Annual Report 2024

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Management **report**

Management **report**

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CEO's foreword

On May 29, 2024, DLL celebrated its 55th birthday. On that very day, I had the privilege of starting my new role as the CEO of DLL. Soon after, I also became a member of the Managing Board of Rabobank, responsible for vendor finance. It is hard to believe that when this annual report is published, it will be almost a year since I joined DLL.

In my first months on the job, I connected with many of our partners, leaders and members around the world. During those introductory meetings, I often shared why I had wholeheartedly said "yes" to the role. I told them that at the top of my "yes list" was the fact that DLL is a purpose-driven company. Some might think I was referring to DLL's commitment to give back to local communities, which is indeed a vital part of our culture.

But what I actually meant was DLL's business purpose of "Partnering for a better world." I strongly believe that finance makes the world go around. The financial solutions we provide to our partners truly make a difference in the lives of their end users (our joint customers), in the businesses they operate and the communities they serve. I love seeing our assets in use, whether it is a farmer working the land and harvesting crops with a combine we financed, or a medical scanner in a hospital being used to make the right diagnosis. As an asset-based financing company, we finance equipment that enables the real economy to turn, and we proudly do so together with vendors and dealers all over the world who are passionate about their products and services.

This is only possible thanks to our DLL members, who bring their best selves to work every day. It is their passion and commitment that sets us apart. In line with our ambition to be a customer-centric and high-performing organization that is future proof, we revisited and refreshed our company values in 2024. These values underpin our promise to our stakeholders as they guide how we do things at DLL. I am excited to see how committed our members are to integrating these into their daily actions, behaviors and decisions.

Making the real economy turn

This year, DLL continued to do its part in helping the real economy turn in the face of heightened competition and regulatory changes. We financed many new and used pieces of equipment, resulting in over 330,000 new retail contracts, and an increase in our portfolio and new business volume. We onboarded more than 60 new partners and grew our customer base to almost 1 million. The fact that the majority of our partners are happy with the quality of the service and support we deliver is proven by a strong Net Promoter Score (NPS®)[1] score of +65[2], a slight improvement on 2023's +64. Our employee engagement score remained high at 79%, exceeding the industry benchmark.

At the same time, we had to navigate an increasingly complex geopolitical landscape and unprecedented impacts of extreme weather conditions that affected our members, partners and customers in Brazil, Poland, the U.S. and Spain. "Partnering for a better world" took on a broader meaning last year, with DLL setting up four global fundraising campaigns, and our members

1 Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.
2 Our composite global Net Promoter Score (NPS®) reflects our activities in vendor finance, commercial (inventory) finance and our joint venture with AGCO.

showing many acts of solidarity toward our partners and customers. I'm also proud to report that more than 55% of our total member base spent over 22,000 hours volunteering and that we planted 226,000 trees by supporting One Tree Planted.

The global economic downturn, particularly challenges in the Brazilian food and agricultural sector, led to higher impairment charges and a drop in DLL's net profit. Our net profit for the year was EUR 407 million, compared to EUR 438 million in 2023. During 2024, our portfolio grew to EUR 47 billion, with all our global business units contributing to this growth. Despite the higher credit impairments in Brazil, we delivered on our promise to our parent Rabobank to drive growth that is both sustainable and profitable.

Outlook 2025

As I write this foreword, the geopolitical situation worldwide appears more tense than ever, leading to cross-border tariffs, higher energy prices, ongoing conflicts in Ukraine and Gaza, political instability and economic uncertainties, all of which could negatively impact our partners and our joint customers. We also expect climate events to continue, impacting the business operations of our customers and our assets.

Despite these developments, I am convinced – and I know I can speak on behalf of my fellow Executive Board members – that DLL is in good shape to continue delivering on its ambition of sustainable, profitable growth. For 2025, we have clear priorities with significant milestones that we intend to deliver on. Focus and simplification will be key in working toward a portfolio of EUR 50 billion, as will our continued efforts to accelerate our digital transformation, improving the speed, ease and convenience of doing business with DLL.

In 2025, we remain firmly focused on reaching our goals of being the undisputed global leader in vendor finance, partnering to support the transition to a more sustainable world, and being a purposeful and inclusive place to work. Together with our customers, partners, and members, we will need to navigate the evolving political and economic landscape carefully. Together, we will do the right thing and do it right. Together, we will keep on making the real economy turn.

Lara Yocarini
Chief Executive Officer and Chair of the Executive Board

Photography by Frank Ruiter

Who we are

DLL is a global asset finance company for equipment and technology assets, delivering financial solutions to industries from Agriculture to Technology. Founded in 1969, we are headquartered in Eindhoven, the Netherlands, and operate in more than 25 countries worldwide.

DLL provides specialized asset-based financial solutions to nine distinct industries:

- Agriculture
- Food
- Healthcare
- Energy transition
- Construction
- Transportation
- Industrial equipment
- Office equipment
- Technology

DLL has a banking license in the Netherlands, which is passported to several other European countries. The Dutch and European Central Banks provide regulatory supervision. DLL is a wholly owned subsidiary of Rabobank Group and has been one of the bank's strategic pillars since 2022.

Our vision and purpose
DLL believes in developing innovative and sustainable financial solutions that deliver meaningful value to its customers, partners and the world. We are increasingly conscious of our responsibility to help tackle environmental challenges. Global warming, climate change and biodiversity loss all undermine the resilience of our planet and its ability to recover, and the imperative to transform economies and societies to more sustainable ways of living and working is becoming ever more urgent. Given our global reach and the range of industries we operate in, we express our purpose as "Partnering for a better world."

Our **goals**

To be
- the undisputed global leader in vendor finance
- a purposeful and inclusive place to work
- the transition partner for a better world

Our **purpose**

Partnering for a better world

Our **ambition**

To be the market leader in enabling more sustainable business growth through point-of-sale financial solutions

Our **transformations**

- Simplifying the organization
- Empowering members and strengthening our culture
- Driving more sustainable profitable growth
- Driving risk-reward-sustainability balance
- Improving speed, ease and convenience

Our **foundation**

- People & culture
- Partnership mentality
- International reach
- Industry specialization
- Asset and risk knowledge
- Stable, secure and compliant

Our stakeholder **promises**

Our promise to **customers and partners**

We strive to help you achieve your ambitions and make a meaningful impact on the world by providing differentiating financial solutions.

Our promise to **members**

We strive to be an employer of choice, providing you with unique opportunities to grow and develop in a dynamic and inclusive environment where you can make a difference.

Our promise to **Rabobank**

We will continue to deliver growth to the Group and pursue synergies while taking an active role as a partner in the energy and food and agriculture transitions.

Our promise to **society**

We commit to Road to Paris targets, support and encourage our partners and the industries we serve to move to more sustainable business models, and strive to contribute to more inclusive communities.

Our ambition and goals

Our ambition is to be the market leader in enabling sustainable business growth through point-of-sale financial solutions. We aim to deliver a great experience for our customers and partners by providing easy access to equipment and technology, and insights in how to use that equipment and technology smarter and more sustainably.

We have set three goals to achieve our ambitions through 2027:
- To be the undisputed global leader in vendor finance
- To be a purposeful and inclusive place to work
- To be the transition partner for a better world

Our foundation

DLL's foundation is built on six key elements that express how we create value for all our stakeholders, including our customers, partners, members, our shareholder and regulators. These foundational elements are our:
- Partnership mentality
- International reach
- Industry specialization
- Asset and risk knowledge
- People and culture
- Commitment to being stable, secure and compliant

Our partnership mentality and international reach

Thanks to our partnership approach, many of our most successful relationships with partners have rich histories, some lasting more than 30 years. We support our partners in both their mature markets and emerging growth markets in more than 25 countries. Our continuing strong performance is largely due to a healthy spread of business activity across several regions, countries and sectors, which provides an additional layer of resilience to our business model.

We always seek to become an integral part of our partners' overall business strategy and financial plans. We support them through the economic cycle, as well as other issues and events that influence their specific equipment markets. As a transition partner for a better world, we explore new forms of vendor finance partnerships and relevant financial solutions to help our partners – and their customers – realize their own transitions to more sustainable ways of doing business, manufacturing and using more sustainable equipment.

By combining our global capabilities with experienced local teams, we strive to provide a consistent service across the globe. We empower our people to be proactive at the local level to respond flexibly to our customers' needs. At the same time, our global account management approach provides our partners with a single point of contact that helps manage their portfolio and global business activity.

Our industry specialization, and asset and risk knowledge

With more than 50 years' experience, we have developed a high degree of expertise in the markets we serve, acquiring an understanding of the distribution process, the sales process and the equipment itself.

In many cases, we have recruited salespeople from the "hardware" side who had successful careers selling the equipment or managing a team of salespeople for a partner. This gives them instant credibility with DLL's customers and allows them to understand the partners' challenges and speak their language.

With our focus on the business of asset-based financial solutions, we have the knowledge and experience to create new value for our partners and we strive to turn potential risks into healthy, more sustainable rewards. We use our asset management expertise and understanding of the assets to make advanced risk decisions, generating a high level of added value for our partners and their customers.

Our people and culture

Our members continue to be our most important asset and are a defining factor that truly sets us apart. We aim to provide our members with a purposeful and inclusive place to work, one where they find meaning in their work and feel a connection between their personal purpose and DLL's purpose of "Partnering for a better world."

DLL is strongly committed to diversity, equity and inclusion (DE&I). We want to create a diverse and inclusive workplace where all members feel respected, valued and empowered. We have a high-quality and engaged member base, who consistently deliver our value proposition to our customers and partners.

A strong entrepreneurial spirit and focus on innovation allow us to create solutions to help our partners win in changing market conditions. Therefore, we continue to make investments toward the personal and professional development of our members so that DLL continues to be viewed as an employer of choice in the many countries in which we operate.

Stable, secure and compliant

As we are committed to being a solid and secure company, DLL focuses on its license to operate through being in control and compliant, while adapting to a changing risk landscape, with cybersecurity and climate risk threats, and managing financial- and non-financial risks.

We seek to embed regulatory requirements in processes by stimulating compliance by desire. The introduction of strict sustainability regulations in a number of regions has created momentum to develop more sustainable assets. Reporting on risks and impacts requires data, which is why DLL continuously works to improve data quality and management and ensure a solid IT infrastructure. We constantly strive to increase the efficiency and resilience of our organization with a focus on financial stability and strengthening digital security capabilities to respond to ever-changing circumstances such as geopolitical events, inflationary pressure and cyberthreats.

Our Executive Board

The DLL Executive Board is collectively responsible for delivering sound and balanced long- and short-term strategies to meet the needs of all DLL stakeholders, including customers and partners, our shareholder, members, regulators and the communities in which the company operates.

In April 2024, Carlo van Kemenade left his position as DLL's Chief Executive Officer to join the Rabobank Managing Board as Director of Retail Netherlands. DLL's Chief Operating Officer, Mike Janse, acted as interim CEO until June when Lara Yocarini was appointed.

Lara Yocarini

Chief Executive Officer and Chair of the Executive Board

Lara Yocarini was appointed Chief Executive Officer (CEO) and Chair of the DLL Executive Board on May 29, 2024, as well as a member of the Managing Board of Rabobank in June 2024.

As CEO, Lara is responsible for setting DLL's strategy and transformation roadmap. As well as chairing the Executive Board, Lara has the following portfolio of responsibilities:
- Strategy and innovation
- Sustainability transformation
- Compliance (transferred to Yke Hoefsmit in 2025)
- Internal audit
- Corporate communications
- Corporate affairs

Mike Janse

Chief Operating Officer

Mike Janse has been Chief Operating Officer (COO) and a member of the Executive Board since 2018. In this capacity, he is responsible for DLL's country organizations. In April and May 2024, Mike acted as interim CEO of DLL.

As DLL's COO, he is responsible for:
- Regional/country management of DLL's global network
- Operational excellence
- IT
- Financial and economic crime

Grégory Raison
Chief Financial Officer

Grégory Raison joined DLL as Chief Financial Officer (CFO) and a member of the Executive Board in 2023. He is responsible for the company's financial, treasury and performance management functions.

Grégory oversees:
- Finance
- Data management
- Procurement
- Treasury and capital markets
- Finance strategy and transformation

Yke Hoefsmit
Chief Risk Officer

Yke Hoefsmit became Chief Risk Officer (CRO) and a member of the Executive Board in 2021. In this capacity, she is responsible for our global risk and legal organization.

Yke has the following portfolio of responsibilities:
- Credit and asset risk
- Collections and recovery
- Integrated risk
- Credit model and predictive analytics
- Legal (transferred to Lara Yocarini in 2025)
- Supervisory relations, regulatory change and adherence

Neal Garnett
Chief Commercial Officer

Neal Garnett has been Chief Commercial Officer (CCO) and a member of the Executive Board since 2023. He is responsible for commercial strategy and global business activities in our nine industries.

Neal oversees:
- Management of DLL's global business units
- Global marketing
- Commercial strategic initiatives
- Digital transformation
- Asset management

Iman Eddini
Chief Human Resources Officer

Iman Eddini was appointed Chief Human Resources Officer (CHRO) and a member of the Executive Board in 2022. She is responsible for our global HR organization.

Iman is responsible for:
- Compensation and benefits
- Talent management and acquisition
- Workforce transformation
- HR operations
- Inclusive culture
- Leadership development
- High-performing organization

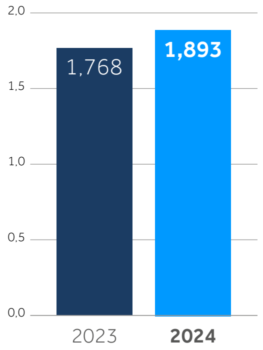
Facts & figures **2024**

Key figures		
In millions of euros	**2024**	**2023**
Financial position and solvency on December 31		
Total assets	49,747	46,531
Total equity	5,165	4,757
Non-controlling interests	620	595
Common Equity Tier 1 Capital (CET1)	4,092	3,728
Risk-weighted assets	33,139	31,653
CET1 ratio	12.3%	11.8%
Profit and loss account		
Total net income	1,893	1,768
Total operating expenses	(1,068)	(1,016)
Credit losses and other impairments	(309)	(170)
Profit before tax	516	582
Profit for the year	407	438
Portfolio (in billions of euros)		
Total portfolio	47.3	44.3
Employee data		
Number of full-time equivalents (FTEs) average	5,797	5,548

Total **net income**

in millions of euros

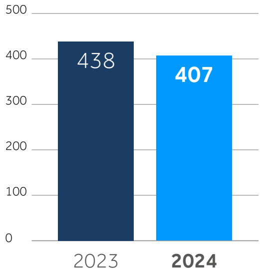
+7.1%



Net **profit**

in millions of euros

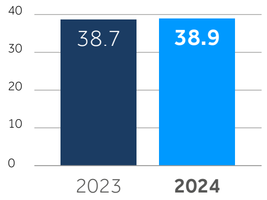
-7.1%



New **business volume**

in billions of euros

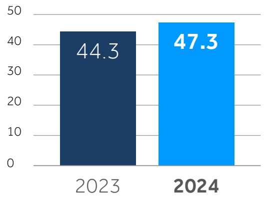
+0.6%



Portfolio on balance

in billions of euros

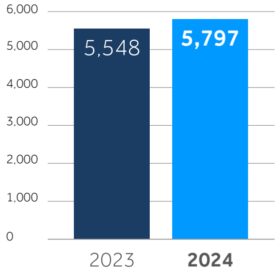
+6.9%



Full-time **equivalents**

average number

+4.5%

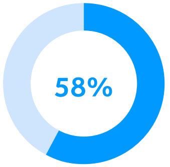


Volunteering

percentage of involved employees

3,397 **unique members**

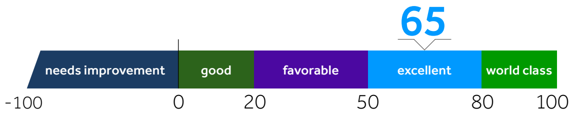
number of hours volunteered
23,176



Unique member participation rate (target 55%)

Net **promoter** Score*

NPS® recommendations



* Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.

Donated to good causes a total of

EUR 2.3 million

What we do

DLL's core business model is vendor finance, by which we provide asset-based financing programs to our partners (including manufacturers, distributors, and dealers/resellers) at their respective points of sale.

DLL enables its partners to offer highly specialized and smart financing solutions to their customers, the end users of the equipment. This facilitates the sale of the equipment and other ancillary products and services and helps them grow their business. This way, our partners can focus on their core business of producing and/or selling and servicing their products, and leave the financing programs, including administration, to an expert.

There is more to vendor finance solutions than simply providing capital and financial terms to customers seeking equipment from our partners. Besides offering the commoditized administrative services of credit underwriting, billing and collection, we seek to become part of our partners' overall business strategy and financial plans. It is all about managing a multiyear relationship and developing a strategy to help them achieve their goals over the long term in a more efficient and sustainable way.

Enabling our partners to leverage their brands

In the relationship with our partners, our financial solutions become an integral part of their overall sales process and operation. This integration requires a true partnership focus that often results in DLL being entrusted with not only their business and customers, but also their name and brand. DLL offers private-label and co-branded programs that allow our partners to offer a seamless one-stop shopping experience for equipment, maintenance, parts, service and finance, all leveraging the value of their brand.

The form of cooperation between DLL and its partners can range from formal joint ventures (where a separate legal entity is established to provide finance programs with both the manufacturer and DLL holding an ownership stake), to private-label equipment finance programs offered by DLL using the name of the manufacturer toward their customers.

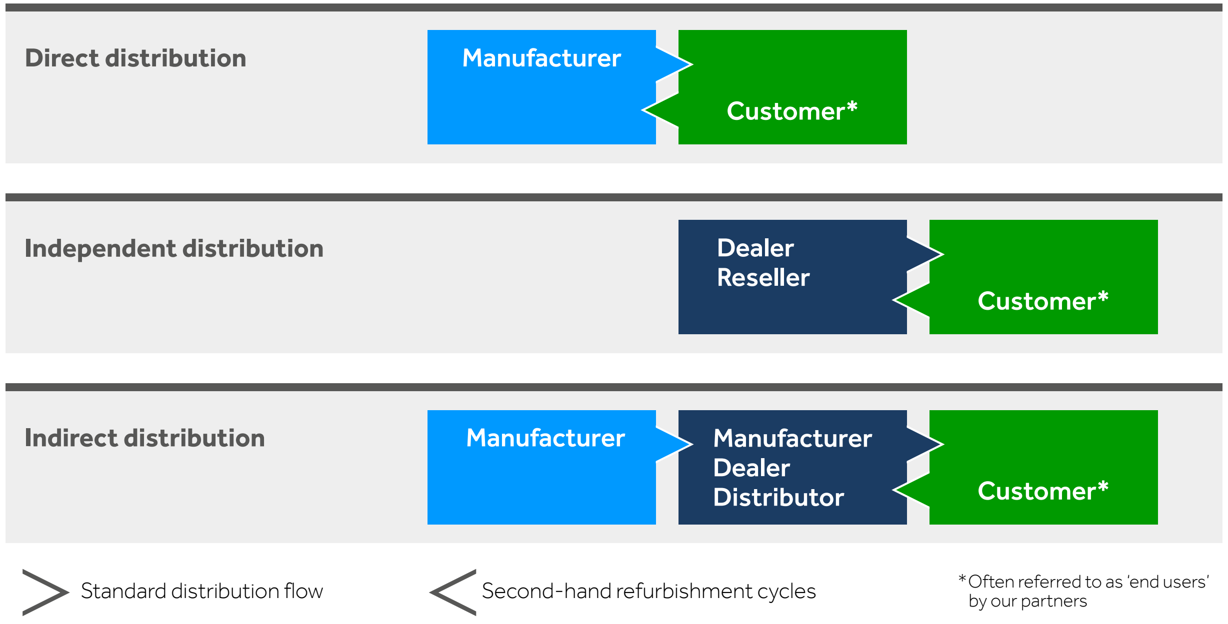
We can help our partners by bundling services such as maintenance, parts and supplies, insurance and warranty in the related financing packages. We can also provide financing for software licenses and other technology solutions. This provides customers with access to a wider variety of value-added services and options and a clearer understanding of the total cost of the use of the equipment. Through our multiyear lease and finance agreements, our partners can engage with their customers for longer periods, thereby increasing retention.

DLL's distribution channels

We offer multiple products and services to give our partners the necessary solutions for each segment of their distribution channels and facilitate sales to their customers. Vendor finance serves the following distribution channels:

- Direct distribution: The manufacturer sells directly through its own sales force to its customers.
- Independent distribution: Dealers and resellers act as standalone entities offering (in many cases) multiple brands of products and services, requiring financial solutions to support sales to their customers.
- Indirect distribution: The manufacturer accesses a network of authorized dealers and distributors to sell its products to their customers.

DLL's **distribution channels**



End-to-end financial solutions

DLL has developed a business model whereby we not only support the strategic objectives of our partners, but we offer end-to-end financial solutions covering the full technical life cycle of their equipment. We create the potential to generate income on a single asset at three distinct points in its life cycle: retail finance, commercial (inventory) finance and used-equipment sales or finance.

Our solutions include:

- Retail finance, spanning a variety of products including loans, financial leases, fair market value leases and pay-per-use agreements. Retail finance represents the majority of DLL's portfolio. All these products are designed for use at the point-of-sale, enhancing our partners' ability to place equipment with their customers. In turn, the products allow customers to easily acquire and use the items they need to operate their businesses.
- Commercial (inventory) finance, comprising a suite of asset-based financing solutions that support both manufacturers and their distributers. Our commercial (inventory) finance products help manufacturers get more units of equipment out of the factory and into the sales inventory, lots and showrooms of their distribution partners. Commercial finance also enables dealers and resellers to maintain healthy inventory levels without tying up critical cash and bank lines.
- Used-equipment finance, through which DLL offers many of the same financial products for used, refurbished and remanufactured assets as we do for new equipment. Upon end of lease, customers have various options including extending, acquiring or returning the asset. When a product is returned, DLL works with the vendor to develop refurbishing and remarketing programs, used-equipment sales programs, or other environmentally friendly disposition methods. That way, we support manufacturers and dealers wishing to remarket their used equipment to end users, enabling more sustainable reuse of equipment, and creating second- and third-life revenue streams as part of our circularity ambition.

Customer-direct business models

In a rapidly changing world, businesses increasingly want the flexibility to pay for the use of equipment or technology, rather than owning the assets outright. DLL takes an innovative approach to usage-based consumption products (sometimes referred to as pay-per-use or PPU) with a focus on further expansion of our customer-direct business models.

Partnering for a better world

2024 was characterized by macroeconomic instability due to geopolitical challenges. In Brazil, Poland, the U.S. and Spain our members, customers and partners faced impacts from extreme weather conditions. In response, we set up four global fundraising campaigns and our members showed many acts of solidarity towards our customers and partners. A true testament to DLL's purpose of "Partnering for a better world."

DLL strategy: One ambition, three goals...

Our core ambition is to be the market leader in enabling sustainable business growth through point-of-sale financial solutions. To realize this ambition, we have defined three goals:

1. Remain the undisputed global leader in vendor finance
2. Be a purposeful and inclusive place to work
3. Be the transition partner for a better world

...and five transformations

Delivering on our three goals means safeguarding our foundation and transforming in five key areas:

1. Simplifying our organization – By establishing a more effective organization with defined roles and responsibilities, and ongoing prioritization.
2. Empowering members and strengthening our culture – By building a purposeful and inclusive workplace that encourages personal growth and fosters high performance.
3. Driving more sustainable profitable growth – By remaining the market leader while selectively seeking opportunities linked to the energy, food and circularity transitions to strengthen our core proposition and address new trends.
4. Driving our risk-reward-sustainability balance – By making the right choices for our business, today and into the future.
5. Improving speed, ease and convenience at the point of sale – By offering smooth experiences for our partners and customers, and opportunities to grow efficiently.

Key **achievements**

- **Reached a member engagement score of 79%, exceeding the industry benchmark**
- **Together with our member base created refreshed DLL Values**
- **Onboarded more than 60 new global partners, grew our customer base to almost 1 million and achieved a continued strong NPS score of +65**
- **Created transition plans with targets for decarbonization and built a sustainability assessment framework**
- **Estimated the financed emissions of our entire portfolio using a validated methodology**

In 2024, the Executive Board continued to drive execution of the five transformation areas in the following ways:

Simplifying our organization

Our optimized organizational model is fully operational, with five regions, five global business units and commercial support teams in 25+ markets in 2024. The merging of three business units (Healthcare, Office Equipment and Technology) into a single LifeTech business unit, resulted in synergies benefiting customers in those markets. We focused on improving and fine-tuning the way we work within the new structure to create an even more customer-centric organization that collaborates as one team.

Empowering members and strengthening our culture

One of our goals is to be a purposeful and inclusive place to work. As such, we continued our journey toward becoming a high-performing organization with a growth culture. Since leaders play a key role in this culture journey, a new leadership profile was developed that focuses on attributes and behaviors DLL leaders should embody. The three priority areas for leaders this year were: Create an inclusive environment, empower and set clear accountability, and engage with customers and partners to drive high performance.

We worked to further enhance member experience in line with our benefits and wellbeing strategy. For instance, our hybrid and flexible working policy was thoroughly assessed, benchmarked, validated and updated. The aim is to empower and support our members to effectively balance work and life commitments through the flexibility of hybrid working. We strive to achieve an optimal work-life balance for our members, while fulfilling customer and team needs, and attracting key talent.

With empowerment comes accountability, one of the attributes that we have clearly embedded in our company values. In 2024, we put significant effort into reviewing the DLL Values and associated behaviors. Feedback gathered from over 1,200 members through focus group sessions and surveys was used to create a set of refreshed values that resonate with our member base. The values are designed to help us become a future-proof and high-performing organization that puts customers first.

We also developed a new performance management framework that aligns with the updated values and links to a rewards structure that balances achievement and behavior. It will be implemented in 2025.

Another vital part of DLL's culture is giving back to our local communities. We organized more than 380 social impact activities in 2024. A total of 3,397 unique members volunteered over 23,000 hours to support communities across the globe.

The latest member engagement survey results were shared in March 2024. A record 91% of members responded and awarded us an average score of 79%, exceeding the industry benchmark by 3%. We also onboarded 913 new members, who will be able to share their feedback in the next survey in March 2025.

Driving sustainable profitable growth

In 2024, we onboarded more than 60 new partners, including seven global ones, and grew our customer base to almost one million customers (2023: 961K).

Almost 50,000 partners were invited for our annual global partner loyalty survey. Our composite global Net Promoter Score (NPS®)[1] was once again a very strong +65[2], a slight improvement from 2023's +64. DLL has maintained or improved on this important loyalty metric for six consecutive years, reflecting our activities in vendor finance and commercial (inventory) finance. In 2024, 73% of the participants said they would recommend us to others. Our partners are happy with the quality of the service and support provided by their DLL contacts, and the speed, ease and convenience of their experience.

With sustainability at the core of our business strategy, DLL is committed to circularity, and supporting the energy, and food and agriculture transitions. As part of these efforts, we launched our new and improved "Equipment Showroom." This platform showcases used equipment from across the globe and gives customers a seamless buying experience by bidding on pre-owned, end-of-lease equipment assets.

Although our progress on the energy transition was slower than anticipated, we continued to enable partners and customers to embrace new technologies and grow their businesses more sustainably by lowering greenhouse gas (GHG) emissions. Collaboration between DLL and Rabobank in this area has intensified significantly over the last few years, resulting in strategic alignment, knowledge sharing, synergies, new joint customers and value propositions, and profitable growth.

We revisited our mergers and acquisition strategy in line with our growth ambitions and our objective to grow through mergers and acquisitions as well as organic expansion. A first example of non-organic growth was the acquisition of elf Leasing GmbH in Germany.

[1] Net Promoter, Net Promoter System, Net Promoter Score, NPS and the NPS-related emoticons are registered trademarks of Bain & Company, Inc., Fred Reichheld and Satmetrix Systems, Inc.
[2] Our composite global Net Promoter Score (NPS®) reflects our activities in vendor finance, commercial (inventory) finance and our joint venture with AGCO.

Driving our risk-reward-sustainability balance

We have set ambitious goals to increase our more sustainable new business volume and to align with Road to Paris GHG emission targets. In 2024, our Sustainable Asset Review Committee worked hard to assess the assets in our portfolio and classify them as sustainable, transitional or conventional, enabling us to calculate the footprint of our entire portfolio.

We have created transition plans detailing the decarbonization pathways and targets for a significant part of the portfolio, with the remaining transition plans in progress. At the same time, we are creating new products to develop more sustainable new business and have set volume targets for our global business units. As we pursue transactions or finance assets that will help us to improve the overall emissions profile of our portfolio, our risk appetite must be reviewed regularly to achieve an appropriate balance and win business that is more sustainable from a risk, reward and environmental perspective.

Our ultimate goal is for our decisions to be guided by objective factors balancing risks, rewards and sustainability impacts. We can then embed that impact into our risk and reward considerations. Knowledge of sustainability, and how DLL balances risk-reward-sustainability in everything we do, is a key skillset for all our members. Our Compliance, Risk, Legal and Sustainability Departments play specific roles focused on environmental, social and governance aspects, including the energy transition, to support our members on this learning journey.

Improve speed ease and convenience at point of sale

We aim to make financing a driver for our partners' sales, increasing their conversion rates and enhancing their customers' experience. To further this ambition, we continued to optimize the speed, ease and convenience of doing business with DLL. This involved integrating financing options directly into the asset's point of sale, ensuring that customers have easy access to digital financing solutions when they are ready to make a purchase.

Digital platforms and application programming interface (API) integrations are transforming various industries, including retail, finance, healthcare and education. In 2024, we invested in aligning our plans, teams and approaches to create strategic progress. Notable successes in this area include our Brazilian partner portal, U.S. credit application, global commercial finance portal and Nordics dealer portal. We delivered impactful results thanks to our dedicated teams, strong foundations, timely execution and sufficient investment.

At a global level, the collaboration has resulted in a refreshed digital strategy that is being translated into regional execution plans and a five-year roadmap. These aim to enhance our customer and partner journeys with seamless digital financing, supporting our growth ambitions while improving cost efficiency.

Looking forward

Economic uncertainties such as the threat of tariffs, heightened geopolitical tensions, high energy prices and political instability may have a negative effect on the investment climate. We continue to see growth opportunities in the vendor finance market, but businesses will need to navigate the economic landscape carefully. We also expect that climate risk will persist, and extreme weather conditions will continue to impact both the business operations of our customers and our assets.

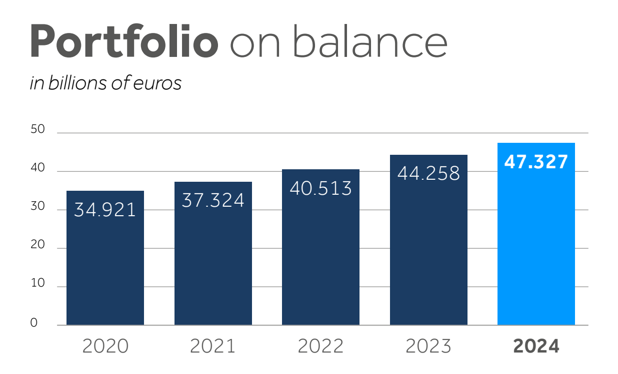
Outlook 2025

- **Anticipate and navigate challenges caused by the current economic and geopolitical turbulence, and by climate risk**
- **Execute on the key priorities in our five strategic transformation areas**
- **Continue to focus on strengthening our foundation by implementing our data strategy, working towards new capital and credit risk models and executing our digital transformation**
- **Launch and implement the refreshed DLL Values and the performance management cycle**
- **Continue to focus on our sustainable transitions in energy, F&A and circularity**

Financial performance
and strategic outlook

During 2024, we completed the divestment of DLL Türkiye and DLL Hungary to local third parties. Overall, commercial performance was solid, with growth in both the portfolio and in net interest income. However, we saw a significant increase in stage 3 credit impairments. This is attributable to specific events in Brazil and global challenges in a few sectors.

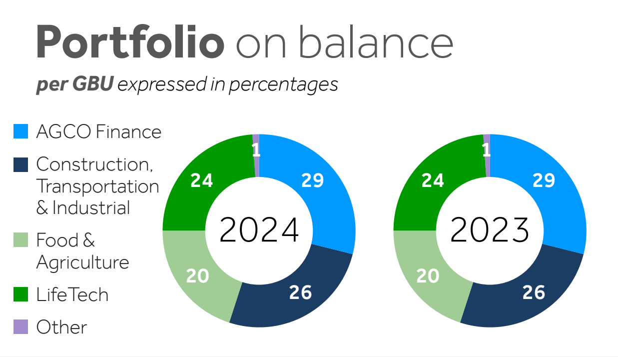
Balance sheet



All global business units (GBUs) realized growth in their portfolios relative to 2023. The highest relative growth (at over 7% each) was achieved by Food and Agriculture (F&A), and Construction, Transportation and Industrial (CT&I). The highest absolute growth, at EUR 800 million or more, was realized by our AGCO Finance and CT&I GBUs.

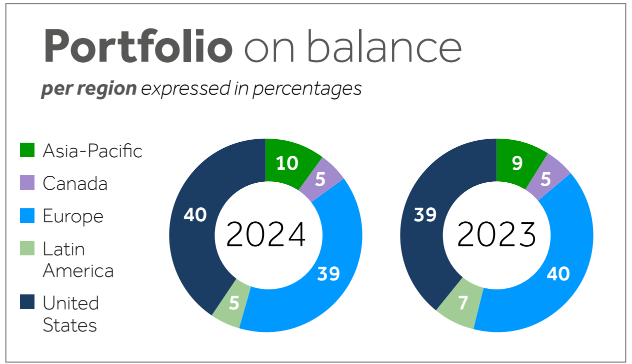
In addition to the GBUs that serve nine distinct industries, DLL has a separate Commercial Finance GBU that provides short-term funding to customers in all of those industries. In this overview, the Commercial Finance portfolio is allocated to the other GBUs. DLL's Commercial Finance portfolio declined slightly after a record-breaking 2023.

All regions grew their portfolios compared to 2023, except for Latin America which had a very challenging year. Brazil, the largest country in our "LatAm" region, faced extraordinary issues in 2024. Our operations in Brazil were affected by a combination of factors that included: droughts throughout the country due to changes in El Niño weather patterns; a downturn



in commodity prices in the F&A industry; significant flooding in the southern part of the country; and a significant increase in external frauds discovered during the year (see also the Business risk and Operational risk sections).

Europe saw 5% growth in challenging circumstances, while the U.S., Canada and Asia-Pacific even managed to achieve double digit growth in 2024.



In terms of funding, DLL issued three U.S. securitization transactions:

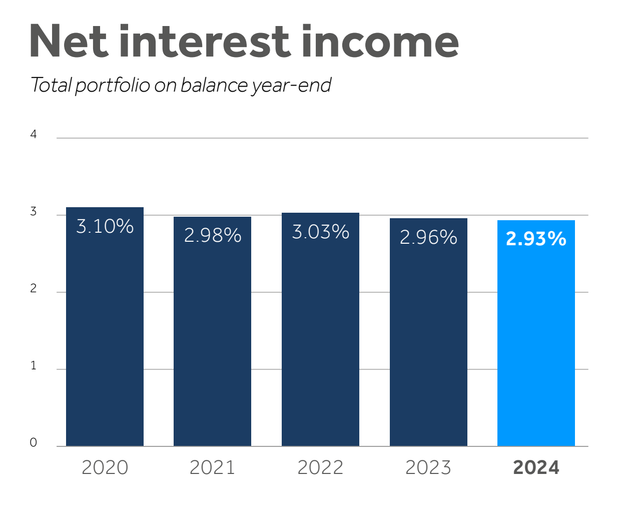
- On January 25, we issued USD 750 million in notes backed by loans and leases secured with office equipment and technology solutions.
- On May 15, we issued USD 650 million in notes backed by loans and leases secured with agricultural, golf course and turf equipment.
- On August 15, we issued an additional USD 750 million in notes. This deal was backed by loans and leases secured with construction, transportation and industrial equipment.

In May 2024, DLL signed a share purchase agreement to acquire elf Leasing GmbH, a German provider of leasing services in the construction, transportation, agricultural and industrial sectors based in Essen and Hannover. The transaction was completed in November. For the foreseeable future, DLL will continue to use the elf brand in the German market. This acquisition underlines DLL's growth ambitions in Europe.

During the year, DLL's CET1 ratio improved to 12.35%; this was driven by the appropriation of the 2023 result. The total capital requirement amounts to 11.15%, meaning that DLL was sufficiently capitalized at year-end.

Income statement

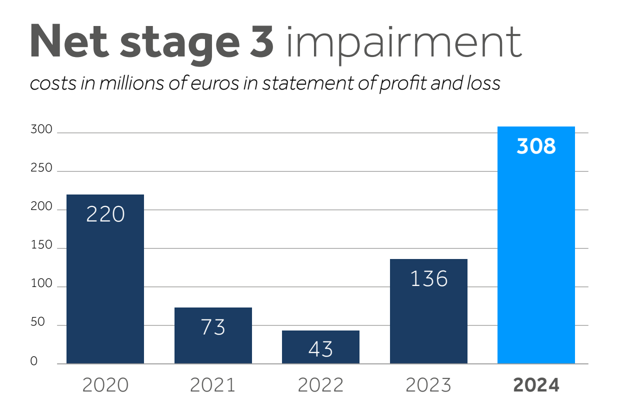
Net interest income grew during the year, while the margin as expressed in basis points of the portfolio decreased slightly. While results remained positive, conditions remained challenging as geopolitical, climate and macroeconomic events continued to affect our portfolio.



Operating expenses rose, largely due to higher employee costs and investments in IT. Unfortunately, the trend toward increasing credit impairments seen in 2023 continued in 2024, particularly with respect to stage 3 credit impairments. Despite the growth in our portfolio, the risk costs associated with the performing part of the portfolio (stage 1 and 2 credit impairments) remained more or less stable.

However, the risk costs associated with the defaulted part of the portfolio increased significantly: Stage 3 credit impairments amounted to EUR 308 million, compared to EUR 136 million in 2023. Although this rise was mainly driven by the events in Brazil mentioned above, other regions also saw increases in stage 3 credit impairments.

Further details of our financial performance, including key metrics and analysis, can be found in the Financial Statements and other sections of this report.



