ABN AMRO Clearing Bank N.V.
Annual Report 2023

ABN·AMRO Clearing

Notes to the reader

This is the Annual Report for the year 2023 of ABN AMRO Clearing Bank N.V. The Annual Report consists of the Managing Board report, Supervisory Board report, the Annual Financial Statements and other information.

The financial information contained in this Annual Report has been prepared in accordance with International Reporting Standards (IFRS) as adopted by the European Union (EU) and the financial reporting requirements included in title 9, Book 2 of the Dutch Civil Code. Some chapters in the Risk management section of this Annual Report contain audited information and are part of the Annual Financial Statements. Audited information in these sections is labelled as 'audited' in the respective headings. This Annual Report is presented in euros (EUR), which is ABN AMRO Clearing Bank's presentation currency, rounded to the nearest thousands.

Due to rounding, numbers presented throughout this document may not add up precisely to the totals provided. In addition, certain percentages in this report have been calculated using rounded figures.

For more information please visit us at www.abnamroclearing.com

Cover photo: Erik Floor, Leon Bystrykh & Mark Kerkhoff - Amsterdam

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Avanthi Surasinghe - Sydney office

At a glance

Leading the Way to Safe and Transparent Markets

Established
1982

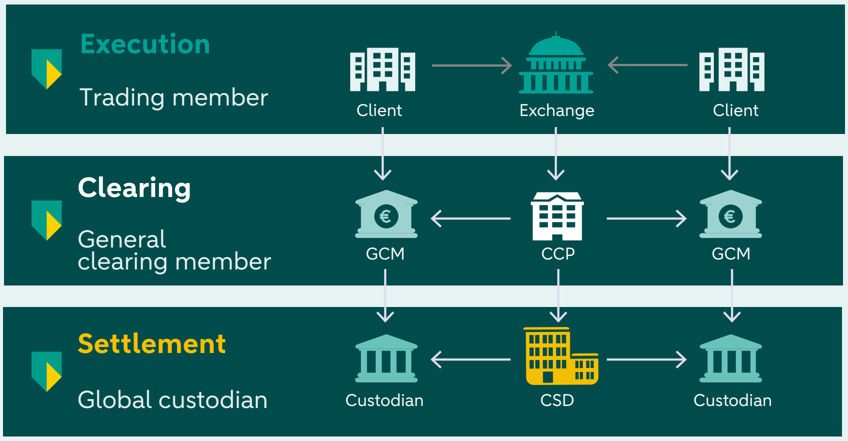
Trades processed*
5.2 billion
(vs 6.2 billion in 2022)

Derivative contracts cleared
9.4 billion
(vs 9.1 billion in 2022)

Liquidity Centres
>160

Total FTEs
1011**

The Value Chain



Dutch Banking Licence

Regulated by the
- Dutch Central Bank
- European Central Bank
- Authority for the Financial Markets

Client Segments

- Professional Trading Groups
- Corporate Clients
- Prime

Governance

ABN AMRO Bank N.V.
↓ 100%
ABN AMRO Clearing Bank N.V. established 1982

- Top three ranking on transaction turnover and market share
- Self-supporting operating model
- No proprietary trading

Net profit Underlying net profit (x EUR million)		Cost/Income ratio		Client satisfaction on a scale from 1 to 7	NPS on a scale from -100 to +100	Employee engagement	Trees planted to date
2023	2022	2023	2022				
231	188	55%	59%	5.7	+41	81%	227,315

* Number of trades processed includes options, futures and securities. The number of trades excludes internal transactions between regions.
** This is excluding approximately 170 external employees.

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Message from the CEO

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I am proud to share our annual report 2023 with you, a year in which we have improved our financial results to new highs and made some material changes in our organisation to continue to improve services to our clients.

Markets were very volatile with high volumes in the first quarter of 2023 after which more normal volumes were seen in the rest of 2023. Geopolitical uncertainty kept markets on their toes throughout the year. Financial markets kept a close eye on inflation indicators across the Western world in the hope for a soft landing of their economies and the start of an easing cycle in interest rates.

As a result of these market developments, we saw lower volumes in our total transactions processed; 5.2 billion in 2023 compared to 6.2 billion in 2022. In 2023 our daily peak transactions processed was 43 million and was reached on 13 March 2023. The biggest growth product in 2023, were zero-day options in the United States of America with substantial volumes coming from both institutional- as well as retail flow. We again had a very low number of IT disturbances. Compliments to all our staff and the employees of our vendors for mitigating any material client impact.

As per 1 January 2023, we implemented our new IT Operating Model under project name 1Global. Moving away from three regional IT organisations to two global agile grids: a Platform Grid and a Product Grid. We already used this way of working for the Product Grid in Europe, but for both the USA and APAC regions this meant adopting a new way of working. After a year, we are happy with the results. So far, it has given us far more clarity of and alignment on backlogs across the organisation and it helped set the scene in improving and aligning our client services across the globe. Next to that, it will bring us more efficiency in our developers' time, unlock our full product range globally and simplify

our application landscape over the next few years. During 2023, we rolled out a new digital workplace internally. A material improvement of end-user services, which was a much-desired upgrade of tooling for our staff.

Daniël Sanz Juanas & Ruth Luk- Amsterdam office

Financially we have raised the bar where revenue grew to EUR 660 million and net income grew to EUR 231 million which resulted in a return on equity of 13% and a cost/ income ratio of 55%. Key drivers of these results are the continuing success of our clients in growing their footprint both in asset classes and geographically as well as our ability to support our clients in that growth. The higher interest rates also helped as it increased interest income on our capital.

Happy employees lead to happy clients. This has been proven again in 2023. The Net Promotor Score (NPS) of our clients ended up at +41. With a participation rate of over 60% the NPS is quite impressive. Clients were especially satisfied with our relationship management and general clearing services. The Employee Engagement Score of our staff was slightly higher with a score of 81 compared to 78 last year. I am very happy with the lower attrition levels, at about 7% globally, after years where I felt attrition was too high.

ABN AMRO outsourced their Treasury hub in Singapore to AACB, and we prepared to take over treasury activities in New York per 1 January 2024 due to ABN AMRO withdrawing from both regions. To enable ABN AMRO to source funding from both Asia and US markets we are executing treasury activities on their behalf.

We use our purpose as our compass, leading the way to safe and transparent markets by doing business better and more sustainably. For example, AACB continued its relationship with Frontclear joining forces to help emerging countries develop their local financial markets. Through the Futures Industry Association (FIA) and other industry groups we participated in industry panels on environmental, social and governance (ESG) considerations. We connected our platform and clients to more power markets to support the energy transition and we remained focused on minimising our own ESG-footprint when selecting data centres and power suppliers. Furthermore, AACB's efforts and participation in various central-counterparty risk committees, Futures Industry Association boards and many other bodies is intended to advocate and influence better banking for future generations.

I am very proud of everything that AACB has achieved in 2023. The support of our clients, partners, employees and other stakeholders has been tremendously important in making these excellent results a reality, and I am extremely grateful for it. Reflecting on the past year while looking ahead, I am confident that AACB's 2023 performance validates our ongoing efforts to create long-term value for all stakeholders.

Rutger Schellens
CEO of ABN AMRO Clearing Bank N.V.

Highlights 2023

Q1

- Formal acquisition of Banco ABN AMRO S.A. in Brazil
- Start of the new 1Global organisation
- AACB joins new innovative Eurex ESG Clearing Compass
- AACB participated in E-World Energy and Water Convention

Q2

- Expanding and refurbishing of the new Hong Kong office
- AACB received ISAE 3402 Type II certificate in Europe

Q3

- Opening of the new New York office
- AACB receives broker dealer licence in Brazil
- New group of IT & business graduates started their career in the Global Clearing Traineeship
- AACB successfully organised the Amsterdam Investor Forum and Eurex seminar in Amsterdam

Q4

- ABN AMRO Clearing Investments and Nyca Partners take minority stake in New York based Fintech company RQD* Holding
- FCA approves AACB's branch for the United Kingdom
- Opening of the new Tokyo office
- AACB received multiple awards on both the Singapore (SGX) and Hong Kong (HKEx) exchanges.

Governance

Fabiane Neto Do Carmo & Yasmin Aparecida Leite Da Silva - São Paulo office

Supervisory Board

This section highlights the main activities of AACB's Supervisory Board for the year 2023.

The Supervisory Board is committed to advising and supervising the Management Board in relation to delivering on its strategy and achieve long-term success for AACB. The Supervisory Board advises the Management Board by reviewing and discussing AACB's strategy and overseeing its implementation. In the process it balances risks and rewards.

The Supervisory Board's composition is based on ABN AMRO Bank N.V.'s guiding principles. One of those principles is that diversity of thought, expertise, background, competencies and interpersonal styles – including but not limited to gender diversity – is a prerequisite for effective supervision, enabling sound risk-taking and, by extension, for long-term value creation. In line with its diversity policy, AACB meets the gender target of 30% for the Supervisory Board in 2023. Likewise, the Supervisory Board is comprised of two external members.

Members of the Supervisory Board have collective expertise in clearing and custody, banking, risk management, strategy formulation and execution, capital and liquidity management, economics, sustainability, corporate/social responsibility, and legal and compliance matters.

Supervisory Board Meetings

The Supervisory Board held regular meetings according to the pre-set schedule, with fourteen meetings in total in 2023. Standard meeting topics included AACB financial performance, risk management, strategy, compliance, market and regulatory developments, audit findings, human resources (amongst others succession planning, talent management and diversity), regulatory issues and IT security. The meetings also reviewed and approved AACB's risk appetite statement and the internal capital and liquidity adequacy assessment process in relation to its strategy. The Management Board regularly provides financial data to the Supervisory Board to indicate (periodic) results and risks, as well as capital and liquidity positions.

In addition to the standard meeting topics, the focus in 2023 was on, amongst others, monitoring the implementation of the new IT operating model, cyber and information security risk, finalisation of the 2021 risk enhancement plan, effectiveness of the risk governance and dealing with regulatory feedback on topics such as market risk, governance, and collateral management.

The Supervisory Board also had meetings with the Management Board and its senior management to discuss AACB's global IT strategy. It spent two days with the Management Board to discuss AACB's strategy. Prior to each meeting, the Supervisory Board took time to discuss topics without the attendance of the Management Board. All scheduled plenary meetings were held with the Management Board and the Company Secretary in attendance. Senior management and subject-matter experts were regularly invited to present topics related to the Clearing business.

Throughout the year progress on various projects to maintain a moderate risk profile and prioritise client interests by the Management Board was monitored. AACB's Risk Management Report, regularly presented in the ARCC meetings, served as the basis for effective discussions about key risks confronting AACB. Organisational changes, including the winddown of the global ABN AMRO business resulting in the takeover of activities in New York per 1 January 2024, initiatives, and (operational) incidents were also discussed with the Supervisory Board. The members visited AACB's

London office to meet with local clients, management, staff, and the local commodity exchanges. Notice was taken of the results of AACB's 2023 Client Survey and Employee Engagement Survey. During an offsite with the Managing Board in the fall, the Supervisory Board discussed the long-term business alternatives with the Managing Board. In its annual self-assessment, the Supervisory Board discussed the actions taken related to previous years and formulated new actions for further improvement. The recent actions are related to the future composition of the Supervisory Board.

AACB's external auditors (EY) perform audits on several topics and presented their audit findings to the Supervisory Board's Audit, Risk and Compliance Committee (ARCC) on 15 May 2024. Their report on the 2023 Financial Statements were also noted by the Supervisory Board.

Audit, Risk & Compliance Committee

The ARCC assists the Supervisory Board in performing duties related to internal risk control, capital management and regulatory compliance to provide adequate advice. The ARCC comprises the following members: Mrs. Bartje Schotman-Kruiten (Chair), Mr. Frank Graaf, and Mr. Eric Drok. In addition, the Management Board, representatives of Finance, Compliance, Legal, Risk, Audit (internal) and the external auditor (EY) are invited to the ARCC.

In 2023, the ARCC held 6 plenary meetings to discuss audit, legal, risk and compliance topics as well as AACB's capital and liquidity positions. During these meetings the ARCC members discussed topics relating to stress testing, ICLAAP, the Legal Report, the Compliance Report, and the Risk Report as well as internal audit opinions to understand in more detail pending issues and progress on resolution thereof. The main findings are summarised in the Supervisory Board meeting for further discussion or decision, such as on the annual Risk Appetite Statement.

Permanent Education

Members of the Supervisory Board continuously improve their knowledge by participating in sessions for permanent education purposes and participating in ABN AMRO's lifelong learning programme. Appropriate actions have been taken to organise, execute and monitor this.

AACB's permanent education plan for 2023 had a particular focus on information technology & cyber security. In addition, workshops on corporate governance and integrity & sound risk-taking were organized. The permanent education plan further included market abuse, macroeconomic trends, data privacy and the Sustainable Finance Disclosure Regulation.

As part of its consolidation with ABN AMRO, AACB applies the Dutch Banking Code's principles. ABN AMRO Group Audit and the external auditor attend a Supervisory Board meeting at least yearly.

Amsterdam, 17 May 2024

Supervisory Board

Hans Hanegraaf
Frank Graaf
Bartje Schotman-Kruiten
Dies Donker
Eric Drok

Hans Hanegraaf (Dutch, male, 1965)

Supervisory Board Member

Hans Hanegraaf was appointed to the Supervisory Board of ABN AMRO Clearing Bank N.V. on 6 September 2021 and was subsequently appointed Chair with effect from September 2022. Currently, he is the Chief Executive Officer of Bethmann Bank in Frankfurt. Previously, Hans held various positions at ABN AMRO Singapore and ABN AMRO in the Netherlands.

Frank Graaf (Dutch, male, 1958)

Supervisory Board Member

Frank Graaf was appointed to the Supervisory Board of ABN AMRO Clearing Bank N.V. on 22 June 2020. He is a member of the Audit, Risk and Compliance Committee. Frank is Of Counsel at Clifford Chance, a global law firm where he has been a partner leading Clifford Chance's Capital Markets, Financial Regulation and Derivatives Group in Amsterdam for over 27 years.

Dies Donker (Dutch, female, 1967)

Supervisory Board Member

Dies Donker was appointed to the Supervisory Board of ABN AMRO Clearing Bank N.V. on 6 September 2021. Currently, she holds the position of Global Head of Financial Institutions at ABN AMRO N.V. where she is responsible for determining and executing the strategy for financial clients globally. Prior to that, Dies served as the Managing Director of Investor Relations at ABN AMRO N.V. for fifteen years. Dies also worked at Fortis and UBS Investment Bank.

Bartje Schotman-Kruiten (Dutch, female, 1971)

Supervisory Board Member

Bartje Schotman-Kruiten was appointed to the Supervisory Board of ABN AMRO Clearing Bank N.V. on 17 December 2020. In the past, Bartje has held various positions within ING and ABN AMRO. In December 2019 Bartje returned to ABN AMRO to head the Information & Operational Risk Management team. On 9 April 2021, Bartje was appointed Chair of the Audit, Risk and Compliance Committee of ABN AMRO Clearing Bank N.V.

Eric Drok (Dutch, male, 1960)

Supervisory Board Member

Eric Drok was appointed to the Supervisory Board of ABN AMRO Clearing Bank N.V. on 6 September 2021. He is a member of the Audit, Risk and Compliance Committee. Eric is an experienced international Executive, Non-Executive board member and ex-bank CEO and has worked for financial institutions and investment firms in Europe, the USA, Australia and Africa. He currently serves as Chairman of the Supervisory board of Knab (Aegon Bank N.V.) and Vice Chairman of the Supervisory board of CBA (Europe) Bank N.V.

Management Board

AACB recorded a net profit over 2023 of EUR 231 million, the highest in its history and EUR 43 million above prior year results.

Operating income increased by 9% compared to 2022, to a level of EUR 660 million. Especially net interest income was up by 25% to a level of EUR 306 million as it benefited from the favorable interest rate environment across the world. Furthermore, the legal transfer of the Brazil activities from ABN AMRO to AACB contributed positively.

Net fee and commission income performed in line with 2022 and ended the year at EUR 347 million. Although the volatility, measured by the VIX index decreased substantially over 2023, AACB was able to report a minor increase of EUR 2 million on earned fee income. In 2022, the energy market was highly volatile, which normalised in 2023. Turnover on financial markets and trading venues was influenced during 2023 by the concerns about the banking industry, as demonstrated by the Silicon Valley Bank collapse and the takeover of Credit Suisse by UBS. The continuing geopolitical unrest, worries on (commercial) real estate valuations, and the monetary guidance of central banks dominated trading and investment behaviour by market participants around the world, and as a result the level of cleared volumes by AACB. Furthermore, the increased popularity in short term option series, especially in the US, positively influenced the number of processed contracts.

Anthony Murrell; Alex Bennet - Sydney office

Other operating income shows a decrease year-over-year of EUR 6 million. This is mainly due to unfavorable Brazil treasury related results (with a positive countereffect recorded under interest income) and partly compensated by higher unrealised results in revaluated shareholdings.

Operating expenses for 2023 are at EUR 364 million, an increase of 2% against 2022. Despite the high inflationary environment and the tight current labour market AACB managed to contain its level of expenditure.

Overall, the level of FTE increased over the year. Part is due to transfer of support staff previously on the payroll of ABN AMRO. Movements were also seen from external labour to internal FTE workforce.

AACB continued its investments in further maturing the IT organisation, information security framework, cloud solutions and IT platform improvements. The recent restructuring of the IT organisation to a 1Global approach will continue strengthening AACB's capabilities of acting as a future proof clearing bank and improving the customer experience across the world with increased operational efficiency and standardisation.

Furthermore, resources were allocated to various projects like T+1 settlement, fixed income, establishing a branch in

Rutger Schellens, Frederik ten Veen, Jan Bart de Boer and Lieve Vanbockrijck - Management Board

Hong Kong (pending regulatory approval) and regulatory related initiatives.

Compared to prior year a positive variance of EUR 4 million is seen due to a provision related to a potential claim for unpaid stamp duty that was included in 2022.

Impairment charges on financial instruments for 2023 show a positive result of EUR 3 million which is fully due to IFRS9 related provision releases due to reduced exposure on financial institutions. During 2023 AACB recovered 0.8 million on a impairment related to previous years.

In the third quarter AACB took a strategic stake in a correspondent clearing fintech company in the United States.

Outlook 2024

In the course of 2024, interest rates are expected to decline which will affect returns. Furthermore, the recent announcement by ECB to cut interest conditions on minimum reserve requirements will impact net interest income results. US elections, the ongoing geopolitical tensions and the upcoming monetary updates to steer inflation are expected to dominate turnover on the international financial markets.

From a cost perspective, AACB continues its focus on strategic deliverables, in combination with cost discipline. Challenges are expected from the high inflation environment of recent years which could affect remuneration agreements and price index adjustments globally. Next to this there is an increasing cost to be regulatory compliant. In terms of regulatory levies, it is expected that no further major contributions are required for the Single Resolution Fund as of 2024. However, Dutch Banking Tax levies are foreseen to increase due to new legislation being discussed by the Dutch parliament.

Responsibility Statement

Pursuant to section 5:25c sub 2 part c of the Dutch Financial Supervision Act, the members of the Management Board state that to the best of their knowledge:

- the Annual Financial Statements give a true and fair view of the assets, liabilities, financial position and profit or loss of ABN AMRO Clearing Bank N.V. and the companies included in the consolidation;
- the Management Board report gives a true and fair view of the state of affairs on the balance sheet date and the course of business during the 2023 financial year of ABN AMRO Clearing Bank N.V. and its affiliated companies, of which data is included in its Annual Financial Statements.
- the Management Board report describes the material risks with which ABN AMRO Clearing Bank N.V. is faced.

Management Board

Rutger Schellens,
Chief Executive Officer and Chairman
Jan Bart de Boer,
Chief Commercial Officer and Vice-Chairman
Lieve Vanbockrijck,
Chief Financial Officer
Frederik ten Veen,
Chief Risk Officer

Amsterdam, 17 May 2024

Corporate Governance

ABN AMRO Clearing Bank N.V. (AACB) is a public company with limited liability, incorporated under Dutch law on 25 November 1982, and is a wholly owned subsidiary of ABN AMRO Bank N.V. (ABN AMRO). AACB's financial statements are incorporated in the consolidated financial statements of ABN AMRO. As of November 2015, ABN AMRO (at the time ABN AMRO Group) is listed on the Euronext Amsterdam exchange.

Corporate structure

ABN AMRO has issued a 403 Statement with respect to AACB. Under Dutch law, a 403 Statement is a statement of a parent company in which it assumes joint and several liability for all liabilities arising from legal acts of the subsidiary to which the statement applies, in this case AACB. The 403 statement refers to Section 2:403 of the Dutch Civil Code and must be filed with the Trade Register of the Chamber of Commerce.

AACB has a two-tier board structure consisting of a Management Board and a Supervisory Board. The responsibilities and activities of the Management Board and the Supervisory Board are governed by Dutch corporate law and the AACB Articles of Association as well as other regulatory requirements. Furthermore, AACB has adopted rules of procedure for the Management Board, Supervisory Board and their respective subcommittees regarding their duties, powers and responsibilities.

Management Board

Responsibilities

The Management Board manages AACB, and its members are collectively responsible for the general course of AACB's business and its group companies as well as for ensuring compliance with laws and regulations. In doing so, the Management Board is responsible for, among other things, setting AACB's mission, vision, culture, strategy, risk appetite, risk management, corporate standards and values, main policies, budgets and (financial and non-financial) targets and for the realisation thereof, with due observance of ABN AMRO's strategy and ABN AMRO group-wide policies. In performing its duties, the Management Board develops a view on long-term value creation for AACB and its group's business and takes relevant stakeholder interests into account.

The Management Board is supported in fulfilling its duties by the Global Management Team (GMT), which comprises the Management Board members, the Chief Information (Platform) Officer, the Chief Operations Officer, Chief Product Officer and the regional Chief Executive Officers (for Asia-Pacific, Europe, and the US).

The Management Board is accountable to the Supervisory Board and to the General Meeting of Shareholders (General Meeting) for AACB's performance in the entity. The Management Board provides the Supervisory Board with all information required to exercise its powers, including AACB operational and financial objectives, budget, annual accounts and risk, strategy and related parameters.

Appointment, suspension and dismissal

Management Board members are appointed by AACB's General Meeting. In principle, appointments are for a period of four years. The Supervisory Board and the General Meeting may suspend a member of the Management Board at any time. Management Board members can only be dismissed by the General Meeting.

An overview of the current composition of the Management Board is provided in the Management Board section.

Remuneration

As a financial institution, AACB is subject to many guidelines and restrictions with respect to remuneration. Since 2015, limitations with respect to remuneration and particularly variable remuneration, apply to all employees in the Dutch financial sector, with even more restrictions applying to financial institutions supported by the Dutch State by way of shareholdings. While the Dutch State holds an interest in ABN AMRO, AACB will apply a prohibition on bonuses and individual salary increases for a specific group of senior employees. These restrictions also apply to AACB Management Board members.

ABN AMRO's Global Reward Policy provides a framework for managing reward and performance effectively and applies within ABN AMRO globally, at all levels and in all countries. The Global Reward Policy also specifies rules with respect to employees whose professional activities could have a material impact on ABN AMRO's risk profile. This group of employees is referred to as Identified Staff and also includes the Global Management team, including Management Board members.

The remuneration packages for Identified Staff have been structured in accordance with financial-sector regulations and typically consist of the following components:

- Annual base salary
- Annual variable remuneration (with deferred payout)
- Benefits and other entitlements

Supervisory Board members who are employed by ABN AMRO do not receive separate compensation for AACB Supervisory Board membership. External members of the Supervisory Board do receive a compensation. In 2023, Frank Graaf and Eric Drok received a compensation as external members of the AACB Supervisory Board.

Supervisory Board

Responsibilities

The Supervisory Board supervises the Management Board as well as the general course of AACB's business. In addition, the Supervisory Board assists the Management Board by providing advice.

In performing their duties, Supervisory Board members are guided by the interests and continuity of AACB and its group business, taking into consideration the legitimate interests of all AACB stakeholders. Specific powers are vested in the Supervisory Board, including approval of certain resolutions proposed by the Management Board.

The Supervisory Board meets at least four times per year and whenever any Supervisory Board member deems it necessary.

Appointment, suspension, and dismissal

Supervisory Board members are appointed and may be suspended or dismissed by the General Meeting. An overview of the current composition of the Supervisory Board is provided in the Supervisory Board section.

Global Management Team, Amsterdam

Changes in 2023
In 2023 there were no changes in the composition of the Management Board or the Supervisory Board. In 2023 Jan Bart de Boer and Lieve Vanbockrijck were reappointed as members of the Management Board. Likewise, Hans Hanegraaf was reappointed as member of the Supervisory Board.

Diversity
The Management Board and the Supervisory Board consist exclusively of natural persons. The membership of the Management Board remained unchanged from the year prior and consisted of 25% female members at the end of 2023. The Supervisory Board consisted of 40% female members by the end of 2023. In the event of vacancies, AACB will give due consideration to any applicable diversity requirements in the search to find suitable new members who meet the requirements of the Dutch Financial Supervision Act.

Dutch Banking Code
The Dutch Banking Code sets out principles that banks should adhere to in terms of corporate governance, risk management, audit and remuneration. The Dutch Banking Code applies to AACB as a licenced bank under the Dutch Financial Supervision Act. The principles of the Dutch Banking Code are fully applied by ABN AMRO to its subsidiaries on a consolidated basis by developing group-wide policies and standards to promote best practice provisions as well as compliance with internal and external rules.

AACB has implemented the relevant parts of the Dutch Banking Code. A principle-by-principle overview of the manner in which ABN AMRO and its subsidiaries comply with the Dutch Banking Code is available on abnamro.com

General Meeting
The General Meeting is entitled to adopt the annual accounts and take important decisions regarding AACB. At least one General Meeting is held annually within six months from the end of the financial year. The agenda must include a minimum of following items: discussion of the Annual Report, adoption of the annual accounts, and granting of discharge to members of the Management Board and Supervisory Board. The General Meeting was held on 23 May 2023. The General Meeting adopted the 2022 annual accounts and granted discharge to members of the Management Board and Supervisory Board.

Legal Structure
AACB is a wholly owned subsidiary of ABN AMRO and has been a fully licenced bank since 30 September 2003. Under the Single Supervisory Mechanism implemented in November 2014, AACB is subject to joint prudential supervision by the European Central Bank (ECB) and the Dutch Central Bank (DNB).
All shares in the capital of ABN AMRO are held by two foundations per 31/12/2023: Stichting Administratiekantoor Beheer Financiële Instellingen (NLFI) and Stichting Administratie Kantoor Continuïteit ABN AMRO Bank (STAK AAB). NLFI held 48.7% in ABN AMRO, of which 46.6% was directly held via ordinary shares and 2.1% was indirectly held via depositary receipts (DRs) for shares in ABN AMRO. Since then, STAK AAB held 53.4% of the shares in the issued capital of ABN AMRO. Only STAK AAB DRs have been issued with the cooperation of ABN AMRO and are traded on Euronext Amsterdam.

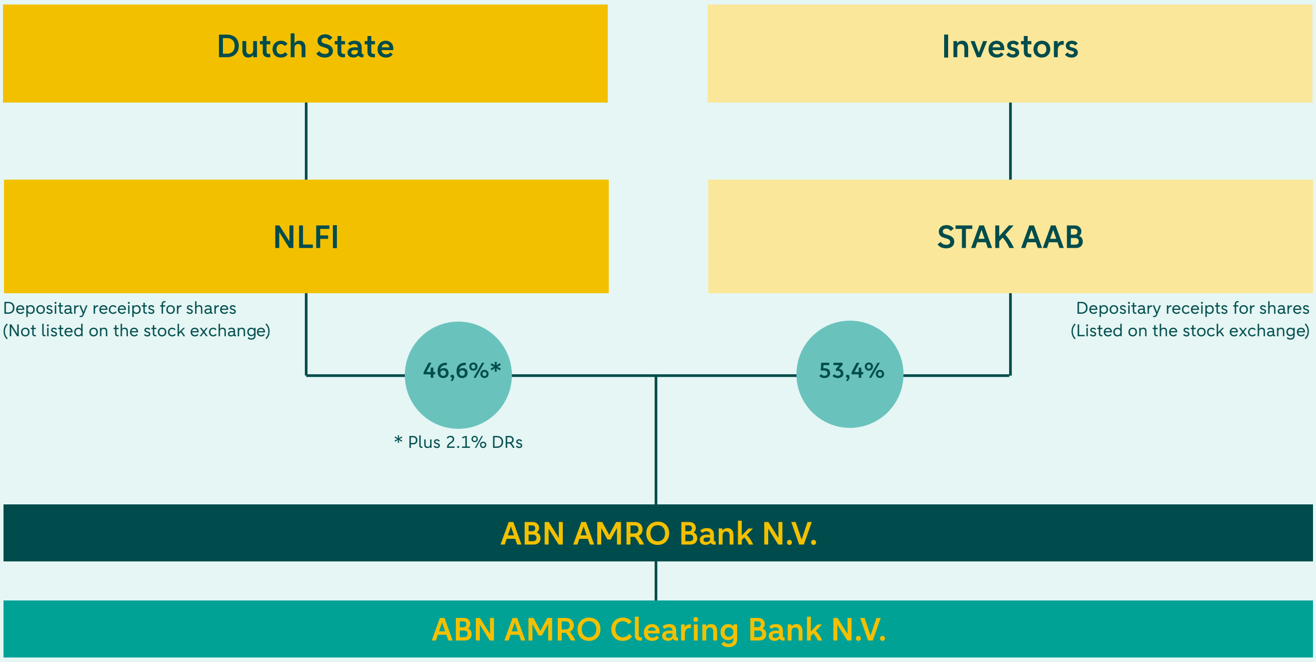
AACB continues providing global clearing and related services from its head office in Amsterdam. Beyond Europe, AACB provides services through its wholly owned (indirect) subsidiaries AAC-USA, Banco ABN AMRO S.A., ABN AMRO Corretora de Titulos e Valores Mobiliarios Ltda. (ABN AMRO Sao Paolo), ABN AMRO Clearing Sydney, ABN AMRO Clearing Tokyo, ABN AMRO Clearing Hong Kong, ABN AMRO Clearing Singapore and AACB Singapore Branch, as well as ABN AMRO Clearing Investments. AACB also has offices in Frankfurt and New York.

As of January 2024, AACB acquired a new subsidiary ABN AMRO Holdings USA LLC (AACB US HoldCo). In turn, AACB US HoldCo holds two subsidiaries, both with 100% ownership: ABN AMRO Clearing USA LLC (AAC-USA) (originally AACB's direct subsidiary) and ABN AMRO Securities (USA) LLC.

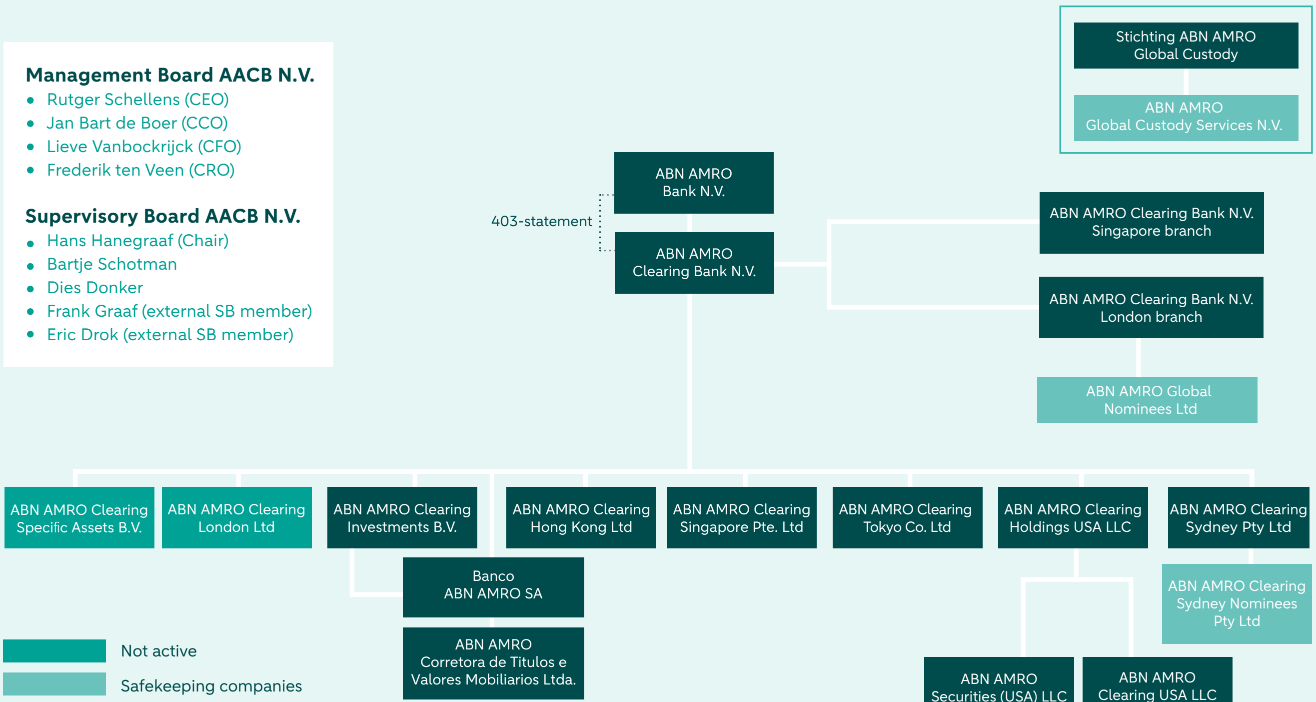
ABN AMRO Global Custody Services N.V. (AAGCS) is the safekeeping company of AACB that maintains AACB client securities (with the exception of derivatives). AAGCS is structured as a bankruptcy-remote vehicle.

