BIC approach determines operational risk capital based on the size and nature of a bank's business activities, using financial statement data. It comprises these components: a) Interest, Lease and Dividend component, b) Service component and c) Financial component.

The following table shows the components of own funds and accordingly the basis for the calculation of the Bank's capital adequacy ratio:

	30 Jun 25	30 Jun 24
	€000	€000
Share capital	360,000	360,000
Reserves	(10)	(3)
Retained earnings/(Accumulated losses)	(5,724)	(17,274)
<b>Total equity (EU IFRS)</b>	<b>354,265</b>	<b>342,723</b>
Regulatory and other adjustments	(2,861)	(4,459)
<b>Common Equity Tier 1 ("CET 1") capital</b>	<b>351,405</b>	<b>338,264</b>
Additional Tier 1	0	0
Tier 1 capital	351,405	338,264
Tier 2 capital	0	0
<b>Total regulatory capital</b>	<b>351,405</b>	<b>338,264</b>

Regulatory and other adjustments contain capital deductions for (i) deferred tax assets that rely on future profitability and do not arise from temporary differences (net of associated tax liabilities) and (ii) prudent valuation value adjustments.

### 3.7 Fair values of financial assets and liabilities

The classification in the fair value hierarchy of the Bank's financial assets and liabilities measured at fair value is presented in the table below.

	<b>Fair value as at 30 June 2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>As at 30 June 2024</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Financial assets measured at fair value on a recurring basis</b>				
Investment securities	10,972	0	0	<b>10,972</b>
Derivative assets	0	4,383	0	<b>4,383</b>
<b>Total financial assets measured at fair value</b>	<b>10,972</b>	<b>4,383</b>	<b>0</b>	<b>15,355</b>

	<b>Fair value as at 30 June 2024</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>As at 30 June 2024</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Financial liabilities measured at fair value on a recurring basis</b>				
Derivative liabilities	0	3,819	0	<b>3,819</b>
<b>Total financial liabilities measured at fair value</b>	<b>0</b>	<b>3,819</b>	<b>0</b>	<b>3,819</b>

	<b>Fair value as at 30 June 2025</b>			
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
<b>As at 30 June 2024</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>	<b>€000</b>
<b>Financial assets measured at fair value on a recurring basis</b>				
Investment securities	79,322	0	0	<b>79,322</b>
Derivative assets	0	10,544	0	<b>10,544</b>
<b>Total financial assets measured at fair value</b>	<b>79,322</b>	<b>10,544</b>	<b>0</b>	<b>89,865</b>
<b>Financial liabilities measured at fair value on a recurring basis</b>				
Derivative liabilities	0	9,690	0	<b>9,690</b>
<b>Total financial liabilities measured at fair value</b>	<b>0</b>	<b>9,690</b>	<b>0</b>	<b>9,690</b>

Fair value is the amount that would be received to sell an asset or paid to transfer the liability in an orderly transaction between market participants at the measurement date. On initial recognition, the transaction price generally represents the fair value of the financial instrument, unless there is observable information from an active market that provides a more appropriate fair value.

IFRS 13 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs reflect market data obtained from independent sources; unobservable inputs reflect the Bank's market assumptions. These two types of inputs have created the following fair value hierarchy:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs).

This hierarchy requires the use of observable market data when available.

The fair value for financial instruments traded in active markets at the reporting date is based on their quoted market price or dealer price quotations, without any deduction for transaction costs. Assets and long positions are measured at a quoted bid price, liabilities and short positions are measured at a quoted asking price.

Non-market quoted financial instruments are mostly valued using valuation techniques based on observable inputs.

The fair value of OTC derivatives includes credit valuation adjustments ("CVA") for derivative assets to reflect the credit worthiness of the counterparty. Fair value of uncollateralised derivative assets and uncollateralised derivative liabilities incorporate funding valuation adjustments ("FVA") to reflect funding costs and benefits to the Group. These adjustments are applied after considering any relevant collateral or master netting arrangements.

#### Fair value hierarchy for financial assets and liabilities not measured at fair value

The estimated fair values and fair value hierarchy of the Bank's financial instruments not measured at fair value are presented below.

Fair value as at 30 June 2024					
	Carrying value	Level 1	Level 2	Level 3	Total
	€000	€000	€000	€000	€000
<b>Financial assets</b>					
Cash and cash equivalents	266,354	266,354	0	0	266,354
Receivables from financial institutions	6,247	6,247	0	0	6,247
Loans and advances	818,781	0	0	816,589	816,589
Other assets	32,253	0	0	32,253	32,253
<b>Total financial assets</b>	<b>1,123,635</b>	<b>272,601</b>	<b>0</b>	<b>848,842</b>	<b>1,121,443</b>
Fair value as at 30 June 2024					
	Carrying value	Level 1	Level 2	Level 3	Total
	€000	€000	€000	€000	€000
<b>Financial liabilities</b>					
Payables to financial institutions	766,526	0	0	766,526	766,526
Other liabilities	20,262	0	0	20,262	20,262
<b>Total financial liabilities</b>	<b>0</b>	<b>9,690</b>	<b>0</b>	<b>9,690</b>	<b>9,690</b>
Fair value as at 30 June 2025					
	Carrying value	Level 1	Level 2	Level 3	Total
	€000	€000	€000	€000	€000
<b>Financial assets</b>					
Cash and cash equivalents	426,605	426,605	0	0	426,605
Receivables from financial institutions	6,322	6,322	0	0	6,322
Loans and advances	824,450	0	0	821,654	821,654
Other assets	58,828	0	0	59,828	59,828
<b>Total financial assets</b>	<b>1,317,206</b>	<b>432,927</b>	<b>0</b>	<b>881,482</b>	<b>1,314,409</b>
Fair value as at 30 June 2024					
	Carrying value	Level 1	Level 2	Level 3	Total
	€000	€000	€000	€000	€000
<b>Financial liabilities</b>					
Payables to financial institutions	980,172	0	0	980,172	980,172
Other liabilities	59,205	0	0	59,205	59,205
<b>Total financial liabilities</b>	<b>1,039,377</b>	<b>0</b>	<b>0</b>	<b>1,039,377</b>	<b>1,039,377</b>



**3.8 Offsetting financial assets and financial liabilities**

Financial assets and liabilities are offset and the net amount is presented in the Balance Sheet if, and only if, there is a currently enforceable legal right to offset the recognised amounts, and there is an intention to settle on a net basis, or to realise the asset and settle liability simultaneously. During the 2025 financial year, there was no offsetting of financial assets and liabilities.