Outlook

On January 22, 2025, DLL announced the first U.S. securitization transaction of the year, issuing notes totaling USD 750 million. These are backed by loans and leases secured with new and used agricultural equipment originated by AGCO Finance, a joint venture between DLL (51% ownership) and AGCO (49%).

In 2025, Capital Requirements Regulation 3 (CRR 3) will become applicable in Europe, which will have the Based IV capital requirements included. As a consequence, the risk-weighted assets and associated capital requirements will significantly increase. To ensure DLL remains sufficiently capitalized, we have obtained additional Tier 2 capital amounting to EUR 750 million from our shareholder in March 2025.

Current uncertainty around global trade is leading to softening of the markets we operate in. This translates into delaying of investment decisions of our customers and therefore less growth compared to prior years. At the same time risk costs in Brazil remain elevated and above our risk appetite limits.

Other than these challenges, our turnover and profitability, as well as our member base, financing, and investment activities, are expected to remain stable.

Outlook 2025

- **DLL announced the first U.S. securitization transaction of the year, issuing notes totaling USD 750 million**
- **Capital Requirements Regulation 3 (CRR 3) will become applicable in Europe, which will have the Based IV capital requirements included**
- **In March 2025, we have obtained additional Tier 2 capital amounting to EUR 750 million from our shareholder**
- **Delay of investment decisions of our customers and less growth compared to prior years**
- **Our turnover and profitability are expected to remain stable**

Sustainability

For DLL, the focal points for sustainability are climate, biodiversity and circularity as well as diversity, equity and inclusion of our member base. During the year, we focussed on further implementing our sustainability transitions, and we set Road to Paris-aligned targets for reducing emissions from our own operations. We also created transition plans for the majority of the portfolio, aimed at lowering portfolio emissions. We contributed EUR 2.3 million to social causes.

Sustainability **strategy**

Our sustainability strategy prioritizes activities that support DLL's overall goal to be the transition partner for a better world through the following commercial, social and organizational ambitions:

- To help existing partners achieve their sustainability ambitions by aligning our strategic initiatives and solutions
- To onboard new partners that focus on our three key transition areas: energy, food and agriculture (F&A), and circularity
- To invest in new opportunities, including adjacent propositions, channels and markets, and innovations in the three transition areas
- To build a diverse and inclusive workplace that enables members to achieve their full potential
- To comply with ESG regulations and commitments, and adhere to high ESG standards in the way we do and run our business

Main **ESG achievements** at a glance

- **Set Road to Paris-aligned targets to reduce emissions from own operations**
- **Created transition plans with targets for decarbonization for four major asset types**
- **Defined and prioritized sustainable assets and sectors within Food & Agriculture**
- **Started discussions to measure biodiversity impacts and risks**
- **Developed a circularity framework and methodology**
- **Contributed EUR 2.3 million to good causes**

Material theme	Response	ESG criteria
Impacts, risks and opportunities associated with climate change	Energy transition – Working with partners and customers to achieve a reduction in the emissions of the assets we finance	Environmental
Impacts, risks and opportunities associated with biodiversity and ecosystems	F&A transition – Working with partners and customers to reduce the impact of the F&A sector on the environment	Environmental
Impacts and opportunities associated with resource use and the circular economy	Circularity transition – Working with partners and customers to reduce the use of (virgin) raw materials and move to a circular economy	Environmental
Impacts, risks and opportunities associated with our business's effect on our workforce	DE&I strategy – Ensuring a business culture that fosters diversity, equity and inclusion of our members	Social
Governance and business conduct	FEC – Ensuring that we comply with Know Your Customer (KYC), Anti-Money Laundering (AML) and other regulations to counter financial and economic crime	Governance

Our five material themes remained unchanged in 2024. These themes and our responses to them in the reporting year are shown in the table above.

In this section we focus on the first four themes and on governance of the environmental themes. For the financial and economic crime (FEC) business conduct theme, please refer to the Compliance section.

Our responses on environmental themes

DLL's material envrionmental themes are aligned with the three transition areas we have prioritized: energy , food & agri (F&A) and circularity. Within these areas, we aim to support our existing partners in their sustainability ambitions and onboard new partners that focus on these transition areas. Below we outline the main achievements in each of these areas in 2024, and describe the related governance processes, metrics and targets.

Energy transition

Our energy transition strategy focuses on working with partners and customers to help them achieve portfolio decarbonization. Our goal is to accelerate the energy transition by financing more sustainable, cost-effective and future-proof assets. We take a value chain approach which focuses on four energy asset categories:

- Energy-producing assets, such as solar and wind power
- Energy infrastructure assets, such as battery energy storage systems and charging infrastructure equipment
- Energy-efficient assets, such as battery energy storage system or heating, ventilation and air conditioning systems
- Energy-consuming assets, such as eMobility assets from electric light commercial vehicles to electric medium-duty as well as heavy-duty trucks.

Energy transition costs remain a challenge for many businesses. DLL provides one-stop financial solutions across the four key energy asset categories, giving businesses access to innovative and more cost-effective financing options. The financing solutions we offer (including leasing and rental) help customers reduce energy expenses, manage Total Cost of Ownership, and preserve cash flow while enabling partners to scale their operations. In 2024, we helped customers and partners to adopt new technologies without incurring high upfront costs, by providing insights into market research, subsidy schemes and financial incentives, helping them maximize their investments in cleaner or renewable energy. This contributed to lowering greenhouse gas (GHG) intensity across our portfolio, aligning with our broader sustainability objectives and those of our parent company, Rabobank. We realized multiple additional opportunities in the energy transition area this year, including:

- Tapping into increased demand for transition financing: DLL has supported our customers in their transition into renewables by offering flexible financial products and assets across the entire energy transition value chain. We supported more than 1,000 customers financing assets in the four energy asset categories.
- Expanding partner networks: We strengthened relationships with our customers, partners, Rabobank and other key stakeholders to enhance pathways for lead origination and commercial growth. We established close to 100 relationships with partners, specialist brokers and customers for transition financing.
- Supporting the energy transition in key markets: We identified strong opportunities in markets like Australia, the UK and the Netherlands, particularly in eMobility and energy-producing assets like solar within the commercial and industrial sectors.

However, where there are opportunities, there is also risk. Changes in energy pricing and regulatory landscapes continued to raise questions. We mitigated this by diversifying financing structures and strengthening our capabilities. In addition, inflationary pressures and capital cost fluctuations influenced investment decisions and slowed down adoption. Our structured payment solutions provided more stability for customers looking to de-risk their investments in the context of rapid advancements in energy technology.

F&A transition

Our F&A transition strategy is to pursue business opportunities with new and existing partners and customers across the entire food supply chain, financing equipment that reduces environmental impact and improves operational cash flow. We aim to support both natural resource conservation and customer financial solvency, while also mitigating economic and environmental risks to achieve a more sustainable outcome.

The assets and industry sectors we are primarily focused on are dairy, regenerative agriculture, on-farm energy production from biomass and food waste, water conservation technologies and food processing efficiency, as well as harvesting automation.

During 2024 we realized a number of important milestones:

- Defined and prioritized F&A sustainable assets, sectors and strategy, including regenerative agriculture and sustainable packaging equipment
- Developed an operational blended finance model for an agricultural pilot project to support our South America business
- Engaged with key people and teams at Rabobank, facilitated training sessions and convened joint meetings with several customers
- Identified two new asset categories and potential original equipment manufacturer (OEM) partnerships, with negotiations on the partnerships ongoing
- Met with prospective customers as part of new business development, identifying opportunities for on farm energy generation and the food waste sector
- Financed a waste conversion startup together with a longstanding partner.

DLL initiated a conversation with Tetra Pak to investigate how we could support their efforts to recycle their post-consumer packaging waste. We discovered that they are committed to establishing a network of recyclers to convert the waste into new raw materials. We then identified a recycling project partner and, in a shared-risk partnership with Tetra Pak, financed a waste conversion technology startup in the Netherlands. This startup will create new products from Tetra Pak's post-consumer packaging waste. We hope this type of value chain finance model will be optimized in 2025 for Tetra Pak and other manufacturers across our portfolio.

However, where there are opportunities, there is also risk. While agricultural innovation tends to progress slowly, it can also shift suddenly. For instance, the sector is highly influenced by evolving market dynamics. Given the investment in existing business practices and market volatility, the level of willingness to adopt unconventional approaches is uncertain and may lead to a risk of inaction. We are aware of the need to balance our sustainability ambitions with market conditions and adjust our risk appetite appropriately. Our credit underwriting approach to F&A transition assets is maturing and more work is needed to enhance regional Deal Teams' understanding of the value of more sustainable assets.

Circularity transition

We continued to focus on supporting partners and customers in addressing their sustainability goals while scaling up existing circular business models and exploring new, innovative ones. During 2024 we realized a number of important milestones:

- Focused on asset life cycle management by developing asset-specific strategies extending their lifespan and increasing their usage maximizes their value
- Explored and scaled up innovative circular business models, such as take-back programs, rental services and pay-per-use initiatives
- Developed a circularity framework and methodology, ensuring a unified approach and language throughout the organization
- Together with our parent company, Rabobank, signed a Network Partnership agreement with the Ellen MacArthur Foundation to accelerate the transition to a circular economy.

We actively engaged with internal and external stakeholders to increase participation in circular initiatives. This included initiating dialogues with key partners and customers to explore new ventures aligned with circularity principles, as well as providing training materials to our members to support their understanding of circular practices and how these are embedded in DLL's operations.

We also created and shared our circularity framework both internally and externally, accompanied by a refreshed circularity and life cycle asset management web page that includes a video of the circularity framework in action. A significant focus for us in this endeavor is financing and remarketing used equipment.

On request of the UK National Health Service, DLL proposed a solution for decommissioned ambulances to be repurposed and given a second life, benefiting the UK ambulance operators. This removes the burden to sell the decommissioned vehicles from the ambulance operations, allowing them to focus on running their operation. Repurposing the used ambulances supports the circular economy, minimizes waste, and provides new partners and customers with functional and affordable vehicles at a low environmental cost. Also, we revamped our "Equipment Showroom" website for used assets to better serve our partners and customers. Our thought leadership is exemplified by initiatives in used equipment and circular IT.

Speed of adoption is critical, as shifting from pilot project to full-scale implementation requires significant effort and resources. In addition, geopolitical risks can impact the availability and cost of essential resources. To tackle these risks, we emphasized adopting a full value chain approach to identify mutual benefits with our partners and customers. Circularity serves as a lever for innovative business models, enabling us to mitigate resource risks while driving more sustainable growth.

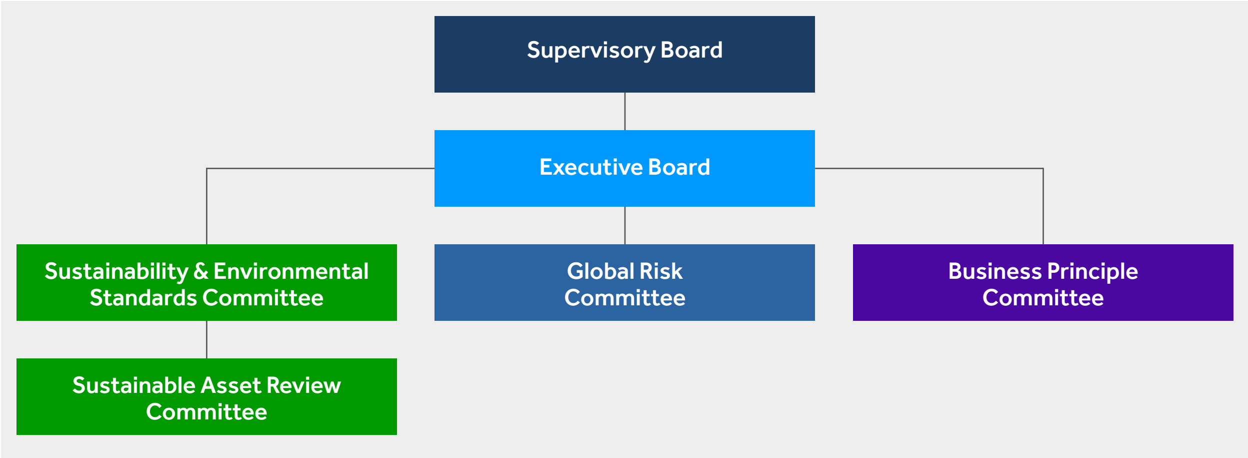
Governance

The Executive Board (EB) sets our sustainability strategy and targets – taking into account impacts, risks and opportunities, and ensures that sufficient resources are available. The EB is responsible for implementing measures to comply with sustainability laws and regulations, expectations and aspirations in the countries where we operate. One of the DLL Supervisory Board's responsibilities is to supervise and advise the EB regarding implementation of the sustainability strategy (see graphic). This includes investigating new developments and evaluating whether these align with sustainability regulations, and our strategy and purpose.

The Sustainability & Environmental Standards Committee (S&ESC) is a sub-committee of the EB and is responsible for tactical decision-making and for strategically advising the EB on the three environmental themes. The S&ESC steers and monitors the progress of each of the three related transitions and steers the company to deliver on them.

The Sustainable Asset Review Committee (SARC) is an S&ESC subcommittee and is mandated to decide which assets can be classified as sustainable. The SARC applies generally accepted criteria (such as the technical screening criteria in the EU Taxonomy) to conclude whether an asset is sustainable, conditionally sustainable, transitional or conventional. The aim of this classification is to set KPIs for the transformation of our portfolio.

Sustainability **governance structure**



Climate

Currently, there is only one generally accepted metric to measure environmental impacts, namely the calculation of greenhouse gas emissions. As a business we have climate impacts in two areas:

- Impact from our own operations, such as travel and use of electricity
- Impact from our portfolio, which we refer to as financed emissions.

Emissions from our own operations

Greenhouse gas emissions own operations (in tons of CO2)	2024		2023	
		CO2 Usage emissions		CO2 Usage emissions
Facilities				
Electricity (in kWh)	3,194,252	1,092	3,535,956	1,267
Natural gas (in m3)	120,849	242	173,178	340
		1,334		**1,607**
Vehicles				
Car travel DLL-leased/owned cars (in km)	22,261,580	3,337	20,577,098	3,049
Business flights				
Air travel (in km)	30,994,058	6,743	34,152,034	7,347
Categories for which targets are set		**11,414**		**12,004**
Other				
Paper (in kg)	35,860	46	33,658	31
Reimbursed travel by member owned cars (in km)	2,059,128	342	822,647	135
		388		**166**
Total		**11,802**		**12,170**

During 2024, DLL worked on further improving the calculation methodology for the emissions from our own operations and extending the scope to include air travel. We then submitted our data gathering, calculations and target setting to a third party for validation, who concluded that our methodology is fit-for-purpose.

An important milestone in 2024 was setting Road to Paris-aligned targets for reducing emissions from our own operations. We aim to reduce the emissions from our operations by at least 40% in 2030 (compared to our baseline year 2018). Although this is a challenging target, we are confident it will be met. To support our ambition to reduce emissions from our operations, we have amended our travel policy. As can be seen from the above, during 2024, we reduced our own emissions for which we have set targets by 5% while at the same time growing our portfolio and member base.

For the use of paper and the (reimbursed) car travel, we are still seeing the effects of the return to the office post Covid. During 2024, members visited office locations and clients more often. This is expected to stabilize in the future.

Going forward, we expect that the scope of monitoring and reporting on our own operations will extend beyond office locations, and car and air travel.

Emissions from our portfolio

After the baseline work done in 2023, we calculated the emissions of our entire portfolio in 2024 and validated the change for the year. This led to further improvements in our calculation methodology. We also developed methodologies for the remaining segments of the portfolio, meaning that we now have a financed emissions calculation methodology for all segements of the portfolio. As in prior years, we submitted the new elements in our methodology for external validation, and it was deemed fit-for-purpose.

Additionally, we worked on transition plans, called Asset x Region plans, for the majority of the assets in four of the six major segments of the portfolio to identify the potential for reduction in financed emissions for each segment of the portfolio, and the levers we can pull to achieve these reductions. At the end of 2024, the S&ESC endorsed these plans and the EB approved them. For the first time, actions to reduce financed emissions were included in our commercial mid-term planning.

For 2025, our focus will be on refining the transition plans based on the latest financed emissions calculations and market developments. In addition to enhancing existing Asset x Region plans, we will expand these plans to cover the remaining two segments of our portfolio. To ensure impactful results, we will work on integrating the action plans from our transition strategy into our business-as-usual operations..

Biodiversity

Biodiversity is an important topic for DLL in terms of impact, risks, and opportunities.

Given the complex and emerging nature of biodiversity as a topic of attention, DLL has prioritized baselining and knowledge building. To support this initiative, we are actively engaging with a renowned scientific partner to help measure our impacts and risks, and define metrics and targets, culminating in a detailed transition plan. Concurrently, we are collaborating with our partners to realize commercial opportunities.

Our responses on social themes: DE&I strategy

It is our members who truly set us apart and define who we are as a company. We aim to provide our members with a purposeful and inclusive place to work, one where they find meaning in their work and feel a connection between their personal purpose and DLL's purpose of "Partnering for a better world."

We want to create a diverse and inclusive workplace where all members feel respected, valued, recognized and empowered with a strong sense of belonging. We have a highly skilled and engaged member base who constantly ensure that DLL delivers the value proposition our customers and partners expect from us.

Board members **male/female**	Aspiration	Reality
Supervisory Board	50 / 50	50 / 50
Executive Board	50 / 50	50 / 50
Executive Board -1	*	*

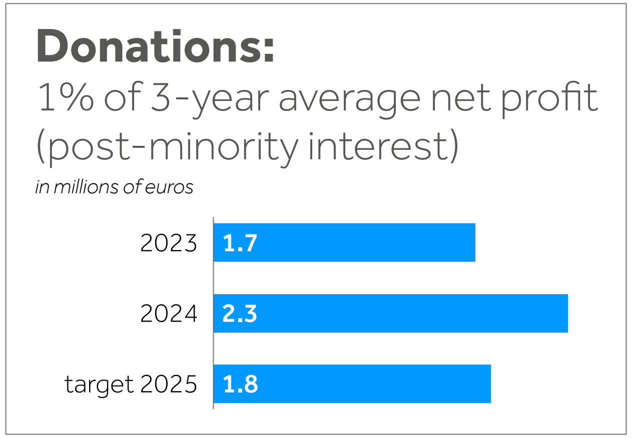
* For Executive Board -1 level we are currently working on an aspiration and a realization plan for the years to come.

Governance of the DE&I social theme is the responsibility of the Chief Human Resources Officer domain.

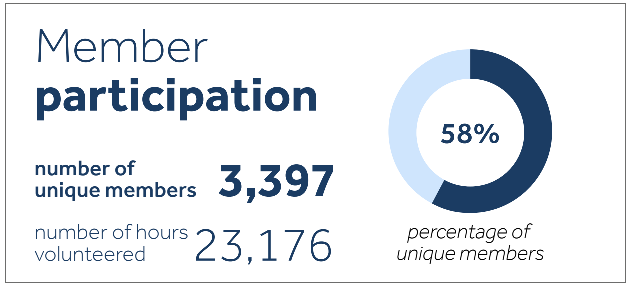
Social impact initiatives

DLL's social impact campaign generates donations to institutions working with historically marginalized, financially challenged and socially underserved sections of society. We support both local and global communities by leveraging our business expertise, channeling the passion and knowledge of our member base via purposeful volunteering, and providing financial support to charitable institutions. With a vision of enabling a more sustainable, more inclusive and healthier future for the communities in which we operate, we aspire to contribute 1% of the 3-year average of our net profit (post-minority interest, so the net profit attributable to our shareholder).

In 2024, we contributed a total of EUR 2.3 million (2023: EUR 1.7 million) in projects and initiatives focused on our three thematic areas: Environmental stewardship, opportunity for all, and health and wellbeing (which includes financial wellbeing of our communities).



At DLL, we believe an inspired workforce is crucial for success, so we encourage our members to make meaningful contributions to their local communities. Through our global network of over 40 Global Transformers, we support various social impact projects and initiatives. In 2024, 3,397 members volunteered for 23,176 hours, surpassing our target with over 58% of our member base participating.



In 2024, natural disasters struck in different countries where DLL operates including Brazil, Poland, the U.S. and Spain. In Brazil, several members, their families and communities were severely impacted by floods. Some of them lost their homes, and many struggled to get access to basic needs. We launched a global fundraising campaign for our entire member base and matched the contributions through our disaster relief assistance fund, doubling all the donations from members. The south of Poland also experienced severe floods, while in the U.S., Hurricane Helene adversely affected our office in Atlanta, Georgia and some of its members. In Spain, the province of Valencia was severely impacted when one year's worth of rain fell in a single day. Our global members provided financial assistance to support these communities via global donation campaigns which were further matched by DLL enabling us to contribute more than EUR 63,000 to various charities.

Our partnership with the One Tree Planted charity enabled us to assist in planting trees at multiple locations for each electronically signed-off financial contract – celebrating the digital journey DLL has embarked upon. Since our partnership began in 2021, DLL has supported the planting of 226,000 trees worldwide, fostering nature and ensuring that local communities who depend on forests can thrive.

Our collaboration with the European Food Banks Federation enabled us to financially assist 12 different food banks and contribute toward food security and nutritional needs. Members collected, donated, packed, prepared or distributed meals in collaboration with their local food banks.

Through various country-level projects and charity of choice initiatives focusing on local issues, we assisted 150+ local charities with financial support.

Through the Advisors for a Better World program (run in collaboration with Rabo Partnerships), nine DLL members undertook field and remote assignments to support financial institutions and local banks in Uganda, Bolivia, Ecuador, Zambia and Ivory Coast.

Outlook 2025

- **Continuing to embed sustainability in our customer onboarding and credit journeys**
- **Further enable the risk-return-sustainability triangle through consistent and proportionate sustainability assessments and monitoring both the client journey (downstream) and procurement channels (upstream)**
- **Design and kick-start of the transition plans for climate, circularity and biodiversity**
- **Continue training DLL members in sustainability impact, risk and opportunities, focusing on client-facing staff in 2025**

Risk management and compliance

DLL continued to benefit from a high degree of portfolio diversification across geography and sector. DLL's portfolio remained inside the non-performing loan target and risk appetite limits throughout the year. However, we did experience an increase in our non-performing loan ratio, a trend that started in 2023. The credit profile was impacted by challenges in the Brazil portfolio, and global challenges in a few sectors. During the year, emphasis was placed on managing credit risk and identifying potential impairments early. We continued to deliver on our future model landscape project while operational resilience was another point of focus in 2024. All of this will continue in 2025.

NPL ratio

percentage of the total number of loans

Q4 2024	Q3 2024	Q2 2024
2.91%	2.83%	2.31%

2024 Appetite:
EWL > 3.5%
RAS > 4.0%

NPL coverage ratio

percentage of provisions to volume of non-performing loans

Q4 2024	Q3 2024	Q2 2024
21.3%	23.3%	25.2%

2024 Appetite:
EWL < 17.5%
RAS < 15.0%

CRO top five priorities for 2025

1. Mature our models and foster data-driven management
2. Enhance DLL's risk and compliance frameworks by maturing responsibility and accountability of first and second line
3. Strengthen proactive integrated risk management to better serve our customers and stay within risk boundaries
4. Further develop risk-reward-sustainability throughout DLL
5. Drive increased operational resilience and organizational change capacity

Key developments 2024

- Credit risk profile impacted primarily by challenges in Brazil portfolio, remaining within all targets and limits
- Environmental risk and risk-reward-sustainability approach maturing
- Elevated non-financial risk profile, but good progress and focus on operational resilience and change management
- Future model landscape progressing to plan

Risk is an inherent part of doing business, and effective risk governance and management are vital to ensuring DLL is able to achieve its long-term strategy. Our Chief Risk Officer (CRO) domain sets and oversees a risk strategy designed to support the bank's strategic goals. Our risk strategy is an integral part of DLL's overall strategy. Based on the risk strategy, we set DLL's risk appetite, which is the aggregate level of risk we are willing to accept, or avoid, in order to meet the business objectives.

Some types of risk are an integral part of DLL's day-to-day activities and a vital part of revenue generation. Without taking informed risk decisions, profitable banking activities are impossible, and sound risk management enables us to accept a certain degree of risk as defined in our Risk Appetite Statement (RAS). Alongside these daily risk decisions, we closely monitor our business environment and related strategic risks arising from our macroeconomic and competitive landscape.

Key developments in 2024

The primary risks to DLL's ability to achieve its current and future strategic ambitions remain geopolitical and macroeconomic developments, alongside non-financial change environments including technology and digitalization, strategic workforce, and wider change drivers relating to environmental and societal impact, and regulation.

In 2024, DLL's credit profile was impacted by challenges in the Brazil portfolio, and global challenges in a few sectors, particularly transportation. Our operations in Brazil were affected by a combination of factors that included: droughts throughout the country due to changes in El Niño weather patterns; a downturn in commodity prices in the F&A industry; significant flooding in the southern part of the country; and a significant increase in external frauds discovered during the year. Our year-end NPL ratio was 2.91% (2023: 2.01%), which was within all Group level targets and risk appetite limits. We continued to place significant emphasis on early identification of distressed debtors and proactive portfolio management. Underwriting criteria were tightened in relevant markets and sectors, and provision levels at year-end 2024 remained adequate, following implementation of the new International Financial Reporting Standard (IFRS) 9 models in the fourth quarter (including management adjustments).

DLL's overall risk profile was affected by its credit risk position. The company maintained its desired non-credit financial risk profile through careful forecasting and management of potential Basel 4 impacts. However, some non-financial risks exceed the company's risk appetite. We acknowledge these risks, understand the reasons behind the increased profile, and are implementing (specific actions) to bring them within acceptable levels.

DLL maintained strong progress in incorporating and embedding environment-related factors into our overall governance and risk management frameworks. This will remain a key priority for the CRO domain during 2025, in keeping with both regulatory expectations and our long-term strategy. The Chief Risk Officer is the executive sponsor of the risk-reward-sustainability strategic transformation pillar. This will deliver incorporation of sustainability into our credit and customer journey and supports DLL's commercial objective of being a transition partner of choice while striking a healthy risk appetite balance.

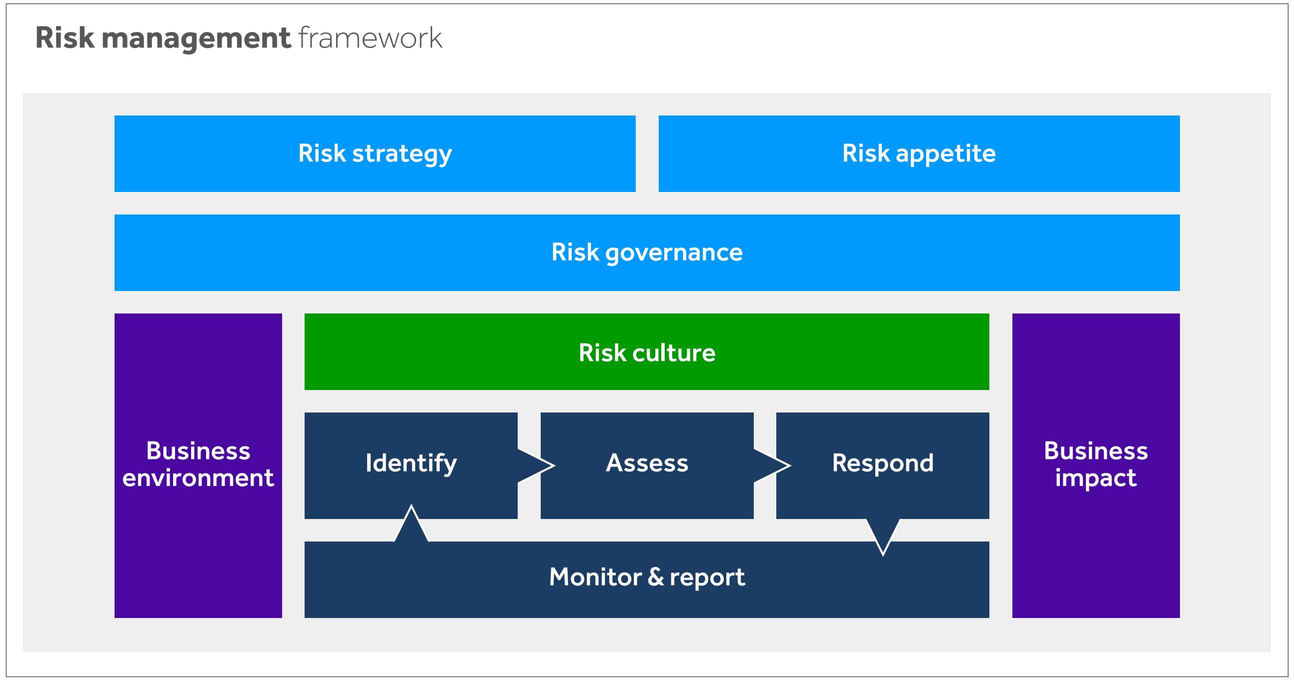
During 2024, we maintained regulatory compliance as a foundational principle. DLL is a credit institution headquartered in the Netherlands, and therefore bound by Dutch and European laws and regulations. Where there is a legal requirement that prevents local compliance with (parts of) this framework and/or there is a higher standard that must be applied, these stricter local rules prevail.

We maintained progress on our future model landscape project, which was approved by the European Central Bank (ECB) in 2022. It is designed to deliver regulatory compliance alongside simplification and consolidation of DLL's model landscape. In parallel to capital and credit modeling, the rapid development of newly available artificial intelligence (AI) technologies and regulations will be an important focus area in 2025, including the integration of the requirements of the European Artificial Intelligence Act.

Cybersecurity remains a key focus for DLL due to the increased prevalence and impact of threats and incidents globally. DLL continues to improve its overall security environment, develop internal awareness among staff, and expand technology and security expertise. Overall operational resilience – and particularly addressing the expectations of the EU Digital Operational Resilience Act (DORA) and the European Banking Authority's (EBA) Outsourcing Guidelines – was a key focus during 2024 and will remain so throughout 2025 with an emphasis on technology- and digitalization risk management.

DLL's risk management framework

DLL employs an integrated approach, designing risk and control processes to manage our material risks, with a robust risk management framework aligned with our risk strategy and appetite.



We evaluate the effectiveness of the framework continuously, adapting to the latest developments and requirements with a particular focus on regulatory change and adherence. We monitor and report on DLL's risk profile to ensure timely and appropriate actions are taken where necessary to manage and mitigate emerging risks, or to learn, change and improve our underlying processes so that we continue to operate within the boundaries of our risk appetite.

Managing risk

DLL's integrated risk management framework, supported by policies, standards and operational procedures, sets out a consistent approach to managing all risk across the organization. Risk identification, and materiality assessment and classification allow for a clear understanding and definition of risks, promoting a common understanding of risk management.

DLL's risk management activities are integrated in our strategy design and execution. While new strategic initiatives create opportunities, any projected rewards must be considered against related risks and impact. We track external developments and emerging risks and undertake regular, top-down and bottom-up risk assessments to identify various types of risks, conducting specific stress tests to calculate the impact of adverse scenarios. An integrated overview of these risks and the measures taken to address them are discussed periodically by the Executive Board (EB).

Our risk and compliance management capability is fully integrated at both Group and business unit level. DLL is also represented in all relevant Rabobank risk committees, facilitating engagement, alignment and transparency between entities.

Risk governance

Our internal governance ensures a transparent and consistent three lines of responsibility across DLL. Our formal risk governance supports the realization of our strategic priorities and is based on regulatory guidelines and market practices.

The EB has overall accountability and responsibility for setting the organization's strategy, objectives, risk appetite and aspired culture. It establishes a governance structure and processes to best manage the risks involved in accomplishing DLL's objectives. The CRO plays an integral and independent role in advising the EB on DLL's risk profile, the performance of its controls and challenging proposed business strategies that may exceed risk tolerance.

While the EB reviews and approves the risk management framework, all colleagues share ownership of risk management.

- The business (first line, including support functions) in all countries owns, takes and manages risk, reward and sustainability impact. Global policies support the execution of the business strategy, adherence to risk appetite and oversight of risks.
- The Risk and Compliance functions (second line) provide our risk management framework, challenge risk-taking and monitor the risk profile.

- Internal Audit (third line) provides independent assurance, advice and insights on the quality and effectiveness of DLL's internal control, risk management, compliance and governance.

Three Lines of **Responsibility**

1. Owns, takes and manages risk, reward and sustainability impact
2. Provides risk governance and frameworks, challenges risk-taking and monitors the risk profile
3. Provides independent assurance, advice and insights

Risk strategy

DLL's business strategy gives important direction regarding the company's priorities, objectives and targets, including a capital strategy. DLL's risk strategy articulates the risk priorities the bank needs to manage as a precondition for achieving its objectives. Our risk strategy supports management in executing the business strategy by protecting profit, our identity and reputation, and maintaining a solid balance sheet. Assessing the impact of environmental, social and governance (ESG) risks and realizing our related objectives is within the scope of our risk strategy.

Our risk strategy is guided by our purpose of being the valued CRO business partner enabling more sustainable business growth while ensuring stakeholders' confidence. The CRO domain's people and culture, partnership with the first line and stakeholders, international reach close to the business, industry specialization, and combination of asset and risk knowledge allow us to protect DLL's stable, secure and compliant operation. The risk strategy and priorities are consistent with our shareholder Rabobank's:

- Protect profit and profit growth: Maintaining continued profit levels is an important source of capital.
- Maintain a solid balance sheet: Sound balance sheet ratios are essential to ensure continuity in servicing our customers under more sustainable and favorable conditions.
- Protect identity and reputation: We want to protect the fundamental trust that our stakeholders have in DLL.

These priorities are strongly intertwined and depend on maintaining a sound governance and risk culture. Delivering long-term customer value requires a solid balance sheet and minimized funding costs, supporting DLL's profitability and reputation. In turn, maintaining a solid balance sheet requires healthy profitability and a sound reputation.

Risk identification and assessment

To deliver on the risk strategy, it is imperative that DLL knows the risks it faces. Our structured approach to risk identification and assessment ensures that current and potential future risks to DLL's mission, vision and strategic priorities are identified and assessed for impact. Involvement of the business is an important prerequisite to ensure the completeness of our bank-wide risk inventory and to create awareness throughout the Group when deciding on resourcing and priorities. We recognize three dimensions for identifying risks:

- Strategic risks: Specific scenarios of concern which threaten to disrupt the assumptions and outcomes, and the core of DLL's strategy.
- Financial risks: Risks that we consciously accept in order to benefit from the premium that the market offers for taking on risks. That is, risks for which we have a risk appetite.
- Non-financial risks: Risks for which we have no appetite, but which are tolerated within limits because they are inherent to the operation of DLL.

Risk types

Strategic risk

- Economic and geopolitical risk
- Technology and digitalization risk
- Environmental, social and governance risk
- Regulations risk
- Strategic workforce of the future risk
- Change absorption capacity risk

Material risk

- Business risk
- Credit risk
- Market risk
- Asset risk
- Operational risk
- Compliance risk
- Model risk

Strategic risks are material developments which could hamper the realization of DLL's strategic objectives and ultimately impact on one of our day-to-day material risk types. To achieve its strategic objectives, DLL must be prepared and resilient in a systemically complex and disruptive environment. Rather than assessing residual risk, we focus instead on DLL's preparedness in the event of the risk manifesting. We focus on developments which may affect DLL's ability to create value over the medium and long term in line with its strategic goals, and on the avenues DLL is pursuing to mitigate these strategic risks.

Strategic risk

Strategic risk	Overview
Economic and geopolitical	DLL fails to keep pace with a highly dynamic and fast-evolving market, failing to identify, plan for and adapt to disruptive economic or political events, or innovation which changes customer expectations, how DLL must do business, our volumes and margins.
Technology and digitalization	Competitive pressure from AI, pressure from cyberthreats, pressure in data quality and legacy systems. DLL fails to keep pace with a highly dynamic and fast-evolving market, failing to identify, plan for and adapt to disruptive innovation. Includes data enablers and security risk.
Environmental, social and governance	In addition to the extreme weather conditions which pose serious portfolio/location risks (outside-in), DLL or its customers fail to manage the transition to a low-carbon-emissions circular economy respecting biodiversity in a smooth and forward-looking manner (inside-out). Failure to implement and adhere to the material volume of emerging climate/ESG regulations may put our license to operate in danger.
Regulations	The scale, breadth and pace of regulatory change and increased regulatory scrutiny challenge DLL's business model or competitive advantage.
Strategic workforce of the future	DLL fails to define 1) a future workforce requirements/skills mix in line with strategic direction or 2) an attractive proposition in terms of pay, culture etc. to facilitate attraction, development and retention of members with the right competencies and skillsets to deliver that strategy.
Change absorption capacity	DLL fails to manage the scale, breadth and pace of both internal and external change that impacts the bank and its operating model.

Financial and non-financial risks that are assessed as material are directly represented in the RAS with a risk indicator.

Alongside the wider financial services industry, DLL faces reputational risk and ESG risks. These are factors in each of the material risk types described. During 2024, DLL continued to work toward structurally embedding environmental risk in our risk framework, including risk identification and mitigation, stress testing, and determination of provisioning, capital and consequently pricing. We expect environmental risk to mainly affect, over time, our credit profile, but its impact on non-financial risk, business risk and asset risk is also deemed material. In addition to the traditional outside-in perspective on risks facing the bank, the inside-out perspective is assessed in a double materiality assessment, where the bank and its customers or suppliers potentially have a material impact on a wide array of ESG topics. See the Sustainability section for more information.

Risk appetite

Risk appetite considerations are central to strategic decision-making and entail consciously weighing the risks arising from the business strategy. Our risk strategy results in a suite of risk appetite statements, which are directly connected to DLL's Medium Term Plan (MTP) and which support the strategic aim of building a more sustainable business by providing colleagues with a structured approach to risk taking within agreed boundaries.

Risk appetite is embedded within our principles, policies, standards, limits and controls. Our risk appetite is specified per risk type and defines the level of risk we are willing to accept to achieve our business objectives. Our overall maximum level of risk exposure is used in all business activities to assess the desired risk profile against the risk-reward profile of a given activity. Regional and joint-venture specific risk appetite statements further disaggregate the Group's risk appetite closer to the operational and commercial points of risk taking.

The 2024 risk appetite includes qualitative statements and quantitative measures expressed relative to earnings, capital, risk measures, liquidity and other relevant measures as appropriate. RASs are supported by key risk indicators (KRIs), which directly monitor the risk profile associated with the risk appetite, and by risk indicators (RIs), which enable additional monitoring. For every KRI and RI, an early warning limit and/or risk appetite limit is determined to manage the risk profile within the desired risk appetite.

