Registered no: 56457103

MERRILL LYNCH B.V.

UNAUDITED

INTERIM REPORT AND FINANCIAL STATEMENTS

FOR THE SIX MONTHS ENDED 30 JUNE 2025

COMPANY INFORMATION

Directors	A.E.Okobia L.R. Whitley
Registered number	56457103
Registered office	Amstelplein 1, Rembrandt Tower 27 Floor, 1096 HA, Amsterdam The Netherlands

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DIRECTORS' REPORT
FOR THE PERIOD ENDED 30 JUNE 2025

The directors present their report and the unaudited financial statements of Merrill Lynch B.V. ("MLBV", the "Company") for the six months ended 30 June 2025.

Statement of directors' responsibilities

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable laws and regulations.

The directors confirm that to the best of their knowledge:

- the financial statements give a true and fair view of the state of the Company's affairs as at 30 June 2025 and of its profit and cash flows for the six months then ended; and
- the directors' report gives a true and fair view of the Company's situation as at the reporting date, the events that occurred during 2025, future outlook, events after the reporting date and the risks to which the Company is exposed.

The Dutch Civil Code requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS as adopted by the EU") and the additional requirements of Title 9 Book 2 of the Netherlands Civil Code in accordance with article 362 section 8 and 9 of the Netherlands Civil Code.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable;
- state whether applicable IFRS's as adopted by the EU have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on a going concern basis unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with IFRS as adopted by the EU and the additional requirements of Title 9 Book 2 of the Netherlands Civil Code in accordance with article 362 section 8 and 9 of the Netherlands Civil Code. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Electronic distribution

The directors are responsible for ensuring that the Company's financial statements are provided for inclusion on the website of the Company's ultimate parent undertaking, Bank of America Corporation ("BAC").

Principal activities

The principal activities of the Company are the issuance of structured notes, certificates and warrants ("Structured issuances") and economically hedging these instruments through derivatives with affiliated companies. In addition, the Company grants intercompany loans to Merrill Lynch International ("MLI"), a BAC affiliate.

There has been no change to the principal activities and the directors expect the principal activities to continue during 2025.

Business review and market environment

Details about the Company's incorporation and the parent of the Company are disclosed in Note 1 Corporate information and basis of preparation.

Outlook

In 2025, global markets continues to face heightened geopolitical and economic uncertainty, with key risks including currency volatility, inflation, trade tensions, and shifts in policy across major economies.

Recent developments include the US Administration’s tariff increases on 2 April, raising the average US tariff rate to 20.3% - the highest in over a century, alongside continued negotiations with trade partners. These measures, combined with policy changes in the US, Europe, and China, present potential headwinds to global growth despite generally positive economic forecasts.

The Company is subject to numerous geopolitical, economic, and other risks in the jurisdictions in which it operates. The Company continues to monitor potential impacts of geopolitical conflicts including war in Ukraine and ongoing conflicts in the Middle East. The Company also actively monitors the recoverability of its financial assets, ensuring loss provisions are aligned with management’s best, timely estimates.

Results

The directors are satisfied with the Company’s performance for the financial period ended 30 June 2025 and financial position at the end of the period. The profit before tax for the financial period, amounted to $59,708,000 (six months ended June 2024: $72,902,000).

The debit valuation adjustments on the structured issuances resulted in a profit before tax of $27,337,000 (six months ended 30 June 2024: loss $118,489,000) due to movements in the BAC credit spreads.

Management of climate change risk

The Company has adopted BAC's Enterprise Risk Framework which sets forth the roles and responsibilities for the management of risk by Front Line Units ("FLU"), Global Risk Management, other control functions, and Corporate Audit. It describes how BAC identifies, measures, monitors, and controls risk across the seven key risk types we face: credit, market, liquidity, compliance, operational, strategic, and reputational. In the Risk Framework and Risk Appetite Statement, climate risk is identified as a risk spanning all seven key risk types. BAC also has an Environmental and Social Risk Policy Framework (“ESRPF”) that aligns with the Risk Framework and provides additional clarity and transparency regarding the Company's approach to environmental and social risks, inclusive of climate-related financial risk ("climate risk") and each BAC employee’s responsibilities for risk management. Like all risks, environmental and social risks require coordinated governance, clearly defined roles and responsibilities, and well-developed processes to ensure they are identified, measured, monitored and managed appropriately and in a timely manner. Recognising that certain sectors are more sensitive to these types of risk, the Company evaluates the associated risks as appropriate.

The BAC Group’s approach to sustainability matters can be accessed via the ESRPF at www.bankofamerica.com/ESRPF, Sustainability at Bank of America document available at www.bankofamerica.com/tcfd, and Bank of America's Annual Report available at investor.bankofamerica.com/annual-reports-and-proxy-statements. Bank of America documents referenced in this annual report make sustainability related statements. Any such statements relate to Bank of America Corporation and its entities as a whole and not to any particular product or service.

Set out below is a summary of the Company’s approach to management of climate risk.

Climate risk is divided into two major categories, both of which span the Company’s seven key risk types:

- Physical Risk - Risks related to the physical impacts of climate change, driven by extreme weather events such as hurricanes and floods, as well as chronic longer-term shifts such as rising average global temperatures and sea levels, and,

- Transition Risk - Risks related to the transition to a low-carbon economy, which may entail extensive policy, legal, technology and market changes.

Climate-related risks can act as a driver of risk across our risk types, such as credit risk tied to counterparties’ exposure to climate risk resulting in diminished repayment capacity or collateral values, operational risk from exposure to physical risk that could negatively impact the Company's facilities, or vendors, and reputational risk from stakeholder perception about the Company's responsiveness to climate change.

No material climate-related risk variables impacting the financial position of the Company as at 30 June 2025 have been identified. For financial instruments held at fair value, there have not been any adjustments to fair value specifically for climate risks. For financial assets held at amortised cost, there has been no material impact of climate risks on the Company's loss allowances for expected credit losses.

Global compliance and operational risk

The Company's overall approach to managing risk, including compliance risk, is governed by the BAC Risk Framework. As part of this, the Global Compliance & Operational Risk and the Global Financial Crimes teams work in partnership to offer continuous challenge and oversight in order to minimise the risk of legal or regulatory sanctions, material financial loss or reputational damage, including but not limited to, the risks associated with bribery and corruption, economic sanctions, money laundering, terrorist and criminal financing, and internal and external fraud.

In this respect, BAC has a Code of Conduct in place which provides basic guidelines of business practice, and professional and personal conduct that are expected from employees. Likewise, BAC has whistleblowing arrangements in place which will allow employees to report suspected malpractices such as unethical conduct, violations of law etc. on an anonymous and/or confidential basis.

Risk management

BAC has established a risk governance framework (the "Risk Framework") which serves as the foundation for consistent and effective management of risks facing BAC and its subsidiaries (including the Company). It provides an understanding of the Company's approach to risk management and each employee's responsibilities for managing risk. All employees must take ownership for managing risk well and are accountable for identifying, escalating and debating risks facing the Company.

The risk management approach has five components:

- Culture of managing risk well;
- Risk appetite;
- Risk management process;
- Risk data management, aggregation and reporting; and
- Risk governance

The seven key types of risk faced by BAC businesses as defined in the Risk Framework are strategic, credit, market, liquidity, operational, compliance and reputational risks.

The Company's approach to each of the risk types are further described in the notes to the financial statements (see note 23 Financial Risk Management).

Events after the reporting period

The Company evaluates whether events occurring after the balance sheet date, but before the date the financial statements are available to be issued, require accounting as of the balance sheet date, or disclosure in the financial statements. The Company has evaluated such subsequent events through 18 September 2025 which is the issuance date of the financial statements. Refer to note 25 Events After The Reporting Period for further information.

Composition of the board

The size and composition of the Board of Directors and the combined experience reflects the best fit for the profile and strategy of the Company. Currently the Board are all male, however the Company is aware of the gender diversity goals as set out in the Dutch Civil Code and the Company will pay close attention to gender diversity in the process of recruiting and appointing new directors.

The Company did not have any employees in the current or the preceding year. The directors are delegated to the Company and are employed by other group companies.

Board of Directors

The directors of the Company, who were in office during the period and up to the date of approval of this report, except where noted were:

A.E. Okobia
L. R. Whitley
(together authorised to represent the Company)

These financial statements on page 5 to 46 have been approved and authorised for issue by the Board on 18 September 2025. The directors have the power to amend and reissue the financial statements.

A.E. Okobia
Director

L.R. Whitley
Director

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME FOR THE PERIOD ENDED 30 JUNE 2025

	Note	Six months ended 30 June 2025 $000	Six months ended 30 June 2024 $000
Interest income	4	**514,224**	424,843
Interest expense	5	**(21,269)**	(7,765)
Net interest income		**492,955**	417,078
Net gain on financial instruments at fair value through profit or loss	6	**731,956**	303,406
Net loss on financial instruments designated at fair value through profit or loss	7	**(1,165,783)**	(648,007)
Other income	8	**706**	741
Net operating revenue		**59,834**	73,218
Administrative expenses	9	**(126)**	(316)
Operating profit		**59,708**	72,902
Profit before tax		**59,708**	72,902
Tax expense	11	**(15,389)**	(18,794)
Profit for the financial period after tax		**44,319**	54,108
Other comprehensive income/(expense):			
Items that will not be reclassified to profit or loss:			
Net profit/(loss) in debit valuation adjustment		**27,337**	(118,489)
Tax (expense)/credit relating to movement in debit valuation adjustment		**(7,037)**	30,592
Total other comprehensive income/(expense)		**20,300**	(87,897)
Total comprehensive income/(expense)		**64,619**	(33,789)

The notes on pages 11 to 46 form part of these financial statements.

STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2025

(Before appropriation of result)

	Note	**30 June 2025 $000**	31 December 2024 $000
Assets			
Non-current assets			
Debtors	12	**18,134,664**	13,708,805
Derivative assets	14	**727,479**	560,640
Financial assets at fair value through profit or loss	15	**282,217**	16,756
Deferred tax asset	16	**20,622**	27,659
Total non-current assets		**19,164,982**	14,313,860
Current assets			
Debtors	12	**5,991,472**	4,030,270
Derivative assets	14	**254,330**	163,301
Financial assets at fair value through profit or loss	15	**1,792,754**	967,441
Income tax receivable	16	**8**	—
Cash and cash equivalents	13	**40,715**	2,862
Total current assets		**8,079,279**	5,165,818
Total assets		**27,244,261**	19,479,678
Liabilities			
Non-current liabilities			
Financial liabilities designated at fair value through profit or loss	17	**16,686,249**	12,113,532
Derivative liabilities	14	**1,169,124**	1,279,143
Total non-current liabilities		**17,855,373**	13,392,675
Current liabilities			
Financial liabilities designated at fair value through profit or loss	17	**6,241,342**	4,234,815
Creditors	18	**1,802,806**	534,367
Derivative liabilities	14	**160,273**	170,536
Income tax payable	16	**—**	25,493
Total current liabilities		**8,204,421**	4,967,155
Total liabilities		**26,059,794**	18,359,830

STATEMENT OF FINANCIAL POSITION (CONTINUED)
AS AT 30 JUNE 2025

	Note	**30 June 2025** **$000**	31 December 2024 $000
Issued capital and reserves			
Share capital	19	**—**	—
Other reserves	19	**(110,926)**	(131,164)
Share premium	19	**890,437**	890,437
Retained earnings		**360,637**	267,450
Undistributed profits		**44,319**	93,125
Total equity		**1,184,467**	1,119,848
Total liabilities and equity		**27,244,261**	19,479,678

The notes on pages 11 to 46 form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2025

	Share capital	Share premium	Other reserves	Retained earnings	Undistributed profits	Total equity
	$000	$000	$000	$000	$000	$000
At 1 January 2025	–	**890,437**	**(131,164)**	**267,450**	**93,125**	**1,119,848**
Transfer to retained earnings	–	–	**(62)**	**93,187**	**(93,125)**	—
Profit for the period	–	–	–	–	**44,319**	**44,319**
Other comprehensive (expense)/income						
Movement in debit valuation adjustment	–	–	**27,337**	–	–	**27,337**
Tax relating to movement in debit valuation adjustment	–	–	**(7,037)**	–	–	**(7,037)**
Total comprehensive income/(expense) for the period	–	–	**20,238**	**93,187**	**(48,806)**	**64,619**
At 30 June 2025	—	**890,437**	**(110,926)**	**360,637**	**44,319**	**1,184,467**

The notes on pages 11 to 46 form part of these financial statements. For further details see note 19.

STATEMENT OF CHANGES IN EQUITY (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2025

	Share capital	Share premium	Other reserves	Retained earnings	Undistributed profits	Total equity
	$000	$000	$000	$000	$000	$000
At 1 January 2024	–	590,437	(35,168)	198,365	70,067	823,701
Transfer to retained earnings	–	–	3,804	66,263	(70,067)	–
Profit for the year	–	–	–	–	54,108	54,108
Other comprehensive income/(expense)						
Movement in debit valuation adjustment	–	–	(118,489)	–	–	(118,489)
Tax relating to movement in debit valuation adjustment	–	–	30,592	–	–	30,592
Total comprehensive income/(expense) for the period	–	–	(84,093)	66,263	(15,959)	(33,789)
Transactions with owners in their capacity as owners:						
Share premium contribution	–	300,000	–	–	–	300,000
At 30 June 2024	–	890,437	(119,261)	264,628	54,108	1,089,912

The notes on pages 11 to 46 form part of these financial statements. For further details see note 19.

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2025

	Note	**30 June 2025 $000**	30 June 2024 $000
Cash flows from operating activities			
Profit before tax		**59,708**	72,902
Adjustments for:			
Non - cash items			
Net interest income		(492,955)	(417,078)
Adjustments for:			
Income tax paid	16	(43,275)	(39,028)
Changes in operating assets			
Increase in financial assets at amortised cost	12	(4,608,368)	(3,100,906)
Increase in amounts owed from affiliated companies	12	(1,248,123)	(589,550)
(Increase)/decrease in other receivables	12	(36,493)	20,328
Increase in derivative assets	14	(257,869)	(43,640)
Increase in financial assets at fair value through profit or loss	15	(1,090,773)	(96,420)
		(7,241,626)	**(3,810,188)**
Changes in operating liabilities			
Increase in financial liabilities designated at fair value through profit or loss	17	6,606,581	3,400,554
Increase in creditors	18	1,267,317	143,360
(Decrease)/increase in derivative liabilities	14	(120,282)	313,911
		7,753,616	**3,857,825**
Net cash inflow/(outflow) from operating activities		**35,468**	**(335,567)**
Cash flows from financing activities			
Share premium contribution	19	—	300,000
Net cash inflow from financing activities		**—**	**300,000**
Net increase/(decrease) in cash and cash equivalents		35,468	(35,567)
Cash at bank and in hand at the beginning of the year	13	4,806	130,218
Bank overdraft at the beginning of the year		(1,944)	—
Effects of exchange rate changes on cash and cash equivalents		2,385	(699)
Cash and cash equivalents at the end of the period		**40,715**	**93,952**
Cash at bank and in hand	13	41,417	93,952
Bank overdraft	13	(702)	—
Cash and cash equivalents at end of the period		**40,715**	**93,952**

For further details see note 13 cash and cash equivalents. The notes on pages 11 to 46 form part of these financial statements.

1. Corporate information and basis of preparation

Merrill Lynch B.V. ("MLBV", or the "Company") is a private company with limited liability (Besloten Vennootschap met Beperkte Aansprakelijkheid) incorporated under the laws of The Netherlands on 12 November 2012 with registration number 56457103. The Company has its registered address at Amstelplein 1, Rembrandt Tower, 27 Floor, 1096HA, Amsterdam, The Netherlands.

The principal activities of the Company are the issuance of structured notes, certificates and warrants ("Structured issuances") and economically hedging these instruments through derivatives with affiliated companies. In addition, the Company grants intercompany loans to Merrill Lynch International ("MLI"), a BAC affiliate.

The Company is a subsidiary of Merrill Lynch International, LLC ("MLI LLC"), incorporated in the United States of America. The Company's ultimate parent company and controlling party is Bank of America Corporation ("BAC"), a company organised and existing under the laws of the State of Delaware in the US, which produces consolidated financial statements available for public use. The principal executive offices of BAC is as follows: Bank of America Corporate Center, 100 North Tryon Street, NC1-007-56-06, Charlotte, North Carolina 28255.

The directive 2004/109/EC of the European Parliament and the Council of 15 December 2004 on the harmonisation of transparency requirements in relation to information about issuers whose securities are admitted to trading on a regulated market, has been implemented in The Netherlands. In this regard the Company had to choose its Home Member State. The Company has chosen The Netherlands as Home Member State in connection with the Transparency Directive, The Netherlands being the country of incorporation of the Company. As a consequence of this choice, the Company files its annual and semi-annual financial statements with the Autoriteit Financiële Markten ("AFM").

The Company makes use of the exemption to the requirement to establish its own Audit Committee based on Article 3a of the Royal Decree of 26 July 2008, implementing article 41 of the EU Directive 2006/43EG, as the Audit Committee of BAC that is compliant with the requirements will fulfil the role of the Company's Audit Committee. BAC operates an Audit Committee, which covers the BAC group, including the Company. Details of the charter, membership, duties, and responsibilities can be found on the BAC group website.

These financial statements are the separate financial statements of the Company, prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB") and adopted by the EU and the additional requirements of Title 9 Book 2 of the Netherlands Civil Code in accordance with article 362 section 8 and 9 of the Netherlands Civil Code, for entities which prepare their financial statements in accordance with IFRS as adopted by the EU.

The financial statements have been prepared on a historical cost basis, modified to include the measurement of certain financial assets and liabilities at fair value, to the extent required or permitted under IFRS. The Company does not maintain historical cost information on items held at fair value as this is not relevant to the operation of the business.

The preparation of financial statements in conformity with IFRS requires the use of accounting estimates. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 3 Critical accounting estimates and judgements.

The financial statements have been presented in US dollars which is also the functional currency of the Company and all values are rounded to the nearest thousands, except as otherwise indicated.

1. Corporate information and basis of preparation (continued)

The directors have a reasonable expectation, based on current and anticipated future performance, that the Company will continue in operational existence and has sufficient resources to meet its liabilities as they fall due for a period of 12 months from the date of approval of the annual report and financial statements. The financial statements of the Company have, therefore, been prepared on a going concern basis. Disclosures in respect to liquidity risk and capital management are set out in note 23 Financial Risk Management.

As part of the consideration of whether to adopt the going concern basis in preparing the financial statements, management have considered the maturity profile and contractual terms of the liabilities in respect of the structured note portfolio and consider there to be sufficient sources of short term funds available to the Company to meet the contractual maturity of the structured issuances in the context of the current environment detailed in the ‘business review and market environment’ section of the Directors' Report.

Management also evaluated the financial position of the counterparties of its debtors, mostly comprising loans to affiliated companies, and their ability to repay the notional and interest to the Company. The Company will continue to monitor its solvency and liquidity position.

Following the assessment, it is deemed appropriate by the directors that the Company continues to adopt the going concern basis for the preparation of the financial statements.

2. Material accounting policies

The material accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

2.1. New and amended accounting standards and policies

In the current year, the Company has applied a number of amendments to IFRS Accounting Standards issued by the IASB that are mandatorily effective for an accounting period that begins on or after 1 January 2025, where their adoption has not had any material impact on the disclosures or on the amounts reported in these financial statements

Standards issued but not yet effective

There are several new standards and amendments to standards published but not yet mandatory for the current reporting period. To the extent, which is known or reasonably estimable, none of these developments except IFRS 18 is expected to have a material impact on the Company’s financial statements in the period of initial application.

