CLASS Limited

Directors' report and Financial Statements

For the year ended 31 December 2024

Registered number 72096

CLASS LIMITED

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Directors and other information

Directors	Marc Harris Viscom Services Limited Visdirect Services Limited
Registered office	4th Floor, St Paul's Gate, 22-24 New Street, St. Helier, Jersey, JE1 4TR Channel Islands
Trustee	The Law Debenture Corporation PLC Fifth Floor 100 Wood Street London EC2V 7EX United Kingdom Deutsche Trustee Company Limited Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom
Administrator	Vistra Fund Services Limited 4th Floor, St Paul's Gate, 22-24 New Street, St. Helier, Jersey, JE1 4TR Channel Islands
Company Secretary	Vistra Secretaries Limited 4th Floor, St Paul's Gate, 22-24 New Street, St. Helier, Jersey, JE1 4TR Channel Islands
Independent auditor	Ernst & Young LLP 25 Churchill Place London E14 5EY

CLASS LIMITED

Directors and other information (continued)

Banker	Royal Bank of Scotland International Limited Royal Bank House 71 Bath Street St Helier Jersey JE4 8PJ
Listing Agent	Luxembourg Listing Agent Banque International à Luxembourg S.A. 69 Route d'Esch L-2953 Luxembourg
Paying Agent, Custodian, Swap counterparty and Arranger	Deutsche Bank AG, London Branch Winchester House 1 Great Winchester Street London EC2N 2DB United Kingdom
Solicitor	Mourant du Feu & Jeune 22 Grenville Street St Helier Jersey JE4 8PX Channel Islands

CLASS LIMITED

Directors' Report

The Directors present the annual report and audited financial statements of CLASS Limited (the "Company") for the year ended 31 December 2024.

Principal activities, business review and future developments
The CLASS Limited program was set up in 10 July 1998 to issue multiple series of debt securities, with the rating on each series independent of the other (if applicable). This means that the Company can issue various series of debt securities ranging from AAA to not rated.

The Company has established a USD 5,000,000,000 Multi-Issuance Note Programme (the "Programme") to issue debt securities and/or other secured limited recourse indebtedness (the "Alternative Investments"). Debt securities are issued in series (each a "series") and the terms and conditions of the debt securities of each series will be set out in a Supplemental Programme Memorandum ("SPM") for such series. Debt securities issued by the Company are listed on the primary market of Bourse de Luxembourg. Details of series listed on the exchange are disclosed in note 8.

The Company was set up as a segregated multi-issuance Special Purpose Entity ("SPE"). Each series is governed by a separate SPM. Each series consists of investment in collateral and/or total return swaps from the proceeds of the issuance of debt securities.

The Programme offers investors the opportunity to invest in a portfolio of investments, the "investment securities and total return swaps".

Each series of debt securities issued is secured by a first fixed charge over certain collateral, primarily in the form of investment securities, total return swaps, cash and cash equivalents or cash collateral (the "collateral") as set out in the relevant SPM and a first fixed charge over funds held by the agents under the Agency Agreement (each defined in the terms and conditions of the debt securities issued). Refer to note 22(b) for the profile of debt securities issued. Each series may also be secured by an assignment of the Company's rights under a Swap Agreement and/or Option Agreement and/or Repurchase Agreement and/or Credit Support Document (each as defined in the terms and conditions of the debt securities issued) and any additional security as may be described in the relevant SPM (together the "Mortgaged Property"). For details about the assets held by the Company, refer to note 6. The Company's obligation to the holders of debt securities of a particular series is limited to the net proceeds upon realisation of the collateral of that series. Refer to note 21(b)(ii) for further details on liquidity risk.

As at 31 December 2024, the Company holds cash at bank, investments in total return swaps and investment securities. Refer to notes 4 and 6 of the financial statements for more information.

The credit risk of the investment securities and total return swaps is borne by either the Company's swap counterparty (in cases where a default swap transaction has been entered into for that particular series) or the Company's holders of debt securities. Refer to note 21(b)(i) for further details about how the Company manages credit risk.

For every new issuance of debt securities, Deutsche Bank AG, London Branch ("DB London"), as Arranger, transfers to the Company an amount of USD 500 as corporate benefit (income).

As Arranger, DB London also agreed to reimburse the Company against any costs, fees, expenses or out goings incurred. DB London is also the swap counterparty (the "swap counterparty") for all series where derivatives are held. Refer to note 5 for the details of each series for which derivatives are held.

CLASS LIMITED

Directors' Report (continued)

Principal activities, business review and future developments (continued)
The Company made a net gain on investment securities and total return swaps of EUR 30,572k (2023: Net gain of EUR 21,611k) for the year and a net loss on derivative financial instruments of EUR 18,367k (2023: Net loss of EUR 7,663k). Due to the limited recourse nature of the debt securities issued and as the return on those issued securities is directly linked to the performance of the investment securities, total return swaps and derivative financial instruments, the Company made a corresponding net finance loss on debt securities of EUR 12,205k (2023: net finance loss of EUR 13,948k) resulting to a nil profit for the year ended 31 December 2024 (2023: Nil). Refer to notes 12, 13 and 14 of the financial statements for further information.

As at 31 December 2024, the fair value of the Company's total debt securities issued was EUR 135,531k (2023: EUR 141,831k). There were no new series issued during the year (2023: No issuance). Refer to note 8 for further details.

During the year, no series matured (2023: No series) and no series was redeemed (2023: No series).

The following series are currently in issue as at year end date: Series 29, 31, 32, 47, 49, 53, 58, 60, 61, 64, 66, 67, 73, 75, 76, 79, 80, 82, 83, 84, 90, 94, 95, 100, 104 and 141 (2023: Series 29, 31, 32, 47, 49, 53, 58, 60, 61, 64, 66, 67, 73, 75, 76, 79, 80, 82, 83, 84, 90, 94, 95, 100, 104 and 141).

The Directors expect that the present level of activity will be sustained for the foreseeable future. The Board will continue to seek new opportunities for the Company and will continue to ensure proper management of the current portfolio of series of the Company. It is anticipated that while some series will redeem or mature, it is also expected that new issuances will be made.

Political donations
The Company made no political donations during the year (2023: Nil).

Results and dividends for the year
The results for the year are set out on page 18. The Directors do not recommend the payment of a dividend for the year under review (2023: Nil).

Changes in Directors during the year
The names of the persons who were Directors during the year are set out below. Except where indicated, they served as Directors for the entire year:

Mr. Marc Harris
Viscom Services Limited
Visdirect Services Limited

Risks and uncertainties
The principal risks and uncertainties facing the Company relate to the debt securities issued, investment securities and total return swaps, and derivative financial instruments held by the Company.

The principal financial risks and uncertainties facing the Company (other than operational risk) and the risk management framework in place to deal with these risks are explained in note 21 of the financial statements.

CLASS LIMITED

Directors' Report (continued)

Risks and uncertainties (continued)

Conflict between Russia and Ukraine
On 24 February 2022, Russia commenced a large-scale invasion against Ukraine. In response, the West has imposed broad-based sanctions targeting Russia, including but not limited to certain Russian banks and the Russian Central Bank, companies, parliamentary members and members of the Russian elite and their families. It is possible that additional sanctions and other measures may be imposed in the future. In terms of the financial impact of the conflict between Russia and Ukraine, the Company continued to receive its interest income from its investment securities which indicates the Company continues to generate cash flows to meet its obligations as they fall due. As of 31 December 2024, the Company had no investment securities that were directly or indirectly impacted by sanctions relating to Russia or the conflict in Ukraine. The Directors will continue to monitor the impact of the conflict on the financial results and cash flows of the Company going forward.

Climate-related risks and macroeconomic factors
In preparing the financial statements, the Directors have considered the impact of the physical and transition risks of climate change and the rising inflation and interest rates and have concluded that these do not have a material impact on the financial results and cash flows of the Company as at 31 December 2024.

Impact on US Tariffs
The new US tariff policy is set to further disrupt supply chains and global trade. The most pressing concern is the potential onset of a trade war between the EU and the US. Additionally, growing tensions in US trade relations with countries such as Mexico, Canada, China, and Australia signal the emergence of a broader trade conflict. In this evolving landscape, businesses must act swiftly to mitigate risks while also implementing strategic measures to safeguard their competitiveness and long-term sustainability.

The Board and DB London do not envisage US debt volatility having an "enormous" impact on the Company. Whilst such volatility would likely impact collateral security values and FX rates via derivative exposures, we do not anticipate a significant impact to Company or the Swap Counterparty.

The entire exposure is with Deutsche Bank AG London (DB), the swap counterparty. DB, in order to manage financial and non-financial risk impacts from geopolitical or other fast developing events, utilises dedicated governance structures including Global and Regional Crisis Management. Where relevant, additional controls and processes have been and would be employed. This would also entail additional reporting to ensure relevant senior stakeholders including the Management Board are up-to date.

Going concern
The Directors considered the impact of the geopolitical tensions, including the conflict between Russia and Ukraine and Israel and Gaza, the, climate-related risks, and macroeconomic factors and new US tariff policy may have over the going concern assumption of the Company. The Directors concluded that these do not represent a material uncertainty in relation to the Company's ability to continue as a going concern as at the date of signing these financial statements.

CLASS LIMITED

Directors' Report (continued)

Going Concern (continued)
The Company's performance and its operations or its ability to continue as a going concern, have not been significantly impacted by the ongoing geopolitical conflicts, climate-related risk, macroeconomic factors and the new US tariff policy. The Board and DB London will continue to monitor the evolving situation and its impact on the Company. The limited recourse nature of the securities issued by the Company limit the investors' recourse to the underlying net assets of that particular debt securities issued. The investors have no right to petition for insolvency proceedings against the Company in the event that the underlying assets are insufficient to repay the principal amount of the debt securities issued. Further, to manage the principal risks impacting the Company such as market risks, liquidity risks and credit risks, it has entered derivative swap agreements with DB London depending on the requirement of each particular debt securities issued. Also, as per Programme Proposal Agreement, DB London as the Arranger agrees to pay for Series Overheads (as defined in the Programme Proposal Agreement).

As of 31 December 2024, the Company had no investment securities that were directly or indirectly impacted by sanctions relating to Russia or the conflict in Ukraine and Israel.

The Board and DB London do not envisage US debt volatility having an "enormous" impact on the Company. Whilst such volatility would likely impact collateral security values and FX rates via derivative exposures, we do not anticipate a significant impact to Company or the Swap Counterparty.

There are no other matters that impact the ability of the Company to continue as a going concern as at year end.

Directors, secretary and their interests
The Directors and secretary who held office on 31 December 2024 did not hold any shares in the Company, or during the year. There were no contracts of any significance in relation to the business of the Company in which the Directors had any interest, as defined in the Companies (Jersey) Law 1991, at any time during the year.

With regard to the appointment and replacement of Directors, the Company is governed by its Articles of Association and Jersey Law comprising the Companies (Jersey) Law 1991. The Articles of Association themselves may be amended by special resolution of the shareholders.

Credit events
There have been no credit events during the year which required payment under the swap agreements which the Company has written to DB London (2023: No credit events).

Subsequent events
Since the end of the reporting period, the Company has not issued any new series of debt securities, no maturities and no repurchases have been made. There were no other significant events after the reporting period up to the date of the approval of the financial statements which require adjustment to or disclosure in the financial statements.

Annual Corporate governance statement

Financial Reporting Process

The Board of Directors (the ''Board'') is responsible for establishing and maintaining adequate internal control and risk management systems for the Company in relation to the financial reporting process. Such systems are designed to manage rather than eliminate the risk of failure to achieve the Company's financial reporting objectives and can only provide reasonable and not absolute assurance against material misstatement or loss and reports to the Board any control issues as they arise.

The Board has established processes regarding internal control and risk management systems to ensure its effective oversight of the financial reporting process. These include appointing Vistra Fund Services Limited (the "Administrator" or "Vistra"), to maintain the accounting records of the Company independently of CLASS Limited and the Trustee.

The Administrator is contractually obliged to maintain adequate accounting as required by the corporate administration agreement. To that end, the Administrator performs reconciliations of its accounting records to those of the Servicer and the Trustee. The Administrator is also contractually obliged to prepare for review and approval by the Board the annual report including financial statements intended to give a true and fair view.

The Board evaluates and discusses significant accounting and reporting issues as the need arises. From time to time, the Board also examines and evaluates the Administrator's financial accounting and reporting routines and monitors and evaluates the external auditors' performance, qualifications and independence. The Administrator has operating responsibility for internal control in relation to the financial reporting process and reports to the Board.

Risk Assessment

The Board is responsible for assessing the risk of irregularities, whether caused by fraud or error, in financial reporting and ensuring that there are processes in place for the timely identification of internal and external matters which may have a potential impact on financial reporting. The Board has also put in place processes to identify changes in accounting rules and recommendations and to ensure that these changes are accurately reflected in the Company's financial statements.

More specifically:

- The Administrator has a review procedure in place to ensure errors and omissions in the financial statements are identified and corrected.
- Regular training on accounting rules and recommendations is provided to the accountants employed by the Administrator

Control Activities

The Administrator is contractually obliged to design and maintain control structures to manage the risks which the Board judges to be significant for internal control over financial reporting. These control structures include segregation of responsibilities and specific control activities aimed at detecting or preventing the risk of significant deficiencies in financial reporting for every significant account in the financial statements and the related notes.

Annual Corporate governance statement (continued)

Monitoring

The Board has an annual process to ensure that appropriate measures are taken to consider and address the shortcomings identified and measures recommended by the independent auditors.

Given the contractual obligations of the Administrator, the Board has concluded that there is currently no need for the Company to have a separate internal audit function in order for the Board to perform effective monitoring and oversight of the internal control and risk management systems of the Company in relation to the financial reporting process.

Capital Structure

No person has a significant direct or indirect holding of securities in the Company. No person has any special rights of control over the Company's share capital.

There are no restrictions on voting rights.

Powers of Directors

The Board is responsible for managing the business affairs of the Company in accordance with the Articles of Association.

The Board may delegate certain functions to the Administrator and other parties subject to the supervision and direction by the Board. The Board have delegated the day-to-day administration of the Company to the Administrator.