Regular monitoring and reporting of the KRIs is essential, and a prescribed breach management process in combination with appropriate governance ensures a timely and adequate response if an individual risk exceeds our appetite levels.

Material risk type	2024 risk appetite statement	Key risk indicators
Business risk	We are a strongly capitalized bank, with prudent buffers above regulatory requirements.	CET1 ratio
	We achieve a solid performance based on a well-diversified asset portfolio in terms of products, industries and geography. We price our risk well, allocate sufficient capital to growth themes, and are conscious of the risks we take.	TCR CROIC
Credit risk	DLL maintains a profitable credit portfolio, with a controlled risk profile in order to limit the impact of impairment charges on the profitability and reputation of the bank.	NPLs
	DLL manages concentrations in the credit portfolio with clear limits per country, sector, and one-obligor, in order to ensure an acceptable risk profile on concentration risk.	EAD top 15 corporates as a percentage of CET1
Market risk	Liquidity risk: DLL aims for an optimally diversified funding portfolio (in tenors and funding sources) that supports its customers' activities and a balanced liquidity mismatch within its risk appetite. DLL must apply a "matched-funding" principle beyond a maximum mismatch of 10%.	Consolidated DLL liquidity position
	FX risk: DLL aims for a limited translation risk impact of exchange rate movements on the DLL CET1 ratio.	FX basis point impact CET1 ratio
	Interest rate risk: DLL must apply a "matched-funding" policy within approved limits to maintain its exposure to interest rate risk, within DLL's risk appetite.	Modified duration of equity Earnings at risk (EatR)
Asset risk	DLL seeks to have a varied and diversified portfolio in order to mitigate the risks inherent in an asset-based financing environment and provide a sufficient level of income for assuming this risk. Continued success in asset-based financing activities – especially fair market value (FMV) leasing – may result in increased asset risk concentrations, which are acknowledged and accepted.	Residual value concentration Aged inventory
Operational risk	DLL does not accept operational risk net losses (including compliance risk and model risk losses) excluding credit risk overlap year-to-date exceeding EUR 30 million.	Net operational risk management loss amount
	DLL accepts no more than two individual risks with a residual high-risk rating and/or no more than six individual risks with a medium-high residual risk rating (risk rating 4 and 5) on the Rabobank Group scale. DLL acts in compliance with the letter, intent, spirit and purpose of prevailing rules and regulations.	Number of individual risks with a current residual rating of medium-high or high risk
	We protect the identity and reputation of DLL and safeguard the trust that customers, partners and stakeholders have in DLL. We live up to our community commitments, we do what we say, and stay away from customers, business and risks that could reasonably be assumed to damage our reputation and unique identity.	

Material risk type	2024 risk appetite statement	Key risk indicators
Compliance risk	DLL does not accept being willfully or negligently involved in financial and economic crime (FEC). Although it is accepted that it is not possible to eliminate these risks completely, DLL will have mitigating controls in place in line with the laws and regulations as reflected within DLL's policies.	High-risk customers
	DLL has no risk appetite for establishing or maintaining a customer relationship where it knows or reasonably suspects the customer to be involved in money laundering, terrorist financing or other criminal activity. Given the nature of DLL's business it is impossible to eliminate money laundering risk. Therefore, in line with the risk-based approach, DLL has limited risk appetite for customers and business activities which have a higher risk of money laundering, terrorist financing or other criminal activity.	Customer relationships domiciled or registered in high-risk sanction countries
	Qualitative statement: DLL has no risk appetite for establishing or maintaining a customer relationship or executing transactions with counterparties which would contravene sanctions laws and regulations. Furthermore, DLL has no appetite for proliferation finance and will not establish or maintain any type of relationship where it knows, or suspects, such activity is taking place.	
	Given the nature of DLL's business it is impossible to eliminate bribery and corruption risks. In line with a risk-based approach, DLL has controls in place to mitigate these risks; and where it knows or reasonably suspects to be involved in bribery or corruption, DLL has no risk appetite for establishing or maintaining a relationship.	
Model risk	DLL has limited appetite for medium-high and high-risk models as these can imply uncertainty regarding the accuracy of reported figures, lead to reputation damage and/or considerable regulatory fines for the bank.	Overall model risk

Risk profile and risk appetite performance

In this section we provide quantitative and qualitative information on the key strategic, financial and operational risks DLL faced in 2024 and their expected impact going forward.

In 2024, the overall risk profile of the bank was impacted by the deterioration in our credit risk position. DLL's credit profile was impacted by the aforementioned challenges in the Brazil portfolio, and global challenges in a few sectors, particularly transportation. The non-credit financial risk profile was as desired thanks to prudent forecasting and management of potential future Basel 4 impacts. For some non-financial risks, DLL breached individual risk appetite indicators but overall remained inside risk appetite. We are aware of these risks and the underlying drivers for the higher risk profile and are actively following up to lower the risk profile to acceptable levels.

Business risk

Description of risk	Response	Going forward
DLL is exposed to the risk of loss due to changes in the competitive environment or events which damage the franchise or the operating economics of the business. Both the elevated risk costs and provisions (notably in our Brazil portfolio), and the future model landscape-RWA add-on continue to negatively impact relevant ratios. However, these have been offset by, among other things, strong commercial performance. Throughout 2024 we operated within risk appetite.	Business risk is largely managed and measured through analyses of the most relevant risks for DLL's business model. These analyses support management in assessment, impact evaluation and management of the risks articulated. The Medium Term Plan (MTP) and budget processes, during which management sets DLL's business pathway for the coming years based on different scenarios, is a key element of business risk management. Our 2025-2029 MTP and budget processes capture the business risk environment in an aggregated, integrated and comprehensive way, taking related headwinds into account in key assumptions. The underlying risks are managed and mitigated through a structured program of scenario and sensitivity analyses to analyze business risk. Our selection of scenarios and sensitivities takes our strategic risks into consideration.	The macroeconomic environment will remain challenging into 2025. The potential impact of economic and geopolitical developments on business activities of our customers leads to uncertainties. Underlying performance will be closely monitored throughout 2025 and a suite of scenario and sensitivity analyses will take full consideration of factors such as the tariff, interest and inflation rate environment, competitive pricing pressures and geopolitical factors.

Credit risk

DLL continues to benefit from a high degree of portfolio diversification across geographies and sectors. DLL's portfolio remained inside the non-performing loan target and risk appetite limits throughout the year. As already mentioned, DLL's credit profile was impacted by challenges in the Brazil portfolio, and global challenges in a few sectors, particularly transportation. Our year-end NPL ratio was 2.91% (2023: 2.01%), within all Group level targets and risk appetite limits. Total accumulated impairment charges amounted to EUR 303.3 million/66 basis points (bps), an overrun of the fiscal year budget and in breach of the relevant risk appetite. Most of the overrun was due to the challenges in the Brazil portfolio.

Description of risk	Response	Going forward
The risk of loss due to a counterparty defaulting on its payment obligations to the bank. While DLL's credit risk profile as measured by NPL remained within all risk limits during 2024, we have seen challenges globally, leading to increased risk costs and provisioning. The DLL Brazil portfolio has been significantly challenged by El Niño weather impacts, commodity prices and localized flooding.	DLL's expertly calibrated credit risk framework consists of underwriting criteria, credit policies, various credit management triggers, and an extensive risk appetite framework allowing for adequate steering, monitoring and reporting of the portfolio. DLL's credit risk approval framework describes the credit application process and authorities therein, contributing to high-quality decisions based on a clear structure for delegating credit approval authority and monitoring thereof. DLL's credit collection and recovery monitoring cycle is conducted on all levels of the organization and is split between 1LOR and 2LOR responsibilities. To support DLL's portfolio growth ambition while also enabling a flexible and proactive response to the current macroeconomic environment, DLL established an updated collections and recovery blueprint during 2024. This exercise will enhance the effectiveness and timeliness of our proactive portfolio monitoring. Proactive portfolio monitoring was a top priority for the CRO domain in 2024 and will remain so in 2025. Active steering and monitoring of the credit portfolio took place throughout 2024, including active management of NPLs through our NPL strategy, and vulnerable sector identification and monitoring. In addition to continuing to mature this robust framework, DLL delivered enhancements of dashboards, continued adjustments of underwriting criteria, and various credit deep dives. Specific actions have been taken to address challenges in specific markets and sectors, with underwriting criteria adjusted as appropriate.	Geopolitical issues pose the largest uncertainty over our forecast. Proactive portfolio monitoring remains the top priority for the CRO domain as a whole in 2025. Selective credit approval, proactive day-to-day credit risk management and credit portfolio monitoring, active steering on the NPL portfolio in line with the NPL strategy, and managing partner risks will remain foundational activities for realizing the Group risk measures. Incorporating environment-related factors into credit decisioning will continue to be a key focus in 2025 and beyond, in keeping with both regulatory expectations and DLL's long-term strategy. We will continue to mature methodologies to identify transmission channels, quantify and mitigate the potential risks and impacts, while supporting DLL's pursuit of related opportunities. Regulatory expectations remain a critical focus and we will continue developing and embedding the necessary compliance mechanisms within our credit journey and monitoring processes.

- Although our NPL ratio increased to 2.91% (2023: 2.01%), it remains well within risk appetite and target levels.
- Full year impairment charges amounted to EUR 303.3 million/66 bps (2023: EUR 172 million/41 bps), in breach of our 51 bps risk appetite limits.

- Total provisions increased to EUR 511 million (2023: EUR 437 million). The increase was predominantly driven by changes in the stage 3 bucket in line with NPL increases.

We continued to closely monitor the macroeconomic environment impacts at both customer and partner levels, and made proactive portfolio management the CRO domain's top priority in 2024.

The following table shows the credit quality of the financial assets subject to impairment. The gross carrying amount of the financial assets, excluding operating leases, also represents the maximum exposure to credit risk on these assets.

	2024				2023			
	Non-credit impaired		Credit impaired		Non-credit impaired		Credit impaired	
	Subject to 12-month ECL	Subject to lifetime ECL	Subject to lifetime ECL	Total net exposure	Subject to 12-month ECL	Subject to lifetime ECL	Subject to lifetime ECL	Total net exposure
Net carrying amount In millions of euros	Stage 1	Stage 2	Stage 3		Stage 1	Stage 2	Stage 3	
(Virtually) no risk	752	197	-	949	677	75	-	752
Adequate to good	33,625	9,235	-	42,860	33,424	6,909	-	40,333
Vulnerable	84	204	-	288	193	180	-	373
Defaulted	-	-	1,070	1,070	-	-	646	646
Total net exposure on December 31	**34,461**	**9,636**	**1,070**	**45,167**	**34,294**	**7,164**	**646**	**42,104**

The following table presents movements in allowances of impairment as well as the composition of the allowance.

	Subject to 12-month ECL	Subject to lifetime ECL non-credit impaired	Subject to lifetime ECL credit impaired	Total
In millions of euros	Stage 1	Stage 2	Stage 3	2024
Balance on January 1, 2024	**95**	**119**	**223**	**437**
Charge for the year	60	10	3	73
Written off	-	-	(264)	(264)
Disposal	-	-	(1)	(1)
Net exchange differences	(2)	-	(1)	(3)
Stage transfers and remeasurements	(73)	3	339	269
Balance on December 31, 2024	**80**	**132**	**299**	**511**

	Subject to 12-month ECL	Subject to lifetime ECL non-credit impaired	Subject to lifetime ECL credit impaired	Total
In millions of euros	Stage 1	Stage 2	Stage 3	2023
Balance on January 1, 2023	**66**	**122**	**207**	**395**
Charge for the year	65	9	4	78
Written off	-	-	(149)	(149)
Disposal	-	(19)	-	(19)
Net exchange differences	-	(0)	(2)	(2)
Stage transfers and remeasurements	(36)	7	163	134
Balance on December 31, 2023	**95**	**119**	**223**	**437**

Vulnerable sector approach
We continued to mature DLL's vulnerable sector framework. Vulnerable sector exposures are considered to have a significant increase in credit risk and are placed in stage 2. Working in close alignment with Rabobank, the classification of a sector as "vulnerable" (reviewed at least semi-annually) is based on an in-depth analysis of the impact of macroeconomic developments on its relative strength and outlook.

In 2024, DLL broadened the vulnerable sector datapoints beyond sensitive sectors (defined as potentially affected by external developments and events) analysis, placing additional emphasis on insights from internal portfolio monitoring to establish vulnerable sector assessments. This included adding several components that are related to the framework for monitoring and portfolio triggers. These components include: Regular portfolio monitoring; assessment of sectors previously labeled as vulnerable; single event monitoring; portfolio trigger follow-up; and a climate risk heatmap.

After thorough assessment of the sensitive sectors, DLL identified a vulnerable portfolio of EUR 4.1 billion (2023: EUR 3.7 billion), reflecting the macroeconomic conditions and the broadened scope. Whereas previously all vulnerable sector exposures were classified as stage 2, we now apply a more granular risk-based approach, which is considered a better reflection of customer-level credit risk deterioration. This update of the assessments on sensitive and vulnerable sectors was incorporated in the IFRS 9 provisions at year-end.

Environmental impacts
We recognize that climate change leads to an increase in physical and transition risks and have continued to mature our consideration of these factors in our credit risk frameworks. For more details, see the Environment risk section below.

Balance sheet risk

Description of risk	Response	Going forward
Balance sheet risk includes liquidity risk, interest rate risk and foreign exchange risk. Liquidity risk is the risk that DLL will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. – DLL applies "matched funding." However, as the Treasury Department has limited access to retail funding, DLL may fund a percentage of its balance sheet with shorter-term funding than the contractual maturity of its assets. This unmatched liquidity results in monthly bucket gaps between assets and liabilities over the full amortized (run-off) profile of DLL's balance sheet. In order to assess the risk of these gaps, DLL's consolidated liquidity position quantifies the maximum monthly bucket gap or maximum unmatched liquidity position over the full amortized profile. – DLL will often have liquidity risks within portfolios as deals are booked, offered and terminated through the normal course of business. Therefore, limits have been granted to DLL subsidiaries.	DLL made targeted adjustments to risk appetite levels for 2024 to reflect the changed interest rate environment. To further mitigate our risk, we emphasized DLL's prefunding policies and positions. As a Dutch licensed bank, De Lage Landen International B.V. has a waiver from solo reporting from a liquidity perspective. DLL has a banking license in the Nordics and must meet LCR and NSFR ratios on the local portfolio. While DLL has some regulatory liquidity reporting obligations in France and Brazil, there are no minimum liquidity requirements to meet in these territories. The importance of a healthy balance sheet and prudent liquidity risk management is fully embedded in DLL's strategy, budgeting, procedures and measurements. DLL's liquidity position is consolidated and managed within Rabobank Group returns and ratios, while DLL continues to pursue diversified and alternative sources of funding where available. The liquidity and funding risks are managed centrally by Group Treasury, under the responsibility of the Asset Liability Committee (ALCO).	2024 saw a series of interest rate cuts in main markets such as the U.S. and the eurozone. The EatR position is driven by DLL's policy of investing equity short term in multiple currencies. That position could increase should the euro shocks be considered a result of unforeseen increases in interest rates. Rabobank Treasury prefers DLL to retain the current floating rate investment strategy. The USD balance sheet is of strategic importance for the bank. Specific monitoring and reporting of the USD funding and liquidity position is in place, and DLL will continue to fund elements of its USD growth with new asset-backed securitization transactions during 2025. We will continue to pursue opportunities to diversify our sources of funding, including local options for our Brazil operations, such as Brazilian Development Bank funding. DLL has established targets for more sustainable funding and will seek to continue to partner with the European Investment Bank in supporting financing for climate change.
Interest rate risk is the exposure of DLL's financial condition to adverse movements in interest rates. – Earnings at Risk (EatR) measures the interest rate sensitivity of net interest income in the context of ongoing interest rate management. – DLL will often have interest rate risk within portfolios as deals are booked, offered and terminated through the normal course of business. Therefore, limits have been granted to DLL subsidiaries. FX translation risk (FXTR) is the risk that exchange rate movements will adversely affect the translation of liabilities (denominated in a foreign currency) into the functional currency of the parent company in the process of financial consolidating. DLL remained inside all risk appetite limits for liquidity and foreign exchange risk during 2024. DLL has seen country-level localized limit breaches.	DLL selectively manages translation risk to its CET1 ratio by deliberately taking FX positions and/or hedges to reduce it. Through this approach, DLL aims to limit the impact of exchange rate movements on the CET1 ratio, but it may lead to some volatility from exchange rates within total comprehensive income. DLL hedges the interest rate exposure of certain portfolios based on expected maturity terms (or repricing if shorter) and hedges the remaining portfolio assets on contractual maturity terms. See note 3.7 of the Consolidated Financial Statements for more information on risk management for financial instruments.	

Asset Risk

Description of risk	Response	Going forward
The risk that DLL will not recover the full residual value (RV) of certain leased assets. This risk may arise from changes in the factors considered in the initial RV setting over the life of a lease, including changes in the value of an asset and customer behavior. DLL has authorized a strategy to take end-of-term investment positions in certain assets being financed to meet customer needs and provide additional sources of income. This approach provides financial product risk mitigation through an additional product offering that is separate and distinct from traditional loan financing. DLL's asset risk profile was stable throughout 2024 and remained within our risk appetite.	The guiding principle behind RV risk taking is that, on a portfolio basis, DLL should earn back the booked RV positions plus a return, through the receipt of lease renewal or extension payments, and/or the sale of the asset to the original customer or another party. DLL's portfolio includes natural mitigants such as the diversification of geographies, industries, asset types and contract maturities, which help to reduce this risk. DLL continued to focus on equipment prices, which are monitored closely relative to inflation, and performance of asset sales and inventory levels.	Asset Management will continue to closely monitor secondary market trends and the impact of any change in the environment on new and used equipment prices, inventory and customer behavior, to mitigate any potential impacts on asset risk. Key points of focus will remain macroeconomic conditions and potential trade and tariff decisions. We also recognize the potential impact of environmental risk, particularly transition risk arising from regulatory and societal change, upon our asset risk profile and will continue to mature methodologies to identify transmission channels, and to quantify and mitigate the potential risks and impacts while supporting DLL's pursuit of related opportunities.

Operational risk

Description of risk	Response	Going forward
The risk of loss resulting from inadequate or failed processes, people and systems or from external events. DLL accepts exposure to operational risks as an inevitable part of executing business activities and minimizes these risks within the boundaries created by the complexity and the size of its organization. DLL remained within all Group-level risk appetite KRIs, but components of our operational risk suite and the control thereof must mature further. These areas have driven breaches of specific risk indicators/metrics during the year. DLL has experienced an elevated number/value of external fraud events, including a large cluster event within DLL Brazil, and high-value sale out of trust-type frauds across our Commercial Finance business. This has, in turn, driven risk appetite breaches in both single-event loss and cumulative loss for our non-financial risks, as well as putting pressure on our residual risk profile. Information security is DLL's top material risk. Focused execution of our security roadmap (including decommissioning of end-of-life systems and patching software vulnerabilities) supported a reduction of our assessed risk exposure at year-end.	Operational risks are actively managed and controlled via our risk control framework (RCF), which sets mandatory requirements for risk and control activities, enabling us to manage operational risks efficiently and effectively using a forward-looking and integrated approach. Operational resilience is of crucial importance for reliable and secure banking services for our customers. The implementation of the Digital Operational Resilience Act (DORA) was a key focus in 2024 in that regard. Related material improvements in the governance, control and oversight of third-party risk management and outsourcing was delivered, aligned to comply with EBA outsourcing expectations. DLL further matured its regulatory change and adherence framework to ensure the full implementation and operational effectiveness of an end-to-end process for continuous regulatory adherence across the Group. DLL continued to deliver on our control optimization and rationalization roadmap toward our ultimate ambition of a truly data-driven RCF, leveraging business process mapping, standardization and DLL's digitalization strategy. DLL has established a material change policy and related controls and processes to ensure global oversight of material projects. Enhanced data governance and RCF risk and control tools aligned to related policy and standards were implemented by the Data Governance Board. The program to deliver EBA Outsourcing Guideline alignment maturity remains on track.	DLL's transformation ambitions on simplification, standardization and automation are central to long-term improvement. We continuously adapt our operational resilience approach to protect customer data based on the threats we face. This includes ongoing improvements to business continuity management. Delivery of updated IT and cybersecurity strategies within the wider organizational transformation is a top priority and key to protecting DLL and our customers. DLL's enterprise data strategy places BCBS 239 and wider regulatory compliance as a key foundation within a wider plan to deliver strengthened data governance and management standards. Delivering and maintaining operational resilience and managing related interconnectedness will be a key focus including all outsourcing, data, change, technology and process management workstreams. DLL's ambitious transformation agenda will have an impact on people, processes and systems. In order to manage the inherently high transformation risk, we will expand upon our change heatmap approach and improve embedding of the material change framework alongside improved processes for managing the impact of smaller-scale change initiatives.

External fraud was the primary driver of DLL's operational risk losses and risk profile in 2024 during which we saw a significant net loss of EUR 51.5 million, beyond risk appetite. Detailed reports and dashboards are in place and, given the significant losses, a Fraud Operating Group was established to monitor and drive a number of fraud prevention actions globally. A detailed overview of actions taken to address this elevated risk profile is available in the Compliance section.

Embedding bank-wide developments and risk management frameworks necessary to protect business continuity and deliver overall operational resilience remains a key focus for 2025, alongside the incorporation of environmental factors in assessing and managing operational risk.

The volume and diversity of regulatory publications has increased significantly in recent years, especially regarding sustainability, compliance and IT-related matters. DLL continues to mature our regulatory change and adherence framework to ensure the full implementation and operational effectiveness of an end-to-end process for continuous regulatory adherence across the Group.

Cybercriminals keep innovating their techniques to exploit information security vulnerabilities, steal company data and disrupt the continuity of services in the financial sector. Digitalization makes us more reliant on technology and our third-party partners within the financial ecosystem.

DLL continuously improves the information security controls to protect customer data based on the threats and the risks that we face. Our information security roadmap, aligned to DLL's organizational strategy, is designed to deliver the necessary short- and long-term improvements required to protect the bank. Progress during 2024 supported a reduction in our assessed risk profile and further work will be delivered in 2025. As cybercriminals are more frequently leveraging supply chain attacks, we have continued efforts, alongside outsourcing and third-party risk management, to integrate risk mitigation by our service providers in our approach. Additionally, we have invested in enhancing our cloud security, as the cloud is an integral part of our technology strategy.

In order to avoid vulnerabilities in our systems, life cycle management of IT assets continues to be a top priority. Addressing tech debt and improving life cycle management practices is part of our IT strategy, with specific plans in place for end-of-life applications. Cloud technology is an important component of our strategy to provide flexible and secure IT solutions.

A new risk and opportunity has emerged through generative AI. It enables cybercriminals to automate their activities and create false documents, pictures, videos and phone calls that are difficult to distinguish from real ones, both for banks and their customers. A dedicated working group within DLL has established appropriate risk management strategies, focused on model, data, privacy and technology risks in particular.

Outsourcing is a way to get relatively easy access to new technologies and to achieve economies of scale. DLL continues to expand the integration and use of third-party vendors and outsourcing into our day-to-day operations. DLL has established a global framework for managing third-party risk. However, we recognized gaps in the maturity of its application across our global network and delivered a series of initiatives to embed the necessary improvements in 2024.

Change and transformation risk

DLL has an ambitious change agenda impacting most areas within the bank, elevating transformation risk with potential impact across multiple material risks. It is imperative that DLL has a robust transformation risk management framework applicable across all material changes. We have established a material organizational change standard. The ongoing maturity of this framework, alongside more consistent application of processes for smaller-scale change initiatives will be delivered during the coming year.

Environmental impacts

We recognize that climate change leads to an increase in physical and transition risks and, as detailed in the Sustainability section, have continued to mature our consideration of these factors in our operational risk frameworks.

Model risk

Managing model risk is key in supporting strategic decision-making and financial stability. By mitigating potential errors and enhancing model reliability, organizations can make more informed and effective business decisions. In 2024, significant progress was made on the Return to Compliance (RtC) program related to credit risk models.

Description of risk	Response	Going forward
Model risk is defined as the potential loss or other adverse consequences an institution may incur as a consequence of wrong decisions based on the output of models, due to errors in the development, implementation or use of such models. DLL has limited appetite on the medium-high and high-risk models as these can imply uncertainty of reported figures, lead to reputational damage or considerable regulatory fines for the bank. While DLL has a robust and highly governed model development, validation and approval process, we consider model risk to be outside of appetite as the current models are not compliant with the most recent ECB regulations.	DLL applies a comprehensive model risk management approach to the development, validation, approval and use of models. DLL has maintained progress on our future model landscape (FML) project. Approved by the ECB in 2022, it is designed to deliver regulatory compliance alongside a simplification and consolidation of DLL's model landscape. DLL continued to expand the capacity within our analytics model development and 2LOR model validation teams as part of, and in addition to, the requirements to deliver the FML program. In parallel to FML efforts, this will help ensure long-term resilience and delivery of new initiatives in ESG modeling and AI, among other things.	Model risk remains a critical priority at DLL and substantial efforts will continue to deliver prescribed improvements and mitigate model risk as we build toward regulatory compliance. The results of redeveloped models are expected to decrease model risk in the coming year. The effectiveness of the efforts will be challenged and assessed by independent model validation. The focus is not solely on credit modeling: FEC-related models in particular continue to be enhanced and validated. Rapid development of new AI technologies and regulations remains an important focus area, including the integration of the upcoming European AI Act.

Environmental risk

As detailed in the Sustainability section, sustainability has been identified as a strategic driver and is therefore integrated in DLL's commercial, organizational and operational strategic frameworks. We have further integrated the broader topic of environmental, social and governance (ESG) risk in our strategic risk cycle to ensure a structured incorporation of sustainability risk mitigation and measurable sustainability impact.

We do not consider environmental risk as a stand-alone material risk but rather as a risk driver, potentially impacting one or more of our existing material risks. This outside-in impact could potentially give rise to financial, reputational or regulatory impact for DLL. In addition to the outside-in impact, DLL (directly or through its suppliers or customers) can also impact ESG (inside-out impact), which in turn can result in risks and opportunities.

In line with the financial industry as a whole, we continue to place a significant emphasis on this area and remain on a maturity curve. The CRO domain has developed an approach and roadmap based upon compliance with key regulations such as the ECB Climate Guidelines and the EU Corporate Sustainability Reporting Directive (CSRD). DLL maintained strong progress during 2024 in maturing the incorporation and embedding of environment-related factors into our overall governance and risk management frameworks. This will remain a key priority for the CRO domain during 2025 in keeping with regulatory expectations, and DLL's long-term strategy.

Risk identification and assessment

We maintain detailed materiality assessments which identify credit and asset risk, alongside operational and compliance risk, as being materially impacted by ESG factors.

We continue to expand the depth and detail of these assessments, and conducted a double materiality assessment in line with the principles of CSRD for the first time in 2023. We have taken an integrated double materiality approach to determine the outside-in impact of sustainability topics on DLL and its suppliers and customers, and the inside-out impact on sustainability topics by DLL and its suppliers and customers. For more information, see the Sustainability section.

A key focus in maturing our risk assessments is on deepening our understanding of transmission channels so that appropriate mitigation strategies can be implemented.

Climate risk heatmaps

DLL utilizes climate risk heatmaps to assess physical and transition risks. During 2024, we continued to mature these heatmaps and their existing use cases in the credit journey. Alongside investigating additional areas, these can help our understanding and mitigation of climate risk:

- The heatmaps include the risk of physical events such as extreme weather conditions (e.g. drought, hailstorms, wildfires and floods), based on weather models. They also include transition risk events (e.g. policy changes, consumer behavior or new technology), which will be expanded further in future iterations.
- The heatmaps identify risks through a qualitative risk classification based on geographical location,

sector and time horizon (near- 5-year, medium- 10-year, and long-term 30-year) for specific risk events. The outcomes of these heatmaps are used to assess impacts across our climate risk landscape. For instance:
- Input for the sector sensitivity/vulnerability process
- Determining IFRS 9 provisions through management adjustments
- Input for stress testing/scenario analysis
- Input for the strategy as outlined in the asset regions plans

ESG risk appetite
ESG is embedded within our risk appetite, with quantitative limits in place regarding customers who do not comply with the updated sustainability policy framework and global partners who are not committed to a Road to Paris model. Further limits are set on Scope 1 and 2, and Scope 3 emissions, and on the physical and transition risk exposures within our global portfolio. Regular breach management processes are in place to determine what action to take when a risk indicator threshold is likely to be breached or has been breached.

Impact of environmental risk on credit risk
DLL is mainly exposed to climate risk via its portfolio of loans and leases to customers. There are two types of climate risk: Physical risk (both acute and chronic) and transition risk. Physical risk is the risk that DLL's customers are negatively impacted by acute (such as flooding) or chronic (such as persistent drought) climate change events. These events could trigger defaults by customers, potentially combined with damage to or loss of the assets financed by DLL. Next to that, DLL is exposed to transition risk in two ways. First of all, DLL's customers could struggle with or fail to meet the challenges caused by climate change or the response to climate change by (local) government (for instance regulation of and/or taxes on emissions). Secondly, new legislation and/or taxes could negatively affect the residual value of the assets financed by DLL.

During 2024, we saw an increased frequency and materiality of environmental events, with the effects of El Niño weather patterns impacting DLL's Latin America portfolio. Outside Brazil, despite a series of severe weather events, no material adverse credit profile impact has yet been seen across the wider portfolio.

ESG risks are translated into IFRS provisions through multiple channels. The provisions are captured in the IFRS 9 models through macroeconomic developments, embedded in individual customer assessments, included in the sector vulnerability assessments. We also make management adjustments for sectors or regions directly affected by climate. During 2024, we set a top level adjustment of EUR 4 million for an increase in future ESG risks in relation to climate events (floods, droughts, etc.) that have not yet materialized.

We continue to embed ESG as business-as-usual throughout all aspects of our risk management strategy and frameworks. For credit risk it centers around four themes:
- ESG risk assessments: We assess both the sustainability performance of our customers (which includes compliance with DLL's sustainability policies, and the impact of ESG on customer creditworthiness). We also consider double materiality assessments, the climate risk heatmaps, progress on the Road to Paris, and scenario analyses. These determine the level of risk based on country, sector, time horizon (short-, medium- and long-term) and events.
- Sector and/or asset strategy: Climate risk is incorporated in DLL's sector and/or asset visions and strategies by using the climate risk heatmaps as input. In turn, the enhanced sector/asset visions and strategies (vulnerable sectors) can provide input for the customer credit journey and for determining (additional) provisioning.
- Credit risk assessment: Covers customer credit journey, IFRS provisioning, forecasting and stress testing activities. ESG risk assessments (double materiality, heatmaps, scenario analyses, ESG risk score) and vulnerable sectors serve as input for quantifying ESG risk for the customer credit journey.
- Portfolio strategy: Incorporates ESG risk in pricing, acceptance criteria and underwriting criteria.

In parallel and conjunction with our ESG roadmap, the CRO domain leads the delivery of the risk-reward-sustainability strategic transformation pillar. Our aim is to ensure that sustainability factors are incorporated into our credit and customer journey so that we fully support DLL's commercial objective of being a transition partner of choice while striking a healthy risk appetite balance.

Impact of environmental risk on asset risk
Transition risk, in particular the shifting regulatory and societal views on internal combustion engine assets, creates the risk that DLL will not recover the full residual value of certain leased assets. While DLL's geographical spread, short tenor profile and wide range of material asset types do mitigate this risk, the potential for stranded assets within our portfolio is considered alongside the degradation of collateral values.

The Sustainable Asset Review Committee provides advice to internal approving bodies on the appropriateness of the sustainability criteria and the resulting level of risk for the bank.

Assets in inventory are reviewed and depreciated throughout the year according to country-specific practices. The ESG focus in collateral valuation is primarily on transition risk. Physical risk has previously been assessed as not being a material risk for DLL's asset and/or collateral holdings. In considering transition risk impacts, we consider elements such as: Policy and legal risk, technology development, market change and shifts in consumer sentiment.

While many of the considerations with regards to sustainability are similar to those we have navigated in the past, we will continue to expand the breadth and scope of sustainability factors in our collateral valuation processes into 2025.

Impact of environmental risk on non-financial risk
During 2024, we expanded our understanding of how environmental risk will impact our operational risk profile, noting business continuity, third-party, data and reputational risks as areas of focus.
We continue to develop the full breadth of data necessary across all components of the environmental risk management framework and incorporated environmental considerations within our non-financial risk policies and control framework in 2024.

As we mature our approach to ESG in general, a focus area is ensuring that underlying processes and policy stances are fully embedded within our existing risk and control frameworks. We have developed a number of specific policy and procedure documents, as well as incorporating consideration of ESG into all existing policy document reviews. Dedicated processes, such as financed emission calculations, greenwashing control and partner assessments all carry operational risk, and appropriate controls are in place to mitigate the risk of process failure.

Greenwashing remains an area of high focus. We have established a robust process to ensure that sustainability communications are appropriate, reflecting both our desire to develop more sustainable products and assets, and to ensure fair treatment of our partners and customers based on our treating customers fairly principles. We also need to comply with a range of existing and upcoming greenwashing legal and regulatory requirements, including additional ESG-specific disclosures, which bring increasing litigation, regulatory and reputational risks for non-compliance. The Compliance function oversees a number of anti-greenwashing processes covering, among other things, customer communications and product governance. They will continue to develop DLL's anti-greenwashing framework covering policy, procedures, training, oversight and reporting.

Plans for 2025 and beyond

We remain committed to a detailed roadmap aligned to DLL's organizational strategy, and Rabobank's and regulatory expectations. Particular areas of focus in 2025 will be:

- to further enhance the necessary data and data architecture to support reporting
- to further expand the incorporation of environmental risk in our credit journey
- to deliver a model vision to incorporate environmental factors in capital and credit modeling
- to develop a comprehensive risk and control framework across all non-financial risks including greenwashing

We recognize a need to expand consideration of biodiversity factors and will seek to expedite our maturity in this area, leveraging tools and expertise already developed in the climate space. Assessing biodiversity-related risks, opportunities, impacts and dependencies is complex. We therefore follow relevant external guidance (such as the United Nations Principles for Responsible Banking Nature Target Setting Guidance and the Finance for Biodiversity Foundation).

Data availability remains a challenge for the identification and assessment of ESG risk. Asset data and granular geographical data will be key enablers to understand the impact of business on the environment. Further data quality improvements are expected to occur, including the mandatory information due to be disclosed by customers, partners and/or associated persons as part of their own CSRD implementation. We will continue to follow and adopt Partnership for Carbon Accounting Financials' guidance on refinements to methodologies for calculating financed emissions.

Compliance

Introduction

DLL is bound by Dutch and European laws and regulations. Where there is a higher standard that must be applied locally, the stricter rules prevail. DLL's Compliance function considers all applicable principles, guidelines and other regulatory requirements. In the Netherlands, these include the Financial Supervision Act (*Wft*) and the Anti-Money Laundering and Anti-Terrorist Financing Act (*Wwft*). Internationally, they include the Basel Committee on Banking Supervision (BCBS), the Capital Requirements Directive (CRD), the European Banking Authority (EBA) and the General Data Protection Regulation (GDPR).

DLL is firmly committed to conducting business with integrity and in compliance with the letter and spirit of the law, as well as other generally accepted rules and standards of business conduct of the countries and communities in which we operate. Acting responsibly and professionally enables us to build a company that contributes to the welfare and prosperity of our customers, partners and the communities we live and work in, thus helping us achieve our purpose of "Partnering for a better world."

The role of Compliance is to contribute to the trust that stakeholders and society have in DLL by promoting integrity in all aspects of its operations. We focus particularly on embedding the highest ethical standards of business conduct, acting as a second line of responsibility, and partnering with all stakeholders across the organization.

A global mandate to do the right thing

As part of the second line of responsibility, the Compliance function acts as a partner to the business, enabling DLL to achieve its strategic goals in a compliant and ethical manner. It supports management in its responsibility to become and remain compliant with the applicable external and internal rules related to compliance topics. It also aims to maximize adherence to our Code of Conduct in the context of placing the interests of our stakeholders at the center of everything we do.

In other words, the Compliance function helps DLL and its members, customers, and business partners to "do the right thing" by following principles such as:
- Compliance starts at the top.
- Society at large requires our members to behave in a compliant manner.
- An effective Compliance function exists at all levels of the organization.
- Adherence to the global Code of Conduct and compliance policies is mandatory.

The Compliance function has a global mandate, which means that none of DLL's activities or entities, nor the activities of its branches, subsidiaries, joint ventures or outsourced activities are excluded from its scope of review or inquiry.

Compliance risk

Compliance risk is defined as: "The risk of impairment of DLL's integrity due to unlawful, unethical or inappropriate conduct. Such conduct can damage the rights and interests of our partners and customers as well as the reputation of DLL, leading to legal or regulatory sanctions and/or financial loss."

Unlawful, unethical or inappropriate conduct in the context of compliance risk involves the failure to comply with DLL's internal or external standards, rules or codes applicable to our activities and to our members. It also includes acting with a lack of dignity and respect toward our stakeholders, even if such conduct is not formally prohibited by law.

To obtain insight into the extent to which the above risks manifest themselves in DLL's day-to-day activities, we have documented a detailed description of these risks, how they may occur and be mitigated as part of compliance risk management. These descriptions are regularly evaluated. For example, we conduct an annual systematic integrity risk analysis.

At DLL, compliance risk is divided into three main categories: Financial and economic crime (money laundering, terrorist financing, breach of sanctions, fraud, and bribery and corruption); data privacy (including records management); and conduct (conflicts of interest, treating customers fairly, market abuse, competition and Speak Up).

Financial and economic crime

DLL's compliance risk controls were further improved following implementation efforts and maturation, especially in the area of financial and economic crime. These included:
- Continued rollout and development of our customer due diligence system
- Investments in transaction monitoring
- Ongoing focus on data collection quality improvements

External fraud is managed by the Fraud Committee, which reviews data and case studies each month. The committee may carefully consider including lessons learned in the continuous improvement cycle. Given the significant losses from fraud in 2024, the Fraud Operating Group is monitoring and driving a number of fraud prevention actions globally. Key trends seen this year include documentation fraud and sale out of trust. Recovery rates were positive this year, completed by the local Collection and Recovery Teams.