IFRS 18 Presentation and Disclosure in Financial Statements

In April 2024, the IASB issued IFRS 18, which replaces IAS 1 Presentation of Financial Statements. IFRS 18 introduces new requirements for presentation within the Statement of Profit or Loss, including specified totals and subtotals. Furthermore, entities are required to classify all income and expenses within the Statement of Profit or Loss into one of five categories: operating, investing, financing, income taxes and discontinued operations, whereof the first three are new.

IFRS also requires disclosure of newly defined management-defined performance measures, subtotals of income and expenses, and includes new requirements for aggregation and disaggregation of financial information based on the identified ‘roles’ of the primary financial statements (PFS) and the notes.

In addition, narrow-scope amendments have been made to IAS 7 Statement of Cash Flows, which include changing the starting point for determining cash flows from operations under the indirect method, from ‘profit or loss’ to ‘operating profit or loss’ and removing the optionality around classification of cash flows from dividends and interest. In addition, there are consequential amendments to several other standards.

2. Material accounting policies (continued)

IFRS 18, and the amendments to the other standards, is effective for reporting periods beginning on or after 1 January 2027, but earlier application is permitted and must be disclosed. IFRS 18 will apply retrospectively.

The Company is currently working to identify all impacts the amendments will have on the primary financial statements and notes to the financial statements. .

2.2. Translation of foreign currencies

Monetary assets and liabilities denominated in foreign currencies are subsequently re-translated into the functional currency using the exchange rates prevailing at the reporting date. Exchange gains and losses on monetary assets and liabilities are recognised in the income statement. Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

2.3. Financial assets

The Company recognises financial assets in the statement of financial position when it becomes a party to the contractual provisions of the instrument. Management determines the classification of the Company's financial assets at initial recognition. The Company classifies its financial assets as measured at amortised cost or fair value through profit or loss ("FVPL").

A financial asset is classified as measured at amortised cost if it meets both of the following conditions and is not designated as at FVPL and these are presented as debtors under balance sheet:

- The asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- The contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest ("SPPI") on the principal amount outstanding.

The Company's cash and debtors that are not considered to be managed on a fair value basis, meet the requirements to be measured at amortised cost. All other financial assets, including derivatives, are classified as measured at FVPL.

In addition, on initial recognition, the Company may irrevocably designate a financial asset that otherwise meets the requirements to be measured at amortised cost at FVPL if doing so eliminates or significantly reduces an accounting mismatch that would otherwise arise.

Financial assets are not reclassified subsequent to their initial recognition, except when the Company changes its business model for managing those financial assets.

2.4. Financial liabilities

The Company recognises financial liabilities in the statement of financial position when it becomes a party to the contractual provisions of the instrument. The Company classifies its financial liabilities in the following categories: amortised cost or FVPL.

Derivative liabilities held for trading or held for risk management purposes, are measured at FVPL. Structured instruments issued by the Company that do not meet the accounting definition of a derivative are classified as liabilities designated as at FVPL. Gains and losses are recognised through the statement of profit or loss and other comprehensive income as they arise. All remaining financial liabilities are carried at amortised cost using the effective interest method.

2. Material accounting policies (continued)

Where the Company designates a financial liability as at FVPL, the amount of change in the fair value of the liability that is attributable to changes in its credit risk is presented in Other Comprehensive Income ("OCI") as a debit valuation adjustments reserve. However, if on initial recognition of the financial liability the Company assesses that presentation in OCI would create, or enlarge, an accounting mismatch, then the gains and losses attributable to changes in the credit risk of the liability are also presented in profit or loss. Amounts presented in the debit valuation adjustments reserve are not subsequently transferred to profit or loss. When these instruments are derecognised, the related cumulative amount in the reserve is transferred to retained earnings.

Current versus non-current classification

The Company presents current and non-current assets, and current and non-current liabilities, as separate classifications in its statement of financial position. The Company classifies an asset as current when it expects to realise the asset, or intends to sell or consume it, in its normal operating cycle; holds the asset primarily for the purpose of trading; expects to realise the asset within twelve months after the reporting period or the asset is cash or a cash equivalent unless the asset is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.

The Company classifies a liability as current when it expects to settle the liability in its normal operating cycle; holds the liability primarily for the purpose of trading; the liability is due to be settled within twelve months after the reporting period or when the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting period. All other liabilities are classified as non-current. The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The amount of each asset and liability line item presented as current is also expected to be recovered or settled no more than twelve months after the reporting period.

2.5. Derecognition of financial assets and liabilities

The Company derecognises a financial asset only when the contractual rights to the cash flows from the asset expire or it transfers substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a secured borrowing for the cash proceeds received.

On derecognition of a financial asset, the difference between the carrying amount of the asset (or the carrying amount allocated to the portion of the asset derecognised), and the sum of the consideration received and any cumulative gain that had been recognised in OCI, is recognised in profit or loss.

The Company derecognises a financial liability when its contractual obligations are discharged or cancelled, or expire.

If the terms of a financial asset or financial liability are modified, the Company evaluates whether the new terms of the modified instrument are substantially different to the original terms. If the new terms are substantially different, then the original instrument is derecognised and a new instrument, based on the modified terms, is recognised at fair value. Differences in the carrying amount are recognised in profit or loss as a gain or loss on derecognition.

2. Material accounting policies (continued)

2.6. Offsetting financial instruments

Where the Company has the legal right to net settle and intends to do so (with any of its debtors or creditors) on a net basis, or to realise the asset and settle the liability simultaneously, the balance included within the financial statements is the net balance due to or from the counterparty. Counterparties are assessed to identify if net settlement criteria are met. Where this is achieved, assets and liabilities facing the counterparty are offset (see note 22 Offsetting).

2.7. Segmental reporting

The Company's results are wholly derived from a single class of business, being the Global Markets segment. The directors review and analyse performance of the Company based on these activities. Segmental performance is analysed geographically as the Company operates globally under one management structure (see note 10 Segmental Analysis).

2.8. Interest income and expense recognition

Amortised cost and effective interest rate

The amortised cost of a financial asset or financial liability is the amount at which the financial asset or financial liability is measured on initial recognition less the principal repayments, plus or minus the cumulative amortisation using the effective interest method of any difference between that initial amount and the maturity amount and, for financial assets, adjusted for any expected credit loss allowance.

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

When calculating the effective interest rate for financial instruments other than credit-impaired assets, the Company estimates cash flows considering all contractual terms of the financial instrument, but does not consider expected credit losses. For financial assets that are credit-impaired at initial recognition, a credit-adjusted effective interest rate is calculated using estimated future cash flows including expected credit losses.

The calculation of the effective interest rate includes all amounts received or paid by the Company that are an integral part of the overall return, direct incremental transaction costs related to the acquisition or issue of a financial instrument and all other premiums and discounts.

Calculation of interest income and expense

Interest income and expense for all financial instruments measured at amortised cost are recognised on an accruals basis using the effective interest method.

The effective interest rate is applied to the gross carrying amount of the financial asset (for non-credit impaired assets) or to the amortised cost of the liability.

For financial assets that have become credit-impaired subsequent to initial recognition, the effective interest rate is applied to the amortised cost of the financial asset. If the asset is no longer credit- impaired, then the calculation of interest income reverts to the gross basis.

For financial assets that were credit-impaired on initial recognition, the credit-adjusted effective interest rate is applied to the amortised cost of the financial asset. The calculation of interest income does not revert to a gross basis, even if the credit risk of the asset improves.

2. Material accounting policies (continued)

Interest income and expense on all derivative assets and liabilities, and other financial instruments measured at FVPL, are recognised using the contractual interest rate in net trading revenues and net gains and losses on other financial instruments at FVPL, respectively.

2.9. Other income

Other income includes service fee income from charges made to affiliated companies to reimburse the Company for expenditure incurred. Service fee income is recognised as the performance obligation is satisfied which is generally aligned with when the Company is entitled to the compensation, which may be on completion of an individual performance obligation. Service fee income is computed under arm's length principles in accordance with BAC's Global Transfer Pricing Policy.

Other income also includes foreign exchange gains and losses.

2.10. Current and deferred income tax

The tax expense for the period comprises current and deferred tax. Tax is recognised in statement of profit or loss and other comprehensive income, except to the extent that it relates to items recognised in OCI or directly in shareholders’ funds. In this case, the tax is recognised in OCI or directly in shareholders’ funds, respectively.

Current tax, including Dutch corporation tax and foreign taxes, is provided at amounts expected to be paid or recovered using the tax rates and laws that have been enacted or substantively enacted by reporting date.

Deferred tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date and is measured at the average tax rates that are expected to apply when the related deferred income tax asset is realised or the deferred tax liability is settled.

Deferred tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised over the Company's planning horizon.

2.11. Cash and cash equivalents

Cash and cash equivalents include cash on hand, non-restricted current accounts with central banks and amounts due from banks on demand or with an original maturity of three months or less.

2.12. Statement of cash flows

The statement of cash flows is prepared according to the indirect method. The statement of cash flows shows the Company's cash flows for the period, divided into cash flows from operating activities and financing activities, and how the cash flows have affected the Company's cash balances. Transactions related to the issuance of structured issuances are classified as operating activities.

2.13. Dividend distribution

Dividend distributions to the Company's shareholder are recognised as a liability in the financial statements in the period in which the dividends are approved by the Company's shareholder.

2.14. Impairment

The Company calculates a probability-weighted loss allowance for expected credit loss ("ECL") on its financial assets that are financial assets at amortised cost that are not measured at FVPL. For instruments

2. Material accounting policies (continued)

that have had no significant increase in credit risk since initial recognition ECL is calculated on a 12 month basis. In the event that significant financial difficulty or default of a counterparty indicates that an asset is credit- impaired, the ECL allowance is assessed on a lifetime basis, taking into account ECL that result from all possible default events over the expected life of the financial instrument.