Accounting records

The Directors believe that they have maintained adequate accounting records by engaging a service provider who employs accounting personnel with appropriate expertise and by providing adequate resources to the finance function. The accounting records of the Company are maintained at 4th Floor, St Paul's Gate, 22-24 New Street, St. Helier, Jersey, JE1 4TR, Channel Islands.

Independent auditor

The Company has appointed Ernst & Young LLP to audit the financial statements.

Relevant Information to Auditors

The Directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's Auditor is unaware, and each Director has taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's Auditor is aware of that information.

Approved and authorised for issue on behalf of the Board on 30 April 2025.

Marc Harris
Director

CLASS LIMITED

Statement of Directors' responsibilities in respect of Directors' report and the financial statements

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

Jersey Company law requires the Directors to prepare financial statements for each financial year in accordance with generally accepted accounting principles. The financial statements of the Company are required by law to give a true and fair view of the state of affairs of the Company at the year end and of the profit or loss of the Company for the year then ended. In preparing these financial statements, the Directors should:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- prepare the financial statements on the Going Concern basis unless it is inappropriate to presume that the Company will continue in business; and
- state whether they have been prepared in accordance with applicable accounting standards, identify those standards and note the effect and the reasons for any material departure from those standards.

The Directors are also required by the Transparency (Directive 2004/109/EC) Regulation 2007 and the Transparency Rules of the Luxembourg Financial Services Regulatory Authority to include a Directors' report containing a review of the business and a description of the principal risks and uncertainties facing the Company.

The Directors are responsible for keeping adequate accounting records which are sufficient to show and explain its transactions and are such as to disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements prepared by the Company comply with the requirements of the Companies (Jersey) Law 1991. 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

These financial statements comply with the above-mentioned requirements.

Responsibility Statement, in accordance with the Transparency Regulations
Each of the Directors, whose names and functions are listed on page 1 of these financial statements confirm that, to the best of each person's knowledge and belief:

- the financial statements, prepared in accordance with IFRS as adopted by the EU, give a true and fair view of the assets, liabilities, and financial position of the Company at 31 December 2024 and its result for the year then ended; and
- the Directors' Report includes a fair review of the development and performance of the business and the position of the Company, together with a description of the principal risks and uncertainties that it faces.

Approved and authorised for issue on behalf of the Board on 30 April 2025.

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Marc Harris
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLASS LIMITED

Opinion

We have audited the financial statements of CLASS LIMITED (the "company") for the year ended 31 December 2024 which comprise the Statement of Comprehensive Income, the Statement of Changes in Equity, the Statement of Financial Position, the Statement of Cash Flows, and the related notes 1 to 27, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards as adopted by the European Union ("IFRS").

In our opinion, the financial statements:

► give a true and fair view of the state of the company's affairs as at 31 December 2024 and of its results for the year then ended;

► have been properly prepared in accordance with International Financial Reporting Standards as adopted by the European Union; and

► have been properly prepared in accordance with the requirements of the Companies (Jersey) Law 1991.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements, including the UK FRC's Ethical Standard as applied to listed public interest entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

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

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- Assessing the directors' going concern assessment, giving consideration to plausible downside scenarios;
- Considering the limited recourse nature of the debt securities issued by the Company;
- Assessing the ability of third parties who provide support services to the entity to continue to do so or be replaced should they no longer be able to;
- Assessing the ability of the arranger to continue to support the operating costs of the Company; and
- Evaluating the adequacy of the director's disclosure on the impact of Russia-Ukraine conflict in the director's report and subsequent events note.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of twelve months from the date of approval of these financial statements. Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report. However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLASS LIMITED (continued)

Overview of our audit approach

Key audit matters	• Management override of controls over the valuation of financial instruments (derivative financial instruments and level 3 investment securities) and recognition of related realised and unrealised gains and losses
Materiality	• Overall materiality of €4,100k which represents 1% of Total Assets.

An overview of the scope of our audit

Tailoring the scope
Our assessment of audit risk, our evaluation of materiality and our allocation of performance materiality determine our audit scope for the company. This enables us to form an opinion on the financial statements. We take into account size, risk profile, the organisation of the company and effectiveness of controls,and changes in the business environment and the potential impact of climate change when assessing the level of work to be performed. All audit work was performed directly by the audit engagement team.

Climate change

There has been increasing interest from stakeholders as to how climate change will impact CLASS limited. The company has determined that there are no significant future impacts from climate change on its operations. These are explained on page five of the directors' report. All these disclosures form part of the 'Other Information', rather than the audited financial statements. Our procedures on these disclosures therefore consisted solely of considering whether they are materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appear to be materially misstated.

In planning and performing our audit we assessed the potential impact of climate change on the company's business and any consequential material impact on its financial statements.

The company has explained in the directors' report articulation of how climate change has been reflected in the financial statements how they have reflected the impact of climate change in their financial statements.

Our audit effort in considering climate change was focused on evaluating management's assessment of the impact of climate risk, physical and transition, and ensuring the effects of material climate risks disclosed on page five and whether these have been appropriately reflected. As part of this evaluation, we performed our own risk assessment to determine the risks of material misstatement in the financial statements from climate change which needed to be considered in our audit.

The principal activity of the Company is to issue secured notes, invest in subordinated notes and also enter into asset swap. In terms of valuation of the asset swap, the Swap Counterparty uses the assumptions that market participants would use when pricing the asset or liability. Where relevant, these assumptions may include assumptions about climate change. The Swap Counterparty has not made material adjustment to the fair value for climate change beyond that already priced into market inputs. The Company is not involved in any other activities and has no employees. The directors have concluded that the Company is not directly impacted by climate change and is not expected to affect the Company's going concern.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLASS LIMITED (continued)

We also challenged the directors' considerations of climate change risks in their assessment of going concern and viability and associated disclosures. Where considerations of climate change were relevant to our assessment of going concern, these are described above.

Based on our work we have not identified the impact of climate change on the financial statements to be a key audit matter or to impact a key audit matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) that we identified. These matters included those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in our opinion thereon, and we do not provide a separate opinion on these matters.

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Management override of controls over the valuation of financial instruments (derivative financial instruments and level 3 investment securities) and recognition of related realised and unrealised gains and losses Derivative financial assets Current year: €2.27m, PY comparative: €2.9m Derivative financial liabilities Current year: €275.686m, PY comparative: €260.564m Level 3 Investment Securities Current year: €13.2m, PY comparative: €51.6m	We have performed the following procedures in response to the identified risk: ▸ Assessed the appropriateness of policies governing the accounting treatment and valuation of financial instruments; ▸ Performed a walkthrough to understand the valuation process and assessed the design effectiveness of controls. ▸ Performed a substantive audit due to us taking a non-reliance approach on controls ▸ Independently confirmed both the valuation and existence of the derivatives and related valuation adjustments with the Swap counterparty as at 31 December 2024; ▸ Engaged EY Valuation specialists to test the valuation of a sample of derivative financial instruments and investment securities, including valuation adjustments, using independent models and market data;	No material issues were noted during the performance of our audit procedures. We have concluded that the valuation of the derivative financial instruments and level 3 investment securities are not materially misstated as of 31 December 2024 and accounted for in accordance with IFRS as adopted by the European Union as of 31 December 2024.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLASS LIMITED (continued)

Key audit matters (continued)

Risk	Our response to the risk	Key observations communicated to the Audit Committee
Refer to accounting policies (pages 26 to 32); and Note 5 and 6 of the Financial Statements (pages 33 to 35). This is a key audit matter due to the inherent complexity in the valuation model and inputs, which may be subject to management override, there is a risk that the valuations of derivative financial instruments and level 3 investment securities could be misstated. The risk of misstatement is considered to have neither increased nor decreased in the current year due to the absence of significant change in the operations or business of the Company, or the environment in which it operates.	► Performed an assessment of the methodologies applied by management in light of industry best practice with regards to valuation adjustments; ► Performed analytical procedures over the reasonableness of valuation adjustments applied to derivative financial instruments. ► Performed a review and challenge of management's disclosure in relation to estimates within the financial statements. ► Performed testing over manual top-side journal entries impacting the valuation and measurement of the derivative financial instrument.	

Our application of materiality

We apply the concept of materiality in planning and performing the audit, in evaluating the effect of identified misstatements on the audit and in forming our audit opinion.

Materiality
The magnitude of an omission or misstatement that, individually or in the aggregate, could reasonably be expected to influence the economic decisions of the users of the financial statements. Materiality provides a basis for determining the nature and extent of our audit procedures.

We determined materiality for the company to be £4,100k (2023: £4,026k), which is 1% (2023: 1%) of total assets.We believe that the Noteholders of the Company and Deutsche Bank AG are the key users of the financial statements, and that the key metric they monitor is total assets.

Performance materiality
The application of materiality at the individual account or balance level. It is set at an amount to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality.

On the basis of our risk assessments, together with our assessment of the company's overall control environment, our judgement was that performance materiality was 75% (2023: 75%) of our planning materiality, namely €3,075m (2023: €3,020m). We have set performance materiality at this percentage given there are no material corrected or uncorrected misstatements in the previous year.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLASS LIMITED (continued)

Reporting threshold
An amount below which identified misstatements are considered as being clearly trivial.

We agreed to those charged with governance that we would report to them all uncorrected audit differences in excess of €205k (2023: €201k), which is set at 5% of planning materiality, as well as differences below that threshold that, in our view, warranted reporting on qualitative grounds.

We evaluate any uncorrected misstatements against both the quantitative measures of materiality discussed above and in light of other relevant qualitative considerations in forming our opinion.

Other information

The other information comprises the information included in the annual report set out on pages one to nine, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report.

Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in this report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements, or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of the other information, we are required to report that fact.

We have nothing to report in this regard.

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Companies (Jersey) Law 1991 requires us to report to you if, in our opinion:

- proper accounting records have not been kept by the company, or proper returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the company's accounting records and returns; or
- we have not received all the information and explanations we require for our audit

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page nine, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect irregularities, including fraud. The risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through collusion. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

However, the primary responsibility for the prevention and detection of fraud rests with both those charged with governance of the company and management.

- We obtained an understanding of the legal and regulatory frameworks that are applicable to the company and determined that the most significant are as follows: Companies (Jersey) Law 1991; EU Transparency Directive; the rules and regulations of the Luxembourg Stock Exchange; the Money Laundering (Jersey) Order 2008. Finally, we obtained an understanding of the accounting standards under which the financial statements are prepared, which in this instance are International Financial Reporting Standards ('IFRS') as adopted by the EU;

- We understood how CLASS LIMITED is complying with those frameworks by making inquiries of management and the directors for their awareness of any non-compliance with laws and regulations and to understand how the Company maintains and communicates its policies as well as through the evaluation of corroborating documentation. We reviewed correspondence between the Company and regulators. We also reviewed minutes of Board Committee meetings, Board Risk Committee meetings. We gained an understanding of the Company's approach to governance demonstrated by the Board's approval of the Company's risk management framework, governance framework and internal control processes;

- We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur by considering the potential for management override of controls over the valuation of financial instruments (derivative financial instruments) and recognition of related realised and unrealised gains and losses. We considered the controls that the Company has established to address fraud risks identified, or that otherwise seek to prevent, deter or detect fraud. Where the risk was higher, including areas impacting the valuation of financial instruments, we performed audit procedures to address each identified fraud risk or other risk of material misstatement. These procedures included those on revenue recognition and the assessment of items involving accounting judgements and estimates. These procedures were designed to provide reasonable assurance that the financial statements were free from fraud or error;

- Based on this understanding we designed our audit procedures to identify non-compliance with such laws and regulations. Our procedures involved the re-valuation of the investment securities, debt securities and derivatives by performing and independent revaluation using EY internal specialists, inquiries of management and the directors. We also reviewed correspondence between the Company and regulators and reviewed minutes of the Board of Directors meetings. In addition, we performed procedures to identify management override of controls by testing journal entries on a sample basis with a focus on manual journals

- The company is authorised to and has listed debt on the regulated Bourse de Luxembourg (Luxembourg Stock Exchange). We have obtained an understanding of the Company's current activities which is to list debt securities of which the proceeds of the issuances are invested in collateral and/or total return swaps, offering investors the opportunity to invest in a portfolio of investments. The control environment is monitored by the Board of Directors (the 'Board') through establishing and maintaining adequate internal control and risk management systems, of which no material or significant issues have been noted. We have tested entity-level controls which we deem to be appropriate.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF CLASS LIMITED (continued)

Explanation as to what extent the audit was considered capable of detecting irregularities, including fraud (continued)

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at https://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Other matters we are required to address

- Following the recommendation from those charged with governance, we were appointed by the company on 8 February 2018 to audit the financial statements for the year ending 31 December 2017 and subsequent financial periods

  The period of total uninterrupted engagement including previous renewals and reappointments is eight years, covering the years ending 31 December 2017 to 31 December 2024.

- Financial statements prepared in valid xHTML format;

  In our opinion, the financial statements of the Company as at 31 December 2024, identified as 5299007Q99X0945RXA76-2024-12-31-0-en.xhtml, have been prepared, in all material respects, in compliance with the requirements laid down in the ESEF Regulation

- The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting the audit.

- The audit opinion is consistent with the additional report to those charged with governance.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Article 113A of the Companies (Jersey) Law 1991. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:
Jean-Philippe Faillat
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Jean-Philippe Faillat
for and on behalf of Ernst & Young LLP
London
30 April 2025

CLASS LIMITED

Statement of Financial Position
As at 31 December 2024

	Note	2024 €'000	2023 €'000
Assets			
Cash at bank	4	80	79
Derivative assets	5	2,270	2,961
Investment securities and total return swaps at fair value through profit or loss	6	402,404	392,902
Other assets	7	6,716	6,702
Total assets		411,470	402,644
Liabilities			
Derivative liabilities	5	275,686	260,564
Debt securities issued designated at fair value through profit or loss	8	135,531	141,831
Other liabilities	9	211	207
Total liabilities		411,428	402,602
Equity			
Share capital	10	-	-
Retained earnings		42	42
Total equity		42	42
Total liabilities and equity		411,470	402,644

The financial statements were approved, authorised for issue on behalf of the Board on 30 April 2025.

DocuSigned by:
4F5B570733C0476...
Marc Harris
Director

The notes on pages 21 to 73 form an integral part of these financial statements.