Data privacy

In terms of data privacy, a solid governance and policy framework is in place, with supporting systems and processes implemented globally. We took additional steps to maturity in 2024, including the establishment of a network of first-line Privacy Executives and Coordinators. We are further enhancing our regulatory identification and monitoring capability. This should also enable DLL to manage the high frequency at which new and updated privacy regulatory guidance and digital legislation are emerging. In addition, we are investing in improvements (in areas such as records management, RoPA, privacy and an AI assessment approach), and in safeguarding international data transfers from the EU to the rest of the world.

Core conduct

The DLL Code of Conduct is the foundation of our conduct compliance and culture. We are investing in a culture which fosters psychological safety and empowerment, supported by the Compliance-owned Speak-Up policies and processes. We continued to strengthen our framework for treating customers fairly, to respond to evolving expectations on consumer protection and similar regulations, with a focus on commission payments and complaints handling. Given the growing importance of sustainability to DLL and its partners, greenwashing is high on the agenda as a compliance theme.

Independence and governance

The Compliance function performs its duties and responsibilities without undue influence, based on its own initiative and professional judgment. It is independent from the business, administrative and control functions. Therefore, Compliance Officers are not authorized to assume commercial or operational activities in their areas of control.

This year, DLL appointed Jacqueline Müller as the new Head of Compliance (key function holder), with a mandate to mature the global Compliance function and create the "Compliance of Tomorrow." Johan van Duijn has been appointed as the new Head of Privacy and Group Data Protection Officer (DPO).

During 2024, the Head of Compliance reported to DLL's CEO. She is a member of the Compliance, Legal and Risk Management Team chaired by the Chief Risk Officer, and has a functional reporting line to the Rabobank Chief Compliance Officer. At Group level, the DLL Compliance Department is made up of four teams: Financial Crime Compliance; the Global Privacy Office; CCO and Corporate Center Compliance; and the Core Conduct Compliance Team. As established in our Compliance Charter, both the DLL AML Officer and the DPO also have direct escalation lines to DLL's CEO.

To safeguard this independent position in the network, Regional Compliance Officers have a primary reporting line to Regional Managers and a strong secondary reporting line to the Head of Compliance. Country Compliance Officers have a primary reporting line to Country Managers and a secondary reporting line to Regional Compliance Officers. In case of major incidents or other urgent matters, the Head of Compliance will ensure that the boards, Rabobank Compliance and, where appropriate, the regulator, are informed immediately.

Essential tools for compliance management

Our target operating model (TOM) defines the specific requirements for the compliance framework in more detail. The TOM is one of the building blocks of an effective approach to managing compliance risk, and links to the Compliance Charter, policies and procedures, reports, and plans. To manage compliance risks appropriately, we have established a compliance monitoring framework that sets out a consistent risk-based approach to DLL's monitoring activities with respect to compliance-related processes, controls and the reporting of the results of these activities.

Remuneration

DLL's compensation and benefits programs are relevant, competitive and compliant to enable DLL to attract and retain the desired talent. Our Remuneration Policy is designed to drive the right behaviors that support a high-performance organization, growth culture, and a purposeful and inclusive place to work.

DLL Remuneration Policy

DLL's Remuneration Policy falls within the framework of the Rabobank Group Remuneration Policy. It enables a fair and globally consistent approach to remuneration within the framework of the DLL job classification system and applies to all DLL entities around the world with local variations as necessary. These variations relate to the application of local legislation, national collective labor agreements or local labor market practices which allow DLL to be both locally competitive and compliant. DLL's total reward structure includes fixed and variable remuneration elements that are aligned with local regulations and labor markets, including pension programs as applicable.

One member received total remuneration above EUR 1 million in 2024.

The remuneration packages for the Executive Board are subject to review and approval by the Supervisory Board as well as the Rabobank Managing Board.

Rabobank Group Remuneration Policy

The Rabobank Group Remuneration Policy details the principles and guidelines of Rabobank's vision on remuneration. It also takes into account requirements under external legislation and regulations, including the Dutch Financial Undertakings Remuneration Policy Act (*Wbfo*), the regulations on Restrained Remuneration Policies, the Capital Requirements Directive IV (CRD IV) and the Dutch Banking Code. The Rabobank Group Remuneration Policy applies to the Rabobank Group as a whole, including group entities like DLL, which has reflected this in its own Remuneration Policy. It supports solid and effective risk management processes, and discourages employees from taking undesirable risks, while encouraging them to consider the longer-term impact on the interests of both Rabobank Group and its clients. The annual performance appraisal and remuneration cycle support acting in the interests of our long-term continuity and financial strength.

Variable remuneration

In 2024, EUR 71 million (2023: EUR 83 million) of total remuneration was variable for all DLL entities. The risk-controlling measures described below apply to members that are eligible for variable remuneration. Variable remuneration is capped for all roles in all countries, and DLL does not grant guaranteed variable remuneration outside regulatory restrictions.

In the Netherlands, variable remuneration is capped to 20% of the member's fixed income. Outside of the Netherlands, the level of fixed income, variable pay and benefits is based on the local market of the respective country. Variable remuneration is typically awarded based on a balanced mix of qualitative and quantitative objectives and cannot be higher than 100% of a member's fixed salary. DLL's performance objectives are focused on achieving results, bringing our core values into practice and contributing to the personal development of members. DLL's objectives do not contain targets that encourage behavior that is not in the best interests of our partners or their customers.

Ex-ante test

Every year, DLL's Executive Board and Rabobank's Managing Board validate whether payment of the proposed variable remuneration is justified, based on Rabobank Group's qualifying capital and solvency ratio. This ex-ante test centers on the question of whether DLL and/or Rabobank can make the payments without any resulting financial problems. Subsequently, the test is submitted for approval to the Supervisory Boards of both DLL and the Rabobank Group.

Claw back

In exceptional circumstances, the Managing Board of Rabobank can withdraw an awarded variable remuneration with retroactive effect, referred to as claw back. Rabobank Group is authorized to reclaim all or a portion of variable remuneration from both employees and former employees in any of the scenarios as laid down in the Rabobank Group Remuneration Policy. No claw back was applied to any variable remuneration in 2024.

In addition to the measures stated above, the following general prohibitions also apply:

- Personal hedging strategies are not permitted under any circumstances whatsoever.
- Variable remuneration must reflect the quality of performance. Reward for failure or misconduct is not permitted.

Identified Staff

Members who could have a significant impact on DLL's risk profile are designated as Identified Staff. In 2024, 80 roles within DLL (excluding Supervisory Board members) were deemed to belong to this category. In general, these members are not eligible for variable remuneration. In exceptional cases where they are eligible, their incentive is governed by the principles laid down in the Rabobank Group Remuneration Policy. As is the case for all other members, Identified Staff must meet a proper balance of performance objectives.

Supervisory Board

Fee structure

In 2024, the Supervisory Board consisted of four members. Three Supervisory Board members receive direct compensation from DLL based on their board responsibilities. One member is employed by Rabobank and the compensation for the Supervisory Board activities is included in the remuneration received from Rabobank in their capacity as an employee. The total amount of remuneration for the external Supervisory Board members in 2024 was EUR 346,000 (2023: EUR 223,000).

Executive Board

Remuneration package

The primary remuneration package for the Executive Board members consists of fixed pay and pension entitlements. Additionally, they receive fringe benefits in line with market practice. As of 2016, Executive Board members are no longer eligible for variable remuneration.

Considering that the current Chief Executive Officer is also a member of Rabobank's Managing Board, the total remuneration as Chief Executive Officer (cross charged by Rabobank) is reported as part of the total remuneration of all Executive Board members.

Pension

In the Netherlands, the Rabobank pension scheme applies to members of the Executive Board and qualifies as a collective defined contribution scheme. As of January 1, 2024, the maximum income on which each Executive Board member may accrue pension is EUR 137,800. Any income exceeding this amount is not pensionable. In line with local practice and to compensate for the pension cap, members of the Executive Board receive an individual supplemental retirement allowance, included in their fixed pay. In the U.S., the member of the Executive Board does not participate in a pension scheme but is eligible for a DLL 401K match. Additionally, he receives fixed compensation from the Supplemental Executive Retirement Plan.

Fringe benefits

Members of the Executive Board are eligible for a package of fringe benefits in line with market standards.

Severance payments

DLL complies with all existing laws and regulations concerning severance payment levels, meaning that Executive Board members would receive a maximum of one year's salary. None of the Executive Board members received a severance payment in 2024 (2023: none).

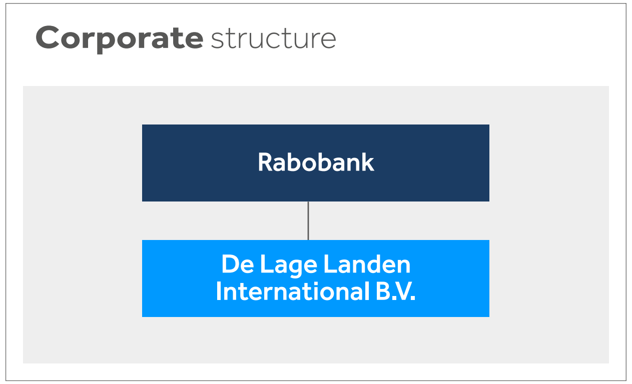
Executive Board remuneration

In 2024, the remuneration of members of the Executive Board totaled EUR 4,458,000 (2023: EUR 3,868,000). None of the Executive Board members received total remuneration above EUR 1 million in 2024 (same as in 2023).

There were zero Deferred Remuneration Notes (DRNs) outstanding with the members of the Executive Board at year-end 2024 (2023: none) related to variable remuneration granted prior to 2016. See note 2.4 of the Consolidated Financial Statements for more information on DRNs.

Corporate **governance**

Corporate structure

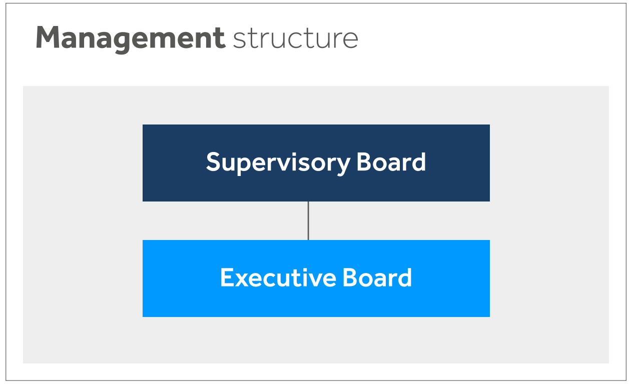


DLL
DLL is structured as a matrix organization, consisting of global business units, regional organizations and group functions. The majority of DLL's group functions are located at our headquarters in Eindhoven, the Netherlands, which provides direction, coordination and support to the regional organizations and business units. Group functions are responsible for ensuring a strong foundation of DLL's business and global strategic development, including financial stability, a reliable IT infrastructure, solid internal controls and regulatory compliance. This responsibility includes defining our focus areas, and implementing and monitoring DLL's risk control framework and strategic priorities.

The foundation of our organizational group structure is captured in our corporate governance framework, which supports us in achieving our objectives. De Lage Landen International B.V. is DLL's holding company and has a banking license under Dutch law. The company is located and has its statutory seat in Eindhoven. DLL has subsidiaries and branch offices in more than 25 countries on most continents. Since DLL has a Dutch banking license, our governance includes a Supervisory Board, as required by the Dutch Financial Supervision Act (*Wet op het financieel toezicht/Wft*).

Shareholder: Rabobank
DLL is a wholly owned subsidiary of Coöperatieve Rabobank U.A. (Rabobank), a Dutch bank headquartered in Utrecht. Rabobank has issued a 403 statement in respect of De Lage Landen International B.V. assuming liability for the debts arising from the legal transactions of these entities. DLL's financial information is fully consolidated into Rabobank's consolidated financial statements. Certain key decisions and decisions not in the ordinary course of business are subject to the approval of Rabobank in its position as shareholder.

Management structure



DLL has a two-tier board structure consisting of an Executive Board and a Supervisory Board. Several of our subsidiaries have supervisory boards in place, mainly made up of DLL Executives or Senior Managers.

Executive Board
Through the governance framework and group management structure, the Executive Board oversees the strategic and other important decisions and actions to be taken throughout our organization.

The Executive Board is responsible for strategy setting and steering, and managing the company, in line with the articles of association and the Executive Board Charter. The Executive Board consists of six members who are appointed and dismissed by DLL's shareholder. As a collective board, the Executive Board is responsible for creating and maintaining a sound balance of the long- and short-term interests of all stakeholders, including customers, the shareholder, members, regulators and the communities in which we operate. In doing so, the Executive Board takes into consideration that ESG risk factors may drive DLL's prudential, operational and reputational risks.

Certain strategic and key actions or decisions to be taken require approval of the Executive Board. For more information about the Executive Board members, see the Who we are section.

Supervisory Board
Our Supervisory Board oversees the management by the Executive Board and the general conduct of business. The Supervisory Board also monitors compliance with the law, the articles of association, and other relevant rules and regulations. In doing so, the Supervisory Board takes into consideration that ESG risk factors may drive DLL's prudential, operational and reputational risks.

Key decisions of the Executive Board, including decisions on the strategy, annual plans and related budgets, are subject to approval by the Supervisory Board.

The Supervisory Board consists of four members, who are appointed and dismissed by the shareholder of De Lage Landen International B.V. The Chair and Vice Chair are appointed by the Supervisory Board upon nomination by Rabobank.

Conduct and integrity

Good corporate governance entails a solid corporate governance framework with a clear organizational structure, and being in control through a well-structured risk and control framework. However, good governance should also be reflected in soft elements. These can be found in our values and culture, and in the integrity, conduct and tone of voice of members throughout the company, starting at the top. Wherever we do business, our members speak in the same tone of voice and conduct themselves in the same way when doing business because DLL is a truly global network organization. Throughout our functional domains and business units as well as the country organizations, our members are closely connected, working with the same mindset and according to the same values.

Banker's oath

The Dutch banking community, including DLL, considers it important that everyone working in the Dutch banking sector performs their work carefully and with integrity. The banker's oath is a promise to do so in relation to customers, society and other stakeholders. By taking the banker's oath, our Supervisory Board, Executive Board and other members working in the Netherlands declare that they are aware of their role in society and that they put the interests of the customer first when performing their assigned work.

Furthermore, they confirm that they uphold the Code of Conduct for the banking sector. Breaking the banker's oath has consequences: Disciplinary law is applicable if its rules are not adhered to. By taking the banker's oath, members submit to this law.

Regulatory framework and supervision

De Lage Landen International B.V., DLL's holding company, has a banking license in the Netherlands pursuant to the Dutch Financial Supervision Act (*Wet op het financieel toezicht/Wft*) and is supervised by the European Central Bank, the Dutch Central Bank and the Dutch Authority for the Financial Markets. DLL passports this license and has established branches in Germany, Italy, Portugal and Spain to offer financial products and services. Several of our entities have local licenses that may be required for the offering of financial products and services in their respective countries. Depending on the type of license required, the relevant local supervisory authorities supervise these entities.

The most important regulations and guidelines that apply to De Lage Landen International B.V. are:

- Capital Requirements Directive (CRD)
- Capital Requirements Regulation (CRR)
- ECB regulation
- EBA Guidelines
- Dutch Financial Supervision Act (*Wft*)
- Dutch Decree on Prudential Regulation (*Bpr*)
- Sanction laws
- Dutch Anti-Money Laundering and Anti-Terrorist Financing Act (*Wwft*)

We adhere to all relevant sections of the Dutch Banking Code and take them into account in our governance framework.

Furthermore, since DLL's shares are not publicly traded, we are not required to comply with the Dutch Corporate Governance Code 2022.

Executive Board **responsibility statement**

The Executive Board of De Lage Landen International B.V. (DLL) hereby declares that:

- The financial statements give a true and fair view of the assets, liabilities, financial position, and profit of DLL and the companies included in the consolidation;
- The management report gives a true and fair view of the state of affairs as at the reporting date and of the course of affairs during the financial year at DLL and its consolidated entities whose information is included in its financial statements; and
- The management report describes the principal risks that DLL faces.

L. Yocarini, *Chair and CEO (as of May 29, 2024)*
I. Eddini, *CHRO*
N. Garnett, *CCO*
Y.E. Hoefsmit, *CRO*
M. Janse, *COO*
G.T.R. Raison, *CFO*

Eindhoven, April 24, 2025

Supervisory Board report

Report of the **Supervisory Board**

General

During 2024, the Supervisory Board supported and reinforced the Executive Board in its efforts to further simplify the structure of DLL, move toward becoming a high-performing organization, and adapt the operating model to geopolitical and economic circumstances. In addition, the Supervisory Board addressed the resilience of the organization with respect to comprehensive risk management, acted as a sounding board for the Executive Board in refining DLL's future direction and strategy, and actively engaged with the Human Resources strategy in terms of succession and talent management.

Both strategic intent and strategic investments are part of the active and continuous dialogue with the Executive Board, during which the Supervisory Board challenges and advises on the strategic and enabling priorities. The Supervisory Board was satisfied with the level of engagement and communication with the Executive Board, and felt sufficiently informed about important developments. The Supervisory Board was pleased to see DLL's progress in its business transformation strategy with a focus on offering an excellent customer journey.

Continuity and composition of the Executive Board and the Supervisory Board

In 2024, a priority on the Supervisory Board agenda was to guarantee continuity in the governance of the organization during a period of change and the onboarding of Executive Board and Supervisory Board members. As the employer of the Executive Board, the Supervisory Board took responsibility to address the envisaged changes in the Executive Board in 2024, with a view to guaranteeing continuity and ensuring the results-oriented and customer-focused leadership that fits DLL's needs.

On May 29, Lara Yocarini became the new Chair of the Executive Board and CEO of DLL. One of her first tasks was a review of the Executive Board management agenda priorities, including continued attention to initiatives that simplify the organization and increase customer focus. The Supervisory Board thanked outgoing CEO Carlo van Kemenade for his many years of outstanding service to DLL and wished him well in his new role as Director Retail Netherlands of Rabobank, effective April 1.

After many years of providing outstanding support, Berry Marttin stepped down as a member and Chair of the Supervisory Board on July 4. We thanked Berry for his dedication, expertise, constructive critical approach and team spirit.

In July, the Managing Board of Rabobank appointed Mark Pensaert as a new member and the new Chair of DLL's Supervisory Board. Selected for his international banking profile, Mark brings long-standing and in-depth knowledge and experience of the financial sector (investment banking and capital markets). His experience, knowledge and insights, and his passion for entrepreneurship and innovation are valuable additions to the Supervisory Board profile.

His appointment on July 4 changed the composition of the Supervisory Board to:
– Mark Pensaert, Chair (also a member of the Rabobank Supervisory Board)
– Annelies Bouma (external member)
– Ron De Feo (external member)
– Els Kamphof (also a member of the Rabobank Managing Board)

Roles and responsibilities of the Supervisory Board

The Supervisory Board monitors, challenges and advises the Executive Board on the company's general direction, and a broad variety of financial, risk, regulatory, compliance, IT and HR topics. The Supervisory Board does not have any subcommittees. The full board performs the roles and responsibilities of a Risk, Audit, Nomination and Remuneration Committee in accordance with relevant governance regulations. The roles and responsibilities of the Supervisory Board are described in more detail in the Supervisory Board Charter.

2024 Supervisory Board meeting highlights

Monitoring the geopolitical context
Overall, the macroeconomic environment was characterized by a mix of inflation-driven growth in certain sectors, heightened risk due to geopolitical factors, and a strong emphasis on sustainability and financial stability. These elements shaped the economic landscape and presented both challenges and opportunities. The Supervisory Board closely monitored and discussed the macroeconomic developments and geopolitical context in their meetings this year, and considered the consequences for DLL's operations, risk costs and risk-weighted assets.

Risk cost developments
Risk costs were a critical area of focus, especially given the macroeconomic and climate-related risks that emerged in 2024. Several factors contributed to higher impairments and increased risk costs. This trend was closely monitored, with particular attention to specific regions and sectors. For example, the credit risk trends in Brazil were monitored extensively through several deep dives into the situation locally, which was impacted by factors such as climate events and market conditions.

Effects of external fraud
The Supervisory Board was kept well-informed through various updates and presentations about the challenges posed by external fraud. Detailed reports and dashboards that highlighted the current status and trends in external fraud were also discussed. These reports included fraud management measures to increase the effectiveness of fraud risk management efforts.

Mergers and acquisitions (M&A) strategy
DLL's approach to M&A is strategically aligned with the company's broader objectives of portfolio diversification, business model expansion and growth in key markets. The strategy was recalibrated with the company's evolving strategic direction with a view to ensuring that any M&A initiatives support DLL's long-term objectives and growth strategy. The Supervisory Board regularly discussed prospective M&A targets and provided support in the evaluations to ensure alignment of potential opportunities with DLL's strategic themes.

Environment-related matters: Sustainability, climate risk and the energy transition
The Supervisory Board oversees topics related to sustainability and, where necessary, challenges to ensure that ESG-related matters remain high on the strategic management agenda. Recurring topics on the Supervisory Board agenda include ESG, CSRD implementation, risk-reward-sustainability balance and climate impact on DLL's operations. Deep dives and training sessions were organized to enhance understanding of the impact of climate risk and sustainability considerations on the company's portfolio. Furthermore, the objectives of DLL's energy transition strategy were reviewed to help transition the portfolio to a more sustainable future.

Financial and economic crime (FEC)
DLL has been actively working on enhancing its anti-money laundering (AML) framework to ensure compliance with regulatory standards, and to mitigate risks associated with money laundering and financial crime. The Supervisory Board regularly discussed DLL's comprehensive approach to managing FEC risks and processes, including several remediation processes. The Supervisory Board provided input and feedback, emphasizing the importance of aligning the FEC enhancements with DLL's overall risk management framework, and ensuring that FEC processes are robust and effective.

The Supervisory Board also reviewed the outcomes of the annual systematic integrity risk assessment on inherent and residual compliance risks, which is part of the compliance plan, as well as relevant mitigating controls and considerations. A dedicated education session on FEC was held to update the Supervisory Board with the necessary knowledge and skills to navigate the evolving landscape of financial crime and compliance.

Data strategy
DLL's data strategy is designed to support the company's ambitions and provide the direction needed to become a more data-driven organization. By strengthening data governance, building capabilities, managing data responsibly and mobilizing the organization, DLL aims to leverage data strategically to achieve its corporate objectives. The Supervisory Board provided input and feedback on the approach, emphasizing the importance of aligning the data strategy with DLL's overall corporate strategy, and ensuring robust and effective data governance structures.

Digital Operational Resilience Act (DORA)
Utilizing a clear roadmap including regulatory milestones, DLL has been working to incorporate most of the DORA requirements before the regulatory deadline. The Supervisory Board was kept up to date on ICT risk and its impact on DLL's operations, and regularly discussed the progress made. In addition, an ICT security awareness program and digital operational resilience training was followed to ensure knowledge and skill to oversee implementation of and compliance with this regulation, and to determine the appropriate ICT risk tolerance level.

Periodic updates
At its formal meetings, the Supervisory Board reviewed commercial, financial and operational performance, as well as risk, internal audit, compliance, HR and regulatory matters. The comprehensive quarterly reports prepared by the Executive Board facilitated these reviews. To underscore the importance of compliance and internal audit matters, the Heads of Group Compliance and Internal Audit attended the relevant segments of each meeting to provide background information and explanations as needed.

The Supervisory Board monitored major projects and strategic initiatives as outlined in the quarterly reports. In addition, a wide range of matters was addressed, including but not limited to:

- The development of the portfolio and capital relative to the requirements set by the shareholder and its capital management strategy, as well as regulatory capital requirements
- The Medium Term Plan and the budget for the year
- The main risk indicators, including updates on the main credit exposures and the development of (credit) impairments
- The Group Risk Appetite Statement, which defines the type and level of financial and non-financial risk that DLL is willing to accept relative to achieving its objectives
- The 2024 Top Risk Report as part of the annual risk control self-assessment cycle
- Progress made on strategic transformations
- The future model landscape project to update risk modeling and analytics capabilities in line with regulatory requirements
- Ongoing supervisory developments
- Information security risks including the security roadmap and actions taken to reduce their potential impact
- Advancements achieved in further enhancing the Compliance function, AML efforts and the overall compliance framework
- Developments in the Internal Audit function, culminating in Supervisory Board approval of the internal audit plan in November
- Continued attention to succession planning and diversity at the level of the EB and senior management
- Evaluation of the performance of individual members of the Executive Board and follow-up on the appraisals

Meetings and attendance
The Supervisory Board met with the Executive Board five times as part of the regular meeting schedule. One of the meetings was held at DLL's Brazil office, and included visits to customers and partners. Extraordinary Supervisory Board meetings were organized concerning specific subjects or topical developments.

The Supervisory Board also held private sessions with the Chair of the Executive Board. In addition, there was frequent interaction between the chairs of the Executive Board and Supervisory Board, and with members of the Executive Board to ensure that everyone was up to date on the most important developments at all times.

Conflicts of interest and independence
There were no transactions involving a conflict of interest between DLL and members of the Supervisory Board or Executive Board.

External independent auditor
The independent auditor's report on the 2023 financial statements was extensively discussed, with a focus on the key audit observations, the control environment and areas for further improvement in the internal control framework.

The Supervisory Board approved Pricewaterhouse Coopers' (PwC) engagement as independent auditor for the year ending December 31, 2024, and approved the scope of the engagement as proposed. The 2024 audit plan was discussed with the PwC team at the September meeting. The Supervisory Board Chair also had one-on-one meetings with PwC.

Permanent education
Supervisory Board members participated in frequent permanent education sessions to exchange knowledge and information with DLL's business. This included awareness of the social role of financial institutions and of the interests of various stakeholders. The learning program covered nature and sustainability, capital management and funding, FEC, data literacy, and DORA.

Self-evaluation
In 2023, the Supervisory Board engaged an external party to coordinate the board's collective self-evaluation process. The evaluation process was comprehensive. This year, the Supervisory Board continued to work on the assigned themes. In addition, a self-assessment was executed to evaluate its own functioning.

Proposal to the general meeting of shareholders and conclusion
In accordance with the relevant provisions of DLL's articles of association, the Supervisory Board reviewed the 2024 Annual Report and the financial statements as well as other relevant associated information. The Supervisory Board discussed these documents with the Executive Board and the external independent auditor PwC and took note of the unqualified opinion expressed in the independent auditor's report issued by PwC on the 2024 financial statements.

The Supervisory Board proposes to the general meeting of DLL's shareholders to adopt the financial statements of 2024.

A word of appreciation
The Supervisory Board extends its great appreciation and respect to the members of the Executive Board and all DLL members for their commitment to DLL's customers, partners and other stakeholders, and for their hard work and dedication to deliver value for all stakeholders in a challenging year.

M.R.C. Pensaert, *Chair (as of July 4, 2024)*
A.E. Bouma, *member*
R. De Feo, *member*
E.G. Kamphof, *member*

Utrecht, April 24, 2025

Financial statements

2024

Consolidated financial statements

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Consolidated statement of **financial position**

In millions of euros	Notes	2024[1]	2023[1]
Assets			
Cash and cash equivalents	3.6	244	144
Accounts receivable and other short-term assets	4.2	801	783
Derivatives	3.4	73	88
Due from banks	3.5	306	432
Due from customers	1.1	45,167	42,104
Assets under operating lease	1.2	2,507	2,385
Other intangible assets	4.1	5	3
Current tax receivable		192	162
Deferred tax assets	2.6	214	236
Other assets	4.2	238	175
Assets in disposal group held for sale		-	19
Total assets		**49,747**	**46,531**

1 As on December 31

In millions of euros	Notes	2024[1]	2023[1]
Liabilities			
Short-term loans and overdrafts	3.2	6,396	6,202
Accounts payable and other short-term liabilities	4.3	732	898
Issued debt securities	3.3	3,310	2,999
Provisions	4.4	126	127
Derivatives	3.4	22	55
Long-term borrowings	3.2	33,035	30,580
Current tax payables		41	69
Deferred tax liabilities	2.6	191	185
Other liabilities	4.3	729	658
Liabilities in disposal group held for sale		-	1
Total liabilities		**44,582**	**41,774**
Equity			
Share capital and share premium	3.1	1,233	1,233
Retained earnings	3.1	3,254	2,913
Other reserves	3.1	58	16
Total equity attributable to equity holders of the parent		**4,545**	**4,162**
Non-controlling interests		620	595
Total equity		**5,165**	**4,757**
Total liabilities and equity		**49,747**	**46,531**

1 As on December 31

Consolidated statement of **profit or loss**

For the year ended December 31			
In millions of euros	Notes	2024	2023
Interest income	2.1	3,103	2,644
Interest expense	2.1	(1,714)	(1,336)
Net interest income	2.1	**1,389**	**1,308**
Revenue from operating leases		931	904
Depreciation and other operating lease expenses		(665)	(660)
Net operating lease income		**266**	**244**
Losses from financial instruments	2.2	(6)	(42)
Fee and other income	2.3	276	287
Fee expenses		(32)	(29)
Total net income		**1,893**	**1,768**
Staff costs	2.4	(706)	(673)
Other operating expenses	2.5	(362)	(343)
Total operating expenses		**(1,068)**	**(1,016)**
Credit losses and other impairments	1.3	(309)	(170)
Profit before tax		**516**	**582**
Income tax expense	2.6	(109)	(144)
Profit for the year		**407**	**438**
Profit for the year attributable to:			
Shareholder of the parent		343	349
Non-controlling interests		64	89

Consolidated statement of **other comprehensive income**

For the year ended December 31			
In millions of euros	Notes	2024	2023
Profit for the year		**407**	**438**
Other comprehensive expense not to be reclassified to profit or loss in subsequent years			
Employee benefits			
Remeasurement of post-employment benefit reserve, before tax		(3)	-
Income tax effect	2.6	1	-
		(2)	**-**
Other comprehensive income/(expense) to be reclassified to profit or loss in subsequent years			
Foreign currency translation differences income/(expense) during the year		41	(40)
		41	**(40)**
Other comprehensive income/(expense) for the year, net of tax		39	(40)
Total comprehensive income for the year, net of tax		**446**	**398**
Total comprehensive income attributable to:			
Shareholders of the parent		383	314
Non-controlling interests		63	84

Consolidated statement of **changes in equity**

In millions of euros	Notes	Share capital and share premium	Retained earnings	Foreign currency translation reserve	Total	Non-controlling interests	Total equity
Balance on January 1, 2023		**1,233**	**2,562**	**53**	**3,848**	**528**	**4,376**
Profit for the year		-	349	-	349	89	438
Other comprehensive income		-	2	(37)	(35)	(5)	(40)
Remeasurement of post-employment benefit reserve, net of tax		-	-	-	-	-	-
Fair value changes of derivatives designated for net investment hedging, net of tax		-	-	55	55	-	55
Exchange differences on translation of foreign operations		-	2	(92)	(90)	(5)	(95)
Total comprehensive income		**-**	**351**	**(37)**	**314**	**84**	**398**
Dividends	3.1	-	-	-	-	(35)	(35)
Issue of share capital		-	-	-	-	18	18
Balance on December 31, 2023		**1,233**	**2,913**	**16**	**4,162**	**595**	**4,757**
Balance on January 1, 2024		**1,233**	**2,913**	**16**	**4,162**	**595**	**4,757**
Profit for the year		-	343	-	343	64	407
Other comprehensive income		-	(2)	42	40	(1)	39
Remeasurement of post-employment benefit reserve, net of tax		-	(2)	-	(2)	-	(2)
Fair value changes of derivatives designated for net investment hedging, net of tax		-	-	(92)	(92)	-	(92)
Exchange differences on translation of foreign operations		-	-	134	134	(1)	133
Total comprehensive income		**-**	**341**	**42**	**383**	**63**	**446**
Dividends	3.1	-	-	-	-	(43)	(43)
Issue of share capital		-	-	-	-	5	5
Balance on December 31, 2024		**1,233**	**3,254**	**58**	**4,545**	**620**	**5,165**

Consolidated statement of **cash flows**

For the year ended December 31			
In millions of euros	Notes	2024	2023
Cash flows from operating activities			
Profit before tax		**516**	**582**
Adjustments to reconcile profit before tax to net cash flows			
Depreciation of assets under operating lease	1.2	665	661
Reversal of impairment of assets under operating lease	1.2	-	(1)
Gain on disposal of assets under operating lease		(20)	(42)
Depreciation of assets for own use	4.2	23	22
Amortization and impairment of intangible assets	4.1	2	2
Net foreign exchange differences	2.2	9	16
Unrealized (gains)/losses and losses from derivatives		(18)	32
Movements in provisions	4.4	(2)	2
Credit losses and other impairments	1.3	309	170
Interest income	2.1	(3,103)	(2,644)
Interest expenses	2.1	1,714	1,336
		95	**136**
Net change in assets and liabilities			
Due from customers		(2,986)	(4,811)
Purchase of assets under operating lease	1.2	(1,194)	(1,110)
Proceeds from sale of assets under operating lease		347	438
Due from banks		126	672
Short-term loans from banks and overdrafts		194	(106)
Other assets		110	77
Other liabilities		(95)	262
		(3,403)	**(4,442)**
Interest received		3,105	2,644
Interest paid		(1,697)	(1,314)
Income tax paid		(134)	(277)
Other		(13)	9
Net cash flows from operating activities		**(2,142)**	**(3,380)**

In millions of euros	Notes	2024	2023
Cash flow from investing activities			
Purchase of fixed assets for own use	4.2	(29)	(32)
Proceeds from sale of fixed assets for own use		(5)	-
Purchases of intangible assets	4.1	(4)	(1)
Net cash flows from investing activities		**(38)**	**(33)**
Cash flow from financing activities			
Drawdowns of long-term Rabobank borrowings		(9,993)	(9,618)
Repayments of long-term Rabobank borrowings		11,908	12,475
(Drawdowns)/repayments of other long-term borrowings		284	(679)
Issue of debt securities		1,387	2,497
Repayments of debt securities		(1,273)	(1,494)
Equity contributions received		6	7
Dividends paid		(43)	(35)
Net cash flows from financing activities		**2,276**	**3,153**
Net increase/(decrease) in cash and cash equivalents		96	(260)
Net exchange differences		4	2
Cash and cash equivalents on January 1		144	402
Cash and cash equivalents on December 31	3.6	**244**	**144**

Notes to the **consolidated financial statements**

Introduction

i. Corporate information

These consolidated financial statements of De Lage Landen International B.V. (the Company) and its subsidiaries (collectively DLL or the Group) for the year ended December 31, 2024, were authorized for issue in accordance with a resolution of the Executive Board (EB) on April 24, 2025.

DLL is a privately held limited liability company (in Dutch, besloten vennootschap met beperkte aansprakelijkheid) incorporated and domiciled in Eindhoven, the Netherlands (Chamber of Commerce number 17056223). The registered office is located at Vestdijk 51, 5611 CA, Eindhoven. DLL is a wholly owned subsidiary of Coöperatieve Rabobank U.A. (Rabobank), a Dutch cooperative bank with a statutory seat in Amsterdam, the Netherlands. Rabobank is the parent and the ultimate controlling party of DLL. Information on other related party relationships is provided in note 4.5.

DLL offers customers various financial solution products, mainly being leasing and lending, with presence in over 25 countries all across the world.

DLL has a banking license in the Netherlands since 1988 and is regulated by the European Central Bank and the Dutch Central Bank (De Nederlandsche Bank or DNB). This license is passported to several European countries.

Pursuant to Section 403 of Book 2 of the Dutch Civil Code, Coöperatieve Rabobank U.A. has assumed liability for the debts of De Lage Landen International B.V.

ii. Basis of preparation

The consolidated financial statements have been prepared in accordance with IFRS Accounting Standards as adopted by the European Union (EU) and the applicable articles of Book 2 of the Dutch Civil Code.

All figures are presented in euros with values rounded to the nearest million, except when indicated otherwise.

The EB considers it appropriate to adopt the going concern basis of accounting in preparing these financial statements based on a financial forecast analysis and the equity position that supports the going concern assumption. The EB assessed the liquidity, solvency and expected profitability of the Company going forward, as well as the regulatory capital requirements, and concluded that the company is expected to meet all of its obligations in the next 12 months as from the date of these financial statements.

The policies applied are the same as the previous financial year, with the exception of the policies stated in ii. Basis of preparation.

Amended standards issued by the International Accounting Standards Board (IASB) and adopted by the EU that apply in the current financial year

Minor amendments have been made to IAS 1 and IFRS 16 which became effective for annual periods beginning on or after January 1, 2024. The amendments relate to the classification of liabilities as current or non-current, non-current liabilities with covenants, and lease liabilities in a sale and leaseback transaction. Minor amendments have also been made to IAS 7 and IFRS 7 which became effective for annual periods beginning on or after January 1, 2024. The IAS 7 and IFRS 7 amendments relate to disclosure of information about an entity's supplier finance arrangements to assess the effects of those arrangements on the entity's liabilities and cash flows and on the entity's exposure to liquidity risk. The implementation of the amendments to IAS 1, IAS 7, IFRS 7, and IFRS 16 did not affect profit or equity.

Amended standards issued by the IASB but not yet adopted by the EU that do not yet apply in the current financial year

Amendments to IFRS 7 and IFRS 9 regarding the Classification and Measurement of Financial Instruments

The IASB amended requirements related to assessing contractual cash flow characteristics of financial assets, including those with environmental, social and governance (ESG)-linked features, and settling financial liabilities using an electronic payment system. The IASB also amended disclosure requirements relating to investments in equity instruments designated at fair value through other comprehensive income and added disclosure requirements for financial instruments with contingent features that do not relate directly to basic lending risks and costs. These amendments will be effective for annual periods beginning on or after January 1, 2026. Although these new requirements are currently being analyzed and their impact is not yet known, DLL does not expect that the implementation of these amendments will change the measurement category of financial assets or affect profit or equity.

IFRS 18 Presentation and Disclosure in Financial Statements

This Standard sets out general and specific requirements for the presentation of information in the Statement(s) of Income, the Statement of Financial Position and the Statement of Changes in Equity. This Standard also sets out requirements for the disclosure of information in the notes. This Standard supersedes IAS 1 and will be effective for annual periods beginning on or after January 1, 2027. The implementation of this Standard will not affect profit or equity, but is expected to impact the structure of the statement of income and is expected to lead to additional disclosure of alternative performance measures.