**4. Net interest income/(expense)**

	30 Jun 25	30 Jun 24
	€000	€000
<b>Interest income</b>		
Loans and advances	43,130	46,614
Cash and liquid assets	13,580	13,034
Interest earned on investment securities	2,321	555
<b>Total effective interest income</b>	<b>59,065</b>	<b>60,244</b>
Interest expense:		
Negative interest on assets	0	0
Other interest expense	(36,986)	(35,778)
<b>Total interest expense</b>	<b>(36,986)</b>	<b>(35,778)</b>
<b>Net interest income</b>	<b>22,079</b>	<b>24,466</b>

**5. Other banking income**

	30 Jun 25	30 Jun 24
	€000	€000
<b>Lending fee</b>		
	4,420	5,652
<b>Trading income</b>		
	27	413
<b>FX gain / (loss)</b>		
	3	7
<b>Intercompany service fees</b>		
	4,592	3,778
<b>Total other banking income</b>	<b>9,042</b>	<b>9,850</b>

**6. Expected credit loss and other credit impairment allowances**

	30 Jun 25	30 Jun 24
	€000	€000
Attributable to on-balance sheet loans and advances	196	(498)
Attributable to off-balance sheet loans and advances	200	(308)
<b>Total expected credit losses and other credit impairment allowances</b>	<b>396</b>	<b>(806)</b>

**7. Operating expenses**

	30 Jun 25	30 Jun 24
	€000	€000
<b>Personnel expenses</b>		
	12,545	11,444
<b>Consultancy expenses</b>		
	769	568
<b>Property expenses</b>		
	984	931
<b>Auditors' fees</b>		
	300	264
<b>Outsourcing</b>		
	2,115	1,856
<b>Regulatory and supervisory expenses</b>		
	887	921
<b>Technology expenses</b>		
	1,542	1,346
<b>Other administrative expenses</b>		
	562	553
<b>Operating expenses*</b>	<b>19,704</b>	<b>17,883</b>

\* Comparative information has been adjusted to conform to the presentation in the current period.



## Breakdown personnel expenses

	30 Jun 25	30 Jun 24
	€000	€000
Salary and wages	9,591	8,672
Social security costs	731	617
Pension costs	633	588
Other	1,590	1,567
<b>Total personnel expenses*</b>	<b>12,545</b>	<b>11,444</b>

\* Comparative information has been adjusted to conform to the presentation in the current period.

## Full Time Equivalents (FTEs)

	30 Jun 25	30 Jun 24
	€000	€000
Management Board	3	3
Other Staff	57	50
<b>Total FTEs</b>	<b>60</b>	<b>53</b>

In the 2025 financial year, all FTEs were based in the Netherlands.

## Managing Board remuneration

The Management Board's remuneration includes base remuneration, pension, and other emoluments. Other emoluments include variable remuneration, payments upon termination of employment, other long-term benefits, expatriate allowances (such as housing, international health insurances, relocation etc.), and tax and arrival services to ensure compliance with the relevant legislative requirements.

The variable remuneration reported in the table below includes the paid portion of the variable remuneration awarded over the 2025 financial year plus the portion of deferred variable remuneration that has been awarded in prior financial years that vested during the current financial year.

Other emoluments in the table below does not include an amount of €43 thousand that was authorised during the year but deferred. Vesting of the deferred payments require approval of the Supervisory Board upon recommendation by the NRC.

The Bank has not provided any loans, advance or guarantees to members of the Management Board, members of the Supervisory Board, or other key management personnel.

	30 Jun 25	30 Jun 24
	€000	€000
Periodically paid remuneration	1,184	1,101
Other emoluments	246	350
<b>Total Management Board remuneration</b>	<b>1,430</b>	<b>1,451</b>

## Supervisory Board remuneration

During the 2025 financial year there were two independent and two non-independent Supervisory Board members. None of the Supervisory Board members received variable remuneration in the form of profit-sharing or bonus payments from CBA NV. In accordance with the Supervisory Board Charter, its members are only entitled to fixed remuneration. The below table reflects the independent Supervisory Board members' remuneration.

	30 Jun 25	30 Jun 24
	€000	€000
<b>Total Supervisory Board remuneration</b>	<b>264</b>	<b>269</b>



**Audit fees**

The following fees were expensed in the Income Statement in the reporting period:

	PricewaterhouseCoopers Accountants N.V.	Other PwC network	Total amount
	€000	€000	€000
Audit costs - audit of the annual accounts	194	0	194
Audit costs - other audit assignments	70	0	70
Audit costs - fiscal advisory services	0	0	0
Non-audit services	0	0	0
<b>Total FY 2024 audit fees</b>	<b>264</b>	<b>0</b>	<b>264</b>

	PricewaterhouseCoopers Accountants N.V.	Other PwC network	Total amount
	€000	€000	€000
Audit costs - audit of the annual accounts	220	0	220
Audit costs - other audit assignments	80	0	80
Audit costs - fiscal advisory services	0	0	0
Non-audit services	0	0	0
<b>Total FY 2025 audit fees</b>	<b>300</b>	<b>0</b>	<b>300</b>

The fees listed above relate to the procedures applied to the Bank by accounting firms and the external independent auditor as referred to in Section 1, subsection 1 of the Audit Firms Supervision Act ("Wet toezicht accountantsorganisaties – Wta") as well as by Dutch and foreign-based accounting firms, including their tax services and advisory groups.

