



European Depositary Bank SA

Audited Annual Accounts
And report of the *réviseur d'entreprises agréé*
as at 31 December 2024

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To the Board of Directors of
European Depository Bank S.A.
9A, Rue Gabriel Lippmann
L-5365 Munsbach

REPORT OF THE REVISEUR D'ENTREPRISES AGREE

Report on the Audit of the Annual Accounts

Opinion

We have audited the annual accounts of European Depository Bank S.A. (the "Bank"), which comprise the balance sheet as at December 31, 2024, and the profit and loss account for the year then ended, and notes to the annual accounts, including a summary of significant accounting policies.

In our opinion, the accompanying annual accounts give a true and fair view of the financial position of the Bank as at December 31, 2024, and of the results of its operations for the year then ended in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts.

Basis for Opinion

We conducted our audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 on the audit profession (Law of 23 July 2016) and with International Standards on Auditing (ISAs) as adopted for Luxembourg by the *Commission de Surveillance du Secteur Financier* (CSSF). Our responsibilities under the EU Regulation No 537/2014, the Law of 23 July 2016 and ISAs as adopted for Luxembourg by the CSSF are further described in the "Responsibilities of the *réviseur d'entreprises agréé* for the Audit of the Annual Accounts" section of our report. We are also independent of the Bank in accordance with the International Code of Ethics for Professional Accountants, including International Independence Standards, issued by the International Ethics Standards Board for Accountants (IESBA Code) as adopted for Luxembourg by the CSSF together with the ethical requirements that are relevant to our audit of the annual accounts, and have fulfilled our other ethical responsibilities under those ethical requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the annual accounts of the current period. These matters were addressed in the context of the audit of the annual accounts as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Our response
<p>Commissions Income</p> <p>The commissions receivable (“commissions income”) amount to EUR 56.827.423 as of December 31, 2024. We refer to the Note 4.1 and Note 4.2 of the annual accounts.</p> <p>Commissions income is one of the Bank’s core source of income and is mainly composed of depositary and custodian bank fees mainly for mutual funds, specialised investment funds and securitisation companies and commission from securities transactions executed by the Bank for its clients.</p> <p>Accordingly, the recording of commissions income is considered a Key Audit Matter due to the significance of the balance to the profit of the Bank, the high volume of transactions and the manual calculation for a large part of the balance.</p>	<p>As part of our audit, we examined the Bank’s internal control system implemented by the Executive Management Board and the General IT Controls surrounding the Core Banking System.</p> <p>For a sample of the different types of commissions, we tested accuracy of the commissions income by either performing independent recalculation of the commission or by review of the Banks’s calculation. This also included the reconciliation of the underlying basis to external evidence and applicable signed fee schedules.</p> <p>We tested completeness of the commissions income by reconciling sample of Bank’s client list with the commissions income breakdown.</p> <p>We understood and evaluated the controls over manual journal entries and other adjustments made in the preparation of the annual accounts. We tested the appropriateness of a sample of such entries and adjustments.</p> <p>We finally assessed the adequacy of the disclosures in the annual accounts.</p>

<p>Valuation of loans and advances to customers - Corporate loans</p> <p>Corporate loans are granted since 2023 to a limited number of customers. These loans differ from the traditional business model of the Bank (Depositary activity) as these corporate loans are either partially collateralized or have different types of collateral.</p> <p>The gross carrying amount of the corporate loans at year-end amounts to EUR 40.557.796. The gross carrying amount of accrued interest on these loans at year-end amounts to EUR 1.671.022. These loans are recorded at acquisition cost and the Bank estimates specific provision for potential impairment (EUR 9.303.954 as at December 31, 2024). We refer to the Note 3.2 of the annual accounts.</p> <p>Estimates to account for loan losses provision require significant judgement of management, such as the identification of loans that are deteriorating, the assessment of objective evidence for impairment, the value of collateral and the estimation of the recoverable amount.</p> <p>Due to the material amount of the loans granted and the related estimate uncertainty, we consider the valuation of corporate loans as a Key Audit Matter.</p>	<p>Our audit approach included testing the design and implementation of key controls relating to the lending process including controls addressing determination of loan loss provisions, as well as performing substantive audit procedures.</p> <p>Our evaluation of the design and implementation of key controls mentioned above included review of the yearly impairment assessment by which the Bank monitors the borrower’s repayment capacity and the collateral value.</p> <p>Our substantive audit procedures included the review of the credit files, during which we challenged the Bank’s internal assessment of the creditworthiness of the customers based on the external credit ratings, latest financial statements and publicly available information, in order to identify any trigger that could indicate potential issues in the recoverability of the exposure. For the loans which are collateralized, we obtained the related pledge agreements and have assessed the valuation of the collateral considered. Besides this, we confirmed whether any overdue payments occurred during the financial year and subsequently.</p> <p>In addition, we assessed the impairment allowances for individually impaired loans.</p> <p>Finally, we assessed whether the disclosures in the annual accounts appropriately reflect the Bank’s exposure to credit risk.</p>
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Other information

The Board of Directors is responsible for the other information. The other information comprises the information stated in the annual report including the management report but does not include the annual accounts and our report of the *réviseur d'entreprises agréé* thereon.

Our opinion on the annual accounts does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the annual accounts, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the annual accounts or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report this fact. We have nothing to report in this regard.

Responsibilities of the Board of Directors and Those Charged with Governance for the Annual Accounts

The Board of Directors is responsible for the preparation and fair presentation of these annual accounts in accordance with Luxembourg legal and regulatory requirements relating to the preparation and presentation of the annual accounts, and for such internal control as the Board of Directors determines is necessary to enable the preparation of annual accounts that are free from material misstatement, whether due to fraud or error.

In preparing the annual accounts, the Board of Directors is responsible for assessing the Bank's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Bank or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Bank's financial reporting process.

Responsibilities of the *réviseur d'entreprises agréé* for the Audit of the Annual Accounts

The objectives of our audit are to obtain reasonable assurance about whether the annual accounts as a whole are free from material misstatement, whether due to fraud or error, and to issue a report of the *réviseur d'entreprises agréé* that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these annual accounts.

As part of an audit in accordance with the EU Regulation N° 537/2014, the Law of 23 July 2016 and with ISAs as adopted for Luxembourg by the CSSF, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the annual accounts, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Bank's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our report of the *réviseur d'entreprises agréé* to the related disclosures in the annual accounts 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 report of the *réviseur d'entreprises agréé*. However, future events or conditions may cause the Bank to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the annual accounts, including the disclosures, and whether the annual accounts represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the annual accounts of the current period and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter.

Report on Other Legal and Regulatory Requirements

We have been appointed as *réviseur d'entreprises agréé* by the Board of Directors on October 8, 2024 and the duration of our uninterrupted engagement, including previous renewals and reappointments, is five years.

The management report is consistent with the annual accounts and has been prepared in accordance with applicable legal requirements.

We confirm that the prohibited non-audit services referred to in the EU Regulation N° 537/2014 were not provided and that we remained independent of the Bank in conducting the audit.

For Deloitte Audit, *Cabinet de révision agréé*

Ekaterina Volotovskaya, *Réviseur d'entreprises agréé*
Partner

Luxembourg, June 13, 2025

European Depositary Bank SA
Balance sheet
as at December 31, 2024
(expressed in EUR)

Assets	Notes	Dec. 31, 2024	Dec. 31, 2023
1. Cash in hand, balances with central banks and post office banks		793,154,098	607,148,541
2. Loans and advances to credit institutions	3.1	83,946,145	83,494,311
a) repayable on demand	83,946,145	83,494,311	
b) other loans and advances	0	0	
3. Loans and advances to customers	3.2	58,488,607	43,420,179
4. Debt securities and other fixed-income securities	3.3	604,724,281	607,966,929
a) issued by public bodies	336,096,482	315,860,087	
b) issued by other borrowers	268,627,799	292,106,842	
5. Participating interests	3.4/3.5	46,508	73,156
6. Shares in affiliated undertakings	3.4/3.6	0	24,534,766
7. Intangible assets	3.4	19,967,408	6,136,546
8. Tangible assets	3.4	610,393	627,850
9. Other assets	3.7	30,666,284	35,716,718
10. Prepayments and accrued income	3.8	10,025,967	8,875,630
Total Assets		<u>1,601,629,692</u>	<u>1,417,994,626</u>

The attached notes form an integral part of the annual accounts.

European Depositary Bank SA
Balance sheet
as at December 31, 2024
(expressed in EUR)

Liabilities	Notes			Dec. 31, 2024	Dec. 31, 2023
1.	Amounts owed to credit institutions			1,688,303	1,072,302
	a) repayable on demand	3.9	1,688,303		1,072,302
	b) with agreed maturity dates or periods of notice	3.9	0		0
2.	Amounts owed to customers			1,434,303,640	1,256,113,239
	Other debts				
	a) repayable on demand			1,369,979,916	1,239,813,860
	b) with agreed maturity dates or periods of notice	3.10		64,323,724	16,299,379
3.	Other liabilities	3.11		20,840,906	25,352,179
4.	Accruals and deferred income	3.12		6,256,897	4,271,451
5.	Provisions	3.13		26,752,392	33,593,897
	a) Provisions for pensions and similar obligations		471,888		464,888
	b) Provisions for taxation		11,085,693		12,893,901
	c) Other provisions		15,194,811		20,235,108
6.	Subscribed capital	3.14		13,000,780	13,000,780
7.	Share premium account	3.14		28,999,220	28,999,220
8.	Reserves	3.15		55,478,968	39,123,283
9.	Profit or loss brought forward			-2,396,042	112,512
10.	Profit or loss for the financial year (after deduction of the interim dividend)			16,704,628	16,355,685
	a) Profit or loss for the financial year (before deduction of the interim dividend)		16,704,628		19,837,923
	b) Interim dividends	3.15	0		-3,482,238
	Total Liabilities			1,601,629,692	1,417,994,626

The attached notes form an integral part of the annual accounts.