Victoria Beatriz Toledo De Oliveira & Marcelo Cesar Teixeira - São Paulo office

Shareholder structure per 31/12/2023



ABN AMRO Clearing Bank N.V group structure



This chart shows 100% entities of ABN AMRO Clearing Bank N.V. within ABN AMRO Bank N.V.

Our Business

Jerry Wu & Tony Ng - Hong Kong office

Our Business

ABN AMRO Clearing is a globally active multi-asset prime broker, custodian and general clearing member (GCM). We provide execution services, clearing, settlement, custody, securities lending, reporting and financing services for listed derivatives, cash securities, over-the-counter (OTC) products, exchange-traded funds (ETFs), commodities and foreign exchange transactions. We provide services from our offices across Europe, Asia-Pacific, Brazil and the United States. Our coverage includes all major exchanges and execution venues.

Clients

Principal Trading Groups

A principal trader is a company that acts as a market maker or liquidity provider on regulated markets and trades solely with its own capital. The purpose of their market intervention is to provide tradable orders to the market. They are the price makers on the exchanges and they facilitate fair pricing between related instruments (securities, options and futures).

We built our business in close collaboration with these clients. They began trading on the floors of major exchanges. We all remember crowded pits filled with colorful jackets. Since our inception in 1982 we have grown with this client group across the globe, following and supporting them in new products and new markets. This way we earned our strong reputation as a reliable partner for principal trading groups (PTGs) across the globe.

Today we service the leading global principal trading firms. Not forgetting most of our larger clients started small, it is in our DNA to help incubate well-structured start-up trading firms.

We continue to explore and provide access to new markets and products for this client group.

Corporate Clients

We boast an equally long and strong track -record in the execution and clearing of listed commodity derivatives for corporate clients. Our clients use listed derivatives to hedge price risk of underlying commodity inventories and

Alex Lee- Hong Kong office

on (future) flows of agricultural, base and precious metals, oil and energy-related products and power and gas products. We have experienced physical delivery teams in Chicago and London and from these locations and from our New York office, we offer (voice) broking services across various commodities markets. To support our clients' short term inventory financing needs we created a cleared commodity repo product.

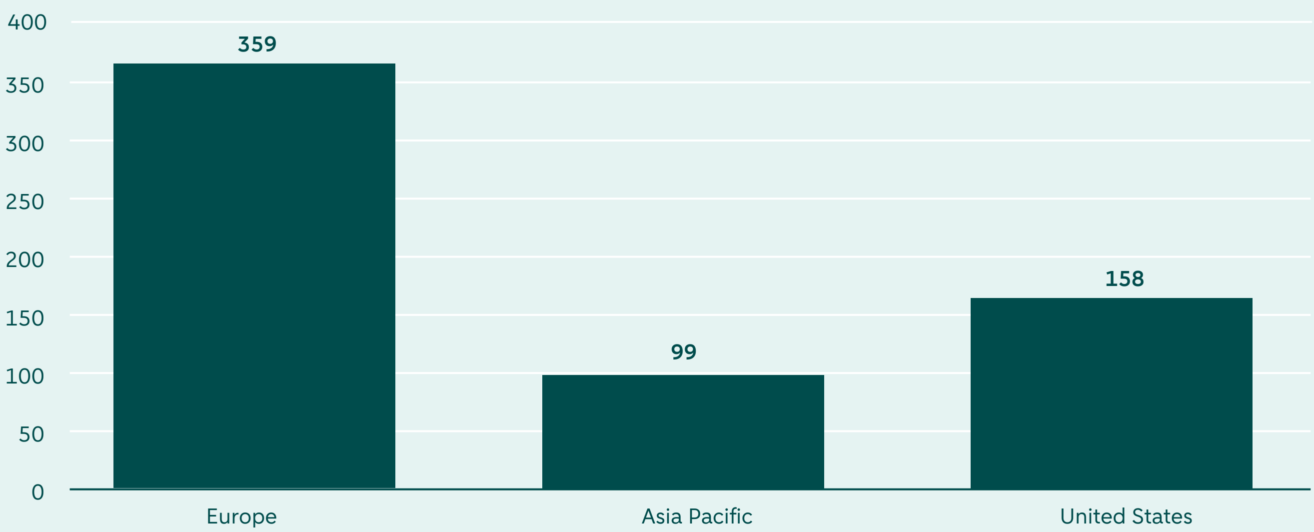
Prime Clients

Within our Prime segment we position all our clients using the financial markets to service, directly or indirectly, their own (retail) clients and/or investors. We distinguish three different client groups all providing services across execution, clearing, settlement and custody or a combination thereof:

1. European financial institutions use our complete suite of services; global custody and settlements, futures execution and clearing, OTC derivative clearing, SBL and repo services. Regional banks, insurance companies and pension funds increasingly seek a combination of interest rate swap clearing and asset services (including collateral management) due to liquidity needs arising from CCP margin calls.
2. Retail brokers across Europe use our global execution, clearing, settlement and custody services. When necessary, our offering is enhanced with stock loan and financing services. Ours is a 'one-stop-shop' solution, allowing retail brokers to focus on their core competences and clients.
3. Alternative investment funds and hedge funds use our clearing and financing services as well as our Prime broker services, including the issuance of synthetic products. We focus on (hedge) funds having exposures to listed markets and deploying strategies where our correlation- risk models can well capture market risk.

Number of clients per Segment 2023

Number of clients per region 2023



Platform & Product grids

2023 was a year of transformation under 1Global, with the aim of steering the company towards a more controlled, globalised, and harmonised future. Information Technology (IT) and product experts from all regions collaborated towards the same objectives and priorities.

Licence to operate

Given the heightened cyber threat and evolving regulatory frameworks for data and IT operations, AACB continued to invest in cyber resilience. AACB strategically placed emphasis on fortifying its global security framework, through various internal programs. AACB continues to invest in order to meet its regulatory responsibilities. For instance, the new daily beneficial ownership reporting for the Australian Securities Exchange and Hong Kong data standards for order life cycles.

Invest in employees

In response to feedback received in the employee engagement survey, several initiatives were funded to invest in talent development. Replacing virtual desktop infrastructure resulted in a substantial improvement in end user experience, enhancing overall usability and satisfaction of AACB's digital workplace as reflected in a recent developer survey.

A global sourcing strategy is being devised, offering employees global job opportunities. An IT curriculum has been launched, providing employees with consistent fundamental training. A generative Artificial Intelligence (AI) hackathon brought global business and IT participants together to explore emerging technologies to ensure future business opportunities and innovation.

One way of working

1Global has been transformative in facilitating global collaboration on all levels of the organisation. It created the foundation for globalising our software, with the goal of a reduced application footprint, allowing a focus on high-quality service for global clients regarding security and controls and support.

Product & application strategy

While keeping the house in order, projects on business initiatives continued throughout the year. Delivery of a low-latency risk filter in response to Japan's regulatory requirements provided AACB a competitive advantage to defend its market position. The roll-out of the client portal in the United States of America offered clients with a more streamlined and harmonised user experience. Making products available across the regions ensured sustained expansion on client offerings.

Fit for purpose platform

Investing in AACB's renewed IT platform is crucial for sustaining the security, performance, and reliability of our technological infrastructure. In 2023, AACB upgraded core clearing hardware and various network extensions. In alignment with the platform strategy, several proof-of-concept exercises were undertaken on data center consolidation. New technologies and public cloud services were evaluated and standardised. Furthermore, disaster recovery failover/failback tests and business continuity planning were completed to assure resilience of AACB's core processes.

Take a data-driven approach

An update to the Clearing data platform was launched in 2023 with the goal of establishing a centralised and comprehensive data governance framework. CDP serves as the data source for global reporting, analytics, and audits. Fostering a data-driven approach to decision-making, maximising business value and driving innovation. Its intended purpose is to provide real time data and a faster data source onboarding.

Our Regions

United States

ABN AMRO Clearing USA LLC (AAC-USA) had a record year in 2023, surpassing our revenue goals for both net interest income and net fee and commission income while keeping the operating expenses under budget. We made strides in diversifying the revenue streams with new client types and new products.

In 2023 there was a focus on global alignment of the data application landscape. We finalised the data center project and introduced the global client and fee tool in the US. Furthermore, efforts were made to improve the use of CRM tooling to provide better service to our clients. New laptops were also rolled out to all employees to improve the employee experience. The goal is to align our technology stack globally for better efficiency and coordination, and more resources than ever were dedicated to information security. When several market participants including vendors and clients were impacted by cyber attacks, AACB was able to continue to operate with minimal disruption for our clients.

Further global alignment through a 'follow-the-sun' model has been an important theme in 2023 for our Operations area.

In the Risk and Commercial groups a new global credit framework (One Obligor Exposure) was rolled out to AACBs' clients, to better manage risk.

Higher interest rates helped drive revenue and AACB continued to benefit from the high volumes on the US exchanges. New smaller and larger clients were onboarded in the core proprietary trading firm sector. Also new retail aggregator clients were onboarded, helping to further grow and diversify our revenue stream.

Good progress was made towards the launch of two new important products in the US, fixed income clearing and routing broker services. With the SEC adopting a new rule requiring mandatory clearing of United States Treasuries, AACB is confident that our fixed income clearing offering will be met with healthy demand. When the SEC approved spot Bitcoin ETFs,the clients could participate in this product from day one.

Additionally, much time and resources were spent preparing for the upcoming mandatory change to go the new T+1 settlement cycle for securities, that will take effect in May 2024.

As ABN AMRO's non-clearing operations in New York were reduced, AAC-USA took on responsibility for supporting the remaining New York businesses in HR, risk, legal, and compliance.

Built In named AAC-USA among its Best Places to Work award winners. There was a decrease in voluntary employee turnover and an increase in the employee engagement survey score.

Number of FTEs*		Client satisfaction on a scale from 1 to 7	NPS	Employee engagement (%)	Trades processed (billion)	Derivative contracts cleared (billion)
Chicago	232 FTE	6.08	+60	78	3.84	5.84

* This figure is excluding external employees

** Number of trades processed includes options, futures and securities. The number of trades excludes internal transactions between regions.

Europe

The geopolitical unrest and concerns around several financial institutions across the globe triggered volatile markets during the year and this resulted in high trade volumes and higher fee income. The additional increase in interest rates supported the region to outperform against its objectives for interest income whilst keeping costs under control.

AACB implemented enhancements to its processing systems to enable clients to increase its activity in European energy spot markets.

The continued investments in an Interest Rate Swap (IRS) Clearing offering allowed us to support Pension Scheme Arrangements (PSA's) which became subject to the mandatory clearing obligation since June 2023. Additional products are being developed by AACB to support financial institutions in meeting their liquidity requirements when moving to centrally cleared products.

The major ransomware incident of a global IT vendor emphasized the necessity to invest in cyber resilience. Employees in the region managed to avoid significant impact to services and meet the requirements by switching to alternative ways of processing.

AACB's Brazil offering was expanded with the go-live of the newly established Broker Dealer, which is a next step to support clients to connect to the Brazilian capital market.

The go-live of Euronext Clearing for cash equities represented a significant migration for the industry, our clients and us. Additional preparatory work is being done to ensure readiness for the derivatives migration in 2024.

AACB's application for a UK Third Country Branch was approved by the UK Financial Conduct Authority in October following completion of the regulatory due diligence process.

In line with industry developments, AACB delivered enhancements to its European Market Abuse and AML trade surveillance processes.

Europe operates a large amount of exchange and CCP connections. During the year the operational resilience was improved by completing the upgrade of several trade connectors.

Industry cooperation also resulted in the ability to pay late margin calls of a European CCP in Euros, which is important to increase the attractiveness of European capital markets.

Number of FTEs*

Amsterdam	**464** FTE
Frankfurt	**10** FTE
London	**91** FTE
São Paulo	**27** FTE

Client satisfaction on a scale from 1 to 7	**NPS**	**Employee** engagement (%)	**Trades** processed (million)	**Derivative contracts** cleared (billion)
5.82	+39	84	830	2.57

* This figure is excluding external employees

** Number of trades processed includes options, futures and securities. The number of trades excludes internal transactions between regions.

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Asia-Pacific

2023 was a year of constant adaptation for AACB in APAC as AACB embedded both its new way of working (1Global) and its new leadership team in the region, initially welcoming a new Chief Commercial Officer and Chief Executive Officer Singapore.

Market volatility was more sporadic than in previous years as the changing interest rate and inflationary environments across the world was followed by a period of lower volatility.

AACB saw several of its clients shift their focus throughout the year towards APAC although markets remained challenging, particularly in Hong Kong, with dampened volumes across derivative products in particular. AACB also saw new initiatives launched throughout the region by exchanges, holiday trading in Hong Kong and Japan, dual currency listings in Hong Kong (CNH and HKD) and the GIFT City transition of Indian products in Singapore.

During the year the APAC region delivered strongly on its longer-term priorities, progressing the development of the branch project in Hong Kong with the planned implementation in 2024 and developing AACB's cutting edge new pre-trade risk filter in Japan.

Regulatory challenges have been adressed during 2023 but will require attention going forward.

2023 also saw AACB go live with its APAC treasury activities that AAB outsourced to us in Singapore. This requires working closely together with AAB to manage liquidity for the group during APAC hours.

AACB's employees are of course its most important asset and AACB was pleased to see upticks in the employee engagement scores across all sites in the region, particularly in a year with so much change. Financially, 2023 was a strong year for APAC as AACB maintained its strong regional market shares across the region. The net interest income was also stimulated by increased interest rates as well as significant increases in client borrowing.

Number of FTEs*

Hong Kong	33 FTE
Singapore	74 FTE
Sydney	68 FTE
Tokyo	26 FTE

Client satisfaction on a scale from 1 to 7	**NPS**	**Employee** engagement (%)	**Trades** processed (million)	**Derivative contracts** cleared (million)
5.73	+26	81	537	984

* This figure is excluding external employees

** Number of trades processed includes options, futures and securities. The number of trades excludes internal transactions between regions.

Regulatory Environment and Compliance

In 2023 significant developments shaped the landscape of financial markets. Regulators focused on key themes, such as operational and digital resilience, sustainable finance, and strategic autonomy. Although European and Dutch legislation largely govern AACB's activities, AACB is affected by many regulations globally. The regulatory developments below represent the key topics that AACB encountered in 2023.

Europe

Sustainable finance regulations continued to have an impact on financial institutions in 2023. Climate and environmental risks, as mentioned in the thirteen expectations of the European Central Bank's guide on climate-related and environmental risks, were reoccurring agenda topics.

The Corporate Sustainability Reporting Directive (CSRD) came into force in January 2023 and replaced the Non-Financial Reporting Directive (NFRD). The CSRD expands the disclosure requirements of ESG information in the yearly annual reporting cycle of companies. Together with the European sustainability reporting standards, the CSRD brings more companies in scope to report on ESG matters in a more in-depth and structured manner. As AACB is a subsidiary of AAB, it is exempted from standalone reporting. AACB reports on these non-financial information internally to AAB.

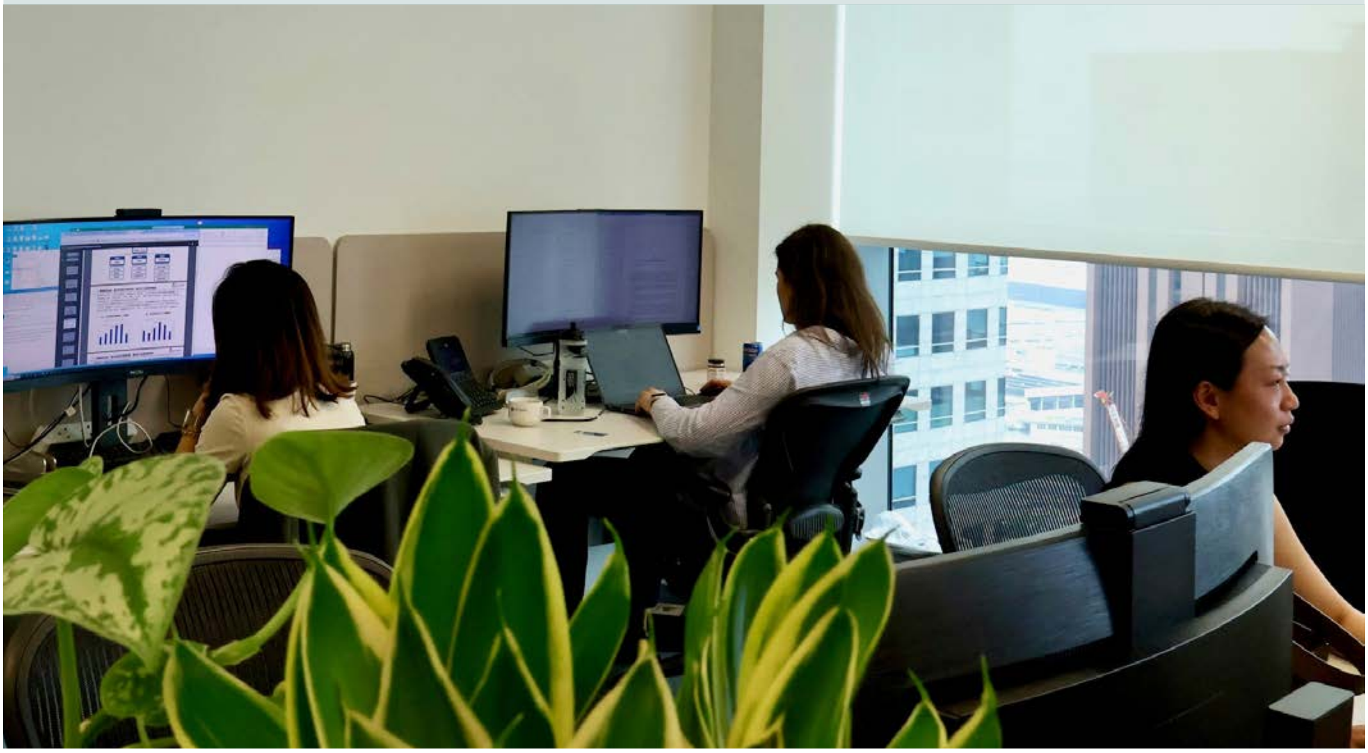
In June 2023, the European Commission presented a renewed package of measures to strengthen the European sustainable finance framework. To complement this, the European Commission adopted amendments to the European Union Taxonomy as the cornerstone of the European Union's sustainable finance framework. AACB focused on building sound governance around all sustainable finance regulations for the benefit of its business and its clients.

The European Markets Infrastructure Regulation (EMIR) also required AACB to act on various developments in 2023:

- The European Commission released its proposal for a review of EMIR in December 2022, to improve the attractiveness of clearing activities in the European Union and boost the resilience of European Union financial markets (EMIR 3.0). AACB has engaged with relevant stakeholders on the appropriate drafting of EMIR. AACB believes that proper design of EMIR 3.0 will allow the European Commission to provide an indefinite extension of equivalence for the United Kingdom's CCPs.

Other European regulations also demanded AACB's attention over the course of the year:

- Negotiations on MiFID/R, the Central Securities Depositories Regulation (CSDR) and other market-related legislation, as well as Capital Requirements Regulation/Capital Requirements Directive (CRR/CRD) have been concluded by the Council and the European Parliament.
- The Digital Operational Resilience Act (DORA), which aims to strengthen the IT resilience of financial entities during severe operational disruption, must be implemented by January 2025. AACB is in scope of this regulation, in addition to existing rules and guidelines with regard to digital operational resilience and cyber security. The preparation of the DORA has started in 2023.



Commercial - Singapore office

Other jurisdictions include:

- **Australia**
  The current limited connection exemption for those providing financial services from abroad and which was in transitional wind down, has been extended for another year until 31 March 2025. A draft bill with a new professional investor exemption has been tabled in Parliament. As of 9 February 2024, AAC Sydney await further readings, Senate and House consideration and Royal Assent before the bill will take effect.

  On 9 November 2023, the new 'unfair contract terms regime', which applies to standard form contracts with small businesses, took effect. As such, unfair contract terms became illegal and significant penalties could be imposed. Depending on whether clients fall within the scope of the regime, this has impact on AAC Sydney client documentation.

- **Brazil**
  In the last quarter of 2023, the Legal Department of AAC Brazil dedicated its efforts to recreating the model and flow of local exchange contracts. Brazil's foreign exchange law came into force at the beginning of 2023, and the need to have a separate foreign exchange contract for each operation was no longer applicable. This change relates to a significant change in the law regarding the formalization of foreign exchange transactions. Previously, a specific exchange contract model was required for individual exchange operations. As all foreign exchange (FX) operations in Brazil are carried out with Banco B3 (the legal representative of AACB's clients in Brazil), AACB created a master FX agreement in cooperation with Banco B3.

- **Singapore**
  As part of global regulatory effort to standardise and harmonise reporting of data elements to facilitate aggregation and obtain a comprehensive view of the OTC derivatives market, Monetary Authority Singapore (MAS) amends its OTC derivatives reporting regime under the Securities and Futures Regulation (SFR). Revised requirements will commence in October 2024, being approximately 6 months after the commencement of the EU's EMIR Refit and aligning with commencement date of ASIC's revised rules.

  MAS has released its revised Notice on Management of Outsourced Relevant Service and updates its Guidelines on Outsourcing. This applies to all banks operating in Singapore and will be effective as of 11 December 2024. Key changes include submission of outsourcing register on a semi-annual basis, frequency of subsequent due diligence to be approved by the board, banks to obtain customer consent for disclosure of customer information; allowing MAS access to customer information relating to a material outsourced service; policies to be set up to provide undertaking to notify MAS of any disclosure of customer information to an overseas regulator, amongst others.

  To improve clarity and readability of the rules, the SGX regulation has proposed changes to its Futures Trading Rules and relevant rulebooks. Key changes include the admission and registration of representatives; more flexibility for SGX Members in managing margin cycles, customer funds and collateral and formalising key aspects of the Algorithmic Trading Regulatory Guide.

- **Hong Kong**
  The Securities and Futures Committee (SFC) of Hong Kong announced new risk management guidelines for licensed futures brokers to take effect on 25 February 2024. A wide range of topics are covered, including market risk management, commodity futures trading, client credit risk management, concessionary margining, risk management over executing or clearing agents, funding liquidity risk management, safeguarding client assets, trading in futures markets outside Hong Kong and stress testing gap analyses.

- **Japan**
  Japan Securities Clearing Corporation (JSCC) announced in July 2023 that it would change margin calculation method for derivative trades from the SPAN (which was developed by Chicago Mercantile Exchange) to Value at Risk (JSCC developed the method to calculate expected loss amounts). The new calculation method went into effect in November 2023, and AACT worked with vendors to adapt the new method.

  Amendment law to Financial Instruments and Exchange Act and other financial laws were enacted in November 2023, which includes enhancement of duty of loyalty that a financial instruments business operator (FIBO) owes to its client. Even before the amendment, the FIBO, including its officers and employees, has been required to conduct its business sincerely and fairly to its clients, but the amendment law stipulates as a FIBO obligation to act for its clients considering their best interests. Details of this obligation would vary depending on the actual business the FIBO engages in and it is expected that relevant guideline will give in addressing this.

Louise Kalverkamp & Francesca Berti - London office

- **United Kingdom**
  A significant achievement for the United Kingdom this year was the FCA authorisation of our United Kingdom 'Third Country Branch' in October 2023 to secure our business in the United Kingdom for the long term. AACB's London Branch is now regulated by De Nederlandsche Bank and by the Financial Conduct Authority.

  The United Kingdom version of the Markets in Financial Instruments Regulation became part of United Kingdom law from the end of the Brexit transition period by virtue of the European Union Withdrawal Act 2018. UK MiFIR is retained European Union law, which after the end of 2023 will be known as assimilated law.
  The Financial Conduct Authority in the United Kingdom made consumer protection their focus in 2023 with the introduction of Consumer Duty which has potential impact on products being offered into the United Kingdom to clients with underlying 'retail' customers.

- **United States**
  In December 2023, the Securities and Exchange Commission (SEC) finalised a rule mandating the clearing of US treasury securities. AAC-USA is preparing to provide clearing services for treasury securities to meet what it expects to be a significant increase in the demand for central clearing. The SEC believes that this move will enhance market resiliency

  The SEC presented an ambitious agenda with 55 rules in their final or proposed state between October of 2023 and April 2024. In addition to the new rules, both the SEC and CFTC continue to enforce record retention rules that prohibit the use of off-channel communications, with additional firms charged with failing to maintain employee communications on personal devices that relates to the firms' business. The Commodity Futures Trading Commission (CFTC) has requested comments on a proposed rulemaking regarding operational resilience, which would require futures commission merchants to establish, document, implement, and maintain an operational resilience framework reasonably designed to identify, monitor, manage, and assess risks relating to:

  - information and technology security
  - third-party relationships, and
  - emergencies or other significant disruptions to normal business operations.

  Plans relating to these three components are proposed to be supported by certain other requirements relating to governance, training, testing, and recordkeeping. The proposed rule would also require certain notifications to the CFTC and customers or counterparties. The CFTC is further proposing guidance relating to the management of risks stemming from third-party relationships.

The CFTC has also proposed regulations to provide protections for clearing member funds and assets held by a Derivatives Clearing Organization (DCO). The rule would require, among other things, that clearing member funds be segregated from the DCO's own funds and held in a depository that acknowledges, in writing, that the funds belong to clearing members, not the DCO. In addition, the CFTC is proposing rules that would enable DCOs to hold customer and clearing member funds at certain foreign central banks subject to certain requirements. The CFTC is also proposing to require DCOs to conduct a daily calculation and reconciliation of the amount of funds owed to customers and clearing members and the amount held for customers and clearing members. AACB is of the opinion that the proposed rules, if enacted, would provide some additional protections

Compliance

Continuous collaboration between the global AACB compliance teams resulted in providing local assistance and global alignment on specific topics and cases. Compliance training efforts focused on meeting AML and MiFID II Knowledge & Competence educational requirements.

Some key highlights include:

Sanctions

The topic of sanctions continues to be highly relevant and rapidly evolving because of various international conflicts. AACB continues to monitor developments and make necessary adjustments to its operations, systems, and infrastructure to respond to new sanctions, cyber threats and exposure to particularly higher risk markets and clients.

Privacy

A Privacy Program was launched resulting in ongoing collaboration between AAB, the regions, and subsidiaries to improve alignment and mitigation of privacy risks in areas with the most exposure.

Transaction reporting:

Supervisors around the globe are continuously stepping up transaction reporting requirements for transactions in financial instruments. AACB must comply with transaction reporting requirements in various jurisdictions. AACB aims to ensure the adequacy, accuracy, and timeliness of transaction reporting.

With regards to the regions, the following Compliance topics were key in 2023:

Europe

Acting as "One Team", continuous collaboration between the global AACB compliance teams resulted in providing local assistance and global alignment on specific topics and cases. Compliance training efforts focussed on meeting AML and MiFID II Knowledge & Competence educational requirements.

Australia

ASIC priorities for the supervision of the market in the next 24 months include its focus on technological risks (cyber and operational resilience), breach reporting, regulatory framework for crypto- asset and development of artificial intelligence and fair and orderly markets (pre and post trade surveillance) particularly commodity derivatives – gas and electricity markets.

AML regulator AUSTRAC warns for organisations to implement controls to mitigate financial crime risks, where data breaches involve personal information collected to comply with AML/CTF obligations.

Singapore

On the AML/CTF front, MAS published a paper on Strengthening FIs Countering the Financing of Terrorism (CTF) Controls based on MAS' observations from an industry-wide survey and a series of thematic reviews conducted. Key observations include reviewing existing screening processes to ensure compliance with Terrorism (Suppression of Financing) Act 2002, Corruption, Drug Trafficking and Other Serious Crimes (Confiscation of Benefits) Act (CDSA) and MAS rules; leveraging data analytics to enhance TF detection; implement robust internal controls and processes to detect, escalate and mitigate TF risk identified during the customer account life cycle.

Hong Kong

Regulatory developments in Hong Kong include the joint Amendment to Hong Kong Monetary Authority (HKMA) and Securities and Futures Commission (SFC) Anti-Money Laundering and Counter-Financing of Terrorism Guidelines. Furthermore, updates were made to the AML/CTF Self-Assessment Checklist which reflects the latest Guideline on Anti-Money Laundering and Counter-Financing of Terrorism.
The AML/CTF Self-Assessment Checklist aims to provide a structured and comprehensive framework for AACHK to assess compliance with the key AML/CTF requirements.

AACHK Compliance adopts this self-assessment checklist as part of the regular review to monitor AML/CTF compliance and to ensure that any compliance deficiencies identified during the regular reviews are rectified in a timely manner.

Circulars from the SFC and Hong Kong Exchanges and Clearing (HKEx) on the proposed enhancements to derivatives position limits on the exchange level will be introduced pending regulatory approval.

Japan

AACB business in Japan increased considerably during the last couple of years which subsequently resulted in an increasing number of staff members. To enhance effectiveness of the growing organisation, AACT focussed on strengthening the overall internal control framework in collaboration with Japanese Supervisory Authorities

United Kingdom

The main developments in the United Kingdom in relation to ML/CTF were changes to the Money Laundering Regulation to increase transparency in respect of business and property ownership, and at the end of the year, guidance on the treatment of lower risk politically exposed persons (PEP) to ensure that individuals holding PEP positions (or closely associated with someone holding a PEP position) were being treated fairly.

There was significant changes in sanctions regulations, with the Financial Conduct Authority (FCA) taking a keen interest in the controls within their regulated firms.

In the context of wider financial crime regulation, the new Economic Crime & Corporate Transparency Act 2023 (ECCTA) received Royal Assent on 26 October 2023, further strengthening the powers of law enforcement in the United Kingdom in respect of economic crime and most significantly, making it easier to attribute corporate liability to companies and to hold senior managers liable for economic crime, as well as introducing a further corporate criminal offence in relation to failing to prevent fraud.

United States

AAC-USA compliance and legal rolled out additional controls to manage employee off-channel communications. The firm's leading regulatory audits/exams by FINRA and CME were closed with no material findings. And furthermore AAC-USA rolled out a new AML rule on Beneficial Ownership.

Corporate Social Responsibility

ABN AMRO Clearing Bank (AACB) is committed to sustainability. AACB's global scale and pivotal position within the financial markets creates momentum to drive and support a transition to a more sustainable future. This is not only something for AACB's own operations but also in interactions with clients and the industry, striving for the development of and access to safe, transparent, and sustainable markets. As this is in line with AACB's core expertise in clearing, we are dedicated to clearing the way for sustainability.

Industry and client engagement

Together with its stakeholders, AACB actively pursues opportunities to support the mitigation of global warming, protecting our environment and addressing unequal wealth distribution. Recognising the organisation's leadership in markets infrastructure, AACB demonstrates its social impact by addressing inequalities in communities through local initiatives as well as industry initiatives, namely Frontclear. Frontclear focuses on developing stable and inclusive money markets in emerging and developing countries. AACB provided 164 consultancy hours on the running projects of 2023.

True and complete data is one of the major challenges in sustainability. Collaboration within the industry is required to jointly address the transformation we need. AACB is one of the first clearing firms to join the EUREX ESG Visibility Hub. This EUREX ESG visibility hub helps clearing members and their clients to make informed decisions in their sustainability journey. AACB believes that data transparency and awareness will pave the way for better climate metrics, though recognizes that we have a long way to go towards open access, transparency, and standardization in the industry.

With the regulatory landscape continuously changing, AACB is engaging with regulators, industry stakeholders and clients to ensure that the organisation has an up-to-date understanding of what is required to properly prepare for any changes and develop solutions for transition. This includes participating in panels and roundtables related to energy and commodity markets and sustainability due diligence.

AACB is the Power Clearing Bank on more than 25 major Energy & Commodity exchanges around the globe, covering all time zones. The organisation has been building its energy-clearing offering into a global product to assist in the energy transition and provide access to more participants. AACB's position originates from true partnership, from helping its clients in realising their trading, hedging and growth strategies.

Treeplanting event UK

Gardening Project - São Paulo Office

The success of this focus towards this energy community has been demonstrated by the on-boarding of key global actors of the Energy & Commodity sector from utility companies, market players, proprietary trading firms, international corporate institutions and even energy trading start-ups, which now are in the top-level trading segment.

Employee engagement

AACB encourages its employees worldwide to support community and charitable initiatives collectively and individually. We sponsor them volunteering for various causes and in Amsterdam volunteering is embedded in our labour agreements. Some successful regional initiatives in 2023 included the following:

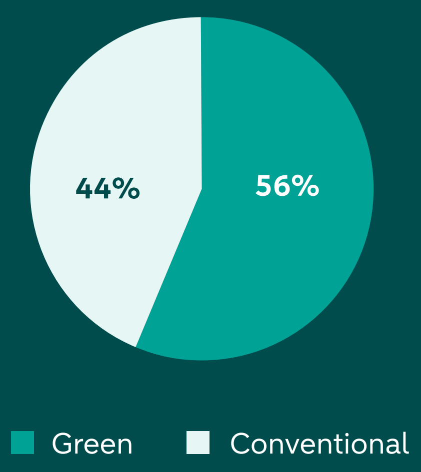
- AACB hosted the Secondhand Toy Initiative and donated toys and books to the Stichting Babyspullen in Amsterdam.
- A financial donation to the Dutch Voedselbank around Christmas.
- Employees from the London office participated in a Tree Planting Day with the international Charity Trees for Cities. The borough and the charity worked together to plant 5,000 trees to support biodiversity and improve air quality.
- Our colleagues in Sydney and Chicago also participated in a local Tree Planting event.
- A group of AACB Hong Kong employees and their families and friends visited Sai Kung to help at the Sai Kung Stray Friends Foundation.
- AACB Hong Kong is proud to be a gold sponsor of the annual event “Eco-Rangers”, organised by The Conservancy Association
- Jardim de Comer at our Brasil office - Gardening implementation, which helps the institution with its overall goals of carbon offsetting and investing in small businesses.
- Financial donation to Muretinhas F.C and Heleninha, NGOs that assist vulnerable communities in Brazil.
- Sponsorship of a sustainability documentary called Terra que Alimenta via local Culture Incentive law in Brazil.
- AAC-USA office provided financial donation and fundraised for a local community based charity called Casa Central.