Statement of Comprehensive Income
For the year ended 31 December 2024

	Note	2024 €'000	2023 €'000
Net gain on investment securities and total return swaps	12	30,572	21,611
Net loss on derivative financial instruments	13	(18,367)	(7,663)
Net finance (loss) on debt securities issued	14	(12,205)	(13,948)
Operating income		-	-
Other income	15	106	110
Other expenses	16	(106)	(110)
Result before taxation		-	-
Income tax expense	17	-	-
Result for the year		-	-
Other comprehensive income		-	-
Total comprehensive income for the year		-	-

All items dealt with in arriving at the above result for the year ended 31 December 2024 and 31 December 2023 are related to continuing operations.

The notes on pages 21 to 73 form an integral part of these financial statements.

Statement of Cash Flows
For the year ended 31 December 2024

	Note	2024 €'000	2023 €'000
Cash flows used in operating activities			
Result for the year before taxation		-	-
Adjustments for:			
Interest income on investment securities and total return swaps	12	(21,070)	(21,307)
Interest expense on debt securities issued	14	8,730	9,353
Net swap payments / (receipts)	13	2,554	20,428
Net (gain) on investment securities and total return swaps	12	(9,502)	(304)
Net loss on debt securities issued	14	3,475	4,595
Net loss / (gain) on derivative financial instruments	13	15,813	(12,765)
Movement in Working Capital			
Changes in other assets		(8)	(14)
Changes in other liabilities		10	15
Cash flows generated from operating activities		2	1
Net swap (payments and settlement) / receipts of derivative exposure		(2,554)	(20,428)
Net cash (used in) operating activities		(2,552)	(20,427)
Cash flows from investing activities			
Acquisition of investment securities		-	(1,251)
Proceeds from redemptions / maturities of investment securities and total return swaps		-	21,059
Interest receipts from investment securities		21,064	21,445
Net cash generated from investing activities		21,064	41,253
Cash flows used in financing activities			
Payments on amortisations, maturities / redemptions of debt securities issued		(9,775)	(11,467)
Interest payments on debt securities issued		(8,736)	(9,359)
Net cash used in financing activities		(18,511)	(20,826)
Net change in cash at bank		1	-
Cash at bank at 1 January	4	79	79
Cash at bank at 31 December	4	80	79

The notes on pages 21 to 73 form an integral part of these financial statements.

CLASS LIMITED

Statement of Changes in Equity
For the year ended 31 December 2024

	Share capital €'000	Retained earnings €'000	Total €'000
Balance as at 1 January 2023	**-**	**42**	**42**
Profit for the year - 2023	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**
Balance as at 31 December 2023	**-**	**42**	**42**
Profit for the year - 2024	-	-	-
Other comprehensive income	-	-	-
Total comprehensive income for the year	**-**	**-**	**-**
Balance as at 31 December 2024	**-**	**42**	**42**

The notes on pages 21 to 73 form an integral part of these financial statements.

Notes to the Financial Statements
For the year ended 31 December 2024

1 General information

CLASS Limited (the "Company") was incorporated on 10 July 1998 in Jersey with registered number 72096. The registered office of the Company is 4th Floor, St Paul's Gate, 22-24 New Street, St. Helier, Jersey, JE1 4TR, Channel Islands.

The Company is a special purpose entity that has been established to issue debt securities under a USD 5,000,000,000 Multi-issuance note programme.

The programme offers investors the opportunity to invest in a portfolio of investments securities and total return swaps that include derivative instruments that mitigate the interest rate risk and credit risk associated with the portfolio.

2 Basis of preparation

(a) Statement of compliance

The financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") and its interpretations as adopted by the EU.

The accounting policies set out below have been applied in preparing the financial statements for the year ended 31 December 2024. The comparative information for the year ended 31 December 2023 presented in these financial statements has been prepared on a consistent basis.

The Company's debt funding has been provided by the holders of debt securities, whose recourse to the assets of the Company are limited to the aggregate net assets designated as underlying assets (assets acquired and other agreements) for the particular series of debt securities held and who have no right to take any step for the winding up or liquidation of the Company in the event that the aggregate proceeds from the realisation of the underlying assets are insufficient to repay the principal/interest amounts of the debt securities. From the point of view of a holder of debt securities, defaults on any one particular series does not impact any other series.

Going concern

The Directors considered the impact of the geopolitical tensions, including the conflict between Russia and Ukraine and Israel and Gaza, the, climate-related risks, and macroeconomic factors and new US tariff policy may have over the going concern assumption of the Company. The Directors concluded that these do not represent a material uncertainty in relation to the Company's ability to continue as a going concern as at the date of signing these financial statements.

The Company's performance and its operations or its ability to continue as a going concern, have not been significantly impacted by the ongoing geopolitical conflicts, climate-related risk, macroeconomic factors and the new US tariff policy. The Board and DB London will continue to monitor the evolving situation and its impact on the Company. The limited recourse nature of the securities issued by the Company limit the investors' recourse to the underlying net assets of that particular debt securities issued.

2 Basis of preparation (continued)

(a) Statement of compliance (continued)

Going concern (continued)

The investors have no right to petition for insolvency proceedings against the Company in the event that the underlying assets are insufficient to repay the principal amount of the debt securities issued. Further, to manage the principal risks impacting the Company such as market risks, liquidity risks and credit risks, it has entered derivative swap agreements with DB London depending on the requirement of each particular debt securities issued. Also, as per Programme Proposal Agreement, DB London as the Arranger agrees to pay for Series Overheads (as defined in the Programme Proposal Agreement).

As of 31 December 2024, the Company had no investment securities that were directly or indirectly impacted by sanctions relating to Russia or the conflict in Ukraine and Israel.

The new US tariff policy is set to further disrupt supply chains and global trade. The most pressing concern is the potential onset of a trade war between the EU and the US. Additionally, growing tensions in US trade relations with countries such as Mexico, Canada, China, and Australia signal the emergence of a broader trade conflict. In this evolving landscape, businesses must act swiftly to mitigate risks while also implementing strategic measures to safeguard their competitiveness and long-term sustainability.

The Board and DB London do not envisage US debt volatility having an “enormous” impact on the Company. Whilst such volatility would likely impact collateral security values and FX rates via derivative exposures, we do not anticipate a significant impact to Company or the Swap Counterparty.

There are no other matters that impact the ability of the Company to continue as a going concern as at year end.

(b) Changes in accounting policies

There were no changes in accounting policies which would have a financial impact on the Company’s financial statements during the year.

(c) New standards, amendments or interpretations

(i) New standard adopted during the year

The following adopted accounting standards for the accounting period beginning on or after 1 January 2023 are considered not relevant to the Company and therefore have no impact on the financial performance or financial position of the Company.

- Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback (issued on 22 September 2022)
- Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current, Classification of Liabilities as Current or Non-current - Deferral of Effective Date and Non-current Liabilities with Covenants (issued on 23 January 2020, 15 July 2020 and 31 October 2022, respectively)

2 Basis of preparation (continued)

(c) New standards, amendments or interpretations (continued)

(i) New standard adopted during the year (continued)

- Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements (issued on 25 May 2023)

(ii) Effective for annual periods beginning on or after 1 January 2024

The Directors have set out the upcoming EU endorsed and un-endorsed accounting standards, amendments or interpretations as up until the issuance of the financial statements as set out below.

Description	Effective date (period beginning)*
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability (issued on 15 August 2023)	1 January 2025**
Amendments to the Classification and Measurement of Financial Instruments - Amendments to IFRS 9 and IFRS 7 (issued on 30 May 2024)	1 January 2026
Annual Improvements to IFRS Accounting Standards—Volume 11 (issued on 18 July 2024)	1 January 2026
Contracts Referencing Nature-dependent Electricity – Amendments to IFRS 9 and IFRS 7 (issued on 18 December 2024)	1 January 2026
IFRS 18 Presentation and Disclosure in Financial Statements (issued on 9 April 2024)	1 January 2027
IFRS 19 - Subsidiaries without Public Accountability: Disclosures (issued on 9 May 2024	1 January 2027

*Where new requirements are endorsed, the EU effective date is disclosed. For un-endorsed standards and interpretations, the IASB's effective date is noted. Where any of the upcoming requirements are applicable, the Company will apply them from their EU effective date.
** EU endorsed.

The Directors have considered the new standards, amendments and interpretations that are issued but not yet effective up to the date of issuance of the Company's financial statements and do not plan to adopt these standards early. The application of these standards, amendments or interpretations are currently being assessed in advance of the confirmed effective date by the Company, with no material impact anticipated for the financial statement.

2 Basis of preparation (continued)

(d) Basis of measurement

The financial statements are prepared on the historical cost basis except for the following:

- Derivative financial instruments are measured at fair value;
- Investment securities and total return swaps classified at fair value through profit or loss are measured at fair value; and
- Debt securities issued designated at fair value through profit or loss are measured at fair value.

The methods used to measure fair values are discussed further in note 3(b).

(e) Significant accounting judgements, estimates and assumptions

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of income, expenses, assets and liabilities and the accompanying disclosures.

(i) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

Level 3 fair value measurement
Level 3 instruments are regarded as a source of critical accounting judgement as at year end date. The measurement of fair value of the complex Level 3 instruments is both quantitatively and qualitatively material to the financial statements. The critical judgement is over the use of the unobservable inputs and the material nature of these inputs in the valuation of the financial instrument.

The swap counterparty has produced valuations as of a particular time and date on the basis of, inter alia, its proprietary valuation models that takes into account interest rates, duration and relevant credit spreads. There exists judgement related to the selection and calibration of the models and associated market data inputs.

The determination of fair values of financial assets and financial liabilities that are not quoted in an active market are based on valuation techniques. The chosen valuation technique incorporates all the factors that market participants would take into account in pricing a transaction. Valuation techniques include the discounted cash flow method, option pricing model, comparison to similar instruments for which market observable prices exist, and valuation models. For more complex instruments, the Company uses proprietary models, which usually are developed from recognised valuation models. Some or all of the inputs into these models may not be directly observable from the market and are derived from market prices or rates or are estimates based on assumptions.

2 Basis of preparation (continued)

(e) Significant accounting judgements, estimates and assumptions (continued)

(i) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year-end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

Fair value measurement of financial instruments
When the fair values of financial assets and financial liabilities recorded in the statement of financial position cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the discounted cash flow model and correlation pricing model. The inputs to these models are taken from observable markets where possible. Changes in assumptions relating to these factors could affect the reported fair value of financial instruments. The estimates and associated assumptions are reviewed on an ongoing basis and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. Information about significant areas of estimation uncertainty in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements are described in note 23.

(f) Functional and presentation currency

The financial statements are presented in Euro, which is the Company's functional currency.

Functional currency is the currency of the primary economic environment in which the entity operates.

The issued share capital of the Company is denominated in Great British Pound while the debt securities issued are primarily denominated in Euro. The Directors of the Company believe that Euro most faithfully represents the economic effects of the underlying transactions, events and conditions.

Except as otherwise indicated, all financial information presented in Euro have been rounded to the nearest thousand.

3 Material accounting policy information

The accounting policies set out below have been applied consistently to all years presented in these financial statements.

(a) Structured entities

A structured entity is an entity that has been designed so that voting or similar rights are not the dominant factor in deciding who controls the entity, such as when any voting rights relate to administrative tasks only and the relevant activities are directed by means of contractual arrangements.

A structured entity often has some or all of the following features or attributes; (a) restricted activities, (b) a narrow and well-defined objective, such as to provide investment opportunities for investors by passing on risks and rewards associated with the assets of the structured entity to investors, (c) insufficient equity to permit the structured entity to finance its activities without subordinated financial support and (d) financing in the form of multiple contractually linked instruments to investors that create concentrations of credit or other risks (tranches).

The Company considers some of its investments to be investments in structured entities which are unconsolidated due to the fact that the Company has no control of the structured entities. See note 24 for details of these investments.

The Company accounts for its investments in structured entities as investment securities at fair value through profit or loss and recognises any gains and losses arising from changes in the fair value through profit or loss in the Statement of Comprehensive Income in the period in which they arise.

(b) Financial instruments

The Company classifies its financial instruments in accordance to IFRS 9.

The financial instruments held by the Company at fair value through profit or loss include the following:

- Investment securities and total return swaps;
- Derivative financial instruments; and
- Debt securities issued.

Designation at fair value through profit or loss upon initial recognition
The Company has designated financial liabilities at fair value through profit or loss since the liabilities consist of debt securities issued that are backed by the investment securities and derivative financial instruments. The returns from the investment securities are used to pay off the debt securities and as a result, measuring the debt securities on other basis other than fair value will create an accounting mismatch. The designation eliminates or significantly reduces the inconsistent treatment that would otherwise arise from measuring the financial assets or liabilities or recognising gains or losses on them on a different basis.

3 Material accounting policy information (continued)

(b) Financial instruments (continued)

Designation at fair value through profit or loss upon initial recognition (continued)
The Company has classified the investment securities at fair value through profit or loss and designated the debt securities issued at fair value through profit or loss. Derivative financial instruments are carried at fair value through profit or loss. Other financial instruments are carried at amortised cost.

Classification
A financial asset or financial liability at fair value through profit or loss is a financial asset or liability that is classified as held-for-trading or designated or classified at fair value through profit or loss. Other financial instruments are carried at amortised cost.

Derivative financial instruments are carried at fair value through profit or loss. The Company has classified the investment securities and total return swaps at fair value through profit or loss.

Investment securities and total return swaps
All investment securities held by the Company are classified and initially measured at fair value. The investment securities held by the Company have been designated at fair value through profit or loss to eliminate or significantly reduce an accounting mismatch. Total return swaps consist of credit linked collateral which enable the Company to gain exposure and benefit from a reference amount and are classified at fair value through profit or loss. Subsequent changes in the fair value of investment securities and total return swaps are recognised directly through profit or loss in the statement of comprehensive income.

Derivative financial instruments
Derivative financial instruments held for risk management purposes include derivative assets and liabilities comprised of interest rate swaps and cross currency swaps which are classified as assets swaps that are used to economically hedge at each series from interest rate or market fluctuations affecting the relevant collateral assets.