**8. Corporate income tax**

The income tax expense for the year is determined from the profit before income tax as follows:

	30 Jun 25	30 Jun 24
	€000	€000
Profit / (Loss) before income tax	11,813	15,627
Prima facie income tax at 25.8%	3,048	4,032
<b>Effect of amounts which are non-deductible/(assessable) in calculating income tax</b>	<b>0</b>	<b>0</b>
Income tax (over)/under provided in previous years	(1)	7
Other tax adjustments	10	38
<b>Total income tax expense</b>	<b>3,057</b>	<b>4,077</b>
<b>Effective tax rate (%)</b>	<b>25.9%</b>	<b>26.1%</b>
	30 Jun 25	30 Jun 24
	€000	€000
Current income tax charge/(credit)	1,412	1,905
Deferred income tax charge/(credit)	1,644	2,172
<b>Total income tax</b>	<b>3,056</b>	<b>4,077</b>

The Bank was profitable in the 2025 financial year. The 2025 financial year's income tax is calculated using the headline corporate tax rate for the year ended 30 June 2025 of 25.8%. The Bank's effective tax rate is 25.9% due to current year permanent differences as well as prior year over provision of deferred taxes.

The Bank utilised carried-forward tax losses based on the statutory formula. Under this formula, a portion of taxable income could not be offset with tax losses. The residual taxable profits gave rise to a current income tax charge.



**Effective for annual periods beginning on or after 1 January 2025****International Tax Reform – Pillar Two Model Rules**

In December 2021, the Organisation for Economic Cooperation and Development ("OECD") released Global Anti-Base Erosion ("GloBE") Model rules ("Pillar Two"), introducing new 'top-up' taxing mechanisms for multinational enterprises ("MNEs") that fall within the rules. MNEs will be liable to pay a top-up tax reflecting the difference between their GloBE effective tax rate per jurisdiction and the 15% minimum rate.

As at 30 June 2024, Pillar Two legislation has been enacted in the Netherlands through the Minimum Taxation Act 2024. The legislation will be effective for the Bank for the financial year beginning 1 July 2024.

The Group has applied the temporary mandatory exemption under the IFRS to recognize and disclose deferred tax assets and liabilities related to Pillar Two income taxes and recognizes income tax in the reporting period in which it is payable or refundable.

The Group has performed an assessment of the exposure to Pillar Two income taxes. The Group does not operate in jurisdictions that have a headline corporate tax rate of less than 15%, including the Netherlands, and does not expect to pay any Pillar Two top-up taxes.

**9. Cash and cash equivalents**

Cash and cash equivalents include deposits with central banks, cash at banks, nostro balances, and money at call with an original maturity of three months or less. Cash and cash equivalents are initially recognised at fair value and subsequently measured at amortised cost.

	30 Jun 25	30 Jun 24
	€000	€000
Deposited with central banks	425,856	276,107
Cash at banks	749	(9,753)
<b>Total cash and cash equivalents</b>	<b>426,605</b>	<b>266,354</b>

**10. Receivables from financial institutions**

	30 Jun 25	30 Jun 24
	€000	€000
Collateral placed	5,632	4,640
Intercompany receivable	689	1,607
<b>Total receivables from financial institutions</b>	<b>6,322</b>	<b>6,247</b>

**11. Derivative assets**

30 Jun 24	€000		
		Notional	Fair Value
Interest rate swap		234,472	4,383

30 Jun 24	€000		
		Notional	Fair Value
Interest rate swap		344,599	10,544

**12. Investment securities**

Investment securities at fair value through OCI:

€000	
	<b>For the year ending 30 June 2024</b>
Opening balance as at 1 July 2023	10,995
Additions	10,998
Disposals/maturities	(11,221)
Amortisation of discount/premium	198
Fair value movements	2
<b>Closing balance as at 30 June 2024</b>	<b>10,972</b>

**For the year ending 30 June 2025**

Opening balance as at 1 July 2024	10,972
Additions	79,515
Disposals/maturities	(10,011)
FX movements	(990)
Amortisation of discount/premium	(155)
Fair value movements	(9)
<b>Closing balance as at 30 June 2025</b>	<b>79,322</b>



### 13. Loans and advances

	30 Jun 25	30 Jun 24
	€000	€000
Gross loans to third parties	828,523	822,801
Deferred lending fees	(2,432)	(2,182)
Expected credit loss allowance	(1,641)	(1,838)
<b>Total Loans and advances to customers</b>	<b>824,449</b>	<b>818,781</b>

	30 Jun 25	30 Jun 24
	€000	€000
Loans and advances subject to:		
- floating interest rates	759,858	740,155
- fixed interest rates	68,664	82,646
<b>Gross loans to third parties</b>	<b>828,523</b>	<b>822,801</b>

### Gross loans to third parties

	€000
<b>For the year ending 30 June 2024</b>	
Opening balance as at 1 July 2023	667,279
Additions	543,260
Matured/Disposals	(404,302)
Other movements	16,564
<b>Closing balance as at 30 June 2024</b>	<b>822,801</b>
<b>For the year ending 30 June 2025</b>	
Opening balance as at 1 July 2024	822,801
Additions	565,767
Matured/Disposals	(563,415)
Other movements	3,370
<b>Closing balance as at 30 June 2025</b>	<b>828,523</b>

### Weighted average interest rate information as at

30 Jun 25      30 Jun 24

%      %

Loans and advances subject to:		
- floating interest rates	4.56%	6.14%
- fixed interest rates	3.92%	3.90%

**14. Property, plant and equipment**

	€000
<b>For the year ending 30 June 2024</b>	
Opening net book amount	2,376
Additions	49
Depreciation charge	(386)
<b>Closing net book amount</b>	<b>2,039</b>

**As at 30 June 2024**

Cost	3,764
Accumulated Depreciation	(1,725)
<b>Net book amount</b>	<b>2,039</b>

**For the year ending 30 June 2025**

Opening net book amount	2,039
Additions	55
Depreciation charge	(302)
<b>Closing net book amount</b>	<b>1,792</b>

**As at 30 June 2024**

Cost	3,764
Accumulated Depreciation	(1,725)
<b>Net book amount</b>	<b>2,039</b>

Depreciation is calculated on a straight-line basis. Depreciation relating to leasehold improvements are depreciated over the life of the lease. The lease period is 10 years from April 2019. Other property, plant and equipment relate office and IT equipment which are depreciated over 3 years.

Details about the relevant property, plant and equipment accounting policy is set out in note 2.13.