Debtor balances are written off, either partially or in full, when there is no realistic prospect of recovery. This is generally the case when the Company determines that the borrower does not have assets or sources of income that could generate sufficient cash flows to repay the amounts subject to the write off. However, financial assets that are written off could still be subject to enforcement activities in order to comply with the Company's procedures for recovery of amounts due.

3. Critical accounting estimates and judgements

The preparation of financial statements in conformity with IFRS as adopted by the EU requires the use of accounting estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. It also requires management to exercise judgement in the process of applying the Company’s accounting policies. The estimates and assumptions that have a significant risk of causing an adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

Estimates

Valuation of financial instruments at fair value through profit and loss

Fair value is defined under IFRS 13 - Fair Value Measurement, as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company’s policy for valuation of financial instruments is included in note 24 Fair value measurement. The fair values of financial instruments that are not quoted in financial markets are determined by using valuation techniques based on models such as discounted cash flow models, option pricing models and other methods consistent with accepted economic methodologies for pricing financial instruments. These models incorporate observable, and in some cases unobservable inputs including security prices, interest rate yield curves, option volatility, currency rates, commodity prices or equity prices and correlations between these inputs.

Where models are used to determine fair values, they are periodically reviewed by qualified personnel independent of the area that created them. All models are certified before they are used, and models are calibrated to ensure that output reflects actual data and comparative market prices. These estimation techniques are necessarily subjective in nature and involve several assumptions.

4. Interest income

	Six months ended 30 June 2025	Six months ended 30 June 2024
	$000	$000
Debtors, cash and cash equivalents	512,104	420,162
Cash collateral	2,120	4,681
	514,224	424,843

4. Interest income (continued)

Interest income due from affiliated companies within debtors was $514,223,589 (six months ended 30 June 2024: $424,284,401) and within cash and cash equivalents was $nil (six months ended 30 June 2024: $559,000).

5. Interest expense

	Six months ended 30 June 2025	Six months ended 30 June 2024
	$000	$000
Creditors	860	50
Cash collateral	20,409	7,715
	21,269	7,765

Interest expense on creditors and cash collateral was all due to affiliates.

Interest expense on cash collateral on derivatives previously disclosed within creditors have been shown separately to provide granularity. Prior period comparatives have also been disclosed on the same basis.

6. Net gain on financial instruments at fair value through profit or loss

	Six months ended 30 June 2025	Six months ended 30 June 2024
	$000	$000
Change in fair value of derivative instruments	**731,956**	303,406

7. Net loss on financial instruments designated at fair value through profit or loss

	Six months ended 30 June 2025	Six months ended 30 June 2024
	$000	$000
Change in fair value of structured issuances excluding debit valuation adjustment	**(1,165,783)**	(648,007)

8. Other income

	Six months ended 30 June 2025	Six months ended 30 June 2024
	$000	$000
Service fee income from affiliated companies	**126**	270
Foreign exchange gain	**580**	471
	706	741

9. Administrative expenses

	Six months ended 30 June 2025	Six months ended 30 June 2024
	$000	$000
Service charge	**—**	26
Other operating expenses	**126**	290
	126	316

10. Segmental analysis

The Company operates in three geographic regions, being Europe, Middle East and Africa ("EMEA"), the Americas ("AMRS") and Asia Pacific ("APAC"). The Company identifies its geographic performance based on the regional business unit structure. The methodology for allocating revenue to geographic regions is dependent on estimates and management judgement.

The table below represents the net operating revenue of the Company by geographic region:

	Six months ended 30 June 2025	Six months ended 30 June 2024
	$000	$000
APAC	**31,683**	39,660
EMEA	**20,549**	22,329
AMRS	**7,602**	11,229
Net operating revenue	**59,834**	73,218

11. Income tax expense

	Six months ended 30 June 2025	Six months ended 30 June 2024
	$000	$000
Current tax		
Current tax on profit for the year	**15,389**	18,794
Total tax expense	**15,389**	18,794

Factors affecting tax expense for the year

The tax on the Company's profit before tax differs from the amount that would arise using the tax rate applicable as follows:

	Six months ended 30 June 2025	Six months ended 30 June 2025	Six months ended 30 June 2024	Six months ended 30 June 2024
	$000	**percent**	$000	percent
Profit before tax	**59,708**	**100.0 %**	72,902	100.0 %
Tax calculated at standard rate of corporation tax	**15,389**	**25.8 %**	18,794	25.8 %
Total tax expense	**15,389**	**25.8 %**	18,794	25.8 %

The standard tax rate is 25.8% (six months ended June 2024: 25.8%). A tax rate of 19% (six months ended June 2024:19%) is applied to the first €200,000 (six months ended June 2024: €200,000).

12. Debtors

	30 June 2025	31 December 2024
	$000	$000
Non-current assets		
Financial assets at amortised cost	**15,481,721**	12,622,385
Amounts owed from affiliated companies	**2,652,944**	1,086,420
	18,134,665	13,708,805
Current assets		
Financial assets at amortised cost	**5,401,155**	3,652,122
Amounts owed from affiliated companies	**573,880**	378,058
Other receivables	**16,437**	90
	5,991,472	4,030,270

Financial assets at amortised cost mainly consist of funds raised through the structured issuances and are carried at amortised cost. These are unsecured and placed with MLI (refer to note 23 for credit ratings). The balances are largely denominated in USD and EUR, not past due and are not considered to be credit-impaired.

The fair value of non-current financial assets at amortised cost and amounts owed from affiliated companies is $18,228,058,000 (2024:$13,805,759,000). The carrying balance of current financial assets at amortised cost, amounts owed from affiliated companies and other receivables are a reasonable approximation of their fair value, due to the short term nature of these instruments.

13. Cash and cash equivalents

	30 June 2025	31 December 2024
	$000	$000
Cash at bank and in hand	**41,417**	4,806
Bank overdraft	**(702)**	(1,944)
	40,715	2,862

All cash at bank is held with affiliated entities.

14. Derivative assets and derivative liabilities

	30 June 2025 $000	31 December 2024 $000
Non-current assets	**727,479**	560,640
Current assets	**254,330**	163,301
Total derivative assets	**981,809**	723,941
Non-current liabilities	**1,169,124**	1,279,143
Current liabilities	**160,273**	170,536
Total derivative liabilities	**1,329,397**	1,449,679

All derivative assets and derivative liabilities are with affiliated entities.

15. Financial assets at fair value through profit or loss

	30 June 2025 $000	31 December 2024 $000
Non-current assets	**282,217**	16,756
Current assets	**1,792,754**	967,441
Total financial assets at fair value through profit or loss	**2,074,971**	984,197

The Company issues warrants and related financial instruments and hedges market risks associated with these warrants and related financial instruments through fully funded over-the-counter ("OTC") derivative contracts with MLI. These fully funded OTC derivative contracts do not meet the definition of a derivative and are presented as financial assets at fair value through profit or loss.

16. Deferred tax asset and income tax receivable

In both the reporting period and the comparative period, the recognised deferred tax liabilities and assets were recorded and are split as follows:

	1 January 2025	**Recognised in profit or loss**	**Recognised in OCI**	**30 June 2025**
	$000	**$000**	**$000**	**$000**
Debit valuation adjustment	46,875	—	(7,037)	39,838
Mark to market valuation	(19,216)	—	—	(19,216)
Total deferred tax asset/(liability)	**27,659**	**—**	**(7,037)**	**20,622**

	1 January 2024	Recognised in profit or loss	Recognised in OCI	30 June 2024
	$000	$000	$000	$000
Debit valuation adjustment	13,857	—	33,018	46,875
Mark to market valuation	(19,216)	—	—	(19,216)
Total deferred tax (liability)/asset	(5,359)	—	33,018	27,659

Income tax receivable	**30 June 2025**	31 December 2024
	$000	$000
Income tax payable at the beginning of the period	**(25,493)**	(39,720)
Charged to the income statement	**(15,389)**	(26,146)
Impact of foreign exchange rates	**(2,385)**	1,433
Income tax paid	**43,275**	38,940
Income tax receivable/(payable) at the end of the period	**8**	(25,493)

International Tax Reform Pillar Two Model Rules

In December 2021, the Organisation for Economic Co-operation and Development ("OECD") issued model rules for a new global minimum tax framework, also known as the 'Pillar Two' rules. On 23 May 2023, the International Accounting Standards Board ("IASB") published International Tax Reform—Pillar Two Model Rules – Amendments to IAS 12. The standard introduced a mandatory temporary exception to the accounting for deferred taxes arising from the jurisdictional implementation of the Pillar Two model rules, which was effective immediately. The Company continues to adopt the mandatory temporary exception.

Pillar Two legislation relating to Income Inclusion Rules ("IRR") and Qualified domestic minimum top-up tax ("QDMTT") was enacted in Netherlands, the jurisdiction in which the Company is a resident, and has come into effect from 1 January 2024. Under the legislation, the Company is liable to pay its allocation of top-up tax for the difference between the BAC Group's Global Anti-Base Erosion ("GloBE") effective tax rate in Netherlands (if below 15%) and the 15% minimum rate.

16. Deferred tax asset and income tax receivable (continued)

For the period ended 30 June 2025, the Company has not recognised any current tax expense or income related to the legislation because the BAC Group has a GloBE effective tax rate above the 15% minimum tax rate in the Netherlands.

Pillar Two legislation relating to Undertaxed Payment Rules ("UTPR") was enacted in the Netherlands, and has come into effect from 1 January 2025. Given the higher statutory or effective tax rates in material jurisdictions for the Group, the Company's exposure related to the UTPR is considered immaterial. Therefore, the Company has not recognised any current tax expenses related to UTPR as of 30 June 2025.