European Depositary Bank SA
Off-balance sheet items
as at December 31, 2024
(expressed in EUR)

	Notes	Dec. 31, 2024	Dec. 31, 2023
1. Contingent liabilities showing separately: guarantees and assets pledged as collateral security	3.16	1,085,200	950,500
		1,085,200	950,500
2. Commitments	3.17	0	13,838,422
3. Fiduciary transactions	3.18	443,224,980	329,471,273

The attached notes form an integral part of the annual accounts.

European Depositary Bank SA
Profit and loss account
for the year ended December 31, 2024
(expressed in EUR)

Income	Notes	2024		2023
1. Interest receivable and similar income, showing separately: that arising from fixed-income securities	4.1	75,618,568		62,108,217
		27,226,323	20,714,010	
2. Income from transferable securities:		3,271		0
a) Income from shares in affiliated undertakings		3,271	0	
3. Commissions receivable	4.2	56,827,423		51,064,473
4. Net profit on financial operations		1,007,362		968,638
5. Other operating income	4.3	5,785,896		12,851,098
Total Income	4.1	139,242,520	126,992,426	

The attached notes form an integral part of the annual accounts.

European Depositary Bank SA
Profit and loss account
for the year ended December 31, 2024
(expressed in EUR)

Charges	Notes	2024	2023
1. Interest payable and similar charges	4.7	33,373,475	32,770,765
2. Commissions payable		5,345,618	5,050,261
3. Net loss on financial operations		0	0
4. General administrative expenses:		59,244,818	59,618,713
a) Staff costs, showing separately:		35,563,985	36,861,550
aa) wages and salaries		30,459,652	31,860,555
ab) social security costs, with a separate indication of those relating to pensions		4,100,556	3,989,497
b) Other administrative expenses	4.4/4.5	23,680,833	22,757,163
5. Value adjustments in respect of Assets items 8 and 9		6,877,097	2,622,371
6. Other operating charges	4.6	2,367,080	946,758
7. Value adjustments in respect of loans and advances and provisions for contingent liabilities and for commitments	3.2	9,303,954	0
8. Value adjustments in respect of transferable securities held as financial fixed assets, participating interests and shares in affiliated undertakings		100.871	625,977
9. Tax on profit or loss on ordinary activities		5,910,391	5,502,310
10. Profit or loss on ordinary activities after taxes		16,719,215	19,855,271
11. Other taxes not shown under the preceding items		14,588	17,348
12. Profit for the financial year		16,704,628	19,837,923
Total Charges		<u>139,242,520</u>	<u>126,992,426</u>

The attached notes form an integral part of the annual accounts.

European Depositary Bank SA
Notes to the annual accounts
as at December 31, 2024

NOTE 1 - GENERAL INFORMATION

a) Corporate Matters

European Depositary Bank SA (the “Bank”) was established as a Société Anonyme on February 15, 1973 by Prosper-Robert Elter, Notary.

The Bank registered office is located at: L-5365 Munsbach, 9a, Rue Gabriel Lippmann. As from of March 1, 2024 the registered office changed from the previous address: L-5365, 3 Rue Grabiell Lippmann.

The Bank is registered in the Commercial Registry of the City of Luxembourg under No B10700.

The Bank’s memorandum and articles of association were last amended by notary deed of Marc Loesch, Notary practising in Luxembourg, dated October 09, 2024 and published in the RESA [Official Gazette], number 240 of November 04, 2024.

European Depositary Bank SA, Dublin Branch (“EDB Dublin Branch”) has been established in 2019. EDB Dublin Branch focuses solely on offering Depositary and Custody Services to a wide range of fund structures and SPVs. Depositary services offered include both full-depositary and depositary-lite services.

European Depositary Bank SA, Malta Branch (“EDB Malta Branch”) has also been established in 2019. EDB received Malta Financial Services Authority (MFSA) principal approval for the “Category 4a Investment Services Licence” of EDB, Malta Branch on November 19, 2019.

European Depositary Bank SA, London Branch (“EDB London Branch”) was established on January 24, 2020. The top-up application for a full Depositary license was approved on September 8, 2020. The depositary activities ended in December 2023 due to expiration of the Depositary license. The EDB London Branch is expected to be liquidated in 2025.

European Depositary Bank Custodial Services Limited, (“EDB CSL” – subsidiary acquired in 2023), and Apex Group Depositary Services Ireland Limited (AGDSIL) merged into “EDB Dublin branch” on December 19, 2024. Given the merger between EDB CSL and EDB there are no separate consolidated accounts.

The Bank is a wholly owned subsidiary of, and whose ultimate parent company is, Apex Group Limited, a corporation organized under the laws of Bermuda. Consolidated financial statements of Apex Group Limited, are available at the head office of this company. These can be obtained from Apex Group Limited, Vallis Building, 4th Floor, 58 Par-la-Ville Road, Hamilton HM11, Bermuda.

b) Nature of the Bank’s Business

The object of the Bank is to carry on the business of a bank. In that capacity, the Bank is empowered to engage in all banking transactions and all operations which relate, in whatever way, to banking business, whether for its own account or for the account of third parties, and in particular:

- (a) to accept as deposits, and pay interest on, moneys belonging to third parties;
- (b) to grant loans of money and credit of any kind;
- (c) to negotiate bills of exchange and cheques;
- (d) to purchase and sell securities for its own account or for the account of third parties;
- (e) to hold in safe custody, and manage, securities for others;

European Depositary Bank SA
Notes to the annual accounts
as at December 31, 2024

- (f) to issue and trade in bonds, public notes and promissory notes;
- (g) to promote the issue of stocks, shares in companies, certificates, bonds and other securities, to subscribe for such securities in its own name or in the name of third parties and to place them publicly or privately;
- (h) to execute all international financial, cash and foreign currency transactions;
- (i) to assume and take on sureties, guarantees and other warranties for third parties;
- (j) to engage in cashless payment and clearing operations and
- (k) to carry on domestic and foreign documentary business.

In addition, the Bank may purchase, sell and encumber real property, accept, create and relinquish securities of any kind, acquire and dispose of interests, participations and holdings, and operate and set up businesses and other commercial enterprises, including any which may involve activity on the real property market, in so far as these are in some way related to the object of the Bank or may serve to further the attainment of that object.

c) Annual accounts

The annual accounts have been prepared in Euro (€), the currency in which the Bank's equity capital is denominated.

The financial year of the Bank is identical to the calendar year, from January 1 to December 31 of each year.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

On the basis of their assessment of the Bank's financial position, the Bank's Directors have a reasonable expectation that the Bank will be able to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing these annual accounts.

The Bank prepares its annual accounts under the historical cost principle, in accordance with the laws and regulations in force in the Grand-Duchy of Luxembourg and on the basis of accounting principles generally accepted in the banking sector in the Grand-Duchy of Luxembourg.

In observing these, the following significant accounting policies are applied:

- Assets, liabilities and off-balance-sheet transactions in foreign currencies have been converted into the capital currency with Euro foreign exchange reference rates as at December 31, 2024.
- Loans and advances are stated at their acquisition price. The policy of the Bank is to establish specific provisions for doubtful debts in accordance with the circumstances and for amounts specified by the Board of Directors. These provisions are deducted from the appropriate asset account balances and shall not be maintained if the reasons for which they were recorded no longer exist.
- Income and expense items are recorded at their rate of transaction date.
- Differences arising from currency conversions in respect of cash/spot transactions hedged by forward transactions and, conversely, forwards covered by cash/spot transactions have been recorded as neutral in their effects on profits. As at the balance-sheet date, there were largely closed-out or hedged positions.

European Depositary Bank SA
Notes to the annual accounts
as at December 31, 2024

- At year-end, all uncompleted forward transactions are translated into EUR at the forward rate applicable for the remaining term at the balance sheet date.
- Receivables and credit balances (as at 3.1, 3.2, 3.7, 3.8) are stated at their nominal value less impairment, whilst debt instruments accepted at a discount are shown at their historical cost price.
- The Bank considers allowances for bad and doubtful debts, and provisions, to adequately cover all identifiable credit risks.
- As at the balance sheet date, the Bank holds bonds and other fixed-interest securities in its structural portfolio. Those securities are valued at the lower of their acquisition cost or market value, and are prorated using the premium. The value adjustments made in previous years pursuant to Articles 56(2f) and 58(2e) and Article 62(1) of the Law of June 17, 1992 as amended on the annual accounts of credit institutions in respect of certain specific assets have been retained. As at the balance-sheet date, possible write-ups amounting to € 106 k were not made.
- Participating interests, shares in affiliated undertakings, tangible assets and intangible assets are valued at the cost of acquisition. The Cost is composed of the initial purchase price and any additional purchase price adjustment, if any. Value adjustments are made in case of permanent diminution of value as deemed appropriate by the Board of Directors.
- Tangible assets and intangible assets are depreciated over their expected time of use on a straight-line basis. Any depreciation options offered under tax laws and regulations are fully utilised. Tangible assets and intangible assets are stated at purchase price. The value of other tangible assets and intangible assets with limited useful economic lives is reduced by depreciation. The pro rata temporis rule is applied. The following depreciation rates are applied:

Computer/IT hardware	14 - 66%
Intangible assets	20 - 33%
Vehicle fleet	16 - 25%
Other office furniture/equipment	10 - 20%
Goodwill	20%

Low-value assets (acquisition costs below € 870) are capitalised in the year of acquisition and written off as a compound item over a five-year period.