In addition, AACB actively encourages cultural integration by promoting diversity in all its regions. This is demonstrated through communal meals, LGTBQ+ awareness sessions, local festival celebrations.

IT Operations

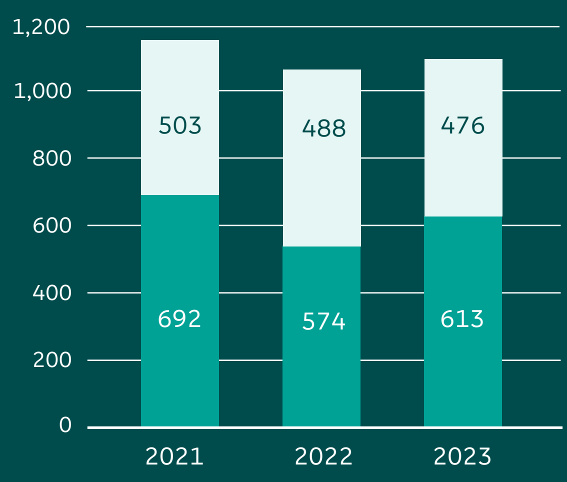
Data centers can have a high impact on carbon emissions through energy consumption and the energy mix. AACB strives to continue reducing our total energy consumption by operating more efficiently and increasing renewables. The overall progress is positive; AACB's green energy consumption has increased per kwh, and conventional energy consumption in kwh has decreased. AACB's CO2 emissions from conventional energy sources have decreased as well.

Green vs conventional energy CO_2 metric tons 2023



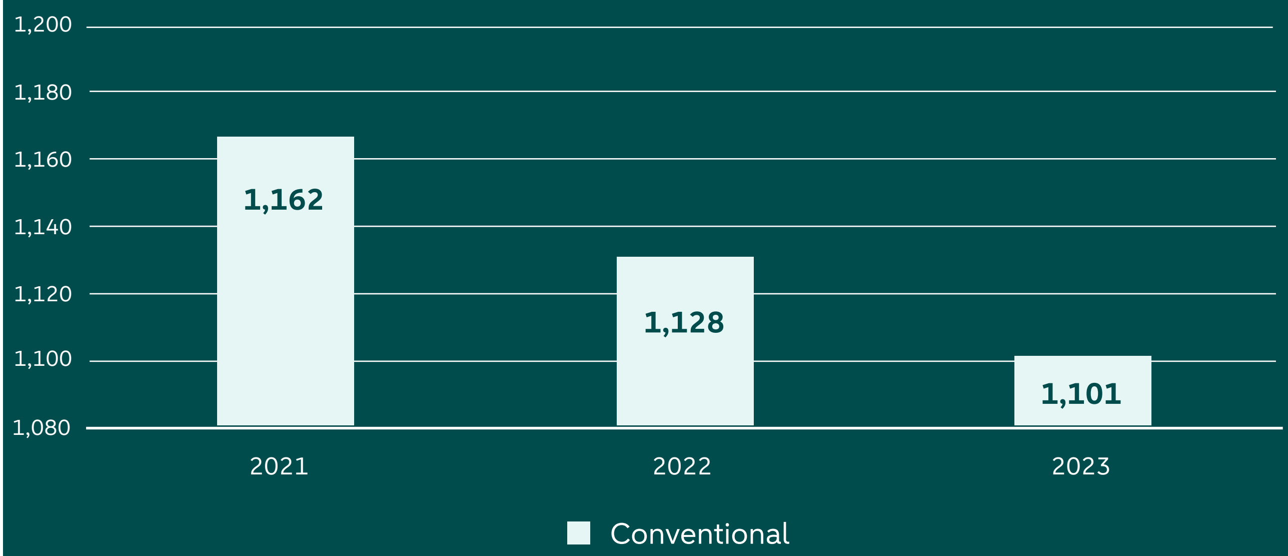
Data centre energy consumption

kwh (x 1,000)



Data centre CO_2 emissions

(Metric tons)



This is based on the information provided by AACB's IT partners.
AACB continuously strives to improve its data, which results in anomalies with its previous annual reports.

AACB's ambition is to compensate as much as the organisation emits from its data centers through a Climate Impact Programme by at least 2030. In partnership with the Amsterdam-based nature restoration company, Land Life Company, AACB supports the planting of trees in designated degraded areas and directly engages employees working in Amsterdam, Chicago, Sydney, and London via local planting events.

This data is based on actual figures whereas the figures of previous annual reports were based on forecast.
Our contract with Landlife is based on captured Co2.

Risk management

Financial markets recognise sustainability as a real systemic risk that influences credit, market, liquidity, and operational risk. As sustainability is a business risk, the impact of physical and transition risks can lead to unpredictability and volatility. AACB continuously develops stress scenarios to monitor impact. Therefore, this is an integral part of AACB's annual capital and liquidity plan.

Besides the impact that ESG-risk can have on AACB's clients' portfolio, ESG-risk can also have an impact on the operation and reputation of AACB's clients. To comply with regulation, AACB has implemented robust and prudent standards for credit risk taking, management and monitoring and considers ESG-risk in the credit granting process. AACB conducts a sustainability questionnaire in the client lifecycle to review AACB clients' sustainability characteristic on an annual basis. This assessment provides an initial analysis on whether to start or to continue a client relationship. For clients with unsatisfactory results, the Sustainability Watch Group (SWG) is mandated to perform further assessment and provide advice.

AACB recognises that financial instruments can also play a part in the sustainability transition, by promoting transparency and long termism, steering capital flows towards a more sustainable economy and integrating environmental sustainability into risk management practices.

Sustainability integration and governance

Sustainability resides directly under AACB's CEO and is a focus topic for the managing board. In 2023 AACB expanded its Global Sustainability Committee (GSC) with Regional Sustainability Committees (RSC), to safeguard regional and local sustainability requirements and to advocate for regional sustainability compliance and culture. The RSC is mandated by the GSC and chaired by the local CEOs.

AACB supplemented sustainability education and awareness by hosting our fourth annual Global Sustainability Week, comprising of online and offline activities around the world. The programme included industry related sustainability topics as well as general knowledge bites on sustainability topics to raise awareness in a broader sense. The range of sessions were popular and attended well. In addition to many informational sessions, a second-hand office attire donation was organised for the non-profit organisation Dress for Success.

Treeplanting Sydney

Our People

2023 marked a year in which the AACB organisation grew both in business as well as the number of employees globally. We found a balance in hybrid working in which employees work from the office at least 60 percent of the time. Within the different locations we organised events focused both on fun as well as content driven matters, for example Lunch & Learns, Next Generation Clearing activities and other social activities.

1Global

The new 1Global organisation design kicked off on the 2nd of January 2023 as the new way of working. The product and platform grids started working globally. The aim of this new way of working is to provide a seamless service towards our global clients, improve the collaboration between IT and the business, and increase the speed of delivery, while raising the bar when it comes to being in control in terms of risk and security.

This new structure entails teams which have a functional end-to-end responsibility for the product or process they work on. Hierarchically developers are clustered by field of expertise. By arranging the organisation in this way, we create a culture in which continuous growth and development is fostered.

Simon Byrne & Boudewijn Duinstra- - USA office

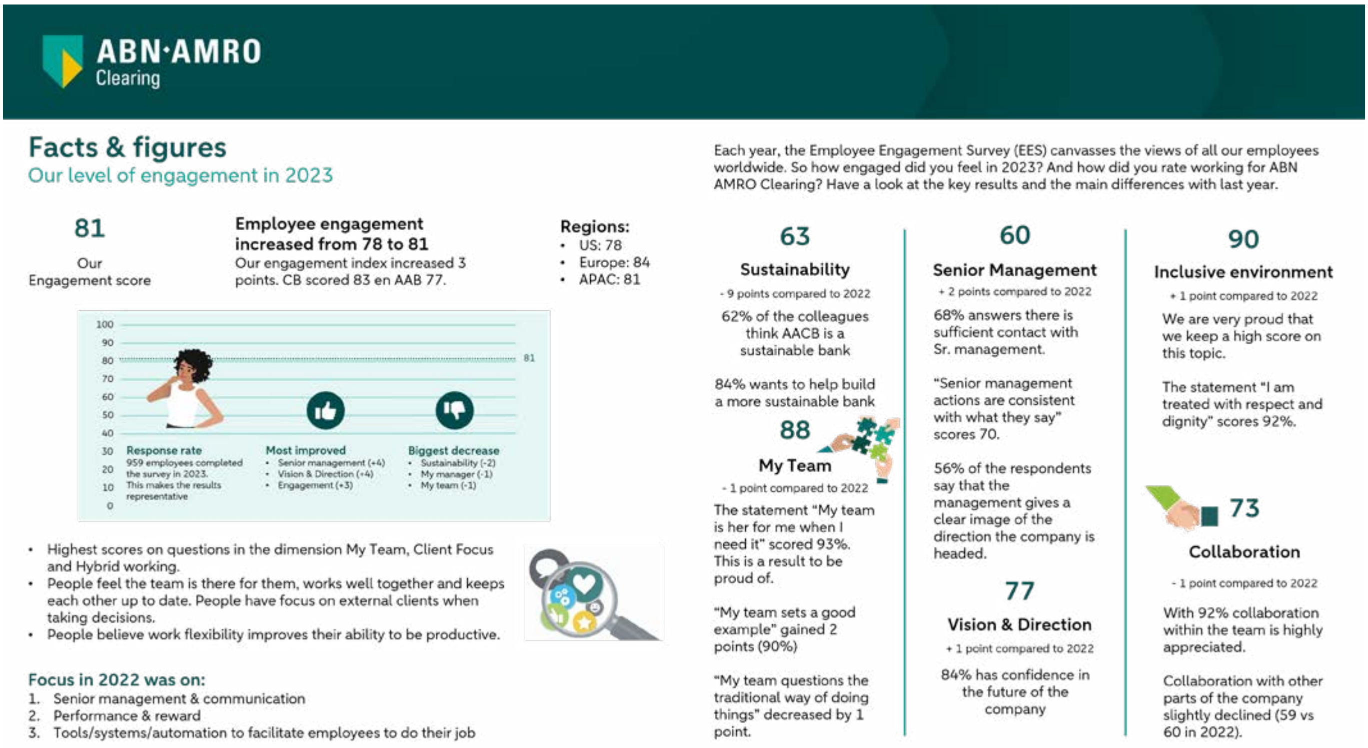
Employee engagement

Our annual Employee Engagement Survey (EES) gathered global employee impressions for 15 focus areas such as inclusive environment, performance management, talent and development, leadership, vision and direction, among others. In 2023, 959 colleagues worldwide completed the survey (a response rate of 83%), resulting in 81 overall engagement score – a 3-point increase as compared to 2022. Almost all areas scored slightly above or comparable to those of 2022, only three areas scored slightly lower (sustainability -2 compared to last year, my manager and my team -1 compared to last year). The areas that stand out are senior management and vision and direction with a 4-point higher score compared to last year. The survey responses will help AACB to improve employee engagement, ultimately enhancing our added value for clients. Managers are therefore encouraged to discuss survey results with their teams and incorporate staff feedback in future planning.

Diversity and inclusion

AACB aims to create an environment in which all employees are given the opportunity and recognition needed to develop their talents. This in turn fosters our growth and success.

Consequently, we set diversity targets to support our aspiration of being an organisation in which employees with various profiles feel welcome. The 2023 EES results also confirmed that AACB's inclusive environment is one of our key strengths.



Ongoing staff and organisational development

AACB strives for a future-proof workforce for a future-proof organisation. In addition to a mandatory curriculum, we offer selective training, knowledge bites and other online informational sessions, and encourage staff to develop the skills that we believe are essential for our business and organisation. Such sessions connect our people across regions and departments, and include courses on sustainability, data, leadership, innovation and change, wellbeing among others.

Because we believe that mentoring adds value to our team members, a global mentor programme is in place including trainings on what it entails to be a mentor / mentee. No matter what side of the world you are located, this programme connects employees / managers and facilities to learn from each other and share experiences.

In 2023, we continued the Global Clearing Talent Programme and Global IT Talent Programme with a group of 27 graduates starting in September. Recruitment and selection was conducted both virtually and physically, while our 4 week graduate learning programme was once again conducted fully offline in the interest of personal connection and creating a global network. In addition, our Global Clearing Academy offered ongoing weekly workshops throughout the year given by and for employees. These covered a wide range of topics, including, among others, clients, products, services, risk, compliance, IT, and data.

Hybrid global learning weeks (one in spring and one in autumn) were also held in 2023 with more than 300 offerings on topics regarding strategy, sustainability and well-being. As in 2022, online topical training and knowledge sessions on our strategic pillars took place. A fourth global Sustainability Week was organised, hybrid this time, to increase awareness around sustainability throughout the AACB value chain. The programme included numerous activities aimed at updating and educating employees about sustainability developments within the industry as well as at improving sustainability at home and in the office. Presentations by internal and external speakers, workshops, dilemma discussions, and fun challenges all featured in the agenda.

The senior management of AACB stayed in close contact with the 'Challenger 15' team (sounding board for senior management) in 2023, to share strategic topics and gather their insights on these topics.

The competitive labour market continued to be one of the HR challenges AACB faced in 2023. Due to several initiatives, including the ones mentioned above, the turnover rate in 2023 (7,5%) was significantly lower than the rate of 2022 (14,1%).

Risk Management

Efthymios Deligiannidis - Singapore office

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Risk Management

AACB's risk appetite determines the level and nature of risk that AACB is willing to bear in order to pursue our strategy, taking all stakeholders into consideration. Risk management clarifies the use of risk capacity across various risk types, and by doing so, optimises risk and return.

Audited Risk appetite statement

AACB's risk appetite is aligned with a moderate risk profile. It takes into account all risk types of the risk taxonomy relevant for AACB, such as enterprise, credit, market, liquidity, sustainability, operational, IT and regulatory risks. The risk appetite statement limits AACB's overall risk-taking capacity across these risk types. It is monitored by benchmarking actual and expected risk profiles so that corrective actions can be defined where necessary. This risk appetite statement has been reviewed and approved by the Clearing Enterprise Risk Committee (CERC), the AACB Management Board and the AACB Supervisory Board.

Audited Risk governance

AACB follows ABN AMRO's three lines of defence model, risk decision framework, and product approval process.

- **1st Line of Defence – Risk ownership**
  Risk ownership resides within AACB business teams. Management is primarily responsible for the risks within the organisation, the results, the execution, compliance, and effectiveness of internal controls.

- **2nd Line of Defence – Risk control and oversight**
  The AACB Risk Management team is responsible for risk frameworks, policies, providing advice, risk monitoring, reporting on execution, and risk management and control for AACB. The second line monitors that the first line takes risk ownership. This includes monitoring to ensure policies are being adhered to and processes are executed in accordance with selected performance goals and risk tolerances. It has approval authority for credit proposals up to predefined thresholds as well as the authority to approve certain counterparties.

  AACB comprises an independent risk organisation with oversight from ABN AMRO, in alignment and within ABN AMRO policies and mandates. Formal responsibility for the management of AACB rests with the AACB Management Board and Supervisory Board. Clear accountability and the end responsibility for AACB's 2nd Line of Defence risk management resides with the AACB Chief Risk Officer.

  At AACB Management Board level, the governance is organised by the Clearing Enterprise Risk Committee (CERC) and the AACB Credit Committee. ABN AMRO oversight is maintained through regular meetings between the Chief Risk Officer and Risk-Type Owners of both ABN AMRO and AACB and via the participation of ABN AMRO delegates in the CERC. Within AACB's risk management framework, three risk type owner roles have been defined: Credit Risk, Market and Liquidity Risk, and Information and Operational Risk.

- **3rd Line of Defence – Risk assurance**
  ABN AMRO Group Audit evaluates the effectiveness of AACB governance, risk management and control processes, in order to strengthen management's solution focus and accountability.

Audited Managing risks

Strong risk management is a cornerstone of AACB's business model. Our risk management organisation spans three time zones across the globe. The local risk organisations are supported and governed by global risk departments in Amsterdam. Local risk management employees monitor client activity on a daily and intraday (near real time) basis to ensure that all clients remain within agreed market and credit risk parameters. The department also monitors other counterparty exposures, conduct market surveillance, and are involved in managing AACB's risk profile.

AACB is not involved in any proprietary trading activities and therefore does not run direct market risk. Nevertheless, AACB can encounter indirect market risk due to clearing and financing activities.

As a third-party clearing member, AACB explicitly guarantees the fulfilment of obligations towards clearing houses and other third parties that arise from customer transactions. In the event of client default, AACB is legally obligated to settle all client positions with the relevant clearing houses, possibly at a loss. AACB provides liquidity lines to clients to support the clients' business opportunities and enable them to hedge their derivatives inventories with shares and bonds.

As a general clearing member to various central counterparties (CCPs), AACB contributes to CCP default funds. In the event another clearing member of a CCP defaults, AACB's contributions could be (partially) depleted in the default management process.

Relevant risk types

In order to illustrate the amount of inventory financing provided by AACB and the total outstanding client credit facilities (excluding ABN AMRO companies), the figures, including utilisation, are as follows:

EUR billion	**31 December 2023**	31 December 2022
Total outstanding client credit facilities	40,26	38.47
Total utilisation	19,41	13.81
Of which: total debit cash utilisation	10,60	5.08
Of which: total short stock utilisation	8,81	8.73

AACB risk classifies each client. Clients with elevated risk could be classified as Watch or Default following an assessment of associated triggers. Increased risk classification does not always imply that AACB provisions for this increased risk. In 2023, AACB experienced no client defaults (2022: 0) on overall outstanding credit lines of EUR 40.26 billion (2022: 38.47 billion). Included in the total unused client credit facilities are revocable credit lines amounting to EUR 21.03 billion (2022: EUR 24.82 billion) and irrevocable credit facilities amounting to EUR 0.15 billion (2022: EUR 0.15 billion).

Credit risk mitigation

Audited Credit risk mitigation considers techniques that reduce credit risk associated with a credit facility or exposure on certain counterparties. Credit risk mitigation mainly relates to collateral management and guarantees, offsetting financial assets and liabilities and enforcing master netting agreements.

No AACB client assets were past due as per 31 December 2023.

Clients

AACB requires clients to deposit collateral to manage credit risk exposure. Collateral or margin requirements are based on realised changes in the value of a client portfolio as well as the potential changes derived from conservative scenario analysis and stress tests. Assets deposited as collateral include client deposit funds and liquid marketable securities. AACB monitors the value of collateral on a daily and intraday basis.

AACB sets limits to manage client credit risk exposure. These risk parameters relate to the client portfolio and financial characteristics. In the event of a breach in any of the relevant risk parameters, AACB asks clients to deposit additional collateral and/or reduce risk in their portfolios. AACB also has the contractual right to immediately seize and liquidate portfolios if clients fail to meet collateral requirements.

Limit framework

Ingrid Brandao Albuquerque - São Paulo office

Audited AACB developed a new credit limit framework in which two additional limits are set for clients that have a financing agreement with AACB. The first limits the stress and liquidation cost exposure in the client trading portfolio, the second limits the amount of ineligible collateral financed by AACB. In 2023, a significant number of clients were repapered with the new limits applicable.

Financial markets in 2023 showed average volatility which was driven by the ongoing conflicts in Europe and the Middle East and foremost the varying market expectations on monetary policy globally to fight inflation. The market stress in power and gas, noted in 2022, faded away in 2023 and provided corporate clients active in this space relief from the constraints of increased liquidity requirements.

Throughout 2023, market and credit risks were adequately managed and no relevant issues with clients (positions) were noted.

Counterparties

As an intermediary between clients and the financial infrastructure, AACB also runs counterparty risk towards exchanges, brokers, central clearing houses, nostro and settlement banks, and other financial institutions. AACB has a comprehensive framework for monitoring these various counterparties. If necessary, AACB can enact exposure limits to protect its organisation and clients against counterparty risk. In accordance with procedures, counterparty exposure is effectively monitored and managed.

Leonardo Ricci & Jake van Baarsel- Amsterdam office

Offsetting financial assets and liabilities

Financial assets and liabilities are offset, and the net amount is reported on the statement of financial position. Offsetting occurs when there is a legally enforceable right to set off the recognised amounts and there is either an intention to settle on a net basis or to realise the asset and settle the liability simultaneously. The credit risk exposure is largely mitigated by receiving collateral from clients.

Enforceable master netting agreements or similar instruments

Enforceable master netting agreements are concluded between the bank and its clients with provisions that enable netting and offsetting in the event of default. Furthermore, AACB may enter into master netting arrangements upon client request, such as derivative clearing agreements, global master repurchase agreements and global master securities lending agreements, which also take into account provisions that make it possible to exercise netting and offsetting in the event of client default.

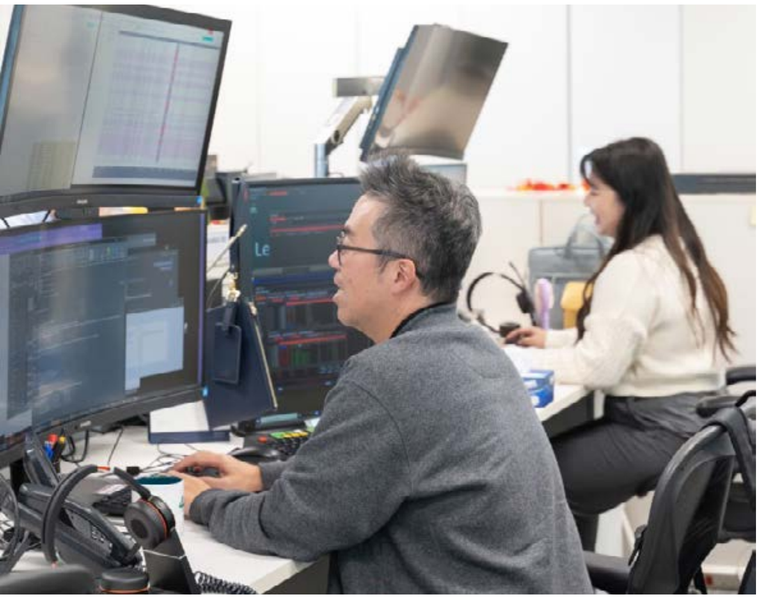
Systemic risk

Audited Participants in the financial infrastructure are systemically relevant, if a failure of one component will simultaneously affect a large number of parties in the market. Systemic problems can arise if the functions of an affected component are not transferred to another (recovering) party in a timely manner. The ability to do so depends on the size of the activities and specific market characteristics. This includes local laws and legislation as well as participant contingency arrangements. As a clearing member, AACB is part of the financial infrastructure that interconnects various market participants.

The financial infrastructure is regulated and intensively supervised by regulatory authorities. The market infrastructure includes CCPs to mitigate counterparty risk. Clearing members are required to pay initial margins to cover the potential future exposure that a CCP runs on the positions of its clearing members, including client positions. In addition to the paid-up margins, clearing members must also contribute to default funds.

In the event of a clearing member default, with losses greater than the initial margin and default contribution of the defaulting clearing member and exceeding the pre-funded own contribution of the CCP, the default contributions of other clearing members will be used to cover the losses. If these are depleted, there are one or multiple mandatory refinancing calls to each of the remaining clearing members up to the prior default fund contribution. Alternatively, a clearing member can in extreme cases forfeit membership. CCP clearing ensures that monetary losses resulting from a clearing member default are covered to a large extent.

In 2023 further work has been done to strengthen the central clearing chains but also to test the current arrangements in the form of fire drills or default management runs. Testing and training ensures all participants are aware of required processes and highlight improvements to implement. The objective is to increase timeliness and quality of a response to a stress or default event. The finalisation of recovery and resolutions plans complete this preparation.



Kan Wong & Candice Sin - Hong Kong office

The following table presents the gross carrying amount of loans and the contractual amount of undrawn loan commitments, classified by internal rating and risk stage. Stage 2 classification of clients requires several qualitative triggers, which are not necessarily dependent on internal ratings. Standard supervisory methods are used for measurement of the exposure value of AACB's client portfolio. This exposure value is used for regulatory and internal risk calculation purposes.

In 2023, the approach AACB used for risk weights was the Standardised Approach (SA) for credit risk with regard to its client portfolio. See next pages for a breakdown of the exposures credit quality scores.

Audited Internal rating scale mapped to external ratings

	UCR (internal rating)	Low PD%	High PD%	Standard & Poor's equivalent	Moody's equivalent	Fitch equivalent
Investment grade	UCR 1	0	0.04	AAA to A+	Aaa to Aa3	AAA to AA-
	UCR 2+	0.04	0.05	A+	A1	A+
	UCR 2	0.05	0.07	A	A2	A+
	UCR 2-	0.07	0.13	A-	A3	A to A-
	UCR 3+	0.13	0.2	BBB+	Baa1	BBB+
	UCR 3	0.2	0.3	BBB	Baa2	BBB
	UCR 3-	0.3	0.47	BBB-	Baa3	BBB-
Sub-investment grade	UCR 4+	0.47	0.78	BB+	Ba1	BB+
	UCR 4	0.78	1.29	BB	Ba3	BB
	UCR 4-	1.29	2.23	BB-	B1	B+
	UCR 5+	2.23	4.24	B	B2	B
	UCR 5	4.24	8.49	B-	Caa	B-
	UCR 5-	8.49	16.97	CCC/C	Caa	CCC/C
	UCR 6+	16.97	99.99	CCC/C	Ca	CCC/C
Default	UCR 6-8			D	C-D	D

Audited Credit quality by internal rating scale mapped to stages

(in thousands)							31 December 2023
	Internal rating scale	**PD scale**	**UCR range**	**Stage 1**	**Stage 2**	**Stage 3**	**Total**
Loans and advances banks							
	Investment grade	0.0000 - < 0.0346	1	641,325	36,784		678,109
		0.0346 - < 0.1265	2	353,853			353,853
		0.1265 - < 0.4648	3				
	Sub-investment grade	0.4648 - < 2.2249	4	64,780			64,780
		2.2249 - < 16.9706	5	259			259
		16.9706 - < 100	6+				
	Default	100	6-8				
Total Loans and advances banks				1,060,218	36,784		1,097,002
Corporate loans							
	Investment grade	0.0000 - < 0.0346	1	8,529,883	46,328		8,576,211
		0.0346 - < 0.1265	2	3,670			3,670
		0.1265 - < 0.4648	3				
	Sub-investment grade	0.4648 - < 2.2249	4				
		2.2249 - < 16.9706	5				
		16.9706 - < 100	6+				
	Default	100	6-8				
Total Corporate loans				8,533,553	46,328		8,579,881
Other loans and advances							
	Investment grade	0.0000 - < 0.0346	1	6,034,738			6,034,738
		0.0346 - < 0.1265	2				
		0.1265 - < 0.4648	3				
	Sub-investment grade	0.4648 - < 2.2249	4	8,917			8,917
		2.2249 - < 16.9706	5				
		16.9706 - < 100	6+				
	Default	100	6-8			1,162	1,162
Total Other loans and advances				6,043,655		1,162	6,044,817
Loan commitments and financial guarantee contracts							
	Investment grade	0.0000 - < 0.0346	1	241,917			241,917
		0.0346 - < 0.1265	2				
		0.1265 - < 0.4648	3				
	Sub-investment grade	0.4648 - < 2.2249	4				
		2.2249 - < 16.9706	5				
		16.9706 - < 100	6+				
	Default	100	6-8				
Total Loan commitments and financial guarantee contracts				241,917			241,917
Total							
	Investment grade	0.0000 - < 0.0346	1	15,447,863	83,112		15,530,974
		0.0346 - < 0.1265	2	357,523			357,523
		0.1265 - < 0.4648	3				
	Sub-investment grade	0.4648 - < 2.2249	4	73,698			73,698
		2.2249 - < 16.9706	5	259			259
		16.9706 - < 100	6+				
	Default	100	6-8			1,162	1,162
Total				15,879,343	83,112	1,162	15,963,617

Audited Offsetting, netting, collateral and guarantees

(in thousands) — 31 December 2023

Assets	Carrying amount before balance sheet netting	Balance sheet netting with gross liabilities	Carrying amount	Master netting agreement	Collateral	Total risk mitigation	Surplus collateral	Received guarantees	Net exposure
		Offset in the statement of financial position		Not offset in the statement of financial position					
Cash and balances at central banks	1,080,629		1,080,629						1,080,629
Financial assets held for trading	804		804						804
Derivatives	170		170						170
Financial investments	617,468		617,468						617,468
Securities financing	11,627,635	121,193	11,506,442	65,634	9,436,846	9,502,480	549,238		2,553,200
Loans and advances banks	1,096,269		1,096,269	242,303	489,487	731,790	487,258		851,737*
Corporate loans at amortised cost	8,579,881		8,579,881	1,407,282	25,037,471	26,693,451	18,197,373	248,697	83,803
Other loans and advances	6,043,655		6,043,655						6,043,655*
Other	151,029		151,029						151,029
Total assets	**29,197,540**	**121,193**	**29,076,347**	**1,715,219**	**34,963,805**	**36,927,721**	**19,233,869**	**248,697**	**11,382,495**
Financial guarantees given	101,563								101,563
Committed credit facilities	146,054								146,054
Total assets	**29,445,157**								**11,630,112**

Liabilities	Carrying amount before balance sheet netting	Balance sheet netting with gross assets	Carrying amount	Master netting agreement	Collateral	Total risk mitigation	Surplus collateral	Received guarantees	Net amount
Financial liabilities held for trading	7,039		7,039						7,039
Derivatives	118		118						118
Securities financing	2,416,300	188	2,416,112	48,978					2,367,134
Due to banks	14,313,463		14,313,463	242,303					14,071,160
Due to customers	9,428,628		9,428,628	1,423,938					8,004,690
Other	996,634		996,634						996,634
Total liabilities	**27,162,182**	**188**	**27,161,994**	**1,715,219**					**25,446,775**

The balance sheet amount before balance sheet netting represents the maximum exposure to credit risk.
* AACB's business model is such that each customers exposure is covered by collateral. The remaining amounts in the net exposure column mainly consist of margin and default funds placed with CCP's and cash in own bank accounts.

(in thousands) — 31 December 2022

Assets	Carrying amount before balance sheet netting	Balance sheet netting with gross liabilities	Carrying amount	Master netting agreement	Collateral	Total risk mitigation	Surplus collateral	Received guarantees	Net exposure
		Offset in the statement of financial position		Not offset in the statement of financial position					
Cash and balances at central banks	4,034,741		4,034,741						4,034,741
Financial assets held for trading	1,165		1,165						1,165
Financial investments	788,784		788,784						788,784
Securities financing	9,009,691	1,294	9,008,397	68,902	7,781,253	7,850,155	175,453		1,333,695
Loans and advances banks	1,336,147		1,336,147	194,305	1,792,880	1,987,186	1,792,583		1,141,544*
Corporate loans at amortised cost	6,438,517		6,438,517	1,606,633	19,508,515	21,115,148	15,244,521	400,000	167,890
Other loans and advances	6,855,210		6,855,210						6,855,210*
Other	143,888		143,888						143,888
Total assets	**28,608,143**	**1,294**	**28,606,849**	**1,869,840**	**29,082,649**	**30,952,489**	**17,212,557**	**400,000**	**14,466,917**
Financial guarantees given	130,123								130,123
Committed credit facilities	153,695								153,695
Total assets	**28,891,961**								**14,750,735**

Liabilities	Carrying amount before balance sheet netting	Balance sheet netting with gross assets	Carrying amount	Master netting agreement	Collateral	Total risk mitigation	Surplus collateral	Received guarantees	Net amount
Securities financing	1,740,397		1,740,397	16,784					1,723,613
Due to banks	14,352,242		14,352,242	194,305					14,157,937
Due to customers	9,803,585		9,803,585	1,658,750					8,144,835
Other	987,529		987,529						987,529
Total liabilities	**26,883,753**		**26,883,753**	**1,869,840**					**25,013,913**

The balance sheet amount before balance sheet netting represents the maximum exposure to credit risk.
* AACB's business model is such that each customers exposure is covered by collateral. The remaining amounts in the net exposure column mainly consist of margin and default funds placed with CCP's and cash in own bank accounts.

Audited Stress testing

AACB applies stress testing and scenario analysis for various purposes, including:

- Capital stress testing: stress testing is performed to gain insight into the resilience of our capital position under adverse changes in the economic environment and regulatory landscape, as well as into AACB-specific circumstances. As part of capital planning, this stress testing is performed semi-annually.
- Liquidity stress testing: various stress tests are performed on a regular basis (daily and quarterly) to determine the impact of market circumstances and client behaviour on AACB's liquidity position. Both historical and hypothetical market risk stress testing are included in the daily liquidity stress testing.
- The annual and quarterly stress testing of capital and liquidity form an integral part of the regular internal capital and liquidity adequacy assessment process (ICLAAP).
- Internal risk analysis and monitoring: the outcome of stress testing is used for setting and monitoring risk appetite limits and checkpoints as well as for daily risk analysis purposes.

In recent years there has been an increase in geopolitical events which could ultimately impact AACB. Several possible scenarios have been included in AACB's stress testing.

Alex Lee, Valerie Rossie- Singapore office

Audited Liquidity risk

Underpinned by the nature of client activities, liquidity risk is one of the most material and acute risks for AACB. Depending on market conditions, it is typically fast developing and short-term due to the nature of AACB financial assets: short-term client loans. Client liquidity facilities are primarily uncommitted; therefore, AACB can reduce or even terminate these on short notice. The liquidity funding risk due to potential margin calls is time critical as well as currency and location specific.
AACB funding and liquidity risks arise from several factors, many of which are mostly or entirely beyond our control, such as volatility and disruptions in the financial markets (including repo and stock borrowing and lending markets), client trading strategies or changes in ABN AMRO's funding capabilities. If not managed quickly, a severe liquidity crisis could prevent AACB from meeting obligations regarding client financing and timely posting of margins to CCPs, as well as a breach of regulatory liquidity standards. Failure to meet timelines for CCP margin payments can have severe consequences, including fines and even a (technical) default.