**15. Right of use asset**

	€000
<b>For the year ending 30 June 2024</b>	
Opening net book amount	1,968
Additions and other adjustments	33
Depreciation charge	(344)
<b>Closing net book amount</b>	<b>1,657</b>

**As at 30 June 2024**

Cost	3,419
Accumulated depreciation	(1,762)
<b>Net book amount</b>	<b>1,657</b>

**For the year ending 30 June 2025**

Opening net book amount	1,657
Additions and other adjustments	58
Depreciation charge	(352)
<b>Closing net book amount</b>	<b>1,363</b>

**As at 30 June 2025**

Cost	3,477
Accumulated depreciation	(2,114)
<b>Net book amount</b>	<b>1,363</b>

Details about the relevant right of use asset accounting policy is set out in the note 2.15.16. Deferred and current taxes



### Deferred taxes

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income taxes relate to the same fiscal authority. The following amounts determined after appropriate offsetting are shown in the Balance Sheet.

	30 Jun 25	30 Jun 24
	%	%
Deferred tax asset - Tax losses	2,761	4,404
Deferred tax asset - Leases (IFRS 16)	386	463
Deferred tax asset - Investment security (OCI)	0	0
<b>Total deferred tax asset</b>	<b>3,147</b>	<b>4,867</b>
Deferred tax liability - Leases (IFRS 16)	(352)	(427)
<b>Net deferred tax asset</b>	<b>2,795</b>	<b>4,440</b>

Deferred taxes are calculated on all temporary differences and are measured at the tax rates that are expected to apply to the period when the asset is realised, or the liability is settled based on tax rates (and tax laws) that have been substantively enacted by the end of the reporting period.

During the 2025 financial year, the Bank utilised €1.6 million of the deferred tax asset related to tax losses carried forward. The Bank is expected to continue to be profitable in the future. Taxable profits will therefore be available against which the tax losses can be utilised. Therefore, a net deferred tax asset of €2.8 million was recognised for the remaining tax losses.

### Current taxes

The Bank was profitable in the 2025 financial year and utilised carried-forward tax losses up to the maximum amount available. The net current tax asset relates to prepaid instalments net of current tax liability.

	30 Jun 25	30 Jun 24
	€000	€000
Current tax asset	459	0
Current tax liability	0	(451)
<b>Net current tax asset</b>	<b>459</b>	<b>(451)</b>

### 17. Other assets

	30 Jun 25	30 Jun 24
	€000	€000
Securities sold not delivered	56,021	17,031
Accrued interest income	3,592	4,861
Accrued other income	0	0
Prepayments	79	208
Lease deposit	136	136
Other receivables	0	10,017
<b>Total other assets</b>	<b>59,828</b>	<b>32,253</b>

The Bank entered into agreements to sell fixed income securities to CBA Group and external clients. The total receivable for these securities is €56 million.

### 18. Payables to financial institutions

	30 Jun 25	30 Jun 24
	€000	€000
Payables relating to loan funding	968,603	758,242
Other payables	5,703	4,909
Collateral received	5,867	3,375
<b>Total payables to financial institutions</b>	<b>980,172</b>	<b>766,526</b>

## Loan funding

	€000
<b>For the year ending 30 June 2024</b>	
Opening balance as at 1 July 2023	602,370
Additions	448,520
Repayments	(292,648)
<b>Closing balance as at 30 June 2024</b>	<b>758,242</b>
<b>Year ended 30 June 2025</b>	
Opening balance as at 1 July 2024	758,242
Additions	700,777
FX movements	(29,997)
Repayments	(460,420)
<b>Closing balance as at 30 June 2025</b>	<b>968,602</b>

The carrying amounts are considered to be a reasonable estimate of their fair value principally due to the short repricing period of individual drawdowns, most of which fall within 0-3 months.

Further details of payables relating to loan funding are set out in note 2.3.

## 19. Derivative liabilities

	30 Jun 24	30 Jun 24
	€000	€000
	Notional	Fair Value
Interest rate swap	234,472	3,819
	30 Jun 24	30 Jun 24
	€000	€000
	Notional	Fair Value
Interest rate swap	344,599	9,690

## 20. Lease liability

	€000
<b>For the year ending 30 June 2024</b>	
Opening balance as at 1 July 2023	2,097
Additions and other adjustments	34
Interest expense	68
Cash outflow	(404)
<b>Closing balance as at 30 June 2024</b>	<b>1,795</b>
<b>Year ended 30 June 2025</b>	
Opening balance as at 1 July 2024	1,795
Additions and other adjustments	(46)
Interest expense	51
Cash outflow	(410)
<b>Closing balance as at 30 June 2025</b>	<b>1,390</b>

Details about the related lease liability accounting policy is set out in the note 2.15.

## 21. Other liabilities

	30 Jun 25	30 Jun 24
	€000	€000
Securities purchased not delivered	55,844	16,788
Expense accruals	2,295	2,261
Impairment allowances on loan commitments and financial guarantees	931	1,131
VAT payable	117	66
Other liabilities	19	16
<b>Total other liabilities</b>	<b>59,206</b>	<b>20,262</b>

The Bank entered into agreements to purchase fixed income securities from CBA Group and external clients. The total payable for these securities is €55.8 million. Details of the Bank's loan commitments and financial guarantees are set out in note 25.

The carrying value of these liabilities are considered to approximate their fair values given their short-term nature.