Goodwill is measured by deducting the net assets of the acquired company from the total consideration transferred for the acquired company.

- Lump-sum provision has been calculated in accordance with the tax authorities' directive dated December 16, 1997. The allocation of the lump-sum provision to the risk weighted assets in accordance with LuxGAAP is made through a simplified procedure over the course of the year. As at December 31, 2024 there was no allocation to the balance-sheet items in respect of participations, shares in affiliated undertakings companies, intangible assets and tangible assets.
- Liabilities are shown at the amount (re)payable. Pension obligations have been valued by an actuary in accordance with actuarial principles and are shown in the balance sheet as provisions based on their partial value in accordance with the tax law.
- All discernible risks and liabilities the basis of which was known, but not yet the amount, have

European Depositary Bank SA
Notes to the annual accounts
as at December 31, 2024

been taken into account by recognition of provisions for contingent losses. The above-mentioned principles for covering risks are also applied to off-balance-sheet transactions.

- Income taxes are accounted for on an accrual basis.
- Income and Expenses are accounted on an accrual basis.

NOTE 3 - NOTES TO THE BALANCE SHEET

As at the balance sheet date, assets denominated in foreign currencies totalled € 244,202k (previous year: €271,242k), representing 15% (previous year: 19%) of the balance sheet total. Liabilities denominated in foreign currencies totalled € 585,602k (previous year: € 490,821k), representing 37% (previous year: 35%) of the balance sheet total.

3.1. Loans and advances to credit institutions

There are no Loans and advances to credit institutions with remaining maturity. In accordance with the requirements of the European Central Bank, the Central Bank of Luxembourg implemented, effective January 1, 1999, a system of mandatory minimum reserves which applies to all Luxembourg credit institutions. The minimum reserve balance as at December 31, 2024 held by the Bank with the Central Bank of Luxembourg amounted to € 12,823k (December 31, 2023 : EUR 12,457k)

There are no loans and advances to credit institutions including to affiliated undertakings other than those repayable on demand as at year-end (previous year: € 0,0k).

Loans repayable on demand to credit institutions amounted to € 83,946k (previous year: € 83,494k).

The carrying amount of the loans and advances to credit institutions reflect the maximum credit risk exposure as at December 31, 2024.

3.2. Loans and advances to customers

Loans and advances to customers other than those repayable on demand may be analysed according to their remaining maturity as follows:

Remaining maturity € x 1,000	December 31, 2024	December 31, 2023
On demand	25,937	22,065
Up to 3 months	2,198	2,994
More than 3 months and up to 1 year	11,298	3,389
More than 1 year and up to 5 years	19,056	14,972
More than 5 years	0	0
Total	58.489	43,420

The lending business for the depositary activity has developed during the year. The net carrying amount of the loans amounts to EUR 25,841,890.

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as at December 31, 2024

The bank is also granting credit facilities to corporate entities. The gross carrying amount of these loans amounts to € 40,557,796. The gross carrying amount of accrued interest at year-end amounts to € 1.671.022 (recorded in "Prepayments and accrued income", please refer to Note 3.8). The remaining maturity of the credit facilities are between 1 and 31 months. Collaterals for such loans are either unlisted shares or escrow accounts.

One of the corporate loans is non-performing. Following the insolvency that occurred in May 2025, the impairment has been adjusted accordingly (additional impairment of € 3,510,000). The total impairment recorded for this loan and the related accrued interest as of December 31, 2024 amounts to € 9,303,954.

The net carrying amount of the corporate loans at year-end amounts to € 32,646,717.

The carrying amount of the loans and advances to customers takes into account any provisions and reflects the maximum credit risk exposure as at December 31, 2024.

European Depositary Bank SA
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as at December 31, 2024

3.3. Debt securities and other fixed-income securities

Securities included in the investment portfolio are intended to be held until maturity or, in the case of equities, on a long-term basis. The Bank holds no investment portfolio as at December 31, 2024.

Securities included in the trading portfolio have as an objective to realise a short-term capital gain. The maximum period for which securities may be held in this type of portfolio may not exceed 3 months. The Bank holds no trading portfolio as at December 31, 2024.

All other securities are shown under the heading “structural portfolio”. Such securities are purchased for an indefinite period in order to achieve capital gains and/or interest income. The securities held in the structural portfolio are intended to result in a sustainable increase in earnings for the Bank. The Bank holds debt securities and other fixed-interest securities included in the structural portfolio in the amount of € 604,724k (previous year: € 607,967k).

Market price risks and credit risks existing as at the balance sheet date have been taken fully into account.

Remaining maturity € x 1,000	Debt securities and other fixed-income securities	
	Structural portfolio	
	December 31, 2024	December 31, 2023
Up to 3 months	14,605	111,288
More than 3 months and up to 1 year	75,167	80,768
More than 1 year and up to 5 years	495,815	385,675
More 5 years	19,137	30,236
Total	604,724	607,967

The debt securities and other fixed-income securities structural portfolio composed of listed bonds. Out of € 604,724k, € 89,772k represent instruments maturing in 2025 (previous year: € 192,097k maturing in 2024).

A nominal value of € 466,535k is available for use in open-market transactions with the European Central Bank.

The nominal sum of € 124,544k is being kept with a depositary as collateral to cover any potential risk arising from future business transactions.

The carrying amount of the financial instruments reflect the maximum credit risk exposure as at December 31, 2024.

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Notes to the annual accounts
as at December 31, 2024

3.4. Schedule of fixed asset movements

	Gross value at January 1, 2024	Additions	Disposals	Transfer	Gross value at Decem ber 31, 2024	Accumulate d depreciation as at January 1, 2024	Depreciation charged in 2024	Accumulated depreciation as at December 31, 2024	Net value as at December 31, 2024
€ x 1,000									
1. Participating interests ¹⁾	73	0	27	0	46	0	0	0	46
2. Shares in affiliated undertakings ¹⁾	24,535	0	24,535	0	0	0	0	0	0
3. Tangible assets, of which	2,961	299	0	0	3,260	(2,334)	(316)	(2,650)	610
a) Land and buildings	0	0	0	0	0	0	0	0	0
b) Business and office equipment	2,961	299	0	0	3,260	(2,334)	(316)	(2,650)	610
c) Payments on account	0	0	0	0	0	0	0	0	0
4. Intangible assets	18,080	22,530	0	0	40,610	(11,943)	(8,700)	(20,643)	19,967
a) Licences	18,080	1,096	0	0	19,176	(11,943)	(2,282)	(14,225)	4,950
b) Payments on account	0	42	0	0	42	0	0	0	42
c) Goodwill	0	21,392	0	0	21,392	0	(6,418 ²⁾)	(6,418)	14,975
Total	45,649	22,829	(24,562)	0	43,916	(14,278)	(9,014)	(23,292)	20,624

1) We refer to 3.5 Participating interests and to 3.6 Shares in affiliated undertakings.

2) Amortization goodwill in 2023: 2.139 (booked in retained earnings due to merger).

Amortization goodwill in 2024: 4.279.

Total amortization of goodwill: 6.418.

The Goodwill has been calculated based on the purchase price and the date of acquisition (June 30, 2023).

3.5. Participating interests

The Bank holds shares in the following company:

Name	Shareholding in %	
	2024	2023
Quint: Essence Capital S.A.	0	20
S.W.I.F.T. SC	0,007	0,007

According to the purchase agreement, the shares were sold to Quint: Essence Capital S.A. on June 21, 2024 (with retroactive effect from January 1, 2024).

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3.6. Shares in affiliated undertakings

On June 30, 2023, the Bank acquired 100% of the shares of Bank of America Custodial Services Ltd. Following the acquisition, the company was renamed EDB Custodial Services Limited. The cost of the acquisition is composed of an initial purchase price of € 10,672k and an earnout of € 13,863k. The earnout represents the additional purchase price to be paid out over 3 years and is determined according to the signed Share and Purchase Agreement. The first payment of the earn-out occurred in 2024. The remaining earn-out represents the best estimate as of December 31, 2024 and is recognized in Provisions (Please refer to Note 3.13).

On September 16, 2024, the Bank completed the acquisition of all shares in Apex Group Depositary Services (Ireland) Limited (AGDSIL).

Subsequently, on December 19, 2024, both EDB Custodial Services Limited and AGDSIL were merged into the Bank. As part of the merger, all assets and liabilities of the two entities were transferred to and recognized within the Irish Branch of the Bank (refer to 3.4 Goodwill).