Liquidity risk management

In general, liquidity risk management seeks to ensure that AACB can continue business activities under normal and adverse market conditions. Treasury is responsible for cash and funding management and has several liquidity sources to manage AACB's funding needs. These include:

1. Committed and uncommitted funding lines from ABN AMRO Bank NV and other banks
2. Client deposits
3. Client collateral and Securities borrowing and lending (SBL) market

Liquidity risk management framework

AACB maintains a comprehensive liquidity risk management framework (LRMF) for withstanding severe liquidity stress and maintaining robust service provision (financing and settlement) to clients, counterparties and CCPs, which is critical to the functioning of global financial markets. The LRMF comprises:

1. Policies and governance
2. Risk appetite statements (RAS)
3. Liquidity risk early warning indicators (EWI)
4. Liquidity stress tests and scenarios
5. Day-to-day liquidity management (procedures)
6. Internal liquidity adequacy assessment plan (ILAAP) and contingency funding plan (CFP)
7. Liquidity buffers

This framework is designed to measure and monitor intraday identified liquidity risks. It is implemented across AACB internationally. For the LRMF to remain up to date, AACB Finance (1st line) and AACB Global Market & ALM/ Treasury Risk (2nd line) analyse and stress test material contingency liquidity situations that AACB experiences, to monitor changes in AACB's liquidity risks. This is imperative for ensuring that the insights necessary for efficient decision-making are available. Moreover, it allows AACB to meet internal and external (regulatory) requirements at all times.

In 2023, LRMF was strengthened, with regional CFPs and EWIs being further developed, and increasing global alignment in close cooperation between the regions and AACB Global Market & ALM/Treasury Risk. This ensures consistent LRMF implementation.

ILAAP
AACB's ILAAP is an integral part of LRMF. As part of the ILAAP, AACB regularly performs a comprehensive review of all framework constituents. A detailed review and inventory of AACB liquidity risks is performed annually. All identified risks and material changes in the risk profile are incorporated in AACB's liquidity stress testing and scenario analysis, as well as in EWIs and trigger levels. AACB uses stress testing to evaluate the robustness of AACB business plans, identify risks in client portfolios, and test the ability to meet regulatory requirements. It is an important methodology and is used to evaluate our risk tolerance for risk appetite setting as well as for assessing liquidity impact for the total AACB organisation.

The ILAAP process is also used to assess the efficiency of the risk detection, measurement, and monitoring practices for liquidity risks as well as to determine adequate levels of various liquidity sources and liquidity buffers. It supports the objective of maintaining AACB's robust funding strategy and efficient liquidity risk management in alignment with our business model.

Monitoring liquidity risk
AACB's Treasury department monitors actual and expected cash movements on an (intra)daily basis – an important part of cash management and funding liquidity management. AACB's Global Market & ALM/Treasury Risk independently monitors liquidity risks daily as well as other liquidity risk metrics less frequently. This includes:

- EWIs
- RAS limits and checkpoints
- Aggregated client metrics such as utilisation of approved client liquidity lines
- Concentrated risk exposures
- Liquidity coverage ratio, net stable funding ratio and exposure measure
- Market and liquidity risk stress estimates (part of liquidity forecasting)
- Market volatility, including tightness in the SBL market
- Forthcoming material events (such as political changes and large corporate actions) that could have an impact on market volatility or trigger changes in client strategies
- Regulatory changes


Chris Jermy, Michael Tarbuck & Austin Linton- London office

Developments in AACB's funding position and liquidity risk profile are discussed in the CERC and Clearing Asset and Liability Committee meetings. This ensures that senior management is actively involved in managing liquidity risks, potential issues are quickly identified, and corrective decisions are taken if deemed necessary.

The Global Market & ALM/Treasury Risk Management team has developed several daily risk reports that strengthen AACB's liquidity risk monitoring. These provide a comprehensive overview of market risk concentration as well as client behaviour trends, which underlie and drive AACB liquidity risk, and have enabled more-detailed insight into AACB's liquidity risk.

Audited

Liquidity sensitivity gaps
The following table provides a maturity analysis of the earliest contractual undiscounted cash flows for assets and liabilities. It represents the short-term nature and cash flows of AACB activities. The amounts include accrued interest as stated in the statement of financial position.

Audited Liquidity sensitivity gap statement

(in thousands) 31 December 2023

	On demand	Up to one month	Between one and three months	Between three and six months	Between six and twelve months	Between one and five years	Total
Cash and balances at Central banks	1,080,629						1,080,629
Financial assets held for trading	804						804
Derivatives	170						170
Financial investments	467,589		68,279			81,600	617,468
Securities financing assets	11,475,227		31,216				11,506,442
Loans and advances banks	1,096,269						1,096,269
Corporate loans	6,420,223	2,159,552	100	5			8,579,881
Other loans and advances	3,982,711		2,060,944				6,043,655
Other assets	146,030	1,096	3,902				151,029
Total assets	**24,669,653**	**2,160,648**	**2,164,440**	**5**		**81,600**	**29,076,347**
Financial liabilities held for trading	7,039						7,039
Derivatives	118						118
Securities financing liabilities	2,416,112						2,416,112
Due to banks	323,982	5,831,220	1,327,042		5,831,220	1,000,000	14,313,463
Due to customers	8,345,611	1,082,899	90	29			9,428,628
Issued debt						600,000	600,000
Other liabilities	386,022	122	3,890		6,600		396,634
Total liabilities	**11,478,884**	**6,914,240**	**1,331,022**	**29**	**5,837,820**	**1,600,000**	**27,161,994**
Net liquidity surplus / gap	**13,190,769**	**-4,753,592**	**833,418**	**-24**	**-5,837,820**	**-1,518,400**	**1,914,353**
Off-balance sheet liabilities							
Committed credit facilities	146,054						146,054
Guarantees and other commitments	10,650						10,650
Total off-balance sheet liabilities	**156,703**						**156,703**

(in thousands) 31 December 2022

	On demand	Up to one month	Between one and three months	Between three and six months	Between six and twelve months	Between one and five years	Total
Cash and balances at Central banks	4,034,741						4,034,741
Financial assets held for trading	1,165						1,165
Financial investments	719,176		69,608				788,784
Securities financing assets	8,969,553		38,844				9,008,397
Loans and advances banks	1,336,147						1,336,147
Corporate loans	5,763,799	673,241	1,478	1			6,438,517
Other loans and advances	5,157,186		1,698,024				6,855,210
Other assets	141,135	1,088	1,666				143,888
Total assets	**26,122,902**	**674,328**	**1,809,619**	**1**			**28,606,849**
Financial liabilities held for trading	995						995
Derivatives	22						22
Securities financing liabilities	1,740,397						1,740,397
Due to banks	1,169,844	4,132,079		5,050,319		4,000,000	14,352,242
Due to customers	8,635,813	1,163,811	4	3,957			9,803,585
Issued debt						600,000	600,000
Other liabilities	377,320	153	4,198		5,859		387,530
Total liabilities	**11,924,390**	**5,296,043**	**4,201**	**5,054,276**	**5,859**	**4,600,000**	**26,884,770**
Net liquidity surplus / gap	**14,198,511**	**-4,621,715**	**1,805,417**	**-5,054,276**	**-5,859**	**-4,600,000**	**1,722,079**
Off-balance sheet liabilities							
Committed credit facilities	153,695						153,695
Guarantees and other commitments	137,580						137,580
Total off-balance sheet liabilities	**291,275**						**291,275**

Audited 2023 developments in AACB's liquidity position

2023 has been another volatile year for AACB's liquidity position but overall calmer than 2022 with average funding usage being slightly lower. Macroeconomic trends, such as high inflation and increasing interest rates, continued to have a large impact on equity markets. Within this context, global financial markets confounded gloomy expectations with many major stock indices booking significant gains over the year and inflation also slowly abating. Nonetheless, this environment saw high volatility which in turn led to high activity for clients in the PTG segment, with their and AACB's liquidity usage at times peaking as a result. Consequently, AACB's liquidity position was often volatile throughout 2023, and liquidity usage has been relatively high over much of the year. AACB has also seen an increase in its retail deposits through its Banking as a Service (BaaS) product whereby AACB allows clients to make use of its banking licence to offer bank accounts to their retail clients.

Audited Market risk

In addition to the banking book, a number of AACB's business activities, including the synthetic product offering and fractional share trading facilitation, also resulting in AACB maintaining a trading book (according to the CRR book classification). AACB is therefore subject to the relevant solvency regulations, and the market risk stemming from both books needs to be managed and monitored.

Audited Market risk in the trading book

AACB's market risk within the trading book arises from the various business activities that result in AACB taking on market risk exposure. As these activities are geared solely towards client facilitation, the resulting market risk exposure is small in significance. Moreover, the market risk is closely managed and is either fully hedged or insignificant: the equity exposure is fully hedged; the foreign exchange risk is fully hedged due to the matching currency funding; and the interest rate risk is insignificant due to the overnight term of the risk-free interest rate index underpinning the products. As the market risk is flat, no market risk related capital requirements are generated. AACB applies the standardised method for market risk capital requirement calculation.

Audited Market risk in the banking book

Within the banking book, market risk for AACB principally arises in two areas of risk: foreign exchange (FX) risk and interest rate risk.

FX risk

AACB activities in London, Singapore, Japan, Hong Kong, Sydney, Chicago, and Brazil can result in FX risk for the working capital and/or equity positions of these branches and subsidiaries. A sensitivity analysis regarding the impact of changes in the EUR/USD on the capital position is performed on an annual basis.

As AACB finances assets in matching currencies, the resulting FX risk is minimal. Furthermore, the FX risk borne as a result of day-to-day operating activities is mitigated by entering into FX transactions with other ABN AMRO companies. As a result, AACB's overall net open position in foreign currency is near zero. The foreign currency translation reserve presented in the statement of other comprehensive income relates to foreign currency translation exposure upon consolidation. In general, ABN AMRO ALM/Treasury manages ABN AMRO FX risk at the enterprise level.

Interest rate risk

Interest rate risk is managed according to ABN AMRO's framework as approved by ABN AMRO's Asset & Liability Committee. This framework is designed to transfer interest rate risk out of commercial business lines to the central ALM function of ABN AMRO, allowing for clear differentiation between commercial business results and results on unhedged interest rate positions. The execution of decisions and day-to-day management of interest rate risk are performed by ABN AMRO's ALM/Treasury department. AACB is not exposed to any significant interest rate mismatch risk.

2023 developments in AACB's market risk position

As of January 2023, AACB assumed ABN AMRO's banking licence in Brazil to continue providing our international clients access to the Brazilian traded markets. Over the course of 2023, a broker dealer licence was also added. AACB's operations in the country entail client facilitation with FX products to meet their BRL liquidity needs, which is classed as a trading book activity.
Further work has been done to strengthen the risk framework regarding market risk, both trading book and banking book, as well as to improve the risk reporting. The fractional share trading service in particular, has seen improvements in this area, in line with the increasing popularity of the product.

Audited Credit risk capital

AACB's regulatory capital model ensures that client credit exposures are covered by sufficient capital. In relation to capital requirement calculations, also known as risk weighted assets (RWAs), AACB uses the Standardised Approach for measuring the Counterparty Credit Risk (SA-CCR) for client derivatives exposures and the Financial Collateral Comprehensive method (FCCM) for other client collateralised exposures, as described in Regulation (EU) No 575/2013 (CRR). In 2024, AACB will continue to report credit exposures accordingly.

Audited Capital risk

As a European credit institution, AACB is subject to capital regulation (CRD and CRR) and is therefore required to hold capital to cover financial risks. On a sub-consolidated basis, AACB must meet the minimum regulatory capital requirements expressed as a percentage of RWA. For a more detailed breakdown of EU regulatory capital requirements, please refer to the ABN AMRO Bank financial statements.

AACB foreign subsidiaries are also subject to local regulatory solvency requirements. The most-material AACB entities from the capital consumption perspective are ABN AMRO Clearing USA and ABN AMRO Clearing Hong Kong.

The estimated Basel IV capital requirements are still subject to uncertainties. These include data limitations, finalisation of the Regulatory and Implementing Technical Standards and portfolio developments.

Audited Capital risk management

The primary objective of our capital management strategy is to ensure that capital adequacy requirements are met, and that sufficient capital is available to support AACB's strategy. Capital is a necessary resource for doing business and defines commercial possibilities. AACB manages the balance between available and required capital centrally for optimal use. The basis of AACB's capital management strategy comprises AACB's risk appetite, business plans, and local capital requirements for our foreign subsidiaries. Other important factors include external stakeholder (e.g. regulators and counterparties) expectations, market developments, riskiness of our clients, and contingent capital needs. The main risks to capital are derived from:

- Potential credit losses (direct capital impact)
- RWA fluctuations (impact on the CET1 ratio)
- Specific local issues (e.g. sudden increase of capital deductions due to client positioning)
- Low profitability (business model sustainability)

Audited Capital risk monitoring

AACB has developed and implemented a capital risk management framework that includes:

- Risk governance
- Monitoring on the CET1 and LR ratios
- Limits on capital excess in material subsidiaries
- Limits on ineligible collateral financing
- Capital EWIs at global and local levels
- ICAAP
- Capital stress testing and scenario analysis
- Trapped capital analysis
- Contingency Funding and Capital Plan (CF&CP)

AACB maintains comfortable buffers in foreign subsidiaries to meet capital requirements from regulatory and internal perspectives. In addition, stress testing indicates that sufficient buffers are in place.

Audited Contingency capital management

A CF&CP is in place to address any capital issues that may arise. It provides a framework to detect capital adequacy stress by setting out various EWIs. The CF&CP also sets out a range of actions that can be undertaken, based on the level of severity and urgency of a particular issue.

Audited Regulatory risk

AACB operates in a highly regulated environment. Our home regulators are the ECB, DNB and AFM. Other AACB offices interact with local regulators such as the UK's Financial Conduct Authority, the Securities and Exchange Commission and Commodity Futures Trading Commission in the US, and Singapore's MAS, among others. AACB also deals with numerous exchanges and central clearing houses that mandate their own rules and regulations.

Local compliance and legal departments ensure continual compliance with regulations and liaise with regulators to safeguard AACB from regulatory risk. Our Global Regulatory Affairs department also actively engages with principal regulators and policymakers to protect our interests as well as those of our clients.

On a more-operational level, local Risk departments conduct market surveillance activities of clients for which AACB acts as the executing broker, meaning the broker transmitting client orders to trading platforms. This is done primarily from a market abuse and order book behaviour perspective. The same departments also monitor anti-money laundering to ensure compliance with AACB and local regulatory standards.

Eve Wilson and Megan Mawer - Sydney office

Audited Operational risk

AACB is exposed to operational risk arising from people, business processes, and IT infrastructure. Operational risk is the risk of losses resulting from inadequate or failed internal processes, systems, or human error, caused by internal or external events. Resulting in a financial loss and or a disruption of product or services. Some examples of operational risk are wrongful execution of an order, fraud, litigation for legal non-compliance, natural disasters, and cybercrime.

Operational risk within AACB is monitored and controlled by three complementary departments, in line with ABN AMRO's three lines of defence model as described earlier under 'Risk governance'. AACB, like ABN AMRO, embedded a full operational risk control framework exposed to operational risk arising from business processes and information and IT security. This framework is aligned with the regulatory technical standard approach and based on best market practices.

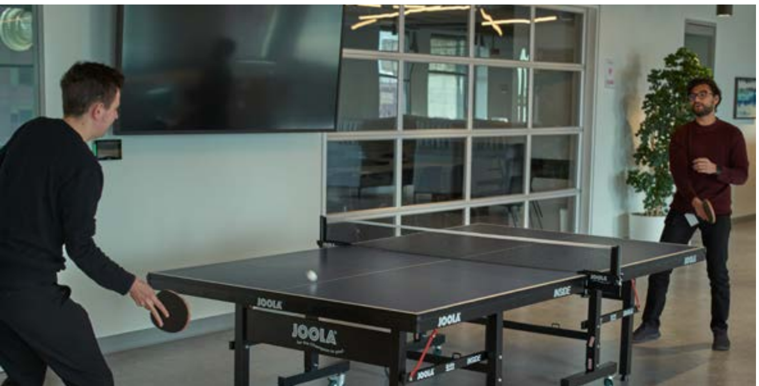
As part of the control framework, various instruments are used to identify, measure, mitigate, and control risks. Instrument types are strategic risk assessments, risk assessments, change risk assessments, and stress testing. All risks are measured against AACB's moderate risk profile, which is clearly stated within our risk appetite statement.

Business continuity management

Availability of business processes is a key aspect for the internal and external operations of clearing activities. Therefore, business continuity management (BCM) is embedded throughout AACB, complies with ABN AMRO BCM policies and procedures, and follows ISO 22301 standards.

Business continuity plans are in place for each AACB location. These aim to limit the impact of unexpected events on the continuity of services. Training for business crisis team members is provided on an ongoing basis. Employees are obligated to actively participate in business continuity plan awareness and e-learning sessions. Disaster and recovery sessions are held regularly to test key processes and the IT infrastructure, and to support training for essential employees.

Tom Lewis & Raafi Jahangir- USA office



AACB IT infrastructure is monitored to ensure availability, confidentiality, and integrity. Infrastructure availability is continuously monitored for AACB's critical business chains. AACB performs annual disaster recovery tests for all core systems to assure adequate functioning and to identify aspects for improvement. AACB actively participates in multiple industry wide crisis teams fire drill like ISIDOOR, a large-scale cyber crisis fire drill organised by Dutch government including different critical industries like banks, telecom and electricity.

Audited Information risk management

The clearing business is IT and information intensive, requiring a strong control framework to ensure the confidentiality, integrity, and availability of information. To manage threats and risks effectively, framework of control objectives is used to monitor and test the effectiveness of risk mitigating. AACB continuously monitors (external) threats in terms of IT and cyber security. Continuously improving the control environment is a key activity.

Audited Information risk monitoring

AACB has developed and implemented an information risk management framework that includes:

- Risk governance
- Monitoring with risk indicators measuring
  - Availability of service
  - Cyber risk posture
  - Risk of data leakage
- Information risk control framework based on best market practices
- IT and Information risk capability maturity measuring
- Stress testing
- Ethical hacking (red teaming)

2023 developments in AACB's information risk position

The cyber threat landscape increased in 2023 among others driven by the geopolitical unrest in the world. This led to a large increase of cyber events affecting industry parties and vendors. AACB continuously monitors the performance of IT and information risk capabilities by an extensive list of key risk indicators and key performance indicators. To safeguard the necessary oversight dedicated (risk) committees are installed to ensure governance and scrutiny to the different risk areas, amongst others: Global Clearing Information Risk Committee, Cloud Tower, and the newly introduced Outsourcing committee. Strong focus of 2024 will be on EU regulation of Digital Operational Resilience Act (DORA), enforced per January 17th, 2025.

Key Figures

(x EUR 1.000)	31 December 2023	31 December 2022
Geographic breakdown RWA		
Composition of regulatory capital:		
- Common Equity Tier 1 (CET1)	1,914,352	1,722,091
Total regulatory capital	**1,775,718**	**1,703,965**
Total Risk Exposure Amount (RWA)	6,445,803	5,453,521
CET1 ratio	27.55%	31.25%
Fully loaded leverage ratio (SA-CCR)	6.1%	5.9%

	31 December 2023	31 December 2022
Geographic breakdown RWA		
Europe	58%	60%
US	28%	26%
APAC	14%	14%
Total	**100%**	**100%**

	31 December 2023	31 December 2022
RWA breakdown per counterparty		
Clients	50%	50%
Central counterparties (CCPs)	10%	6%
Other *	40%	44%
Third party exposures	100%	100%
AAB intra-group	0%	0%
Total	**100%**	**100%**

* Included in this item is the current credit risk relating to securities lending and borrowing transactions.

	31 December 2023	31 December 2022
Liquidity ratio's		
Liquidity Coverage Ratio (LCR)	>100%	>100%
Net Stable Funding Ratio (NSFR)	>100%	>100%

Maria Valero, Koen Kuijer & Johan van Poppel - Amsterdam office

Audited

Fraud risk

Fraud is a complex phenomenon with increasing impact on society, AACB and its clients. It can arise from internal or external events (including cyber fraud) and result in financial loss (including unavailability of services), reputational damage and/or regulatory fines. Within AACB the first and second line closely collaborate to identify potential fraud risks and implement fraud risk management framework when applicable, that enables the AACB to manage and mitigate fraud risk. A fraud risk assessment is an integral part of the AACB Systematic Integrity Risk Assessment (SIRA) as well as operational risk instruments risk assessment and stress testing. The focus has predominantly been on identification of fraud risk, formalizing and improving roles and responsibilities regarding fraud prevention, detection, and response. AACB is guided by the development of a fraud risk reference control library by ABN AMRO. Besides that, improvement of the fraud management information by ABN AMRO and AACB fraud posture resulted in increased insights, quality of risk assessments and steering on the risk. AACB, in close cooperation with ABN AMRO will continue its efforts in 2024 and will specifically focus on further implementing the framework.
AACB maintains a zero tolerance to fraud, and acknowledges that fraud is an accelerating risk, especially as the bank is digitalizing and the proliferation of technology presents unprecedented opportunities for fraud (e.g. voice cloning through AI-software). With regards to internal fraud the bank continuously monitors and assesses fraud risks related to employee fraud and bribery and corruption risk. In 2023, due to the ongoing geopolitical tensions and an increased threat by Organized Crime Groups (OCGs) the insider risk threat level indicated by ABN AMRO stays elevated.

AACB will continue its effort to prevent fraud. Key actions included the following:

- Executing the fraud risk management framework
- Awareness of staff
- Expertise in conducting fraud investigation

Annual Financial Statements

Zoe Russell - London office

Consolidated statement of profit or loss

(x EUR 1.000)	Note	2023	2022
Income			
Interest income calculated using the effective interest method		1,638,963	702,275
Other interest and similar income		13,514	6,866
Interest expenses calculated using the effective interest method		1,346,048	463,789
Other interest and similar expense		686	602
Net interest income	1	**305,743**	**244,750**
Fee and commission income		457,087	461,825
Fee and commission expenses		110,431	116,924
Net fee and commission income	2	**346,656**	**344,901**
Share of result in equity accounted investments	3	-5	-1
Other operating income	4	7,485	13,684
Operating income		**659,879**	**603,334**
Expenses			
Personnel expenses	5	160,981	148,989
General and administrative expenses	6	195,240	200,037
Depreciation and amortisation of (in)tangible assets	7	7,740	7,029
Operating expenses		**363,961**	**356,055**
Impairment charges on financial instruments	8	-3,175	1,523
Total expenses		**360,786**	**357,578**
Operating profit / (loss) before taxation		299,093	245,756
Income tax expense	9	67,845	57,988
Profit (loss) for the year		**231,248**	**187,768**
Attributable to: Owner of the company		231,248	187,768

Lion Dance for Chinese New Year - Hong Kong office

Consolidated statement of comprehensive income

(x EUR 1.000)	Note	2023	2022
Profit for the period		**231,248**	**187,768**
Other comprehensive income:			
Items that may be reclassified to the income statement			
(Un)realised gains/(losses) currency translation	30	-38,782	34,278
(Un)realised gains/(losses) fair value through OCI	30	42	-21
Other comprehensive income for the period before taxation		**-38,740**	**34,257**
Income tax relating to items that may be reclassified to the income statement	30	-21	3
Other comprehensive income for the period after taxation		**-38,761**	**34,260**
Total comprehensive income/(expense) for the period after taxation		**192,487**	**222,028**
Total comprehensive income attributable to:			
Owner of the company		**192,487**	**222,028**

Eliane Maria Alves Canteiro & Fernando Kobayasse Setani - São Paulo office

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Consolidated statement of financial position

(x EUR 1.000)	Note	2023	2022
Assets			
Cash and balances at central banks	10	1,080,629	4,034,741
Financial assets held for trading	11	804	1,165
Derivatives	24	170	
Financial investments	12	617,468	788,784
Securities financing	14	11,506,442	9,008,397
Loans and advances banks	15	1,096,269	1,336,147
Corporate loans at amortised cost	16	8,579,881	6,438,517
Other loans and advances	16	6,043,655	6,855,210
Equity accounted investments	19	269	284
Property and equipment	20	24,645	19,996
Intangible assets	21	3,177	812
Tax assets	22	64,447	67,874
Other assets	23	58,491	54,922
Total assets		**29,076,347**	**28,606,849**
Liabilities			
Financial liabilities held for trading	11	7,039	995
Derivatives	24	118	22
Securities financing	14	2,416,112	1,740,397
Due to banks	25	14,313,463	14,352,242
Due to customers	26	9,428,628	9,803,585
Issued debt	27	600,000	600,000
Provisions	28	8,715	6,146
Tax liabilities	22	44,505	30,211
Other liabilities	29	343,414	351,172
Total liabilities		**27,161,994**	**26,884,770**
Equity			
Share capital		15,000	15,000
Share premium		5,363	5,363
Other reserves (incl. retained earnings/profit for the period)		1,841,563	1,610,531
Accumulated other comprehensive income		52,426	91,185
Equity attributable to owner of the company	30	**1,914,352**	**1,722,079**
Total Equity		**1,914,352**	**1,722,079**
Total Liabilities and Equity		**29,076,346**	**28,606,849**
Committed credit facilities	31	146,054	153,695
Guarantees and other commitments	31	112,213	137,580

Consolidated statement of changes in equity

(x EUR 1.000)

			Other reserves		Accumulated other comprehensive income (note 30)			
	Share capital	Share Premium	Retained earnings	Unappropriated result of the year	Fair value reserve	Currency translation reserve	Net investment hedging reserve	Total Equity
Balance at 1 January 2022	**15,000**	**5,363**	**1,253,438**	**172,070**	**-14**	**104,673**	**-47,732**	**1,502,799**
Total comprehensive income				187,768	-18	34,278		222,028
Transfer			172,070	-172,070				
Other			-2,746					-2,746
Balance as at 31 December 2022	**15,000**	**5,363**	**1,422,762**	**187,768**	**-32**	**138,951**	**-47,732**	**1,722,080**
Balance at 1 January 2023	**15,000**	**5,363**	**1,422,762**	**187,768**	**-32**	**138,951**	**-47,732**	**1,722,080**
Total comprehensive income				231,248	21	-38,782		192,487
Transfer			187,768	-187,768				
Other			-215					-215
Balance as at 31 December 2023	**15,000**	**5,363**	**1,610,315**	**231,248**	**-11**	**100,169**	**-47,732**	**1,914,352**

Mark Guthrie & Luke Gabriel - London office

Consolidated statement of cash flows

(x EUR 1.000)	Note	2023	2022
Profit after taxation		**231,248**	**187,768**
Adjustments on non-cash items included in profit:			
Net (un)realised gains/losses		84,936	-70,934
Income of equity associates and partnerships	3	-5	-1
Depreciation, amortisation of (in)tangible assets	7	7,740	7,029
Provisions and impairments		-5,545	7,540
Income tax expenses	9	67,845	57,988
Other non cash adjustments			-3
Changes in operating assets and liabilities:			
Loans and advances banks		-6,418	-53,159
Corporate loans		-2,310,079	290,365
Other loans and advances		719,952	7,962,317
Financial instruments held for trading and securities transactions		-1,336,419	-5,609,658
Due to banks		-140,404	1,802,544
Due to customers		-269,917	-4,263,680
Net changes in all other operational assets and liabilities		-227,921	-166,326
Income taxes paid		-49,653	-60,564
Cash flow from operating activities		**-3,234,639**	**91,224**
Investing activities:			
Purchases of financial investments	12	-81.978	-641,256
Purchase of subsidiary, via common control		-106,919	
Proceeds from sales, maturities and redemptions	12	250,056	157
Dividend from financial investments	12	3,337	4,019
Purchases of property and equipment	20	-12,429	-9,005
Disposal of property and equipment	20	4,298	4,345
Purchases of other (in)tangible assets	21	-3,232	-318
Disposal of other (in)tangible assets	21	334	1,042
Other changes		-1,584	-2,747
Cash flow from investing activities		**51,883**	**-643,763**
Financing activities:			
Issuance of debt certificates	27	600,000	600,000
Payment of debt certificates	27	-600,000	-600,000
Dividend paid to shareholders (incl. dividend to minorities)		7,235	
Payment of lease liabilities		-6,219	-4,619
Cash flow from financing activities		**1,016**	**-4,619**
Net increase (decrease) of cash and cash equivalents		**-3,181,740**	**-557,158**
Cash and cash equivalents as at 1 January		**5,272,568**	**5,821,490**
Effect of exchange rate variance on cash and cash equivalents		-20,319	8,236
Cash and cash equivalents as at 31 December	34	**2,070,509**	**5,272,568**
Supplementary disclosures of operating cash flow information			
Interest income received		1,633,031	687,773
Interest expense paid		-1,337,949	-467,246

The cash position decreased with EUR 3,182 million, including EUR 20 million related to foreign currency translation differences. The non-cash activities were mostly impacted by movements in the fair value reserves, depreciation and amortization and provisions. The operating activities fluctuated as a result of changes in securities financing and corporate loans. The variance in the investing activities was mostly attributable to the sale of financial investments, primarily government bonds and the acquisition of Brazil. The financing activities changed as a result of payments of lease liabilities.
The supplementary disclosure contains interest income or interest expense which is actually received or paid in cash, excluding accruals.

Accounting policies

The notes to the Consolidated Annual Financial Statements, including the audited information in the Risk Management chapter, are an integral part of these Annual Financial Statements. This section describes AACB's material accounting policies and critical accounting estimates or judgements relating to the Annual Financial Statements. If an accounting policy or a critical accounting estimate relates to a specific note, it is included in the relevant note.

The Annual Financial Statements were prepared by the Management Board and authorised for issue by the Supervisory Board and Management Board on 17 May 2024.

For the purpose of its consolidated subsidiaries ABN AMRO has issued notices of liability. Based on this, ABN AMRO is jointly and severally liable for any liability arising from the legal acts performed by AACB.

In principle, AACB is not engaged in any proprietary trading, operates at arm's length of ABN AMRO and therefore, provides clearing services as an independent market participant with its focus on third parties.

Third-party clearing means that AACB guarantees its clients vis-á-vis the exchanges and central counterparties, and undertakes the risk management of the (financial) positions of these often globally operating clients. AACB also handles the administration of positions and the financing of these positions for clients. The clients are predominantly on-exchange traders and professional trader groups but AACB also services financial institutions, banks, fund managers and brokers with its product portfolio.

Statement of compliance

The Consolidated Annual Financial Statements have been prepared in accordance with International Financial Reporting Standards (IFRS), as endorsed by the European Union (EU). They also comply with the financial reporting requirements set out in Title 9 of Book 2 of the Dutch Civil Code, where applicable.

Basis of preparation

The Consolidated Annual Financial Statements have been prepared on a historical cost basis, except for certain items that are measured at fair value. Derivative financial instruments, financial assets and liabilities held for trading or designated as measured at fair value through profit or loss and financial instruments not held in a 'hold to collect' business, are measured at fair value through profit or loss. Certain interest-earning financial investments are valued at fair value through other comprehensive income (FVOCI). As these instruments do not meet the requirements regarding frequency of sales, they are not classified in a 'hold to collect' business model. Associates and joint ventures are accounted for using the equity method.

The Annual Financial Statements are presented in euros, which is the presentation currency of AACB, rounded to the nearest thousand (unless otherwise stated).

The financial statements are prepared on a going concern basis.

Changes in accounting policies

IFRS 17 – Insurance Contracts

As from 1 January 2023, IFRS 17 - Insurance Contracts replaces IFRS 4 and includes comprehensive new requirements for the recognition and measurement, presentation and disclosure of insurance contracts. IFRS 17 applies to all types of insurance contracts (i.e., life, non-life, direct insurance and re-insurance), regardless of the type of entities that issue them, as well as to certain guarantees and financial instruments with discretionary participation features. As AACB does not report any insurance contracts, this is not relevant for AACB.

Amendments to existing standards

The International Accounting Standards Board issued several amendments to existing standards that are endorsed by the EU. These changes became effective for the reporting period beginning on 1 January 2023. The standards amended are:

- AS 1 Disclosure of accounting policies;
- AS 8 Definition of accounting estimate;
- IAS 12 Deferred Tax related to Assets and Liabilities arising from a Single Transaction;
- IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules.

The impact of these amendments on the consolidated financial statements are insignificant, except for the impact of the International Tax Reform. The IAS 12 amendments relate to the introduction of a temporary exception and targeted disclosure requirement, in response to the International Tax Reform from the Organisation for Economic Co-operation and Development (OECD). The Pillar Two EU legislation aims to ensure a minimum tax of 15% is paid on profits globally. Given that this does not materially impact AACB, we will not disclose the impact on the current tax expense, if any. Furthermore, AACB applied the exemption related to the recognition and disclosure of deferred tax liabilities in accordance with Pillar Two EU legislation in 2023.

New standards, amendments and interpretations not yet effective

The International Accounting Standards Board issued the following amendments to existing standards that are or will be endorsed by the EU. These amendments will become effective for the reporting period beginning on or after 1 January 2024. ABN AMRO does not early adopt these amendments. The standards amended are:

- IAS 1 Classification of liabilities as current or non-current;
- IFRS 16 Lease liability in a sale and lease back;
- IAS 7 and IFRS 7 Supplier finance arrangements; and
- IAS 21 Lack of exchangeability.

The expected impact of these changes on the consolidated financial statements is insignificant.

Critical accounting estimates and judgements

In preparing the financial statements, management needs to exercise its judgement in the process of applying AACB's accounting policies and make estimates and assumptions concerning the future. Actual results may differ from those estimates and assumptions. Accounting policies for the most significant areas that require management to make judgements and estimates affecting reported amounts and disclosures are made in the following sections:

- Impairments of Financial investments – Notes 8 and 19
- Income tax expense, tax assets and tax liabilities – Notes 9, 22 and 30
- Fair value of financial instruments – Notes 13 and 17
- Provisions – Note 28

Assessment of risks, rewards and control

Whenever AACB is required to assess risks, rewards and control, as well as when considering the recognition and derecognition of assets or liabilities and the consolidation or deconsolidation of subsidiaries, the use of judgement may sometimes be required. Although management uses its best knowledge of current events and actions in making such assessments, the actual risks, rewards and control may ultimately differ.