IFRS 19 Subsidiaries without Public Accountability: Disclosures
This Standard is intended for subsidiaries without public accountability and specifies the disclosure requirements that such an entity is permitted to apply instead of the disclosure requirements in other IFRS Accounting Standards. This Standard will be effective for annual periods beginning on or after January 1, 2027. This standard is not applicable for DLL's consolidated financial statements.

Basis of preparation cash flow statement

Cash and cash equivalents include cash, cash in transit and deposits at banks. The cash flow statement is prepared using the indirect method and provides details of the source of the cash and cash equivalents that became available during the year as well as their application during the year. The net pre-tax cash flow from operating activities is adjusted for non-cash items in the statement of profit or loss and for non-cash changes in items in the statement of financial position. The consolidated statement of cash flows presents separately the cash flows from operating, investing and financing activities. Cash flows from operating activities include net changes in balances due from customers and assets under operating lease. Investment activities include acquisitions and disposals of subsidiaries and investments in property, plant and equipment for own use. Financing activities include drawdowns and repayments of funding through Rabobank and other banks, debt securities and dividends paid. The difference between the net change presented in the statement of cash flows and the change in cash and cash equivalents included in the statement of financial position is due to exchange differences.

iii. Basis of consolidation

These consolidated financial statements comprise the financial statements of the Group and its subsidiaries as on December 31, 2024. The Group structure on December 31, 2024, is presented in note 4.7.

The financial statements comply with IFRS Accounting Standards as adopted by the EU.

Subsidiaries are entities under control of the Group. Control is achieved when and only when the Group has: Power over the subsidiary (an ability to direct the activities of the subsidiary that significantly affect its returns); exposure, or rights, to variable returns from its involvement with the subsidiary; and the ability to use its power over the subsidiary to affect its returns.

The acquisition method of accounting (recognizing net identifiable assets and goodwill) is used by the Group to account for business combinations.

The Group consolidates a subsidiary from the date it obtains control. The Group reassesses whether or not it controls an investee if there are changes to one or more of the three elements of control. Non-controlling interests in the results or equity of subsidiaries are shown separately in the consolidated statement of profit or loss, statement of comprehensive income, statement of changes in equity, and statement of financial position.

Profit or loss and total comprehensive income are attributed to the equity holders of the parent of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Investments in associates represent interests held in various entities where DLL exhibits significant influence. This is generally the case where the group holds 20% to 50% of the voting rights. Share of profit from associates is included in "fee and other income" within the statement of profit or loss. Investments in associates are accounted for using the equity method of accounting.

When necessary, adjustments are made to the financial information of subsidiaries to bring their accounting policies in line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between Group companies are eliminated in full on consolidation.

From the date the Group loses control over a subsidiary, the Group ceases to consolidate it. If the Group loses control over a subsidiary, it:

Derecognizes
- assets (including goodwill) and liabilities of the subsidiary;
- carrying amount of any non-controlling interests;
- cumulative translation differences recorded in equity; and

Recognizes
- fair value of the consideration received;
- fair value of any investment retained;
- any surplus or deficit in profit or loss;
- parent's share of components previously recognized in other comprehensive income to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

iv. Key judgments and estimates

The tables that follow summarize the key judgments made and key estimates used in the preparation of these consolidated financial statements.

Key judgments	Notes
Classification of leases and loans to customers	1.1
Consolidation of special-purpose vehicles	3.3

Key estimates	Notes
Residual value reassessment	1.2
Allowance for credit losses	1.3
Fair value of derivatives	3.4

v. Events occurring after reported period

Events after the reporting date that relate to conditions that existed at the end of the reporting period have been reflected in these financial statements.

In 2025, Capital Requirements Regulation 3 (CRR 3) will become applicable in Europe, which will have the Based IV capital requirements included. As a consequence, the risk-weighted assets and associated capital requirements will significantly increase. To ensure DLL remains sufficiently capitalized, we have obtained additional Tier 2 capital amounting to EUR 750 million from our shareholder in March 2025.

1. Portfolios

1.1. Due from customers

DLL's portfolio comprises asset-based financing that includes finance leases and loans. The table below shows the composition of DLL's portfolio due from customers.

In millions of euros	2024[1]	2023[1]
Finance lease receivables	18,292	17,337
Loans to customers	27,386	25,204
	45,678	**42,541**
Allowance for impairment finance lease receivables	(222)	(214)
Allowance for impairment loans to customers	(289)	(223)
	(511)	**(437)**
Total due from customers	**45,167**	**42,104**

1 As on December 31

The table below displays an analysis of amounts due from customers by underlying industry.

In millions of euros	2024[1]	2023
LifeTech	11,138	10,118
Construction, transportation and industrial	11,757	10,983
Food and agriculture	22,983	21,408
Other	(711)	(404)
Total due from customers	**45,167**	**42,105**

1 As on December 31

Fair value of amounts due from customers

On December 31, 2024, the fair value of amounts due from customers was EUR 44,639 million (2023: EUR 41,274 million). The fair value was estimated using a discounted cash flow model where the discount rate is determined by a market-related credit risk spread (Level 2) over cost of funds and the relevant market interest rate extrapolated from a market yield curve. The credit spreads are based on those charged by DLL to customers on new leases and loans provided.

Since the inputs for this model are observable market inputs that are adjusted as necessary, these fair value measurements are fully classified as Level 2 within the fair value hierarchy as described in note 4.9.

Fair value changes of portfolios hedged

DLL applies a macro fair value hedge accounting model for the interest rate risk in the fixed-rate EUR and USD finance lease receivables and loans to customer portfolios. The difference between amortized cost and fair value (basis adjustment) for assets that have been designated for macro fair value hedge accounting is included in amounts due from customers and amounted to EUR (6) million as of December 31, 2024 (2023: EUR (26) million).

Amounts due from customers pledged

DLL enters into securitization transactions in the ordinary course of its business. As part of those transactions, finance lease, operating lease and loan receivables were pledged as collateral for notes issued by the Group (asset-backed securities). As of December 31, 2024, EUR 4,121 million (2023: EUR 3,752 million) of assets have been pledged in various funding transactions.

During 2024, DLL conducted three new securitization transactions in the U.S. The net movement in pledged assets also contains the regular redemption in securitized assets, which are detailed in note 3.3.

Unguaranteed residual value

The value of unguaranteed residual values included in the carrying amount of finance lease receivables on December 31, 2024, was EUR 3,045 million (2023: EUR 2,642 million).

Residual value reassessment

Residual values in finance lease contracts are included in the carrying amount of the finance lease receivable. Unguaranteed residual values are influenced by asset market prices and are therefore subject to management estimation, requiring assumptions to be made. Residual values are reassessed regularly in line with the methodology applied to operating leases as described in note 1.2.

Investment in finance leases

The following table summarizes outstanding gross investment in finance lease receivables as well as unearned finance income, all net of impairment.

In millions of euros	2024[1]	2023[1]
Less than 1 year	7,384	6,377
More than 1, less than 2 years	4,708	4,614
More than 2, less than 3 years	3,350	3,154
More than 3, less than 4 years	2,357	2,074
More than 4, less than 5 years	1,128	1,796
More than 5 years	1,524	864
Gross investment in leases	**20,451**	**18,879**
Unearned finance income	(2,381)	(1,756)
Net investment in leases	**18,070**	**17,123**

1 As on December 31

The table below summarizes the remaining maturity of DLL's net investment in finance leases.

In millions of euros	2024[1]	2023[1]
Less than 1 year	7,140	6,266
More than 1, less than 2 years	4,266	4,288
More than 2, less than 3 years	2,845	2,772
More than 3, less than 4 years	1,876	1,724
More than 4, less than 5 years	842	1,412
More than 5 years	1,101	661
Net investment in leases	**18,070**	**17,123**

1 As on December 31

Key judgment: classification of a finance lease, operational lease and loans to customer
An arrangement contains a lease if its fulfilment is dependent upon the right to use the asset. Leases that transfer substantially all the risks and rewards of ownership of such assets are classified as finance leases (others are classified as operating leases). Determination of transfer of substantially all the risks and rewards of ownership is subjective in nature and involves significant judgment. Contracts where the end user has legal ownership of the asset and DLL provides financing are considered to be loans.

The vast majority of DLL's lease portfolio is classified as finance lease, given that the vendor and/or end-customer bears substantially all of the risks and rewards associated with the underlying assets. DLL does not retain significant risks and rewards from these arrangements. Transactions where DLL retains risks and rewards related to the ownership of assets are classified as operating lease. Refer to note 1.2.

Accounting policy for amounts due from customers

A. Finance leases

- Underlying assets are derecognized and a finance lease receivable is recognized. These receivables equate to contractual lease payments and any unguaranteed residual value (i.e., gross investment in leases) discounted to present value (i.e., net investment in leases).
- The net investment in finance leases is presented net of allowance for impairment. Refer also to note 1.3, Credit risk management, for further guidance relating to allowance for impairments.
- The difference between the gross investment in leases and the net investment in leases is recognized as unearned finance income.
- Lease income is determined using the rate implicit in the lease. This is the rate that discounts the net investment in the lease to the sum of the fair value of underlying assets and initial direct costs incurred.
- If there has been a reduction in the estimated unguaranteed residual value, the income allocation over the lease term is revised and any reduction in respect to amounts accrued is recognized immediately in the statement of profit or loss.

B. Loans to customers

- Loans to customers are non-derivative financial assets (classified as loans and receivables) with fixed or definable payments not listed on an active market.
- Measurement is initially at fair value, including transaction costs.
- Subsequently, balances are carried at amortized cost less impairment allowance.
- Interest revenue on loans to customers is calculated using the effective interest rate (EIR) in the loan. Refer also to note 4.9.

1.2. Assets under operating lease

DLL's other core product is operating lease contracts provided to lessees. A typical tenor of an operating lease contract is between three and five years. The below table presents a reconciliation of the carrying amount of the assets under operating lease at the beginning and end of the year. The assets under operating lease comprise a wide range of assets such as trucks, forklifts, tractors and copiers.

In millions of euros	2024	2023
Cost	4,095	4,317
Accumulated depreciation and impairment	(1,710)	(1,754)
Carrying amount on January 1	**2,385**	**2,563**
Purchases	1,194	1,110
Transfer to inventories	(138)	(138)
Disposals	(347)	(396)
Depreciation	(665)	(661)
Reversal of impairment	-	1
Other movements	(2)	(35)
Net exchange differences	80	(59)
Cost	4,238	4,095
Accumulated depreciation	(1,731)	(1,710)
Carrying amount on December 31	**2,507**	**2,385**

Refer to note 1.1 for key judgment in respect to classification of leases.

The table below summarizes future minimum lease payments under operating leases where DLL acts as a lessor.

In millions of euros	2024[1]	2023[1]
Less than 1 year	652	615
More than 1, less than 2 years	473	423
More than 2, less than 3 years	283	247
More than 3, less than 4 years	131	113
More than 4, less than 5 years	44	41
More than 5 years	24	25
Total minimum lease payment	**1,607**	**1,464**

1 As on December 31

Assets under operating lease pledged

As on December 31, 2024, DLL pledged EUR 542 million (2023: EUR 564 million) of assets under operating lease as collateral under term financing received from banks in the U.S. Refer to note 3.2.

Key estimate: residual value reassessment

Residual values of assets under operating lease form a significant part of the carrying amount of those assets, are determined at inception date of the contract and are adjusted during the contract period when required. Consequently, residual values are influenced by actual and future asset market prices and are therefore subject to management estimation at inception date of the contract and during the contract period. Residual values are at least reassessed on an annual basis, or more often when necessary, by the Global Asset Management department using local market information (e.g., sales prices) by type of leased assets. Reassessments are based on a combination of realization of assets sold, expert knowledge and judgment of local markets.

Accounting policy for operating leases

DLL as a lessor

- DLL as a lessor presents the assets subject to operating leases in the balance sheet as fixed assets.
- The leased asset is carried at cost less any accumulated depreciation and impairment losses.
- Operating lease installments are recognized as revenue on a straight-line basis over the lease term.

Determining the carrying amount of a leased asset

- The cost of the asset comprises the purchase price and any costs directly attributable to bringing the asset to the location and in the condition necessary for operation, such that future benefits can be derived from it.
- These assets are depreciated over their expected useful lives on a straight-line basis to the expected residual value. Expected useful lives for equipment are approximately between 5 and 20 years.
- Expected useful lives and residual values are reassessed annually (see above), with any changes being accounted for prospectively over the remaining lease term unless the total asset is considered to be impaired following this change in useful life and/or expected residual value.

Credit losses on assets under operating lease

Credit losses on assets under operating lease may arise from payment delinquency of lessees. The delinquency of lessees is considered to be an indication of impairment for the leased asset. If such indication exists, an impairment test is carried out to determine whether the carrying amount exceeds the recoverable amount of the operating lease asset.

1.3. Credit risk management

Credit risk defined

Credit risk is the risk that DLL will incur a loss because its customers or counterparties fail to fulfill their obligations toward DLL. DLL aims to maintain a credit portfolio with a manageable risk profile in order to limit the impact of credit losses on the profitability and reputation of the company. DLL manages credit risk through a process of ongoing identification, measurement and monitoring of risk exposures, subject to risk limits and other controls established by DLL's Risk Appetite Statement and its credit risk policy.

Information regarding credit risk associated with amounts outstanding from counterparties (including current accounts, derivatives and loans to Rabobank, other banks, as well as accounts receivable, which are not linked to the lease portfolio) is disclosed in respective notes (refer to notes 3.4 - 3.6 and 4.2).

Credit risk policies, processes and governance

DLL pursues a credit risk policy aimed at maintaining a moderate credit risk profile. DLL has two levels of credit committees that manage credit risk:

- a Global Credit Committee (GCC) operating at a global level; and
- a Local Credit Committee (LCC) operating at country level.

Authority limits are granted to the GCC by DLL's EB, who in turn is granted authority by Rabobank. Decisions for exposures above GCC authority require an approval from Rabobank. Authority limits for LCCs and the Group Risk department within DLL are granted and reviewed annually by the Global Risk Committee (GRC) under authority of DLL's EB.

Credit authorities are also delegated to professionals within a country and within the Group Risk department, which oversees global risk activities. These limits are also reviewed annually.

The credit committees or authorized professionals decide on, or recommend to the next higher-level authority, credit applications for new, amended or unchanged:

- exposure limits;
- credit protections such as collateral or enhancements required;
- credit quality classifications;
- specific impairment provisions for individual defaulted exposures as well as collective provisions; and
- customer ratings (i.e., probability of default [PD] and loss given default [LGD] calculations, resulting in an appropriate collectively determined impairment provision).

Within DLL, the CRO domain is responsible for credit and other risk-related policies, maintains oversight on underwriting and provisioning models, supports countries on credit risk matters, and coordinates interaction with Rabobank concerning credit risk.

Exposure limits

DLL manages credit risk by setting limits on the amount of risk it accepts for individual exposures to counterparties, such as: end users (lessees or borrowers) and vendors and dealers (collectively "vendors"). The vast majority of counterparties are assigned a risk rating, which reflects the level of associated credit risk. As a rule, all counterparty limits and risk ratings are reviewed at least once a year.

Where a counterparty is assigned a higher-risk rating (i.e., greater credit risk), it is reviewed on a more frequent basis. Credit committees may request more frequent reviews.

DLL has policies in place to restrict or prohibit certain counterparty types, assets or industries, which limits credit risk as well as other risk types (based on, for example, compliance and reputational risk).

Credit risk exposures

Maximum exposure to credit risk on amounts due from customers is reflected through their carrying amounts and for operating lease through book value of the underlying assets. The below tables summarize DLL's credit risk exposures in its finance lease, loans and operating lease portfolios.

	2024[1]		2023[1]	
In millions of euros	Maximum exposure	Collateral coverage (%)	Maximum exposure	Collateral coverage (%)
Due from customers	45,167	101%	42,104	100%
Assets under operating lease	2,507	101%	2,385	101%
Total exposure	**47,674**	**101%**	**44,489**	**100%**

1 As on December 31

Collateral and credit enhancements

DLL accepts collateral and other credit enhancements from end users and third parties to manage the credit risk level. Material financing arrangements under finance leases and loans are secured by DLL's title to or a lien/pledge on the underlying assets.

The fair values of those assets are determined by DLL's Global Asset Management department, which provides values based on, for example, the asset type, manufacturer, resale history, historic value depreciation, location and other factors.

These fair values are regularly reviewed by Global Asset Management Committees for each global business unit, which focuses on respective industries.

Other types of credit enhancements include:

- cash, which is received primarily in the form of security deposits from end users;
- guarantees, which may be corporate and personal guarantees or guarantees from our vendors as well as from third parties related to an end user lessee;
- credit insurance obtained externally by DLL for selected portfolios; and
- loss pools, which offer funded and unfunded security provided by vendors for specifically defined risks and vendor programs.

Credit risk concentration

At group level, DLL manages whether concentration of credit risks is within DLL's risk appetite by monitoring its top 20 customers relative to exposure size (integral for finance lease, loans and operating lease exposures). The maximum exposure to top 20 customers on December 31, 2024, was EUR 1,712 million, comprising 3.79% of the total portfolio (2023: EUR 1,686 million, comprising 4.00% of the portfolio).

Apart from this, DLL further avoids significant concentrations by managing country limits, credit risk concentrations within countries as well as avoiding or limiting exposure to defined industries. These limits are included in the Local Risk Appetite Statements.

DLL's internal customer rating

In the financing approval process, DLL uses the Rabobank Risk Rating (RRR), which reflects the risk of failure or the PD of the customer over a period of one year. The table under "Credit risk exposure within quality categories of portfolio assets" shows the credit quality of the portfolio-related balance sheet items after deduction of the credit impairment allowance. The quality categories are determined on the basis of the internal RRR. The RRR consists of 21 performance ratings (R0-R20) and four default ratings (D1-D4). The performance ratings assess the probability of default within a period of one year. The rating is determined, in principle, on a cyclically neutral basis. D1-D4 ratings refer to default classifications. D1 represents 90 days past due (depending on local conditions, this may be extended to more than 90 days); D2 indicates high probability that the debtor is unable to pay; D3 indicates that the debtor's assets will most likely need to be liquidated due to default; and D4 indicates bankruptcy status. The default ratings make up the total defaulted exposure. The "vulnerable" category consists of performance ratings that are not (yet) classified as defaulted.

Credit risk exposure within quality categories of portfolio assets

The customer base of DLL mainly consists of small-sized and medium-sized enterprises, which is also reflected in the following table that presents portfolio exposures, including operating leases, by underlying customer risk rating.

In millions of euros	Due from customers	Asset under operating lease	Total exposure
December 31, 2024			
(Virtually) no risk	943	237	1,180
Adequate to good	42,867	2,188	45,055
Vulnerable	288	55	343
Defaulted	1,069	27	1,096
Total exposure	**45,167**	**2,507**	**47,674**
December 31, 2023			
(Virtually) no risk	752	164	916
Adequate to good	40,333	2,119	42,452
Vulnerable	373	75	448
Defaulted	646	27	673
Total exposure	**42,104**	**2,385**	**44,489**

The following table shows the credit quality of the financial assets subject to impairment. The net carrying amount of the financial assets, excluding operating leases, also represents the maximum exposure to credit risk on these assets.

	Non-credit impaired		Credit impaired	
	Subject to 12-month ECL	Subject to lifetime ECL	Subject to lifetime ECL	Total net exposure
Net carrying amount in millions of euros	Stage 1	Stage 2	Stage 3	
December 31, 2024				
(Virtually) no risk	752	197	-	949
Adequate to good	33,625	9,235	-	42,860
Vulnerable	84	204	-	288
Defaulted	-	-	1,070	1,070
Total net exposure	**34,461**	**9,636**	**1,070**	**45,167**

	Non-credit impaired		Credit impaired	
	Subject to 12-month ECL[1]	Subject to lifetime ECL	Subject to lifetime ECL	Total net exposure
Net carrying amount in millions of euros	Stage 1	Stage 2	Stage 3	
December 31, 2023				
(Virtually) no risk	677	75	-	752
Adequate to good	33,424	6,909	-	40,333
Vulnerable	193	180	-	373
Defaulted	-	-	646	646
Total net exposure	**34,294**	**7,164**	**646**	**42,104**

1 Expected credit loss (ECL)

DLL also assesses credit quality of its portfolio within the following categories, which in turn drive the provisioning methodology:

- **Neither past due nor impaired (performing)** are current receivables within portfolios that are considered to be of good credit quality.
- **Past due but not impaired (performing)** are overdue balances for which no credit loss is anticipated.
- **Impaired (non-performing)** are receivables where DLL does not expect to recover all amounts due from customers. This category has low credit quality and includes all assets with default ratings.

The following table further analyzes credit quality of the portfolio (including aging analysis of past due but not impaired assets).

In millions of euros	Due from customers
As on December 31, 2024	
Neither past due nor impaired	42,328
Past due but not impaired	1,769
< 30 days	1,119
30 to 60 days	361
61 to 90 days	126
> 90 days	163
Impaired[1]	1,070
Total exposure	**45,167**
As on December 31, 2023	
Neither past due nor impaired	39,706
Past due but not impaired	1,752
< 30 days	1,021
30 to 60 days	359
61 to 90 days	220
> 90 days	152
Impaired[1]	646
Total exposure	**42,104**

1 Impaired category illustrates the gross amount of receivables individually determined to be impaired, after deducting the impairment allowance.

Allowance for credit impairment

Impairment is the difference between contractual and expected cash flows of a financial asset (e.g., finance lease or loan), both discounted to present value using the original implicit rate/effective interest rate. In the statements of financial position, DLL presents the allowance for impairment together with the gross balance of respective assets as their carrying amount. Given the number of uncertainties (e.g., probability of default, loss given default and macroeconomic developments) involved in estimation of allowance for impairment, it is considered by management to be a key estimate in preparation of these financial statements.

IFRS 9 establishes three different stages for measuring and recognizing expected credit losses (ECLs). DLL implemented these three-stage expected credit-loss impairment models, which involve a significant degree of management judgment.

Impairment methodology

After DLL enters into a lease contract or grants a loan, it conducts continued credit management; closely monitors payment behavior; and, for larger and/or higher-risk exposures, periodically assesses new financial and non-financial information. DLL's credit risk management procedures ascertain whether the customer complies with the agreements made and whether this is expected to continue in the future. If doubts arise on creditworthiness of a customer, DLL monitors the exposures more frequently and maintains them on a watch list.

At initial recognition, an allowance is formed for the amount of the expected credit losses from possible defaults in the coming 12 months (12-month ECL). If credit risk increased significantly since origination (but remains non-credit-impaired), an allowance will be required for the amount that equals the ECLs stemming from possible defaults during the expected lifetime of the financial asset (lifetime ECL). If the financial instrument becomes credit-impaired, the allowance will remain at the lifetime ECL, albeit with a PD of 100%. Financial instruments become credit-impaired when one or more events have occurred that had a detrimental impact on estimated future cash flows.

The total loan impairment allowance consists of three components:

- **Allowance for non-credit-impaired exposures** is determined as a collective provision for the portion of the portfolio that is not impaired and has a credit risk that either has not increased significantly since origination (stage 1) or has increased significantly since origination (stage 2).
- **Specific allowance for impaired exposures (stage 3)** is determined for individually assessed impaired exposures. Thresholds for this allowance for impairment are country specific, and in some countries all defaults are assessed on an individual basis.
- **Collective allowance for impaired exposures (stage 3)** is determined for impaired exposures that are not individually significant.

Specific and collective impairments are based on actual portfolio analysis, with considerations of asset/collateral recovery and expected collections to establish the estimated loss on defaulted positions.

An account is written off if and when the assets have been recovered, guarantees have been claimed other collateral has been capitalized, and it is clear that no more recoveries can be expected in the near future.

Credit risk models used

Two fundamental drivers of the IFRS 9 impairments requirements are: a) the methodology for the measurement of 12-month and lifetime ECLs; and b) the criteria used to determine whether a 12-month ECL, lifetime ECL non-credit-impaired or lifetime ECL credit-impaired should be applied (also referred to as stage determination criteria).

a) Methodology to determine expected credit losses

In order to determine ECLs, DLL utilizes point-in-time PD and LGD models for the majority of the portfolio in scope. Three macroeconomic scenarios (a baseline-downside, baseline and baseline-upside scenario) are incorporated into these models and probability-weighted in order to determine the expected credit losses.

DLL uses internal models to estimate PD and LGD parameters as key inputs to its provision calculations. Different modeling methodologies are applied for different portfolios, ranging from statistical models to expert-based models that take into account quantitative and qualitative risk drivers. These models are embedded in the credit approval and internal reporting processes. All models of DLL are regularly reviewed and validated, following the model governance framework of DLL, which includes a Model Risk Committee. Policies ensure controlled procedures surrounding review, (re)development, validation, approval and implementation of models.

During the year, DLL had a change in estimates following the redevelopment of the IFRS 9 models for stage 1, 2 and 3. The current period effect is EUR (43) million.

b) Stage determination criteria

In order to allocate financial instruments in scope to the categories 12-month ECL (stage 1), lifetime ECL non-credit-impaired (stage 2), and lifetime ECL credit-impaired (stage 3), a framework of qualitative and quantitative factors has been developed. The criteria for allocating a financial instrument to stage 3 align with the criteria for assigning a defaulted status, for example 90 days past-due status, or if a debtor is likely to become unable to pay its credit obligations without liquidation of collateral by DLL. It should be noted that not all instruments which are over 90 days past-due are considered defaulted, for instance in case of a dispute. In order to allocate financial instruments between stages 1 and 2, DLL uses criteria such as days-past-due status, special asset management status and deterioration of the PD since origination.

For portfolios without individual PDs or with PDs that are not updated on a frequent basis such that an assessment of the change in PD is not possible, a collective assessment on groups of financial instruments with shared credit risk characteristics is made.

Composition of credit losses and other impairments

The following table presents the composition of credit losses and other impairments in profit or loss arising from allowance for impairments of due from customers.

In millions of euros	2024	2023
Charge for the year	346	209
Recoveries	(37)	(39)
Total credit losses and other impairments	**309**	**170**

Composition of allowances for impairment

The following table presents movements in allowances for impairment as well as the different stages.

	Subject to 12-month ECL	Subject to lifetime ECL non-credit impaired	Subject to lifetime ECL credit impaired	Total
In millions of euros	Stage 1	Stage 2	Stage 3	2024
Balance on January 1, 2024	**95**	**119**	**223**	**437**
Charge for the year	60	10	3	73
Written off	-	-	(264)	(264)
Disposal	-	-	(1)	(1)
Net exchange differences	(2)	-	(1)	(3)
Stage transfers and remeasurements	(73)	3	339	269
Balance on December 31, 2024	**80**	**132**	**299**	**511**

	Subject to 12-month ECL	Subject to lifetime ECL non-credit impaired	Subject to lifetime ECL credit impaired	Total
In millions of euros	Stage 1	Stage 2	Stage 3	2023
Balance on January 1, 2023	**66**	**122**	**207**	**395**
Charge for the year	65	9	4	78
Written off	-	-	(149)	(149)
Disposal	-	(19)	-	(19)
Net exchange differences	-	(0)	(2)	(2)
Stage transfers and remeasurements	(36)	7	163	134
Balance on December 31, 2023	**95**	**119**	**223**	**437**

The following table presents an overview of the significant changes in the net carrying amount of loans and advances to customers during the period that contributed to changes in the total impairment allowance. The amounts represented under other changes mainly represent the change in staging, and also includes the impact of the top-level adjustments on the ECL.

	Subject to 12-month ECL	Subject to lifetime ECL non-credit impaired	Subject to lifetime ECL credit impaired	Total
In millions of euros	Stage 1	Stage 2	Stage 3	2024
Balance on January 1, 2024	**34,294**	**7,164**	**646**	**42,104**
New loans and advances originated	22,958	930	109	23,997
Loans and advances that have been derecognized	(16,353)	(4,443)	(87)	(20,883)
Write-offs	-	-	(264)	(264)
Other changes	(6,438)	5,985	666	213
Balance on December 31, 2024	**34,461**	**9,636**	**1,070**	**45,167**

	Subject to 12-month ECL	Subject to lifetime ECL non-credit impaired	Subject to lifetime ECL credit impaired	Total
In millions of euros	Stage 1	Stage 2	Stage 3	2023
Balance on January 1, 2023	**31,029**	**6,344**	**534**	**37,907**
New loans and advances originated	21,812	207	41	22,060
Loans and advances that have been derecognized	(14,069)	(3,194)	(34)	(17,297)
Write-offs	0	0	(149)	(149)
Other changes	(4,478)	3,807	254	(417)
Balance on December 31, 2023	**34,294**	**7,164**	**646**	**42,104**

Judgments and estimates on model-based impairment allowances on financial assets
DLL applies the three-stage ECL impairment model for measuring and recognizing expected credit losses, which involves a significant degree of management judgment. The impairment methodology results in the recognition of allowances measured at an amount equal to 12-month expected credit losses (stage 1); allowances measured at an amount equal to lifetime expected credit losses for financial assets for which credit risk has increased significantly since initial recognition but that are not credit-impaired financial assets (stage 2); and financial assets that are credit-impaired (stage 3). We use estimates and management judgment in determining the expected credit loss in model-based impairment allowances for the following elements.

Significant increase in credit risk
Judgment is required to transfer assets from stage 1 to stage 2. To demonstrate the sensitivity of the ECL to the PD thresholds, an analysis was prepared, which assumed all financial assets were below the PD threshold and apportioned a 12-month ECL. On the same asset base, an analysis was made that assumed all financial assets were above the PD threshold and apportioned a lifetime ECL. These analyses resulted in ECLs of EUR 150 million and EUR 308 million, respectively, compared to current ECL of EUR 212 million.

Forward-looking information and macroeconomic scenarios
The macroeconomic scenarios applied in 2024 were different to those applied in 2023. During 2023, the macro-economic outlook for many countries in which DLL is active deteriorated, mainly as a result of the ongoing geopolitical unrest and their impact on global supply chains and energy prices. In response, DLL added a significant amount to its stage 1 and 2 provisions for ECLs. During 2024, macroeconomic scenarios improved, triggering a release of part of the 2023 additions.

Estimating expected credit losses for each stage and assessing significant increases in credit risk use information about past events and current conditions as well as reasonable and supportable forecasts of future events and economic conditions (forward-looking information). DLL uses three, probability-weighted, macroeconomic scenarios (consisting of a baseline scenario, a baseline-downside scenario, and a baseline-upside scenario) in its ECL models to determine the expected credit losses. The baseline macroeconomic scenario is considered the most likely at a 60% (December 31, 2023: 60%) likelihood, compared to 20% (December 31, 2023: 20%) likelihood for the upside scenario and 20% (December 31, 2023: 20%) likelihood for the downside scenario.

Upside and downside scenario
We used the upside and downside scenario that is provided by the National Institute Global Econometric Model (NiGEM). The procedure for the formulation involves two steps:

1. Apply the stochastic function of NiGEM to run 1,000 scenarios starting in the first quarter, where the upside and downside scenarios may differ from the baseline, and ending in the final quarter of the RaboResearch delivery. NiGEM uses historical residuals (randomly chosen) from the model equations to give shocks during the forecast period (Monte Carlo simulation). The result is the distribution of macroeconomic outcomes based on the historical variance of the world-trade loss.
2. Identify the two scenarios that represent the 20% upper scenarios and the 20% lower scenarios of the distribution.

An analysis on the sensitivity of key forward-looking macroeconomic inputs used in the ECL modeling process for stage 1 and stage 2 provisioning and the probability weights applied to the scenarios are presented below, where the weighted amount of EUR 212 million mentioned represents the ECL recognized on the balance sheet.

In millions of euros	ECL unweighted	Probability	Weighted ECL December 31, 2024	Weighted ECL December 31, 2023
Unemployment				
Upside	185			
Baseline	212		212	214
Downside	242			

Measurement of expected credit losses
The PD, LGD and EAD are used to estimate expected credit losses as inputs for the ECL models. When unexpected external developments or data quality issues are not sufficiently covered by these ECL models, an adjustment will be made based on judgments and estimates. The mentioned inputs also require estimates in the following way:

– PD: The probability of default is an estimate of the likelihood of default over a given time horizon.
– LGD: The loss given default is an estimate of the loss arising in the case where a default occurs at a given time. It is based on the difference between the contractual cash flows due and those that DLL would expect to receive, including cash flows expected from collateral and other credit enhancements.
– EAD: The exposure at default is an estimate of the exposure at a future default date, taking into account expected changes in the exposure after reporting date due to prepayment.

To demonstrate the sensitivity of the ECL for changes in these parameters, the table below shows the impact on the ECL in the baseline scenario resulting from changes in PD and LGD (collateral value).

In millions of euros	Impact on ECL per December 31, 2024	Impact on ECL per December 31, 2023
PD rating 1-notch deterioration (PD)	63	126
PD rating 1-notch improved (PD)	(43)	(71)
Collateral value down by 10% (LGD)	20	29
Collateral value up by 10% (LGD)	(20)	(29)

Key estimate: allowance for impairment
Determining a provision requires a significant degree of judgment, based on the evaluation of management of risks in the portfolio, the current and expected economic circumstances, customer payment trends, credit losses over the previous years, as well as developments in financial credits, industry sectors, business concentrations, and geopolitical developments. Changes in judgment as well as further analyses may lead to changes in the magnitude of an impairment allowance over time.

Determining objective evidence for changes in creditworthiness and determining the magnitude of the recoverable amount form part of the processes that are surrounded by inherent uncertainty and that involve various assumptions and factors regarding the creditworthiness of the lessees/borrowers, expected future cash flows, and the value of collateral.

Credit-related commitments

DLL has credit-related commitment risk arising through its ordinary business activities. Such obligations expose DLL to similar risks as leases/loans even though these unfunded commitments are not recognized on the balance sheet. These risks are mitigated by the same control process and policies. Refer to note 3.7 for DLL's liquidity risk management of credit-related commitments.

In millions of euros	2024[1]	2023[1]
Undrawn credit facilities	7,705	6,333
Irrevocable quotations	4,337	5,969
Total credit-related commitments	**12,042**	**12,302**

1 As on December 31

Undrawn credit facilities

DLL may, in a number of cases, provide customers with preset credit facilities from which customers can draw. This balance represents the undrawn portfolio of the credit facilities. Drawn amounts are part of the portfolio on balance.

Irrevocable quotations

Quotations are offers for a loan or lease sent to customers. A quotation is irrevocable when the combination of local terms and conditions and local laws and regulations determine that DLL is required to honor the quote, unless specific conditions apply that allow DLL to step out of the deal that is quoted.

2. Performance

2.1. Interest income and expense

In millions of euros	2024	2023
Interest income		
Interest income from amounts due from customers	3,008	2,449
Interest income from loans to Rabobank	14	48
Interest income from derivatives with Rabobank	35	73
Other interest income	46	74
	3,103	**2,644**
Interest expense		
Interest expense on borrowings from Rabobank	(1,284)	(951)
Interest expense on derivatives with Rabobank	(26)	(44)
Interest expense on other borrowings	(244)	(203)
Interest expense on debt securities issued	(160)	(99)
Other interest expense	-	(39)
	(1,714)	**(1,336)**
Net interest income	**1,389**	**1,308**

Accounting policy for interest revenue and expense

For financial instruments measured at amortized cost, interest-bearing financial assets classified as measured at fair value, and derivatives carried at fair value through profit or loss, interest income and expense are recorded on an accrual basis using the effective interest rate (EIR) method (refer to note 4.9). The calculation takes into account all of the contractual terms of the financial instruments and are an integral part of the EIR, with the exception of future credit losses.

Borrowing costs

General and specific borrowing costs that are directly attributable to the acquisition, construction, or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization. Other borrowing costs are expensed in the period in which they are incurred.

2.2. Gains/(losses) from financial instruments

In millions of euros	2024	2023
Gains/(losses) from derivatives held for trading	17	(36)
Foreign exchange differences	(9)	(16)
Gains from financial assets designated for macro fair value hedge accounting	20	56
Losses on derivatives used to hedge the interest risk on the portfolio	(34)	(46)
Total losses from financial instruments	**(6)**	**(42)**

Gains/(losses) from derivatives

Gains/(losses) from derivatives relate to derivative transactions that are undertaken by DLL for risk-mitigation purposes. DLL uses derivative financial instruments to mitigate interest rate risk as well as foreign exchange risk to which DLL is exposed. All derivative transactions are therefore undertaken for risk-mitigation purposes. IFRS 9 does not offer a solution for fair value hedge accounting for a portfolio hedge of interest rate risk. DLL opted to use the accounting policy choice of IFRS 9 to continue to apply the International Accounting Standards (IAS) 39 European Union (EU) carve-out for such portfolio hedge accounting.

DLL applies a foreign net investment hedging model, which reduces the volatility of the gains/(losses) reflected in other comprehensive income. Refer to note 3.4.

Changes in the fair value of interest rate derivatives that are designated and qualify as fair value hedges are recorded in the profit or loss, together with the changes in the fair value of the effective part of the hedged items. The changes in fair value of the effective part of hedged items are included in gains/(losses) from financial assets designated for fair value hedge accounting. Refer to note 3.4.

Most of the gains/(losses) from derivatives relate to derivatives transacted with Rabobank Group entities.

Foreign exchange differences

Please refer to note 4.9 for a description of accounting policies related to foreign currency translation.

2.3. Fee and other income

In millions of euros	2024	2023
Net early termination income	46	47
Other lease-related fee income	84	79
Insurance administrative fee income	88	84
Other income	40	58
Net reinsurance income	18	19
Total fee and other income	**276**	**287**

Net early termination income

Net early termination income is income arising from gains on lease contracts that were terminated earlier than the agreed contract period by the customer and for which compensation was charged.

Other lease-related fee income

Other lease-related fee income includes lease syndication fees, brokerage commissions and documentation fees. Syndication fees relate to income generated by syndicating lease contracts to third parties. Brokerage commissions are commissions received for originating a contract. Finally, documentation fees relate to the origination services that DLL has performed for its customers (i.e., the assessment of a customer's credit file) as well as processing fees for small contract changes.

Insurance administrative fee income

Insurance administrative fee income is income that DLL receives with regard to insurance contracts for its customers with third-party insurers and damage waiver products.

Other income

Other income is related to various sources of income, including the result of assets sold end-of-lease. The movement in other income is mainly related to the decreased result on assets sold at end-of-lease and losses recognized on the value of assets held for resale.