3.7. Other assets

The following is a breakdown of other assets:

€ x 1,000	Other assets	
	December 31, 2024	December 31, 2023
Commission revenue receivable	11,723	17,890
Tax receivables	4,530	2,849
Collateral, margin accounts and other related receivables	8,524	8,256
Other receivables	5,889	6,721
Total	30,666	35,716

3.8. Prepayments and accrued income

The following is a breakdown of prepayments and accrued income:

€ x 1,000	December 31, 2024	December 31, 2023
Accrued interest	786	534
Accrued prepaid expense	2,461	3,180
Accrued interest on securities	5,035	5,162
Fx Margin	1,678	0
Other	66	0
Total	10,026	8,876

3.9. Amounts owed to credit institutions

There are no amounts owed to credit institutions (previous year: € 0) other than those repayable on demand which correspond to € 1,688k (previous year: € 1,072k).

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3.10. Amounts owed to customers

The following is a breakdown of amounts owed to customers:

Remaining maturity	December 31, 2024	December 31, 2023
€ x 1,000		
On demand	1,369,980	1,239,814
Up to 3 months	57,833	15,476
More than 3 months and up to 1 year	6,491	0
More than 1 year and up to 5 years	0	823
More than 5 years	0	0
Total	1,434,304	1,256,113

Liabilities to affiliated undertakings are included in the liabilities to customers and correspond to € 1,123k (previous year: € 7,486k).

3.11. Other liabilities

The following is a breakdown of other liabilities.

	Other liabilities	
€ x 1,000	December 31, 2024	December 31, 2023
Short term payables	9,236	17,135
Trade payables/Other liabilities	10,699	7,706
Tax payable	906	338
Other	0	215
Total	20,841	25,394

The short term payables include margin accounts and collateral balances. Trade payables/Other liabilities include mainly consulting costs, temporary staff costs and intra-group costs.

3.12. Accruals and deferred income

The following is a breakdown of accruals and deferred income:

€ x 1,000	December 31, 2024	December 31, 2023
Accrual of premium on securities	5,245	3,752
Accrued interest expenses	743	460
Valuation of currency swap positions	0	44
Accrued other expenses	13	15
FX Margin	256	
Total	6,257	4,271

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3.13. Provisions

The following is a breakdown of provisions:

€ x 1,000	December 31, 2024	December 31, 2023
Provision for pensions and similar obligations	472	465
Provision for taxation	11,085	12,894
Lump-sum provision	308	250
Operational risks	247	271
Social security contributions	1,136	1,308
Vacation reserves	341	526
Other provisions ¹⁾	4,094	4,017
Earn-Out Provision ²⁾	9,068	13,863
Total	26,752	33,594

Other provisions are mainly driven by running costs relating to audit fees, temporary staff, IT costs, intra-group costs and employees related costs.

²⁾ See note 3.6

3.14. Subscribed capital and Share premium account

€ x 1,000	December 31, 2024	December 31, 2023
Subscribed capital	13,001	13,001
Total	13,001	13,001

quantity	December 31, 2024	December 31, 2023
Shares without nominal value	50,003	50,003
Total	50,003	50,003

€ x 1,000	December 31, 2024	December 31, 2023
Share premium account	28,999	28,999
Total	28,999	28,999

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3.15. Reserves

€ x 1,000	December 31, 2024	December 31, 2023
Statutory reserve	1,300	1,300
Other capital reserves	2,556	2,556
Free reserves	43,683	28,172
Other reserves	7,939	7,095
Total	55,478	39,123

Under Luxembourg Law, the Bank must appropriate to a legal reserve an amount equivalent to at least 5% of the annual net profit until such reserve is equal to 10% of the share capital. This appropriation is made in the following year.

Distribution of the legal reserve is restricted. The legal reserve is equal to 10% of the share capital.

The profit of the year 2023 of € 16,356k was transferred to the free reserves (with the exception of the allocation to the special reserve).

In order to take advantage of the provisions of paragraph 8a of the Net Wealth Tax Law, the Bank may elect to get a tax credit for all or part of the net wealth tax due for that year. This tax credit is, however, limited to the amount of the corporate income tax due for the previous year before any tax credit. In order to benefit from this provision, the Bank must commit itself to post to a special reserve before the end of the subsequent year an amount equal to five times the net wealth tax to be credited, which has to be maintained for a period of five years. The net wealth tax reduction is limited to the amount of the corporate income tax due (including the employment fund contributions and before any tax credits).

The other reserves contain a non-distributable amount of € 7,939k (previous year: € 7,095k) for special reserve formed according to paragraph 8a of the Wealth Tax Law.

3.16. Contingent liabilities

Contingent liabilities are composed of guarantees and other direct credit substitutes (€ 1,085k). In 2024, there is no collateral provided by the Bank to third parties on behalf of customers.

Remaining maturity	December 31, 2024	December 31, 2023
€ x 1,000		
Up to 3 months	112	113
More than 3 months and up to 1 year	973	838
More than 1 year and up to 5 years	0	0
More than 5 years	0	0
Total	1,085	951

3.17. Commitments

The unutilised commitments concern irrevocable credit commitments to customers amounting to € 0 (previous year: € 13,838,422).

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3.18. Fiduciary transactions

As at the balance sheet date, there were twelve fiduciary transactions with customers amounting to € 443,225k (previous year: € 329,471k).

NOTE 4 - NOTES TO THE PROFIT AND LOSS ACCOUNT

4.1. Breakdown of income

€ x 1,000	December 31,2024	December 31,2023
Interest income from banks, including Central banks	39,742	37,101
Interest income from fixed income Securities	27,227	20,714
Interest income from Loans and overdrafts	6,555	2,689
Interest income Other	2,095	1,604
Income from shares and other variable-yield securities, participating interests and shares in affiliated undertakings	3	0
Commissions receivable	56,827	51,064
Net profit on financial operations	1,007	969
Other operating income	5,786	12,851
Total income	139,242	126,992

4.2. Service business

In 2024, as in the last year, the Bank focused on depositary bank services for an internationally diversified range of assets, as well as handling the affairs of institutional clients and external asset managers. The Bank's most important area of business continues to be the service it offers as a depositary bank. The Bank conducts its business with clients mainly based in Luxembourg, Ireland and Malta.

4.3. Other operating income

The following is a breakdown of other operating income:

€ x 1,000	December 31, 2024	December 31, 2023
Remuneration and reimbursements of expenses arising from contractual obligations to third parties	3,800	4,690
Release of other provisions and accruals ¹⁾	1,697	1,952
Transfer Agent Business ²⁾	0	3,481
Release of tax provisions	139	2,441
Other income	150	287
Total	5,786	12,851

Release of other provisions and accruals is mainly driven by adjustments of estimated prior year accrued income.

²⁾ On March 6, 2023, second and final tranche of sale of transfer agency business in relation to EDB's UCITS clients of a value of € 3,482k has been transferred to APEX Fund Services S.A. In a first step, which has been finalised during Q1 of 2021, a part of the transfer agency business in relation to EDB's alternative investment fund clients has been transferred for a total of € 1,730k.

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4.4. Other administrative expenses

€ x 1,000	December 31, 2024	December 31, 2023
Maintenance costs in respect of computer hardware and software	5,546	6,584
Consultancy fees	901	1,048
Compulsory regulatory contributions costs	814	1,470
Group Recharge Apex	11,581	9,276
Buildings and occupancy costs	2,210	1,754
Insurance	607	593
Securities-related research and information services	487	515
Communication	462	588
Outsourced related costs ¹⁾	349	311
Recruitment and trainings	24	39
Other costs	700	579
Total	23,681	22,757

¹⁾ The outsourcing costs are mainly driven by the costs for client tax and risk reporting.

4.5. Fees for services rendered by the independent auditor

€ x 1,000	2024	2023
Audit fees	422	391
Audit related fees	24	24
Tax fees	77	77

The figures stated do not include value added tax.

4.6. Other operating charges

The following is a breakdown of amounts of other operating charges:

€ x 1,000	December 31, 2024	December 31, 2023
Other Commissions ¹⁾	153	287
Other charges ²⁾	2,146	537
Penalty Fee	0	0
Operational loss	69	123
Depreciation fixed assets	0	0
Total	2,367	947

¹⁾ Other Commissions driven by write offs of estimated prior year accrued income.

²⁾ Other charges mainly driven by adjustments of estimated prior year expenses.

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4.7. Interest payable and similar charges

The following is a breakdown of amounts of other operating charges:

€ x 1,000	December 31, 2024	December 31, 2023
Interest expenses from clients deposits	30,058	29,777
Interest expenses from banks, including Central banks	0	0
Interest expenses from fixed income securities	2,278	2,288
Interest expenses other	1,037	706
Total	33,373	32,771

4.8. Taxes

On 20 December 2021, the OECD/G20 Inclusive Framework (IF) on Base Erosion and Profit Shifting (BEPS), released Model Global Anti-Base Erosion (GloBE) rules (Model Rules) under Pillar 2. These Model Rules set forth the “common approach” for a Global Minimum Tax at 15% for multinational enterprises with a turnover of more than EUR 750 million. Luxembourg enacted the Pillar 2 rules effective January 1, 2024 transposing the EU Minimum tax Pillar 2 Directive EU2022/2523 into domestic law.

The Apex Group and the Bank have assessed the impact of Pillar 2 and have concluded that it has no financial impact for the Bank.

NOTE 5 - OTHER FINANCIAL COMMITMENTS

Commitments arise from rental contracts, amounting to € 8.552 k (previous year: € 242k) and from a lease contract, amounting to € 599k (previous year: € 571k).