Significant accounting principles

Basis of consolidation

The Consolidated Annual Financial Statements of AACB include the financial statements of the parent company and its controlled entities, thus incorporating the assets, liabilities, revenues and expenses of AACB and its subsidiaries.

Subsidiaries are included using the same reporting period and consistent accounting policies. Intercompany balances and transactions, as well as any related unrealised gains and losses, are eliminated in preparing the Consolidated Financial Statements.

The Annual Financial Statements of AACB include the following subsidiaries and branches:

Sebastian Mol - USA office

Name	Entitlements	Established in the year	Consolidated in the year	Place registered office	Country
ABN AMRO Clearing USA LLC	100%	1994	2009	Chicago	United States
ABN AMRO Clearing Hong Kong Ltd	100%	1995	2008	Hong Kong	Hong Kong
ABN AMRO Clearing Sydney Pty Ltd	100%	1998	2008	Sydney	Australia
ABN AMRO Clearing Bank London Branch	N/A	2004	2004	London	United Kingdom
ABN AMRO Clearing Singapore Pte	100%	2005	2005	Singapore	Singapore
ABN AMRO Clearing Tokyo Co Ltd	100%	2007	2007	Tokyo	Japan
ABN AMRO Clearing Bank Singapore Branch	N/A	2009	2009	Singapore	Singapore
ABN AMRO Clearing Investments BV	100%	2014	2014	Amsterdam	The Netherlands
ABN AMRO Clearing London Ltd	100%	2018	2018	London	United Kingdom
Banco ABN AMRO S.A.	100%	2005	2023	São Paulo	Brazil
ABN AMRO Corretora de Titulos e Valores Mobiliari	100%	2022	2023	São Paulo	Brazil

Foreign currency

ABN AMRO applies IAS 21 The Effects of Changes in Foreign Exchange Rates. Transactions in foreign currencies are translated into euros at the rate prevailing on the transaction date. Foreign currency balances of monetary items are translated into euros at period-end exchange rates. Exchange gains and losses on such balances are recognised in the income statement.
The Consolidated Annual Financial Statements are stated in euros, which is the presentation and functional currency of AACB. The bank's foreign operations may have different functional currencies. The functional currency is the currency that best reflects the economic substance of the underlying event and circumstances relevant to that entity. Prior to consolidation (or equity accounting), the assets and liabilities of non-euro operations are translated into euros at the closing rate, and items in the income statement and other comprehensive income are translated at the rate prevailing on the transaction dates. Exchange differences arising on the translation of foreign operations are included in the currency translation reserve within equity. These amounts are transferred to the income statement when the bank loses control, joint control or significant influence over the foreign operation.

The following table shows the rates of the relevant currencies for AACB:

	Rates at year end		Average rates	
	2023	2022	**2023**	2022
1 Euro =				
Pound Sterling	0.87	0.89	0.87	0.85
Singapore Dollar	1.46	1.43	1.45	1.45
Japanese Yen	155.79	140.84	151.95	138.05
Hong Kong Dollar	8.63	8.33	8.47	8.25
Australian Dollar	1.62	1.57	1.63	1.52
US Dollar	1.11	1.07	1.08	1.05
Brazilian Real	5.36	5.64	5.40	5.44

Financial assets and liabilities

Classification and measurement of financial assets

ABN AMRO classifies financial assets based on the business model in which they are held in accordance with IFRS 9. The business model is determined at portfolio level. Portfolios are based on how AACB manages financial assets in order to achieve a particular business objective. The business model assessment is based on the level of sales, risk management, performance evaluation and management compensation. Derecognition is used as a condition to determine whether a transaction results in a sale.

Three business models are distinguished:

- 'Hold to collect' business model, in which cash flows are primarily generated by collecting contractual cash flows until maturity of the financial instrument. Sales can occur, as long as they are incidental, infrequent and insignificant. The assessment of the frequency and significance of sales is determined for each underlying portfolio. Sales that result from increases in the credit risk of the counterparty or take place close to maturity do not contradict the 'hold to collect' business model;
- 'Hold to collect and sell' business model, in which the selling of financial assets is integral to achieving the business objective. In this business model, sales take place more frequently and have a greater value than in a 'hold to collect' business model;
- Other business models not meeting the criteria of the business models mentioned above, for example business models in which financial assets are managed with the objective of generating cash flows from sales (trading book), are measured at FVTPL.

After the business model has been determined, the contractual cash flows of financial assets are assessed. Debt instruments can be classified at amortised cost or FVOCI only when the contractual cash flows are solely payments of principal and interest (SPPI). Contractual cash flows that are SPPI are consistent with a basic lending arrangement in which consideration for the time value of money and credit risk are typically the most significant interest elements. Debt instruments that do not meet the SPPI requirements are mandatorily measured at FVTPL. Financial assets are assessed in their entirety, including any embedded derivatives that are not separated from the host contract.

Based on the business model determined and the SPPI assessment, the following measurement categories are identified under IFRS 9:

- Amortised cost – Financial instruments measured at amortised cost are debt instruments within a 'hold to collect' business model with fixed or determinable payments which meet the SPPI criteria. These instruments are initially measured at fair value (including transaction costs) and subsequently measured at amortised cost using the effective interest rate method. Financial instruments measured at amortised cost are presented net of credit loss allowances in the statement of financial position;
- FVTPL – Financial instruments measured at FVTPL include instruments held for trading, derivatives, equity instruments for which the FVOCI option has not been elected and instruments whose cash flows do not meet the SPPI requirements. Changes in the fair value of these instruments are directly recognised in the income statement;
- FVOCI – Financial instruments measured at FVOCI are debt instruments which are held in a 'hold to collect and sell' business model and which meet the SPPI criteria. They are initially measured at fair value, with subsequent unrealised changes recognised in other comprehensive income. Equity instruments for which the fair value option is elected are also measured at FVOCI.

Reclassifications of financial assets are expected to be very infrequent and occur only when AACB changes its business model for a certain portfolio of financial assets.

Classification of assets and liabilities held for trading

A financial asset or financial liability is classified as 'held for trading' if it is:

- Acquired or incurred principally for the purpose of selling or repurchasing it in the near term;
- Part of a portfolio of identified financial instruments that are managed together and for which there is evidence of a recent actual pattern of short-term profit making; or
- A trading derivative (except for a derivative that is a designated and effective hedging instrument).

Classification and measurement of financial liabilities

Financial liabilities are initially recognised at their fair value minus transaction costs that are directly attributable to the acquisition or issue of the financial liability. Under IFRS 9, financial liabilities are classified as subsequently measured at amortised cost, except for the following instruments:

- Financial liabilities held for trading are measured at fair value through profit or loss;
- Financial liabilities that ABN AMRO has irrevocably designated as held at fair value through profit or loss at initial recognition, which are held to reduce an accounting mismatch, are managed on the basis of their fair value or include terms that have derivative characteristics by nature.

Under IFRS 9, the changes in fair value attributable to changes in the credit risk of financial liabilities designated at FVTPL are presented in other comprehensive income. The cumulative amount of changes in fair value attributable to credit risk of such liabilities is presented as liability own credit risk reserve in equity.

Financial liabilities are never reclassified after initial recognition.

Recognition and derecognition

Traded instruments are recognised on the trade date, which is defined as the date on which AACB commits to purchase or sell the underlying instrument. If the settlement terms are non-standard, the commitment is accounted for as a derivative between the trade and settlement dates. Loans and advances are recognised when they are acquired or funded AACB and derecognised when settled. Issued debt is recognised when issued, and deposits are recognised when the cash is deposited with AACB. Other financial assets and liabilities, including derivatives, are recognised when AACB becomes a party to the contractual provisions of the asset or liability.

Financial assets are derecognised when AACB loses control and the ability to obtain benefits from the contractual rights that comprise that asset. This occurs when the rights are realised or expire, or when substantially all risks and rewards are transferred.

Change in credit quality since initial recognition		
Stage 1	**Stage 2**	**Stage 3**
Performing (Initial recognition)	**Credit quality deteriorated** (Assets with significant increase in credit risk since initial recognition)	**Default = Impaired** (Credit impaired assets)
Recognition of ECL		
12 month ECL	Lifetime ECL	Lifetime ECL
Interest income		
Effective interest on gross carrying amount	Effective interest on gross carrying amount	Effective interest on amortised cost (gross carrying amount less loss allowance)

Financial assets are also derecognised if the bank has neither transferred nor retained substantially all risks and rewards of ownership, but control has passed to the transferee. Financial assets continue to be recognised in the balance sheet, and a liability recognised for the proceeds of any related funding transaction, unless a fully proportional share of all or specifically identified cash flows are transferred to the lender without material delay and the lender's claim is limited to those cash flows, and substantially all the risks, rewards and control associated with the financial instruments, that have been transferred, in which case that proportion of the asset is derecognised.

When the terms and conditions of a financial asset have been renegotiated or otherwise modified to the extent that, substantially, it becomes a new financial asset, AACB derecognises the financial asset, with the difference recognised in the income statement, to the extent that an impairment loss has not already been recorded. The newly recognised financial asset is classified as stage 1 for ECL measurement purposes. ABN AMRO assesses, in both qualitative and quantitative terms, whether such modifications are substantial. Generally, a 10% change in the net present value of the cash flows between the initial and new contract results in a derecognition. With regard to substantial modifications, e.g. due to forbearance measures, the derecognition gains or losses are recognised in net gains/(losses) on derecognition of financial assets measured at amortised cost and disclosed separately, if material.

If the modification of the financial asset does not result in derecognition, the gross carrying amount of the financial asset is recalculated, based on the net present value of the new contractual cash flows, and discounted at the financial asset's original effective interest rate. The effect is recognised and disclosed as a modification gain or loss in the income statement. Credit related modification gains or losses (i.e. due to forbearance measures) are recognised in the income statement and presented under impairment charges on financial instruments. Non-credit related modification gains or losses are recognised in the income statement and presented under interest income calculated using the effective interest method.

Financial liabilities are derecognised when the liability has been settled, has expired or has been extinguished. An exchange of an existing financial liability for a new liability with the same lender on substantially different terms, qualitatively and quantitatively (a 10% difference in the present value of the cash flows), is accounted for as an extinguishment of the original financial liability and recognition of a new financial liability. The difference between the former amortised cost and the consideration paid is recognised in the income statement.

Measuring allowances for expected credit losses (ECL)

The IFRS 9 impairment requirements are applicable to financial assets measured at amortised cost or fair value through other comprehensive income (FVOCI), loan commitments, lease receivables and contract assets and financial guarantee contracts. At each reporting date, these financial instruments are classified into one of three risk stages, depending on current credit quality.

Quantitative stage triggers

The key quantitative metric that determines when a financial instrument is transferred from stage 1 to stage 2 is the deterioration in the lifetime probability of default (LPD) from the date of origination to the reporting date, based on internal data. The LPD represents the likelihood that a counterparty will default during the lifetime of the financial instrument and depends on credit risk drivers such as:

- product characteristics (e.g. repayment and interest terms, term of the product);
- the financial condition of the borrower;
- the number of days past due;
- expected developments in the economy.

The lifetime PD deterioration (LPDD) measures the relative difference between the remaining lifetime PD at reporting (LPDR) and the remaining lifetime PD at origination (LPDO) as LPDD = LPDR/LPDO. If the LPD deterioration of an exposure is above a predefined threshold, the LPD is considered to be significantly deteriorated. The exposure is then transferred to stage 2 and impairment allowances equal to the lifetime expected credit loss are recognised. If the LPD deterioration subsequently reduces and falls below the threshold, the client is transferred back to stage 1. A specific threshold is calculated based on a statistical method. For Corporate loans, the LPD deterioration threshold that triggered transfers to stage 2 as at 31 December 2023 is 1.3x-5.8x. A range is provided, as each product class uses multiple ECL models and thresholds are determined for each ECL model.

Qualitative stage triggers

The bank transfers a financial instrument from stage 1 to stage 2 if the instrument meets any one of the following qualitative triggers:

- Forborne status of a borrower;
- Watch status of a borrower. ABN AMRO assigns the watch status to counterparties with an increased credit risk. This process comprises intensive monitoring, early detection of deterioration in the credit portfolio and appropriate follow up measures;
- A delinquency-based regulatory backstop is in place, such that the credit risk of financial assets that are more than 30 days past due will be assumed to have significantly increased.

Reclassification to stage 1

As a general rule, favourable changes in credit risk are recognised consistently with unfavourable changes, and a financial instrument is transferred back to stage 1 if quantitative or qualitative triggers are no longer met. In some cases, a probation period applies:

- Forborne financial instruments are transferred back from stage 2 to stage 1 only after a probation period of at least two years has ended, in line with the ABN AMRO forbearance policy. Stage 3 forborne instruments transfer back to stage 2 after a cure period of at least one year;
- For financial instruments that are 30 days past due, a three-month probation period is applied for transfers from stage 2 to stage 1.

Classification in stage 3

A transfer to stage 3 will always be the result of the default of a financial instrument. Our definitions of default and impaired are aligned and comply with the European Banking Authority (EBA) guidelines on the application of the definition of default. All models use a consistent definition of default, which has been specified in line with regulations. A default is deemed to have occurred when:

- the counterparty is past due by more than 90 days on any material financial credit obligation to the bank; or
- the bank considers the borrower to be unlikely to meet its contractual obligations (unlikely to pay, or UTP).

The materiality of a financial obligation past due is assessed against an absolute and a relative threshold, in line with regulatory standards. To determine unlikeliness to pay, the bank has specified both mandatory default triggers (always resulting in the assignment of a default status, whereby no additional expert judgement is allowed) and judgemental triggers (requiring an assessment by credit risk managers to determine whether the UTP indications should result in a default classification).

The mandatory triggers include the reporting of a forborne exposure under probation as non-performing for being 30 days past due or owing to an additional forbearance measure being applied. As a result, the definitions of non-performing and default are materially aligned.

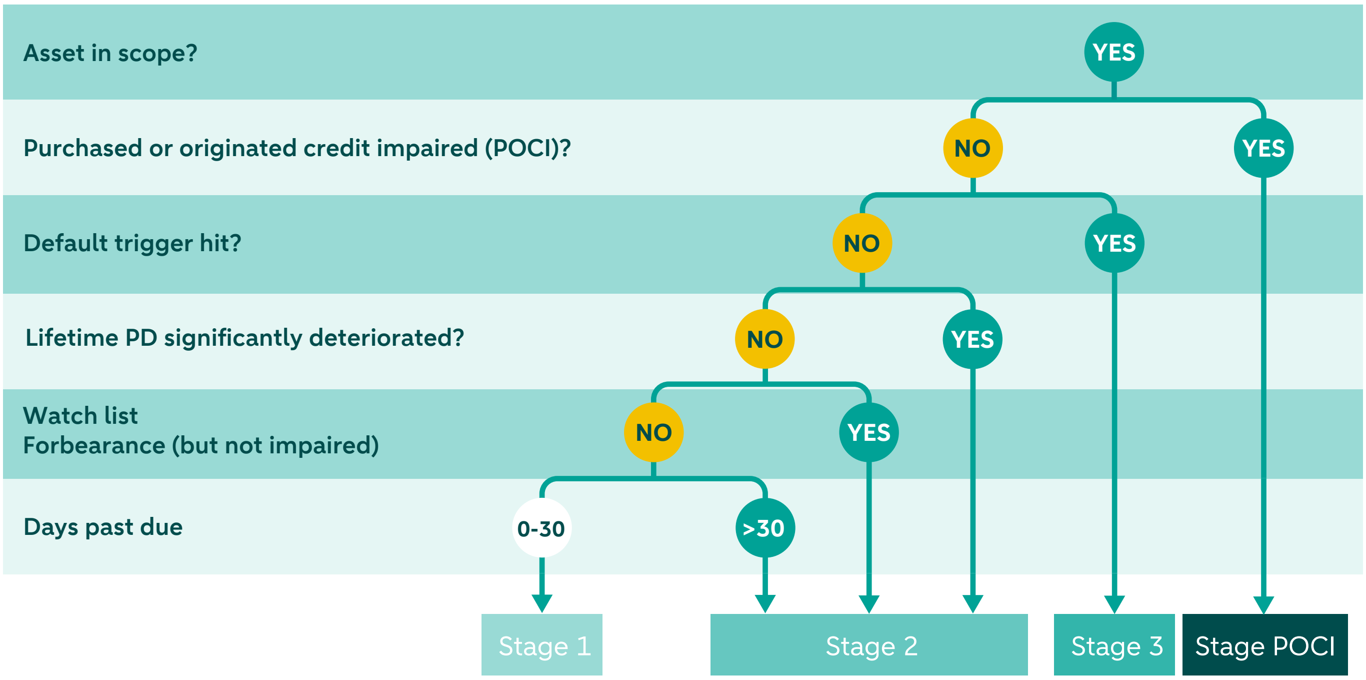
Reclassification to stage 2

The default classification for non-forborne exposures ends when the default triggers no longer apply and a (probation) cure period of at least three months has passed since the default trigger was last applied.
For forborne exposures, a twelve-month cure period starts from the moment the last forbearance measure or default trigger was applied. After the cure period, an assessment is performed to establish whether the improvement in the credit quality is factual and permanent (including, for example, no remaining past due amounts).

Calculation method

AACB recognises loss allowances based on the Expected Credit Loss model (ECL) of IFRS 9, which is designed to be forward-looking. The amount of ECL is based on the probability-weighted present value of all expected cash shortfalls over the remaining life of the financial instrument for both on- and off-balance sheet exposures. AACB distinguishes between two types of calculation methods for credit loss allowances:

Asset stages



- Individual Lifetime expected credit loss (LECL) for credit-impaired (stage 3) financial. If significant doubts arise regarding a client's ability to meet its contractual obligations and/or one of the default triggers is met. And;
- 12M ECL and LECL for (stage 1, 2 and 3) financial instruments are individually assessed for impairment losses. AACB has introduced new models to quantify the Probability of Loss (PL), Loss Given Loss (LGL) and Exposure at Loss (EAL) for calculating the individual 12M ECL and LECL for these financial assets. The stage is determined per individual financial instrument. Due to the short term and nature of the exposures and the collateralized business model, a credit loss allowance is only calculated on the exposure related to Nostro accounts and debt securities at fair value through OCI and the 12M ECL and LECL are assumed to be equal. For these ECL calculations AACB uses the policies and models of AAB.

Lifetime expected credit loss

AACB defines the lifetime of credit as the maximum contractual period during which the bank is exposed to credit risk; we do not apply a longer period, even if that longer period is consistent with business practice. For some contracts, such as overdraft facilities or credit cards, no end date is specified or amounts can be contractually withdrawn by the lender at short notice. In these cases, AACB uses behavioural maturity models that rely on historical client behaviour to determine future expected exposures.

Forward-looking information

For expected credit loss calculations, AACB uses three different scenarios of future economic developments: a baseline (or most likely) scenario, a negative scenario and a positive scenario. The three scenarios are incorporated into the expected credit loss calculation and risk stage determination in a probability-weighted manner. In order to incorporate the latest economic outlook, the scenarios and their weights are reviewed each quarter and adjusted if necessary.

The baseline scenario entails our Group Economics analysts' current macroeconomic base scenario, which usually covers the current year and subsequent year. For the purpose of scenario analysis under IFRS 9, this baseline is extended by three additional calendar years, after which it is assumed that macroeconomic variables (MEVs) gradually move to their potential or equilibrium values. At least once every quarter, Group Economics compares its forecasts with those of institutions like CPB, DNB, ECB, IMF or OECD, in order to determine possible differences and to analyse whether it can underpin those. This external benchmarking exercise is a standard input to the Scenario Booklet that is presented to the bank's Scenario and Stress Testing Committee for approval. Group Economics also develops a negative and a positive scenario. These scenarios are designed to give an impression of the bandwidth within which the economy, interest and FX rates, and other relevant variables are likely to move in the next four to five years, with a probability of around 85% (roughly corresponding to a standard deviation of plus and minus one and a half). Hence, these scenarios produce upper and lower boundaries, with a resulting bandwidth between the outcomes of the negative ('bad weather' in terms of financial results of the bank) and positive ('good weather') scenarios. To determine these boundaries, Group

Economics may look at historical developments, medium-term (non-baseline) scenarios made by the aforementioned institutions, and other relevant developments.

Management overlays and other adjustments

Where necessary to reflect the credit risk dynamics not captured by our models, management judgement is applied via a management overlay or other IFRS 9 adjustment. A management overlay is a temporary adjustment in a loss allowance until a long-term solution (e.g. model adjustment) is effective and must be an amount commensurate to the model limitation. All overlays require a decision of the Impairment and Provision Committee (IPC) and are governed via the IFRS 9 Adjustment Standard. The main types of management overlays that AACB distinguishes are: post-model adjustments (adjustments to model outcomes), adjustments in the weightings of macroeconomic scenarios and stage overrides. Other adjustments such as adjustments to model parameters or input data are not considered management overlays but follow the same internal approval process. Upon changes to the drivers of an overlay / adjustment, for instance a resolution of a model limitation or changes to the underlying credit risk dynamics, release of an overlay or adjustment will be considered and decided upon in the IPC.

Climate and environmental risks in ECL

Incorporating climate risk explicitly into ECL models is challenging due to the lack of historical data and the horizon on which climate and environmental risks are expected to materialise. We are taking steps to gain deeper insight into how climate and environmental risks affect our clients, and to eventually embed them into our IFRS 9 ECL models.

Jelle de Waal & Chua Kie Yan - Singapore office

Although the impact of climate risk on ECL can only be estimated with a high degree of uncertainty regarding amounts of losses and the time horizon on which it will materialise, it is partially embedded into our ECL estimates through our macroeconomic forecasts. Climate scenarios are included in Group Economics' baseline, positive and negative macroeconomic scenarios. These are underpinned by and compared to public and non-public climate scenarios such as those of the Network for Greening of Financial Services (NGFS). To capture climate and environmental risks in ECL and related scenario processes, each macroeconomic scenario is accompanied by an overview that illustrates which of these risks are included in the various projected macroeconomic indicators.

Management overlays on ECL can be taken for identifiable events that are not yet included in the macroeconomic forecasts. These are currently limited to an overlay for the potential impact of the government's nitrogen-reducing measures and an overlay for climate transition risk. Given the combination of individual assessments, macroeconomic scenarios and aforementioned management overlays, we consider the bank adequately provisioned for climate and environmental risks.

Cured financial assets

When a credit impaired financial asset cures, the interest that was previously unrecognised is reported as an impairment release in the impairment charge rather than as a credit to the interest income calculated using the effective interest method.

Write-off

A write-off must be taken if all possible means of recovery have been exhausted and it has become clear that there is a low probability of recovering the debt, either in part or full. Such loans are written off after all the necessary procedures have been completed and the amount of the loss has been determined. Subsequent recoveries of amounts previously written off are credited to impairment charges on loans and advances in the income statement.

Client clearing

As a general clearing member, AACB provides clearing and settlement services to its clients for, among other things, exchange-traded derivatives.

In its capacity as a clearing member, AACB guarantees the fulfilment of obligations towards central counterparty clearing houses (CCPs) of clients' transactions. AACB is not liable to clients for the non-performance of the CCP. In the event of a client defaulting, AACB has the legal obligation to settle all the client's positions with the relevant CCPs, possibly at a loss. Possible losses arising from this guarantee might relate not only to a client's current positions, but also to the client's future trades. AACB receives and collects (cash) margins from clients and remits these margins to the relevant CCP in whole or in part. Given the stringent margin requirements set by the CCPs, possible future outflows of resources for new clearing transactions are considered close to zero.

AACB does not reflect the exchange-traded derivatives cleared on behalf of clients in its financial statements. Under normal circumstances, the guarantee has no fair value and is not recognised in the financial statements. Any loss recognised in the event of non-performance of a client is in line with our contingent liabilities policy.

Offsetting

The bank offsets financial assets and liabilities and the net amount reported in the statement of financial position if it is legally entitled to set off the recognised amounts and intends to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Statement of cash flows

For the purposes of the statement of cash flows, cash and cash equivalents comprise cash in hand, freely available balances with central banks and other banks, and net balances on current accounts with other banks with a maturity of less than three months from the date of acquisition. The statement of cash flows, based on the indirect method of calculating operating cash flows, gives details of the source of cash and cash equivalents which became available during the year and the application of these cash and cash equivalents over the course of the year. The cash flows are categorised into cash flows from operations, including banking activities, investment activities and financing activities. Movements in loans and advances and interbank deposits are included in the cash flow from operating activities. Investment activities are comprised of acquisitions, sales and redemptions in respect of financial investments, as well as investments in, and sales of, subsidiaries and associates, property and equipment. The issuing of shares and the borrowing and repayment of long-term funds are treated as financing activities. Cash flows arising from foreign currency transactions are translated into euros using the exchange rates at the date of the cash flows.

Levies and other regulatory charges

AACB recognises a liability arising from levies and similar charges when it becomes legally enforceable (i.e. when the obligating event arises).

Frank de Graaf, Eline Bennink, Jorgen Postma & Tisius Ozinga - Amsterdam office

Overview of financial assets and liabilities by measurement base

(x EUR 1.000)					31 December 2023
	Amortised cost	Fair value through profit or loss - trading	Fair value through profit or loss - other	Fair value through other comprehensive income	Total
Financial Assets					
Cash and balances at central banks	1,080,629				1,080,629
Financial assets held for trading		804			804
Derivatives		170			170
Financial investments			79,986	537,482	617,468
Securities financing	11,506,442				11,506,442
Loans and advances banks	1,096,269				1,096,269
Corporate loans	8,579,881				8,579,881
Other loans and advances	6,043,655				6,043,655
Total financial assets	**28,306,876**	**974**	**79,986**	**537,482**	**28,925,318**
Financial Liabilities					
Financial liabilities held for trading		7,039			7,039
Derivatives		118			118
Securities financing	2,416,112				2,416,112
Due to banks	14,313,463				14,313,463
Due to customers	9,428,628				9,428,628
Issued debt	600,000				600,000
Total financial liabilities	**26,758,204**	**7,157**			**26,765,361**

(x EUR 1.000)					31 December 2022
	Amortised cost	Fair value through profit or loss - trading	Fair value through profit or loss - other	Fair value through other comprehensive income	Total
Financial Assets					
Cash and balances at central banks	4,034,741				4,034,741
Financial assets held for trading		1,165			1,165
Financial investments			64,532	724,252	788,784
Securities financing	9,008,397				9,008,397
Loans and advances banks	1,336,147				1,336,147
Corporate loans	6,438,517				6,438,517
Other loans and advances	6,855,210				6,855,210
Total financial assets	**27,673,012**	**1,165**	**64,532**	**724,252**	**28,462,961**
Financial Liabilities					
Financial liabilities held for trading		995			995
Derivatives		22			22
Securities financing	1,740,397				1,740,397
Due to banks	14,352,242				14,352,242
Due to customers	9,803,585				9,803,585
Issued debt	600,000				600,000
Total financial liabilities	**26,496,224**	**1,017**			**26,497,241**

Notes

Notes to the consolidated income statement

1. Net interest income and interest expense

Accounting policy for net interest income and interest expense
Interest income and expenses is recognised in the income statement on an accrual basis for financial instruments using the effective interest rate method, except for those financial instruments measured at fair value through profit or loss. The effective interest rate method allocates interest, amortisation of any discount or premium, or other differences including transaction costs and qualifying fees and commissions over the expected lives of the assets and liabilities. The effective interest rate is the rate that exactly discounts estimated future cash flows to the net carrying amount of the asset.
Interest paid on assets with a negative interest yield is classified as interest expense. Interest received from liabilities with a negative interest yield is classified as interest income.

This item includes interest income and interest expense from banks and customers.

(x EUR 1.000)	2023	2022
Interest Income		
Of the interest income items the following amounts were related to:		
Interest income from ABN AMRO group companies	71,392	21,305
Interest income from third party customers/banks	1,581,085	687,836
Total interest income	**1,652,477**	**709,141**

The interest income of 2023 includes an amount of EUR 12.693 thousand (2022: EUR 5.547 thousand) concerning financial instruments that are at fair value through other comprehensive income. The remaining EUR 1.639.784 thousand (2022: EUR 703.594 thousand) relates to financial instruments carried at amortised cost. No interest income amounts relate to financial instruments measured at fair value through profit or loss.

	2023	2022
Interest Expense		
Of the interest expense items the following amounts were related to:		
Interest expense to ABN AMRO group companies	808,423	214,979
Interest expense to third party customers/banks	538,311	249,412
Total interest expense	**1,346,734**	**464,391**

All interest expense amounts in 2023 and 2022, relate to financial instruments carried at amortised cost. No interest expense amounts relate to financial instruments measured at fair value through profit or loss.

	2023	2022
Net interest income	305,743	244,750

2. Net fee and commission income

Accounting policy for net fee and commission income
AACB applies IFRS 15 when recognising revenue from contracts with customers, all of which is included in net fee and commission income. After identifying contracts and their performance obligations, revenue is recognised as an amount that reflects the consideration to which the bank expects to be entitled in exchange for transferring promised services to customers. The transaction price is allocated to each performance obligation. Revenue is measured at the fair value of the consideration received, taking into account discounts and rebates. The amount of revenue recognised is discounted to the present value of consideration due, if payment extends beyond normal credit terms.

Revenue is recognised when a promised service is transferred to the customer. Fees and commissions are recognised at a point in time: the fee is a reward for a service provided at a moment in time.

(x EUR 1.000)	2023	2022
The components of net fee and commission income are:		
Net fees and commissions related to payment services	-5,671	-7,247
Net fees and commissions related to securities and derivatives	352,633	351,908
Other net fees and commissions	-306	240
Total net fee and commission income	**346,656**	**344,901**

(x EUR 1.000)	2023	2022
Of the net fees and commissions item, the following amounts were with:		
Net fee and commission with ABN AMRO group companies	-63	355
Net fee and commission with third party customers/banks	346,719	344,546
Total net fee and commission income	**346,656**	**344,901**

All fee and commission amounts in 2023 and 2022 relate to financial instruments carried at amortised cost and fair value through profit or loss.

3. Share of result in equity accounted investments

(x EUR 1.000)	2023	2022
Total realised result on equity accounted investments	-5	-1

Refer to note 19 for more information on the equity accounted investments.

4. Other operating income

Accounting policy for other operating income
Other operating income includes all other activities such as, foreign exchange transaction result, market access services and results on disposal of assets. It also includes the fair value changes relating to assets and liabities measured at fair value through profit or loss.

(x EUR 1.000)	2023	2022
Foreign exchange transaction result	-16	2,478
Dividend	3,293	4,070
Realised gain on financial transactions	1,489	3,326
Other	2,718	3,810
Total other operating income	**7,485**	**13,684**

5. Personnel expenses

Accounting policy for personnel expenses
Salaries and wages, social security charges and other salary-related costs are recognised over the period in which the employees provide the services to which the payments relate.

Defined contribution plans
For defined contribution plans, AACB pays annual contributions that have been determined by a fixed method and has no legal or constructive obligation to pay any further contributions. Contributions are recognised directly in the income statement in the year to which they relate. Actuarial and investment risk are for the account of the participants in the plan.

(x EUR 1.000)	2023	2022
Personnel expenses are specified as follows:		
Salaries and wages	124,000	113,363
Social security charges	13,149	11,913
Pension expenses	14,514	13,785
Other	9,318	9,927
Total personnel expenses	**160,981**	**148,989**

On a monthly basis the personnel expenses (including pension costs), concerning the employees of the Netherlands, are accrued and aligned with ABN AMRO. On a quarterly basis the payable amounts are settled. In 2023 ABN AMRO charged 67.6 million for employees working in the Netherlands (2022: EUR 65.5 million).

The pension expenses are mainly related to the defined contribution plans of the subsidiaries. Contributions are paid annually and determined by a fixed method. AACB has no legal or constructive obligation to pay any further contributions. Contributions are recognised directly in the income statement in the year to which they relate. Actuarial and investment risk are for the account of the participants of the plan.

The Dutch defined contribution plan is a Collective Defined Contribution (CDC) plan, based on an average salary plan. The normal retirement age is set at 68 years. The contribution payable by pension fund participants is 5,5% (2022: 5,5%).

For the disclosure of the remuneration of the Managing and Supervisory Board Members, refer to the note 33 on related parties.

	2023	2022
The average number of FTEs:		
Netherlands*	464	450
United Kingdom	91	91
Germany*	10	7
Belgium*		1
Singapore	74	67
Japan	26	23
Australia	68	66
Hong Kong	33	28
United States	219	201
Brazil	27	20
Total	**1,011**	**954**

* These employees have a contract with AAB with the respective expenses being charged by AAB to AACB,

6. General and administrative expenses

Accounting policy general and administrative expenses
General and administrative expenses are recognised in the period in which the services were provided and to which the payment relates.

Banking tax
In 2012 the Dutch government introduced a banking tax that becomes payable on 1 October of every year. Banking tax is a levy that is charged to the income statement at the moment it becomes payable. AACB is liable for the tax, however the payment is made by AAB and charged to AACB.

(x EUR 1.000)	2023	2022
General and administrative expenses can be broken down as follows:		
Information technology costs	70,959	65,545
Agency staff, contractors and consultancy costs	50,279	51,907
Recharges from ABN AMRO group companies	24,551	29,087
Dutch banking tax	17,856	17,653
Staff related costs	4,450	4,480
Financial statement audit fees	1,848	1,653
Housing	1,662	1,487
Post, telephone and transport	1,271	1,114
Marketing and public relations costs	699	567
Audit related fees	449	295
Other	21,213	26,249
Total general and administrative expenses	**195,240**	**200,037**

Audit related fees consists of fees paid for the audit of financial statements and other assurance engagements. No non-assurance services were provided to AACB by their auditors in 2023 and 2022.