Such derivatives are not formally designated into a qualifying hedging relationship and therefore all changes in their fair value are recognised through profit or loss in the statement of comprehensive income. The Company also writes asset swaps derivatives for certain series as noted in note 6 that may create economic returns for the Company; such derivatives are carried at fair value through profit or loss.

Debt securities issued
The debt securities issued are initially measured at fair value and are designated as liabilities at fair value through profit or loss when they either eliminate or significantly reduce the inconsistent treatment that would otherwise arise from measuring the debt securities issued on a different basis to that of the underlying securities such as the investment securities and derivative financial instruments.

Financial assets and liabilities that are not at fair value through profit or loss
Financial assets that are not at fair value through profit or loss and are not quoted in an active market include cash at bank and deposits with credit institutions and other receivables, which are classified and measured at amortised cost.

3 Material accounting policy information (continued)

(b) Financial instruments (continued)

Financial assets and liabilities that are not at fair value through profit or loss (continued)
Financial liabilities that are not at fair value through profit or loss include accrued expenses and other payables. These are classified and measured at amortised cost.

Impairment of financial assets
The impairment rules under IFRS 9 applies to financial assets that are measured at amortized cost.

Under IFRS 9 expected credit loss approach, the Company recognizes expected credit losses resulting from default events that are possible within the next 12 months for both the homogeneous and non-homogeneous performing loan pools (stage 1).

IFRS 9 also requires the recognition of credit losses expected over the remaining life of the assets (‘lifetime expected losses’) which have significantly deteriorated in credit quality since origination or purchase but have yet to default (stage 2) and for assets that are credit impaired (stage 3). Under IFRS 9 expected credit losses are measured by taking into account forward-looking information, including macroeconomic factors.

Recognition and measurement
The Company initially recognises all financial assets and liabilities at fair value on the trade date, which is the date on which the Company becomes a party to the contractual provisions of the instruments. For financial assets and financial liabilities which will subsequently be carried at fair value, initial direct costs are expensed. For financial assets and financial liabilities not at fair value through profit or loss, costs directly attributable to the acquisition or issue of financial assets or financial liabilities are included in the initial cost.

From trade date, any gains or losses arising from changes in the fair value of the financial assets or financial liabilities being measured at fair value through profit or loss are recorded through profit or loss in the statement of comprehensive income.

Financial assets and financial liabilities not categorised as at fair value through profit or loss are subsequently measured at amortised cost using the effective interest rate method.

Derecognition
The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or it transfers the rights to receive the contractual cash flows on the financial asset in a transaction in which substantially all the risks and rewards of ownership of the financial asset are transferred.

Any interest in transferred financial assets that is created or retained by the Company is recognised as a separate asset or liability.

3 Material accounting policy information (continued)

(b) Financial instruments (continued)

Derecognition (continued)
The Company derecognises a financial liability when its contractual obligations are discharged, cancelled or has expired.

Fair value measurement principles
Fair value is 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 in the principal, or in its absence, the most advantageous market to which the Company has access.

The fair value of a liability reflects its non-performance risk. The determination of fair values of financial assets and financial liabilities are based on quoted bid market prices or dealer price quotations for financial instruments traded in active markets, where these are available.

A market is regarded as active if transaction for the asset or liability takes place with sufficient frequency and volume to provide pricing information on an ongoing basis. The Company measures instruments quoted in an active market at bid price. For all other financial instruments fair value is determined by using valuation techniques.

If there is no quoted price in an active market, then the Company uses valuation techniques that maximise the use of relevant observable inputs and minimise the use of unobservable inputs. The chosen valuation technique incorporates all of the factors that market participants would take into account in pricing a transaction.

Valuation techniques include net present value techniques, the discounted cash flow method, comparison to similar instruments for which market observable prices exist, and valuation models. The Company uses widely recognised valuation models for determining the fair value of common and simpler financial instruments like call options, interest rate and currency swaps. For more complex instruments, the Company uses proprietary models, which are usually developed from recognised valuation models. Some or all of the inputs into these models may not be directly observable from the market and are derived from market prices or rates or are estimated based on assumptions.

3 Material accounting policy information (continued)

(b) Financial instruments (continued)

Fair value measurement principles (continued)
The Company recognises transfers between levels of the fair value hierarchy as at the beginning of the reporting period during which the change has occurred.

(c) Financial liability and equity

The financial instruments issued by the Company are treated as equity (i.e. forming part of shareholder's funds) only to the extent that they meet the following two conditions:

- they include no contractual obligations upon the Company to deliver cash or other financial assets or to exchange financial assets or financial liabilities with another party under conditions that are potentially unfavourable to the Company; and

- where the instrument will or may be settled in the Company's own equity instruments, it is either a non-derivative that includes no obligation to deliver a variable number of the Company's own equity instruments or is a derivative that will be settled by the Company's exchanging a fixed amount of cash or other financial assets for a fixed number of its own equity instruments.

To the extent that these conditions are not met, the proceeds of issue are classified as a financial liability.

Finance payments associated with financial liabilities are dealt with as part of the ongoing remeasurement of debt securities to fair value. Any payments associated with financial instruments that are classified in equity are distributions from the net income attributable to equity holders and are recorded directly in equity.

(d) Operating segments

The Company has applied IFRS 8 Operating Segments which puts emphasis on the "management approach" to reporting on operating segments.

The Company is engaged as one segment. It involves the repackaging of bonds and other debt instruments, on behalf of investors, which are bought from the market and subsequently securitised to avail of potential market opportunities and risk-return asymmetries.

3 Material accounting policy information (continued)

(d) Operating segments (continued)

Each transaction is entered into on its own merit, as such, no cross-sectional review is performed per geography for the entity by the Board who are regarded as the Company's Chief Operating Decision Maker. No revenue per geographical location has been disclosed because this information is not prepared and is not regularly provided to nor used by the Board. The financial results for this segment are equivalent to the financial statements of the Company as a whole.

The Board is responsible for managing the business of the Company including the outcome of day-to-day operating decisions. It achieves this by appointing on an arm's length basis established service providers with competence and expertise in their respective areas. It reviews the terms of their engagement and monitors the output from these services to ensure they fully satisfy what is required of them in operational, legal and regulatory terms.

Refer to note 21(b) concentration risk for the geographical segmental information of the assets.

(e) Cash at bank

Cash at bank consists of current cash held on deposit which is on demand.

Cash at bank is carried at amortised cost in the statement of financial position.

(f) Foreign currency transaction

Transactions in foreign currencies are translated to the functional currency of the Company using exchange rates at the date of the transactions. Monetary assets and liabilities denominated in foreign currencies at the reporting date are retranslated to the functional currency using the exchange rate at that date.

Foreign currency differences arising on retranslation or settlement are recognised through profit or loss in the statement of comprehensive income and are included under net gain / (loss) from investment securities, derivative financial instruments or debt securities issued, as appropriate.

(g) Net (loss) / gain on investment securities and total return swaps

Net (loss) / gain on investment securities and total return swaps relates to realised income (including interest receipts and accrued interest income) arising on investment securities, realised and unrealised fair value changes including foreign exchange differences arising on investment securities and total return swaps.

(h) Net (loss) / gain on derivative financial instruments

Net (loss) / gain on derivative financial instruments relates to the fair value movements on derivatives held by the Company and includes realised and unrealised fair value changes, settlements and foreign exchange differences.

3 Material accounting policy information (continued)

(i) Net finance (loss) / gain on debt securities issued

Net finance (loss) / gain on debt securities issued includes financing costs (including interest payments and accrued interest expense) realised and unrealised fair value changes and foreign exchange differences.

(j) Taxation

Income tax expense comprises current and deferred tax. Income tax expense is recognised through profit or loss, in other comprehensive income or directly in equity consistent with the accounting for the item to which it is related.

Current tax is the expected tax payable on the taxable income for the year, using tax rates applicable to the Company's activities enacted or substantively enacted at the reporting date, and adjustment to tax payable in respect of previous years.

Deferred tax is provided for temporary differences arising between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for temporary differences arising on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit. Deferred tax is measured at the tax rates that are expected to be applied to the temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised.

(k) Other income and expenses

All other income and expenses are accounted for on an accrual basis.

(l) Share capital and dividends

Share capital is issued in Great British Pound. Dividends are recognised as a payable in the period in which they are approved.

4 Cash at bank

	2024 €'000	2023 €'000
Cash at bank	80	79

The Company's cash is held with Royal Bank of Scotland International. Refer to note 21(b)(i) for credit ratings for cash and cash equivalents.

5 Derivative financial instruments

	2024 €'000	2023 €'000
Derivative assets- Asset swaps		
Less than one year	198	214
One year to five years	661	739
Greater than five years	1,411	2,008
	2,270	2,961
Derivative liabilities- Asset swaps		
Less than one year	34,508	31,591
One year to five years	117,600	92,378
Greater than five years	123,578	136,595
	275,686	260,564

The Company entered into asset swap agreements other than those mentioned below to eliminate the mismatch between the amount payable in respect of those issued debt securities and the return from the investment securities held by the Company as collateral. The following series are currently outstanding with asset swap agreements as at 31 December 2024: Series 29, 31, 32, 47, 49, 53, 58, 60, 64, 66, 67, 73, 75, 76, 79, 80, 82, 83, 84, 90, 94, 95, 100, 104 and 141 (2023: Series 29, 31, 32, 47, 49, 53, 58, 60, 64, 66, 67, 73, 75, 76, 79, 80, 82, 83, 84, 90, 94, 95, 100, 104 and 141).

During the year, no asset swap agreement had matured (2023: No Series) and no asset swap agreement was partially redeemed (2023: No Series).

In cases where no asset swaps nor credit default swaps are in place for a series, the credit risk is borne by the holders of debt securities issued by the Company. During the period, no swap agreements were in place for series 61 (2023: Series 61).

Fair value adjustment for credit risk
The adjustments comprised Counterparty Credit Valuation Adjustments (CVA), Debt Valuation Adjustments (DVA) and Funding Valuation Adjustments (FVA). The impact of adjustments is incorporated into the fair value of the derivatives.

CVA covers expected credit losses relating to non-performance risk of the derivative counterparty, DB London. For DVA, that relates to derivative liabilities, the Company considers own creditworthiness by assessing counterparty potential future exposure with reference to the associated collateral, the expected loss given default and the probability of default. FVA incorporates the market implied funding costs into the fair value of the derivative positions and reflects a discounting spread applied to uncollateralised and partly collateralised derivatives.

Shortfall exists when the value of the derivative liability is greater than the value of the investment securities for a certain series.

5 Derivative financial instruments (continued)

Fair value adjustment for credit risk (continued)
Such occurrence will lead the value of the debt securities to be illogical, thus shortfall adjustment to the derivative value is necessary to bring the value of the debt securities to zero balance since the shortfall is only up to the extent of the fair value of the investment securities and derivative liability of the relevant series. During the year, there were no shortfall adjustments (2023: series 66 amounting to EUR 34k).

As at 31 December 2024, the combined value of adjustments amounting to EUR 18,575k (2023: EUR (20,439k) is comprised of adjustments for shortfall, CVA, DVA and FVA amounting to EUR (193k) (2023: 34k), EUR 3,151k (2023: (275k)), EUR 15,617k (2023: 4,441k), respectively. These adjustments have increased the derivative assets by EUR 517k (2023: 525k) and decreased the derivative liabilities by EUR 18,025k (2023: 19,876k). This was consistent with valuation policies adopted by derivative counterparty, DB London.

6 Investment securities and total return swaps at fair value through profit or loss

	2024 €'000	2023 €'000
Classified at fair value through profit or loss		
Corporate bonds	281,397	271,153
Government bonds	119,788	120,533
Total return swaps	1,219	1,216
	402,404	392,902

Maturity analysis of investment securities and total return swaps classified at fair value through profit or loss	**2024 €'000**	**2023 €'000**
Less than one year	17,668	-
One year to five years	90,995	80,548
Greater than five years	293,741	312,354
	402,404	392,902

No investment securities matured during the year (2023: series 47, 64, 73, 76, 94, 100 and 104). Maturities of investment securities are cash settled transactions.

6 Investment securities and total return swaps at fair value through profit or loss (continued)

During the year, there's no redemption of investment securities (2023: no redemption of investment securities) while none was partially redeemed (2023: none was partially redeemed).

Under the terms of the SPM, the swap counterparty can replace a maturing collateral with DB London issued bond. During the year, there were no collateral replacement (2023: series 47 with notional of USD 1,000k was replaced by EUR 900k and series 100 investment securities with a notional of USD 600k was replaced by EUR 545k).

The carrying value of all the above assets of the Company represent their maximum exposure to credit risk. The credit risk is eventually transferred to the swap counterparty through credit default swap or the holders of debt securities. The swap counterparty is then exposed to credit risk in respect of the credit default swap. In cases where no swaps are in place for a series, the credit risk is borne by the holders of debt securities issued by the Company.

The investment securities and total return swaps are held as collateral for debt securities issued by the Company.

The Company holds investments in unconsolidated structured entities with fair value amounting to EUR 1,205k (2023: 1,205k). Refer to note 24 for disclosure on interest in other entities.

Total return swaps

Under these arrangements the proceeds from the issuance of debt securities are held on deposit with the swap counterparty under the swap agreement. The deposit is synthetically linked to the credit performance of a portfolio of reference entities through a credit default swap. The swap counterparty provides a return that replicates the return due to the holders of the debt securities and also reimburses all the expenses related to the series. In the event of this reference entities default, a notice is served to the Company.

The receivable under the total return swaps is reduced by an amount equal to the amount of the default as determined by the calculation agent with reference to the default reference entity and the Company's obligation under the debt securities is also reduced by the same amount as per the terms of the SPM.

The total return swaps held by the Company as at year end for series 61 (2023: Series 61). During the year, no series with total return swaps matured nor redeemed (2023: No series). Refer to note 21(b)(i) for credit risk disclosures relating to the investment securities and total return swaps.

7 Other assets

	2024 €'000	2023 €'000
Interest income receivable from investment securities and total return swaps	6,605	6,599
Other receivables	111	103
	6,716	6,702

All of the above other assets are current. Refer to note 21(b)(i) for credit risk disclosure.