17. Financial liabilities designated at fair value through profit or loss

The below table presents the aggregated amounts of the Company's financial liabilities designated at FVPL, categorised by maturity dates:

Structured issuances

	30 June 2025	**30 June 2025**	31 December 2024	31 December 2024
	Notional	**Fair value**	Notional	Fair value
	$000	**$000**	$000	$000
Non-current liabilities				
Between one year and five years	**6,018,599**	**6,176,522**	4,517,451	4,549,517
Between five years and ten years	**6,947,425**	**6,809,672**	4,710,708	4,453,034
More than 10 years	**4,001,312**	**3,549,915**	3,345,697	2,932,388
Credit spread adjustment	**—**	**150,140**	—	178,593
	16,967,336	**16,686,249**	12,573,856	12,113,532
Current liabilities				
Less than 1 year	**6,087,249**	**6,238,791**	4,114,747	4,233,325
Credit spread adjustment	**—**	**2,551**	—	1,490
	6,087,249	**6,241,342**	4,114,747	4,234,815
Total	**23,054,585**	**22,927,591**	16,688,603	16,348,347

The credit spread adjustment of $150,400,000 under non-current liabilities is allocated across maturity buckets as follows:

- one to five years is $27,807,000 (2024: $34,415,000),
- between five and ten years is $68,194,000 (2024: $80,531,000),
- more than ten years is $54,138,000 (2024: $63,647,000).

The Company's issuances (including notes, certificates and warrants) may include repayment options (including an auto call option and/or a holder put option), which would legally obligate the Company to redeem the issuance prior to the contractual maturity date. MLBV issuances may also include an issuer call option, giving the Company the right to redeem an issuance prior to the contractual maturity date.

17. Financial liabilities designated at fair value through profit or loss (continued)

All structured issuances are hybrid instruments with a structured component linked to the performance of various market indices. The ultimate return on the issuances is dependent on the performance of the underlying indices. The indexed linked amounts are calculated based on the movement of the underlying indices of each structured issuance.

The credit spread adjustment represents a debit valuation adjustment which is linked to BAC credit spreads. The fair value of the structured issuances is determined using valuation techniques based on valuation models, for more information refer to note 24 Fair Value Measurement.

The financial liabilities designated at fair value through profit or loss represent structured issuances distributed to investors, which are not collateralised.

18. Creditors

	30 June 2025	31 December 2024
	$000	$000
Cash collateral payable to affiliated companies	**1,790,800**	520,140
Amounts owed to affiliated companies	**11,721**	7,602
Other payables	**285**	6,625
	1,802,806	534,367

Cash collateral received under legally enforceable master netting agreements are denominated in USD and are payable on demand. Due to the short term nature of these balances there is no material difference between the fair value and the carrying value.

19. Issued capital and reserves

	30 June 2025	31 December 2024
	$000	$000
Share capital	**—**	—
Other reserves	**(110,926)**	(131,164)
Share premium	**890,437**	890,437
	779,511	759,273

Issued share capital in 2025 comprises 12,998 ordinary shares of equal voting rights at $0.01 each (2024: 12,998 ordinary shares at $0.01 each).

Other reserves include adjustments of $3,651,000 (2024: $3,651,000) related to the merger with Bank of America Issuance B.V. during 2015 and $(114,577,000) (2024: $134,815,000)) which relates to Debit Value Adjustment ("DVA") after tax.

20. Financial instruments by category

The following table analyses the carrying amount of the Company's financial assets and liabilities by category and by statement of financial position heading:

Summary of financial instruments at 30 June 2025

	Amortised cost	Financial instruments mandatorily at fair value through profit or loss
	$000	$000
Assets		
Debtors	24,126,136	—
Derivative assets	—	981,809
Financial assets at fair value through profit or loss	—	2,074,971
Cash and cash equivalents	40,715	—
	24,166,851	3,056,780

	Amortised cost	Financial instruments mandatorily at fair value through profit or loss	Financial instruments designated at fair value through profit or loss
	$000	$000	$000
Liabilities			
Financial liabilities designated at fair value through profit or loss	—	—	22,927,591
Derivative liabilities	—	1,329,397	—
Creditors	1,802,806	—	—
Bank overdraft	—	—	—
	1,802,807	1,329,397	22,927,591

20. Financial instruments by category (continued)

Summary of financial instruments at 31 December 2024

	Amortised cost	Financial instruments mandatorily at fair value through profit or loss
	$000	$000
Assets		
Debtors	17,739,075	—
Derivative assets	—	723,941
Financial assets at fair value through profit or loss	—	984,197
Cash and cash equivalents	4,806	—
	17,743,881	1,708,138

	Amortised cost	Financial instruments mandatorily at fair value through profit or loss	Financial instruments designated at fair value through profit or loss
	$000	$000	$000
Liabilities			
Financial liabilities designated at fair value through profit or loss	—	—	16,348,347
Derivative liabilities	—	1,449,679	
Creditors	534,367		
Bank overdraft	1,944	—	
	536,311	1,449,679	16,348,347

21. Related party transactions

Parties are considered to be related if one party has the ability to directly or indirectly control the other party or exercise significant influence over the other party in making financial or operational decisions. The Company's related parties include:

- Parent company. Refer to Note 1 Corporate information and basis of preparation for information on the Company's immediate and ultimate parents. There were no transactions with the parent during the period.
- Other BAC group entities.
- Key management personnel of the Company or the Company's parent entities.

The below table summarises income and expenses related to transactions with related parties for the period ended 30 June 2025 and 30 June 2024.

Transactions with Related Parties

	Six months ended 30 June 2025	Six months ended 30 June 2024
	\$000	\$000
Net gain on financial instruments at fair value through profit or loss	**731,956**	303,406
Interest income	**514,224**	424,843
Interest expenses	**(21,269)**	(7,765)
Other income	**706**	741
	1,225,617	721,225

The below table summarises the assets and liabilities with related parties as at 30 June 2025 and 31 December 2024.

Outstanding balances with related parties

	30 June 2025	31 December 2024
	\$000	\$000
Assets		
Financial assets at amortised cost	**20,882,876**	16,274,507
Amounts owed from affiliated companies	**3,226,824**	1,464,478
Derivative assets	**981,809**	723,941
Financial assets at fair value through profit or loss	**2,074,971**	984,197
Cash and cash equivalents	**41,417**	4,806
Total assets	**27,207,897**	19,451,929

21. Related party transactions (continued)

	30 June 2025	31 December 2024
	$000	$000
Liabilities		
Financial liabilities designated at fair value through profit or loss	**483,126**	196,799
Derivative liabilities	**1,329,397**	1,449,679
Cash collateral payable to affiliated companies	**1,790,800**	520,140
Amounts owed to affiliated companies	**11,721**	7,602
Bank overdraft	**702**	1,944
Total liabilities	**3,615,746**	2,176,164

MLI LLC, the Company's immediate parent, is the holder of all 12,998 ordinary shares ($129.98).

Transactions with the other group entities are mainly related to liquidity management, covering funding requirements or centralised risk management activities. Related to these activities, there are regularly back-to-back trades with the Company. The Company also exchanges cash collateral in connection with derivative transactions. Transactions with the group entities are performed on arm’s length principle. There have been no guarantees provided or received for any related party receivables or payables.

Service fee income and expense

The Company has entered into a service agreement with MLI under which MLI undertakes to pay the Company a service fee to reimburse the Company for the third party costs incurred in relation to its issuance activities.

The Company has entered into a cost sharing agreement with Investments 2234 Overseas Holdings B.V., an affiliated company with which costs relating to one of the directors’ are shared, through BAC, their mutual ultimate parent company.

Key management personnel ("KMP")

Key management personnel are defined as those persons having authority and responsibility for planning, directing, and controlling the activities of the Company, directly or indirectly. The Company considers the Board of Directors of the Company to be key management personnel. The directors' fees and remunerations are included in administrative expenses.

21. Related party transactions (continued)

Remuneration of key management personnel

	Six months ended 30 June 2025	Six months ended 30 June 2024
	$000	$000
Salaries and other short-term benefits	**112**	112
Fees paid to third parties for director's services	**—**	14
Share-based payments	**13**	13
Contribution to defined contribution plans	**6**	6
Total key management personnel remuneration	**131**	145

There are no employees in the Company for the period ended 30 June 2025 (six months ended June 2024: none).

22. Offsetting

Financial assets and liabilities are offset and the net amount reported in the statement of financial position ("SOFP") where the Company currently has a legally enforceable right to offset the recognised amounts, and there is an intention and ability to settle on a net basis or realise the asset and settle the liability simultaneously. The Company has also entered into arrangements that do not meet the criteria for offsetting but still allow for the related amounts to be set-off in certain circumstances, such as bankruptcy or the termination of a contract.

The following table presents the recognised financial instruments that are offset, or subject to enforceable master netting arrangements and other similar agreements but not offset, as at 30 June 2025 and 31 December 2024. The column 'net amount' shows the impact on the Company's SOFP if all set-off rights were exercised.

As at 30 June 2025

	Gross amounts recognised	**Gross amounts offset in the SOFP**	**Net amounts presented in the SOFP**	**Financial instruments**	**Cash collateral**	**Net amount**
	$000	**$000**	**$000**	**$000**	**$000**	**$000**
Assets						
Derivative assets	981,809	—	981,809	(932,874)		48,935
Financial assets at FVPL	2,163,330	(88,359)	2,074,971		(2,074,971)	—
Liabilities						
Derivative liabilities	1,329,397	—	1,329,397	(932,874)	(396,111)	412
Financial liabilities designated at FVPL	23,015,950	(88,359)	22,927,591			22,927,591

22. Offsetting (continued)

As at 31 December 2024

	Gross amounts recognised	Gross amounts offset in the SOFP	Net amounts presented in the SOFP	Financial instruments	Cash collateral	Net amount
	$000	$000	$000	$000	$000	$000
Assets						
Derivative assets	723,941	—	723,941	(721,800)		2,141
Financial assets at FVPL	1,027,036	(42,839)	984,197		(984,197)	—
Liabilities						
Derivative liabilities	1,449,679	—	1,449,679	(721,800)	(693,104)	34,775
Financial liabilities designated at FVPL	16,391,186	(42,839)	16,348,347	—	—	16,348,347

The Company can undertake a number of financial instrument transactions with a single counterparty and may enter into a master netting agreement with that counterparty. Such an agreement provides for a single net settlement of all financial instruments covered by the agreement in the event of default on, or termination of, any one contract. These agreements are commonly used to provide protection against loss in the event of bankruptcy or other circumstances that result in a counterparty being unable to meet its obligations. A master netting arrangement commonly creates a right to set-off that becomes enforceable and affects the realisation or settlement of individual financial assets and financial liabilities only following a specified event of default or in other circumstances not expected to arise in the normal course of business.