7. Depreciation and amortisation of (in)tangible assets

The accounting policy for depreciation and amortisation is described in notes 20 and 21.

This item refers to the depreciation and amortisation of equipment and software.

(x EUR 1.000)	2023	2022
Leasehold improvements - depreciation	603	695
Equipment - depreciation	141	114
IT equipment - depreciation	688	428
Purchased software - amortisation	336	58
Internal software - amortisation	874	738
Right of use assets - depreciation	3,902	3,145
Depreciation and amortisation expenses	**6,544**	**5,177**
Equipment - depreciation rebilled by ABN AMRO group		16
IT equipment - depreciation rebilled by ABN AMRO group	364	517
Purchased software - amortisation rebilled by ABN AMRO group	160	458
Internal software - amortisation rebilled by ABN AMRO group	516	576
Right of use assets - depreciation rebilled by ABN AMRO group	156	284
Total depreciation and amortisation expenses	**7,740**	**7,029**

8. Impairment charges on financial instruments

For details on the impairments, refer to the loans and advances from banks and customers items in the balance sheet, notes 15 and 16.

(x EUR 1.000)	2023	2022
Stage 1 - twelve month expected credit loss	-2,367	1,523
Stage 2 - lifetime expected credit loss		
Stage 3 - lifetime expected credit loss	-808	
Total impairment charges on financial instruments	**-3,175**	**1,523**

9. Income tax expenses

Accounting policy for Income tax expenses, tax assets and tax liabilities
AACB is subject to income taxes in numerous jurisdictions. Income tax expense consists of current and deferred tax. Income tax is recognised in the income statement in the period in which profits arise, except to the extent that it arises from a transaction that is recognised directly in equity.

The Dutch operations of AACB form part of a fiscal unity with AAB for corporate income tax purposes. As a consequence AACB receives a tax allocation from the head of the fiscal unity who pays the tax. Such fiscal unity is also in place for value added tax. Abroad, the local operations form part of a tax grouping when possible under local legislation. Otherwise, it is seen as a separate taxpaying entity. If the entity is part of a fiscal unity the tax is calculated as if it was a separate taxpaying entity.

Due to the fiscal unity, the tax on Dutch deductible losses will be recognised in the income statement as far as the total AAB result is a profit.

(x EUR 1.000)	2023	2022
The details of the current and deferred income tax expense are presented below:		
Current tax	64,818	55,860
Deferred tax	3,026	2,128
Total income tax expenses	**67,845**	**57,988**

The table below shows a reconciliation between the expected income tax expense and the actual income tax expense. The expected income tax expense has been calculated by multiplying the profit before tax to the weighted average rate from branches and subsidiaries.

Profit before taxation	299,093	245,756
Weighted applicable tax rate	26.12%	21.48%
Expected income tax expense	**78,135**	**52,788**
Change in taxes resulting from:		
Tax exemptions	-9,236	2,036
Tax loss utilization	532	-905
Adjustments for tax of prior periods	2,525	-7,061
Change in tax rate	-1,382	9,469
Loss carry forwards	-1,355	
Other	-1,373	1,661
Actual income tax expenses	**67,846**	**57,988**
Effective tax rate	**22.68%**	**23.60%**

See also tax note 22 in the notes to the consolidated statement of financial position.

Country by Country reporting

Country by Country reporting 2023

The following table provides an overview of total operating income, average number of FTEs and net profit/(loss) for the year per country.

Country	Principal subsidiary	Total Operating Income (x EUR 1.000)	Average number of FTEs	Profit/(loss) before taxation (x EUR 1.000)	Income tax expense (x EUR 1.000)	Profit (loss) for the year (x EUR 1.000)
Netherlands international activities	ABN AMRO Clearing Bank N.V.	279,007	464	34,128	14,860	19,267
Great Britain	ABN AMRO Clearing Bank London Branch	7,435	91	10,875	2,075	8,800
United States	ABN AMRO Clearing USA LLC	199,856	219	130,812	34,110	96,702
Singapore	ABN AMRO Clearing Bank Singapore Branch	57,518	74	41,387	5,980	35,407
Japan	ABN AMRO Clearing Tokyo Co Ltd	18,461	26	6,835	1,988	4,847
Hong Kong	ABN AMRO Clearing Hong Kong Ltd	66,883	33	55,320	2,991	52,329
Australia	ABN AMRO Clearing Sydney Pty Ltd	15,569	68	4,817	1,478	3,339
Brazil	Banco ABN AMRO SA	15,150	27	14,921	4,362	10,559
Other			10			
Total		**659,879**	**1,011**	**299,095**	**67,844**	**231,250**

Country by Country reporting 2022

The following table provides an overview of total operating income, average number of FTE's and net profit/(loss) for the year per country.

Country	Principal subsidiary	Total Operating Income (x EUR 1.000)	Average number of FTEs	Profit/(loss) before taxation (x EUR 1.000)	Income tax expense (x EUR 1.000)	Profit (loss) for the year (x EUR 1.000)
Netherlands international activities	ABN AMRO Clearing Bank N.V.	282,746	450	36,303	14,718	21,584
Great Britain	ABN AMRO Clearing Bank London Branch	1,973	91	6,298	478	5,821
United States	ABN AMRO Clearing USA LLC	175,017	201	110,076	29,757	80,319
Singapore	ABN AMRO Clearing Bank Singapore Branch	55,514	67	38,570	5,457	33,113
Japan	ABN AMRO Clearing Tokyo Co Ltd	19,863	23	8,347	2,478	5,869
Hong Kong	ABN AMRO Clearing Hong Kong Ltd	53,512	28	42,458	4,893	37,565
Australia	ABN AMRO Clearing Sydney Pty Ltd	14,710	66	3,704	207	3,497
Other			28			
Total		**603,335**	**954**	**245,756**	**57,988**	**187,768**

Notes

Notes to the consolidated statement of financial position

10. Cash and balances at central banks

Accounting policy for cash and balances at central banks
Cash and balances at central banks are held at amortised cost. This item includes cash on hand and available demand balances with central banks. Mandatory reserve deposits are disclosed in note 15, loans and receivables - banks.

All cash and cash equivalents are available for use in AACB's day-to-day operations.

(x EUR 1.000)	31 December 2023	31 December 2022
Total cash and balances at central banks	**1,080,629**	**4,034,741**

11. Financial assets held for trading

Accounting policy for financial assets held for trading
In accordance with IFRS 9, all assets held for trading are held at fair value through profit or loss, with gains and losses in the changes of the fair value taken to 'net trading income' in the income statement.

Financial assets held for trading
The following table shows the composition of assets held for trading.

(x EUR 1.000)	31 December 2023	31 December 2022
The trading assets consists of the following financial instruments:		
Equity instruments held for trading *	804	1,165
Total financial assets held for trading	**804**	**1,165**

* These shares are used for hedging portfolio swaps.

Financial liabilities held for trading
The following table shows the composition of liabilities held for trading.

(x EUR 1.000)	31 December 2023	31 December 2022
The financial liabilities held for trading consist of the following:		
Equity instruments held for trading *	7,039	995
Total financial liabilities held for trading	**7,039**	**995**

* These shares are used for hedging portfolio swaps.

12. Financial investments

Accounting policy for financial investments
Financial investments include instruments measured at fair value through other comprehensive income (FVOCI) and instruments measured at fair value through profit or loss (FVTPL).

Accounting policy for instruments at fair value through other comprehensive income
Unrealised gains and losses of FVOCI assets are recognised directly in other comprehensive income, net of applicable taxes. Interest earned, premiums, discounts and qualifying transaction costs of interest earning FVOCI assets are amortised to income on an effective interest rate basis. When FVOCI assets are sold, collected or impaired, the cumulative gain or loss recognised in other comprehensive income is transferred to other operating income in the income statement. Fair value changes of equity instruments which are irrevocably designated at FVOCI upon initial recognition are recognised in other comprehensive income and not subsequently reclassified to the income statement.

Accounting policy for instruments at fair value through profit and loss
Financial investments at fair value through profit or loss are either designated upon initial recognition or are mandatorily required to be measured at fair value applying IFRS 9. Financial investments managed on a fair value through profit or loss basis are at initial recognition designated at fair value through profit or loss when the instruments:
• are held to reduce an accounting mismatch; or
• are managed on the basis of its fair value.

Critical accounting estimates and judgements
Interest-bearing debt securities classified as FVOCI investments are assessed at each reporting date to establish whether there are any expected credit losses. AACB has developed models to determine such credit losses. Impairment charges on FVOCI instruments are recorded in (un)realised gains/(losses) fair value through OCI in the statement of comprehensive income.

See also Note 13 for the accounting policy relating to the fair value of financial instruments for more information about the measurement of financial investments.

(x EUR 1.000)	2023	2022
Debt securities held at fair value through other comprehensive income	537,482	724,252
Held at fair value through profit or loss	79,986	64,532
Total financial investments	**617,468**	**788,784**

(x EUR 1.000)	2023	2022
Movements in the financial investments were as follows:		
Opening balance as at 1 January	**788,784**	**145,098**
Sales to third parties	-250,056	-157
Additions	81,978	641,256
Gross revaluation to equity	23	-20
Gross revaluation to income	15,806	7,291
Dividends received	-3,337	-4,019
Exchange rate differences	-15,729	-665
Closing balance as at 31 December	**617,468**	**788,784**

(x EUR 1.000)	2023	2022
Interest-earning securities:		
United States	387,555	654,644
European Union	68,279	69,608
Brazil	81,648	
Subtotal	**537,482**	**724,252**
Equity instruments	79,986	64,532
Closing balance as at 31 December	**617,468**	**788,784**

An analysis of changes in the carrying amount in relation to Debt securities measured as FVOCI is as follows:

(x EUR 1.000)	Stage 1	Stage 2	Stage 3	Total
Carrying amount as at 1 January 2023	724,252			724,252
Change in carrying amount due to purchase and repayment (excluding write offs)	-172,206			-172,206
Transfers to Stage 1				
Transfers to Stage 2				
Transfers to Stage 3				
Amounts written off				
Foreign exchange adjustments	-14,564			-14,564
At 31 December 2023	**537,482**			**537,482**

During the year, there were no transfers from Stage 1. The ECL for 2023 is nil.

(x EUR 1.000)	Stage 1	Stage 2	Stage 3	Total
Carrying amount as at 1 January 2022	87,381			87,381
Change in carrying amount due to purchase and repayment (excluding write offs)	639,358			639,358
Transfers to Stage 1				
Transfers to Stage 2				
Transfers to Stage 3				
Amounts written off				
Foreign exchange adjustments	-2,487			-2,487
At 31 December 2022	**724,252**			**724,252**

During the year, there were no transfers from Stage 1. The ECL for 2022 is nil.

13. Fair value of financial instruments carried at fair value

The classification of financial instruments is determined in accordance with the accounting policies set out in note 11 financial assets and liabilities held for trading and note 12 financial investments.

Accounting policy for fair value of financial instruments
Fair value is defined as the price that would be received when selling an asset or paid when transferring a liability in an orderly transaction between market participants at the measurement date. To determine a reliable fair value, where appropriate, management applies valuation adjustments to the pricing information from the following sources:
Level 1: the unadjusted quoted market price for financial instruments that are actively traded.
Level 2: based primarily on observable market data. Valued using a recent market transaction or a variety of valuation techniques referring to a similar instrument for which market prices do exist.
Level 3: using a valuation technique where at least one input, which has a significant effect on the instrument's valuation, is not based on observable market data. A significant effect on the instrument's valuation is considered to be present when the unobservable input accounts for at least 10% of the total instrument's fair value.

AACB recognises transfers between levels of the fair value hierarchy as at the end of the reporting period during which the change occurred.

We believe our estimates of the fair values are adequate. However, the use of different models or assumptions could result in changes to our reported results.

AACB analyses financial instruments held at fair value into the three categories as describe above. The level 3 instruments have been valued using a valuation technique where at least one input, which could have a significant effect on the instrument's valuation, is not based on observable market data.

Valuation techniques
A number of methodologies are used to determine the fair value of financial instruments for which observable prices in active markets for identical instruments are not available. Values between and beyond available data points are obtained by interpolation and/or extrapolation. When using valuation techniques, the fair value can be significantly impacted by the choice of valuation model and underlying assumptions made concerning factors such as the amount and timing of cash flows, discount rates and credit risk.

Derivatives
This category includes interest rate swaps, cross currency swaps, options and forward rate agreements. These products are valued by estimating future cash flows and discounting those cash flows using appropriate interest rate curves. Except for interest option contracts which are valued using market standard option pricing models. The inputs for the discounting cash flow models are principally observable benchmark interest rates in active markets such as the interbank rates and quoted interest rates in the swap, bond and futures markets. The inputs for credit spreads – where available – are derived from prices of credit default swaps or other credit-based instruments, such as debt securities. For others, credit spreads are obtained from pricing services. The additional inputs for the option pricing models are price volatilities and correlations which are obtained from broker quotations, pricing services or derived from option prices. Because of the observability of the inputs used in the valuation models, the majority of the interest rate derivative contracts are classified as Level 2. If adjustments to interest rate curves, credit spreads, correlations or volatilities are based on significant unobservable inputs, the contracts are classified as Level 3. Exchange traded options and futures are valued using quoted market prices and hence classified as Level 1.

Government debt securities
Government debt securities, reported under Financial investments consist of government bonds and bills with both fixed or floating rate interest payments issued by sovereign governments. These instruments are traded in active markets and prices can be derived directly from those markets. Therefore the instruments are classified as level 1.

Equity instruments
Equity instruments related to the Synthetics product offering are reported as Financial assets or liabilities (in case of short position) held for trading. The equity instruments which are related to ownership in other companies are reported under financial investments. Equity securities that are actively traded on public stock exchanges are valued using the readily available quoted prices and therefore classified as Level 1. For equity instruments that are not actively traded a valuation model is used and are classified as Level 3. For the valuation model an assesment is made to what extent the observable input can be maximized and unobservable input minimized. The model is mainly based on dividend growth model and where applicable the latest transaction price.

AACB refines and modifies its valuation techniques as markets and products develop and as the pricing for individual product becomes more or less readily available. While AACB believes its valuation techniques are appropriate and consistent with other market participants, the use of different methodologies or assumptions could result in different estimates of the fair value at the reporting date.

The following table presents the carrying value of the financial instruments held and or disclosed at fair value across the three levels of the fair value hierarchy. These instruments are measured at fair value on a recurring basis.

(x EUR 1.000)

At 31 December 2023	Level 1 - Quoted prices in active market	Level 2 - Valuation technique observable market data	Level 3 - Valuation technique unobservable market data	Total
Financial assets held for trading	804			804
Derivatives	169	1		170
Financial investments	583,547		33,920	617,468
Total financial assets	**584,520**	**1**	**33,920**	**618,442**
Financial liabilities held for trading	7,039			7,039
Derivatives	91	27		118
Total financial liabilities	**7,130**	**27**		**7,157**

(x EUR 1.000)

At 31 December 2022	Level 1 - Quoted prices in active market	Level 2 - Valuation technique observable market data	Level 3 - Valuation technique unobservable market data	Total
Financial assets held for trading	1,165			1,165
Financial investments	764,457		24,327	788,784
Total financial assets	**765,622**		**24,327**	**789,949**
Financial liabilities held for trading	995			995
Derivatives		22		22
Total financial liabilities	**995**	**22**		**1,017**

Level 3 sensitivity information
Within financial investments AACB owns shares of exchanges and strategical investments. These shares are classified in the table above as Level 3; Valuation technique utilizes unobservable market data. The valuation price is based on a valuation model containing multiple of valuation techniques, based on the latest available transaction price and the dividend growth model. The dividend growth model is a valuation model that calculates the fair value of stock, assuming that the dividends grow either at a stable rate in perpetuity or at a different rate during the period at hand. AACB makes assumptions in determining fair value and to perform sensitivity testing. These are assumptions regarding sustainable growth rate, return on equity and liquidity discount rate. Performing a sensitivity analysis as a possible alternative assumption of 10% of the fair value results in a fair value deviation of minimum -3.4 million to maximum +3.4 million.

Transfers between levels 1 and 2
There were no material transfers between levels 1 and 2.

Transfers from levels 1 and 2 into 3
There were no material transfers from levels 1 and 2 into 3.

Movements in level 3 financial instruments measured at fair value
The following table shows a reconciliation of the opening and closing amounts of level 3 financial assets that are recorded at fair value.

(x EUR 1.000)	Financial investments
Balance at 1 January 2022	**24,247**
Purchases	1,032
Dividends	-3,849
Gains/(losses) recorded in profit and loss	3,808
Unrealised gains/(losses)	-910
Balance at 31 December 2022	**24,327**
Purchases	4,741
Dividends	-3,266
Gains/(losses) recorded in profit and loss	8,917
Unrealised gains/(losses)	92
Other movements	-890
Balance at 31 December 2023	**33.920**

14. Securities financing

Accounting policy for securities financing
Securities financing is measured at amortised cost. Securities financing consists of securities borrowing and lending and sale and repurchase transactions. Securities borrowing and securities lending transactions are generally entered into on a collateralised basis, with securities usually advanced or received as collateral. The transfer of the securities themselves is not reflected in the statement of financial position unless the risks and rewards of ownership are also transferred. If cash is advanced or received, securities borrowing and lending activities are recorded at the amount of cash advanced or received. The market value of the securities borrowed or lent is monitored on a daily basis and the collateral levels are adjusted in accordance with the underlying transactions. Fees and interest received or paid are recognised on an effective interest basis and recorded as interest income or interest expense.

Sale and repurchase transactions involve purchases (or sales) of investments with agreements to resell (or repurchase) substantially identical investments at a certain date in the future at a fixed price. Investments purchased subject to commitments to resell them at future dates are not recognised. The amounts paid are recognised in securities financing and are shown as collateralised by the underlying security.

Investments sold under repurchase agreements continue to be recognised in the statement of financial position. The proceeds from the sale of the investments are reported as liabilities to either banks or customers. The difference between the sale and repurchase price is recognised over the period of the transaction and recorded as interest income or interest expense, using the effective interest method. If borrowed securities are sold to third parties, the proceeds from the sale and a liability for the obligation to return the collateral are recorded at fair value.

The receivables relating to the securities financing refers to the (cash) collateral requirements of counterparties or the cash settlement of the securities transactions. The payables relating to the securities financing refers to the (cash) collateral requirements of counterparties or the cash settlement of the securities transactions.

(x EUR 1.000)	31 December 2023	31 December 2022
Assets		
Reverse repurchase agreements	2,427,719 ***	1,733,437
Securities borrowing transactions	6,901,934	6,173,175
Transactions related to securities *	2,176,790 ***	1,101,785
Total securities financing	**11,506,442**	**9,008,397**
Liabilities		
Securities lending transactions	185,365	47,194
Transactions related to securities **	2,230,747 ***	1,693,203
Total securities financing	**2,416,112**	**1,740,397**

* These transactions relate to the settlement of the sale of securities under the practice of Delivery versus Payment.
** These transactions relate to the settlement of the purchase of securities under the practice of Delivery versus Payment.
*** As result of the acquisition of Brazil subsidiary the reverse repurchase agreements increased with EUR 142 million, the transaction related to securities increase with EUR 233 million on both the asset and liability side of the balance sheet

Of the securities financing the following counterparties were involved:

(x EUR 1.000)	31 December 2023	31 December 2022
Assets		
ABN AMRO group companies	1,352,505	1,514,241
Banks	4,797,283	3,706,241
Customers	5,356,654	3,787,915
Total securities financing	**11,506,442**	**9,008,397**
Liabilities		
Banks	550,140	153,815
Customers	1,865,973	1,586,582
Total securities financing	**2,416,112**	**1,740,397**

An analysis of changes in the carrying amount in relation to Securities financing is as follows:

(x EUR 1.000)	Stage 1	Stage 2	Stage 3	Total
Carrying amount as at 1 January 2023	9,008,397			9,008,397
Change in carrying amount due to origination and repayment (excluding write offs)	2,720,494			2,720,494
Transfers to Stage 1				
Transfers to Stage 2				
Transfers to Stage 3				
Amounts written off				
Foreign exchange adjustments	(222,449)			(222,449)
At 31 December 2023	**11,506,442**			**11,506,442**

During the year, there were no transfers from Stage 1. The ECL for 2023 is nil.

(x EUR 1.000)	Stage 1	Stage 2	Stage 3	Total
Carrying amount as at 1 January 2022	7,082,729			7,082,729
Change in carrying amount due to origination and repayment (excluding write offs)	1,780,091			1,780,091
Transfers to Stage 1				
Transfers to Stage 2				
Transfers to Stage 3				
Amounts written off				
Foreign exchange adjustments	145,577			145,577
At 31 December 2022	**9,008,397**			**9,008,397**

During the year, there were no transfers from Stage 1. The ECL for 2022 is nil.

15. Loans and advances banks

The accounting policy for loans and advances
Under IFRS 9 Financial Instruments, loans and advances from banks and customers are held in a hold to collect business model. Loans and advances of which the contractual cash flows are solely payments of principal and interest (SPPI) are measured at amortised cost, i.e. fair value at initial recognition adjusted for repayment and amortisation of coupon, fees and expenses to represent the effective interest rate of the asset. Loans and advances that do not pass the SPPI test are measured at fair value through profit or loss.For the impairment loss policy, please refer to the accouting policies note.

This item includes all accounts receivable from credit institutions that relate to business operations and own bank accounts and does not consist of trade and other receivables.

As of 31 December 2023, no amount has a maturity of more than 12 months (2022: nil).

(x EUR 1.000)	31 December 2023	31 December 2022
Loans and advances - banks consists of the following:		
Demand receivables	1,075,501	1,315,699
Interest bearing deposits	2,051	3,650
Mandatory reserve deposits with central banks	19,450	19,903
Less: loan impairment allowance	-733	-3,104
Net loans and advances - banks	**1,096,269**	**1,336,147**

None of the amounts in the loans and advances - banks items were subordinated in 2022 or 2021.

(x EUR 1.000)	31 December 2023	31 December 2022
Of the loans and advances - banks item the following amounts were due from:		
ABN AMRO group companies	317,409	615,326
Third parties	778,860	720,821
Total loans and advances - banks	**1,096,269**	**1,336,147**

An analysis of changes in the carrying amount in relation to loans and advances bank is as follows:

(x EUR 1.000)	Stage 1	Stage 2	Stage 3	Total
Carrying amount as at 1 January 2023	1,299,363	36,784		1,336,147
Change in carrying amount due to origination and repayment (excluding write offs)	-211,140			-211,140
Transfers to Stage 1				
Transfers to Stage 2				
Transfers to Stage 3				
Amounts written off				
Foreign exchange adjustments	(28,738)			(28,738)
At 31 December 2023	**1,059,485**	**36,784**		**1,096,269**

(x EUR 1.000)	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023	-3,104			-3,104
New assets originated or purchased	2,368			2,368
Assets derecognised or repaid (excluding write offs)				
Transfers to Stage 1				
Transfers to Stage 2				
Transfers to Stage 3				
Amounts written off				
Foreign exchange adjustments	3			3
At 31 December 2023	**-733**			**-733**

(x EUR 1.000)	Stage 1	Stage 2	Stage 3	Total
Carrying amount as at 1 January 2022	618,613			618,613
Change in carrying amount due to origination and repayment (excluding write offs)	704,849			704,849
Transfers to Stage 1				
Transfers to Stage 2	(36,784)	36,784		
Transfers to Stage 3				
Amounts written off				
Foreign exchange adjustments	12,685			12,685
At 31 December 2022	**1,299,363**	**36,784**		**1,336,147**

(x EUR 1.000)	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2022	-1.570			-1.570
New assets originated or purchased	-1.523			-1.523
Assets derecognised or repaid (excluding write offs)				
Transfers to Stage 1				
Transfers to Stage 2				
Transfers to Stage 3				
Amounts written off				
Foreign exchange adjustments	-11			-11
At 31 December 2022	**-3.104**			**-3.104**

16. Loans and advances customers

The accounting policy for loans and advances is included in note 15

As of 31 December 2023, EUR 5,221 has a maturity of more than 3 months but less than one year (2022: EUR 569).

(x EUR 1.000)	31 December 2023	31 December 2022
Loans and advances customers consists of the following:		
Corporate loans, gross	8,579,881	6,438,517
Corporate loans	**8,579,881**	**6,438,517**
Government and official institutions	10,650	7,457
Receivables from Central Counter Parties	6,034,167	6,849,723
Less: loan impairment allowances - other	-1,162	-1,970
Other loans and advances	**6,043,655**	**6,855,210**
Loans and advances customers	**14,623,536**	**13,293,727**

All corporate loans are fully collateralised (e.g. cash, equities, bonds).

(x EUR 1.000)	31 December 2023	31 December 2022
Of the loans and advances customers item, the following amounts were due from:		
Third parties	14,623,536	13,293,727
Loans and advances customers	**14,623,536**	**13,293,727**

An analysis of changes in the carrying amount in relation to Corporate loans at amortised cost is as follows:

(x EUR 1.000)	Stage 1	Stage 2	Stage 3	Total
Carrying amount as at 1 January 2023	6,314,591	115,010	8,917	6,438,517
Change in carrying amount due to origination and repayment	2,337,328	-68,323	-1,312	2,307,693
(excluding write offs)				
Transfers to Stage 1	8,126	-8,126		
Transfers to Stage 2	-162	162	-7,605	-7,605
Transfers to Stage 3		7,605		7,605
Amounts written off				
Foreign exchange adjustments	-166,329			-166,329
At 31 December 2023	**8,533,554**	**46,328**		**8,579,881**

(x EUR 1.000)	Stage 1	Stage 2	Stage 3	Total
Carrying amount as at 1 January 2022				
Change in carrying amount due to origination and repayment	6,422,616	67,079	5,214	6,494,908
(excluding write offs)	-276,936	-1,276	3,703	-274,509
Transfers to Stage 1	14,313	-14,313		
Transfers to Stage 2	-63,520	63,520		
Transfers to Stage 3				
Amounts written off				
Foreign exchange adjustments	218,118			218,118
At 31 December 2022	**6,314,591**	**115,010**	**8,917**	**6,438,517**

An analysis of changes in the carrying amount in relation to Other loans and advances is as follows:

(x EUR 1.000)	Stage 1	Stage 2	Stage 3	Total
Carrying amount as at 1 January 2023	6,853,240		1,970	6,855,210
Change in carrying amount due to origination and repayment	-710,260		-808	-711,068
(excluding write offs)				
Transfers to Stage 1				
Transfers to Stage 2				
Transfers to Stage 3				
Amounts written off				
Foreign exchange adjustments	-100,487			-100,487
At 31 December 2023	**6,042,493**		**1,162**	**6,043,655**

(x EUR 1.000)	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2023			-1,970	-1,970
New assets originated or purchased				
Assets derecognised or repaid			808	808
(excluding write offs)				
Transfers to Stage 1				
Transfers to Stage 2				
Transfers to Stage 3				
Amounts written off				
Foreign exchange adjustments				
At 31 December 2023			**-1,162**	**-1,162**

An analysis of changes in the carrying amount in relation to Other loans and advances is as follows:

(x EUR 1.000)	Stage 1	Stage 2	Stage 3	Total
Carrying amount as at 1 January 2022	14,592,892		1,970	14,594,862
Change in carrying amount due to origination and repayment				
(excluding write offs)	-7,962,317			-7,962,317
Transfers to Stage 1				
Transfers to Stage 2				
Transfers to Stage 3				
Amounts written off				
Foreign exchange adjustments	222,665			222,665
At 31 December 2022	**6,853,240**		**1,970**	**6,855,210**

(x EUR 1.000)	Stage 1	Stage 2	Stage 3	Total
ECL allowance as at 1 January 2022			-1,970	-1,970
New assets originated or purchased				
Assets derecognised or repaid				
(excluding write offs)				
Transfers to Stage 1				
Transfers to Stage 2				
Transfers to Stage 3				
Amounts written off				
Foreign exchange adjustments				
At 31 December 2022			**-1,970**	**-1,970**

17. Fair value of financial instruments not carried at fair value

The categorisation and valuation of financial instruments is determined in accordance with the accounting policies set out in note 13.

Valuation methodologies
The methods and assumptions described below have been applied to estimate the fair vale of financial instruments not carried at fair value. These fair values were calculated for disclosure purposes only. Note that the fair value can be significantly impacted by the choice of valuation model and underlying assumptions.

- The fair value of variable rate financial instruments and financial instruments with a fixed rate maturing within six months of the reporting date are assumed to be a reasonable approximation of their carrying amounts, which are net of impairment;
- The fair value of cash and balances at central banks are classified as Level 1 as these instruments have a short term nature, prices from an active market are available and no fair value adjustments are made to the carrying amounts.
- Securities financing includes repurchase and reverse repurchase agreements and securities borrowing and lending transactions. Due to the short-term characteristics of these instruments and the value and liquidity of available collateral, the carrying amounts are considered to approximate the fair value. Securities financing amounts are classified as Level 2.
- The fair value of demand deposits with no specific maturity are assumed to be the amount payable on demand at the reporting date;
- The fair value of the other loans to customers and loans to banks that are repriced frequently and have had no significant changes in credit risk are estimated using carrying amounts that are assumed to be a reasonable representation of the fair value. The fair value of other loans are estimated by discounted cash flow models based on interest rates that apply to similar instruments;
- The fair values of issued debt securities are based on quoted prices. If these are not available, the fair value based on a market approach in which independent quotes from market participants are used for the debt issuance spreads above average interbank offered rates (over a range of tenors) that the market would demand when purchasing new debt from AACB.
- Issued debt securities are valued using discounted cash flow models, based on current interest rate curves that incorporate observable inputs. These instruments are classified as level 2. When there are no, or only limited, publicly quoted prices available for these instruments and unobservable inputs have a significant effect on the fair value calculation, these instruments are classified as level 3.
- AACB refines and modifies its valuation techniques as markets and products develop and as the pricing for individual products becomes more or less readily available. While ABN AMRO believes its valuation techniques are appropriate and consistent with other market participants, the use of different methodologies or assumptions could result in different estimates of the fair value at the reporting date.

The following table presents the type of valuation techniques used in determining the fair value of financial instruments carried at amortised cost. In addition, the carrying amount of these financial assets and liabilities recorded at amortised cost is compared with their estimated fair value based on the assumptions mentioned above.

(x EUR 1.000) **2023**

At 31 December 2023	Carrying Value	Quoted prices in active market	Valuation technique observable market data	Valuation technique u nobservable market data	Total fair value
Cash and balances at central banks	1,080,629	1,080,629			1,080,629
Securities financing	11,506,442		11,506,442		11,506,442
Loans and receivables - banks	1,096,269		1,096,269		1,096,269
Corporate loans	8,579,881		8,579,876	5	8,579,881
Other loans and advances customers	6,043,655		6,043,655		6,043,655
Total financial assets	**28,306,876**	**1,080,629**	**27,226,242**	**5**	**28,306,876**
Securities financing	2,416,112		2,416,112		2,416,112
Due to banks	14,313,463		7,482,243	6,831,220	14,313,463
Due to customers	9,428,628		9,428,599	29	9,428,628
Issued debt	600,000	600,000			600,000
Total financial liabilities	**26,758,204**	**600,000**	**19,326,954**	**6,831,249**	**26,758,204**

(x EUR 1.000)

At 31 December 2022	Carrying Value	Quoted prices in active market	Valuation technique observable market data	Valuation technique unobservable market data	Total fair value
					2022
Cash and balances at central banks	4,034,741	4,034,741			4,034,741
Securities financing	9,008,397		9,008,397		9,008,397
Loans and receivables - banks	1,336,147		1,336,147		1,336,147
Corporate loans	6,438,517		6,438,517	1	6,438,517
Other loans and advances customers	6,855,210		6,855,210		6,855,210
Total financial assets	**27,673,012**	**4,034,741**	**23,638,271**	**1**	**27,673,012**
Securities financing	1,740,397		1,740,397		1,740,397
Due to banks	14,352,242		9,301,923	5,050,319	14,352,242
Due to customers	9,803,585		9,799,628	3,957	9,803,585
Issued debt	600,000		600,000		600,000
Total financial liabilities	**26,496,224**		**21,441,948**	**5,054,276**	**26,496,224**

18. Group structure

Accounting policy for business combinations
All items representing consideration, including contingent consideration, transferred by AACB are measured and recognised at fair value as at the acquisition date. Transaction costs incurred by AACB in connection with the business combination, other than those associated with the issuance of debt and equity securities, do not form part of the cost of the business combination transaction but are expensed as incurred. The excess of the purchase consideration over AACB's share of the fair value of the identifiable net assets acquired, including certain contingent liabilities, is recorded as goodwill. AACB measures the identifiable assets acquired and the liabilities assumed at the fair value at the date of acquisition.

A gain or loss is recognised in profit or loss for the difference between the fair value of the previously held equity interest in the acquiree and its carrying amount. Changes in interests in subsidiaries that do not result in a change of control are treated as transactions between equity holders and are reported in equity.

For common control transactions, AACB's accounting policy is to use the pooling of interest method, without restatement of prior periods.

The general requirements for the pooling of interest method are:
a. The assets and liabilities of the combining entities are reflected at their carrying amounts;
b. No goodwill is recognised; and
c. The income statement reflects the results of the combining entities.

AACB acquired the Brazil entity Banco ABN AMRO SA from ABN AMRO Bank NV on January 1st 2023, which is accounted for as a transaction under common control with reset of equity. For this transaction a cash consideration of EUR 107 million was paid, with no impact on equity. The impact of the transaction is analysed and is disclosed in the relevant notes if material.

There were no acquisitions or divestments during 2022.

On the 1st of January 2024 AACB received via a common control transaction with equity reset the entities ABN AMRO Holdings USA LLC and ABN AMRO Securities USA LLC from AAB. This following the decision of ABN AMRO to wind down their activities in Europe. As a result of this transaction AACB received, via a contribution in kind, 100% of the shares of these entities, this will result in a share premium increase per 1/1/2024 of EUR 183 million. As part of this transaction AACB received a deferred tax asset of EUR 77 million. This deferred tax receivable can be recovered when future taxable profit arise in the United States of America.