NOTE 6 - DERIVATIVES

At the balance sheet date:

- The nominal value of forward transactions in foreign currencies on behalf of customers correspond to € 414,858k (previous year: € 1,104,634k).
- The nominal value of currency swaps corresponds to € 344,822k (previous year: € 226,300k) and are concluded by the Bank as a hedge against foreign currency risks.
- The nominal value of forward transactions in the form of interest outright correspond to € 0k (previous year: € 0k) and are concluded by the Bank as a hedge against interest rate risks.
- There were no interest-rate swaps.

None of the above items represents a trading position of the Bank. The counterparty risk in respect of exchange rate-related transactions (OTC) is computed using the mark-to-market method. The derivative credit risk arising from these positions is as follows:

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Counterparty	Volume	Positive market values	Negative market values	Original credit risk	Eligible securities	Credit risk after CRM*
	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000	€ x 1,000
Affiliated credit institutions						
Unrelated credit institutions	739,906	4,183	-10,586	48,044	-120	47,924
Customers	415,401	10,818	-2,916	32,189	-11,714	20,474
	1,155,307	15,001	-13,502	80,232	-11,834	68,398

* Credit risk mitigation (CRM)

Since the Bank is a non-trading book institution, derivatives are traded solely for the account of customers, and are secured by corresponding counter-transactions.

NOTE 7 - RETURN ON ASSETS

The return on assets, calculated as the quotient of net profit and total assets, is 1.04 % (previous year: 1.4%).

NOTE 8 - DISCLOSURE IN ACCORDANCE WITH PART 8 OF REGULATION EU N° 575/2013 OF JUNE 26, 2013 ON PRUDENTIAL REQUIREMENTS FOR CREDIT INSTITUTIONS (CRR)

The information which has to be disclosed according to Article 431 (1) in connection with Article 433 CRR will be published on “www.europeandepositorybank.com”.

The information which has to be disclosed according to the CRR is published in a separate disclosure report 2024 of the Bank. In such cases the disclosure report contains a remark according to Article 434 (1) sentence 3 of the CRR.

NOTE 9 - DEPOSIT GUARANTEE SCHEME

The Law on measures for the dissolution, recovery and resolution of credit institutions and investment firms and on deposit guarantee schemes and investor compensation schemes was adopted on December 18, 2015, transposing into Luxembourg law Directive 2014/59/EU establishing a framework for the recovery and resolution of credit institutions and investment firms and Directive 2014/49/EU on deposit guarantee schemes and investor compensation schemes. The system hitherto existing for the protection of deposits and investor compensation, which had been introduced by the AGDL, has been replaced by a new deposit guarantee and investor compensation scheme based on contribution payments.

The new system guarantees all reimbursable investments by the same investor up to an amount of € 100k (“Fonds de garantie des dépôts Luxembourg” (FGDL/Luxembourg Deposit Guarantee Fund)) and investment transactions up to an amount of € 20k per investor (“Système d’indemnisation des investisseurs Luxembourg” (SIIL/Luxembourg Investor Compensation Scheme)).

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The provisions set up in the past for the purposes of the AGDL in the annual accounts of credit institutions has been gradually released in accordance with the contributions to be made by the credit institutions to the Luxembourg deposit guarantee fund (“Fonds de garantie des dépôts Luxembourg” (FGDL)) and/or to the Luxembourg single resolution fund (“Fonds de résolution”(SRF)).

NOTE 10 - STAFF

During the 2024 financial year, the Bank had an average workforce of 263 (previous year: 267) broken down into the following groups:

Senior Management	5 (previous year: 5)
Head of departments	24 (previous year: 17)
Salaried employees	234 (previous year: 245)

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NOTE 11 - CORPORATE BODIES

As per December 31, 2024, the composition of the Board of Directors and the Executive Management Board is as follows:

BOARD OF DIRECTORS

Charles Muller
– *Chairperson* –

David Claus

David Rhydderch

Gilda B. Neiman

Joseph Bannister
(until 03/10/2024)

Peter Hughes

Roland Steies

EXECUTIVE MANAGEMENT BOARD

David Claus
– *Chief Executive Officer* –

Arnaud Servais
(as of 01.10.2024)

Jean-Francois Thils

Markus Weimann
(as of 01.09.2024)

Robert Steele

Roseanna Young
(as of 01.09.2024)

Cecilia Gejke
(until 30/04/2024)

Holger Barth
(until 31/08/2024)

The total remuneration of the members of the Executive Management Board and the Board of Directors in the financial year 2024 amounted to € 2,417 (2023: € 1,998k).

No Loans and guarantees were granted to the members of the Executive Management Board.

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NOTE 12 - GROUP AFFILIATION

The annual accounts of European Depositary Bank SA are included in the consolidated financial statements of Apex Group Limited, Bermuda.

Apex Group recharge follow the OECD Transfer Pricing Guidelines (TPG) in line with intra-group services. The Bank has not entered into any material transaction with related parties (as defined in International Accounting Standard 24 "Related Party Disclosures") which were not made on terms equivalent to those that prevail in arm's length transactions, as of December 31, 2024 and for the year then ended.

NOTE 13 - SUBSEQUENT EVENTS

Following the insolvency of the borrower that occurred in May 2025, the impairment on one corporate loan has been adjusted accordingly. Please refer to Note 3.2 "Loans and advances to customers".

There were no other subsequent events for financial year ending December 31, 2024.

Luxembourg, 13 June 2025

European Depositary Bank SA

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Economic Environment 2024

Macroeconomic context

The European and global economic landscape in 2024 was shaped by a combination of macroeconomic trends, policy shifts, and geopolitical events. Growth in the European Union (“EU”) remained subdued, with ongoing inflationary pressures, high interest rates, and policy uncertainty contributing to sluggish economic performance. The euro area’s GDP growth was projected at 1.0% for 2024, reflecting weak external demand and structural challenges (European Commission, 2024)¹. Similarly, global economic growth showed signs of softening, with a moderation in GDP expansion across advanced and emerging markets (OECD, 2025)^{2 3}.

In the United Kingdom, economic expansion continued at a slow pace, with GDP growing by 0.8% in 2024, driven primarily by the services sector, which rose by 1.3% (ONS, 2024)^{4 5}. However, industrial production declined by 1.7%, reflecting persistent weaknesses in manufacturing and supply chain disruptions. Inflation remained a key concern, rising to 3% in January 2025 (ONS, 2025)⁶, pushing the Bank of England to cut rates three times since August 2024 (BOE, 2024)^{7 8 9}. Meanwhile, the labour market showed signs of weakening, with unemployment rising to 4.4% (ONS, 2025)¹⁰.

Global inflationary pressures remained a dominant economic theme in 2024. Although many central banks had begun easing their monetary policies after a period of aggressive tightening in 2022 and 2023, inflation remained elevated in key economies. The persistence of inflationary pressures was largely driven by rising service costs, supply chain inefficiencies, and ongoing geopolitical instability, which kept energy prices volatile. In the United States, inflation continued to impact consumer sentiment, with core inflation levels still above the Federal Reserve’s 2% target. Similarly, in the eurozone, inflation hovered around 2.4%, with the European Central Bank (“ECB”) signalling a cautious approach to future rate cuts to ensure price stability.

Key events influencing the global economy

Geopolitical uncertainty and trade policy shifts

The global economy in 2024 was significantly impacted by heightened geopolitical tensions. The re-election of Donald Trump in the United States led to renewed protectionist policies, including proposed tariffs of 10% on all imports, with higher rates for specific countries, such as China (Ilzetzki, 2025)¹¹. These policies created uncertainty in global trade, with the EU considering retaliatory measures and expanding trade agreements with non-US partners (Bercero, 2024)¹². The global trade environment became increasingly fragmented as countries sought to diversify supply chains and reduce reliance on single trading partners.

1 https://ec.europa.eu/commission/presscorner/detail/-/ip_24_2567

2 <https://www.oecd.org/en/about/news/press-releases/2025/03/global-economic-outlook-uncertain-as-growth-slows-inflationary-pressures-persist-and-trade-policies-cloud-outlook.html>

3 https://www.oecd.org/en/publications/oecd-economic-outlook-interim-report-march-2025_89af4857-en.html

4 <https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpmonthlyestimateuk/december2024>

5 [GDP monthly estimate, UK - Office for National Statistics](https://www.ons.gov.uk/economy/grossdomesticproductgdp/bulletins/gdpmonthlyestimateuk/december2024)

6 <https://www.ons.gov.uk/economy/inflationandpriceindices/bulletins/consumerpriceinflation/january2025>

7 [Bank Rate maintained at 4.75% - December 2024 | Bank of England Monetary policy summary and minutes | Bank of England](https://www.bankofengland.co.uk/monetary-policy/summary-and-minutes/2024-12-19)

8 [Monetary policy summary and minutes | Bank of England](https://www.bankofengland.co.uk/monetary-policy/summary-and-minutes/2024-12-19)

9 [Bank Rate reduced to 5% - August 2024 | Bank of England](https://www.bankofengland.co.uk/monetary-policy/summary-and-minutes/2024-08-01)

10 [Unemployment - Office for National Statistics](https://www.ons.gov.uk/economy/employmentandwages/bulletins/unemployment)

11 <https://cepr.org/voxeu/columns/impact-trumps-economic-policy-eu-economy>

12 <https://www.bruegel.org/policy-brief/how-european-union-should-respond-trumps-tariffs>

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Geopolitical tensions also had a significant effect on eurozone trade and investment. The imposition of tariffs and the threat of a trade war led to reduced corporate investment and consumer spending. Additionally, Europe's financial commitment to financing Ukraine's defence against Russia added financial strain to the bloc.