**22. Share capital**

	<b>30 Jun 25</b>	<b>30 Jun 24</b>
<b>Authorised</b>		
Ordinary shares of nominal value of one euro each	1,000,000	1,000,000
<b>Issued and fully paid-up</b>		
Ordinary shares of nominal value of one euro each	360,000	360,000
Each ordinary share gives the right to one voting right, participates equally in profits distributed by the Bank and carries equal rights upon the distribution of assets by the Bank in the event of a winding up.		
Movements in ordinary shares:		
Authorised Number	Issued and fully paid-up number	Total issued Amount
(Thousands)	(Thousands)	€000
Balance as at 1 July 2023	1,000,000	360,000
Issue of ordinary shares	0	0
<b>Balance as at 30 June 2024</b>	<b>1,000,000</b>	<b>360,000</b>
Balance as at 1 July 2024	1,000,000	360,000
Issue of ordinary shares	0	0
<b>Balance as at 30 June 2025</b>	<b>1,000,000</b>	<b>360,000</b>

**23. Reserves**

	<b>30 Jun 25</b>	<b>30 Jun 24</b>
	<b>€000</b>	<b>€000</b>
Gains/(losses) on debt investment securities at fair value through Other Comprehensive Income net of tax	(7)	1

**24. Rental commitments**

CBA NV entered into a rental agreement on 1 April 2019 for its office premises at the permanent office over a 10-year period. The obligations as at 30 June 2025 are as follows:

	<b>30 Jun 25</b>	<b>30 Jun 24</b>
	<b>€000</b>	<b>€000</b>
Obligations to pay:		
Within one year	384	354
Between one and five years	1,006	1,441
After five years	0	0
<b>Total</b>	<b>1,390</b>	<b>1,795</b>

**25. Contingent liabilities and other commitments**

	<b>30 Jun 25</b>	<b>30 Jun 24</b>
	<b>€000</b>	<b>€000</b>
Undrawn commitments	412,993	369,250
Letters of credit commitments	21,919	10,019
Undrawn commitments risk participated to CBA Group	359,816	457,313
<b>Total contingent liabilities and other commitments</b>	<b>794,728</b>	<b>836,582</b>

The Bank entered into credit facility agreements with lending clients where loans were made available for future drawdowns. Loan commitments may be unconditionally cancellable or may persist provided all conditions in the facility agreements are satisfied or waived. The associated provisions are set out in note 21.

Letters of credit commitments relate to customer trading activities such as those arising from custom bonds, warranties and indemnities. These letters of credits are issued by the syndicate leading banks fronting the syndicate loans in which CBA NV participates. The associated provisions are set out in note 21.

Undrawn commitments risk participated to CBA Group relate to undrawn commitments from lending clients whose loan balances are risk participated to CBA Group. Details of the Bank's related party transactions are set out in note 2.3.

During the 2025 financial year, there were no other contingent liabilities or other commitments.



### Events occurring after the reporting period

There were no events occurring after the reporting period that had an impact on the 2025 financial year.

Amsterdam, November 2025

### Management Board:

W.T.G. Hendriks

E.E. van Erp Taalman Kip  
(appointed on 1 November 2024)

B.J.J. Peters

Original version is signed.

### Supervisory Board:

J.J.M. Kremers

A.L. Jepson  
(appointed on 17 February 2025)

W. Woodley

Original version is signed.

### Other Information

#### Articles of association governing profit appropriation

Pursuant to art. 2:392 sub 1 b Dutch Civil Code an extract of the statutory provisions governing the appropriation of profits should be included. The articles of association provide that the annual profit shall be at the free disposal of the general meeting.

#### Independent auditor's report

The Independent auditor's report is included on the next page.





## Independent auditor's report

To: the general meeting and the supervisory board of Commonwealth Bank of Australia (Europe) N.V.

### Report on the audit of the financial statements for the year ended 30 June 2025

#### Our opinion

In our opinion, the financial statements of Commonwealth Bank of Australia (Europe) N.V. ('the Bank') give a true and fair view of the financial position of the Bank as at 30 June 2025, and of its result and its cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union ('EU') and with Part 9 of Book 2 of the Dutch Civil Code.

#### What we have audited

We have audited the accompanying financial statements for the year ended 30 June 2025 (the 2025 financial year) of Commonwealth Bank of Australia (Europe) N.V., Amsterdam.

The financial statements comprise:

- the balance sheet as at 30 June 2025;
- the following statements for the year ended 30 June 2025: the income statement, the statements of comprehensive income, changes in equity and cash flows; and
- the notes to the financial statements, including material accounting policy information and other explanatory information.

The financial reporting framework applied in the preparation of the financial statements is IFRS Accounting Standards as adopted by the EU and the relevant provisions of Part 9 of Book 2 of the Dutch Civil Code.

PricewaterhouseCoopers Accountants N.V., Thomas R. Malthusstraat 5, 1066 JR Amsterdam, P.O. Box 90357, 1006 BJ Amsterdam, the Netherlands, T: +31 (0) 88 792 00 20, [www.pwc.nl](http://www.pwc.nl)

'PwC' is the brand under which PricewaterhouseCoopers Accountants N.V. (Chamber of Commerce 34180285), PricewaterhouseCoopers Belastingadviseurs N.V. (Chamber of Commerce 34180284), PricewaterhouseCoopers Advisory N.V. (Chamber of Commerce 34180287), PricewaterhouseCoopers Compliance Services B.V. (Chamber of Commerce 51414406), PricewaterhouseCoopers Pensions, Actuarial & Insurance Services B.V. (Chamber of Commerce 54226368), PricewaterhouseCoopers B.V. (Chamber of Commerce 34180289) and other companies operate and provide services. These services are governed by General Terms and Conditions ('algemene voorwaarden'), which include provisions regarding our liability. Purchases by these companies are governed by General Terms and Conditions of Purchase ('algemene inkooptooverwaarden'). At [www.pwc.nl](http://www.pwc.nl) more detailed information on these companies is available, including these General Terms and Conditions and the General Terms and Conditions of Purchase, which have also been filed at the Amsterdam Chamber of Commerce.



#### The basis for our opinion

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

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

#### Independence

We are independent of Commonwealth Bank of Australia (Europe) N.V. in accordance with the European Union 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 assuranceopdrachten' (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).

#### Our audit approach

We designed our audit procedures with respect to the key audit matters, fraud and going concern, and the matters resulting from that, in the context of our audit of the financial statements as a whole and in forming our opinion thereon. The information in support of our opinion, such as our findings and observations related to individual key audit matters, the audit approach fraud risk and the audit approach going concern was addressed in this context, and we do not provide separate opinions or conclusions on these matters.

#### Overview and context

Commonwealth Bank of Australia (Europe) N.V. is a licensed bank and a public limited company (Naamloze Vennootschap) in the Netherlands. The Bank was established in 2018 to act as the European presence of its parent company Commonwealth Bank of Australia, domiciled in Australia (the 'Parent Company'). The Bank forms part of the Parent Company's group wholesale banking division, Institutional Banking and Markets ('IB&M'), and offers a core product set comprising Lending (Global Institutional Banking Coverage or 'Coverage') and Global Markets products.