The Company enters into ISDA master agreements or their equivalent ("master netting agreements") with the Company's major derivative counterparties. Where there is not an intention to settle on a net basis in the normal course of business, the balances have not been offset in the SOFP and have been presented separately in the table on the previous page.

Financial instruments also include securities collateral received and pledged which has not been offset in the SOFP.

Cash collateral

Cash collateral relates to collateral received and pledged against derivatives has not been offset in the SOFP.

23. Financial risk management

Legal entity governance

BAC has established a risk governance framework (the "Risk Framework"), which serves as the foundation for consistent and effective management of risks facing BAC and its subsidiaries (including the Company). The Risk Framework applies to all BAC employees. It provides an understanding of the Company's approach to risk management and each employee's responsibilities for managing risk. All employees must take ownership for managing risk well and are accountable for identifying, escalating and debating risks facing the Company.

The risk management approach has five components:

- Culture of managing risk well;
- Risk appetite
- Risk management process;
- Risk data management, aggregation and reporting; and
- Risk governance.

The seven key types of risk faced by BAC Businesses as defined in the Risk Framework are strategic, credit, market, liquidity, operational, compliance and reputational risks.

Set out below is a summary of the Company's approach to each of the risk types. Climate related risks are integrated into the risk management framework through their potential impact to the seven risk types.

Market risk

Market risk is the risk that changes in market conditions may adversely impact the value of assets or liabilities or otherwise negatively impact earnings. Trading positions within the entity are subject to various changes in market based risk factors. The majority of this risk is generated by the activities in interest rate, foreign exchange, equities, commodities and credit markets. In addition, the values of asset and liabilities could change due to market liquidity, correlations across markets and expectations of market volatility.

Value at Risk ("VaR") is a statistical measure of potential portfolio market value loss resulting from changes in market variables, during a given holding period, measured at a specified confidence level. A single model is used consistently across the trading portfolios, and it uses a historical simulation approach based on a three-year window of historical data. The primary VaR statistic is equivalent to a 99 percent confidence level. This means that for a VaR with a one day holding period, there should not be losses in excess of VaR, on average, 99 out of 100 trading days.

23. Financial risk management (continued)

The table below presents VaR analysis independently for each risk category at 30 June 2025 and 31 December 2024. Additionally, high and low VaR is presented independently for each risk category and overall.

	30 June 2025 $000	**High 2025 $000**	**Daily average 2025 $000**	**Low 2025 $000**
99% Daily VaR				
Total	**4,199**	**9,008**	**5,758**	**3,605**
Interest rate risk	**1,371**	**7,522**	**3,755**	**1,201**
Currency risk	**837**	**4,242**	**729**	**343**
Equity price risk	**760**	**3,232**	**1,130**	**647**
Credit spread risk	**4,045**	**5,389**	**4,015**	**3,011**
Commodity price risk	**23**	**135**	**35**	**12**

	30 June 2024 $000	High 2024 $000	Daily average 2024 $000	Low 2024 $000
99% Daily VaR				
Total	2,938	9,280	4,502	2,235
Interest rate risk	2,709	9,178	4,191	2,098
Currency risk	815	1,394	741	429
Equity price risk	1,503	5,123	1,947	845
Credit spread risk	782	1,213	746	269
Commodity price risk	111	1,520	37	4

23. Financial risk management (continued)

Credit Risk

The Company defines credit risk as the loss arising from the inability or failure of a borrower or counterparty to meet its obligations.

Credit risk to a borrower or counterparty is managed based on their risk profile, which includes assessing repayment sources, underlying collateral (if any), and the expected impacts of the current and forward looking economic environment on its borrowers or counterparties. Underwriting, credit management and credit risk limits are proactively reassessed as a borrower's or counterparty's risk profile changes. Credit risk management includes the following processes:

- Credit origination
- Portfolio management
- Loss mitigation activities

These processes create a comprehensive and consolidated view of the Company's credit risks, thus providing executive management with the information required to guide or redirect front line units and certain legal entity strategic plans, if necessary.

BAC has established policies and procedures for mitigating credit risk on principal transactions, including establishing and reviewing limits for credit exposure, maintaining collateral, purchasing credit protection and continually assessing the creditworthiness of counterparties. These limits were not exceeded during the six months ended 30 June 2025.

The credit risks of the Company arise from its affiliate hedging of structured note issuance via derivatives as well as its intercompany loans. The Company restricts its exposure to credit losses on derivative instruments by entering into master netting arrangements with affiliate counterparties. The credit risk associated with favourable contracts is reduced by the master netting arrangement to the extent that if an event of default occurs, all amounts with the affiliate are terminated and settled on a net basis.

Additionally, the Company grants intercompany loans with affiliates. None of the loans to affiliate companies is past due or is considered to be credit-impaired such that the resulting ECL is not significant to the Company. The carrying amounts of financial assets best represent the maximum credit risk exposure at the end of the reporting period.

The Company is exposed to a concentration of credit risk related to financial assets at amortised cost totalling $24,109,700,000 (2024: $17,738,985,000), all with affiliated companies, please refer to note 12 Debtors. At the end of the reporting year, the credit rating for outstanding long term /short term debt of affiliated companies is in the table on page 38.

Derivatives trading

The Company typically enters into ISDA master agreements or their equivalent ("master netting agreements") with its derivative counterparties. Master netting agreements provide protection in bankruptcy in certain circumstances and, in some cases, enable receivables and payables with the same counterparty to be offset for risk management purposes. Agreements are negotiated bilaterally and can require complex terms. The enforceability of master netting agreements under bankruptcy laws in certain countries is not free from doubt, and receivables and payables with counterparties in these countries are accordingly recorded on a gross basis for risk assessment purposes.

23. Financial risk management (continued)

In addition, to reduce the risk of loss, the Company may require collateral that is permitted by documentation such as repurchase agreements or Credit Support Annex to an ISDA. From an economic standpoint, the Company evaluates risk exposures net of related collateral that meets specified standards. The Company also attempts to mitigate its default risk on derivatives whenever possible by entering into transactions with provisions that enable it to terminate or reset the terms of the derivative contracts under certain defined conditions.

The below table reflects asset class of financial instrument, the amount that best represents the Company's maximum exposure to credit risk and a quantification of the extent to which collateral and other credit enhancements mitigate credit risk as viewed by the management.

	Maximum exposure to credit risk	**Mitigated credit risk**	Maximum exposure to credit risk	Mitigated credit risk
	30 June 2025	**30 June 2025**	31 December 2024	31 December 2024
	$000	**$000**	$000	$000
Financial assets at amortised cost	**20,882,876**	**—**	16,274,507	—
Amounts owed from affiliated companies	**3,226,824**	**—**	1,464,478	—
Derivative assets	**981,809**	**932,874**	723,941	721,800
Financial assets at fair value through profit or loss	**2,074,971**	**2,074,971**	984,197	984,197
Cash at bank and in hand	**40,715**	**—**	4,806	—
	27,207,195	**3,007,845**	19,451,929	1,705,997

For all asset classes, where credit risk mitigation available exceeds the maximum exposure to credit risk, the mitigated credit risk balance is limited to 100% of the maximum exposure to credit risk.

For credit risk management purposes, inventory exposure is monitored across lines of business, and at a net issuer level. The credit risk of derivative assets is mitigated through the netting of long and short positions for each issuer.

The mitigated credit risk amount reflects the market value of any netting available. As noted above, derivative trading activity is generally documented under a legally enforceable ISDA or similar master netting agreement, which binds both parties to apply close-out netting across all transactions covered by the agreement if either party defaults or if another pre-agreed termination event occurs. Therefore, risk is managed on a net basis, taking into consideration the effects of legally enforceable master netting agreements and collateral. However, if there is no intention to settle these balances on a net basis under normal circumstances, they do not qualify for net presentation for accounting purposes.

The Company does not have any off-balance sheet exposure to credit risk.

The table on next page reflects the Company's assessment of its credit exposure, based on credit rating agency ratings or the internal equivalent thereof. Where there is no rating, the balances are classified as not rated. Although the table reflects the Company's gross exposure, the Company manages its credit exposures on a net basis.

23. Financial risk management (continued)

	A+ to BBB-
	$000
As at 30 June 2025	
Financial assets at amortised cost	**20,882,876**
Amounts owed from affiliated companies	**3,226,824**
Derivative assets	**981,809**
Financial assets at fair value through profit or loss	**2,074,971**
Cash at bank and in hand	**40,715**
	27,207,195

	A+ to BBB-
	$000
As at 31 December 2024	
Financial assets at amortised cost	16,274,507
Amounts owed from affiliated companies	1,464,478
Derivative assets	723,941
Financial assets at fair value through profit or loss	984,197
Cash at bank and in hand	4,806
	19,451,929

The Company's counterparties are primarily with affiliated companies who are highly rated financial institutions. None of the loans to affiliate companies is past due or is considered to be credit-impaired such that the resulting ECL is not significant to the Company. The carrying amounts of derivative assets and financial assets at fair value through profit or loss are largely collateralised (refer to note 22 Offsetting for non-collateralised portion). The remaining financial assets in the scope of IFRS 9 are typically short-dated and are also with affiliated companies. As a result, the probability of default, loss given default, or both are such that the resulting ECL is not material to the Company.