The ongoing war in Ukraine continued to disrupt European energy markets. While gas prices stabilised compared to the peaks of 2022 and early 2023, energy costs remained a major factor affecting inflation and industrial production. European policymakers maintained economic sanctions on Russia, limiting trade flows and impacting sectors such as manufacturing and transportation. Meanwhile, conflicts in the Middle East, particularly between Israel and Hamas, raised concerns about oil supply stability, contributing to fluctuations in global commodity markets. (Sun, M., Cao, X., Liu, X., Cao, T. and Zhu, Q, 2024)¹³

Financial market volatility and inflationary trends

Financial markets in 2024 were characterised by fluctuations in bond yields and equity performance. The US Federal Reserve, the ECB, and the Bank of England all adopted a more cautious approach to monetary policy, reducing interest rates to support growth amid sticky inflation (ECB, 2024)¹⁴ ¹⁵. However, inflationary pressures persisted, particularly in services and energy sectors, complicating the policy outlook.

The ECB has reduced interest rates multiple times since June 2024, signalling a shift in monetary policy to support economic activity (Politico, 2024)¹⁶. Inflation rates showed signs of converging towards the ECB's 2% target, providing some relief to markets. However, inflationary pressures persisted, particularly in the services and energy sectors, complicating the policy outlook. The euro area inflation rate averaged 2.4% in 2024, with core inflation remaining above target (ECB, 2024)¹⁷.

Equity markets experienced mixed performance throughout the year. In the United States, technology stocks continued to drive market gains, particularly in artificial intelligence ("AI") and semiconductor industries (Lauricella, 2025)¹⁸. However, concerns over high interest rates and potential trade restrictions dampened overall investor sentiment. In Europe, stock indices saw moderate growth, though weaker corporate earnings in manufacturing and retail sectors weighed on overall performance. Emerging markets, particularly in Asia, faced capital outflows as investors sought safer assets amid global economic uncertainty.

China's economic slowdown and restructuring efforts

China's economic challenges in 2024 were driven by a sluggish property market, deflationary pressures, and declining exports. In response, the government implemented targeted fiscal and monetary stimulus, including infrastructure investments and financial market stabilisation measures (IMF, 2024)¹⁹. However, these efforts yielded mixed results, with growth slowing to 4.8% in 2024 from 5.2% the previous year (IMF, 2024)¹⁹.

China's property sector, historically a key driver of economic growth, remained weak, with major developers struggling with high debt levels. Consumer confidence also remained subdued, limiting

13 <https://doi.org/10.1016/j.heliyon.2024.e34712>

14 [Monetary policy decisions](#)

15 [The Fed - Monetary Policy: Monetary Policy Report \(Branch\)](#)

16 [ECB cuts interest rate again as inflation appears under control – POLITICO](#)

17 [Annual inflation up to 2.4% in the euro area - Euro indicators - Eurostat](#)

18 <https://www.morningstar.ca/ca/news/262603/semiconductor-stock-outlook-the-ai-boom-vs-a-slowing-economy.aspx>

19 <https://www.imf.org/en/News/Articles/2024/05/28/pr24184-china-imf-staff-completes-2024-art-iv-mission>

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domestic demand growth. In response, the Chinese government introduced new measures to stabilise the housing market and boost consumption, including tax incentives and increased public spending on infrastructure projects. However, structural challenges, such as high local government debt and an ageing population, continued to weigh on long-term growth prospects.

Energy transition and sustainability initiatives

The global push for sustainability continued in 2024, with the EU reinforcing its commitment to green finance. The Corporate Sustainability Reporting Directive, though not yet enacted into law in Luxembourg, mandates greater transparency in corporate environmental disclosures, while the Next Generation EU green bond programme supported investments in renewable energy and sustainable infrastructure. Additionally, carbon pricing mechanisms and financial derivatives, such as carbon futures, played a growing role in emissions reduction strategies.

In Europe, renewable energy investment saw a significant boost, driven by government subsidies and corporate commitments to decarbonisation. Wind and solar energy capacity increased, while regulatory efforts focused on ensuring energy security amidst geopolitical tensions. However, challenges remained, including supply chain constraints for critical minerals needed for green technologies and ongoing debates over the role of nuclear energy in the transition to a low-carbon economy.

Labour market dynamics and technological disruption

Labour market trends in 2024 varied across regions, with developed economies witnessing moderate employment growth while emerging markets faced structural shifts. In Europe, real wage growth remained sluggish despite falling unemployment in some countries (European Commission, 2024)²⁰. Meanwhile, rapid advancements in AI and automation reshaped job markets, with firms increasingly integrating AI-driven efficiencies across industries (McKinsey & Company, 2025)²¹. Concerns over job displacement and wage disparities remained prevalent, prompting discussions on regulatory frameworks and workforce reskilling initiatives.

The rise of generative AI and automation in key industries such as finance, healthcare, and manufacturing created both opportunities and challenges for the workforce. While AI improved productivity and streamlined operations, it also raised concerns about job security, particularly for roles that could be easily automated. Policymakers and business leaders debated strategies to upskill workers and ensure that technological advancements translated into broader economic benefits rather than exacerbating inequalities.

Conclusion

The European and global economic environment in 2024 was marked by moderate growth, persistent inflation, and policy uncertainty. While efforts to stabilise inflation and support financial markets were underway, geopolitical tensions, trade policy shifts, and technological disruptions introduced complexities to economic planning. As central banks navigated monetary easing and fiscal authorities balanced sustainability goals with economic recovery, the outlook for 2025 remained cautious, with gradual improvements expected across key sectors. The integration of sustainable finance, technological advancements, and strategic policy decisions will play a crucial role in shaping the economic trajectory in the coming years.

20 https://economy-finance.ec.europa.eu/economic-forecast-and-surveys/economic-forecasts/autumn-2024-economic-forecast-gradual-rebound-adverse-environment_en

21 <https://www.mckinsey.com/capabilities/mckinsey-digital/our-insights/superagency-in-the-workplace-empowering-people-to-unlock-ais-full-potential-at-work>

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Business development of the Bank

European Depositary Bank SA (“EDB” or “the Bank”) was founded in 1973 in Luxembourg, it was originally established as a subsidiary of Hamburg based private bank M.M.Warburg & CO (AG & CO) KGaA. and was acquired by the Apex Group Ltd. (“Apex”) to become EDB in 2019.

EDB is an EU authorized credit institution and has a long tradition of providing Banking, Depositary and Custody services to Institutional Investors and Asset Managers for traditional and alternative investment structures.

Headquartered in Luxembourg, EDB has a cross-jurisdictional offering with Depositary and Custody capabilities in branches in Ireland and Malta.

EDB is supported by Apex Group’s strong global network and is one of the largest providers of Depositary services in Europe for (regulated) funds investing in financial as well as alternative assets with €255.5 bn Assets under Depositary and €34.1 bn Assets under Custody (as of December 31, 2024). The Assets under Depositary are mainly allocated to alternative investments, including real estate, private equity, private debt, renewable energies & infrastructure and liquid assets.

European Depositary Bank SA, Dublin Branch (“EDB Dublin Branch”) has been established in 2019 and started its business in June 2019. EDB Dublin Branch focuses solely on offering Depositary and Custody services to a wide range of fund structures and SPVs. Depositary services offered include both, full-depositary and depositary-lite services.

European Depositary Bank SA, Malta Branch (“EDB Malta Branch”) has also been established in 2019 and the onboarding of clients has started in 2020.

European Depositary Bank SA, London Branch (“EDB London Branch”) was established on January 24, 2020. The depositary activities ended in December 2023 due to expiration of the Depositary license. The EDB London Branch is expected to be liquidated in 2025.

In February 2023, EDB acquired a 100% participation in Bank of America Custodial Services (Ireland) Limited (“EDBCSL”). The cross border merger of EDBCSL and AGDSIL (an Apex entity) into EDB was completed with effective date December 19, 2024.

On December 14, 2023, Apex Group / EDB and Edmond de Rothschild (Europe) (“EdRE”) signed an agreement for the acquisition of the Third Party Asset Servicing activities based in Luxembourg to Apex Group. As part of this agreement, Apex Group will also acquire Edmond de Rothschild’s fund administration, transfer agent and custody activities for Private Equity and Infrastructure funds.

The acquisition comprises two key components. One is a share deal with EdRE’s subsidiary Edmond de Rothschild Asset Management (Luxembourg), which only concerns the Apex Group and is not relevant for EDB. The second component is an asset deal relating to Depositary and Custody activities (including related services) currently booked in EdRE, and relevant to EDB. The transaction is subject to the approval of the regulator.

The “HORIZON” project is referring to the implementation of the Olympic core banking system by eRI Bancaire Luxembourg S.A. This initiative will modernize the Bank’s infrastructure, automate processes, enhance security, leverage data analytics, and enable seamless integration with other digital channels. These changes will improve operational efficiency, customer experience, and overall competitiveness, while ensuring regulatory compliance.