8 Debt securities issued designated at fair value through profit or loss

	2024 €'000	2023 €'000
Designated at fair value through profit or loss	135,531	141,831
Maturity analysis of the debt securities issued at fair value through profit or loss		
Less than one year	12,391	12,549
One year to five years	57,539	42,221
Greater than five years	65,601	87,061
	135,531	141,831

The Company's obligations under the debt securities issued and related derivative financial instruments are secured by collateral held as noted in note 6. The investors' recourse per series is limited to the assets of that particular series.

8 Debt securities issued designated at fair value through profit or loss (continued)

The debt securities for the following series are listed on the Luxembourg Stock Exchange: Series 29, 31, 32, 47, 49, 53, 58, 60, 64, 66, 67, 73, 75, 76, 79, 80, 82, 83, 84, 90, 94, 95, 100, 104, and 141 (2023: Series 29, 31, 32, 47, 49, 53, 58, 60, 64, 66, 67, 73, 75, 76, 79, 80, 82, 83, 84, 90, 94, 95, 100, 104, and 141).

Liabilities arising from financing activities relate to debt securities issued. The below table shows the changes in liabilities arising from financing activities:

	2024	**2023**
	€'000	**€'000**
Opening balance	141,831	148,704
Net loss on debt securities issued designated at fair value through profit or loss	12,205	13,948
Changes in accrual	6	6
Cash flows from financing activities	(18,511)	(20,826)
Closing balance	135,531	141,832

Maturities of debt securities are cash settled transactions which are shown in the statement of cash flows. During the year, no series fully matured (2023: No series). The following series are immunizing series, thus part of its balances have matured: Series 29, 31, 32, 47, 49, 53, 58, 60, 61, 64, 66, 67, 73, 75, 76, 79, 80, 82, 83, 84, 90, 94, 95, 100, 104 and 141 (2023: Series 29, 31, 32, 47, 49, 53, 58, 60, 61, 64, 66, 67, 73, 75, 76, 79, 80, 82, 83, 84, 90, 94, 95, 100, 104 and 141). During the year, no series have been redeemed (2023: No series).

In the event that accumulated losses prove not to be recoverable during the life of the debt securities issued, then the obligation to the holders of the debt securities issued by the Company will be reduced to the extent of the accumulated losses.

The fair value of financial liabilities designated at fair value through profit or loss as at 31 December 2024 was EUR 25,556k (2023: 22,080k) greater than the contractual amount at maturity. The contractual amount at maturity is disclosed on the basis that there will be no payment calls made due to an occurrence of credit event until maturity.

As at 31 December 2024, series 29, 31, 32, 47,49, 53, 58, 60, 61, 64, 66, 67, 73, 75, 76, 79, 80, 82, 83, 84, 90, 94, 95, 100, 104 and 141 are immunizing securities wherein their interest rates are stated in the SPM (2023: Series 29, 31, 32, 47,49, 53, 58, 60, 61, 64, 66, 67, 73, 75, 76, 79, 80, 82, 83, 84, 90, 94, 95, 100, 104 and 141).

9 Other liabilities

	2024 €'000	2023 €'000
Interest payable on debt securities issued	61	67
Accrued expenses	83	75
Other payables	67	65
	211	207

All the above other liabilities are current.

10 Share capital

	2024 €'000	2023 €'000
Authorised:		
10,000 ordinary shares of £1 each	14	14
Issued and fully paid		
10 ordinary shares of £1 each	-	-

11 Accounting categorisation of financial assets and financial liabilities

	2024 Carrying value €'000	2023 Carrying value €'000
Financial asset at amortised cost		
Cash at bank	80	79
Other assets- other receivables	111	103
Total financial asset at amortised cost	191	182
Financial assets at fair value through profit or loss		
Investment securities and total return swaps	402,404	392,902
Other assets- interest income receivable from investment securities and total return swaps	6,605	6,599
Derivative assets	2,270	2,961
Total assets	411,470	402,644
Financial liabilities at amortised cost		
Other liabilities- accrued expenses and other payables	150	140
Financial liabilities designated at fair value through profit or loss		
Debt securities issued	135,531	141,831
Financial liabilities at fair value through profit or loss		
Other liabilities- interest payable on debt securities issued	61	67
Derivative liabilities	275,686	260,564
Total liabilities	411,428	402,602

The financial instruments not accounted for at fair value through profit or loss are short term financial assets and financial liabilities whose carrying amounts approximate their fair values.

Notes to the Financial Statements (continued)
For the year ended 31 December 2024

12 Net gain / (loss) on investment securities and total return swaps

	2024 €'000	2023 €'000
Net gain / (loss) on investment securities and total return swaps at fair value through profit or loss (including interest receipts):		
- Corporate bonds	24,635	14,000
- Government bonds	5,866	7,501
- Total return swaps	71	110
	30,572	21,611
Analysed as follows:		
Interest income including accruals	21,070	21,307
Net unrealised gain / (loss) on investment securities and total return swaps	9,502	780
Realised loss on redemptions / maturities of investment securities and total return swaps	-	(476)
	30,572	21,611

13 Net (loss) / gain on derivative financial instruments

	2024 €'000	2023 €'000
Net (loss) / gain on derivative financial instruments carried at fair value (including interest receipts):		
- Assets swaps	(18,367)	(7,663)
Analysed as follows:		
Net swap (payments) / receipts	(2,554)	(20,428)
Net unrealised gain on derivative financial instruments	(15,813)	12,765
	(18,367)	(7,663)

14 Net finance gain / (loss) on debt securities issued

	2024 €'000	2023 €'000
Net (loss) / gain on debt securities issued designated at fair value through profit or loss	(3,475)	(4,595)
Interest expense including accruals	(8,730)	(9,353)
	(12,205)	(13,948)
Analysed as follows:		
Interest expense including accruals	(8,730)	(9,353)
Net unrealised (loss) / gain on debt securities issued	(6,251)	(6,444)
Net realised gain on debt securities issued	2,776	1,849
	(12,205)	(13,948)

15 Other income

	2024 €'000	2023 €'000
Arranger income	106	109
Other income	-	1
	106	110

For every new issuance of debt securities, DB London, as Arranger, transfers to the Company an amount of USD 500 as corporate benefit (income) and also agreed, as per Service Agreement, to reimburse the Company against any costs, fees, expenses or out-goings incurred. Arranger income is the total expenses incurred by the Company during the period that is borne by DB. During the year, no new series have been issued which resulted to corporate benefit amount of nil (2023: Nil).

Notes to the Financial Statements (continued)
For the year ended 31 December 2024

16 Other expenses

	2024 €'000	2023 €'000
Auditor's remuneration	(78)	(75)
Administration fee	(22)	(30)
Directors fee	(5)	(5)
	(106)	(110)

The Company is administered by Vistra and has no employees.

Auditor's remuneration relates to the audit of the financial statements.

17 Corporate income tax rate

The Company is taxed at 0% corporate tax rate during the year (2023: 0%).

18 Ownership of the Company

The issued shares are held in trust by Vistra Fund Services Limited and Vistra Nominees I Limited (the “Share Trustees”), each of whom own five shares under the terms of a declaration of trust dated July 1998, under which the relevant Share Trustee holds an issued share of the Company in trust for charity. The Share Trustees have appointed the Board to oversee the day-to-day activities of the Company.

The Board have considered the issue as to who is the controlling party of the Company. It has determined that the control of the day-to-day activities of the Company rests with the Board. The Board is composed of three Directors, all are considered to be independent of the Deutsche Bank Group.

19 Charges

The debt securities issued by the Company are secured by way of charge over the collateral purchased in respect of each of the debt securities, and by the assignment of a fixed first charge of the Company’s rights, title and interest under the respective Swap Agreement for each series.

20 Transactions with related parties, Administrator and Arranger

Transactions with Key Management Personnel
During the year, the Company incurred a fee of EUR 10k (2023: EUR 10k) relating to administration services provided by Vistra. As at 31 December 2024, outstanding administration services fees payable amounted to nil (2023: nil).

Professional services in advising matters of Jersey law is incurred during the year amounting to nil (2023: nil). Directors' fees during the year amounted to EUR 5k (2023: EUR 5k). As at 31 December 2024, there were no outstanding Advisor fees and Directors' fees payable (2023: Nil).

Other Transactions
Under a series proposal agreement entered into for each series by the Company and DB London, as Arranger for each series, will pay the Company a Series Fee of USD 500 per Series on commencement of the series and agree to reimburse the Company against any costs, fees, expenses or out-goings incurred, refer to note 15 for details.

DB London is also the swap counterparty for all series containing asset swap agreements and total return swap agreements. The fair values relating to these swaps are disclosed in note 5 for details and associated income and expenses in notes 15 and 16, respectively.

At the reporting date, DB London holds no interest in the debt securities issued by the Company while the following investment securities held by the Company were issued by DB London:

Series	ISIN	CCY	Nominal 2024 '000	Nominal 2023 '000
S0047	XS0461370511	USD	3,316	3,105
S0047	XS0461388646	EUR	1,345	1,345
S0047	XS0461330721	EUR	555	555
S0047	XS0461374182	EUR	1,300	1,300
S0047	XS0461367053	USD	452	423
			6,968	6,728

21 Financial instruments

(a) Introduction and overview

The Company was set up as segregated multi-issuance SPE. This ensures that if one series default, the holders of that series are unable to reach other assets of the issuer, which might otherwise have resulted in the issuer's bankruptcy and the default of the other series of debt securities issued.

21 Financial instruments (continued)

(a) Introduction and overview (continued)

The segregation criteria include the following:

- The Company is a bankruptcy remote SPE; organised in Jersey, Channel Islands.
- Debt securities are issued in separate series.
- Assets relating to any particular series of debt securities are held separately and apart from the assets relating to any other series.
- Any swap transaction entered into by the Company for a series is separate from any other swap transaction for any other series.
- For each series of debt securities, only the trustees are entitled to exercise remedies on behalf of the holders of debt securities.
- Each series of issued debt securities are reviewed by a recognised rating agency prior to issuance regardless of whether it is to be rated or not.

The net proceeds from the issue of the debt securities are paid to DB London as the swap counterparty or as agent in the case of pass-through notes to purchase a portfolio of investments securities plus any interest accrued thereon on behalf of the Company or to enter into total return swap arrangements with the swap counterparty.

The Company has entered into asset swap agreements with DB London, wherein the swap counterparty delivers the investment securities to the account of the Company and the Company pays the holders of debt securities the amount equal to the interest payable on the debt securities issued. The Company pays to the swap counterparty amounts equal to the interest received in respect of the investment securities, and on the maturity date of the investment securities will deliver the portfolio or the proceeds of its redemption to the swap counterparty. In return, the swap counterparty will pay to the Company amounts equal to the coupon payments payable on the debt securities issued as well as the notional outstanding upon maturity. Refer to note 5 for the details of the swap agreements entered by the Company.

The swap counterparty delivers collateral to the account of the Company and pays the Company amounts equal to the interest payable under the debt securities, and if the swap agreement has not terminated prior to the maturity date of the respective notes, a sum equal to the redemption amount payable on the debt securities. The credit quality details of the investment securities held by the Company are disclosed in note 21(b).

For series where no swap agreements were entered into, the ultimate amount repaid to the holders of the related debt securities will depend on the proceeds from the investment securities.

The debt securities issued are initially recorded at fair value which equates to the proceeds received in Euro and are subsequently carried at fair value through profit or loss. The ultimate amount repaid to the holders of these debt securities will depend on the proceeds from the investment securities and any payment the swap counterparty is obliged to make under the terms of the swap agreement.

21 Financial instruments (continued)

(b) Risk management framework

The Board has overall responsibility for the establishment and oversight of the Company's risk management framework.

The risk profile of the Company is such that market, credit, liquidity and other risks relating to the investment securities and derivative financial instruments are borne by the swap counterparty and/or the holders of the debt securities issued.

The Company has exposure to the following risks from its use of financial instruments:

(i) Credit risk;
(ii) Liquidity risk; and
(iii) Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk and the Company's management of capital.

(i) Credit risk

Credit risk is the risk of the financial loss to the Company if the counterparty to a financial asset fails to meet its contractual obligations. Credit risk arises principally from the Company's investment securities and also from the derivative contracts which the Company has entered into.

The Company limits its exposure to credit risk by investing in bonds and other securities detailed in note 3(b) with counterparties that have a credit rating defined in the documentation of the relevant series. No credit enhancements were obtained by the Company to mitigate its exposure to credit risk.

The risk of default on these assets and on the underlying reference entities is borne by the swap counterparty and/or the holders of the debt securities as designated in the priority of payments described in the SPM of the relevant series.

The credit quality of the Company's investment securities has been disclosed in note 21(b).

The credit risk relating to underlying reference entities as shown in note 22 arises principally from the investment assets which the Company holds which are credit-linked to a portfolio of underlying reference entities. Any default or "credit events" in the underlying portfolio of reference entities may trigger a reduction in the nominal amounts of the debt instrument which the Company holds depending on the loss amounts, as well as, other terms and conditions on the debt. Because of the limited recourse nature of the debt securities issued by the Company, any such losses would ultimately be borne by either the Company's swap counterparty and/or the Company's holders of debt securities for that particular series.

21 Financial instruments (continued)

(b) Risk management framework (continued)

(i) Credit risk (continued)

Secondly, for some series the Company has also sold credit protection to the swap counterparty in return for a premium. Refer to note 5 for further details. The corresponding debt securities issued by the Company on which the credit protection has been sold are credit-linked to the credit quality of the underlying portfolio of reference entities. Therefore, any default or "credit events" in the underlying portfolio of reference entities might require a specific amount of the collateral, i.e. certain investment securities held by the Company to be delivered to the swap counterparty that has purchased the credit protection from the Company. However, due to the limited recourse nature of the debt securities issued by the Company any such payments in respect of the credit default swap, i.e. the underlying portfolio of reference entities would ultimately be borne by the holders of debt securities by way of corresponding reduction in the nominal amounts of those debt securities issued depending on the terms and conditions attached to debt securities issued.

The aggregate reference portfolio notional amounts are usually substantially higher than the notional amounts of the credit default swaps and the nominal amounts of the debt securities issued. This leverage increases the risk of loss to the Company and, therefore, to the holders of debt securities.

Refer to note 23 "Fair Values" for further details.