Net reinsurance income

Net reinsurance income is related to the reinsurance activities of DLL RE Designated Activity Company. For further details on net reinsurance income and its treatment, refer to note 4.4.

Accounting policy for fee income

Fees earned for services that are provided over a period of time are accrued and recognized over that period. Fees and commissions arising from negotiating or participating in the negotiation of a transaction for a third party are recognized on completion of these activities. Fees or components of fees that are linked to a certain performance are recognized only after fulfilling the corresponding criteria. Net early termination income is recognized when contracts are early terminated.

Fees that are an integral part of corresponding financial instruments are recognized as interest income through an adjustment to the EIR; refer to note 4.9.

2.4. Staff costs

In millions of euros	2024	2023
Short-term employee benefits	516	491
Wages and salaries	433	391
Social security costs	58	75
Temporary staff	25	25
Other short-term benefits	122	129
Pension – defined contribution plans	41	35
Other long-term employee benefits	27	18
Total staff costs	**706**	**673**

The average number of full-time equivalents (FTEs) (both internal and external) for DLL was 5,797 (2023: 5,548) of whom 1,205 (2023: 1,036) were employed in the Netherlands.

DLL's remuneration policy consists of fixed and variable remuneration components and various fringe benefits. According to DLL's remuneration policy, in the Netherlands, variable remuneration (excluding any sign-on bonuses and buyouts) may not exceed 20% of the fixed income. Outside of the Netherlands, the fixed income, variable pay and benefits are based on the local market of the respective country. In no case is the variable income higher than 100% of base salary, in line with the Rabobank Group Remuneration Policy.

Short-term benefits include wages, paid annual leave, sick leave and parental leave that are expected to be paid within 12 months.

Long-term employee benefits include retirement benefits such as pensions, national pension plan contributions and post-employment life insurance. The pension plans are typically defined contribution plans, for which DLL is obliged to pay periodical contributions. Other long-term employee benefits are DLL's deferred bonus scheme (i.e., deferred variable remuneration to Identified Staff as explained below) and medical insurance and expenses.

In 2024, one member (2023: no member) earned a total remuneration (including pension contributions) exceeding EUR 1 million.

Identified Staff

For employees who have a material influence on the risk profile of DLL (Identified Staff), no variable income is granted as of 2019. Up to then, variable remuneration was partly deferred in line with European Banking Authority (EBA) regulations (a minimum of 40%). The direct portion of variable remuneration (50%) is unconditional, whereas the deferred portion (50%) is conditional. Each year one-third of the deferred variable remuneration becomes unconditional, and it's awarded in the form of an underlying instrument, i.e., the Deferred Remuneration Note (DRN).

On December 31, 2024, no liability was recognized (2023: EUR 0.7 thousand) in respect to the instrument portion of the variable remuneration of the Identified Staff. No new deferred variable compensation was awarded in 2024 (2023: none).

Key management personnel
Key management personnel of DLL consist of the members of the Executive Board (EB) and the Supervisory Board (SB). DLL does not provide any loans, advance payments or guarantees to members of the EB and the SB.

DLL did not pay any termination benefits to key management personnel in 2024 (2023: none).

Compensation of the EB members

In thousands of euros	2024	2023
Fixed pay and regular benefits	4,283	3,726
Post-employment benefits	175	142
Total EB compensation	**4,458**	**3,868**

Considering that the current Chief Executive Officer (CEO) is also a member of Rabobank's Managing Board of Rabobank, the total remuneration as CEO (cross charged by Rabobank) is reported as part of the total remuneration of all EB members.

Compensation for EB members consists of fixed pay and pension entitlements. They are also entitled to a package of fringe benefits. EB members are not eligible for variable remuneration as of 2016.

On December 31, 2024, no liability (2023: none) in instruments (DRNs) for EB members was recognized. On December 31, 2024, there were no DRNs outstanding for the EB members (same as in 2023).

EB members on the Dutch payroll participate in a defined contribution pension scheme. As of January 1, 2024, the maximum income on the basis of which the EB members can build up pension is EUR 137,800. Any income exceeding this amount is not pensionable.

Compensation of the SB members
The SB consists of four members. Three board members receive direct compensation from DLL based on their SB responsibilities. The other SB member is employed by Rabobank and is compensated in that capacity by Rabobank where no extra compensation for the SB responsibilities is received. The total amount of remuneration for the external SB members in 2024 was EUR 346 thousand (2023: EUR 223 thousand).

2.5. Other operating expenses

In millions of euros	2024	2023
Administration expenses	182	165
Administrative charges from parent company	41	60
Depreciation and amortization	26	24
IT-related cost	113	94
Total other expenses	**362**	**343**

The following table indicates the composition of amounts expensed regarding the independent auditor and its network, included in administration expenses.

In millions of euros	2024	2023
Audit of financial statements	9	8
Other audit services	2	1
Permitted tax services	-	1
Other permitted (non-audit) services	-	-
Total expenses	**11**	**10**

The fees listed above relate to the procedures performed for DLL and its consolidated group entities by PricewaterhouseCoopers Accountants N.V. (PwC) and other member firms in the global PwC network, including their tax services and advisory groups. The audit fees relate to the audits of group and local financial statements, regardless of whether the work was performed during the financial year. Next to the statutory audit of these financial statements, our independent auditor, PwC, renders the following services to De Lage Landen International B.V. and its controlled entities: 1) review of the financial statements for one of its controlled entities; 2) audit and review procedures related to the (semi)annual financial reporting toward the parent company; 3) audit procedures in relation to the regulatory returns to be submitted to the regulators; and 4) assurance procedures in relation to information provided to the Dutch Central Bank in relation to the Deposit Guarantee Scheme.

The fees of PwC for the aforementioned services amounted to EUR 3 million (2023: EUR 2 million).

Administrative expenses
Administrative expenses include costs of traveling, marketing and advertising, consultancy fees, recovery and collection, and the independent auditor's remuneration.

Administrative charges from parent
Rabobank recharges several costs and services that are directly attributable to DLL. These include certain central head office costs but also the charges for bank taxes and resolution levies that all banks are required to pay. These are paid by Rabobank for all Rabobank group entities collectively and are subsequently charged to various group entities, including DLL.

Depreciation and amortization
Depreciation and amortization expenses relate to usage of DLL-owned buildings and equipment as well as the amortization of intangible assets. The amount for 2024 was EUR 26 million (2023: EUR 24 million).

IT-related costs
IT-related costs include hardware rent, software rent, and maintenance costs, as well as costs of developing software and maintenance costs that do not meet the capitalization criteria in terms of IAS 38 Intangible Assets.

Accounting policy for other operating expenses
Expenses are recognized by DLL when the related goods or services have been received or rendered. Accruals are recognized for all such expenses that have been incurred but have not yet been invoiced.

2.6. Income taxes

DLL's key operating entities in the Netherlands are part of the fiscal unity for Dutch corporate income tax purposes of Rabobank (including a number of other domestic subsidiaries). Under the fiscal unity, each participating legal entity is jointly and severally liable for the fiscal unity's corporate tax liabilities.

The following table summarizes the amounts of tax expenses recognized in profit or loss.

In millions of euros	2024	2023
Current tax charge for the year	182	232
Deferred tax credit for the year	30	(88)
Origination and reversal of temporary differences	30	(89)
Effect of changes in tax rates	-	1
Adjustments for prior years	(103)	-
Tax expense for the year	**109**	**144**

Reconciliation of the total tax charge

The effective tax rate for 2024 was 21.2% and is lower than the statutory rate that would arise using the Dutch corporate tax rate. The effective tax rate is explained as follows.

In millions of euros	%	2024	%	2023
Operating profit before taxation		516		582
Applicable tax rate	25.8	133	25.8	150
Increase/(decrease) in taxes resulting from:				
Tax-exempt income	(2)	(10)	(3)	(15)
Tax rate differences	(4)	(18)	2	9
Non-deductible expenses	2	9	2	14
Recognition of previously unrecognized tax losses	-	(1)	-	(1)
Other permanent differences	-	-	0	0
Adjustments of previous years	(1)	(4)	-	(0)
Adjustments due to changes in tax rates	-	-	-	1
Other tax items	-	-	(2)	(14)
Total income tax	**21**	**109**	**25**	**144**

The Group's reconciliation of the total tax charge is based on the Dutch domestic tax rate, with a reconciling item in respect to tax rates applied by the Group companies in other jurisdictions. This reconciliation is based on an applicable tax rate that provides the most meaningful information to users. The statutory tax rate in the Netherlands is 25.8% (2023: 25.8%). The following table shows a reconciliation of the tax expense and the accounting profit multiplied by the domestic tax rate.

In millions of euros	2024	2023
Profit before income tax	**516**	**582**
Tax-exempt income	(39)	(59)
Non-deductible expenses	35	47
Non-recognizable fiscal losses	1	-
Utilization of previously unrecognized tax losses	(4)	(3)
Local tax credits	(15)	(24)
Other	(5)	(2)
Taxable income	**489**	**541**
Tax calculated using applicable tax rates	107	148
Adjustments due to changes in tax rates	-	1
Adjustments for previous years	(4)	-
Other adjustments	6	(5)
Tax expense for the year	**109**	**144**

There was no effect on changes in tax rate in 2024 (2023: EUR 1 million). DLL has uncertain tax positions in several countries. If outflow of cash is deemed probable, a current tax liability is recognized. Refer to note 4.4.

Deferred tax assets and liabilities are measured for all temporary differences using the liability method and are detailed as follows:

	Deferred tax assets/(liabilities)		Profit or loss credit/(charge)		Other comprehensive income (charge)/credit	
In millions of euros	2024[1]	2023[1]	2024[1]	2023[1]	2024[1]	2023[1]
Deferred tax assets						
Leases	44	100	13	67	-	-
Allowance for impairment	153	106	70	36	-	-
Provisions	9	7	2	1	-	-
Fixed assets for own use	-	1	-	-	-	-
Uncertain tax positions	-	-	-	(4)	-	-
Other	3	-	1	25	-	-
Net operating losses	5	22	(1)	(2)	-	-
Total deferred tax assets	**214**	**236**	**85**	**123**	**-**	**-**

1 As on December 31

	Deferred tax (liabilities)/assets		Profit or loss (charge)/credit		Other comprehensive income (charge)/credit	
In millions of euros	2024[1]	2023[1]	2024[1]	2023[1]	2024[1]	2023[1]
Deferred tax liabilities						
Leases	(244)	(203)	(115)	(25)	-	-
Allowance for impairment	38	14	9	4	-	-
Provisions	-	-	-	-	-	-
Fixed assets for own use	1	-	-	-	-	-
Uncertain tax positions	1	1	-	-	-	-
Other	6	(3)	2	(5)	-	-
Net operating losses	7	6	(11)	(9)	-	-
Total deferred tax liabilities	**(191)**	**(185)**	**(115)**	**(35)**	**-**	**-**
Net deferred tax liabilities	**23**	**51**	**-**	**-**	**-**	**-**
Net result on deferred taxes	**-**	**-**	**(30)**	**88**	**-**	**-**

1 As on December 31

Unrecognized deferred tax assets

A deferred tax asset of EUR 16 million for unused amounts (2023: EUR 16 million) has not been recognized in the balance sheet, since there are no sufficient future taxable profits expected to utilize these tax losses. These carry-forward losses relate to various tax jurisdictions, and their term to maturity is more than three years.

The movement in the net deferred tax liabilities

The movement in the net deferred tax liabilities can be summarized as follows:

In millions of euros	2024	2023
Net deferred tax liabilities on January 1	**51**	**(43)**
Profit or (loss) (charge)/credit	(30)	88
Other comprehensive Income credit	1	-
Net exchange differences	(3)	1
Other	4	5
Net deferred tax liabilities on December 31	**23**	**51**

Recognition of deferred tax assets

The Group is subject to corporate income tax in numerous jurisdictions. Estimation is required in determining the Group's deferred tax positions.

Deferred tax assets in DLL entities are recognized for deductible temporary differences, unused tax losses, and unused tax credits to the extent it is probable that taxable profits will be available in that entity against which the deferred tax asset can be utilized in the foreseeable future, as based on forecasts. Where an entity has a history of tax losses, no deferred tax asset is recognized until such time that there is reasonable expectation of future profitability of that entity.

Tax losses carried forward

The future taxable profits available to utilize deferred tax assets (including deductible temporary differences, unused tax losses and unused tax credits) are regularly reassessed for respective entities, and recognized deferred tax asset balances are adjusted when required.

The Group recognizes deferred tax assets for the tax value of losses and tax credits carried forward to the extent that the realization of the related tax benefit through future taxable profits is probable. The deferred tax assets for the tax value of losses and tax credits carried forward amount to EUR 12 million (2023: EUR 27 million) of which EUR 5 million is expected to be recovered within a year (2023: EUR 6 million).

3. Funding and Liquidity

3.1. Equity and capital management

Components of equity

Share capital and share premium

On December 31, 2024, DLL's authorized capital was EUR 454 million (2023: EUR 454 million), divided into 950 ordinary A shares and 50 ordinary B shares (2023: 950 A and 50 B). The nominal value of each share is EUR 454 thousand (2023: EUR 454 thousand). EUR 98 million (2023: EUR 98 million) is issued and paid up, consisting of 215 ordinary A shares (A1-A215) and 2 ordinary B shares (B1 and B2). Additional paid-in capital (share premium) on the outstanding shares amounts to EUR 1,135 million (2023: EUR 1,135 million). For the years 2024 and 2023, there is no difference in shareholders' rights related to the class A and class B shares.

Retained earnings

Retained earnings represents DLL's undistributed cumulative net profits, where profit is appropriated upon decision of the shareholder. DLL's retained earnings also include cumulative actuarial gains/losses on remeasurement of DLL's defined benefit plans. Annual actuarial gains/losses resulting from this remeasurement are not recyclable through profit or loss and are therefore recognized directly in retained earnings rather than as a separate reserve in equity. These movements are recorded as a component of other comprehensive income in the period in which they arise.

Foreign currency translation reserve (FCTR)

Exchange differences arising from translation of DLL's net investment in foreign operations and the associated movement of the spot elements in the hedge instruments used in a hedge relationship are recognized as FCTR. Movements in FCTR are recorded as a component of other comprehensive income in the period in which they arise. The hedging reserve on December 31, 2024, amounts to EUR (38) million (2023: EUR 54 million); and the translation reserve on December 31, 2024, amounts to EUR 96 million (2023: EUR (38) million).

Dividends

In 2023 and 2024, no dividends were paid to the sole shareholder Coöperatieve Rabobank U.A.

Capital management

The Executive Board (EB) of DLL is responsible for DLL Group capital management within the framework as set by Rabobank Group. It is the responsibility of the EB to manage the physical capital levels to ensure sufficient capital is held to meet capital requirements in such a way that DLL's strategic objectives in terms of profitability are met as well. Note that DLL on sub-consolidated group level doesn't have tools to increase physical capital other than through profit retention or requesting equity contribution from the shareholder, Rabobank. Capital requirements and capital levels are managed actively through DLL's risk strategy, risk appetite and balance sheet management. On a quarterly basis, capital reporting on a DLL sub-consolidated level is shared with and discussed in DLL's Global Risk Committee as part of the quarterly EB report. In addition, every quarter, a regulatory capital sign-off meeting is scheduled in which sign-off on regulatory required capital is managed and in which DLL's capitalization level is monitored. Finally, DLL prepares a yearly internal capital adequacy assessment process (ICAAP) report, which is part of Rabobank's ICAAP report in which DLL's capital position is monitored from both a regulatory and economic perspective.

Regulatory capital requirements
In the European Union (EU), capital requirements for banks (i.e., credit institutions) are set in the Capital Requirements Regulation (CRR) and the Capital Requirements Directive (CRD). The CRR and the CRD are the EU legal translation of the banking guidelines suggested by the Basel Committee on Banking Supervision (BCBS). The CRR and the CRD define capital requirements for banks as the absolute minimum amount of capital required to cover the (financial) risks that a bank faces. DLL is under supervision of the European Central Bank (ECB).

Due to the organizational structure of DLL, according to CRR article 22, DLL must, on a sub-consolidated basis, meet certain CRR capital requirements.

The following table presents DLL's regulatory capital and capital adequacy ratios.

In millions of euros	2024[1]	2023[1]
Common Equity Tier 1 capital (CET1)	4,092	3,728
Tier 1 capital (T1)	4,092	3,728
Total capital	4,092	3,728
Risk-weighted assets	33,139	31,653
CET1 ratio	12.35%	11.78%
T1 ratio	12.35%	11.78%
Total capital ratio	12.35%	11.78%

1 As on December 31

During 2022, DLL successfully delivered and received ECB approval for a model Return to Compliance (RtC) plan. This plan entails a self-imposed RWA add-on which is updated every quarter. The risk-weighted-assets (RWA) add-on for December 2024 equals EUR 5,996 million and is incorporated in DLL's total sub-consolidated RWA amount of EUR 33,139 million. Refer to note 1.3 for a description of credit risk management and to note 3.7 for a description of market and liquidity risk management.

Regulatory capital buffers
The next table shows the minimum regulatory capital requirements and capital buffers based on the CRR and the CRD applicable for December 31, 2024.

	CET1	Tier 1	Total capital
Minimum (requirement)	4.50%	6.00%	8.00%
Pillar 2	0.00%	0.00%	0.00%
Total SREP capital requirement ratio (TSCR)[1]	**4.50%**	**6.00%**	**8.00%**
Capital conservation buffer	2.50%	2.50%	2.50%
Institution-specific countercyclical buffer	0.65%	0.65%	0.65%
Systemic buffer	0.00%	0.00%	0.00%
Overall capital requirement ratio (OCR)	**7.65%**	**9.15%**	**11.15%**

1 Supervisory Review and Evaluation Process

As explained in the table above, there is no specific Pillar Two requirement issued by the supervisor for DLL. There is also no Pillar Two guidance issued by the supervisor.

Note that DLL does not qualify as a Global Systemically Important Institutions (G-SII) or an Other Systemically Important Institutions (O-SII), and therefore the following buffers equal 0%:
– The G-SII buffer
– The O-SII buffer

The actual capital ratios of DLL exceed the minimum required (TSCR and OCR) capital ratios.

3.2. Short-term loans and long-term borrowings

In millions of euros	2024[1]	2023[1]
Short-term loans and overdrafts		
Short-term loans from Rabobank	6,121	5,850
Other short-term loans	275	352
	6,396	**6,202**
Long-term borrowings		
Long-term borrowings from Rabobank	30,542	28,088
Other long-term borrowings	2,493	2,492
	33,035	**30,580**
Total short-term loans and long-term borrowings	**39,431**	**36,782**

1 As on December 31

Short-term loans and overdrafts represent balances that are to be repaid within 12 months of reporting date.

DLL receives the majority of its funding from its parent, Rabobank, through individually agreed long- and short-term loans, which are part of a long-term multi-currency facility with no end date. DLL acts within the limits of this facility, amounted to EUR 38,450 million (2023: EUR 36,500 million). For maturity analysis of loans drawn under this facility, refer to note 3.7. While these tranches are mainly fixed-tenor loans, the specific terms of these loans (currency, maturity and interest rate) are individually agreed upon.

Other long-term borrowings are received by DLL local entities in several countries and include the following main borrowings:
– A long-term funding program from the National Bank for Economic and Social Development (BNDES)

in Brazil is aimed at supporting financing of local industry, with a total facility of EUR 1,026 million, a drawn amount of EUR 795 million (2023: EUR 1,059 million), and a maturity ranging from 1 to 10 years. The carrying amount as on December 31, 2024, was EUR 768 million (2023: EUR 1,021 million), an annually pre-fixed rate of 1.10% to 15.10%, or post-fixed rate of 1.11% to 4.59% plus Brazilian Long-term Interest Rate (5.89% for the year ended December 31, 2024) (2023: 5.86%).

- A long-term funding program from the International Finance Corporation (IFC), as part of the World Bank, is aimed at the objective of supporting lending in emerging economies, where access to stable funding sources can sometimes be difficult for SME's and the real economy such as food and agriculture. Brazil was the main focus iwith a total facility of EUR 115 million and a maturity of 6 years. On December 31, 2024, the carrying amount was EUR 99 million with a fixed rate of 12.13%.
- Long-term borrowing from the European Investment Bank (EIB) was received for the purpose of supporting small-sized and medium-sized borrowers with a total facility amount of EUR 594 million (2023: EUR 545 million) and a maturity ranging from 1 to 5 years. The carrying amount as on December 31, 2024, was EUR 594 million (2023: EUR 545 million), with interest rates ranging from 0.07% to 4.65% (2023: 0% to 3.43%).
- Long-term collateralized financing was received in the U.S. from multiple financial counterparties, with a maturity ranging from 3 to 4 years. The carrying amount as on December 31, 2024, was EUR 498 million, with interest rates ranging between 3.82% and 4.35% (2023: EUR 528 million, 1% to 4.35%). DLL pledged operating lease receivables in the U.S. as collateral for this financing and for the financing of debt securities (note 3.3) in the amount of EUR 542 million (2023: EUR 564 million), as well as finance receivables in the amount of EUR 4,038 million (2023: EUR 3,679 million); refer to note 1.1 and note 1.2.

Management monitors all contractual covenants regarding funding. In neither 2024 nor 2023 were there breaches of covenants that could give any lender a right to demand accelerated repayment of a respective borrowing.

For all short-term loans and overdrafts and long-term borrowings, expected maturities match respective contractual maturities. Contractual liquidity gap analysis as well as the principal and interest contractual cash flows of short-term loans and overdrafts and long-term borrowings are presented in note 3.7.

The fair value of long-term borrowings as on December 31, 2024, was EUR 32,662 million (2023: EUR 29,626 million). This fair value was estimated using a discounted cash flow model, where the discount rate is determined based on observable yield curves at commonly quoted intervals. Since the inputs for this model are observable market inputs that are adjusted to the situation, these fair value measurements are classified as Level 2 within the fair value hierarchy as described in note 4.9. For short-term loans and overdrafts, the carrying amount is deemed to reflect fair value.

Accounting policy for short-term loans and long-term borrowings

Recognition and measurement

Loans and borrowings are financial liabilities carried at amortized cost. These are recognized when DLL becomes a party to a respective contract and are initially recognized at fair value, net of directly attributable capitalized transaction costs. After initial recognition, short-term loans and borrowings are measured at amortized cost using the effective interest rate (EIR) method. Refer to note 4.9 for a description of the EIR method.

In case of premature repayment of the borrowings by DLL, lenders (including Rabobank) may charge DLL prepayment penalties, where such penalties are provided by the contract. Such prepayment penalties are accounted for as an expense when charged within interest expenses.

Derecognition

Short-term and long-term loans and borrowings are derecognized when the obligations of DLL under the respective contract are discharged (for instance, by repayment of all amounts due) or canceled or expire. Where gains and losses arise on derecognition, they are recognized in profit or loss.

3.3. Issued debt securities

Issued debt securities represent asset-backed securities issued by DLL in the following securitization transactions:

In millions of euros	2024[1]	2023[1]
Securitization transactions		
DLLAA 2021-1 LLC	106	242
DLLAD 2021-1 LLC	170	324
DLLMT 2021-1 LLC	82	260
DLLST 2022-1 LLC	35	227
DLLAA 2023-1 LLC	572	782
DLLAD 2023-1 LLC	417	576
DLLMT 2023-1 LLC	366	588
DLLAD 2024-1 LLC	510	-
DLLMT 2024-1 LLC	620	-
DLLST 2024-1 LLC	432	-
Total issued debt securities	**3,310**	**2,999**

1 As on December 31

DLL attracts external funding through securitizations as part of its overall funding strategy. The fair value of issued debt securities on December 31, 2024, was EUR 3,317 million (2023: EUR 2,836 million). This fair value was estimated using a discounted cash flow model, where the discount rate is determined by cost of funds of DLL and the relevant market interest rate extrapolated from a market yield curve. Since the inputs for this model are observable market inputs that are adjusted as needed, these fair value measurements are classified as Level 2 within the fair value hierarchy as described in note 4.9.

Key judgment: consolidation of special-purpose vehicles (SPV)
Control over an SPV is usually not evidenced by direct shareholding/voting rights but rather by indirect factors that require significant judgment.

DLL decides whether the financial information of an SPV should be included in the consolidated financial statements on the basis of an assessment of its control over the SPV and its exposure to variable returns from its involvement. DLL takes a number of factors into consideration, including the activities carried out by the SPV, decision-making powers, and the allocation of the benefits and risks (exposure to losses) associated with the activities of the SPV.

The securitization SPVs are deemed to be "auto-pilot" entities because their operations and cash flows are prescribed by the respective securitization documentation. DLL retains control over the operating activities related to the underlying (securitized) assets and retains most of the risks associated with these assets through the subordinated class B notes that it holds in each transaction. Accordingly, DLL concluded that it controls these SPVs and consolidates them in these financial statements.

For other entities, no significant judgements are required to assess whether DLL has control.

Accounting policy for issued debt securities
Issued debt securities, issued as a part of the securitization transaction, are financial liabilities carried at amortized cost. Issued debt securities are initially recognized at fair value, net of directly attributable transaction costs. After initial recognition, issued debt securities are measured at amortized cost using the EIR method. Please refer to note 4.9 for a description of the EIR method.

3.4. Derivatives

DLL uses derivative financial instruments with Rabobank to mitigate interest rate risk as well as foreign exchange risk to which DLL is exposed. All derivative transactions are therefore undertaken for risk-mitigation purposes. A limited amount of collateral is posted regarding derivatives.

IFRS 9 does not offer a solution for fair value hedge accounting for a portfolio hedge of interest rate risk. DLL opted to use the accounting policy choice of IFRS 9 to continue to apply the International Accounting Standards (IAS) 39 EU carve-out for such portfolio hedge accounting.

Net investment hedges
DLL uses foreign forward-exchange contracts to hedge the currency translation risk of net investments in foreign operations. On December 31, 2024, hedge instruments with a nominal amount of EUR 2,599 million (2023: EUR 2,484 million) were designated as net investment hedges. These resulted in an exchange loss of EUR 92 million for the year (2023: gain EUR 55 million), which were recorded in equity. For the years ended December 31, 2024, and December 31, 2023, DLL reported no material ineffectiveness resulting from the net investment hedges. To measure effectiveness, on a monthly basis prospective and retrospective testing is performed.

Macro fair value hedges
DLL uses interest rate swaps to manage the interest rate risk of the assets with a fixed-rate nature in both local and foreign currencies, such as finance leases and loans. DLL has implemented a macro fair value hedging model for EUR and USD. This hedge accounting model is a model that comprises a portfolio of hedged items (finance lease receivables and loans) and a portfolio of hedging instruments (interest rate swaps). At each cash flow date, the model aims to designate an appropriate amount of hedged items to match the swap cash flow. The model performs two tests to determine effectiveness:

– Prospective test: Performed at the start of the month, it assesses the fair value movement of hedged items and hedging instruments due to a 1% parallel shift in interest rate curves.
– Retrospective test: Performed at the end of the month, it compares fair value movement over the period due to actual movement of interest rate curves.

The model runs the tests on a monthly basis and is effective if the results are within the effectiveness range as defined by IAS 39.

Since the inputs for this model are observable market inputs that are adjusted to the situation, these fair value measurements are classified as Level 2 within the fair value hierarchy as described in note 4.9. The ineffectiveness for the year ended December 31, 2024, was EUR (2) million (2023: EUR (6) million).

The result on the hedging instrument amounted to EUR (34) million (2023: EUR (46) million), with the negative result from the hedged position to be allocated to the hedged risk, amounting to EUR 20 million (2023: EUR 56 million). Refer to note 2.2.

Key estimate: fair value of derivatives
The fair value of derivatives is determined using valuation techniques and is based on discounted cash flow models using observable market inputs. Management therefore considers fair value of derivatives a key estimate. The discounting curve applied depends on the currency of the underlying derivative, where an appropriate cross-currency base adjustment is applied for cross-currency derivatives. When measuring the fair value, counterparty credit risks as well as own credit risk are taken into account (Credit/Debit Valuation Adjustment, respectively). The main inputs of the estimated fair values are interest rate curves and currency rates. Sensitivity of the DLL exposures (including derivative exposures) to these variables is disclosed in note 3.7.

The estimation of the fair values of these derivatives is executed by DLL's Treasury that operates within the DLL control framework, which ensures sufficient governance and control within the process. The resulting fair values are reviewed and signed off on appropriately by DLL Treasury and DLL management.

Accounting policy: derivatives
Derivatives are recognized at trade date, being the date when DLL becomes a party to a derivative contract. These derivatives are classified as assets or liabilities measured at fair value through profit or loss (held for trading) or as held for hedging. If and when a hedge is designated in a hedging relationship, at time of inception, derivatives are designated as one of the following:

- a hedge of the fair value of an asset, a group of assets or a liability in the statement of financial position (fair value hedge); or
- a hedge of a net investment in a foreign operation (net investment hedge).

Hedge accounting is applied for derivatives designated in this manner, provided that certain criteria are met, including the following:
- formal documentation of the hedging instrument, the hedged item, the objective of the hedge, the hedging strategy and the hedge relationship;
- documentation of the assessment and analysis of the source of hedge ineffectiveness and how the hedges ratio is determined (IFRS 9);
- effectiveness of 80% to 125% (IAS 39) in covering changes in the hedged item's fair value to the hedged risks during the entire reporting period;
- continuous effectiveness from the moment of the hedge's inception; and
- an economic relationship between the hedged item and hedging instrument (IFRS 9).

Changes in the fair value of derivatives that are designated as fair value hedges and are effective in terms of the hedged risks are recognized in the statement of profit or loss in losses from financial instruments, together with the corresponding changes in the fair values of the assets or liabilities hedged. As and when the hedge no longer meets the criteria for hedge accounting, the cumulative adjustment to the fair value of the hedged assets or liabilities is amortized through profit and loss over the relevant interest repricing period. Refer to note 2.2.

The hedging instruments used to hedge net investments in foreign operations are measured at fair value, with changes in the fair value (to the extent that they are effective) being recognized in other comprehensive income. Changes in the hedged equity instrument resulting from exchange rate fluctuations are also recognized in other comprehensive income. Gains and losses accumulated in other comprehensive income are reclassified to profit or losses when the equity instrument is disposed of.

Notionals and measure-at-fair-value derivatives

	2024[1]			2023[1]		
In millions of euros	Notional amounts	Fair value assets	Fair value liabilities	Notional amounts	Fair value assets	Fair value liabilities
Derivatives held for trading	1,911	52	(9)	3,493	40	(50)
Derivatives held for hedging	4,313	21	(13)	2,554	48	(5)
Total derivative financial assets/(liabilities)	**6,224**	**73**	**(22)**	**6,047**	**88**	**(55)**
Derivatives held for trading						
Foreign exchange forwards[2]	228	1	(2)	533	3	-
Cross-currency swaps	408	43	(1)	1,904	26	(29)
Interest rate swaps	1,275	8	(6)	1,056	11	(21)
Total derivative held for trading	**1,911**	**52**	**(9)**	**3,493**	**40**	**(50)**
Derivatives designated as fair value hedge						
Interest rate swaps	1,714	17	(3)	1,505	46	-
Total derivatives designated as fair value hedge	**1,714**	**17**	**(3)**	**1,505**	**46**	**-**
Derivatives designated as foreign net investment hedge						
Foreign exchange forwards[2]	1,398	4	(3)	1,049	2	(5)
Cross currency swaps	1,201	-	(7)	-	-	-
Total derivatives designated as foreign net investment hedge	**2,599**	**4**	**(10)**	**1,049**	**2**	**(5)**
Total derivative financial instruments	**6,224**	**73**	**(22)**	**6,047**	**88**	**(55)**

1 As on December 31
2 Including non-deliverable forwards

Maturity profile and average interest rate of hedging instruments in fair value hedges

		Remaining maturity		
In millions of euros	Notional amounts	Less than 1 year	1 to 5 years	Longer than 5 years
As on December 31, 2024				
Hedging instrument - hedge of finance lease receivables and loans	1,714	30	497	1,187
Average fixed interest rate	0.68%	0.51%	0.40%	2.65%
As on December 31, 2023				
Hedging instrument - hedge of finance lease receivables and loans	1,505	53	1,197	255
Average fixed interest rate	0.34%	0.22%	0.34%	1.37%

Designated hedging instruments in fair value hedges of interest rate risk

In millions of euros	Carrying amount derivative financial assets	Carrying amount derivative financial liability	Change in fair value used for calculating hedge ineffectiveness
As on December 31, 2024			
Hedge of finance lease receivables and loans	844	870	(30)
As on December 31, 2023			
Hedge of finance lease receivables and loans	1,453	52	(60)

Designated hedged items in fair value hedges of interest rate risk

In millions of euros	Carrying amount	Accumulated amount of fair value hedge adjusted on the hedged item included in the carrying amount of the hedged item	Change in fair value used for calculating hedge ineffectiveness	Accumulated amount for fair value hedge adjustments remaining for any hedged item that has ceased to be adjusted for hedging gains and losses
As on December 31, 2024				
Finance lease receivables and loans	1,293	66	28	-
As on December 31, 2023				
Finance lease receivables and loans	1,510	47	54	-

Hedge ineffectiveness of macro fair value hedges amounts to EUR (2) million (2023: EUR (6) million) and is included in the statement of profit or loss on the line item losses from financial instruments.

Net investment hedges

DLL uses forward currency contracts to hedge a portion of the currency translation risk of net investments in foreign operations. For the changes in the value of the hedging instrument recognized in other comprehensive income and the amount reclassified from the net investment hedge reserve to profit or loss, reference is made to note 3.1. Hedge ineffectiveness amounts to EUR (1) thousand (2023: EUR 39 thousand) and is included in the statement of profit or loss on the line item losses from financial instruments.

2024	Remaining maturity per reporting date		
In millions of euros	Less than 1 year	1 to 5 years	More than 5 years
Maturities			
Notional amount of hedging instrument	2,599	-	-

	Notional amount	Carrying amount		Changes in the value of the hedging instrument recognized in other comprehensive income
In millions of euros		Assets	Liabilities	
Designated hedging instruments				
Foreign exchange derivatives	2,599	2,578	2,599	92
Foreign exchange loans	-	-	-	Included in foreign exchange derivatives

In millions of euros	Change in value used for calculating hedge ineffectiveness	Foreign currency translation reserve for continuing hedges	Remaining foreign currency translation reserve from hedging relationships for which hedge accounting is no longer applied
Designated hedged items			
Net investment	(134)	(99)	2

2023	Remaining maturity per reporting date		
In millions of euros	Less than 1 year	1 to 5 years	More than 5 years
Maturities			
Notional amount of hedging instrument	2,484	-	-

	Notional amount	Carrying amount		Changes in the value of the hedging instrument recognized in other comprehensive income
In millions of euros		Assets	Liabilities	
Designated hedging instruments				
Foreign exchange derivatives	2,484	2,474	2,484	(55)
Foreign exchange loans	-	-	-	Included in foreign exchange derivatives

In millions of euros	Change in value used for calculating hedge ineffectiveness	Foreign currency translation reserve for continuing hedges	Remaining foreign currency translation reserve from hedging relationships for which hedge accounting is no longer applied
Designated hedged items			
Net investment	92	36	2

3.5. Due from banks

In millions of euros	2024	2023
Loans to and receivables from Rabobank	180	304
Loans to and receivables from other banks	126	128
Total loans to and receivables from banks	**306**	**432**

The loans to and receivables from Rabobank relate to liquidity management and are both short-term and long-term balances of both fixed and floating loans issued primarily in EUR, USD and BRL. These loans bear interest rates ranging between 0.00% and 5.55% (2023: between (0.60)% and 5.98%).

For all amounts due from banks, contractual maturities reflect their expected maturities. Contractual liquidity gap analysis as well as the principal and interest contractual cash flows of due from banks are presented in note 3.7.

The fair value of due from banks on December 31, 2024, was EUR 306 million (2023: EUR 349 million). This fair value was estimated using a discounted cash flow model, where the discount rate is determined based on observable yield curves at commonly quoted intervals. Since the inputs for this model are observable market inputs that are adjusted as necessary, these fair value measurements are classified as Level 2 within the fair value hierarchy as described in note 4.9.

Accounting policy for due from banks

Due from banks are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are initially recognized at fair value and are subsequently measured at amortized cost using the EIR method, less allowance for impairment. Refer to note 4.9 for a description of the EIR method.

Securities purchased under agreements to resell at a specified future date are not recognized in the statement of financial position. The consideration paid, including accrued interest, is recorded in the statement of financial position as due from banks (reverse repurchase agreements), reflecting the transaction's economic substance as a loan by DLL. The difference between the purchase and resale prices is recorded in interest income and is accrued over the life of the agreement using EIR.

3.6. Cash and cash equivalents

In millions of euros	2024	2023
Current account Rabobank and its related entities	37	60
Current account other banks	207	84
Cash and cash equivalents	**244**	**144**

Cash and cash equivalents with Rabobank do not bear material credit risk, as Rabobank has a S&P A+ rating. Current accounts with other banks are held with banks holding A ratings or higher. Cash is usually held in the functional currency of the subsidiary that holds the account. All cash is directly available for use for DLL.

Accounting policy for cash and cash equivalents

Cash and cash equivalents as referred to in the statement of cash flows and statement of financial position comprise cash on hand, non-restricted current accounts with banks, and amounts due from banks on demand or with an original maturity of three months or less. These cash and cash equivalents are held at amortized cost, which, due to the short maturity, approximates their fair value. These fair values are classified as Level 1 in the fair value hierarchy; refer to note 4.9 for further details.

3.7. Market and liquidity risk management

Market risk

Market risk is the risk that the fair value or future cash flows of financial instruments will fluctuate due to changes in market variables such as interest rates, foreign exchange rates or equity prices. Also considered part of market risk is prepayment risk. The main financial instruments held by DLL that are affected by market risk include financial lease receivables, loans issued, high-quality bonds and investments held, borrowings, debt securities issued, cash, and derivatives.

For risk management purposes, DLL also recognizes an exposure to market risk on its operating lease portfolio. DLL manages market risk collectively for all portfolio assets (including operating leases) as part of the same processes and risk governance that are in line with industry standards as well as DLL's own risk strategy. DLL is not exposed to material risk on third-party equity instruments.

Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or the fair values of financial instruments. DLL aims to achieve stable earnings from interest margins and not from exposure to uncertain or volatile interest rate risk position outcomes. This is achieved by a policy of mitigation of interest risk exposures through transacting money market and derivative instruments with mainly Rabobank and also some third-party banks. Additionally, DLL may incur financial loss because its customers and counterparties repay or request repayment earlier than expected. DLL manages prepayment risk as part of interest rate risk.

To manage the above risks, DLL applies a policy of matched-funding, taking into account the equity that is deployed, to all asset-financing businesses from an interest rate perspective. Interest rate exposures on certain finance lease and loan portfolios are mitigated based on their expected maturity terms (or repricing if shorter) and for the remaining portfolio financial assets on contractual maturity terms (or repricing if shorter). DLL uses historic termination information to identify finance lease and loan portfolios with a consistent early termination pattern and calculates expected maturity terms using a minimum of three years' data. These expected maturity terms are approved by DLL's Asset and Liability Committee (ALCO) and are reviewed annually.

Where equity or short-term liquidity is used to fund assets, derivative transactions may be used to cover the longer-term interest rate risk with the approval of Group Treasury. DLL applies macro fair value hedge accounting for interest rate risk on its derivative portfolio.

Interest rate risk sensitivity analysis
DLL assesses interest rate risk sensitivity through monthly calculation of an Earnings at Risk (EatR) sensitivity analysis, which measures the short-term effects of adverse interest rate movements in terms of net interest income. Nine scenarios are tested (EatR interest rates up, EatR interest rates down, DNB interest rates down, curve steepening, curve flattening, Down Instant, Up Instant, DNB Down Instant, DNB Up Instant) and analyzed per currency.

The scenarios are analyzed for movement in the fixed rate (five year) and floating rate (one month) over a one- to five-year time horizon, and the cumulative impact of each scenario is converted into euro. This is tracked both in aggregate and per scenario per currency.

DLL monitors all scenarios in the one-year time horizon, with a specific loss limit of EUR 60 million set for all scenarios that yield a negative result, excluding the DNB scenarios. This limit is monitored on a monthly basis and any breaches are reported to DLL's ALCO.

The monthly level of EatR is monitored by Group Treasury. Month on month, there is some variation in terms of the total number. In 2024, the level of EatR increased to a down scenario percentage of the total interest income of 3.1% (2023: 3.4%) and a steepening percentage of total interest income of 1.5% (2023: 1.7%). The EatR values on December 31, 2024, and December 31, 2023, are therefore representative of the entire respective years. DLL's total EatR for the down scenario on December 31, 2023, across currencies and aggregating the impact of both fixed and floating interest impacts, was EUR 43 million (2023: EUR 45 million), while the steepening scenario was EUR 21 million (2023: EUR 23 million).

Interest rate risk exposure
On a consolidated DLL level, interest rate risk is managed by calculation of a one-basis-point delta move (PV01) on the net interest rate gap. This interest rate gap is monitored monthly against an overall limit. Interest rate risk is also managed at country level using a similar gap analysis per time bucket and monitored by Group Treasury. On December 31, 2024, DLL's PV01 on the net interest rate gap was EUR 295 thousand (2023: EUR 333 thousand). The table below analyzes DLL's interest rate risk exposure by presenting carrying amounts of interest-bearing financial instruments and operating leases at the earlier of repricing or contractual maturity. For finance lease and loan receivables, DLL manages repricing risk with reference to expected maturity rather than contractual maturity. Derivatives are presented at their net notional position per interest rate type (refer to note 3.4 for gross notional positions).

In millions of euros	Carrying amount[1]	< 1 month	1 to 3 months	3 to 12 months	1 to 5 years	> 5 years
As on December 31, 2024						
Interest-bearing assets						
Cash	244	244	-	-	-	-
Due from banks	306	164	53	89	-	-
Due from customers	45,167	9,853	1,396	9,439	23,059	1,420
Assets under operating lease	2,507	219	155	611	1,501	21
	48,224	**10,480**	**1,604**	**10,139**	**24,560**	**1,441**
Interest-bearing liabilities						
Short-term loans and overdrafts	(6,396)	(5,764)	(592)	(40)	-	-
Issued debt securities	(3,310)	(220)	(303)	(1,091)	(1,696)	-
Long-term borrowings	(33,035)	(1,234)	(2,279)	(8,059)	(20,332)	(1,131)
	(42,741)	**(7,218)**	**(3,174)**	**(9,190)**	**(22,028)**	**(1,131)**
Derivatives						
Interest rate swap – net floating-rate notional	1,631	1,588	43	-	-	-
Interest rate swap – net fixed-rate notional	(1,631)	203	269	(465)	(1,448)	(190)
Foreign exchange derivative net	2	1	1	-	-	-
Cross-currency swap – net floating-rate notional	31	94	7	(70)	-	-
Cross-currency swap – net fixed-rate notional	(11)	(3)	(6)	(23)	23	(2)
	22	**1,883**	**314**	**(558)**	**(1,425)**	**(192)**
Net interest-bearing position	**5,505**	**5,145**	**(1,256)**	**391**	**1,107**	**118**

1 Except in the case of derivatives that are presented at notional value rather than carrying amount.

In millions of euros	Carrying amount[1]	< 1 month	1 to 3 months	3 to 12 months	1 to 5 years	> 5 years	No contractual maturity
As on December 31, 2023							
Interest-bearing assets							
Cash	144	144	-	-	-	-	-
Due from banks	432	276	40	99	17	-	-
Due from customers	42,104	10,107	1,227	8,624	20,776	1,370	-
Assets under operating lease	2,385	185	158	610	1,408	24	-
Assets in disposal groups held for sale	19	-	-	-	-	-	19
	45,084	**10,712**	**1,425**	**9,333**	**22,201**	**1,394**	**19**
Interest-bearing liabilities							
Short-term loans and overdrafts	(6,202)	(5,403)	(798)	(1)	-	-	-
Issued debt securities	(2,999)	(132)	(261)	(985)	(1,621)	-	-
Liabilities in disposal groups held for sale	(1)	-	-	-	-	-	(1)
Long-term borrowings	(30,580)	(1,605)	(1,845)	(7,159)	(18,759)	(1,212)	-
	(39,782)	**(7,140)**	**(2,904)**	**(8,145)**	**(20,380)**	**(1,212)**	**(1)**
Derivatives							
Interest rate swap – net floating-rate notional	1,083	959	124	-	-	-	-
Interest rate swap – net fixed-rate notional	(1,083)	(66)	(38)	(590)	(333)	(56)	-
Foreign exchange derivative net	(1)	1	(2)	-	-	-	-
Cross-currency swap – net floating-rate notional	71	148	7	(84)	-	-	-
Cross-currency swap – net fixed-rate notional	(65)	(2)	(7)	(36)	(17)	(3)	-
	5	**1,040**	**84**	**(710)**	**(350)**	**(59)**	**-**
Net interest-bearing position	**5,307**	**4,612**	**(1,395)**	**478**	**1,471**	**123**	**18**

1 Except in the case of derivatives that are presented at notional value rather than carrying amount.

Foreign exchange risk

Foreign exchange risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates.

DLL seeks to minimize its exposure to foreign exchange risk associated with its net investments in foreign operations. DLL's policy allows the use of foreign exchange derivatives (refer to note 3.4) and foreign currency debt in managing foreign exchange risk. DLL uses forward foreign exchange contracts and/or foreign currency debts to hedge the currency translation risk of material net investments in foreign operations. For the majority of the net investments in foreign operations, hedges are conducted to mitigate movements of the CET1 ratio. The only investment in foreign operations with an exposure above EUR 2.5 million where no hedge is in place is DLL's investment in Argentina; for that a decision was made by DLL's ALCO to not hedge this exposure.

DLL also manages its forecasted net foreign currency exposures above EUR 5 million or currency equivalent by mitigating risk from such deemed material exposures at the beginning of each year through the use of derivatives. Other foreign currency earnings are managed as earned also through the use of derivatives.

DLL subsidiaries are not permitted to have open foreign currency risk positions. Where unavoidable, limits are in place and breaches are monitored by DLL's ALCO.

Foreign exchange risk sensitivity analysis

The following table indicates the currencies to which DLL had the largest exposures on December 31, 2024, on its monetary assets and liabilities, and on its forecasted cash flows. The analysis calculates the effect of a reasonably possible movement in currency rates against the euro (all other variables being held constant). These reasonably possible movements in currency rates were estimated based on the actual volatility of exchange rates in the past two years.

DLL uses a Foreign Net Investment (FNI) hedging model, which is applied for all major currencies. That does result in the potential volatility in the equity of DLL.

In millions of euros	Change in currency rate in %[1]	Effect on profit for the year	Effect on equity	Total effect
As on December 31, 2024				
USD	+/- 2%	0/0	(21)/22	(21)/22
BRL	+/- 6%	0/0	(10)/11	(10)/11
GBP	+/- 1%	0/0	(2)/2	(2)/2
AUD	+/- 2%	0/0	(3)/3	(3)/3
CAD	+/- 2%	0/0	(6)/6	(6)/6
As on December 31, 2023				
USD	+/- 4%	0/0	(39)/42	(39)/42
BRL	+/- 5%	0/0	(8)/9	(8)/9
GBP	+/- 2%	0/0	(3)/3	(3)/3
AUD	+/- 5%	0/0	(10)/11	(10)/11
CAD	+/- 4%	0/0	(5)/6	(5)/6

1 The percentage change represents a reasonable possible change over two years.

Liquidity risk and funding

Liquidity risk is the risk that DLL will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial asset. Liquidity risk arises because of the possibility that DLL might be unable to meet its payment obligations when they fall due under either normal or stress circumstances.

DLL applies a policy of matched funding for liquidity risk based on currency and maturity profiles of assets and liabilities. This matched-funding policy requires DLL to fund all its portfolio assets with matched-funded sources, including borrowings, DLL's own equity (less intangibles), non-controlling interests and other items such as deferred tax.

DLL has a waiver from DNB to meet regulatory liquidity requirements (such as the Net Stable Funding Ratio and Liquidity Coverage Ratio) on an individual level.

The limit set for the unmatched liquidity gap is 10% of portfolio assets. This limit is cascaded down to country level, where a limit of 1% is applied to the local unmatched liquidity gap. Group Treasury monitors country-level adherence and manages overall usage of the 10% limit. DLL's ALCO reviews the 10% usage on a monthly basis, the trend in usage over a period of 13 months as well as country-level breaches.

Calculation of the 10% limit usage is based on contractual maturity of assets and liabilities, except for certain finance lease portfolios where expected maturity terms are applied. DLL uses historic termination information to identify finance lease portfolios with a consistent early termination pattern and calculates expected maturity terms using a minimum of three years' data. These expected maturity terms are approved by DLL's ALCO and reviewed annually.

Usage of the 10% limit on December 31, 2024, was on a maximum of 1.21% during a monthly time bucket over the forward-looking maturity of the assets and liabilities (2023: 0.09%).

The current primary usage of the liquidity limit is the short-term commercial finance business, which is match-funded to expected maturity, but refinancing assumptions are calculated as utilizing the liquidity limit.

From a funding perspective, DLL aims to continue diversifying its funding base by expanding global securitization programs and attracting further funding from the multilateral development banks (MDBs), such as the BNDES in Brazil and EIB in Europe. In 2024, DLL executed three asset-backed securitization transactions in the U.S. and is investigating other similar opportunities for the future.

The table that follows reflects the carrying amounts of DLL's assets and liabilities at contractual maturities except for certain finance lease and loan portfolios where DLL uses expected maturity as they exact maturity is not known. Assets and liabilities with maturities under one year are considered current in nature.

In millions of euros	Carrying amount	< 1 month	1 to 3 months	3 to 12 months	1 to 5 years	> 5 years	No contractual maturity
As on December 31, 2024							
Assets							
Cash	244	244	-	-	-	-	-
Accounts receivable and other short-term assets	801	65	425	311	-	-	-
Derivatives	73	4	4	9	23	-	33
Due from banks	306	164	53	89	-	-	-
Due from customers	45,167	3,731	8,025	10,307	21,921	1,183	-
Assets under operating lease	2,507	219	155	612	1,500	21	-
Other intangible assets	5	-	-	-	-	-	5
Current tax receivable	192	-	-	-	-	-	192
Deferred tax asset	214	-	-	-	-	-	214
Other assets	238	-	-	-	-	-	238
	49,747	**4,427**	**8,662**	**11,328**	**23,444**	**1,204**	**682**
Liabilities							
Short-term loans and overdrafts	(6,396)	(3,588)	(1,780)	(1,028)	-	-	-
Accounts payable and other short-term liabilities	(732)	-	(732)	-	-	-	-
Issued debt securities	(3,310)	(220)	(303)	(1,091)	(1,696)	-	-
Provisions	(126)	-	-	-	-	-	(126)
Derivatives	(22)	(3)	-	-	-	-	(19)
Long-term borrowings	(33,035)	(501)	(1,663)	(8,479)	(21,191)	(1,201)	-
Current tax payable	(41)	-	-	-	-	-	(41)
Deferred tax liability	(191)	-	-	-	-	-	(191)
Other liabilities	(729)	-	-	-	-	-	(729)
	(44,582)	**(4,312)**	**(4,478)**	**(10,598)**	**(22,887)**	**(1,201)**	**(1,106)**
Net liquidity balance	**5,165**	**115**	**4,184**	**730**	**557**	**3**	**(424)**

In millions of euros	Carrying amount	< 1 month	1 to 3 months	3 to 12 months	1 to 5 years	> 5 years	No contractual maturity
As on December 31, 2023							
Assets							
Cash	144	144	-	-	-	-	-
Accounts receivable and other short-term assets	783	90	434	259	-	-	-
Derivatives	88	5	3	12	10	-	58
Due from banks	432	276	40	99	17	-	-
Due from customers	42,104	3,834	6,521	9,529	20,958	1,262	-
Assets under operating lease	2,385	185	158	610	1,408	24	-
Other intangible assets	3	-	-	-	-	-	3
Current tax receivable	162	-	-	-	-	-	162
Deferred tax asset	236	-	-	-	-	-	236
Other assets	175	-	-	-	-	-	175
Assets in disposal groups held for sale	19	-	-	-	-	-	19
	46,531	**4,534**	**7,156**	**10,509**	**22,393**	**1,286**	**653**
Liabilities							
Short-term loans and overdrafts	(6,202)	(3,348)	(1,553)	(1,301)	-	-	-
Accounts payable and other short-term liabilities	(898)	-	(898)	-	-	-	-
Issued debt securities	(2,999)	(132)	(261)	(985)	(1,621)	-	-
Provisions	(127)	-	-	-	-	-	(127)
Derivatives	(55)	-	(3)	(1)	(16)	-	(35)
Long-term borrowings	(30,580)	(751)	(1,388)	(7,520)	(19,638)	(1,283)	-
Current tax payable	(69)	-	-	-	-	-	(69)
Deferred tax liability	(185)	-	-	-	-	-	(185)
Other liabilities	(658)	-	-	-	-	-	(658)
Liabilities in disposal groups held for sale	(1)	-	-	-	-	-	(1)
	(41,774)	**(4,231)**	**(4,103)**	**(9,807)**	**(21,275)**	**(1,283)**	**(1,075)**
Net liquidity balance	**4,757**	**303**	**3,053**	**702**	**1,118**	**3**	**(422)**

The following table summarizes the maturity profile of undiscounted contractual cash flows of DLL's financial liabilities. Cash flows from gross-settled, non-trading derivatives are shown separately by their contractual maturity. Repayments subject to notice are treated as if notice was immediate.

In millions of euros	Total	On demand	< 3 months	3 to 12 months	1 to 5 years	> 5 years
As on December 31, 2024						
Undiscounted financial liabilities						
Short-term loans and overdrafts	(6,439)	(3,604)	(1,795)	(1,040)	-	-
Accounts payable[1]	(681)	-	(681)	-	-	-
Issued debt securities	(3,525)	(234)	(328)	(1,178)	(1,785)	-
Long-term borrowings	(35,807)	(618)	(1,864)	(9,300)	(22,763)	(1,262)
	(46,452)	**(4,456)**	**(4,668)**	**(11,518)**	**(24,548)**	**(1,262)**
Non-trading gross-settled derivatives						
Derivative assets						
Contractual amounts receivable	1,242	522	236	124	353	7
Contractual amounts payable	(1,187)	(516)	(228)	(110)	(328)	(5)
	55	**6**	**8**	**14**	**25**	**2**
Derivative liabilities						
Contractual amounts receivable	2,153	549	1,475	52	74	3
Contractual amounts payable	(2,170)	(553)	(1,479)	(56)	(79)	(3)
	(17)	**(4)**	**(4)**	**(4)**	**(5)**	**-**
Net balance	**(46,414)**	**(4,454)**	**(4,664)**	**(11,508)**	**(24,528)**	**(1,260)**

1 The effects of discounting are immaterial, and therefore aggregated cash flows approximate carrying amount.

In millions of euros	Total	On demand	< 3 months	3 to 12 months	1 to 5 years	> 5 years	No contractual maturity
As on December 31, 2023							
Undiscounted financial liabilities							
Short-term loans and overdrafts	(6,253)	(3,367)	(1,574)	(1,312)	-	-	-
Accounts payable[1]	(849)	-	(849)	-	-	-	-
Issued debt securities	(3,177)	(143)	(279)	(1,053)	(1,702)	-	-
Long-term borrowings	(32,987)	(832)	(1,550)	(8,208)	(21,049)	(1,348)	-
Financial liabilities in disposal groups held for sale	(1)	-	-	-	-	-	(1)
	(43,267)	**(4,342)**	**(4,252)**	**(10,573)**	**(22,751)**	**(1,348)**	**(1)**
Non-trading gross-settled derivatives							
Derivative assets							
Contractual amounts receivable	2,264	741	173	1,202	143	5	-
Contractual amounts payable	(2,203)	(730)	(168)	(1,180)	(119)	(6)	-
	61	**11**	**5**	**22**	**24**	**(1)**	**-**
Derivative liabilities							
Contractual amounts receivable	1,075	483	444	19	128	1	-
Contractual amounts payable	(1,147)	(483)	(448)	(36)	(178)	(2)	-
	(72)	**-**	**(4)**	**(17)**	**(50)**	**(1)**	**-**
Net balance	**(43,278)**	**(4,331)**	**(4,251)**	**(10,568)**	**(22,777)**	**(1,350)**	**(1)**

1 The effects of discounting are immaterial, and therefore aggregated cash flows approximate carrying amount.

Liquidity management of credit-related commitments

Undrawn loan commitments are assessed and managed by DLL at the earliest date they can be drawn down by customers. For DLL, this is largely on demand. For issued financial guarantee contracts, the maximum amount of the guarantee is managed at the earliest period in which the guarantee could be called, which is also on demand. Refer to note 1.3 for DLL's credit risk management of these credit-related commitments.

4. Other

4.1. Other intangible assets

In millions of euros	Other	Total
Cost	18	18
Accumulated amortization and impairment	(15)	(15)
Carrying amount as on January 1, 2024	**3**	**3**
Purchases	4	4
Amortization	(2)	(2)
Closing balance	**5**	**5**
Cost	21	21
Accumulated amortization and impairment	(16)	(16)
Carrying amount as on December 31, 2024	**5**	**5**
Cost	24	24
Accumulated amortization and impairment	(19)	(19)
Carrying amount as on January 1, 2023	**5**	**5**
Purchases	1	1
Amortization	(2)	(2)
Disposal	(1)	(1)
Closing balance	**3**	**3**
Cost	18	18
Accumulated amortization and impairment	(15)	(15)
Carrying amount as on December 31, 2023	**3**	**3**

Accounting policy for other intangible assets
Other intangible assets comprise mainly purchased and self-developed software. Purchased software is recognized at cost when this can be reliably measured and it is probable that economic benefits will flow to DLL. Internally developed software is capitalized only if these are capable of being separated from DLL or arise from contractual or other legal rights. Internal development occurs in two phases: Research (planning and investigation); and development (the application of this). DLL expenses research cost, while it capitalizes development cost.

Following initial recognition, other intangible assets are amortized on a straight-line basis over their estimated useful lives and carried at cost less accumulated amortization and impairment losses. All other intangible assets are amortized over the definite useful economic life (ranging from 2 to 10 years and reviewed each year). Amortization of intangible assets is included in other operating expenses. Other intangible assets are tested for impairment upon indication of impairment. Impairment losses are recognized immediately in profit or loss. Changes in the expected useful life or the expected future benefit related to the asset are accounted for prospectively.

4.2. Accounts receivable and other assets

In millions of euros	2024[1]	2023[1]
Accounts receivable and other short-term assets		
Prepayments	65	90
VAT to be claimed	69	77
Inventory	176	145
Accounts receivable	180	212
Bond portfolio	311	259
	801	**783**
Other assets		
Fixed assets for own use	121	108
Investments in associates	25	25
Other	92	42
	238	**175**
Total other assets	**1,039**	**958**

1 As on December 31

Inventory
Inventory represents new assets that are part of our Commercial Finance portfolio as well as assets for resale, which comprise equipment returned to DLL after related lease contracts have ended. These assets are remarketed by DLL in the short term.

Prepayments and value added tax (VAT) represent non-interest-bearing assets that are settled on a short term.

Accounts receivable
Accounts receivable represents non-interest-bearing amounts due to DLL. Among others, these receivables relate to maintenance fees and commissions.

Accounts receivable typically have a maturity of 30-90 days. On December 31, 2024, there were no material accounts receivable aged beyond 90 days (2023: none). Furthermore, due to the short-term nature of these accounts receivable, their carrying amount is assumed to approximate their fair value.

Bond portfolio
The bond portfolio comprises investments in U.S. money market funds, Dutch government bonds, Scandinavian government bonds and an Argentinian money market fund and is measured at fair value. The investments in bonds issued by the Dutch and Scandinavian governments amount to EUR 58 million (2023: EUR 60 million) that are held by DLL in Sweden for the purpose of compliance with local regulatory liquidity requirements. This portfolio is measured using quoted market prices as of the reporting date (Level 1). Investments in U.S. money market funds amount to EUR 250 million (Level 1) (2023: EUR 186 million). These investments are held as part of securitization transactions issued. In 2024, DLL Argentina invested EUR 3 million of excess cash in a local money market fund (2023: EUR 13 million). The funds invest in AAA-rated instruments. The amount invested by DLL Argentina of excess cash relates to level 1 of the fair value hierarchy. Revaluation of these assets measured at fair value is recognized in the income statement.

Fixed assets for own use

Fixed assets for own use represent land and buildings as well as office, other equipment and right-of-use assets used by DLL. DLL did not realize any gains or losses from the disposal of these assets during 2024. The table that follows presents key movements in the fixed assets balances.

In millions of euros	Land and buildings	Equipment	Right-of-use assets	Total
Cost	88	89	66	243
Accumulated depreciation and impairment	(59)	(42)	(34)	(135)
Carrying amount as on January 1, 2024	**29**	**47**	**32**	**108**
Disposals	-	1	4	5
Purchases	-	11	18	29
Depreciation	(2)	(9)	(12)	(23)
Net exchange rate differences	1	1	-	2
Cost	91	98	78	267
Accumulated depreciation and impairment	(63)	(47)	(36)	(146)
Carrying amount as on December 31, 2024	**28**	**51**	**42**	**121**
Cost	89	91	59	239
Accumulated depreciation and impairment	(58)	(48)	(33)	(139)
Carrying amount as on January 1, 2023	**31**	**43**	**26**	**100**
Disposals	-	(3)	3	-
Purchases	1	15	16	32
Depreciation	(2)	(8)	(12)	(22)
Net exchange rate differences	(1)	(1)	-	(2)
Cost	88	89	66	243
Accumulated depreciation and impairment	(59)	(42)	(34)	(135)
Carrying amount as on December 31, 2023	**29**	**47**	**32**	**108**

Right-of-use assets
DLL has several lease contracts as a lessee, predominantly related to property used as offices and cars for employees. The consolidated statement of financial position shows the following amounts relating to leases:

In millions of euros	2024[1]	2023[1]
Other leases	1	1
Property lease	32	26
Car lease	9	5
Total right-of-use assets	**42**	**32**
Total lease liabilities	**41**	**34**

1 As on December 31

Additions to right-of-use assets during 2024 were EUR 18 million (2023: EUR 16 million). The consolidated statement of profit or loss shows the following amounts relating to right-of-use assets:

In millions of euros	2024	2023
Property lease	8	8
Car lease	4	4
Depreciation charge of right-of-use assets	**12**	**12**
Interest expense	2	1
Expenses relating to short-term leases	-	-
Expense relating to low-value assets	-	-
Expense relating to variable lease payments not included in lease liabilities	-	-

The total cash outflow for leases in 2024 was EUR 15 million (2023: EUR 13 million).

Investments in associates
Investments in associates represent interests held in various European leasing entities where DLL exhibits significant influence but does not control the entity nor is entitled to significant economic benefits or risk associated with this ownership. The share of profit of associates attributable to DLL is included in other income.

Other assets
Other assets mainly consist of capitalized commissions and non-lease receivables related to operating lease contracts (maintenance).

Accounting policy for accounts receivable
Accounts receivable are recognized for services performed by DLL or goods transferred for which DLL has not yet received payment for the revenues earned. They are carried at amortized cost, which approximates the nominal value due to its short-term nature.

Accounting policy for prepayments and VAT
Prepayments and VAT are carried at nominal value due to their short-term nature.

Accounting policy for inventory
Inventory of new assets is valued at cost.

Inventory of assets for resale is valued at the lower of cost and net realizable value. The cost is determined as the net book value of a respective asset when this asset is returned to DLL after the related lease contract has ended. The net realizable value is the estimated selling price in the ordinary course of remarketing, less estimated selling costs.

Accounting policy for bond portfolio and money market funds
Financial assets measured at fair value include government bonds that are held to meet liquidity requirements in Sweden and money market funds held in the U.S. and Argentina.

Unrealized gains or losses are recognized in other comprehensive income and adjusted in the fair value reserve until such time that the investment is derecognized. When the investment is derecognized, the cumulative gain or loss is recognized in gains/(losses) from financial instruments in profit or loss. Interest earned while holding fair value financial assets is reported as interest income using the effective interest rate (EIR) method. Refer to note 4.9 for a description of the EIR method.

Accounting policy for fixed assets for own use
All items classified as fixed assets for own use in the statement of financial position are initially measured at cost. After initial recognition, these are carried at historical cost less accumulated depreciation. Subsequent costs are only capitalized when future economic benefits are increased, probable and can be measured reliably.

Depreciation is calculated on the straight-line basis over the estimated useful life to the estimated residual value, as follows:

Type of asset	*Years*
Land	Indefinite
Own buildings	40 years
Equipment	3 to 20 years

An item of fixed assets for own use is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss when the asset is derecognized.

The residual values, useful lives and method of depreciation are reviewed regularly and at least at each financial year-end. These are adjusted prospectively, if necessary.

Accounting policy for right-of-use assets
DLL as a lessee recognizes a right-of-use asset representing its right to use the underlying leased asset and a corresponding liability representing its obligation to make lease payments at the date at which the leased asset is available for use. Each lease payment is allocated between the lease liability and interest expense. The interest expenses are charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period. The right-of-use assets are depreciated over the lease term on a straight-line basis.

The right-of-use asset is measured at an amount equal to the lease liability, adjusted by the lease payments made at or before the commencement date less any lease incentives received and any initial direct costs and restoration costs. Payments associated with short-term leases and leases of low-value assets are recognized on a straight-line basis as an expense in profit or loss. Short-term leases are leases with a lease term of 12 months or less. DLL recognizes the right-of-use assets as part of the line item property and equipment and the lease liability as part of line item other liabilities in the consolidated statement of financial position.

Accounting policy for investments in associates
Investments in associates are accounted using the equity method of accounting.

4.3. Accounts payable and other liabilities

In millions of euros	2024[1]	2023[1]
Accounts payable and other short-term liabilities		
Accounts payable	579	761
Accrued expenses	102	88
VAT Payable	51	49
	732	898
Other liabilities		
Deferred income	250	213
Net defined benefit plan liability	18	14
Lease liabilities	41	34
Other	420	397
	729	658
Total other liabilities	1,461	1,556

1 As on December 31

Accounts payable
Accounts payable are non-interest-bearing short-term obligations due from DLL that are normally settled on 60-day terms. Furthermore, due to the short-term nature of these accounts payable, their carrying amount approximates their fair value.

Net defined benefit plan liabilities
A defined benefit pension plan is a retirement plan that defines an amount of pension benefit an employee is entitled to receive on retirement, dependent on one or more factors such as age, years of service and salary.

DLL has three defined benefit pension plans in the U.K., Belgium and Sweden.

In millions of euros	2024[1]	2023[1]
DLL U.K.		
Plan assets	10	10
Plan liabilities	(10)	(10)
Net defined benefit plan liability	-	-
DLL Belgium		
Plan assets	3	2
Plan liabilities	(3)	(2)
Net defined benefit plan liability	-	-
DLL Sweden		
Net defined benefit plan liability	(18)	(14)
Total net defined benefit plans liabilities	(18)	(14)

1 As on December 31

DLL U.K.
The defined benefit plan in the U.K. requires contributions to be made to a fund in which both DLL Leasing Limited and Rabobank London Branch participate. The fund is closed to new members and is therefore a runoff scheme with no active members and only deferred members and retired members on December 31, 2024. DLL has a constructive obligation to fund any deficits on the plan in relation to its (former) staff.

DLL Belgium
DLL Belgium has several benefit plans. Some of these plans qualify as a defined benefit plan, while others have defined benefit elements. These plans are administrated by two insurance companies: Vivium Verzekeringen and KBC. Several of the plans are closed to new members and are therefore runoff schemes.

DLL has a constructive obligation to fund any defined benefit obligations in relation to its (former) staff.

DLL Sweden
The defined benefit plan in Sweden is an unfunded plan. However, the fund administrator of DLL Sweden's defined benefit plan issues credit insurance against which employee pensions are secured. Employees will therefore receive their pensions regardless of the financial position of DLL Sweden.

In 2024, there were no material changes to underlying assumptions.

The defined benefit plans demonstrated no material sensitivity to a reasonably possible change in the key underlying assumptions (discount rate, income increase, inflation rate and mortality) on December 31, 2024 (nor on December 31, 2023).

Valuation of net defined benefit liabilities
The value of a net defined benefit plan liability is determined through a full actuarial valuation by a qualified independent actuary. This valuation, performed annually, involves making assumptions about discount rates, expected rates of return on assets, future salary increases, mortality rates and future pension increases. These assumptions are developed by a qualified independent actuary and validated by the management of DLL Sweden (for the DLL Sweden pension plan), DLL Belgium (for the DLL Belgium pension plans) and the management of Rabobank London Branch (for the DLL U.K. pension plan).

Other liabilities
These mainly consist of wage tax and social security to be paid, suspense accounts and accrued expenses related to external service providers and pensions.

Accounting policy for accounts payable and other short-term liabilities
Accounts payable and ohter short-term liabilities are recognized for services consumed by DLL or goods received for which DLL has not yet paid. They are carried at amortized cost, which approximates the nominal value due to its short-term nature.

Accounting policy for deferred income
Deferred income reflects receipts from customer prior to the due date. When a prepayment is received, DLL recognizes deffered income in the balance sheet until the due date, when the liability is released towards the income statement.

Accounting policy for net defined benefit plan liabilities
- The cost of providing benefits is determined separately for each plan using the projected unit credit method.
- Plan assets (where applicable) are measured at fair value at balance sheet date.
- Remeasurements comprise actuarial gains and losses, the effect of the asset ceiling (excluding amounts included in net interest on the net defined benefit liability), and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability). Remeasurements are recognized immediately in the statement of financial position with a corresponding adjustment to equity through other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.
- Net interest income/expense is calculated by applying the discount rate to the net defined benefit liability or asset and is recognized directly in profit or loss in other interest income/expense as appropriate.
- Service costs comprise current service costs, past service costs, gains and losses on curtailments, and non-routine settlements recognized directly in profit or loss in staff expenses.

Accounting policy for lease liabilities
Lease liabilities are measured at the present value of the lease payments.

The lease payments comprise the following payments for the right to use the underlying assets during the lease term that are not paid at the commencement date:
- fixed payments less any lease incentives received;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable by the lessee under residual value guarantees;
- the exercise price of a purchase option if the lessee is reasonably certain to exercise that option; and
- payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease.

The lease payments are discounted using the interest rate implicit in the lease. If that rate cannot be determined, the incremental borrowing rate is used, being the rate that DLL would have to pay to borrow the funds necessary to obtain an asset of similar value in a similar economic environment with similar terms and conditions. DLL defines the incremental borrowing rate as the internal funding rate (FTP rate) plus an asset-specific premium.

Accounting policy other liabilities
Other liabilities reflect unsettled obligations towards third parties.

4.4. Provisions

In millions of euros	2024[1]	2023[1]
Provision for restructuring	6	9
Provision for tax and legal claims	10	13
Other provisions	9	13
	25	35
Insurance-related provisions	101	92
Total provisions	**126**	**127**

1 As on December 31

Provision for restructuring
Provisions for restructuring consist of future payments relating to redundancy and other costs directly attributable to a reorganization program. The outflow is expected to occur next year.

Provision for tax and legal claims
Tax claims contain provisions related to potential interest and penalties on uncertain tax positions. This provision is based on the best possible estimates of the outcomes that take into account fiscal advice where available. Legal claims contain provisions related to legal claims against DLL. This provision is based on the best possible estimates of the outcomes that take into account legal advice received where available.

The timing of the cash outflow of these provisions is uncertain because the outcome of the disputes and the time involved are complex to reasonably predict.

Other provisions
The other provision represent a program under which members can request reimbursement for investments to make their household more sustainable.

Changes in provisions (other than insurance provisions, which are presented separately in the table that follows) were:

In millions of euros	Provision for restructuring	Provision for tax and legal claims	Other provisions	Total
As on January 1, 2024	**9**	**13**	**13**	**35**
Added	2	2	-	4
Released/reclassified	(1)	(1)	(4)	(6)
Exchange rate differences	-	(1)	-	(1)
Utilized	(4)	(3)	-	(7)
As on December 31, 2024	**6**	**10**	**9**	**25**
As on January 1, 2023	**26**	**16**	**-**	**42**
Added	5	2	13	20
Released/reclassified	(15)	(3)	-	(18)
Utilized	(7)	(2)	-	(9)
As on December 31, 2023	**9**	**13**	**13**	**35**

Insurance-related provisions
Insurance-related provisions include unearned reinsurance premium reserve and loss reserves (outstanding loss reserve and reserve for incurred but not reported losses or incurred but not reported

[IBNR] reserve). These reserves arise from reinsurance activities carried out by DLL through its subsidiary DLL RE Designated Activity Company in Ireland (DLL RE). These reinsurance activities are limited to providing reinsurance coverage to insurance companies related to insured property, personal accident and liability risks associated with assets that DLL finances to its customers.

DLL RE operates as a non-life reinsurance business, reinsuring programs underwritten by insurance companies insuring risks related to assets, leases and financing provided by DLL.

Insurance-related provisions comprised:

In millions of euros	2024[1]	2023[1]
Unearned premium reserve	85	77
Loss reserves	16	15
Total insurance-related provisions	**101**	**92**

1 As on December 31

The analysis of the remaining maturity of the insurance-related provisions is included in note 3.7.

Over 75% (2023: over 75%) of total premiums written are related to reinsurance of physical damage of motor vehicles (predominantly agricultural equipment).

Changes in insurance-related provisions are presented in the following table.

In millions of euros	2024[1]	2023[1]
Unearned premium reserve		
Opening balance	**77**	**73**
Premiums written	31	31
Premiums earned	(27)	(24)
Exchange differences	4	(3)
Closing balance	**85**	**77**
Loss reserve		
Opening balance	**15**	**17**
Movement in provision	1	(2)
Closing balance	**16**	**15**

1 As on December 31

The total amount of premiums written by DLL RE was EUR 31 million (2023: EUR 31 million). The total amount of claims paid of EUR 9 million (2023: EUR 5 million) is included in total fee and other income.

Insurance-risk management

The DLL RE business assumes risk of losses from persons or organizations that are directly exposed to an underlying loss. Insurance risk arises from this risk transfer due to inherent uncertainties about the occurrence, amount and timing of insurance liabilities. The four key components of insurance risk are underwriting, reinsurance, claims management and reserving. DLL RE manages the insurance risk through underwriting limits, approval procedures and limits for transactions that involve new products or that exceed those limits, pricing guidelines, centralized management of reinsurance, and monitoring of emerging issues.

Underwriting risk is the key risk involved in DLL RE's reinsurance business. Underwriting risk is the risk that DLL RE does not receive premiums appropriate for the portfolio it reinsures. As part of its underwriting procedures, DLL RE undertakes careful and extensive analysis, taking external advice where necessary, before final approval by the DLL RE Risk Committee or DLL RE Board of Directors.

DLL RE's underwriting strategy is to reinsure insurance products associated with DLL's existing business operations, adding value to the Group. Primary opportunities are set out in the DLL RE business plan, which outlines the classes of business to be written and respective territories. DLL RE currently does not retrocede any of its risks to third parties.

The principal assumptions underlying the DLL RE reserving policy are based on the probability that the expected future claims, in frequency and severity, shall be met by the claims' liabilities provided. The provisions for outstanding claims and unexpired risks are established accordingly. DLL uses actuarial techniques for calculating loss reserves.

Accounting policy for provisions

Provisions other than insurance-related are recognized at nominal value when DLL has a legal or constructive obligation and future cash outflows associated with settlement of that obligation are probable and can be reliably estimated. Expense relating to provisions is recorded in the profit or loss. Provisions for legal claims and make-good obligations are recognized when the group has a present legal or constructive obligation as a result of past events; it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated. Provisions are not recognized for future operating losses.

Insurance-related provisions

Unearned premium reserve is the unexpired portion of premiums written, which is to be allocated to the current financial period. The change in this reserve is taken to the statement of profit or loss as recognition of revenue over the period of risk.

Loss reserves include the outstanding claims provision and reserve for IBNR losses. The outstanding claims provision represents the estimated ultimate cost of settling all claims arising from events that have occurred up to the reporting date and have been identified by DLL. The IBNR reserve represents an estimate of loss and claims adjustment expenses associated with future likely claims activity based on historical actual results that establish a reliable pattern. This pattern is used to estimate IBNR amounts and the timing of those amounts for financial statement purposes.