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The project will provide EDB with a scalable, flexible infrastructure, allowing the Bank to adapt quickly to changing market demands and customer expectations. Automation of various banking processes will reduce manual intervention and minimize errors, leading to increased operational efficiency. The open architecture and API integration will allow EDB to expand its service offerings and attract new customer segments.

EDB did not engage in fundamental research and development during the year but did continue to focus on improving our services to clients as part of our business-as-usual activities. There were also no buybacks of own shares.

During the year, the Bank continued focussing on Depositary and Custody services for an internationally diversified range of assets, as well as handling the affairs of institutional clients and external asset managers. The Bank's most important area of business continues to be the service it offers as a Depositary, which, in addition to the legally prescribed safekeeping of investment assets, Luxembourg funds and securitisation companies governed by Luxembourg law and the controlling activities related thereto, also includes the provision of ancillary services such as brokerage and liquidity and currency management.

Clients availing themselves of our Depositary services, such as Alternative Investment Fund Managers / Management Companies, portfolio managers, asset managers, insurance companies and pension funds, value the independence, flexibility and expertise of the Bank, together with the investments made during the year under review in our IT infrastructure. The Bank is one of the Depositaries in Luxembourg that continue to be able, by means of system technology, to represent and offer Depositary services for the usual asset classes in traditional securities and in the area of alternative investments, and is one of the market-leading Depositaries for alternative funds.

The handling of relations with external asset managers and institutional clients and Bank accounts for SPVs is another core business of the Bank. Our lending business, mainly focusing on Lombard loans and the pre-financing of capital calls, has developed well during the year. Furthermore, the Bank is granting credit facilities to corporate entities. The remaining maturity of the loans is between 1 and 31 months.

These loans are backed by shares or securities as collateral. One loan was moved to stage three. A provision was booked accordingly (see Note 3.2 "Loans and advances to customers").

As of December 31, 2024, the Bank's balance sheet total amounted to €1,601.6 million. The balance sheet structure remained stable in comparison with the previous year.

Customer deposits, 89.7% of which were related to funds held in safe custody, increased by €178.2 million to €1,434.3 million. The loans to customers increased by €15.1 million to €58.4 million.

As at December 31, 2024, the Bank was acting as a Depositary for mainly Luxembourg funds having a total volume / Assets under Depositary of €147,863,031k (previous year: €141,035,849k) and for securitisation vehicles having a volume of €810,877k (previous year: €1,405,947k). In addition, the Dublin branch is holding a volume of €105,516,732k as of December 31, 2024 (previous year: €24,278,098k) and the Malta Branch is holding a volume of €2,142,388k (previous year: €4,179,094k). In total we are holding a volume of €256.3 billion (previous year: €170.9 billion).

EARNINGS

Given the general economic trend, the Bank achieved a good result. Thanks to the stable situation in the fund business, providing external asset managers and institutional clients with Banking services, the net commission income, amounting to €51.5 million (previous year: €46.0 million), contributed significantly to the overall result.

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Thanks to the various interest rate hikes and to the increase in customer deposits, the bank did face during 2024 a net interest income increase of €12.9 million.

General administrative expenses decreased by €0.4 million, or 0.6 %, to €59.2 million.

Pre-tax profit decreased by €2.7 million, or 10.8 %, to €22.6 million. The net profit for the year amounted to €16.7 million, i.e. €3.1 million, or 15.8 %, below the previous year's figure.

PERSONNEL

During the reporting period, the Bank has achieved significant transformation in enhancing personnel management strategies to foster employee satisfaction and development.

EDB team as of December 31, 2024, comprised 255 employees (FTE 244.3). These included 202 employees (FTE 191.5) in Luxembourg, seven (FTE 7) employees in the Maltese branch, and 46 (FTE 45.8) employees in the Irish branch.

Over the past year, the Bank has achieved a significant milestone in modernizing its Human Resources infrastructure through the successful implementation of the Workday HR system. This development represents a major step forward in aligning our HR operations with strategic priorities, enhancing operational efficiency, and providing a solid foundation for future growth.

The new Workday system has enabled the integration of multiple core HR functions into a single, streamlined platform. As a result, key processes such as talent acquisition, learning and development, talent management, and compensation are now managed more effectively within one cohesive environment. This integration not only simplifies workflows and improves data accuracy but also empowers managers and employees with greater visibility and control over HR-related matters.

An important outcome of the Workday implementation has been the successful introduction of Peakon, a real-time employee engagement tool. By leveraging insights from employee feedback, we are now able to take a more proactive and responsive approach to workforce engagement. Peakon provides valuable data that helps inform leadership decisions, foster stronger communication, and build a more inclusive and motivated workplace culture.

In addition to these system improvements, the Bank has introduced a comprehensive health insurance plan for employees. This new benefit reflects our ongoing commitment to supporting the well-being of our people. By prioritizing health and wellness, we are not only caring for our employees but also reinforcing a positive employee experience, which contributes to improved morale, retention, and performance.

Leadership development has also remained a central focus. This year, among the different HR initiatives, we did organize workshops on Adaptive Intelligence in partnership with NeuroLead. These sessions were designed to equip our leaders with neuroscience-based strategies for navigating complexity, leading with empathy, and fostering innovation in times of rapid change. The workshops were well received and have laid the groundwork for a more agile and resilient leadership culture within the organization.

Together, these initiatives mark a significant transformation in how we manage and engage our workforce. By investing in integrated technology, employee well-being, and leadership development, the Bank is creating a more connected, capable, and future-ready organization. These advancements not only support our current operational needs but also strengthen our ability to adapt and thrive in an increasingly dynamic and competitive environment.

The Bank continued cooperation with the Luxembourg Women in Finance Charter, reaffirming our

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commitment to fostering gender diversity and equality within the financial industry. By joining this esteemed initiative, we pledge to implement policies and practices that promote the recruitment, retention, and progression of women in financial roles. Through targeted initiatives and support programs, we aim to create an inclusive work environment where all employees, regardless of gender, can thrive and contribute to the Bank's success. Our partnership with the Luxembourg Women in Finance Charter underscores our dedication to driving positive change and advancing gender diversity agendas within our organization and the wider financial community.

We would like to offer our heartfelt thanks to our employees for their tireless commitment and, once again, considerable dedication throughout this very challenging year, which enabled us to achieve our business success, reach our common goals and successfully execute the various efficiency projects, as well as the ongoing cooperation with our international branches, the collaboration with our centers of excellence and related restructuring measures.

Special thanks are also due to the members of the staff delegation for their loyal and constructive collaboration.

These initiatives collectively underscore the Bank's unwavering commitment to prioritizing the well-being, development, and professional growth of our valued employees, positioning us as an employer of choice within the industry.

DEVELOPMENTS OCCURRING AFTER THE YEAR-END

Following the insolvency of the borrower that occurred in May 2025, the impairment on one corporate loan has been adjusted accordingly.

Since the balance sheet date, no other events of any particular significance have occurred. As at the accounting date, there were no risks discernible which might materially affect the future development of the Bank's business.

RISK MANAGEMENT REPORT

In its business activities, EDB including its branches (EDB Dublin Branch and EDB Malta Branch), is exposed to operational and strategic risks. For the overall management of the Bank's operations, it is essential that the Bank can effectively identify, analyse, manage and evaluate the relevant risks.

To monitor the business effectively and strengthen risk management, the Bank follows the three lines of defence model. The first line has the primary responsibility to own and manage risks, with the second line providing compliance and oversight performed by the risk controlling and compliance departments, and with the third line internal audit providing objective and independent assurance.

The rules laid down by the Luxembourg banking supervisory authority, the CSSF, for the implementation of an ICAAP/ILAAP (Internal Capital and Liquidity Adequacy Assessment Process) are strictly complied with in this regard. In addition, the relevant requirements of the regulatory authorities of the affiliated entities are observed.

The Bank has in place a Risk Appetite Statement Policy to ensure its available risk coverage potential is able to bear the risk's taken at all times. To ensure adherence to the risk appetite, including compliance with regulatory requirements, the Bank has implemented a wide range of policies and procedures.

To actively manage both current and emerging risks, the Bank performs an annual review of the materiality of all risks as part of the risk register assessment, comprising of financial risk types (credit,

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liquidity, market price) and non-financial risk types (operational, strategic) covered by the first line of business' risk control self-assessment (RCSA). The Bank has also established a set of Key Risk Indicators, to help identify significant events that can adversely impact EDB's risk profile. The Key Risk Indicators monitor changes in the level of risk exposures and act as early warning signs that enables the Bank to monitor and mitigate risks in a timely manner. In addition, processes have been put in place by the Bank in respect of operational incidents & issues, customer complaints, new products, outsourcing, non-transparent transactions and changes to business strategy, identifying any changes to EDB's risk profile.

To ensure sound corporate governance and the effectiveness of the Board, EDB has installed specialised committees of the Board of Directors, which currently comprise the Audit, Compliance & Risk Committee, the IT and Cybersecurity Committee and the Appointments and Remuneration Committee. The mission of the specialised committees is to provide the Board of Directors with critical assessments in respect of the organisation and operation of the Bank in relation to audit, risk, compliance, appointments and remuneration, and information and communication technology. This enables the members of the Board of Directors to fulfil their supervisory mission and to take on their responsibility pursuant to applicable regulatory provisions.