The 2025 financial year marked four years of operations since the Bank was granted its licence in December 2020. Throughout the year, the Bank continued to broaden its institutional banking presence across Europe, maintaining a disciplined approach to loan origination and portfolio management. In spite of persistent macroeconomic challenges arising from geopolitical instability and market fluctuations, the loan portfolio achieved profitability and growth levels. The main activities of Global Markets remained unchanged and recorded a positive performance, underpinned by active client engagement in fixed income trades markets and continued growth in repurchase agreement (Repo) transactions on an agency basis as well as providing debt capital markets services to assist clients in structuring, underwriting and distributing bond issuances and private placements. The Bank continues to invest in operational capabilities to support the future development of Global Markets, with the aim of enabling transactions across a broader product set.

The above understanding drove the determination of materiality as described in the section 'Materiality'. It also affected our audit procedures which are designed to cover the Bank's activities, including those described in the section 'Key audit matters' in this report.

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the management board made important judgements, for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. In these considerations, we paid attention to, amongst others, the assumptions underlying the physical and transition risk related to climate change. In note 1.5 'Judgments, estimates and uncertainties' of the financial statements, the Bank describes the areas of judgement in applying accounting policies and the key sources of estimation uncertainty. Given the significant estimation uncertainty and the related higher inherent risks of material misstatement in the measurement of the expected credit loss allowance for loans and advances, we considered this matter as a key audit matter as set out in the section 'Key audit matters' of this report.



The engagement team considered the impact of risks resulting from climate change on the audit. These risks impact the financial statements mostly as one of the potential drivers of credit risk exposures of the Bank, refer to note 2.4.9 'Measuring ECL – Explanation of inputs, assumptions and estimation techniques' to the financial statements. We therefore did not identify climate-related risks as a separate key audit matter but took this into account as part of the key audit matter on expected credit loss allowance for loans and advances.

Other areas of focus, that were not considered as key audit matters, were fraud risks (see section 'Audit approach fraud risks' of our report), IT and outsourcing of activities to both external parties as well as internally within the Parent Company group. Specifically, the outsourced activities related to IT general controls are considered relevant for our audit (in addition to those outsourced activities identified as part of our key audit matter 'expected credit loss allowance for loans and advances') and are considered as described in the section 'Audit scope' hereafter.

We ensured that the audit team included the appropriate skills and competences which are needed for the audit of a bank. We therefore included experts and specialists in the areas of, amongst others, the expected credit loss models, IT and taxation in our team.

The outline of our audit approach was as follows:



Overall materiality: €3.6 million.

All audit procedures were performed by the audit engagement team in the Netherlands, except for a part of the audit work performed related to the IT general controls and the expected credit loss allowance for loans and advances.

The Bank partly outsourced its IT general controls and application controls in the Netherlands within its Parent Company group and to external parties. It also makes use of the expected credit loss models (including the underlying probability of default ('PD'), exposure at default ('EAD'), and loss given default ('LGD') models), and macro-economic scenarios of the Parent Company.

We therefore developed and executed an audit strategy through which we were able to place reliance on the work of the auditor of the Parent Company, covering outsourcing to both external parties as well as within the Parent Company group to enable us to obtain sufficient and appropriate audit evidence on the IT general controls as well as the calculation of the expected credit loss allowance for loans and advances.

- Expected credit loss allowance for loans and advances.

## Materiality

The scope of our audit was influenced by the application of materiality, which is further explained in the section 'Our responsibilities for the audit of the financial statements'.

Based on our professional judgement we determined certain quantitative thresholds for materiality, including the overall materiality for the financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and to evaluate the effect of identified misstatements, both individually and in aggregate, on the financial statements as a whole and on our opinion.

**Overall materiality** €3.6 million (year ended 30 June 2024: €3.4 million).

**Basis for determining materiality** We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 1% of equity.

**Rationale for benchmark applied** We used equity as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of the users of the financial statements. On this basis, we believe that equity is the most relevant metric for the financial performance of the Bank, also given the limited profit before tax result given the continuing start up nature of the Bank's operations.

We also take misstatements and/or possible misstatements into account that, in our judgement, are material for qualitative reasons.

We agreed with the supervisory board that we would report to them any misstatement identified during our audit above €177,000 (year ended 30 June 2024: €171,000) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

## 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 Commonwealth Bank of Australia (Europe) N.V. and its environment and the components of the internal control system including the activities outsourced to the Commonwealth Bank of Australia Group. This included the management board's risk assessment process, the management board's process for responding to the risks of fraud and monitoring the internal control system including outsourced activities. We also assessed how the supervisory board exercised oversight and considered the outcomes thereof. We refer to section 'Risk of Fraud' of note 3.1 'Risk management framework' of the financial statements for details of management's response to the risk of fraud.



We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and in particular the fraud risk assessment, as well as the code of conduct and whistleblower procedures, among other things. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks.

We asked members of the management board, the supervisory board, internal audit department and risk department whether they are aware of any actual or suspected fraud. This did not result in signals of actual or suspected fraud that may lead to a material misstatement.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present.

We identified the following fraud risks and performed the following specific procedures:

Identified fraud risks	Our audit work and observations
<p><b>Risk of management override of controls</b></p> <p>Inherently, management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. That is why, in all our audits, we pay attention to the risk of management override of controls in:</p> <ul style="list-style-type: none"> <li>• The appropriateness of journal entries and other adjustments made in the preparation of the financial statements;</li> <li>• Estimates and judgements; and</li> <li>• Significant transactions and related party transactions, if any, that are outside the normal course of business.</li> </ul>	<p>We evaluated the design and implementation of internal controls that intend to mitigate fraud risks including those relating to posting journal entries.</p> <p>We have additionally performed the following substantive audit procedures:</p> <ul style="list-style-type: none"> <li>• We selected unexpected journal entries based on risk criteria and conducted specific audit procedures for these entries. These procedures include, among others, obtaining an understanding of the business rationale and inspecting source documentation of the entries.</li> </ul>



#### Identified fraud risks

#### Our audit work and observations

- We performed specific audit procedures related to important estimates made by management, evaluating whether there was evidence of bias that may represent a risk of material misstatement due to fraud. We refer in this respect to the key audit matter 'Expected credit loss allowance for loans and advances'.
- We paid attention to significant transactions outside the normal course of business and related party transactions.