Compliance and operational risk ("C&OR Risk")

Compliance risk is the risk of legal or regulatory sanctions, material financial loss or damage to the reputation of the Company arising from the failure of the Company to comply with the requirements of applicable laws, rules and regulations and internal policies and procedures. Operational risk is the risk of loss resulting from inadequate or failed processes, people and systems, or from external events.

BAC has compliance and operational risk management programmes ("C&OR Programmes") in place to identify, mitigate and manage the C&OR Risk for the group, which includes relevant activities of the Company. The C&OR Programmes include policies and standards among others in relation to anti-bribery and anti-corruption, fraud, global financial crimes etc.

The Company's directors are confident that the C&OR Risk of the Company is thus appropriately managed.

23. Financial risk management (continued)

Liquidity risk

Liquidity risk is the inability to meet expected or unexpected cash flow and collateral needs while continuing to support the businesses and customers under a range of economic conditions.

The approach to managing the Company's liquidity risk has been established by the MLBV Board, and is imbedded in BAC processes, based on the Company's business mix, strategy, activity profile, and regulatory requirements.

The tables below represent the undiscounted cash flows of the Company’s financial liabilities as at 30 June 2025 and 31 December 2024, with the exception of those designated at fair value and derivatives.

The fair values of financial liabilities designated at fair value through profit or loss and derivatives have been disclosed as this is consistent with the values used along with notional in the market, liquidity and capital risk management of these instruments.

The Company’s issuances (including notes, certificates, and warrants) may include repayment options (including an auto call option and/or a holder put option), which would legally obligate the Company to redeem the issuance prior to the contractual maturity date. MLBV issuances may also include an issuer call option, giving the Company the right to redeem the issuance prior to the contractual maturity date. Additionally, affiliate dealer entities may have executed liquidity letters, each with a specific holder and referencing specific MLBV issuance, and specifying the conditions under which the affiliate dealer may or may not be obligated to make a secondary market and repurchase the referenced MLBV issuance from that client. In the event of such dealer repurchases, MLBV is not obligated to purchase (defease) such inventory from the dealer, but may elect to do so.

In each case, the Company actively manages its liquidity by unwinding asset positions to ensure appropriately balanced cash flows.

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	$000	$000	$000	$000	$000	$000
As at 30 Jun 2025						
Financial liabilities designated at FVPL	**2,374,218**	**3,867,124**	**1,374,838**	**4,829,492**	**10,481,919**	**22,927,591**
Derivative liabilities	**68,073**	**92,200**	**34,956**	**73,731**	**1,060,437**	**1,329,397**
Creditors	**1,802,806**	**—**	**—**	**—**	**—**	**1,802,806**
Bank overdraft	**702**	**—**	**—**	**—**	**—**	**702**
	3,311,347	**3,959,324**	**1,760,318**	**5,368,037**	**11,542,531**	**26,080,642**

23. Financial risk management (continued)

	Less than 3 months	Between 3 months and 1 year	Between 1 and 2 years	Between 2 and 5 years	Over 5 years	Total
	$000	$000	$000	$000	$000	$000
As at 31 December 2024						
Financial liabilities designated at FVPL	1,863,446	2,371,369	1,378,904	3,205,028	7,529,600	16,348,347
Derivative liabilities	99,048	71,488	52,144	79,439	1,147,560	1,449,679
Creditors	534,367	—	—	—	—	534,367
Bank overdraft	1,944	—	—	—	—	1,944
	2,498,805	2,442,857	1,431,048	3,284,467	8,677,160	18,334,337

Reputational risk

Reputational risk is the risk that negative perceptions of BAC may adversely impact its profitability or operations.

Reputational risk can stem from many of BAC's activities, including those related to the management of the Strategic, Operational, Compliance, Credit, or other risks. As a result, BAC evaluates the potential impact to its reputation within all risk categories and throughout the risk management process.

BAC manages reputational risk through established policies and controls in the business and risk management processes to mitigate reputational risks in a timely manner and through proactive monitoring and identification of potential reputational risk events.

Reputational risk items relating to MLBV are under the remit of the EMEA Reputational Risk Committee ("Reputational Risk Committee"), whose mandate includes consideration of reputational risk issues (including matters related to environmental, social and governance factors) and to provide guidance and approvals for activities that represent specific reputational risks which have been referred for discussion by other current control frameworks or lines of business.

The EMEA Reputational Risk Committee is a sub-committee of the Global Reputational Risk Committee. Items requiring increased attention may be escalated from the EMEA Reputational Risk Committee to the Global Reputational Risk Committee as appropriate.

BAC, including its subsidiaries, has a well-established organisational and governance structure in place that ensures strong oversight at both the Company and lines of business levels.

Ultimately, to ensure that reputational risk is mitigated through regular business activity, awareness of reputational risk is integrated into the overall governance process, as well as incorporated into the roles and responsibilities for employees.

Given the nature of reputational risk, BAC does not set quantitative limits to define its associated risk appetite. Through proactive risk management, BAC seeks to minimise both the frequency and impact of reputational events.

23. Financial risk management (continued)

Strategic risk

Strategic risk is the risk to current or projected financial condition arising from incorrect assumptions about external or internal factors, inappropriate business plans (e.g. too aggressive, wrong focus, ambiguous), ineffective business strategy execution, or failure to respond in a timely manner to changes in the regulatory, macroeconomic and competitive environments in the geographic locations in which MLBV operates (e.g. competitor actions, changing customer preferences, product obsolescence and technology developments).

Strategic risk is managed through the assessment of effective delivery of strategy. Business performance is monitored by the executive management team to assess strategic risk and find early warning signals so that risks can be proactively managed.

MLBV strategy execution and risk management involves a formal planning and approval process. The MLBV strategic plans are set within the context of overall risk appetite. Processes exist to discuss the strategic risk implications of new, expanded or modified businesses, products or services and other strategic initiatives, and to provide formal review and approval where required. There are regular updates to the Board on business performance and the management of strategic risk takes into account analyses of performance relative to the strategic plan, financial operating plan and risk appetite.

Capital risk management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, in order to provide returns for its immediate parent and benefits for other stakeholders, and to maintain an optimal capital structure to reduce the cost of capital. In order to maintain or adjust the capital structure, the Company may pay dividends and return capital to its immediate parent, or issue new shares. The Company monitors capital on the basis of the capitalisation ratio which is calculated as equity divided by issued debt.

	30 June 2025	31 December 2024
	$000	$000
Capitalisation ratio:		
Equity	**1,184,467**	1,119,848
Issued debt	**22,927,591**	16,348,347
Capitalisation ratio	**5%**	7%

24. Fair value measurement

In accordance with IFRS 13 – Fair Value Measurement, financial instruments carried at fair value have been categorised into a three-level fair value hierarchy based on the priority of the inputs to the valuation technique. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3).

Financial instruments are considered Level 1 when their valuation is based on quoted prices in active markets for identical assets or liabilities. Level 2 financial instruments are valued using quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or models using inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities. Financial instruments are considered Level 3 when their values are determined using pricing models, discounted cash flow methodologies or similar techniques and at least one significant model assumption or input is unobservable. The Company makes use of the portfolio exception and manages certain portfolios of financial instruments (e.g. OTC derivatives and certain structured liabilities) on the basis of net open risk exposure and has elected to estimate the fair value of such portfolios based on the net open risk exposure at the measurement date. Where this is the case, valuation adjustments (e.g. bid-ask adjustment or credit risk adjustments that reflect the measurement on the basis of the net exposure) may be necessary to reflect the cost of exiting a larger-than-normal market-size net open risk position. During the six months ended 30 June 2025, there were no significant changes to valuation approaches or techniques that had, or are expected to have, a material impact on the Company’s financial position or results of operations.

Financial liabilities designated at FVPL

The fair values of financial liabilities designated at fair value through profit or loss is primarily based on actively traded markets where prices are based on either direct market quotes or observed transactions. Liquidity is a significant factor in the determination of the fair values of these financial instruments. In less liquid markets, market price quotes may not be readily available. Some of these instruments are valued using a net asset value approach, which considers the value of the underlying assets. In these instances, fair value is determined based on limited available market information and other factors, principally from reviewing the issuer’s financial statements and changes in credit ratings made by one or more rating agencies.

Derivative assets & liabilities and Financial assets at FVPL

The fair values of derivative assets & liabilities and financial assets at FVPL traded in the over the counter ("OTC") market are determined using quantitative models that require the use of multiple market inputs including interest rates, prices, and indices to generate continuous yield or pricing curves and volatility factors, which are used to value the position. The majority of market inputs are actively quoted and can be validated through external sources, including brokers, market transactions and third party pricing services. When third party pricing services are used, the methods and assumptions are reviewed by the Company. Estimation risk is greater for derivative asset and liability positions that are either option-based or have longer maturity dates where observable market inputs are less readily available, or are unobservable, in which case, quantitative-based extrapolations of rate, price or index scenarios are used in determining fair values. The fair value of derivative assets and liabilities include adjustments for market liquidity, counterparty credit quality and other deal specific factors, where appropriate.

The table below presents the carrying value of financial instruments held at fair value across the two levels of the fair value hierarchy at 30 June 2025 and 31 December 2024:

24. Fair value measurement (continued)

As at 30 June 2025

	Level 2	**Level 3**	**Total**
	$000	**$000**	**$000**
Assets			
Financial assets at fair value through profit or loss	**2,074,971**	**—**	**2,074,971**
Derivative assets	**901,379**	**80,430**	**981,809**
	2,976,350	**80,430**	**3,056,780**
Liabilities			
Financial liabilities designated at fair value through profit and loss	**22,927,591**	**—**	**22,927,591**
Derivative liabilities	**1,041,323**	**288,074**	**1,329,397**
	23,968,914	**288,074**	**24,256,988**

As at 31 December 2024

	Level 2	Level 3	Total
	$000	$000	$000
Assets			
Financial assets at fair value through profit or loss	968,763	15,434	984,197
Derivative assets	637,251	86,690	723,941
	1,606,014	**102,124**	**1,708,138**
Liabilities			
Financial liabilities designated at fair value through profit and loss	16,348,347	—	16,348,347
Derivative liabilities	1,033,351	416,328	1,449,679
	17,381,698	416,328	17,798,026

Fair values of level 3 assets and liabilities

Financial assets and liabilities whose values are based on prices or valuation techniques that require inputs that are both unobservable and are significant to the overall fair value measurement, are classified as Level 3 under the fair value hierarchy. The Level 3 financial instruments include derivatives and valuation inputs for which there are few transactions, and there is little or no observable market data to corroborate inputs to valuation models.