The carrying amount of financial assets represents the maximum credit exposure as follows:

	2024 €'000	2023 €'000
Cash at bank	80	79
Derivative assets	2,270	2,961
Investment securities and total return swaps	402,404	392,902
Other assets	6,716	6,702
	411,470	402,644

The credit risk is the risk of financial loss to the Company if the counterparty fails to meet its contractual obligation and arises principally from investment securities. The Company limits its exposure to credit risk by issuing notes that are linked to its investment securities and total return swaps. If a credit event were to occur with respect to any of the investment securities and the value of the security is not sufficient to settle the Company's liabilities, any such losses would ultimately be borne by the Company's holders of debt securities issued.

At the reporting date, the credit quality of the Company's financial assets was as shown in the next page:

21 Financial instruments (continued)

(b) Risk management framework (continued)

(i) Credit risk (continued)

Cash at bank
Company's cash and cash equivalents are held by Royal Bank of Scotland International which is rated A+ by S&P in 2024 (2023: A+ S&P).

Derivative assets
The Company has entered into asset swap transactions with swap counterparty to eliminate the mismatch between the amount payable in respect of the debt securities issued and the return from the investments securities and total return swaps held as collateral.

The table below shows a breakdown of derivative financial instruments for each class of debt securities issued.

Type of transaction	Derivative type	2024 €'000	2023 €'000
Immunisation notes	Asset swaps	2,270	2,961

On a series by series basis where there are various components of an asset swap such as interest rate swap and currency swap with different values, the values of the various components are disclosed on net basis.

The Company is exposed to the credit risk of the derivative counterparty with respect to payments due under the derivatives. This risk is borne by the debt securities who are subject to the risk of defaults by the swap counterparty as well as to the risk of defaults of the investment securities, reference obligations under total return swaps and credit default swaps. The Company's exposure and the credit rating of its counterparty are continually monitored. Deutsche Bank AG, London Branch is the primary derivative counterparty. Deutsche Bank AG, London Branch is currently long term rated by S&P as A (2023: A by S&P).

Investment securities and total return swaps
At the reporting date, the credit quality and the asset concentration of the Company's investment securities and total return swaps was as shown in the table on the next page based on carrying amount in the statement of financial position.

None of the investments held were past due or defaulted during the year (2023: None).

Notes to the Financial Statements (continued)
For the year ended 31 December 2024

21 Financial instruments (continued)

(b) Risk management framework (continued)

(i) Credit risk (continued)

Investment securities and total return swaps (continued)

Type of transaction	Collateral type	Country of issuance	Rating Agency	Rating 2024	Rating 2023	2024 €'000	2023 €'000
Installment notes	Corporate bonds	Germany	Moody's	N.A.	N.A.	1,247	1,183
				Aa1	Aa1	5,578	5,463
				Aaa	Aa1	90,413	89,177
				-	Aaa	46,165	44,234
				Baa1	Baa1	3,230	3,072
				NR	NR	5,302	4,784
			S&P	BBB	BBB	13,362	12,339
		Ireland	S&P	BBB+	BBB+	46,611	46,975
		Netherlands	S&P	BBB+	BBB+	492	479
		Spain	S&P	BBB+	BBB+	1,205	1,205
		United Kingdom	S&P	BBB	BBB	616	596
				BBB-	BBB-	23,701	21,090
		United States of America	Moody's	WR	WR	13,894	12,424
			S&P	A-	A-	2,323	2,291
				BBB+	BBB+	27,257	25,841
						281,396	271,153
	Government bonds	Canada	S&P	A+	AA-	704	706
				AA	AA	17,669	17,370
		Spain	Moody's	Ba1	Ba1	3,643	3,741
				Baa1	Baa1	45,291	46,038
				Baa2	Baa2	23,840	24,341
			Fitch	BBB-	BBB-	28,642	28,337
						119,789	120,533
	Total return swaps	Germany	Moody's	*NR	*NR	1,219	1,216
Grand Total						402,404	392,902

*Not Rated
**Withdrawn Rating

21 Financial instruments (continued)

(b) Risk management framework (continued)

(i) Credit risk (continued)

Investment securities and total return swaps (continued)
As per the terms and conditions of the SPM, some debt securities can only hold collateral of a certain rating. If the rating of the collateral for these specific debt securities goes below the required level, DB London as swap counterparty will replace the collateral for those notes with eligible collateral.

For those investment securities in which ratings were not available on any market sources, management assessed the associated credit risk based on the coupon received on the investments and historical performance of the investment in terms of default. During the year, no defaults occurred in respect of the investment securities held and interests were received when paid, accordingly**.**

Other assets
The other assets mainly include income receivable from bonds held by the Company as at the year end. The credit rating and concentration of the investments securities and total return swaps at the year end are disclosed under investment securities and total return swaps on the table in the previous page.

(ii) Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulties in meeting obligations arising from its financial liabilities that are settled by delivering cash or another financial asset, or that such obligation will have to be settled in a manner disadvantageous to the Company.

The Company's obligation to the holders of debt securities of a particular series is limited to the net proceeds upon realisation of the collateral of that series, i.e. investment securities and derivatives. Should the net proceeds be insufficient to make all payment obligations in respect of a particular series of debt securities, the other assets held as collateral for remaining series of the Company are not contractually required to be made available to meet payment and the deficit is instead borne by the holders of debt securities and/or the swap counterparty according to established priority of payment on any particular payment date.

The timing and amount of proceeds from realising the collateral of each series is subject to market conditions.

There were no liquidity issues experienced by the Company or the swap counterparty in respect to meeting its obligations to holders of debt securities issued or to swap counterparty. The Company or the swap counterparty did not default on any of its contractual commitments during the year.
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21 Financial instruments (continued)

(b) Risk management framework (continued)

(ii) Liquidity risk (continued)

The following are the contractual maturities of financial assets and liabilities including undiscounted interest payments:

2024

	Carrying amounts €'000	Gross contractual cash flows €'000	Less than one year €'000	One to five years €'000	More than five years €'000
Cash at bank	80	80	80	-	-
Investment securities and total return swaps*	402,404	512,215	37,076	160,586	314,553
Derivative assets**	2,270	2,292	199	668	1,425
Other assets	6,716	6,716	6,716	-	-
Derivative liabilities**	(275,686)	(337,537)	(25,344)	(98,354)	(213,839)
Debt securities issued***	(135,531)	(183,513)	(18,516)	(62,900)	(102,097)
Other liabilities	(211)	(211)	(211)	-	-
	42	42	-	-	42

2023

	Carrying amounts €'000	Gross contractual cash flows €'000	Less than one year €'000	One to five years €'000	More than five years €'000
Cash at bank	79	79	79	-	-
Investment securities and total return swaps*	392,902	521,774	20,369	154,125	347,280
Derivative assets**	2,961	2,990	216	746	2,028
Other assets	6,702	6,702	6,702	-	-
Derivative liabilities**	(260,564)	(338,008)	(8,643)	(91,971)	(237,394)
Debt securities issued***	(141,831)	(193,288)	(18,516)	(62,900)	(111,872)
Other liabilities	(207)	(207)	(207)	-	-
	42	42	-	-	42

21 Financial instruments (continued)

(b) Risk management framework (continued)

(ii) Liquidity risk (continued)

**The gross contractual cash flow (GCF) of investment securities includes the notional amount of existing investment securities and the undiscounted interest receipt. As of balance sheet date, GCF of investment securities is higher by EUR 109,811k (2023: EUR 128,872k) compared to its carrying value. In the event of maturity, difference will be accounted as net asset swap receivable from swap counterparty.

**To the extent that there is a shortfall on the gross contractual cash flow after paying the holders of debt securities, this shortfall will be borne by the derivative counterparties.

***GCF of the debt securities issued includes the notional amount of the existing debt securities issued and the undiscounted floating interest payable on debt securities issued. As of balance sheet date, GCF of debt securities is lower by EUR 47,982k (2023: EUR (52,826k)) compared to its carrying value. In the event of maturity, difference will be accounted as net asset swap payable to swap counterparty.

Derivative liabilities represent asset swaps and credit default swaps. Refer to notes 5, 6 and 8 for maturity profile of derivatives, investments securities and total return swap and debt securities issued, respectively.

The asset swaps have been entered into to hedge liquidity exposure on a series by series basis.

(iii) Market risk

Market risk is the risk that changes in market prices, such as foreign exchange rates, interest rates and other price risk will affect the Company's income or the value of its holdings of financial instruments.

The objective of the market risk management is to manage and control market risk exposures within acceptable parameters while optimising the return on risk.

Foreign exchange risk and interest rate risk are economically hedged with the use of currency swaps and interest rate swaps, respectively. Cross currency swaps are incorporated in the asset swap, where applicable.

Notes to the Financial Statements (continued)
For the year ended 31 December 2024

21 Financial instruments (continued)

(b) Risk management framework (continued)

(iii) Market risk (continued)

Market risk embodies the potential for both losses and gains and includes currency risk, interest risk and price risk.

Currency risk

The Company is exposed to movements in exchange rates between its functional currency - Euro and foreign currency denominated financial instruments. At the reporting date, the Company had the following exposure to foreign currency risk based on the currency denomination of debt securities:

	2024		2023	
	USD	**GBP**	**USD**	**GBP**
	€'000	**€'000**	**€'000**	**€'000**
Monetary assets				
Cash at bank	22	-	21	-
Investment securities	132,433	5,067	124,331	4,951
Other assets	3,799	1,486	3,683	1,470
Net exposure	136,254	6,553	128,035	6,421

All debt securities issued are denominated in EUR as at 31 December 2024 and 2023.

Investment securities for series 49, 58, 61, 67, 73, 84, 90 and 141, some of the investment securities for series 29, 53, 64, 76, 79, 80, 83, 100 and total return swaps for series 61 are denominated in EUR as at the reporting date (2023: Series 29, 31, 32, 47, 49, 53, 58, 61, 64, 66, 73, 76, 84, 90, 100 and 141). Therefore, neither the Company nor the holders of debt securities are exposed to currency risk for these particular series.

At the reporting date, the investment securities for series 60, 82, 94, 104, some investment securities for series 47, 53, 75, 79, 80, 83, 95 and 100 are denominated in USD (2023: Series 47, 53, 60, 75, 79, 80, 82, 83, 94, 95, 100 and 104) whereas some of the investment securities for series 29, 64, 75, 76, and 95 are denominated in GBP (2023: Series 29, 64, 75, 76, and 95).

During the year, no investment securities have matured (2023: no investment securities have matured) and none of the investment securities was partially redeemed (2023: no investment securities was partially redeemed). Since there are no series that matured and redeemed, there are no collateral replacements were made (2023: no series that matured, redeemed, and there are no collateral replacements).

CLASS LIMITED

Notes to the Financial Statements (continued)
For the year ended 31 December 2024

21 Financial instruments (continued)

(b) Risk management framework (continued)

(iii) Market risk (continued)

Currency risk (continued)

The currency risk exposure of the Company and the holders of debt securities is eliminated on a series by series basis in cases where the debt security and its associated financial assets are denominated in different currencies due to the existence of a cross currency swap forming part of an asset swap agreement.

The following exchange rates were applied during the year:

	Average rate		Closing rate	
	2024	**2023**	**2024**	**2023**
USD	1.082	1.081	1.035	1.105
GBP	0.847	0.870	0.827	0.868

Sensitivity analysis
A 10% increase / decrease in the USD and GBP foreign exchange rate would result in an increase / decrease of EUR 13,243k (2023: 12,433k) and EUR 507k (2023: 495k) in the market value of the USD and GBP denominated investment securities, respectively. Whereas there is no impact on all debt securities issued as these are denominated in EUR in 2024 and 2023. The net impact of the foreign exchange rate changes is nil due to the existence of the cross-currency swaps.

Interest rate risk

The Company classified the instruments as fixed interest rate when the assigned rate remains fixed for the entire term of the instrument. Floating interest rate were assigned for the instruments with rates that were based from the market benchmark.

The instruments were classified as structured variable interest rate when the rate changes over the period.

At the reporting date, the interest rate risk profile of the Company's non-derivative interest bearing financial instruments by class of debt security issued was shown in in the succeeding pages.

Notes to the Financial Statements (continued)
For the year ended 31 December 2024

21 Financial instruments (continued)

(b) Risk management framework (continued)

(iii) Market risk (continued)

Interest rate risk (continued)

Investment securities and total return swaps

Class of investment security based on debt securities issued	**Currency**	**2024 €'000**	**2023 €'000**
Fixed rate instruments:			
Installment notes	EUR	148,539	149,828
Installment notes	GBP	5,067	4,951
Installment notes	USD	81,095	75,367
		234,701	230,146
Variable rate instruments:			
Installment notes	USD	48,267	46,280
Installment notes	EUR	107,301	105,465
		155,568	151,745
Zero rated instruments:			
Installment notes	EUR	9,064	8,327
Installment notes	USD	3,071	2,684
		12,135	11,011
Grand total		402,404	392,902

Debt securities issued

Class of debt securities issued	**Currency**	**2024 €'000**	**2023 €'000**
Variable rate instruments:			
Installment notes	EUR	135,531	141,831
		135,531	141,831

Sensitivity analysis

Refer to note 6 and 8 for the maturity profile of investment securities, total return swaps and debt securities, respectively. The Company manages its interest rate risk by entering into swap agreements.

21 Financial instruments (continued)

(b) Risk management framework (continued)

(iii) Market risk (continued)

Interest rate risk (continued)

Sensitivity analysis
A 100 basis point increase or decrease represents management's assessment of a reasonably possible change in interest rates.

A 100 basis point increase in interest rates (using the average nominal for the year) would have resulted in an increase of coupon expenditure payable on the debt securities issued of EUR 1,355k (2023: 1,418k). Under the same conditions, the coupon income receivable from investment securities would have increase by EUR 1,355k (2023: 1,418k). A similar 100 basis point decrease in interest rates would have resulted in an equal, but opposite effect on coupon expenditure and coupon income, respectively. The net impact of the interest rate changes is nil due to the existence of the derivatives. If interest rates increased, the fair value of the fixed rate and zero coupon debt instruments that are assets would fall. Given that the debt securities return is linked to the return generated by the financial assets due to the limited recourse nature of the debt securities issued by the Company, there would be a similar offsetting adjustment to the fair value of the debt securities, and therefore the net impact on the company would be negligible.