#### The risk of fraudulent financial reporting due to an overstatement of revenue

As part of our risk assessment and based on a presumption that there are risks of fraud in revenue recognition, we evaluated which types of revenue are subject to a risk of fraudulent financial reporting due to an overstatement of revenue.

Specifically, we considered a fraud risk to exist for the accuracy and occurrence of revenue recognition in areas that are more complex, non-systematic or manual in nature and involve related parties such as other banking income earned from Global Markets products and Lending fees.

We evaluated the design and implementation of the internal control system in the processes related to revenue recognition.

We performed specific audit procedures to validate the accuracy and occurrence of transactions on a substantive basis:

- On a sample basis, we traced underlying transactions which drive recognised revenue to supporting documents to verify the occurrence and accuracy of these revenue transactions recorded; and
- We reviewed and challenged management's assumptions in related accounting estimates, including the revenue and cost allocation split with other intergroup entities and the related transfer pricing methodology.



We incorporated an element of unpredictability in our audit. We also reviewed lawyer's letters and correspondence with regulators. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations. Whenever we identify any indications of fraud, we re-evaluate our fraud risk assessment and its impact on our audit procedures. This did not lead to indications of fraud potentially resulting in material misstatements. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud that could potentially result in the financial statements being materially misstated.

#### **Audit approach non-compliance with laws and regulations**

In respect of non-compliance with laws and regulations, there is an industry risk that compliance areas have not sufficiently been identified and / or addressed by management for financial statement purposes, due to the high degree of regulation in the industry, and expectations from society.

This includes the consideration whether there is a need for the recognition of a provision or a contingent liability disclosure on the future outcome of legal or regulatory matters.

The objectives of our audit, in respect of non-compliance with laws and regulations, are:

- to identify and assess the risk of material misstatement of the financial statements due to noncompliance with laws and regulations; and
- to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether due to fraud or error when considering the applicable legal and regulatory framework.

In line with Dutch Standard 250 we made, in our audit approach, a distinction between those laws and regulations which have a direct effect on the determination of material amounts and disclosures in the financial statements and those that do not have a direct effect on the determination of material amounts and disclosures in the financial statements, but where compliance may be fundamental to the operating aspects of the business. Those include amongst others the Bank's ability to continue its business or to avoid material penalties.



We identified that the risk of non-compliance with laws and regulations relates mainly to the laws and regulations that have an indirect impact on the financial statements, such as for example anti-money laundering and anti-terrorist financing regulations, as well as regulations linked to the banking specific operating licenses (including the Financial Supervision Act ('Wet op het financieel toezicht')).

We inquired of the management board and the supervisory board as to whether the Bank is in compliance with such laws and regulations and inspected correspondence, if any, with relevant licensing and regulatory authorities.

The primary responsibility for the prevention and detection of fraud and non-compliance with laws and regulations lies with the management board with the oversight of the supervisory board.

Based on our audit performed, we have not identified a material misstatement of the financial statements due to non-compliance with laws and regulations.

#### **Audit approach going concern**

As disclosed in note 1.2 'Going Concern' of the financial statements, the management board performed its assessment of the Bank's ability to continue as a going concern for at least 12 months from the date of preparation of the financial statements and has not identified events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern (hereafter: going-concern risks).

Our procedures to evaluate the management board's going-concern assessment included, amongst others:

- considering whether the management board's going-concern assessment included all relevant information of which we were aware as a result of our audit and inquiring with the management board regarding the management board's most important assumptions underlying its going-concern assessment;
- understanding and evaluating the Bank's budget (including the funding plan) for the next twelve months (as well as assessing the actual performance of the Bank in comparison to the budget for the last twelve months);



- understanding and evaluating the Bank's financial position and stress testing of liquidity and regulatory capital requirements as included in the ICAAP and ILAAP submissions;
- understanding and analysing whether the current and the required financing has been secured to enable the continuation of the entirety of the Bank's operations, including consideration of the Parent Company's credit position and intentions to provide continued financing support;
- considering the results of our (other) risk assessment procedures and related activities performed to identify events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern including consideration of the continuation of necessary outsourced activities;
- performing inquiries of the management board as to its knowledge of going-concern risks beyond the period of the management board's assessment; and;
- reading and evaluating the adequacy of the disclosures in paragraph 'Going concern' in note 1.2 of the financial statements in relation to going concern.

Our procedures did not result in outcomes contrary to the management board's assumptions and judgements used in the application of the going-concern assumption.

#### Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in the audit of the financial statements. We have communicated the below key audit matter to the supervisory board. This key audit matter is not a comprehensive reflection of all matters identified by our audit and that we discussed. In this section, we described the key audit matter and included a summary of the audit procedures we performed on this matter. The key audit matter has not changed compared to prior year.



#### Key audit matter

##### Expected credit loss allowance for loans and advances

*Refer to note 1.5 'Judgments, estimates and uncertainties', accounting policy note 2.4 'Financial assets', note 3.2 'Credit risk', note 6 'Expected credit loss and other credit impairment allowances', note 13 'Loans and advances' and note 21 'Other liabilities' of the financial statements*

In accordance with the requirements of IFRS 9, the Bank calculates the expected credit loss ('ECL') allowance on loans and advances using a three-stage impairment model. The Bank determines ECL allowances in stage 1 and 2 on a modelled basis, whereas the loan impairments in stage 3 are determined on a specific loan-by-loan basis. As at 30 June 2025, all loans are classified within stage 1, and therefore no ECL allowance is calculated on a specific loan-by-loan basis.