Accounting policy for subsidiaries
AACB's subsidiaries are those entities which it directly or indirectly controls. Control over an entity is evidenced by AACB's ability to exercise its power in order to affect the variable returns that AACB is exposed to through its involvement with the entity. The existence and effect of potential voting rights that are currently exercisable are taken into account when assessing whether control exists.
The assessment of control is based on the consideration of all facts and circumstances. AACB reassesses whether it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control (power, exposure to variability in returns and a link between the two).
The financial statements of subsidiaries are included in the consolidated financial statements from the date on which control commences until the date on which control ceases.

Accounting policy for associates and joint ventures
Associates are those entities in which AACB has significant influence, but no control or joint control, over the operating and financial policies. Significant influence is generally presumed when AACB holds between 20% and 50% of the voting rights. Potential voting rights that are currently exercisable are considered in assessing whether AACB has significant influence. Amongst other factors that are considered to determine significant influence, representation on the board of directors, participation in policy-making process and material transactions between the entity and the investee are considered.

A joint venture is an investment in which two or more parties have contractually agreed to share control over the investment. Joint control exists only when decisions about the relevant activities require the unanimous consent of the parties sharing control.

Investments in associates and joint ventures are accounted for using the equity method. Under this method the investment is initially recorded at cost of recognition and subsequently increased (or decreased) for post-acquisition net income (or loss), other movements impacting the equity of the investee and any adjustments required for impairment. AACB's share of the profit or loss of the investee is recognised in Share of result in equity accounted investments in the income statement. When AACB's share of losses exceeds the carrying amount of the investment, the carrying amount is reduced to zero, including any other unsecured receivables, and recognition of further losses is discontinued except if AACB has incurred obligations or made payments on behalf of the investee.
Equity investments held without significant influence which are not held for trading or not designated at fair value through profit or loss are classified as financial investments.

19. Equity accounted investments

Accounting policy for equity accounted investments
Equity accounted investments comprise associates and joint ventures. Associates are those entities in which AACB has significant influence (this is generally assumed when AACB holds between 20% and 50% of the voting rights), but no control or joint control over the operating and financial policies. Joint ventures are investments in which two or more parties have contractually agreed to share control over the investment.

Investments in associates and joint ventures are accounted for using the equity method.

Refer to note 18 for more accounting policies on equity accounted investments.

(x EUR 1.000)	31 December 2023	31 December 2022
Equity accounted investments consist of the following:		
ABN AMRO Investments USA LLC	269	284
Total equity accounted investments	**269**	**284**

ABN AMRO Investments USA LLC (AAIU)
On 13 January 2016, ABN AMRO Bank N.V. (AAB) and ABN AMRO Clearing USA LLC (AAC-USA), a wholly owned subsidiary of ABN AMRO Clearing Bank N.V. (AACB), each acquired 50% of the investment in AAIU. The two entities together have joint control over AAIU and its relevant activities as a Digital Asset House incorporated in the State of Delaware, the United States of America. The shareholding has not changed in the 2023 financial year.

AAIU's registered office is located in the State of Delaware, the United States of America, at Corporation Service Company, 2711 Centerville Road, Suite 400, City of Wilmington, Country of New Castle 19808.

The shares of AAIU are not quoted on any market and no dividends were declared.

The following is a summary of the combined financial information of the associates and joint ventures, including the aggregated amounts of assets, liabilities, income and expenses, in accordance with IAS 28.37:

(x EUR 1.000)	31 December 2023	31 December 2022
	Joint ventures	Joint ventures
Financial investments	499	517
Other assets	96	100
Total assets	**595**	**617**
Accrued interest, expenses and other liabilities	58	50
Total liabilities	58	50
Total Equity	**537**	**567**
Expenses	11	
Total comprehensive income	**-11**	

	31 December 2023	31 December 2022
(x EUR 1.000)	Joint ventures	Joint ventures
Equity accounted investment	**269**	**284**

20. Property and equipment

Accounting policy for property and equipment and leases
Property and equipment is stated at cost less accumulated depreciation and any amount for impairment. At each balance sheet date an assessment is performed to determine whether there is any indication of impairment. If an item of property and equipment is comprised of several major components with different useful lives, each component is accounted for separately. Additions and subsequent expenditures, including accrued interest, are capitalised only to the extent that they enhance the future economic benefits expected to be derived from the asset. Depreciation is charged to the income statement on a straight-line basis over the estimated useful lives of items of property and equipment, and of major components that are accounted for separately.

Depreciation rates and residual values are reviewed at least annually to take into account any change in circumstances. Capitalised leasehold improvements are depreciated in a manner that takes into account the term and renewal conditions of the related lease.

AACB applies the following principles regarding straight-line depreciation:
The useful life for property and equipment is a maximum of 10 years;
The useful life for leasehold improvements is the lesser of 10 years or the lease term; and
The useful life for IT equipment is a maximum of 5 years.

Accounting policy for leases
All leases, except for low-value leases and leases with a duration of less than one year, are recognised on the balance sheet as a right of use (ROU) asset and lease liability. As a lessee, ABN AMRO enters into various lease contracts, mainly for office buildings and cars that the bank leases for its own use. When accounting for the contracts as a lessee, ABN AMRO separates non-lease components from lease components. Payments such as variable lease payments that do not depend on an index or a rate and non-lease components are not included in the lease liability. The ROU asset is initially measured at cost, which reflects the initial lease liability, adjusted for upfront lease payments, received incentives and initial direct costs. The initial lease liability is equal to the sum of the fixed lease payments, discounted by the incremental borrowing rate.

The ROU asset is depreciated over the period of the lease, using the straight-line method.

Adjustments to the ROU asset and corresponding lease liability result from remeasurement and/or modification. Remeasurement occurs when there is a change in the lease term or discount rate, or when ABN AMRO changes its assessment regarding purchase, extension or termination options. A lease modification is a change in the scope of the lease, or the consideration of a part of a lease that was not in the original terms and conditions of the lease. A lease modification results in either a separate additional lease or a change in the accounting for the existing lease. In the case of a lease modification not resulting in an additional lease, the lease liability is remeasured by adjusting the carrying amount of the ROU asset and, to reflect the partial or full termination of the lease, recognising any gain or loss in the statement of profit and loss.

Expenses related to short-term leases with a term of less than 12 months and leases of low-value are recognised in the income statement. ROU assets are included in the line item Property and equipment, while the lease liabilities are included in Other liabilities. Depreciation of the ROU assets is included in the line item for depreciation and amortisation of tangible and intangible assets in the income statement, and interest expense on lease liabilities is included in the line item Other interest and similar expense.

(x EUR 1.000)	31 December 2023	31 December 2022
Total property and equipment	**24,645**	**19,996**

The table below shows the categories of property and equipment at 31 December 2023 against net book value.

2023	Leasehold improvements	IT equipment	Other property and equipment	Right of use assets	Total
Acquisition costs as at 1 January 2023	**11,017**	**35,275**	**1,844**	**23,860**	**71,996**
Investment of subsidiary*		976	196	548	1,720
Additions	1,563	3,654	577	6,635	12,429
Disposals	-717	-1,138	-69	-2,374	-4,298
Gains on disposals		6			6
Foreign exchange differences	-428	-1,633	-59	-892	-3,012
Acquisition costs as at 31 December 2023	**11,435**	**37,140**	**2,489**	**27,777**	**78,841**

* Assets acquired through the common control acquisition of the Brazil entity.

Accumulated depreciation as at 1 January 2023	**-8,777**	**-32,724**	**-1,430**	**-9,070**	**-52,001**
Investment of subsidiary*		-710	-33	-229	-972
Depreciation expense	-595	-721	-149	-3,902	-5,367
Disposals	717	125	69	1,111	2,023
Foreign exchange differences	328	1,420	45	327	2,121
Accumulated depreciation as at 31 December 2023	**-8,327**	**-32,610**	**-1,498**	**-11,763**	**-54,196**

* Assets acquired through the common control acquisition of the Brazil entity.

Property and equipment as at 31 December 2023	**3,109**	**4,530**	**992**	**16,013**	**24,645**

2022

	Leasehold improvements	IT equipment	Other property and equipment	Right of use assets	Total
Acquisition costs as at 1 January 2022	**10,543**	**28,720**	**1,804**	**23,962**	**65,030**
Additions		7,124		1,881	9,005
Disposals		-1,312	-20	-3,013	-4,345
Foreign exchange differences	474	743	60	1,030	2,306
Acquisition costs as at 31 December 2022	**11,017**	**35,275**	**1,844**	**23,860**	**71,996**
Accumulated depreciation as at 1 January 2022	**-7,779**	**-27,107**	**-1,301**	**-8,054**	**-44,241**
Depreciation expense	-695	-428	-114	-3,145	-4,381
Disposals		-4,378	17	2,342	-2,020
Foreign exchange differences	-303	-811	-31	-213	-1,359
Accumulated depreciation as at 31 December 2022	**-8,777**	**-32,724**	**-1,430**	**-9,070**	**-52,001**
Property and equipment as at 31 December 2022	**2,241**	**2,551**	**415**	**14,789**	**19,996**

No impairments to property and equipment have been recorded in 2023 or 2022.

Leasing

AACB leases offices and other premises under non-cancellable operating lease arrangements. The leases have various terms, escalation and renewal rights. There are no contingent rents payable. AACB also leases equipment under non-cancellable lease arrangements.

(x EUR 1.000)	2023	2022
Where AACB is the lessee, the future minimum lease payments under IFRS 16 are as follows:		
Within 3 months	1,309	863
More than 3 months but within 1 year	3,195	2,429
More than 1 year but within 5 years	8,224	8,903
More than 5 years	7,666	7,506
Total operating lease agreements	**20,394**	**19,701**

21. Intangible assets

Accounting policy for intangible assets
The accounting policy for software and other intangible assets is determined by IAS 38 Intangible assets. Software is amortised over a period of three years, unless it is classified as core application software, which is depreciated over its estimated useful life, set at a maximum of seven years. Only the development phase is capitalised for own-developed software.

(x EUR 1.000)	2023	2022
Acquisition costs as at 1 January	16,620	16,530
Investment of subsidiary*	793	
Additions	3,232	318
Disposals	-334	-1,042
Foreign exchange differences	-463	814
Acquisition costs as at 31 December	**19,848**	**16,620**

* Software acquired through the common control acquisition of the Brazil entity.

Accumulated amortisation 1 January	-15,808	-14,796
Investment of subsidiary*	-419	
Amortisation expense	-1,210	-796
Disposals	322	552
Foreign exchange differences	444	-768
Accumulated amortisation as at 31 December	**-16,671**	**-15,808**

* Software acquired through the common control acquisition of the Brazil entity.

Total intangible assets as at 31 December	**3,177**	**812**

No impairments to intangible assets have been recorded in 2023 or 2022.

22. Tax assets and liabilities

Accounting policy for tax assets and liabilities
AACB applies IAS 12 Income Taxes in accounting for taxes on income. Deferred tax is recognised for qualifying temporary differences. Temporary differences represent the differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts utilised for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted at the balance sheet date.
A deferred tax asset is recognised for deductible temporary differences, unused tax losses and unused tax credits to the extent that it is probable that taxable profit will be available against which the deductible temporary differences can be utilised, unless the deferred tax asset arises from the initial recognition of an asset or liability other than in a business combination which, at the time of the transaction, does not affect accounting profit or taxable profit.

Deferred tax assets and liabilities are offset on the balance sheet when there is a legally enforceable right to offset current tax assets against current tax liabilities and an intention to settle on a net basis.

AACB is part of a fiscal unity with AAB for corporate income tax purposes. All members of the fiscal unity are jointly and severally liable for the corporate income tax liabilities of the fiscal unity. Taxes are settled within this tax group as if each company were an autonomous taxpayer.

The current tax asset is the calculated tax position based on actual income over the year less the prepayments made during the year based on the profit estimations.

(x EUR 1.000)	31 December 2023	31 December 2022
Total current tax assets	**39,008**	**47,152**
The deferred tax assets can be categorised into:		
Net investment hedge	10,987	10,987
Property and equipment	1,497	1,721
Deferred income, accrued expenses and other	6,177	4,232
Loans and advances	58	60
Right of use assets	380	1,645
Carryforward benefits*	6,340	2,077
Total deferred tax assets	**25,439**	**20,722**

* The increase in carryforward benefits can be explained by the acquisition of Brazil via common control as a result of the CIB wind down. These carryforward benefits can only be offset with a future taxable profit in Brazil.

Of the deferred tax assets as per 2023 an amount of EUR 14.4 million is recorded through the income statement and an amount of EUR 11 million is recorded through equity.

Total tax assets	**64,447**	**67,874**

(x EUR 1.000)	As at 1 January 2023	Income statement	Equity	As at 31 December 2023
Deferred tax assets				
Net investment hedges - forex contracts	10,987			10,987
Loans and advances	60	-2		58
Deferred income, accrued expenses and other	4,232	1,945		6,177
Property and equipment	1,721	-224		1,497
Right of use assets	1,645	-1,265		380
Carryforward Benefits	2,077	4,263		6,340
Total deferred tax assets	**20,722**	**4,717**		**25,439**

(x EUR 1.000)	As at 1 January 2022	Income statement	Equity	As at 31 December 2022
Deferred tax assets				
Financial investments	2		-2	
Net investment hedges - forex contracts	10,987			10,987
Loans and advances	60			60
Deferred income, accrued expenses and other	2,749	1,483		4,232
Property and equipment	2,028	-307		1,721
Right of use assets	1,526	119		1,645
Carryforward Benefits	6,345	-4,268		2,077
Total deferred tax assets	**23,697**	**-2,973**	**-2**	**20,722**

The current tax liability is the calculated tax position based on actual income over the year less the prepayments made during the year based on profit estimations. However, as the entities based in the Netherlands form part of a local tax unity, prepayments are made and booked at central level. Therefore, at year-end the full year amount of the Dutch tax is still considered to be paid for these entities.

(x EUR 1.000)	31 December 2023	31 December 2022
Total current tax liabilities	36,387	26,040
The deferred tax liabilities can be categorised into:		
Property and equipment	482	473
Financial investments	7,178	3,265
Other	458	433
Total deferred tax liabilities	**8,118**	**4,171**
Total tax liabilities	**44,505**	**30,211**

(x EUR 1.000)	As at 1 January 2023	Income statement	Equity	As at 31 December 2023
Deferred tax liabilities				
Financial investments	3,265	3,913		7,178
Property and equipment	473	9		482
Other	433	25		458
Total deferred tax liabilities	**4,171**	**3,947**		**8,118**

(x EUR 1.000)	As at 1 January 2022	Income statement	Equity	As at 31 December 2022
Deferred tax liabilities				
Financial investments	5,960	-2,695		3,265
Property and equipment	198	275		473
Other	429	4		433
Total deferred tax liabilities	**6,587**	**-2,416**		**4,171**

23. Other assets

(x EUR 1.000)	31 December 2023	31 December 2022
The table below shows the components of other assets at 31 December:		
Related to securities transactions*	27,140	23,618
VAT and other tax receivable	10,031	6,593
Other	4,890	4,868
Prepayments	3,630	5,570
Accrued other income	12,799	14,273
Total other assets	**58,491**	**54,922**

* These include transitory amounts related to securities transactions.

24. Derivatives

Accounting policy for derivatives
Derivatives comprise portfolio swaps and foreign exchange contracts, which are derivatives held for trading. Portfolio swaps are swap agreements in which one party makes payments based on a reference rate, while the other party makes payments based on the return of an portfolio of underlying assets.

Derivative assets
The following table shows the composition of derivative assets.

(x EUR 1.000)	31 December 2023	31 December 2022
The table below shows the components of derivatives:		
FX contracts	169	
Portfolio swaps	1	
Total derivatives assets	**170**	

Derivative liabilities
The following table shows the composition of derivative liabilities.

(x EUR 1.000)	31 December 2023	31 December 2022
The table below shows the components of derivatives:		
FX contracts	91	
Portfolio swaps	27	22
Total derivatives liabilities	**118**	**22**

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25. Due to banks

Accounting policy for due to banks and due to customers
Amounts due to banks and customers are held at amortised cost. That is, fair value at initial recognition, adjusted for repayment and amortisation of coupons, fees and expenses to represent the effective interest rate of the liability.

(x EUR 1.000)	2023	2022
The table below shows the components of due to banks:		
Demand deposits	472,792	668,545
Time deposits	13,840,671	13,683,697
Total due to banks	**14,313,463**	**14,352,242**
Of the due to banks item the following amounts were with:		
Demand deposits due to banks ABN AMRO group	169,430	250,720
Time deposits due to banks ABN AMRO group	13,838,510	13,683,249
Total ABN AMRO group companies	**14,007,940**	**13,933,969**
Demand deposits due to third party banks	303,362	417,825
Time deposits due to third party banks	**2,161**	**449**
Total due to banks	**14,313,463**	**14,352,242**

As of 31 December 2023, an amount of EUR 6.8 billion has a maturity of more than 3 months but less than one year (2022: EUR 9 billion).

26. Due to customers

The accounting policy for due to customers is included in note 25
This item is comprised of amounts due to non-banking customers.

(x EUR 1.000)	2023	2022
The table below shows the components of due to customers:		
Demand deposits	8,121,216	7,994,083
Time deposits	1,307,412	1,809,502
Total due to customers	**9,428,628**	**9,803,585**
The due to customers item can be split between ABN AMRO group customers and third party customers as follows:		
Demand deposits due to customers ABN AMRO group	10	8
Total ABN AMRO group companies	**10**	**8**
Demand deposits due to customers third party	8,121,206	7,994,075
Time deposits due to customers third party	1,307,412	1,809,502
Total third party customers	**9,428,618**	**9,803,577**
Closing balance as at 31 December	**9,428,628**	**9,803,585**

As at 31 December 2023, an amount of EUR 29 thousand has a maturity of more than 3 months but less than one year (2022: 4 million).

27. Issued debt

Accounting policy for issued debt
TAACB applies IAS 32 Financial instruments: Presentation to determine whether funding is either a financial liability or equity. Issued financial instruments or their components are classified as financial liabilities where the substance of the contractual arrangement results in AACB having a present obligation to deliver either cash or another financial asset or to satisfy the obligation other than by the exchange of a fixed number of equity shares.

(x EUR 1.000)	2023	2022
The issued debt consists of the following:		
Bonds and notes issued	600,000	600,000
Total issued debt	**600,000**	**600,000**

* This debt was repaid and reissued on 18 December 2023 for regulatory reasons and has an expiration date of 1 July 2026.

28. Provisions

Accounting policy for provisions
A provision is recognised in the balance sheet when AACB has a legal or constructive obligation as a result of a past event, and it is more likely than not, that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount of the obligation can be made. If the effect of time value is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market rates and, where appropriate, the risk specific to the liability.

A provision for restructuring is recognised when an obligation exists. An obligation exists when AACB has approved a detailed plan and has raised a valid expectation in those affected by the plan by starting to implement the plan or by announcing its main features. Future operating costs are not provided for.

(x EUR 1.000)	2023	2022
Total provisions	**8,715**	**6,146**

The provision amount mainly relates to a restructuring provision (EUR 0.7 million) and a provision related to the potential claim from clients on unpaid stamp duty on securities borrowing transactions between AACB and its clients (EUR 4.3 million). On the basis of information currently available, AACB determines with reasonable certainty that the full amount represents the expected cash outflow of the provisions for the 2024 financial year.

	Restructuring Provision - Staff expenses	Restructuring Provision - Other	Stamp Duty	Other provisions	Total
Balance at 1 January 2022	**225**			**97**	**322**
Additions	1,800		4,275		6,075
Release	-225				-225
FX translation			-21	-5	-26
Balance at 31 December 2022	**1,800**		**4,254**	**92**	**6,146**
Increase due to common control acquisition of subsidiary		3,825			3,825
Additions					
Release	-1,060	-306			-1,366
Used provision		-87			-87
FX translation		213	-19	2	196
Balance at 31 December 2023	**740**	**3,645**	**4,235**	**94**	**8,715**

29. Other liabilities

(x EUR 1.000)	31 December 2023	31 December 2022
The table below shows the components of other liabilities at 31 December:		
Related to securities transactions *	185,447	187,797
Rebilling cost by ABN AMRO group	62,340	60,098
Accounts payable	24,764	36,609
Lease liabilities	20,394	19,701
Accrued expenses	16,462	15,601
VAT and other tax payable	1,829	933
Other	32,179	30,433
Total other liabilities	**343,414**	**351,172**

* These include transitory amounts related to securities transactions.

30. Equity attributable to owner of the company

Accounting policy for equity
Share capital and other components of equity

Other reserves
The other reserves mainly comprise retained earnings and the profit for the period.

Currency translation reserve
The currency translation reserve represents the cumulative gains and losses on the translation of the net investment in foreign operations, net of the effect of hedging.

Net investment hedging reserve
The net investment hedging reserve is comprised of the currency translation differences arising on translation of the currency of these instruments to euros, for the extent they are effective.

Fair value reserves
Under IFRS 9 the fair value reserve includes the gains and losses, net of tax, resulting from a change in the fair value of debt instruments measured at FVOCI. When the instruments are sold or otherwise disposed of, the related cumulative gain or loss recognised in equity is recycled to the income statement.

Dividends
Dividends on ordinary shares and preference shares classified as equity are recognised as a distribution of equity in the period in which they are approved by shareholders.

The issued and paid-up share capital of AACB did not change in the 2023 financial year. Authorised share capital amounts to EUR 50.000.000 distributed over 50.000 shares each having a par value of EUR 1.000. Of this authorised share capital, 15.000 shares have been issued at a par value of EUR 1.000. At year-end 2023, all shares were held by ABN AMRO.

(x EUR 1.000)	31 December 2023	31 December 2022
Share capital	15,000	15,000
Share premium	5,363	5,363
Other reserves (incl. retained earnings/profit for the period)	1,841,563	1,610,531
Other comprehensive income	52,426	91,185
Equity attributable to owner of the company	**1,914,352**	**1,722,079**

For the details on the changes in shareholder's equity we refer to the consolidated statement of changes in shareholder's equity.

(x EUR 1.000)	31 December 2023	31 December 2022
Gross fair value reserve	5	-37
Related tax	-16	5
Fair value reserve	**-11**	**-32**
Gross currency translation reserve	104,232	143,014
Related Tax	-4,063	-4,063
Currency translation reserve	**100,169**	**138,951**
Gross net investment hedge reserve	-64,229	-64,229
Related tax	16,496	16,496
Net investment hedge reserve	**-47,733**	**-47,733**
Total other comprehensive income	**52,426**	**91,185**

The currency translation reserve contains the equity revaluation of the subsidiaries.
The gross revaluation reserve contains the Net Investment Hedge (NIH) which is defined as the hedge of AACB net investment in foreign operations by matching the foreign currency gains or losses on a derivative or liability against the revaluation of a foreign operation based on period end exchange rates. The gain or loss on the hedging instrument is recorded in equity to offset the translation gains and losses on the net investment, to the extent that the hedge is highly effective. The ineffective portion of the hedge relationship is recognised in profit or loss. This NIH policy was applied until 31 December 2010. From that point onwards, revaluation of foreign currency amounts are directly included in the currency translation reserve.
The tax on revaluation reserve can be split in two categories. From the total amount of EUR 16.5 million an amount of EUR 11 million is related to the deferred tax asset of the NIH (see note 22). The remaining amount of EUR 5.5 million is related to the changes in the NIH up to and including 2009. Until that year the tax amount of the NIH was already settled with the tax authorities.

(x EUR 1.000)	2023	2022
Unrealised gains as at 1 January	**91,185**	**56,927**
Unrealised gains during the year	42	-21
Unrealised currency translation differences	-38,780	34,276
Related tax	-21	3
Other comprehensive income as at 31 December	**52,426**	**91,185**

31. Commitments and contingent liabilities

Accounting policy for commitments and contingent liabilities

Contingencies
Contingent liabilities are possible obligations whose existence will be confirmed only by uncertain future events, and present obligations where the transfer of economic resources is uncertain or cannot be reliably measured. Contingent liabilities are not recognised on the balance sheet but are disclosed, unless the outflow of economic resources is remote.

Committed credit facilities
Commitments to extend credit take the form of approved but undrawn loans and revolving facilities. New loan offers have a commitment period that does not extend beyond the normal underwriting and settlement period.

Guarantees
AACB provides guarantees and letters of credit to guarantee the performance of subsidiaries, associates and customers to third parties. AACB expects most transactions to be settled simultaneously with the reimbursement from customers.

Irrevocable payment commitment
In April 2016, the Single Resolution Board (SRB) in Brussels provided credit institutions with the option to fulfil part of the obligation to pay the annual ex-ante contributions to the Single Resolution Fund (SRF) through irrevocable payments commitments (IPCs). To secure full and punctual payment, when called by the SRB, credit institutions need to constitute cash collateral and fully transfer (legal) ownership to the SRB.

(x EUR 1.000)	31 December 2023	31 December 2022
The committed credit facilities consist of the following:		
Total committed credit facilities	**146,054**	**153,695**
The guarantees and other commitments consist of the following:		
Guarantees	101,563	130,123
Irrevocable payment commitment	10,650	7,457
Total guarantees and other commitments	**112,213**	**137,580**
The guarantees have been given to third parties and are divided as follows:		
Guarantees given to exchanges	5,700	34,560
Guarantees given to customers	95,863	95,563
Total Guarantees	**101,563**	**130,123**

The contractual amounts of guarantees are set out by category in the following table:

(x EUR 1.000)

31 December 2023	Less than one year	Between one and three years	Between three and five years	After five years	Total
Guarantees given to exchanges				5,700	5,700
Guarantees given to customers	563	300		95,000	95,863
Total Guarantees	**563**	**300**		**95,000**	**101,563**

31 December 2022	Less than one year	Between one and three years	Between three and five years	After five years	Total
Guarantees given to exchanges				34,560	34,560
Guarantees given to customers		563		95,000	95,563
Total Guarantees		**563**		**129,560**	**130,123**

An analysis of changes in the carrying amount in relation to Guarantees and committed credit facilities is as follows:

(x EUR 1.000)	Stage 1	Stage 2	Stage 3	Total
Carrying amount as at 1 January 2023	153,695			153,695
Change in carrying amount due to origination and repayment (excluding write offs)	-4,513			-4,513
Transfers to Stage 1				
Transfers to Stage 2				
Transfers to Stage 3				
Amounts written off				
Foreign exchange adjustments	-3,128			-3,128
At 31 December 2023	**146,054**			**146,054**

(x EUR 1.000)	Stage 1	Stage 2	Stage 3	Total
Carrying amount as at 1 January 2022	115,395			115,395
Change in carrying amount due to origination and repayment (excluding write offs)	35,903			35,903
Transfers to Stage 1				
Transfers to Stage 2				
Transfers to Stage 3				
Amounts written off				
Foreign exchange adjustments	2,397			2,397
At 31 December 2022	**153,695**			**153,695**

Other contingencies

In the normal course of business, AACB is subject to litigation and regulatory proceedings. Management of AACB, after consultation with legal counsel, believes that the outcome of such proceedings will not have a material adverse effect on the company's financial position.

In presenting the Consolidated Annual Financial Statements, management estimates the outcome of legal, regulatory and arbitration matters, and takes provisions to the income statement when losses with respect to such matters are more likely than not. Provisions are not recognised for matters for which an expected cash outflow cannot be reasonably estimated or that are not more likely than not to lead to a cash outflow. Some of these matters may be regarded as a contingency. In particular, the following matters are regarded as contingent liability:

Equity trading in Germany

German authorities are conducting investigations into the involvement of individuals from various banks and other parties in equity trading extending over dividend record dates in Germany, including several forms of tainted dividend arbitrage (i.e. tainted dividend stripping including so-called cum/ex and cum/cum transactions). ABN AMRO's legal predecessor, Fortis Bank (Nederland) N.V., ABN AMRO and several (former) subsidiaries were directly or indirectly involved in these transactions in the past in various capacities. Criminal investigation proceedings relating to the activities of these entities and individuals involved at the time were instigated. AACB (and its legal predecessor) has been the depositary bank and/or clearing bank in respect of ABN AMRO (and its legal predecessor and subsidiaries) and other parties that performed these transactions and is cooperating with these investigations.

AACB also frequently receives information requests from German authorities and authorities in other jurisdictions in relation to investigations into dividend arbitrage. AACB cooperates and provides the requested information to the fullest extent possible and as permitted by applicable law.

Related civil claims

One third party allegedly involved in cum/ex transactions with respect to certain German funds filed a joint and several liability civil law claim with the German court against AACB and 29 other parties for amounts of withholding tax recovered by the German tax authorities from this third party.
Another third party filed a claim against AACB and ABN AMRO (in first instance and in appeal) with the Dutch court for breach of contracts and for not being able to execute its planned trades in equity in various jurisdictions. The Court of Appeal partially overturned the ruling of the lower court. Damages (if any) need to be determined in a separate procedure. AACB has filed an appeal with the Supreme Court against the ruling of the Court of Appeal.
Although AACB considers it not probable that any such claims will be successful, the possibility that they will succeed cannot be ruled out.

Overall, it cannot be excluded that AACB will be faced with financial consequences as a result of its role as execution provider, depository and/or clearing bank for parties involved in dividend stripping transactions, in particular corporate administrative fines, forfeiture orders and civil law claims. It is currently unclear, however, how and when the German authorities' investigations will impact AACB and if and to what extent corporate administrative fines or forfeiture orders will be imposed. It is also uncertain whether tax authorities or any third parties will successfully claim amounts from AACB in (secondary) tax liability or civil law cases. Therefore, the financial impact cannot be reliably estimated at this time and no provision has been made in this respect.

32. Pledged, encumbered and restricted assets

Accounting policy for pledged, encumbered and restricted assets
Pledged assets are assets pledged as collateral for liabilities or contingent liabilities and the terms and conditions relating to its pledge. Encumbered assets are those that are pledged or other assets which we believed to be restricted to secure, credit-enhance or collateralise a transaction.
In principle, pledged assets are encumbered assets.
- Guarantees or other requirements that may restrict dividends and other capital distributions being paid, or loans and advances being made or repaid to other entities within AACB.
- Protective rights of non-controlling interests might also restrict the ability of AACB to access and transfer assets freely to or from other entities within AACB and to settle liabilities of AACB.

AACB only has restrictions due to the prevailing regulatory requirements per region.

Pledged and encumbered assets are assets given as security to guarantee payment of a debt or fulfilment of an obligation.
Predominantly, the following activities conducted by AACB are related to pledged assets:
- Cash provided as collateral to secure trading transactions;
- Cash pledged to secure lending in reverse repurchase transactions and securities borrowing transactions;
- Cash pledged to secure lending in reverse repurchase transactions and securities borrowing transactions;

AACB has a clearing member contract with various CCP's. Such contracts contain the rules and regulations in relation to cash provided as collateral.

(x EUR 1.000)	31 December 2023	31 December 2022
Assets pledged:		
Securities financing assets	9,329,653	7,906,612
Derivatives	1	
Financial assets held for trading	804	1,165
Financial investments	14,800	
Loans and advances- banks	254,452	292,907
Other loans and advances customers	6,043,655	6,855,210
Total assets pledged as security	**15,643,365**	**15,055,893**

Off balance sheet collateral is held as security for assets mainly as part of professional securities transactions. AACB obtains securities on terms which permit it to re-pledge the securities to others.

33. Related parties

Parties related to AACB include the parent ABN AMRO Bank N.V. with significant influence, associates, the Management Board, the Supervisory Board, close family members of any person referred to above, entities controlled or significantly influenced by any person referred to above and any other related entities.

Transactions
As part of its business operations, AACB frequently enters into transactions with related parties. Normal banking transactions relate to transactions, loans and deposits and are entered into under the same commercial and market terms that apply to non-related parties. ABN AMRO owns all the shares of AACB.

Labour contract employees Amsterdam
Every employee of AACB in the Netherlands has a labour contract with ABN AMRO. The total salary costs including pensions and social security charges in 2023 was EUR 67.63 million (2022: EUR 65.54 million). The salary costs are paid by ABN AMRO and rebilled to AACB.

	Parent	Other Related Parties
For the period ending 31 December 2023		
Assets	1,670,388	80,415
Liabilities	14,672,835	45
Collateral received	628,421	
2023		
Income received	62,213	10,190
Expenses paid	978,097	527
For the period ending 31 December 2022		
Assets	2,130,468	65,269
Liabilities	14,596,404	205
Collateral received	571,187	0
2022		
Income received	22,635	4,784
Expenses paid	407,040	592

There were no transactions between AACB and the joint venture, ABN AMRO Investments USA LLC during 2022 or 2023.

Remuneration of the Management Board and Supervisory Board
The remuneration of the Management board members, which consists of 4 FTE's (2022: 4 FTE's) is stated in the table below. The remuneration of the Supervisory Board members in 2023 was EUR 88 thousand (2022: 80 thousand).
As long as the Dutch state holds an interest in ABN AMRO, AACB will apply a prohibition on bonuses and individual salary increases for a specific group of senior employees, including the AACB Management Board and Supervisory Board members.

(x EUR 1.000)	Base salary	Total pension related contributions	Total
Total in 2023	1,476	351	1,827
Total in 2022	1,429	338	1,767

34. Cash flow statement

Accounting policy for Cash flow statement
For the purposes of the cash flow statement, cash and cash equivalents comprise cash on hand, freely available balances with central banks and other banks and net credit balances on current accounts with other banks, which have a maturity of less than three months from the date of acquisition. The statement of cash flows, based on the indirect method of calculation, provides details of the source of cash and cash equivalents, which became available during the year and the application of these cash and cash equivalents over the course of the year. The cash flows are analysed into cash flows from operations, including clearing activities, investment activities and financing activities. Movements in loans and receivables and interbank deposits are included in the cash flow from operating activities. Investment activities are comprised of acquisitions, sales and redemptions in respect of financial investments, as well as investments in, and sales of, subsidiaries, associates, property and equipment. The issuing of shares and the borrowing and repayment of long-term funds are treated as financing activities.