The Company does not bear any interest rate risk as the interest rate risk associated with the debt securities issued by the Company is neutralised by entering into swap agreements whereby the swap counterparty pays the Company amounts equal to the interest payable to the holders of the debt securities issued by the Company in return for the interest earned by the Company on its investment securities and total return swaps. Therefore, any change in the interest rates would not affect the equity or the statement of comprehensive income of the Company.

Other price risk

Other price risk is the risk that value of the instruments will fluctuate as a result of changes in market prices (other than those arising from interest rate risk or currency risk), whether caused by factors specific to an individual investment, its issuer or all factors affecting all instruments traded in the market.

Other price risk may include risks such as equity price risk, commodity price risk, repayment risk (i.e. the risk that one party to a financial asset will incur a financial loss because the other party repays earlier or later than expected), and residual value risk.

Refer to page 48 for the breakdown of the Company’s investment securities and total return swaps by class of debt securities issued at the reporting date.

21 Financial instruments (continued)

(b) Risk management framework (continued)

(iii) Market risk (continued)

Other price risk (continued)

Sensitivity analysis
The market price of the investment securities will generally fluctuate with, among other things, the liquidity and volatility of the financial markets, general economic conditions, political events, developments or trends in a particular industry and the financial conditions of the securities issuer.

Inflation Linked / Fixed / Variable Rated debt securities
If the market value of the collateral increases, the swap counterparty and the holders of debt securities are entitled to the resulting gains and if the market value of the collateral decreases, the swap counterparty and the holders of debt securities bear the losses. This split is dependent on who has priority of payment in these circumstances as disclosed in the relevant terms and conditions of a particular series.

Any changes in the quoted prices or unquoted prices of the investment securities held by the Company would not have any effect on the equity or profit or loss of the Company as any fair value fluctuations are ultimately borne by either the swap counterparty and/or the holders of the debt securities issued by the Company.

(c) Operational risk

Operational risk is the risk of direct or indirect loss arising from a wide variety of causes associated with the Company's processes, personnel and infrastructure, and from factors other than credit, market and liquidity risk such as those arising from legal and regulatory requirements and generally accepted standards of corporate behaviour.

The Company has no employees and all corporate administration services are provided by Vistra under the terms of a Corporate Services Agreement. Vistra manages the operational risk on behalf of the Company by requiring all of its employees to comply with Group policies and procedures to ensure compliance with all applicable laws and regulations.

22 Specific instruments

(a) Asset backed investment securities and total return swaps

In the event of an issuance of a credit event notice with respect to the underlying asset backed investment securities and total return swaps, the principal amount of each of the debt securities is to be reduced in proportion to the nominal reduction of the carrying value of the investment securities and total return swaps, as defined in the SPM for each series.

In the event that the principal amount of each debt security has been reduced to zero, the debt securities shall be deemed to be redeemed at a redemption amount of zero. The aggregate liability of the Company under the SPM for individual series shall not exceed the aggregate value of the Eligible Securities for those Series.

(b) Profile of the debt securities issued by the Company

The following are the categories as at 31 December 2024:

Type of transaction	Number of series	Debt securities	Cash at bank	Investment securities and total return swaps	Derivative assets	Derivative liabilities	Other assets	Other liabilities
		€'000	€'000	€'000	€'000	€'000	€'000	€'000
Installment notes	26	135,531	80	402,404	2,270	275,686	6,716	211

The following are the categories as at 31 December 2023:

Type of transaction	Number of series	Debt securities	Cash at bank	Investment securities and total return swaps	Derivative assets	Derivative liabilities	Other assets	Other liabilities
		€'000	€'000	€'000	€'000	€'000	€'000	€'000
Installment notes	26	141,831	79	392,902	2,961	260,564	6,702	207

23 Fair values

The Company's investment securities and total return swaps, derivative financial instruments and debt securities issued are carried at fair value on the statement of financial position. Usually, the fair value of the financial instruments can be reliably determined within a reasonable range of estimates. The carrying amounts of all the Company's financial assets and financial liabilities carried at amortised cost at the reporting date approximated their fair values.

These disclosures supplement the commentary on financial risk management (see note 21).

Determining fair values
The determination of fair value for financial assets and liabilities for which there is no observable market price requires the use of valuation techniques as described in accounting policy 3(b) under the subheading "Fair value measurement principles". For financial instruments that trade infrequently and have little price transparency, fair value is less objective and requires varying degrees of judgment depending on liquidity, concentration, uncertainty of market factors, pricing assumptions and other risks affecting the specific instrument.

The Company's accounting policy on fair value measurements is discussed under note 3(b) under the subheading "Fair value measurement principles". Critical accounting judgments made in applying the Company's accounting policies in relation to valuation of financial instruments are as follows:

Valuation of financial instruments

The financial instruments carried at fair value have been categorized under the three levels of the IFRS fair value hierarchy as follows:

- Level 1 – Instruments valued using quoted prices in active markets are instruments where the fair value can be determined directly from prices which are quoted in active, liquid markets and where the instrument observed in the market is identical to that being priced in DB London's inventory.
- Level 2 – Instruments valued with valuation techniques using observable market data are instruments where the fair value can be determined by reference to similar instruments trading in active markets, or where a technique is used to derive the valuation but where all inputs to that technique are observable.
- Level 3 – Instruments valued using valuation techniques using market data which is not directly observable are instruments where the fair value cannot be determined directly by reference to market-observable information, and some other pricing technique must be employed. Instruments classified in this category have an element which is unobservable and which has a significant impact on the fair value.

23 Fair values (continued)

Valuation Techniques

The following is an explanation of the valuation techniques used in establishing the fair value of the different types of financial instruments of the Company.

Investment securities and total return swaps: Where there are no recent transactions then fair value may be determined from the last market price adjusted for all changes in risks and information since that date. Where a close proxy instrument is quoted in an active market then fair value is determined by adjusting the proxy value for differences in the risk profile of the instruments. These securities are categorized as Level 1 or 2 in the fair value hierarchy.

Fair value is estimated using more complex modelling techniques where close proxies are not available. These techniques include option pricing model and correlation pricing model using current market rates for credit, interest, liquidity and other risks. These securities are categorized as Level 3. Refer to Quantitative Information about the Sensitivity of Significant Unobservable Inputs on pages 69 to 71 for additional details on Level 3 valuation techniques.

Derivative Financial Instruments: Market standard transactions in liquid trading markets, such as interest rate swaps, foreign exchange forward and option contracts in G7 currencies, and equity swap and option contracts on listed securities or indices are valued using market standard models and quoted parameter inputs. Parameter inputs are obtained from pricing services, consensus pricing services and recently occurring transactions in active markets wherever possible. More complex instruments are modelled using more sophisticated modelling techniques specific for the instrument and are calibrated to available market prices. These instruments are categorised as Level 2 in the fair value hierarchy.

For Level 3 instruments, the model output value does not calibrate to a relevant market reference, valuation adjustments are made to the model output value to adjust for any difference. In less active markets, data is obtained from less frequent market transactions, broker quotes and through extrapolation and interpolation techniques.

Where observable prices or inputs are not available, management judgement is required to determine fair values by assessing other relevant sources of information such as historical data, fundamental analysis of the economics of the transaction and proxy information from similar transactions. Refer to Quantitative Information about the Sensitivity of Significant Unobservable Inputs on pages 69 to 71 for additional details on Level 3 valuation techniques

Debt securities issued at fair value through profit and loss: The fair value of debt securities issued at fair value through profit and loss is dependent upon the fair value of investment securities and derivative financial instruments. Any changes in the valuation have direct impact to the fair value of debt securities issued.

23 Fair values (continued)

Valuation Techniques (continued)

For more complex Level 3 instruments, more sophisticated modelling techniques are required which usually are developed from recognised valuation models. Some or all of the significant inputs into these models may not be observable from the market and are derived from market prices or rates or are estimated based on assumptions or more complex parameters.

Where no observable information is available to support the valuation models then they are based on other relevant sources of information such as prices for similar transactions, historic data, economic fundamentals, and research information, with appropriate adjustment to reflect the terms of the actual instrument being valued and current market conditions.

Valuation models that employ significant unobservable inputs require a higher degree of management judgement and estimation in the determination of fair value. When determining the appropriate valuation model to be used, management selects which valuation technique makes the least adjustment to the inputs used, analyse the range of values indicated by the techniques used and whether they overlap and check the reasons for the differences in value under different techniques. Depending on the circumstances, one valuation model might be more appropriate than another. Management decides the valuation model to be used based on the provisions indicated in the swap agreements. Some factors that are considered includes information that is reasonably available, the market conditions, the type of investment, expected future cash flows on the financial instrument being valued, determination of probability of counterparty default and discount rates.

Notes to the Financial Statements (continued)
For the year ended 31 December 2024

23 Fair values (continued)

Valuation Techniques (continued)

At the reporting date, the carrying amounts of investment securities and total return swaps derivative financial instruments and debt securities issued by the Company which fair values were determined directly, in full or in part, by reference to published price quotations and determined using valuation techniques are as follows:

	2024			
	Level 1 €'000	**Level 2 €'000**	**Level 3 €'000**	**Total €'000**
Investment securities and total return swaps				
Corporate bonds	59,935	209,453	12,010	281,398
Government bonds	45,290	74,497	-	119,787
Total return swaps	-	-	1,219	1,219
	105,225	283,950	13,229	402,404
Derivative financial assets				
Asset swaps	-	-	2,270	2,270
Derivative financial liabilities				
Asset swaps	-	(143,432)	(132,254)	(275,686)
Debt securities issued				
Installment notes	-	(89,893)	(45,638)	(135,531)
	105,225	50,625	(162,393)	(6,543)

23 Fair values (continued)

Valuation Techniques (continued)

	2023			
	Level 1 €'000	**Level 2 €'000**	**Level 3 €'000**	**Total €'000**
Investment securities and total return swaps				
Corporate bonds	49,509	171,285	50,359	271,153
Government bonds	46,038	74,495	-	120,533
Total return swaps	-	-	1,216	1,216
	95,547	245,780	51,575	392,902
Derivative financial assets				
Asset swaps	-	-	2,961	2,961
Derivative financial liabilities				
Asset swaps	-	(132,067)	(128,497)	(260,564)
Debt securities issued				
Installment notes	-	(94,611)	(47,220)	(141,831)
	95,547	19,102	(121,181)	(6,532)

As at 31 December 2024, the Company's Level 3 investment securities comprised of corporate bonds (2023: corporate bonds). These were priced using unobservable market data. Refer to pages 63 and 71 for valuation techniques and inputs used to determine the fair value of Level 2 and Level 3 positions.

Total return swaps which consist of underlying asset backed financial instruments was classified as Level 3 for series 61. The instruments are valued using a valuation technique that involves significant unobservable inputs and no active market information is available.

Derivative financial instruments classified as Level 3 involves asset swap and other over the counter derivative instruments where the fair value measurements were based on unobservable inputs and no active market data available for similar instruments.

Debt securities issued are traded in the institutional market and the prices for these at year end can be obtained from market sources. Notwithstanding that a quoted market price exists for these, the Directors have concluded that the debt securities are not actively traded due to the limited liquidity that exists in the market.

23 Fair values (continued)

Valuation Techniques (continued)

As a result, the levelling of debt securities is dependent on the levelling of the investment securities, total return swaps and derivative financial instruments. Debt securities are classified in the lowest level observed of the assets and derivatives on a series by series basis.

Investment securities with a Fair value of EUR 2,973k were transferred from Level 2 to Level 1 during the year due to the presence of quoted prices in active and liquid markets for these investment securities (2023: Investment securities with a Fair value of EUR 28,623k were transferred from Level 2 to Level 1 during the year due to the presence of quoted prices in active and liquid markets for these investment securities).

The table below sets out information about significant observable inputs used in measuring financial instruments categorized as Level 2 in the fair value hierarchy:

Type of financial instrument	Fair value 2024 €'000	Fair value 2023 €'000	Valuation technique	Significant observable input
Investment securities and total return swaps				
Corporate bonds	209,453	171,285	*Market Approach	Market Price
Government bonds	74,497	74,495	*Market Approach	Market Price
	283,950	245,780		
Derivative financial instruments				
Asset swaps	(141,208)	(132,466)	**Discounted Cash Flow Model	Interest Rate Curve
	(292)	2,362	**Discounted Cash Flow Model	FX Forward Curve
	(1,932)	(1,963)	***Option Pricing Model	Volatility
	(143,432)	(132,067)		

**Market Approach – Market based prices exist for each individual instrument at product level for an identical or similar asset. The valuation inputs are directly supported by current market transactions or quoted prices but direct observations are not sufficient to conclude an active market.*

***Discounted Cash Flow Model – This model projects future cash flows and discounts the future amounts to a present value using market-based observable inputs including interest rate curves, credit spreads, foreign exchange rates, forward and spot prices for currencies and inflation curves.*

****Option Pricing Model – Uses variables (stock price, exercise price, volatility, interest rate, time to expiration) to theoretically value an option.*

23 Fair values (continued)

Valuation Techniques (continued)

Transfers in and out of Level 3 are recorded at the beginning of the year. For instruments transferred out of Level 3, the below table shows no gains and losses and cash flows on the instruments as they have been transferred at the beginning of the year.

The below table shows the roll-forward movements for investments securities and total return swaps classified under valuation techniques unobservable parameter (Level 3):

	2024 €'000	2023 €'000
Opening balance	51,575	24,626
Transfers in	-	48,196
Transfers out	(38,488)	(23,450)
Fair value movements	142	2,203
Closing balance	13,229	51,575

During the year,no investment securities were transferred from Level 2 to Level 3 (2023: investment securities held by series 47, 49, 53, 80, 82, 83, 90, 94, 100 and 104). Investment securities held by series 47, 49, and 53 were transferred out from Level 3 to Level 2 as all significant inputs relevant to valuation are now observable (2023: investment securities held by series 47, 79, 80, 83, 90 and 100).

No series matured (2023: No series) nor was fully redeemed (2023: No series) and no series was partially redeemed (2023: No series). There were no transfer between Level 1 and Level 3 during the year (2023: No transfer)

Fair value movements are recognised under net gain on investment securities and total return swaps in the statement of comprehensive income.