The model-based ECL allowance is a complex estimate. The modelled estimate requires significant management judgement because it involves a large number of related inputs and assumptions such as:

- determining criteria for significant increase in credit risk ('SICR');
- choosing appropriate models and assumptions for the measurement of ECL such as the PD, LGD and EAD;
- establishing forward-looking macroeconomic scenarios and scenario probability weightings for each type of product/market and the associated ECL;
- determination of model adjustments and industry overlays to the outcome of models due to external conditions not captured in the IFRS 9 models; and

#### Our audit work and observations

We evaluated the design and implementation of key controls as well as the day-to-day governance and processes over estimating the ECL allowance for loans and advances. We also evaluated the accounting policies. We challenged management on their judgement in key accounting policy choices and in local oversight of the Parent Company's models.

We tested management's model-based ECL allowance methodology, with the support from internal IFRS 9 ECL model experts and partially relied on the work performed by the auditor of the Parent Company. Our procedures included:

- Evaluating and challenging the model governance procedures;
- Evaluating the appropriateness of the significant assumptions and methodologies used for the models including those related to climate risk;
- Assessing the reasonability of macroeconomic scenarios, including forecast variables and probability weights taking into account the characteristics of the loan portfolio of the Bank;
- Performing back-testing on key model parameters; and
- Testing the underlying data used in the models.

For a sample of loans, we assessed whether loan specific key judgements and estimates in the impairment allowance were appropriate. Our procedures included:

- Evaluating the assigned PD and LGD rating;



### Key audit matter

- estimating the impact of transitional or physical climate related risks on the expected future cash flows.

The Bank uses the internally developed credit rating models from its Parent Company as a basis to estimate the PD, LGD and EAD as well as the macroeconomic scenarios and their relevant probability weightings for its ECL allowance.

Judgemental adjustments (so called overlay adjustments) to the modelled estimate were made by management in relation to external conditions not captured in the IFRS 9 models or in relation to data limitations.

Given the significance of the number of accounting policy choices, judgements taken by management, the complexity and the inherent limitations to the inputs required by the ECL models and the impact it might have on results, determining ECL is subject to a high degree of estimation uncertainty and is subject to a higher risk of material misstatement due to error and/or fraud. Significant audit effort and high degree of auditor judgement was necessary to evaluate audit evidence underpinning the ECL estimate. Therefore, we have identified the expected credit loss allowance for loans and advances as a key audit matter in our audit.

### Our audit work and observations

- Evaluating whether there were any indications for a significant increase in credit risk ('SICR') by evaluating the Bank's latest internal credit risk assessment and evaluating the latest financial information of counterparties; and
- Considering the appropriateness of raised allowances for loans and advances reported on the weaklist, watchlist and arrears-list.

We evaluated management's model overlay adjustments as at 30 June 2025 by obtaining supporting evidence and evaluating alternative and contradictory information that these adjustments were necessary to balance underlying model and data limitations. We have exercised professional skepticism in our audit given the significance and subjective nature of these adjustments.

Overall, we found the expected credit loss allowance for loans and advances to be reasonable as at 30 June 2025.



## Report on the other information included in the annual report

The annual report contains other information. This includes all information in the annual report in addition to the financial statements and our auditor's report thereon.

Based on the procedures performed as set out below, we conclude that the other information:

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

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

By performing our 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 such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

The management board is responsible for the preparation of the other information, including the directors' report and the other information in accordance with Part 9 of Book 2 of the Dutch Civil Code.

## Report on other legal and regulatory requirements

### Our appointment

We were initially appointed as auditors of Commonwealth Bank of Australia (Europe) N.V. on 2 October 2019 by the supervisory board. This followed the passing of a resolution by the shareholders at the annual general meeting. Our appointment has been renewed annually by shareholders. The Company became a public-interest entity ('PIE') in December 2020 upon obtaining its banking license. The audit of the financial statements for the period ended 30 June 2025, therefore, represents the fifth year of uninterrupted engagement as auditor of Commonwealth Bank of Australia (Europe) N.V. since becoming a PIE in the European Union.



## No prohibited non-audit services

To the best of our knowledge and belief, we have not provided prohibited non-audit services as referred to in article 5(1) of the European Regulation on specific requirements regarding statutory audit of public-interest entities.

## Services rendered

The services, in addition to the audit, that we have provided to the Bank, for the period to which our statutory audit relates, are disclosed in note 7 to the financial statements.

## Responsibilities for the financial statements and the audit

### Responsibilities of the management board and the supervisory board for the financial statements

The management board is responsible for:

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

In preparing the financial statements, the management board is responsible for assessing the Bank's ability to continue as a going concern. Based on the financial reporting frameworks mentioned, the management board should prepare the financial statements using the going-concern basis of accounting unless the management board either intends to liquidate the Bank or to cease operations or has no realistic alternative but to do so. The management board should disclose in the financial statements any event and circumstances that may cast significant doubt on the Bank's ability to continue as a going concern.

The supervisory board is responsible for overseeing the Bank's financial reporting process.



## Our responsibilities for the audit of the financial statements

Our responsibility is to plan and perform an audit engagement in a manner that allows us to obtain sufficient and appropriate audit evidence to provide a basis for our opinion. Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error and to issue an auditor's report that includes our opinion. Reasonable assurance is a high but not absolute level of assurance, and is not a guarantee that an audit conducted in accordance with the Dutch Standards on Auditing will always detect a material misstatement when it exists. Misstatements may arise due to fraud or error. They 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 the financial statements.

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion.

A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 17 November 2025

PricewaterhouseCoopers Accountants N.V.

Original has been signed by:

M.S. de Bruin RA



## Appendix to our auditor's report on the financial statements for the year ended 30 June 2025 of Commonwealth Bank of Australia (Europe) N.V.

In addition to what is included in our auditor's report, we have further set out in this appendix our responsibilities for the audit of the financial statements and explained what an audit involves.

### The auditor's responsibilities for the audit of the financial statements

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 consisted, among other things of the following:

- 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 intentional 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 Bank's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board.



- Concluding on the appropriateness of the management board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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 deficiencies in internal control that we identify during our audit. In this respect, we also issue 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 actions taken to eliminate threats or safeguards applied.

From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. 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, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.



# Commonwealth Bank of Australia (Europe) N.V.

Commonwealth Bank of Australia (Europe) N.V.  
Gustav Mahlerlaan 352, UN Studio 14th floor  
1082 ME, Amsterdam  
The Netherlands