The following table shows the determination of cash and cash equivalents at 31 December:

(x EUR 1.000)	31 December 2023	31 December 2022
Cash and balances at central banks	1,080,629	4,034,741
Loans and advances banks *	989,880	1,237,827
Total cash and cash equivalents	**2,070,509**	**5,272,568**

* These are nostro accounts, with positive balance, that AACB holds with other credit institutions.

35. Post-balance sheet date events

On the 1st of January 2024 AACB received via a common control transaction with equity reset the entities ABN AMRO Holdings USA LLC and ABN AMRO Securities USA LLC from AAB. This following the decision of ABN AMRO to wind down their activities in Europe. As a result of this transaction AACB received, via a contribution in kind, 100% of the shares of these entities, this will result in a share premium increase per 1/1/2024 of EUR 183 million. As part of this transaction AACB received a deferred tax asset of EUR 77 million. This deferred tax receivable can be recovered when future taxable profit arise in the United States of America.

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Company statement of profit or loss

(x EUR 1.000)	Note	2023	2022
Income			
Interest income		1,413,509	617,386
Interest expense		1,247,567	453,634
Other interest and similar expense		-15	67
Net interest income	1	**165,957**	**163,685**
Fee and commission income		278,921	279,987
Fee and commission expense		113,733	113,709
Net fee and commission income		**165,188**	**166,278**
Share of result in equity accounted investments	2	171,113	130,971
Other operating income	3	8,300	5,750
Operating income		**510,558**	**466,684**
Expenses			
Personnel expenses	4	93,779	92,571
General and administrative expenses		164,752	161,887
Depreciation and amortisation of (in)tangible assets		2,320	3,061
Operating expenses		**260,851**	**257,519**
Impairment charges on financial instruments		-3,185	1,635
Total expenses		**257,666**	**259,154**
Operating profit / (loss) before taxation		252,892	207,530
Income tax expense		21,642	19,760
Profit (loss) for the year		**231,250**	**187,770**

Company statement of financial position

(x EUR 1.000)	Note	2023	2022
Assets			
Cash and balances at central banks	5	1,080,609	4,034,741
Short term government paper	6	68,279	69,608
Loans and advances banks	7	4,779,676	4,874,408
Loans and advances customers	8	17,988,455	15,954,804
Equity securities	9	26,219	20,479
Participating interest in group companies	10	1,299,393	1,106,185
Intangible assets	11	1,706	250
Property and equipment	12	1,596	1,169
Other assets	13	68,295	56,643
Total assets		**25,314,228**	**26,118,287**
Liabilities			
Due to banks	14	14,619,550	14,474,285
Due to customers	15	7,969,219	9,111,683
Issued debt	16	600,000	600,000
Provisions	17	4,518	5,576
Other liabilities	18	206,587	204,667
Total liabilities		**23,399,874**	**24,396,211**
Equity			
Share capital		15,000	15,000
Share premium		5,363	5,363
Revaluation reserves		(11)	(32)
Currency translation reserves		52,436	91,218
Legal reserves		17,718	13,227
Other reserves		1,597,086	1,409,456
Profit/(loss) for the period		226,759	187,849
Total Equity	19	**1,914,351**	**1,722,080**
Total Liabilities and Equity		**25,314,225**	**26,118,291**
Committed credit facilities	20	147,162	154,487
Guarantees and other commitments	20	606,968	947,327

Company statement of changes in equity

(x EUR 1.000)

	Share capital	Share Premium	Retained earnings	Unappropriated result of the year	Legal reserves	Fair value reserve	Total Equity	Net investment hedging reserve	Total Equity
Balance as at 1 January 2022	**15,000**	**5,363**	**1,240,132***	**172,070***	**13,306***	**-14**	**104,673**	**-47,732**	**1,502,797**
Total comprehensive income				187,770		-18	34,278		222,030
Transfer			172,070	-172,070					
Transfer to legal reserve				79	-79*				
Other			-2,746						-2,746
Balance as at 31 December 2022	**15,000**	**5,363**	**1,409,456**	**187,849**	**13,227**	**-32**	**138,951**	**-47,732**	**1,722,082**
Balance as at 1 January 2023	**15,000**	**5,363**	**1,409,456**	**187,849**	**13,227**	**-32**	**138,951**	**-47,732**	**1,722,082**
Total comprehensive income				231,250		21	-38,782		192,489
Transfer			187,849	-187,849					
Transfer to legal reserve				-4,491	4,491				
Other			-219						-219
Balance as at 31 December 2023	**15,000**	**5,363**	**1,597,086**	**226,759**	**17,718**	**-11**	**100,169**	**-47,732**	**1,914,351**

* As per 31 December 2023 a legal reserve of EUR 17.7 million has been separately accounted for as part of total equity related to the revaluation of investments held at fair value through profit or loss. This change in presentation has no impact on total equity nor result. This change in the presentation of total equity did not have a material impact on the prior period figures, however these have been adjusted for comparison reasons

Accounting principles for the company statement

Basis of preparation

AACB's company financial statements have been prepared in accordance with Title 9, Book 2 of the Dutch Civil Code, applying the same accounting policies as for the Consolidated Financial Statements. The Company Financial Statements are compiled taking into account ABN AMRO Clearing Bank N.V. and the legal entities and companies that form part of the

Company. The registered offices are at Gustav Mahlerlaan 10, 1082 PP Amsterdam, the Netherlands (Chamber of Commerce number 33170459).

Principles for the measurement of assets and liabilities and determination of the result

For setting the principles for the recognition and measurement of assets and liabilities and determination of the result for its company financial statements, ABN AMRO Clearing Bank N.V. applies the option provided in section 2:362(8) of the Dutch Civil Code. By making use of this option, reconciliation is maintained between the consolidated and the company's equity. This means that the principles for the recognition and measurement of assets and liabilities and determination of the result (hereinafter referred to as principles for recognition and measurement) of the company financial statements of ABN AMRO Clearing Bank N.V. are the same of those applied for the consolidated IFRS financial statements. Participating interests, over which significant influence is exercised, are stated on the basis of the equity method. The consolidated IFRS financial statements are prepared according to the standards laid down by the International Accounting Standards Board and adopted by the European Union.

Mala Gunaratne & Dwina Teh - Sydney office

Notes

Notes to the company income statement

1. Net interest income and interest expense

This item includes interest income and interest expense from banks and customers.

(x EUR 1.000)	2023	2022
Total interest income	1,413,509	617,386
Total interest expense	1,247,552	453,701
Net interest income	**165,957**	**163,685**

Net interest income for 2023 amounted to EUR 1.414 million, an increase of EUR 796 million compared to EUR 617 million. Net interest income is comprised of interest income from loans, investments and other lending, interest expense on borrowings by AACB and client accounts.

2. Share of result in equity accounted investments

(x EUR 1.000)	2023	2022
Total realised result on equity accounted investments	**171,113**	**130,971**

See note 10 for more information.

3. Other operating income

(x EUR 1.000)	2023	2022
Foreign exchange transaction result	-1,017	1,840
Dividend	3,222	3,873
Realised gain/(loss) on financial transactions	6,053	-65
Other	42	103
Total other operating income	**8,300**	**5,750**

4. Personnel expenses

(x EUR 1.000)	2023	2022
Personnel expenses are specified as follows:		
Salaries and wages	77,044	67,064
Social security charges	339	7,466
Pension expenses	11,398	11,130
Other	4,998	6,912
Total personnel expenses	**93,779**	**92,571**

5. Cash and balances at central banks

All cash and cash equivalents are available for use in AACB's day-to-day operations.

(x EUR 1.000)	31 December 2023	31 December 2022
Total cash and balances at central banks	**1,080,609**	**4,034,741**

Cash and balances at central banks decreased by EUR 3 billion to EUR 1.1 billion at 31 December 2023 mainly due to changes in the composition of the liquidity buffer.

6. Short term government paper

(x EUR 1.000)	31 December 2023	31 December 2022
Short-term government paper held at fair value through other comprehensive income	68,279	69,608
Total short term government paper	**68,279**	**69,608**
The guarantees and other commitments consist of the following:		
Opening balance as at 1 January	**69,608**	**65,344**
Sales to third parties		-157
Additions	2	
Gross revaluation to equity	-7	-20
Exchange rate differences	-1,325	4,441
Closing balance as at 31 December	**68,279**	**69,608**

7. Loans and advances banks

This item includes all accounts receivable from credit institutions that relate to business operations and own bank accounts and does not consist of trade and other receivables.

As of 31 December 2023 no amount has a maturity of more than 3 months (2022: nil).

(x EUR 1.000)	31 December 2023	31 December 2022
Of the loans and advances banks item, the following amounts were due from:		
ABN AMRO group companies	426,904	1,283,567
Third parties	4,352,772	3,590,841
Total loans and advances banks	**4,779,676**	**4,874,408**
Loans and advances banks consists of the following:		
Securities financing	4,066,710	3,931,548
Demand receivables	694,142	925,961
Mandatory reserve deposits with central banks	19,450	19,903
Less: loan impairment allowance	-626	-3,004
Net loans and advances banks	**4,779,676**	**4,874,408**

None of the amounts in the loans and receivables - banks items were subordinated in 2023 or 2022.

8. Loans and advances customers

As of 31 December 2023, EUR 24 thousand has a maturity of more than 3 months but less than one year (2022: EUR 356 thousand).

(x EUR 1.000)	31 December 2023	31 December 2022
Of the loans and advances customers item, the following amounts were due from:		
ABN AMRO group companies	7,565,875	5,481,135
Third parties	10,422,580	10,473,669
Total loans and advances customers	**17,988,455**	**15,954,804**
Loans and advances customers consists of the following:		
Corporate loans	14,035,097	10,718,220
Other loans and advances	3,043,709	4,399,187
Securities financing	909,649	837,397
Loans and advances customers	**17,988,455**	**15,954,804**

All commercial loans are fully collateralised (e.g. cash, equities, bonds).

9. Equity Securities

(x EUR 1.000)	31 December 2023	31 December 2022
The equity securities consists of the following financial instruments:		
Equity securities held at fair value through profit or loss	25,415	19,314
Equity instruments held for trading *	804	1,165
Total equity securities	**26,219**	**20,479**

* These shares are used for hedging portfolio swaps.

10. Participating interest in group companies

The movements in the participating interest in group companies, which are accounted for using the equity method, were as follows:

(x EUR 1.000)	31 December 2023	31 December 2022
Balance as at 1 January	**1,106,185**	**890,813**
Increase of capital	5,399	52,128
Unrealised gains/losses	16	
Dividend paid out	-44,261	-3,175
Foreign exchange differences	-38,394	35,448
Result for the year	171,113	130,971
Investment in subsidiary, via common control	99,335	
Balance as at 31 December	**1,299,393**	**1,106,185**

11. Intangible assets

(x EUR 1.000)	31 December 2023	31 December 2022
Acquisition costs as at 1 January	**3,321**	**3,327**
Additions	1,998	16
Disposals		-87
Foreign exchange differences	-19	65
Acquisition costs as at 31 December	**5,300**	**3,321**
Accumulated amortisation 1 January	**-3,071**	**-2,543**
Amortisation expense	-540	-462
Foreign exchange differences	17	-66
Accumulated amortisation as at 31 December	**-3,594**	**-3,071**
Total intangible assets as at 31 December	**1,706**	**250**

No impairments to intangible assets have been recorded in 2023 or 2022.

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12. Property and equipment

(x EUR 1.000)	31 December 2023	31 December 2022
Total property and equipment	**1,596**	**1,169**

The tables below shows the categories of property and equipment at 31 December 2023 against net book value, and the comparatives.

(x EUR 1.000) **2023**

	Leasehold improvements	IT equipment	Other property and equipment	Right of use assets	Total
Acquisition costs as at 1 January 2023	**598**	**6,506**	**332**	**2,434**	**9,869**
Additions		204		2,072	2,276
Disposals				-2,273	-2,273
Foreign exchange differences	-11	-35	-6	-45	-97
Acquisition costs as at 31 December 2023	**587**	**6,675**	**326**	**2,188**	**9,775**
Accumulated depreciation 1 January 2023	**-598**	**-6,332**	**-324**	**-1,447**	**-8,701**
Depreciation expense		-95	-4	-486	-585
Disposals				1,032	1,032
Foreign exchange differences	11	32	6	25	74
Accumulated depreciation as at 31 December 2023	**-587**	**-6,395**	**-322**	**-876**	**-8,179**
Property and equipment as at 31 December 2023		**280**	**4**	**1,312**	**1,596**

2022

	Leasehold improvements	IT equipment	Other property and equipment	Right of use assets	Total
Acquisition costs as at 1 January 2022	**557**	**6,210**	**311**	**2,719**	**9,797**
Additions		154		253	407
Disposals				-715	-715
Foreign exchange differences	38	144	21	178	381
Acquisition costs as at 31 December 2022	**595**	**6,508**	**332**	**2,434**	**9,869**

Accumulated depreciation 1 January 2022	**-497**	**-6,110**	**-299**	**-1,436**	**-8,341**
Depreciation expense	-66	-81	-4	-597	-748
Disposals				682	682
Foreign exchange differences	-33	-141	-21	-96	-293
Accumulated depreciation as at 31 December 2022	**-595**	**-6,332**	**-324**	**-1,447**	**-8,700**
Property and equipment as at 31 December 2022		**176**	**8**	**987**	**1,169**

13. Other assets

(x EUR 1.000)	31 December 2023	31 December 2022
Other	49,312	44,608
Tax assets	18,983	12,035
Total other assets	**68,295**	**56,643**

14. Due to banks

(x EUR 1.000)	31 December 2023	31 December 2022
The table below shows the components of due to banks:		
Demand deposits	466,448	666,005
Time deposits	13,840,651	13,655,120
Securities financing	312,451	153,160
Total due to banks	**14,619,550**	**14,474,285**
Of the due to banks item the following amounts were with:		
Demand deposits due to banks ABN AMRO group	169,430	250,720
Time deposits due to banks ABN AMRO group	13,838,489	13,654,671
Total ABN AMRO Group companies	**14,007,919**	**13,905,391**
Demand deposits due to third party banks	297,018	415,285
Time deposits due to third party banks	2,162	449
Securities financing due to third party banks	312,451	153,160
Total third party banks	**611,631**	**568,893**
Total due to banks	**14,619,550**	**14,474,285**

As of 31 December 2023, an amount of EUR 6.831 million has a maturity of more than 3 months (2022: EUR 9,050 million).

15. Due to customers

(x EUR 1.000)	31 December 2023	31 December 2022
The table below shows the components of due to customers:		
Demand deposits	6,904,432	6,862,684
Time deposits	729,868	1,233,951
Securities financing	334,919	1,015,047
Total due to customers	**7,969,219**	**9,111,683**
The due to customers item can be split up between ABN AMRO group customers and third party customers as follows:		
Demand deposits due to customers ABN AMRO group	844,988	1,073,110
Total ABN AMRO Group companies	**844,988**	**1,073,110**
Demand deposits due to customers third party	6,059,444	5,789,574
Time deposits due to customers third party	729,868	1,233,951
Securities financing due to customers third party	334,919	1,015,047
Total third party customers	**7,124,231**	**8,038,573**
Closing balance as at 31 December	**7,969,219**	**9,111,683**

As of 31 December 2023, an amount of EUR 29 thousand has a maturity of more than 3 months but less than one year (2022: 3,957 thousand).

16. Issued debt

(x EUR 1.000)	31 December 2023	31 December 2022
The issued debt consists of the following:		
Bonds and notes issued	600,000	600,000
Total issued debt	**600,000**	**600,000**

* This debt was repaid and reissued on 18 December 2023 for regulatory reasons and has an expiration date of 1 July 2026.

17. Provisions

(x EUR 1.000)	31 December 2023	31 December 2022
Total Provisions	**4,518**	**5,576**

The provision amount mainly relates to a restructuring provision (EUR 0.7 million) and a provision related to the potential claim from clients on unpaid stamp duty on securities borrowing transactions between AACB and its clients (EUR 3.7 million). On the basis of information currently available, AACB determines with reasonable certainty that the full amount represents the expected cash outflow of the provisions for the 2023 financial year.

(x EUR 1.000)	31 December 2023	31 December 2022
Opening balance as at 1 January	**5,576**	**322**
Additions		5,484
Currency translation result	2	-5
Releases	-1,060	-225
Closing balance as at 31 December	**4,518**	**5,576**

18. Other liabilities

(x EUR 1.000)	31 December 2023	31 December 2022
Derivatives	27	22
Financial liabilities held for trading	7,039	995
Tax liabilities	25,569	24,070
Other	173,952	179,580
Total other liabilities	**206,587**	**204,667**

19. Equity

	31 December 2023	31 December 2022
Total equity	**1,914,351**	**1,722,080**

The issued and paid-up share capital of AACB did not change in the 2023 financial year. Authorised share capital amounts to EUR 50.000.000 distributed over 50.000 shares each having a par value of EUR 1.000. Of this authorised share capital, 15.000 shares have been issued at a par value of EUR 1.000. At year-end 2023, all shares were held by ABN AMRO.

(x EUR 1.000)	31 December 2023	31 December 2022
Legal reserves consists of the following:		
Unrealised revaluation results of equity securities through PL	17,718	13,227
Legal reserves	**17,718**	**13,227**

As per 31 December 2023 a legal reserve of EUR 17.7 million has been separately accounted for as part of total equity related to the revaluation of investments held at fair value through profit or loss. This change in presentation has no impact on total equity nor result. This change in the presentation of total equity did not have a material impact on the prior period figures, however these have been adjusted for comparison reasons.

20. Commitments and contingent liabilities

(x EUR 1.000)	31 December 2023	31 December 2022
The committed credit facilities consist of the following:		
Total committed credit facilities	**147,162**	**154,487**
The guarantees and other commitments consist of the following:		
Guarantees	596,318	939,770
Irrevocable payment commitment	10,650	7,557
Total guarantees and other commitments	**606,968**	**947,327**
The guarantees have been given to third parties and are divided as follows:		
Guarantees given to subsidiaries	494,755	809,647
Guarantees given to clients	95,863	95,563
Guarantees given to exchanges	5,700	34,560
Total guarantees	**596,318**	**939,770**
Closing balance as at 31 December	**7,969,219**	**9,111,683**

Many of the guarantees and other commitments are expected to expire without being advanced in whole or in part.
This means that the amounts stated do not represent expected future cash flows.

Acquisitions

AACB acquired via common control the Brazil entity Banco ABN AMRO SA from ABN AMRO Bank NV on January 1st 2023.

Amsterdam, 17 May 2024

Managing Board

R.V.C Schellens
J.B.M. de Boer
L.M.R. Vanbockrijck
J.F.E ten Veen

Rules on profit appropriation as set out in the Articles of Association

The profit shown in the income statement as adopted by the General Meeting of Shareholders has been placed at the disposal of the General Meeting of Shareholders.

Profit appropriation

The ABN AMRO group policy is to upstream dividends from subsidiaries where appropriate. The dividend 2023 will be based on our current and projected consolidated capital ratios and local regulatory and exchange requirements in combination with our growth strategy.

AACB currently proposes to pay a dividend of EUR 116 million. The final dividend amount will be decided at the General Meeting of Shareholders in May 2024.

Other Information

Emily Reynolds & Kathleen Nightingale - USA office

Building a better working world

Independent auditor's report

To: the shareholder and supervisory board of ABN AMRO Clearing Bank N.V.

Report on the audit of the financial statements 2023 included in the annual report

Our opinion

We have audited the financial statements 2023 of ABN AMRO Clearing Bank N.V. (hereinafter: ABN AMRO Clearing Bank or the company) based in Amsterdam, the Netherlands. The financial statements comprise the consolidated annual financial statements and the company financial statements.

In our opinion:

- The accompanying consolidated annual financial statements give a true and fair view of the financial position of ABN AMRO Clearing Bank as at 31 December 2023 and of its result and its cash flows for 2023 in accordance with International Financial Reporting Standards as adopted in the European Union (EU-IFRSs) and with Part 9 of Book 2 of the Dutch Civil Code
- The accompanying company financial statements give a true and fair view of the financial position of ABN AMRO Clearing Bank as at 31 December 2023 and of its result for 2023 in accordance with Part 9 of Book 2 of the Dutch Civil Code

The consolidated annual financial statements comprise:

- The consolidated statement of financial position as at 31 December 2023
- The following statements for 2023: the consolidated statements of profit or loss, comprehensive income, changes in equity and cash flows
- The notes comprising material accounting policy information and other explanatory information

The company financial statements comprise:

- The company statement of financial position as at 31 December 2023
- The company statement of profit or loss for 2023
- The notes comprising a summary of the accounting policies and other explanatory information

Basis for our opinion

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

We are independent of ABN AMRO Clearing Bank in accordance with the EU Regulation on specific requirements regarding statutory audit of public-interest entities, the Wet toezicht accountantsorganisaties (Wta, Audit firms supervision act), the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

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

Information in support of our opinion

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

Our understanding of the business

ABN AMRO Clearing Bank is a globally active multi-asset prime broker, custodian and general clearing member. These activities are mainly conducted in Europe, Asia-Pacific, Brazil and the United States with coverage on major exchanges and execution venues. The company is structured in components and we tailored our group audit approach accordingly.

Materiality

We determined materiality and identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error in order to design audit procedures responsive to those risks and to obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion.

Materiality	EUR 15 million (2022: EUR 12 million)
Benchmark applied	5% of operating profit before taxation
Explanation	Based on our professional judgment, a benchmark of 5% of operating profit before taxation is an appropriate quantitative indicator of materiality and it best reflects the financial performance of the company. We determined materiality consistent with previous financial year.

We have also taken into account misstatements and/or possible misstatements that in our opinion are material for the users of the financial statements for qualitative reasons.

We agreed with the supervisory board that misstatements in excess of EUR 750.000, which are identified during the audit, would be reported to them, as well as smaller misstatements that in our view must be reported on qualitative grounds.

Scope of the group audit

The company is at the head of a group of entities ('components'). The financial information of this group is included in the consolidated financial statements.

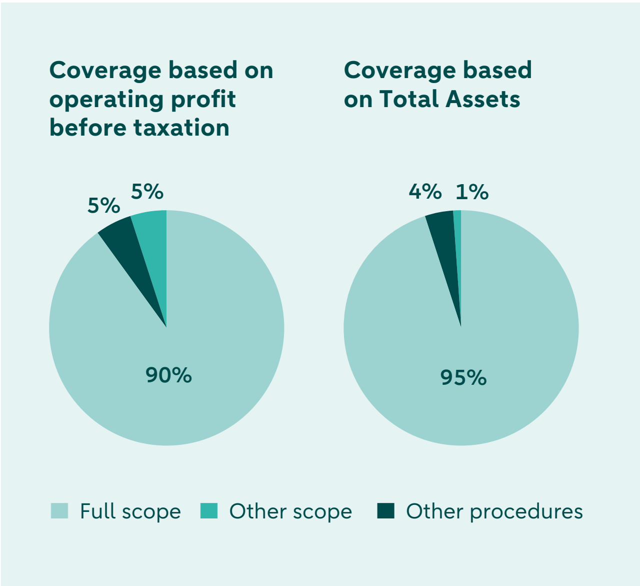
Because we are ultimately responsible for the opinion, we are also responsible for directing, supervising and performing the group audit. In this respect we have determined the nature and extent of the audit procedures to be carried out for group entities. Decisive were the size and/or the risk profile of the group entities or operations. On this basis, we selected group entities for which an audit or review had to be carried out on the complete set of financial information or specific items.

Our group audit mainly focused on significant group entities of ABN AMRO Clearing Bank in the Netherlands, Brazil, the United States, Singapore and Hong Kong. We have:

- performed audit procedures ourselves at group level and at component level in the Netherlands;
- used the work of other component auditors from EY Global member firm, operating under our coordination and supervision when auditing the group entities in the United States, Brazil, Singapore and Hong Kong;
- performed limited procedures for other group entities.

We sent instructions to component auditors, covering the significant areas and the information required to be reported to us. Based on our risk assessment, we determined the level of involvement in component audits. We have visited the component team in the United States and met with local management, reviewed key local working papers and conclusions and obtained an understanding of key processes. We interacted regularly with the component teams during various stages of the audit. We reviewed key working papers of component auditors using the EY electronic audit file platform, screen sharing or copies of work papers submitted to the group audit team.

Through these procedures we covered in total 96% of the group's total assets and 95% of operating profit before taxation.



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

Teaming and use of specialists

We ensured that the audit teams both at group and at component levels included the appropriate skills and competences which are needed for the audit of a clearing bank. We included team members with specialized knowledge in the areas of IT audit, income tax, forensics and have made use of EY specialists in the areas of valuation of financial instruments, financial investments and compliance and legal.

Our focus on climate-related risks and the energy transition

The management board has reported in its annual report how the company is addressing risk related to climate change, energy transition and the environment, thereby taking into account related regulatory and supervisory guidance and recommendations. Furthermore, we refer to the section 'Corporate Social Responsibility' in the annual report where the management board discloses its assessment and plans in connection to climate-related risks and the effects of energy transition.

As part of our audit of the financial statements, we evaluated the extent to which climate-related risks and the effects of the energy transition and the company's plans, are taken into account in estimates and significant assumptions as well as in the design of relevant internal control measures. Furthermore, we read the annual report and considered whether there is any material inconsistency between the sustainability information and the financial statements.

Based on the audit procedures performed, we do not deem climate-related risks to have a material impact on the financial reporting judgements, estimates or significant assumptions as at 31 December 2023.

Our focus on fraud and non-compliance with laws and regulations

Our responsibility

Although we are not responsible for preventing fraud or non-compliance and we cannot be expected to detect non-compliance with all laws and regulations, it is our responsibility to obtain reasonable assurance that the financial statements, taken as a whole, are free from material misstatement, whether caused by fraud or error. 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.

Our audit response related to fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of the company and its environment and the components of the system of internal control, including the risk assessment process and the management board's process for responding to the risks of fraud and monitoring the system of internal control and how the supervisory board exercises oversight, as well as the outcomes. We refer to the section 'Risk management' of the annual report for the management board's risk assessment after consideration of potential fraud risks.

We evaluated the design and relevant aspects of the system of internal control and in particular the fraud risk assessment, as well as the code of conduct, whistle blower procedures and incident registration in close co-operation with our forensic specialists. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness, of internal controls designed to mitigate fraud risks.

As part of our process of identifying fraud risks, we evaluated fraud risk factors with respect to financial reporting fraud, misappropriation of assets and bribery and corruption in close co-operation with our forensic specialists. We evaluated whether these factors indicate that a risk of material misstatement due to fraud is present. We incorporated elements of unpredictability in our audit. We also considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance.

We addressed the risks related to management override of controls, as this risk is present in all companies.
For these risks we have performed procedures among other things to evaluate key accounting estimates for management bias that may represent a risk of material misstatement due to fraud, in particular relating to important judgment areas and significant accounting estimates as disclosed in Note 'Critical accounting estimates and judgements' in the notes to the financial statements. We have also used data analysis to identify and address high-risk journal entries and evaluated the business rationale (or the lack thereof) of significant extraordinary transactions, including those with related parties.

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We considered the presumed risk of fraud in revenue recognition and, based on our risk assessment procedures, we evaluated that this risk is present in areas that are complex or with higher subjectivity in meeting revenue recognition criteria, more specifically related to tailored fee schedules. We describe the audit procedures responsive to the presumed risk of fraud in revenue recognition in the description of our audit approach for the key audit matter 'Complexity and diversity of the European fee schedules'.

Furthermore, we took into account available information and made enquiries of relevant functions (including risk management, compliance, security affairs, internal audit and legal), business line management, the management board, and the supervisory board.

The fraud risks we identified, enquiries and other available information did not lead to specific indications for fraud or suspected fraud potentially materially impacting the view of the financial statements.

Our audit response related to risks of non-compliance with laws and regulations

ABN AMRO Clearing Bank is subject to laws and regulations that directly affect the financial statements, including financial reporting standards, corporate tax law and various banking supervisory regulations. Also ABN AMRO Clearing Bank is subject to many other laws and regulations where the consequences of non-compliance could have a material effect on amounts or disclosures in the financial statements, for instance through the imposition of fines or instructions. We refer to section 'Regulatory Environment and Compliance' for the areas identified by the management board with a risk of non-compliance with regulations and heightened regulatory scrutiny.

We performed appropriate audit procedures regarding compliance with the provisions of those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. Furthermore, we assessed factors related to the risks of non-compliance with laws and regulations that could reasonably be expected to have a material effect on the financial statements from our general industry experience, through discussions with the management board, inspection of the systematic integrity risk analysis (SIRA), reading minutes, inspection of reports from risk management, compliance and internal audit and performing substantive tests of details of classes of transactions, account balances or disclosures.

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

Our audit response related to going concern

As disclosed in 'basis of preparation' of the notes to the consolidated annual financial statements, the financial statements have been prepared on a going concern basis. When preparing the financial statements, the management board made a specific assessment of the company's ability to continue as a going concern and to continue its operations for the foreseeable future.

We discussed and evaluated the specific assessment with the management board exercising professional judgment and maintaining professional skepticism. We considered whether management's going concern assessment, based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, contains all relevant events or conditions that may cast significant doubt on the company's ability to continue as a going concern and whether the company will continue to meet the regulatory solvency and liquidity requirements. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion.

Based on our procedures performed, we did not identify material uncertainties about going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause a company to cease to continue as a going concern.

Our key audit matters
Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements. We have communicated the key audit matters to the supervisory board. The key audit matters are not a comprehensive reflection of all matters discussed.

In comparison with the previous year, the nature of our key audit matters remained unchanged.

Complexity and diversity of the European fee schedules	
Risk	Clients' fee schedules are customized and depend on a variety of factors including the kind of transaction, the investment type and the related exchanges. Furthermore, both fixed fees and fees dependent on volume exist. As the larger clients in Europe typically have the most tailored fee schedules, we deem the risk to be inherent in the company's main clients' fee schedules. As the net fee and commission income represents one of the major sources of income and considering our presumed fraud risk related to revenue recognition, we consider this a key audit matter. Please refer to note 2 Net fee and commission income in the consolidated annual financial statements.
Our audit approach	Our audit procedures included, amongst others, evaluating the appropriateness of the company's accounting policies related to revenue recognition, determination of transaction prices and satisfaction of performance obligations in accordance with IFRS 15 'Revenue from contracts with customers' and whether the accounting policies have been applied consistently or whether changes, if any, are appropriate in the circumstances. We evaluated the design and implementation and tested operating effectiveness of the key controls over fee schedules origination and changes, data input and recording in source systems, automated calculation of fees and reconciliation controls with external parties. We applied data-analytics on net fee and commission income stemming from security transactions to recalculate the fees and commissions recorded, thereby verifying their completeness and accuracy. We reconciled the appropriate fee schedules in the subledger to the clients' clearing agreements. In addition, we obtained confirmations from a selection of customers confirming their year-end cash balances in clearing accounts to which fees are charged.
Key observations	Based on our procedures performed we consider the fee and commission income to be reasonably stated.

Reliability and continuity of IT environment	
Risk	The activities and financial reporting of ABN AMRO Clearing Bank are highly dependent on the reliability and continuity of the IT environment. Effective general IT controls with respect to change management, logical access, infrastructure, cybersecurity and operations, support the integrity and continuity of the electronic data processing as well as the operating effectiveness of the automated controls. There is a risk that the general IT control measures may not always operate as intended and, as a result, internal controls are ineffective. Therefore, we identified the reliability and continuity of the IT environment as a key audit matter. A summary of technology and the IT environment is included in the Information Technology section and the discussion on operational risk in the Risk Management section of the annual report.
Our audit approach	IT audit specialists are an integral part of the engagement team and assess the reliability and continuity of the IT environment to the extent necessary for the scope of our audit of the financial statements. In this context, we evaluated the design of the IT processes including cybersecurity and tested the operating effectiveness of general IT controls, as well as application controls over data processing, data feeds and interfaces where relevant for the financial reporting. We evaluated the design and tested the operating effectiveness of IT general controls related to Access Management, Change Management and IT Operations, and we tested the relevant automated controls as embedded in the company's core transaction processing systems, where we relied upon for financial reporting. Based on our findings from the test of the IT general controls related to Access Management, controls relevant to access provisioning and access reviews for in-scope applications including infrastructure components did not operate effectively. We performed IT substantive testing procedures to be able to conclude on the reliability of the information used in the financial reporting process.

	We also assessed the reliability and continuity of the IT environment and the possible impact of changes during the year. In addition, our audit procedures consisted of evaluating developments in the IT infrastructure and analyzing the impact on the IT organization as well as monitoring and evaluating upon parts of IT processes that have been outsourced.
Key observations	Our testing of the general IT controls and substantive IT tests performed in response to deficiencies identified, provided sufficient evidence to enable us to rely on the IT environment relevant for our audit of the financial statements.

Report on other information included in the annual report

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

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

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

We have read the other information. Based on our knowledge and understanding obtained through our audit of the financial statements or otherwise, we have considered whether the other information contains material misstatements. By performing these procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of the procedures performed is substantially less than the scope of those performed in our audit of the financial statements.

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

Report on other legal and regulatory requirements

Engagement

We were engaged by the supervisory board as auditor of ABN AMRO Clearing Bank on 11 September 2015, as of the audit for the year 2016 and have operated as statutory auditor ever since that date.

No prohibited non-audit services

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

Description of responsibilities regarding the financial statements

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

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

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

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

Our responsibilities for the audit of the financial statements

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

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

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

We have exercised professional judgment and have maintained professional skepticism throughout the audit, in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. The Information in support of our opinion section above includes an informative summary of our responsibilities and the work performed as the basis for our opinion.

Our audit further included among others:

- Performing audit procedures responsive to the risks identified, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management board
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures
- Evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation

Communication

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

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

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

Amsterdam, 17 May 2024

Ernst & Young Accountants LLP

Signed by N. van der Klauw

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