Where the value of financial instruments is dependent on unobservable inputs, the precise level for these parameters at the reporting date might be drawn from a spectrum of reasonably possible alternatives.

24. Fair value measurement (continued)

Appropriate levels for these inputs are chosen so that they are consistent with prevailing market evidence and in line with the valuation control policies applicable across the BAC group.

By definition unobservable inputs relate to mark-to-model financial instruments having unobservable model inputs that have an overall significant impact on the financial instrument fair value. Classification on Level 3 is essentially a result of failure to be classified on either Levels 1 or 2. It is important to note some key points regarding the use of unobservable inputs for the purpose of estimating fair value:

- Unobservable inputs can only be used in the absence of reliable observable market data.
- If unobservable inputs are used, they must reflect the assumptions market participants would use when pricing the asset or liability, including assumptions about risk. If the Company's own data is used to develop unobservable inputs, this should be adjusted if reasonably available information suggests other market participants would use different data.
- Assumptions about risk include the risk or uncertainty inherent in a particular valuation model used to estimate fair value, as well as the inputs used by the valuation model. A fair value estimate produced from a valuation model must be adjusted for these risks if a market participant would do so in their pricing of an asset or liability.

The table below represents a reconciliation for all Level 3 financial instruments measured at fair value. Level 3 assets were $80,430,000 as at 30 June 2025 (31 December 2024: $102,124,000), and represent approximately 2.63% (2024: 5.98%) of assets measured at fair value and approximately 0.29% (2024: 0.52%) of total assets. Level 3 liabilities were $288,074,000 as at 30 June 2025 (31 December 2024: $416,328,000), and represent approximately 1.19% (2024: 2.34%) of liabilities measured at fair value and 1.10% (2024: 2.27%) of total liabilities.

	Financial assets at FVPL	Derivative assets	Derivative liabilities
	$000	$000	$000
Balance at 1 January 2025	**15,434**	**86,690**	**(416,328)**
Gains/(losses) recognised in the statement of profit or loss and other comprehensive income	**(12,938)**	**25,774**	**93,311**
Settlements	**(1,320)**	**(33,208)**	**31,352**
Transfers in	**—**	**5,788**	**(3,754)**
Transfers out	**(1,176)**	**(4,614)**	**7,345**
Balance at 30 June 2025	**—**	**80,430**	**(288,074)**
Unrealised profit/(losses) for level 3	**—**	**18,370**	**42,564**

Unrealised profits or losses from positions still held at period end are included within net gain on financial instruments at fair value through profit or loss or net loss in on financial instruments designated at fair value through profit or loss.

Realised profits or losses throughout the period are included within net gain on financial instruments at fair value through profit or loss or net loss on financial instruments designated at fair value through profit or loss.

24. Fair value measurement (continued)

The transfers into Level 3 from Level 2 during the period were due to lack of observable market pricing data subsequent to purchase. The transfers out of Level 3 to Level 2 during the period were due to increased availability of observable pricing data on underlying positions.

	Financial assets at FVPL $000	Derivative assets $000	Derivative liabilities $000
Balance at 1 January 2024	—	41,210	(321,330)
Gains/(losses) recognised in the statement of profit or loss and other comprehensive income	—	21,149	(57,745)
Settlements	—	(18,920)	21,780
Sales	—	—	(57,837)
Purchases	15,434	17,974	—
Transfers in	—	40,308	(22,307)
Transfers out	—	(15,031)	21,111
Balance at 31 December 2024	15,434	86,690	(416,328)
Unrealised profit for level 3	—	55,982	(79,292)

The table below provides information on the valuation techniques, significant unobservable inputs and their ranges and averages for each major category of assets and liabilities measured at fair value on a recurring basis with a significant Level 3 balance.

The level of aggregation and breadth of products cause the range of inputs to be wide and not evenly distributed across the inventory. Further, the range of unobservable inputs may differ across firms in the financial services industry because of the diversity in the types of products included in each firm's inventory.

The Company uses multiple market approaches in valuing certain of its Level 3 financial instruments. For example, market comparables and discounted cash flows are used together. Therefore, the balances disclosed encompass both of these techniques.

24. Fair value measurement (continued)

As at 30 June 2025	Valuation technique	Significant unobservable inputs	Ranges of input	Weighted average	Fair Value $000
Interest rate derivatives	Industry standard derivative pricing	Correlation (IR/IR) Correlation (FX/IR) Long-dated inflation rates Long-dated inflation volatilities Interest rate volatilities	(35)% to 70% (5)% to 58% (1)% to 26% 0% to 5% 0% to 2%	46% 35% 2% 5% 0%	(207,644)
Equity derivatives	Industry standard derivative pricing	Equity Correlation Long dated equity volatilities	0% to 100% 0% to 85%	61% 34%	—
Financial assets at fair value through profit or loss	Discounted cash flow, Market comparables	Yield Prepayment speed Default payment Loss severity Price	5% to 30% 20% 2% 30% $0 to $142	17% n/a n/a n/a $72	—

As at 31 December 2024	Valuation technique	Significant unobservable inputs	Ranges of input	Weighted average	Fair Value $000
Interest rate derivatives	Industry standard derivative pricing	Correlation (IR/IR) Correlation (FX/IR) Long-dated inflation rates Long-dated inflation volatilities Interest rate volatilities	(35)% to 70% (25)% to 58% (1)% to 21% 0% to 5% (1)% to 1%	50% 27% 3% 3% 0%	(316,492)
Equity derivatives	Industry standard derivative pricing	Equity Correlation Long dated equity volatilities	0% to 100% 1% to 87%	59% 33%	(13,146)
Financial assets at fair value through profit or loss	Discounted cash flow, Market comparables	Yield Prepayment speed Default payment Loss severity Price	4% to 37% 20% 2% 30% $0 to $135	17% n/a n/a n/a $69	15,434

24. Fair value measurement (continued)

Derivative assets and liabilities

For equity derivatives, commodity derivatives, interest rate derivatives and structured liabilities, a significant change in long-dated rates, volatilities and correlation inputs (e.g., the degree of correlation between an equity security and an index, between two different commodities, between two different interest rates, or between interest rates and foreign exchange rates) would result in a significant impact to the fair value; however, the magnitude and direction of the impact depends on whether the Company is long or short the exposure. For structured liabilities, a significant increase in yield or decrease in price would result in a significantly lower fair value. A significant decrease in duration may result in a significantly higher fair value.

Sensitivity analysis of unobservable input

Where the value of financial instruments is dependent on unobservable inputs, the precise level for these parameters at the reporting date might be drawn from a spectrum of reasonably possible alternatives. Appropriate levels for these inputs are chosen so that they are consistent with prevailing market evidence and in line with the Company's valuation control policies. Were the Company to have valued the financial instruments concerned using input values drawn from the extremes of the ranges of reasonable possible alternatives, then at the period end, it could have increased fair value by as much as $29,748,000 (2024: $24,284,000) or decreased fair value by as much as $18,207,000 (2024: $20,200,000) with the potential effect impacting profit and loss rather than reserves.

This disclosure is intended to illustrate the potential impact of the relative uncertainty in the fair value of financial instruments for which valuation is dependent on unobservable inputs and is not predictive or indicative of future movements in fair value. Furthermore, it is unlikely in practice that all unobservable parameters would be simultaneously, at the extremes of their ranges of reasonable possible alternatives.

Financial assets and liabilities carried at amortised cost

The below summarises the fair value of the Company's financial assets and liabilities which are carried at amortised cost.

The fair value of amounts owed by affiliated companies is determined by reference to quoted market prices of similar instruments. Financial assets at amortised cost are classified as level 2 and are valued at $21,012,588,000 (2024: $16,397,332.000).

All other debtors and creditors carried at amortised cost in the statement of financial position are classified as level 2. The carrying amounts are a reasonable approximation of their fair value, due to short term nature of these instruments.

25. Events after the reporting period

After 30 June 2025, the Company received a share premium contribution of $477,249,430 from its parent entity.

The Company evaluates whether events occurring after the balance sheet date but before the date the financial statements are available to be issued, require accounting as of the balance sheet date, or disclosure in the financial statements. The Company has evaluated such subsequent events through 18 September 2025 which is the issuance date of the financial statements. There are no additional material events requiring adjustment or further disclosure.

26. Profit appropriation

Article 19 of the Company's Articles of Association is as follows:

a) The profits of the Company, according to the annual financial statements adopted by the general meeting, are - insofar as they are not to be preserved for the formation or maintenance of reserves prescribed by law - at the disposal of the general meeting which decides about reservations or payments of profits.

b) Dividends may be paid up only to the amount above the sum of the balances between net assets and paid in capital, increased with reserves which must be maintained by virtue of law.

Based on the net result over the period ended 30 June 2025, the Board of Directors do not recommend the payment of a dividend in respect of the period ended 30 June 2025.

Distributions to shareholders are subject to two tests, namely, the equity test and the distribution or liquidity test. The Board must approve a proposed distribution and may only refuse if they know (or ought to reasonably foresee) that the Company after the distribution would no longer be able to repay its debts as and when they fall due.

The financial statements were approved by the Board and authorised for issue on 18 September 2025.
They were signed on its behalf by:

A.E. Okobia
Director

Lee Whitley

L.R. Whitley
Director

Amsterdam
18 September 2025