The below table shows the roll-forward movements for derivative financial assets classified under valuation techniques unobservable parameter (Level 3):

	2024 €'000	2023 €'000
Opening balance	2,961	3,004
Fair value movements	(691)	(43)
Closing balance	2,270	2,961

23 Fair values (continued)

Valuation Techniques (continued)

During the year, no series matured (2023: No series) nor redeemed (2023: No series). As at 31 December 2024, there were no instruments that were transferred out of Level 3 due to having observable market data (2023: No series) and no instruments were transferred from Level 2 to Level 3 due to lack of unobservable inputs and unavailability of market data for similar instruments (2023: No series). There were no additional asset swaps for as at 31 December 2024 (2023: No series).

The below table shows the roll-forward movements for derivative financial liabilities classified under valuation techniques unobservable parameter (Level 3):

	2024	**2023**
	€'000	**€'000**
Opening balance	(128,497)	(138,920)
Transfers out	-	9,761
Fair value movements	(3,757)	662
Closing balance	(132,254)	(128,497)

During the year, no derivative liabilities was transferred from Level 2 to Level 3 due to lack of observable inputs and unavailability of data for similar instruments (2023: no series) whereas series 29 and 76 were transferred out of Level 3 (2023: series 29 and 76). As at year end, no derivative liabilities were fully redeemed (2023: No series).

Fair value movements are recognised under net (loss) / gain on derivative financial instruments in the statement of comprehensive income.

The below table shows the roll-forward movements for debt securities issued classified under valuation techniques unobservable parameter (Level 3):

	2024	**2023**
	€'000	**€'000**
Opening balance	(47,220)	(46,612)
Maturities	4,303	5,898
Transfers in	-	(1,832)
Transfers out	1,832	4,093
Fair value movements	(4,553)	(8,767)
Closing balance	(45,638)	(47,220)

23 Fair values (continued)

Valuation Techniques (continued)

During the year, no series fully matured (2023: No series). The following series classified as Level 3 are amortising series, thus part of its balances have matured: series 29, 31, 32, 47, 53, 61, , 66, 67, 76, 79, 80, 83, 90, 95, 100 and 141 (2023: series 29, 31, 32, 47, 53, 61, , 66, 67, 76, 79, 80, 83, 90, 95, 100 and 141) while no series was fully or partially redeemed (2023: No series). As at 31 December 2023, series 49 was transferred from Level 2 to Level 3 (2023: Series 49) whereas series 29 and 76 were transferred to Level 2 (2023: Series 29 and 76).

If any of the investment securities, total return swaps, derivative assets and derivative liabilities are classified as using significant unobservable parameters (Level 3), the related debt security will be classified as Level 3.

Fair value movements are recognized under net finance loss on debt securities issued in the statement of comprehensive income.

Level 3 Realised and Unrealised Gains and Losses

The total amount of realised and unrealised gain / loss estimated using a valuation technique based on significant unobservable data (Level 3) that was recognised in statement of comprehensive income for the year is as follows:

	2024	**2023**
	€'000	**€'000**
Investment securities and total return swaps	142	2,203
Derivative financial instruments	(4,448)	619
Debt securities issued	(4,553)	(8,767)
	(8,859)	(5,945)

The total amount of change in fair value (unrealised gain/loss) estimated using valuation techniques based on significant unobservable data (Level 3) for assets and liabilities held at the end of the reporting period is set out below:

	2024	**2023**
	€'000	**€'000**
Investment securities and total return swaps	141	2,203
Derivative financial instruments	(4,448)	619
Debt securities issued	(3,786)	(6,375)
	(8,093)	(3,553)

23 Fair values (continued)

Valuation Techniques (continued)

Although the Directors believe that their estimates of fair value are appropriate, the use of different methodologies or assumptions could lead to different measurement of fair value as fair value estimates are made at a specific point in time, based on market conditions and information about the financial instrument. These estimates are subjective in nature and involve uncertainties and matters of significant judgement. Details in relation to the unobservable inputs used have been noted above and therefore their associated fair value cannot be determined with precision.

For recognised fair values measured using significant unobservable inputs, changing one or more assumptions used to reasonably possible alternative assumptions would not have any effect on the profit or loss or on equity as any change in fair value will be borne by the holders of debts securities issued due to the limited recourse nature of debt securities issued by the Company.

Sensitivity Analysis of Unobservable Parameters
Where the value of financial instruments is dependent on unobservable parameter inputs, the precise level for these parameters at the statement of financial position date might be drawn from a range of reasonably possible alternatives.

In preparing the financial statements, appropriate levels for these unobservable input parameters are chosen so that they are consistent with prevailing market evidence and in line with the Company’s approach to valuation control. Were the Company to have marked the financial instruments concerned using parameter values drawn from the extremes of the ranges of reasonably possible alternatives then as of 31 December 2024 it could have increased fair value by as much as EUR 756k (2023: EUR 694k) or decreased fair value by as much as EUR (756k) (2023: EUR (694k)).

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 input parameters. However, it is unlikely in practice that all unobservable parameters would be simultaneously at the extremes of their ranges of reasonably possible alternatives. Hence, the estimates disclosed above are likely to be greater than the true uncertainty in fair value at the balance sheet date. Furthermore, the disclosure is neither predictive nor indicative of future movements in fair value.

For many of the financial instruments considered here, in particular derivatives, unobservable input parameters represent only a subset of the parameters required to price the financial instrument, the remainder being observable. Hence for these instruments the overall impact of moving the unobservable input parameters to the extremes of their ranges might be relatively small compared with the total fair value of the financial instrument. For investment securities, fair value is determined based on the price of the entire instrument, for example, by adjusting the fair value of a reasonable proxy instrument. In addition, all financial instruments are already carried at fair values which are inclusive of valuation adjustments for the cost to close out that instrument and hence already factor in uncertainty as it reflects itself in market pricing. Any negative impact of uncertainty calculated within this disclosure, then, will be over and above that already included in the fair value contained in the financial statements.

23 Fair values (continued)

Valuation Techniques (continued)

Quantitative Information about the Sensitivity of Significant Unobservable Inputs
The behaviour of the unobservable parameters on Level 3 fair value measurement is not necessarily independent, and dynamic relationships often exist between the other unobservable parameters and the observable parameters. Such relationships, where material to the fair value of a given instrument, are explicitly captured via correlation parameters, or are otherwise controlled via pricing models or valuation techniques. Certain inputs used in valuation techniques often impact the range of possible values for other inputs.

The range of values shown on the following table represents the highest and lowest inputs used to value the significant exposures within Level 3. The diversity of financial instruments that make up the disclosure is significant and therefore the ranges of certain parameters can be large. The range of credit spreads represents performing, more liquid positions with lower spreads then the less liquid, nonperforming positions which will have higher credit spreads. As Level 3 contains the less liquid fair value instruments, the wide ranges of parameters seen is to be expected, as there is a high degree of pricing differentiation within each exposure type to capture the relevant market dynamics. There follows a brief description of each of the principal parameter types.

Interest rates, credit spreads, inflation rates, foreign exchange rates and equity prices are referenced in some option instruments, or other complex derivatives, where the payoff a holder of the derivative will receive is dependent upon the behaviour of these underlying references through time.

Sensitivity calculation of unobservable parameters for Level 3 aligns to the approach used to assess valuation uncertainty for Prudent Valuation purposes which is used by DB London as swap counterparty. Prudent Valuation is a capital requirement for assets held at fair value. It provides a mechanism for quantifying and capitalizing valuation uncertainty in accordance with the European Commission Delegated Regulation (EU) 2016/101, which supplements Article 34 of Regulation (EU) No. 2019/876 (CRR), requiring institutions to apply as a deduction from *CET 1 for the amount of any additional valuation adjustments on all assets measured at fair value calculated in accordance with Article 105 (14). This utilizes exit price analysis performed for the relevant assets and liabilities in the Prudent Valuation assessment. The downside sensitivity may be limited in some cases where the fair value is already demonstrably prudent.

** Common Equity Tier-1 (CET 1) - Ratio of the Bank in relation to risk-weighted assets.*

CLASS LIMITED

Notes to the Financial Statements (continued)
For the year ended 31 December 2024

23 Fair values (continued)

Valuation Techniques (continued)

Quantitative Information about the Sensitivity of Significant Unobservable Inputs (continued)

The table below sets out information about significant unobservable inputs used or observability in the market test at year end in measuring financial instruments categorised as Level 3 in the fair value hierarchy:

Type of financial instrument	**Fair value 2024 €'000**	**Valuation technique**	**Significant unobservable input**	**Range of estimates for unobservable input**	**Sensitivity €'000**
Investment securities and total return swaps					
Corporate bonds	12,009	**Market Approach	Market Price	88 to 97	433
Total return swaps	1,220	***Risk Based	Credit Spread Delta (bps)	-	-
	13,229				433
Derivative financial instruments					
Asset swaps	(129,984)	****Option Pricing Model	Credit Spread (bps)	157 bps to 167 bps	323
	(129,984)				323

CLASS LIMITED

Notes to the Financial Statements (continued)
For the year ended 31 December 2024

23 Fair values (continued)

Valuation Techniques (continued)

Quantitative Information about the Sensitivity of Significant Unobservable Inputs (continued)

Type of financial instrument	Fair value 2023 €'000	Valuation technique	Significant unobservable input	Range of estimates for unobservable input	Sensitivity €'000
Investment securities and total return swaps					
Corporate bonds	50,359	**Market Approach	Market Price	88 to 97	307
Government bonds	-	**Market Approach	Market Price	125 bps to 154.28 bps	-
Total return swaps	1,216	***Risk Based	Credit Spread Delta (bps)	0.00%	-
	51,575				307
Derivative financial instruments					
Asset swaps	(125,536)	****Option Pricing Model	Credit Spread (bps)	271 bps to 282 bps	387
	(125,536)				387

23 Fair values (continued)

Valuation Techniques (continued)

Quantitative Information about the Sensitivity of Significant Unobservable Inputs (continued)

***Market Approach – Inputs from broker quotes that are indicative or not corroborated by observable market data. Prices obtained from a single broker or pricing service are indicative values or proxy quotes which represent Level 3 inputs. These instruments have limited trading information and have no additional supporting information (such as multiple broker quotes) to determine observability.*

****Risk Based – Using SAP BO / Credit Sigma tool to test the standalone risk of a particular trade. This includes parameters like credit spread delta which is unobservable. For certain trades, range of estimates are not available due to insufficient data for independent price verification testing inputs as proxy inputs for the range calculations.*

*****Option Pricing Model – Uses Monte Carlo methods to calculate the value of an option with multiple sources of uncertainty or with complicated features. Monte Carlo valuation relies on a risk neutral valuation where the price of the option is its discounted value. The steps taken in the process are the following (1) to generate a large number of possible, but random, price paths for the underlying (or underlyings) via simulation and (2) to then calculate the associated exercise value (i.e., "payoff") of the option for each path. (3) These payoffs are then averaged and (4) discounted to today. The result is the value of the option.*

24 Interest in other entities

(a) Disclosure of the nature, purpose, size and activities of the structured entity and how it is financed

The Company invested in debt securities issued by structured entities. These structured entities have the following business activities:

AyT Cédulas Cajas Global, Fondo de Titulización de Activos is an assets securitization fund that was incorporated in Spain. This entity issued several classes of notes with total aggregate principal amount of EUR 5,400,000k. The Fund was established in order to attract funding from Issuers, through securitization of certain receivables through the issuance of mortgage bonds before the establishment of the Fund in the balance sheet of the Originator as Mortgage Bonds or Assets. As at year end, the Company owns EUR 1,200,000 (0.02%) of the note issued by AyT Cédulas Cajas Global, Fondo de Titulización de Activos, which is due on 30 June 2025.

24 Interest in other entities (continued)

(a) Disclosure of the nature, purpose, size and activities of the structured entity and how it is financed (continued)

The Company has no contractual arrangements nor commitments or intentions to provide financial or other assistance to the unconsolidated structured entities.

(b) Risk associated with unconsolidated structured entities

The below table summarises the Company's interest in unconsolidated structured entities included in the investment securities classified at fair value through profit and loss as at 31 December 2024:

The Company has maximum exposure to the risk associated with the carrying value of the above investments. If these investments are deemed worthless, the Company will not receive anything. The Company bears no risk and it is the swap counterparty and holders of debt securities that bear all the risk. Refer to note 21(b)(i) for the details on credit risk.

2024

Series number	Issuer	CCY	Outstanding nominal of investment securities	% of Notional issued by the issuer	Fair value of investment securities	Fair value of debt securities	Maximum exposure to loss
			€'000		€'000	€'000	€'000
S0029	AyT Cédulas Cajas Global, Fondo de Titulización de Activos	EUR	1,200	0.02%	1,205	495	1,205
			1,200		1,205	495	1,205

2023

Series number	Issuer	CCY	Outstanding nominal of investment securities	% of Notional issued by the issuer	Fair value of investment securities	Fair value of debt securities	Maximum exposure to loss
			€'000		€'000	€'000	€'000
S0029	AyT Cédulas Cajas Global, Fondo de Titulización de Activos	EUR	1,200	0.02%	1,205	504	1,205
			1,200		1,205	504	1,205

25 Subsequent events

Since the end of the reporting period, the Company has not issued any new series of debt securities, no maturities and no repurchases have been made. Other than the abovementioned, there were no other significant events after the reporting period up to the date of the approval of the financial statements which require adjustment to or disclosure in the financial statements.

26 Capital management

The Company views the current debt securities issued as its capital. The Company is a special purpose vehicle set up to issue debt instrument for the purpose of making investments that maximizes the returns of the holder of debt securities, as defined under the base prospectus. The debt securities issued amounting to EUR 135,531k (2023: EUR 141,831k) uses the fair value of the investments securities and total return swaps amounting to EUR 402,404k (2023: EUR 392,902k), derivative financial assets amounting to EUR 2,270k (2023: EUR 2,961k) and derivative financial liabilities amounting to EUR 275,687k (2023: EUR 260,564k) to hedge the economic risk to capital. Share capital of EUR 3 was issued and is not used for financing the investment activities of the Company. The Company is not subject to any other externally imposed capital requirements.

27 Approval of financial statements

The financial statements were approved and authorised for issue by the Board on 30 April 2025.