The purpose of the Audit, Compliance & Risk Committee related to Risk is to oversee EDB's risk management framework, capital and liquidity planning and strategy, risk appetite statements, including risk tolerance levels, and the performance of the Chief Risk Officer.

The committee's responsibility in this regard is one of oversight and review, while day-to-day risk assessment and risk management are the responsibility of EDB's Executive Management Board.

In addition to the possibility of reporting incidents & issues, the Bank's employees have recourse to whistle-blowing as a further means of early detection of risk, which can be used, overtly or anonymously, to communicate risks on an ad hoc basis.

Further committees in place at the Executive Management Board level currently include the Extended Executive Management Committee (including the department heads of the headquarters and managers of the affiliated entities), the Compliance & Risk Committee, and the Outsourcing Committee. Branch committees are established at the level of the EDB branches.

The risks taken by the Bank are controlled and limited as part of an active risk management approach. The risks, classified as material for the Bank include credit risk, market price risk, liquidity risk and operational risk, considering risk concentrations. These risks are covered by the Bank's risk coverage potential. Warning thresholds are implemented for these risks, serving as early warning indicators, and contributing to adherence to applicable limits. Our Risk Controlling department monitors the risks taken on an ongoing basis and regularly reports to the Executive Management Board, the Board of Directors and the Supervisory Authority.

The Bank is exposed to further risks in addition to those mentioned above. These include business risk, strategic risk, change in external conditions (such as regulatory and demographic developments), client behaviour and reputational risks. Reputational risk because of public coverage of transactions, business partners or business practices in which a client is involved is defined as the risk that will adversely affect the trust in the Bank.

The principles of risk management, the methods and procedures for risk assessment, and the risk values determined using these methods and procedures are regularly reviewed for appropriateness and plausibility and adjusted as necessary. To monitor and manage all risks faced by the Bank, the Bank has established qualitative monitoring measures and, where appropriate, corresponding limits for other risks and subclasses of risks in addition to the above-mentioned risk limits.

Credit risks are closely monitored against approved counterparty / issuer limits and credit lines. The limits are subject to annual approval and monitoring. Within the framework of a credit value-at-risk model,

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unexpected losses, quantified in monetary terms, are calculated based on the unsecured portions of the exposure, considering the likelihood of the counterparty defaulting and recovery factors.

Market price risks arising from potential losses due to unfavourable fluctuations in interest rates, prices, currencies and volatility are assumed within a framework of fixed limits. For the daily evaluation of market price risks, the Bank employs a value-at-risk approach in which the results are contrasted with the approved limits and their accuracy is additionally checked continuously by means of back testing.

The Bank's forex business is primarily designed to offset client-related spot and forward transactions and to manage the structural foreign exchange positions.

The risk control process uses liquidity maturity statements and is essentially based on monitoring all aggregated capital inflows and outflows, divided into maturity bands, considering deposit base assumptions specific to the Bank. The liquidity balances are computed considering liquidity reserves in the form of cash reserves, assets with central Banks and unencumbered securities held in the Bank's own portfolio, which can be used in the context of open-market transactions with the European Central Bank or could be sold due to their high market liquidity. To limit liquidity risks, internal limits are fixed in respect of the minimum liquidity balances to be maintained and for significant foreign currencies.

Operational risks are countered by the Bank by means of clearly defined competencies and responsibilities. Regulations and detailed procedural documentation for all departments on all essential work processes, duties and responsibility are kept constantly up to date, helping to identify, limit and avoid materialisation of operational risks. Strict adherence to the principle of separation of duties at all levels of the Bank, as well as internal controls and approvals under the four-eyes principle integrated into operational procedures and technical systems, form additional core elements of risk control methods. In addition, the Bank has taken out insurance regarding transfers of possible operational risks with a high loss potential.

With the objectives of raising awareness and promoting a risk culture, an employee training course on operational risks is provided to all employees.

Considering changing factors of influence, existing and latent operational risks are identified in the course of an annual consultation of experts and evaluated within the parameters of the likelihood of their occurring and their financial impact. A value-at-risk methodology is then used to calculate operational risks and allocate an appropriate risk capital. Important information regarding risk management is provided by the risk control self-assessment and the incident & issue log, which contains details of all operational incidents that occurred and issues detected.

Additional indications result from the analysis and follow-up of all customer complaints.

By maintaining a Business Recovery Centre, and by setting up backup workplaces, including enabling the staff to work from home, the Bank has taken appropriate measures to counter the risks arising from IT malfunctions, breakdowns and pandemics. The Bank is continuously investing in its IT infrastructure to maintain a high level of availability and performance for its systems.

Legal risks are countered by the Bank through an extensive use of standard and standardised contracts, regular review of individual contracts and ongoing update of wording and various clauses of contracts, according to the prevailing legislation and business practices, with recourse to the expertise of external legal advisers, if required. With respect to the affiliated entities in foreign jurisdictions, risk mitigation is achieved by using our standardised contracts and documentation reviewed and confirmed by external local lawyers under the relevant jurisdiction. The Bank continuously improves the range of instruments designed to combat money laundering, the financing of terrorism and white-collar crime. In 2024, all employees received comprehensive trainings on the prevention of money laundering and the financing of terrorism. Training on general compliance topics is provided on a regular basis as well as training on fraud prevention. Furthermore, trainings on Cybersecurity, including phishing attacks is obligatory for all

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EDB employees.

By implementing limit systems and analyses, the Bank has made suitable arrangements with a view to limiting risk concentrations. Unwanted risk concentrations are countered by measures to identify and reveal such concentrations.

To simulate risks in extreme market situations, stress tests are carried out, in addition to the normal risk measurement procedures, regarding all risks which are defined as material, as well as a stress test encompassing different types of risk. These stress tests provide information concerning the possible impact on the economic situation of the Bank in the event of a serious change in the market environment from the status quo. The analyses are in principle carried out every quarter and are based on hypothetical, historical and reverse scenarios. The stress tests are designed to gauge the effects on the economic capital and risk coverage potential and to initiate in good time any control measures deemed necessary.

The risk management procedures of EDB correspond to the usual market standards and are geared, within the framework of proportionality, to the risks inherent in the positions concerned. With the procedures applied, the risks outlined are measurable and transparent and those procedures additionally enable the risks to be controlled and managed. They are considered appropriate to ensure the Bank's risk-bearing capacity on a sustainable basis.

PROSPECTS

The outlook for Banks in Europe in 2025 is expected to be one of transition and adaptation due to various factors such as geopolitical uncertainty, escalating economic risks, increased competition from fintech companies, and regulatory pressures. Banks will need to adapt to these changes by investing in technology, improving customer experience, and exploring new business models to remain competitive and profitable.

Banks are facing a challenging macro environment for 2025. The geopolitical situation coupled with the economic uncertainty due to the implementation of record-high U.S. tariffs has intensified global trade tensions, raise concerns about a potential recession. This is likely to impact lending margins, investment strategies and asset quality; all of which will make it more challenging for Banks to maintain profitability levels achieved in 2024.

The outlook for depositary Banks in 2025 is expected to be, on a relative basis, more positive than for the overall Banking industry, due to developments in the fund industry, the client segment on which depositary Banks focus. The global asset management industry is projected to continue to grow, driven by increasing demand for investment products and services, even though in the short-term performance in some asset classes is impacted by the uncertain economic environment leading to margin pressure and focus on costs. The growth of passive investing and exchange-traded funds (ETFs) is expected to continue, as investors seek low-cost and diversified investment options. Similarly, we believe that on the other end of the spectrum, private market funds and alternatives will continue to benefit from the capital and regulatory constraints faced by Banks, forcing actors in the real economy to turn to other sources of funding. Private market funds will continue to benefit from this long-term trend, even though capital raising by these funds might become more challenging than it was over the last few years. Note EDB is currently more focused on the private market/alternative funds and traditional liquid funds rather than passive/ETF. In addition, the fund industry is likely to see continued innovation and adoption of technology, including artificial intelligence and machine learning, to improve investment decision-making and enhance customer experience. Environmental, social, and governance (ESG) investing is also expected to continue to gain momentum, albeit more slowly than was expected previously, as investors consider sustainability and social responsibility in their investment decisions.

However, the industry may face challenges such as increased regulatory scrutiny, geopolitical risks, and

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market volatility. It will need to adapt to these changes by developing innovative products, improving operational efficiency, and enhancing risk management capabilities to remain competitive and meet the evolving needs of investors.

In this environment, EDB will focus on the 3 pillars of our strategy, i.e. running a successful business, with an engaged quality team, whilst adhering to top class governance principles. Key business initiatives will be focused on client satisfaction and service delivery. In terms of client satisfaction, we expect to benefit from the significant investments made in previous years in our depositary systems. The planned acquisition of the Rothschild book of business in Luxembourg will enable us to further strengthen our client base from geographies/sectors where we have been less present previously, including Southern Europe and Switzerland, and Banking groups as fund sponsors. We will continue to manage our balance sheet carefully, given the uncertain hence volatile macro-economic context. From a service delivery perspective, we have selected Olympic as our new core banking system, with an expected implementation by year-end, which will significantly improve the client experience whilst increasing efficiency and reducing risk; and in parallel we will also expand our use of centres of excellence, allowing us to access broader pools of resources, outside of our key markets where labour markets are quite stretched.

Luxembourg, June 13, 2025

The Board of Directors