4.5. Related-party transactions

DLL identified the following related parties:

Parent company
The immediate and ultimate parent of DLL is Coöperatieve Rabobank U.A. (refer to i Corporate information for further details).

Companies under common control
These are all companies that are controlled by the Rabobank Group.

Associates
DLL has investments in other entities that it does not control but exercises significant influence over (associates). Refer to note 4.2 for further details.

Key management personnel
Key management personnel of DLL comprise members of DLL's Executive Board (EB) and members of DLL's Supervisory Board (SB).

Defined benefit pension funds
DLL's post-employment benefit plans for its employees are administered through the following separate pension funds in the U.K. and Sweden, respectively:
– Rabobank London Branch Pension Fund (U.K.)
– PRI Pensionsgaranti (Sweden)

It should be noted that in Belgium, DLL has defined benefit plans administered by two insurance companies: Vivium Verzekeringen and KBC; these are not related parties.

From time to time, DLL enters into transactions with its related parties. All related-party transactions were made at arm's length on normal commercial terms and conditions and at market rates. Information about such transactions and associated balances, income and expenses is disclosed in these financial statements as follows:

Related-party and type of transaction	Note
Rabobank and members of Rabobank Group	
Borrowings	3.2
Associated interest expenses	2.1
Derivatives	3.4
Associated gains and losses	2.2
Due from banks	3.5
Associated interest income	2.1
Issued debt securities	3.3
Cash and cash equivalents	3.6
Administrative cost from the parent	2.5
Net defined benefit liability	4.3
Associates	
Investment in associates	4.2
Share of profit or loss of associates	4.2
Key management personnel of DLL	
Short- and long-term benefits and other remuneration	2.4

4.6. Commitments and contingencies

Commitments

Financial guarantees, undrawn irrevocable credit facilities and irrevocable quotations
To meet the financial needs of customers, DLL enters into various revocable and irrevocable commitments in the ordinary course of conducting its business. These commitments include financial guarantees and commitments to provide financing to customers. Next to that, DLL gives quotes for new contracts, which may be irrevocable under local laws and regulations and/or local terms and conditions. Even though these obligations are not recognized on the balance sheet, DLL is exposed to credit risk on these instruments and therefore includes them in its credit risk management process (refer to note 1.3). Given that these instruments can lead to a cash outflow, they are included in the liquidity management purposes framework of DLL (refer to note 3.7). The exposures to these instruments are disclosed in note 1.3.

DLL does not have any other material commitments from contractual arrangements or constructive obligations.

Contingencies

Legal claims
DLL is involved in various litigation, arbitration and regulatory proceedings, both in the Netherlands and in other jurisdictions, in the ordinary course of its business. DLL has formal controls and policies for managing legal claims. Based on professional legal advice, DLL provides and/or discloses amounts in accordance with its accounting policies described below.

On December 31, 2024, DLL had no material unresolved legal claims and disputes (2023: none) where a negative outcome and a respective cash outflow was possible (the probability is higher than "remote" but lower than "probable"). For legal claims with a probable negative outcome leading to a probable cash outflow in the future, DLL recognized provisions on its statement of financial position; refer to note 4.4.

Accounting policy for contingencies
Where the probability of outflow is considered to be higher than remote but lower than probable, a contingent liability is disclosed. However, in the event DLL is of the opinion that disclosing these estimates on a case-by-case basis would prejudice their outcome, then DLL does not include detailed, case-specific disclosures.

Contingent liabilities disclosed by DLL are assessed on a regular basis to determine whether an outflow of funds is probable, in which case a provision is recognized in the financial statements of the period in which the change in probability occurs.

4.7. Group structure

The consolidated financial statements of DLL include the following key legal operating entities as on December 31, 2024. There were no changes to the group structure in the key operating entities compared to prior year.

Country of incorporation	Entity name	Principal activities	% equity interest December 31, 2024
Australia	De Lage Landen Pty Limited	Vendor financing	100
Brazil	Banco De Lage Landen Brasil S.A.	Vendor financing	75.6
Canada	De Lage Landen Commercial Finance Inc.	Vendor financing	100
Canada	De Lage Landen Financial Services Canada Inc.	Vendor financing	100
France	AGCO Finance S.A.S.	Vendor financing	51
Germany	De Lage Landen Leasing GmbH	Vendor financing	100
Ireland	DLL Ireland Designated Activity Company	Treasury entity	100
Netherlands	De Lage Landen Vendorlease B.V.	Vendor financing	100
Sweden	De Lage Landen Finans AB	Vendor financing	100
United Kingdom	De Lage Landen Leasing Limited	Vendor financing	100
United States of America	De Lage Landen Financial Services, Inc.	Vendor financing	100
United States of America	DLL Finance LLC	Vendor financing	100
United States of America	AGCO Finance LLC	Vendor financing	51
United States of America	Mahindra Finance USA LLC	Vendor financing	51

Principal subsidiaries in which third parties have non-controlling interests (NCI) are listed below.

		2024[1]				2023[1]			
Group entity	Country	%	Dividends paid to NCI	NCI entity stake	Profit allocated to NCI	%	Dividends paid to NCI	NCI entity stake	Profit allocated to NCI
Individually material for the Group:									
AGCO Finance S.A.S.	France	49%	-	160	18	49%	-	142	16
AGCO Finance LLC	United States	49%	7	117	26	49%	19	91	26
De Lage Landen Participações Limitada	Brazil	24%	-	79	(12)	24%	-	94	10
Philips Medical Capital, LLC	United States	40%	3	31	5	40%	6	27	3
Cargobull Finance Holding B.V.	Netherlands	49%	25	32	2	49%	-	56	5
Mahindra Finance USA LLC	United States	49%	-	99	8	49%	-	86	8
AGCO Finance United Kingdom	United Kingdom	49%	6	34	6	49%	5	31	6
AGCO Finance B.V.	Netherlands	49%	-	37	2	49%	-	31	1
Other individually immaterial NCIs			2	31	9		5	37	14
Total			**43**	**620**	**64**		**35**	**595**	**89**

1 As on December 31

Summarized financial information of subsidiaries that have material NCIs is provided in the tables that follow.

Summarized statement of financial position for AGCO Finance S.A.S.

In millions of euros	2024[1]	2023[1]
Assets		
Due from customers	2,570	2,217
Other assets	99	141
Total assets	**2,669**	**2,358**
Liabilities		
Borrowings	2,243	1,951
Other liabilities	99	117
Total liabilities	**2,342**	**2,068**
Net assets	**327**	**290**
Non-controlling interests share of net assets	**160**	**142**

1 As on December 31

Summarized profit or loss and other comprehensive income for AGCO Finance S.A.S.

In millions of euros	2024[1]	2023[1]
Interest income from customers	105	74
Profit for the year	37	33
Other comprehensive income	-	-
Profit allocated to non-controlling interests	**18**	**16**

1 As on December 31

Summarized statement of financial position for AGCO Finance LLC.

In millions of euros	2024[1]	2023[1]
Assets		
Due from customers	3,678	3,264
Other assets	74	96
Total assets	**3,752**	**3,360**
Liabilities		
Borrowings	3,326	2,943
Other liabilities	188	231
Total liabilities	**3,514**	**3,174**
Net assets	**238**	**186**
Non-controlling interests share of net assets	**117**	**91**

1 As on December 31

Summarized profit or loss and other comprehensive income for AGCO Finance LLC.

In millions of euros	2024[1]	2023[1]
Interest income from customers	220	172
Profit for the year	53	54
Other comprehensive income	-	-
Profit allocated to non-controlling interests	**26**	**26**

1 As on December 31

Summarized statement of financial position for DLL Participações Limitada.

In millions of euros	2024[1]	2023[1]
Assets		
Due from customers	2,180	2,715
Other assets	158	62
Total assets	**2,338**	**2,777**
Liabilities		
Borrowings	1,989	2,375
Other liabilities	97	116
Total liabilities	**2,086**	**2,491**
Net assets	**252**	**286**
Non-controlling interests share of net assets	**79**	**94**

1 As on December 31

Summarized profit or loss and other comprehensive income for DLL Participações Limitada.

In millions of euros	2024[1]	2023[1]
Interest income from customers	310	279
Profit for the year	(38)	17
Other comprehensive income	-	-
Profit allocated to non-controlling interests	**(12)**	**10**

1 As on December 31

Summarized statement of financial position for Philips Medical Capital, LLC.

In millions of euros	2024[1]	2023[1]
Assets		
Due from customers	385	415
Other assets	79	61
Total assets	**464**	**476**
Liabilities		
Borrowings	375	395
Other liabilities	11	14
Total liabilities	**386**	**409**
Net assets	**78**	**67**
Non-controlling interests share of net assets	**31**	**27**

1 As on December 31

Summarized profit or loss and other comprehensive income for Philips Medical Capital, LLC.

In millions of euros	2024[1]	2023[1]
Interest income from customers	28	28
Profit for the year	13	8
Other comprehensive income	-	-
Profit allocated to non-controlling interests	**5**	**3**

1 As on December 31

Summarized statement of financial position for Cargobull Finance Holding B.V.

In millions of euros	2024[1]	2023[1]
Assets		
Due from customers	21	54
Other assets	70	129
Total assets	**91**	**183**
Liabilities		
Borrowings	20	61
Other liabilities	6	7
Total liabilities	**26**	**68**
Net assets	**65**	**115**
Non-controlling interests share of net assets	**32**	**56**

1 As on December 31

Summarized statement of financial position for Mahindra Finance USA LLC.

In millions of euros	2024[1]	2023[1]
Assets		
Due from customers	1,067	1,057
Other assets	50	45
Total assets	**1,117**	**1,102**
Liabilities		
Borrowings	906	910
Other liabilities	8	18
Total liabilities	**914**	**928**
Net assets	**203**	**174**
Non-controlling interests share of net assets	**99**	**86**

1 As on December 31

Summarized statement of financial position for AGCO Finance United Kingdom.

In millions of euros	2024[1]	2023[1]
Assets		
Due from customers	708	705
Other assets	21	32
Total assets	**729**	**737**
Liabilities		
Borrowings	625	653
Other liabilities	36	20
Total liabilities	**661**	**673**
Net assets	**68**	**64**
Non-controlling interests share of net assets	**34**	**31**

1 As on December 31

Summarized statement of financial position for AGCO Finance B.V.

In millions of euros	2024[1]	2023[1]
Assets		
Due from customers	196	197
Other assets	79	63
Total assets	**275**	**260**
Liabilities		
Borrowings	197	191
Other liabilities	3	5
Total liabilities	**200**	**196**
Net assets	**75**	**64**
Non-controlling interests share of net assets	**37**	**31**

1 As on December 31

Summarized profit or loss and other comprehensive income for Cargobull Finance Holding B.V.

In millions of euros	2024[1]	2023[1]
Interest income from customers	-	2
Profit/(loss) for the year	5	11
Other comprehensive income	-	-
Profit/(loss) allocated to non-controlling interest	**2**	**5**

1 As on December 31

Summarized profit or loss and other comprehensive income for Mahindra Finance USA LLC.

In millions of euros	2024[1]	2023[1]
Interest income from customers	75	69
Profit for the year	16	16
Other comprehensive income	-	-
Profit allocated to non-controlling interests	**8**	**8**

1 As on December 31

Summarized profit or loss and other comprehensive income for AGCO Finance United Kingdom.

In millions of euros	2024[1]	2023[1]
Interest income from customers	50	41
Profit for the year	13	13
Other comprehensive income	-	-
Profit allocated to non-controlling interests	**6**	**6**

1 As on December 31

Summarized profit or loss and other comprehensive income for AGCO Finance B.V.

In millions of euros	2024[1]	2023[1]
Interest income from customers	10	8
Profit/(loss) for the year	4	3
Other comprehensive income	-	-
Profit/(loss) allocated to non-controlling interest	**2**	**1**

1 As on December 31

4.8. Country-by-country reporting

DLL is active across more than 25 countries, grouped in 5 main geographical areas. The country of domicile of DLL is the Netherlands. The table below includes specific information for each country, with allocation per country based on the location of the relevant subsidiary from which the transactions are initiated. The activities for all countries are lending and/or leasing, except for Ireland, where DLL's central Treasury and reinsurance activities are located. In the table, the guidance of and definitions from the Organisation for Economic Co-operation and Development (OECD)/G20 Base Erosion and Profit Shifting Project on country-by-country reporting are applied.

The effective tax rate amounts to 21.2%, while the nominal tax rate in the Netherlands is 25.8%.

As on December 31, 2024 (in millions of euros)

Geographic location[1]	Revenues	Average number of FTEs	Profit/ (loss) before taxes	Income taxes
Country				
Netherlands				
Netherlands	(71.5)	1,205	(207.0)	43.1
Rest of Europe				
Austria	4.3	1	2.3	(0.6)
Belgium	17.6	56	2.0	(0.7)
Denmark	18.6	39	5.6	(2.2)
Finland	5.8	17	2.5	(0.5)
France	109.1	179	59.1	(16.2)
Germany	127.8	419	26.0	(10.4)
Ireland	108.9	87	90.9	(17.3)
Italy	89.6	206	39.9	(13.7)
Norway	25.5	57	7.5	(1.7)
Poland	16.5	102	2.2	(0.1)
Portugal	4.5	19	0.9	(0.3)
Spain	44.1	139	13.8	(4.5)
Sweden	36.3	164	2.4	2.9
Switzerland	5.6	7	1.5	(1.0)
United Kingdom	107.8	288	42.1	(10.4)
North America				
Canada	127.3	306	49.7	(10.7)
United States	785.6	1,665	362.6	(69.3)

As on December 31, 2024 (in millions of euros)

Geographic location[1]	Revenues	Average number of FTEs	Profit/ (loss) before taxes	Income taxes
Latin America				
Argentina	5.4	13	3.4	(1.0)
Brazil	108.5	265	(87.6)	31.7
Chile	12.4	36	7.9	(2.1)
Mexico	17.8	74	9.0	(1.6)
Asia Pacific				
Australia	143.2	261	66.9	(20.5)
India	1.3	107	3.3	(0.1)
New Zealand	24.2	17	5.6	(1.6)
Singapore	3.6	17	(0.1)	-
South Korea	9.8	29	2.9	(0.0)

1 Hungary figures not included as sold before year end 2024

As on December 31, 2023 (in millions of euros)				
Geographic location	Revenues	Average number of FTEs	Profit/ (loss) before taxes	Income taxes
Country				
Netherlands				
Netherlands	(55.6)	1,036	(228.4)	159.4
Rest of Europe				
Austria	3.7	1	0.9	(0.4)
Belgium	16.7	56	3.4	(1.7)
Denmark	18.4	40	3.8	(2.1)
Finland	6.1	19	1.7	(0.4)
France	97.7	170	56.9	(17.8)
Germany	116.9	421	43.7	(20.5)
Hungary	5.6	35	2.5	(0.4)
Ireland	74.6	92	56.3	(7.7)
Italy	84.2	194	44.6	(18.3)
Norway	24.5	59	9.3	(3.0)
Poland	17.4	105	6.0	(2.6)
Portugal	5.0	22	1.9	(0.5)
Russia	0.1	0	19.1	(0.0)
Spain	42.1	145	18.5	(1.5)
Sweden	32.4	170	3.9	(4.4)
Switzerland	4.6	8	1.4	(0.4)
Türkiye	2.6	10	(0.6)	(0.1)
United Kingdom	108.9	300	59.8	(14.9)
North America				
Canada	118.4	280	58.1	(22.2)
United States	761.4	1,612	321.1	(115.9)

As on December 31, 2023 (in millions of euros)				
Geographic location	Revenues	Average number of FTEs	Profit/ (loss) before taxes	Income taxes
Latin America				
Argentina	(12.0)	15	(13.7)	4.4
Brazil	100.4	281	13.6	(43.7)
Chile	14.7	38	6.8	(2.4)
Mexico	18.1	82	7.6	(4.5)
Asia Pacific				
Australia	126.5	222	68.7	(20.4)
China	0.2	3	(0.7)	1.1
India	1.4	73	2.6	(0.2)
New Zealand	21.5	13	10.9	(3.0)
Singapore	2.8	18	(0.2)	-
South Korea	9.0	29	2.5	1.1
United Arab Emirates	0.2	-	0.1	-

OECD Pillar Two model rules
In 2024, the Netherlands adopted the Pillar 2 tax legislation. Under this legislation, DLL is obliged to pay a top-up tax for the difference between its GloBE effective tax rate per jurisdiction and the 15% minimum rate. DLL has assessed no or only a non-material amount of top up tax would be payable. For 25 out of 27 countries this assessment has been based on applying the safe-harbour rules. DLL applied the exception to recognizing and disclosing information about deferred tax assets and liabilities related to Pillar Two income taxes.

4.9. Other significant accounting policies

Foreign currency translation

Functional and presentation currency
Items included in the financial statements of each of the group's entities are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The functional currency of DLL is the euro, which is also the presentation currency.

Transactions and balances
Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year-end exchange rates are recognized in profit or loss. They are presented on a net basis within gains/(losses) from financial instruments, except for translation differences on assets and liabilities carried at fair value, which are reported as part of the respective fair value gain or loss.

Group companies
The results and financial position of foreign operations that have a functional currency different from the presentation currency are translated into the presentation currency as follows:
- Assets and liabilities for each balance sheet presented are translated at the closing rate at the date of that balance sheet.
- Income and expenses for each statement of profit or loss and statement of comprehensive income are translated at average exchange rates (if this is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, then income and expenses are translated at the dates of the transactions).
- All resulting exchange differences are recognized in other comprehensive income (within the foreign currency translation reserve [FCTR]).

When a foreign operation is sold, the associated exchange differences are reclassified to profit or loss, as part of the gain or loss on the sale.

Fair value measurement
Fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the item or, in the case of absence of a principal market, in the most advantageous market for the item.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. The levels are defined as follows, based on the lowest-level input significant to the measurement as a whole:

- Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 – Valuation techniques for which the lowest-level input that is significant to the fair value measurement is (in)directly observable
- Level 3 – Valuation techniques for which the lowest-level input that is significant to the fair value is unobservable

When fair values cannot be measured based on quoted prices in active markets, they are measured using valuation techniques including discounted cash flow models. Inputs to these models are taken from observable markets wherever possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

All fair values disclosed in these financial statements are recurring fair values, except when otherwise indicated.

Financial instruments recognition date

Financial assets and liabilities should be recognized either at trade date (the date that DLL committed itself to buy/sell a financial instrument) or settlement date (the date on which the instrument is actually delivered). All financial instruments that are measured at amortized cost are recognized by DLL at settlement date. Financial instruments that are measured at fair value are recognized at trade date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, to realize the assets and settle the liabilities simultaneously.

Effective interest method

The effective interest method is a method of calculating the amortized cost of a financial asset or financial liability (or a group of financial assets or financial liabilities) and of allocating the interest income or interest expense over the relevant period. The effective interest rate (EIR) is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or, when appropriate, a shorter period to the net carrying amount of the financial asset or financial liability.

When calculating the EIR, DLL estimates cash flows considering all contractual terms of the financial instrument (prepayment, call and similar options) but does not consider future credit losses. The calculation includes all fees and points paid or received between the parties to the contract that are an integral part of the EIR, transaction costs, and all other premiums and discounts.

Appendix

List of acronyms

AGCO	*AGCO Finance*
AI	*Artificial Intelligence*
ALCO	*Asset and Liability Committee*
AML	*Anti-Money Laundering*
BCBS	*Basel Committee on Banking Supervision*
BNDES	*National Bank of Economic and Social Development*
Bps	*Basispoints*
CCO	*Chief Commercial Officer*
CEO	*Chief Executive Officer*
CET1	*Common Equity Tier 1*
CFO	*Chief Financial Officer*
CGU	*Cash Generating Unit*
CHRO	*Chief Human Resources Officer*
CLR	*Compliance, Legal and Risk*
COO	*Chief Operating Officer*
COVID-19	*Coronavirus Disease 2019*
CRD IV	*Capital Requirements Directive IV*
CRO	*Chief Risk Officer*
CROIC	*Commercial Return on Invested Capital*
CRR 3	*Capital Requirements Regulation 3*
CSRD	*Corporate Sustainability Reporting Directive*
CT&I	*Construction, Transportation and Industrial*
DLL	*De Lage Landen International B.V.*
DNB	*De Nederlandsche Bank/Dutch Central Bank*
DORA	*Digital Operational Resilience Act*
DPO	*Data Protection Officer*
DRN	*Deferred Remuneration Note*
EAD	*Exposure at default*
EatR	*Earnings at Risk*
EB	*Executive Board*
EBA	*European Banking Authority*
ECB	*European Central Bank*
ECL	*Expected Credit Loss*
EIR	*Effective Interest Rate*
ESMA	*European Securities and Markets Authority*
ESG	*Environmental, Social and Governance*
EU	*European Union*
F&A	*Food & Agriculture*
FCTR	*Foreign Currency Translation Reserve*
FEC	*Financial Economic Crime*
FML	*Future Model Landscape*
FNI	*Foreign Net Investment*
FTE	*Full-Time Equivalent*
FX	*Foreign Exchange*
FXTR	*Foreign Exchange Translation Risk*
GBU	*Global Business Unit*
GCC	*Global Credit Committee*
GDPR	*General Data Protection Regulation*
G-SII	*Global Systemically Important Institutions*
GRC	*Global Risk Committee*
IAS	*International Accounting Standards*
IASB	*International Accounting Standards Board*
IFC	*International Finance Corporation*
ICAAP	*Internal Capital Adequacy Assessment Process*
IFRS	*International Financial Reporting Standards*
KRI	*Key Risk Indicator*
KYC	*Know Your Customer*
LCC	*Local Credit Committee*
LCR	*Liquidity Coverage Ratio*
LGD	*Loss given default*
MDB	*Multilateral Development Bank*
MTP	*Medium Term Plan*
NCI	*Non-controlling interests*
NiGEM	*National Institute Global Econometric Model*
NPL	*Non-performing Loan*
NPS	*Net Promoter Score*
NSFR	*Net Stable Funding Ratio*
OCI	*Other Comprehensive Income*
OCR	*Overall capital requirement ratio*
OECD	*Organisation for Economic Co-operation and Development*
O-SII	*Other Systemically Important Institutions*
PD	*Probability of default*
PPU	*Pay-per-use*
PwC	*PricewaterhouseCoopers Accountants N.V.*
RAS	*Risk Appetite Statement*
RCF	*Risk Control Framework*
RI	*Risk Indicator*
RoPA	*Records of Processing Activities*
RRR	*Rabobank Risk Rating*
RtC	*Return to Compliance*
RV	*Residual Value*
RWA	*Risk-weighted assets*
S&P	*Standard & Poor's*
SB	*Supervisory Board*
SPV	*Special-purpose vehicle*
SREP	*Supervisory Review and Evaluation Process*
TCR	*Total Capital Ratio*
TOM	*Target Operating Model*
TSCR	*Total SREP capital requirement*
VAT	*Value Added Tax*

Company financial statements

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Company statement of **financial position**

(Before profit appropriation) as on December 31			
In millions of euros	Notes	2024	2023
Assets			
Cash and cash equivalents	2	99	85
Loans to banks	3	18	48
Loans to subsidiaries	4	1,044	1,107
Due from customers	5	5,653	5,343
Derivatives	7	4	7
Investments in subsidiaries	8	6,172	5,786
Investments in associates	9	25	25
Other intangible assets	10	5	3
Tangible fixed assets	11	66	64
Other assets	12	383	349
Total assets		**13,469**	**12,817**
Liabilities			
Borrowings	13	8,643	8,401
Deposits from customers	14	10	1
Derivatives	7	12	4
Other liabilities	15	247	230
Provisions	16	12	19
Total liabilities		**8,924**	**8,655**
Equity			
Share capital	24	98	98
Share premium	24	1,135	1,135
Revaluation reserves	24	(38)	54
Legal and statutory reserves	24	95	(39)
Other reserves	24	2,912	2,565
Unappropriated result	24	343	349
Total equity		**4,545**	**4,162**
Total liabilities and equity		**13,469**	**12,817**

Company statement of **profit or loss**

For the year ended December 31			
In millions of euros	Notes	2024	2023
Interest income	17	325	276
Interest expense	17	(278)	(245)
Net interest income	17	**47**	**31**
Fee income		23	22
Fee expenses		(16)	(14)
(Losses)/gains from financial instruments		(5)	26
Other operating income	18	176	143
Total operating income		**225**	**208**
Result from subsidiaries		**470**	**464**
Staff costs	19	(184)	(174)
Depreciation, amortization, and impairment of tangible fixed and intangible assets	11	(19)	(19)
Other operating expenses	21	(165)	(159)
Credit losses	6	(13)	(2)
Total operating expenses		**(381)**	**(354)**
Profit before tax		**314**	**318**
Income tax	20	29	31
Profit after tax		**343**	**349**

Notes to the **company financial statements**

1. General

These company financial statements are prepared for De Lage Landen International B.V. (DLL, Chamber of Commerce 17056223, seated in Eindhoven and incorporated and domiciled in the Netherlands) for the year ended December 31, 2024, pursuant to the provision in Part 9, Book 2, of the Dutch Civil Code. In these company financial statements, DLL applied the accounting policies it used in its consolidated financial statements prepared under IFRS Accounting Standards as adopted by the European Union (EU), pursuant to the provisions of Article 362, subsection 8, Part 9, Book 2, of the Dutch Civil Code. Reference is made to the accounting policies as set out in the relevant sections of the consolidated financial statements, with the exception regarding the measurement of interests held in group companies, as these are measured at net asset value and the measurement of loans from and to group companies, which are measured at amortized cost.

DLL is a wholly owned subsidiary of Coöperatieve Rabobank U.A. (Rabobank), a Dutch cooperative bank based in Amsterdam, the Netherlands. As such, DLL is part of the Rabobank Group.

The branches of DLL in Italy, Germany, Spain and Portugal are included in the statement of financial position and the statement of profit or loss in these company financial statements.

DLL offers customers various financial solution products, mainly being leasing and lending.

DLL has had a banking license in the Netherlands since 1988 and is regulated by the European Central Bank (ECB) and the Dutch Central Bank (De Nederlandsche Bank or DNB).

Pursuant to Section 403 of Book 2 of the Dutch Civil Code, Coöperatieve Rabobank U.A. has assumed liability for the debts of De Lage Landen International B.V. As of January 2024, the 403 declaration for De Lage Landen Vendorlease B.V. has been revoked. This means that the liabilities of De Lage Landen Vendorlease B.V. as on December 31, 2023, remain covered.

Basis of preparation

In these company financial statements, DLL applied the accounting policies it used in its consolidated financial statements prepared under IFRS Accounting Standards as adopted by the EU.

The Executive Board (EB) considers it appropriate to adopt the going concern basis of accounting in preparing these financial statements based on a forecast analysis and the equity position that supports the going concern assumption.

The company financial statements provide comparative information for the year ended December 31, 2024, as required for financial statements prepared in full accordance with the provisions in Part 9, Book 2, of the Dutch Civil Code.

Risk exposure on financial instruments

DLL manages risks at various levels within the organization. At the highest level, the EB (under the supervision of the Supervisory Board [SB]) determines the risk strategy it will pursue, the risk appetite, the policy framework, as well as the limits. The SB regularly assesses the risks attached to the activities and portfolio of DLL. The Chief Risk Officer, as a member of the EB, is responsible for the risk management policy within DLL. DLL considers risks at company level the same as risks at consolidated level. We therefore refer to section 1.3 and 3.7 of the consolidated financial statements.

2. Cash and cash equivalents

The following table provides an overview of cash balances at Rabobank and its related entities as well as balances at other banks.

In millions of euros	2024[1]	2023[1]
Current account DLL group entities	95	80
Other banks	3	5
Cash in transit	1	-
Total cash and cash equivalents	**99**	**85**

1 As on December 31

Current accounts with DLL group entities represents intra-group treasury balances that are readily available.

3. Loans to banks

The following table provides an overview of movements of loans to banks.

In millions of euros	2024[1]	2023[1]
Opening balance	**48**	**77**
Loans issued	16	1
Loans repaid	(48)	(28)
Interest accrued	1	(2)
Interest received	(1)	2
Exchange differences	2	(2)
Closing balance	**18**	**48**

1 As on December 31

In 2024, loans to banks mainly consists of a security deposit with the Bundesbank

The maturity of these loans is as follows:

In millions of euros	2024[1]	2023[1]
Less than 1 year	14	12
More than 1, less than 2 years	-	-
More than 2, less than 3 years	2	-
More than 3, less than 4 years	2	-
More than 4, less than 5 years	-	36
Total loans to banks	**18**	**48**

1 As on December 31

4. Loans to subsidiaries

The following table provides an overview of movements of loans to subsidiaries.

In millions of euros	2024[1]	2023[1]
Opening balance	**1,107**	**1,699**
Loans issued	2,946	2,867
Loans repaid	(3,034)	(3,419)
Interest accrued	27	47
Interest received	(27)	(48)
Exchange differences	25	(39)
Closing balance	**1,044**	**1,107**

1 As on December 31

The maturity of these loans is as follows:

In millions of euros	2024[1]	2023[1]
Less than 1 year	299	352
More than 1, less than 2 years	188	140
More than 2, less than 3 years	221	260
More than 3, less than 4 years	23	294
More than 4, less than 5 years	307	36
More than 5 years	6	25
Total loans to subsidiaries	**1,044**	**1,107**

1 As on December 31

The loans to subsidiaries have a fair value as on December 31, 2024, of EUR 1,034 million (2023: EUR 1,014 million).

The Subordinated Loan to its subsidiary in Brazil amounted to EUR 76 million (2023: EUR 71 million), with an interest rate of 5.92% (2023: 5.92%) and a remaining maturity of 7 years. The payment of any amounts of principal or interest due and payable under the Subordinated Loan is subordinated to DLL Brazil's other obligations of other present and future creditors of DLL Brazil whose claims are not similarly subordinated, except for obligations with respect to the Borrower's Common Equity Tier I and Additional Tier I Capital.

5. Due from customers

DLL's main portfolio includes finance leases that provide asset-based financing to customers and loans to customers that represent commercial and other financing. These leases and loans are originated in the branches of DLL in Germany, Italy, Portugal and Spain. The balance on December 31 comprised the following:

In millions of euros	2024[1]	2023[1]
Finance lease receivables	2,616	2,549
Loans to customers	3,102	2,859
	5,718	**5,408**
Allowance for impairment[2]	(65)	(65)
Total due from customers	**5,653**	**5,343**

1 As on December 31
2 For a description of credit risk management policies and governance as well as policies for the allowance for impairments, refer to note 1.3 of the consolidated financial statements.

Unguaranteed residual value

The value of unguaranteed residual values on December 31, 2024, was EUR 427 million (2023: EUR 366 million).

Investment in finance leases

The following table summarizes outstanding gross investment in finance lease receivables as well as unearned finance income.

In millions of euros	2024[1]	2023[1]
Less than 1 year	1,087	994
More than 1 year, less than 5 years	1,661	1,597
More than 5 years	79	73
Gross investment in leases	**2,827**	**2,664**
Unearned finance income	(185)	(112)
Net investment in leases	**2,642**	**2,552**

1 As on December 31

Fair value changes of finance receivable portfolios hedged

DLL applies a macro fair value hedge accounting model for the interest rate risk in the fixed-rate finance receivable portfolios. The fair value changes for assets that have been designated for macro fair value hedge accounting are included in due from customers and amounted to EUR 9 million as on December 31, 2024 (2023: EUR 23 million).

6. Credit losses

The following table presents the composition of credit losses and other impairments in profit or loss arising from allowance for credit impairments of due from customers.

In millions of euros	2024	2023
Charge for the year	15	4
Recoveries	(2)	(2)
Total credit losses	**13**	**2**

7. Derivatives

The following table provides an overview of derivatives.

In millions of euros	2024[1]	2023[1]
Derivative assets at fair value through profit or loss		
Cross-currency swaps	-	4
Total derivative assets at fair value through profit or loss	**-**	**4**
Derivative assets designated as foreign net investment hedge		
Foreign exchange forwards (including non-deliverable forwards)	4	3
Total derivative assets designated as foreign net investment hedge	**4**	**3**
Total derivative assets	**4**	**7**

1 As on December 31

In millions of euros	2024[1]	2023[1]
Derivative liabilities at fair value through profit or loss		
Cross-currency swaps	(8)	-
Total derivative liabilities at fair value through profit or loss	**(8)**	**-**
Derivative liabilities designated as foreign net investment hedge		
Foreign exchange forwards (including non-deliverable forwards)	(4)	(4)
Total derivative liabilities designated as foreign net investment hedge	**(4)**	**(4)**
Total derivative liabilities	**(12)**	**(4)**
Derivative notional amounts		
Foreign exchange forwards (including non-deliverable forwards)	1,163	1,119
Cross-currency swaps	1,229	1,160
Total derivative notional amounts	**2,392**	**2,279**

1 As on December 31

The Company's derivative portfolio is limited to intercompany derivatives with its subsidiary DLL Ireland DAC, which undertakes a group treasury function for DLL. These derivatives are mainly used to hedge the currency translation risk of net investments in foreign operations. DLL applies a foreign net investment hedging model, which reduces the volatility of the gains/(losses) reflected in the statement of profit or loss. The gains/(losses) from derivatives for the year ended December 31, 2024, were EUR 9 million (2023: EUR 23 million).

For more detailed information on the treatment of derivatives, please refer to note 3.4 of the consolidated financial statements.

8. Investments in subsidiaries

Investments in subsidiaries are valued at net asset value. A full list of subsidiaries and associates is presented in note 25. Movements in investments in subsidiaries are as follows:

In millions of euros	2024[1]	2023[1]
Opening balance	**5,786**	**5,468**
Investments	47	80
Disposals	(48)	-
Dividends	(194)	(147)
Result for the year	470	464
Exchange rate differences	110	(85)
Other	1	6
Closing balance	**6,172**	**5,786**

1 As on December 31

9. Investments in associates

A full list of associates is presented in note 25. During the year the were no movements in investments in associates.

10. Other intangible assets

The following table provides a reconciliation of the carrying amount of other intangible assets at the beginning and end of the period.

In millions of euros	Other
Cost	8
Accumulated amortization and impairment	(5)
Net book value as on January 1, 2024	**3**
Purchases	4
Amortization	(2)
Net book value as on December 31, 2024	**5**
Cost	8
Accumulated amortization and impairment	(4)
Net book value as on January 1, 2023	**4**
Amortization	(1)
Net book value as on December 31, 2023	**3**

11. Tangible fixed assets

Tangible fixed assets represent the following four categories: assets under operating lease, land and buildings, equipment, and right-of-use assets. For information on the valuation, depreciation and expected useful lives of assets under operating lease, please refer to note 1.2 of the consolidated financial statements. For respective accounting policies for land and buildings, equipment, and right-of-use assets, please refer to note 4.2 of the consolidated financial statements.

The following table presents changes in the carrying amount of total fixed assets.

In millions of euros	2024[1]	2023[1]
Assets under operating lease	38	40
Land and buildings	6	7
Equipment	17	13
Tangible fixed assets	**61**	**60**
Right-of-use assets	5	4
Total tangible fixed assets	**66**	**64**

1 As on December 31

The table below summarizes future minimum lease paymentsunder non-cancelable operating leases for which DLL acts as a lessor (assets under operating leases).

In millions of euros	2024[1]	2023[1]
Less than 1 year	11	10
More than 1 year, less than 5 years	12	11
More than 5 years	-	-
Total minimum lease payment	**23**	**21**

1 As on December 31

The following table provides a reconciliation of the carrying amount of total fixed assets at the beginning and end of the period.

In millions of euros	Assets under operating lease	Land and buildings	Equipment	Right-of-use assets	Total
Cost	68	39	26	9	142
Accumulated depreciation	(28)	(32)	(13)	(5)	(78)
Carrying amount as on January 1, 2024	**40**	**7**	**13**	**4**	**64**
Additions	20	-	7	3	30
Disposals	(11)	-	-	-	(11)
Depreciation charge	(11)	(1)	(3)	(2)	(17)
Cost	62	39	33	11	145
Accumulated depreciation	(24)	(33)	(16)	(6)	(79)
Carrying amount as on December 31, 2024	**38**	**6**	**17**	**5**	**66**
Cost	80	39	24	8	151
Accumulated depreciation	(32)	(31)	(10)	(5)	(78)
Carrying amount as on January 1, 2023	**48**	**8**	**14**	**3**	**73**
Additions	15	-	3	1	19
Disposals	(11)	-	-	1	(10)
Depreciation charge	(12)	(1)	(3)	(2)	(18)
Cost	68	39	26	9	142
Accumulated depreciation	(28)	(32)	(13)	(5)	(78)
Carrying amount as on December 31, 2023	**40**	**7**	**13**	**4**	**64**

12. Other assets

The following table describes the composition of the other-assets balance.

In millions of euros	2024[1]	2023[1]
Receivables group companies	62	77
Current tax receivables	154	114
Prepayments	32	31
Transitory assets	2	1
VAT to be claimed	17	9
Deferred tax assets	26	32
Inventory assets held for sale	82	83
Other	8	2
Total other assets	**383**	**349**

1 As on December 31

In general, other assets consist of current assets, with the exception of deferred tax assets that can have a settlement period of more than one year. Receivables group companies include current accounts with subsidiaries. Inventory represents new assets that are part of our Commercial Finance portfolio as well as assets for resale, which comprise equipment returned to DLL after related lease contracts have ended. These assets are remarketed by DLL in the short term.

Deferred tax assets in DLL are recognized for deductible temporary differences, unused tax losses and unused tax credits. Recognition takes place, based on budgets and forecasts, to the extent it is probable that taxable profits will be available in that entity against which the deferred tax asset can be utilized in the foreseeable future. DLL does not have any unrecognized tax losses.

13. Borrowings

The following table provides an overview of borrowings.

In millions of euros	2024[1]	2023[1]
Short-term loans and overdrafts		
Short-term loans from Rabobank	2,243	2,180
Short-term borrowings from the group companies	189	175
Other short-term loans	44	88
	2,476	**2,443**
Long-term borrowings		
Long-term borrowings from Rabobank	76	108
Long-term borrowings from the group companies	5,427	5,261
Other long-term borrowings	664	589
	6,167	**5,958**
Total borrowings	**8,643**	**8,401**

1 As on December 31

Short-term loans and overdrafts represent primarily balances outstanding under overdraft facilities from Rabobank and other banks where DLL has current accounts.

Long-term borrowings from the group companies includes mainly loans received by DLL from its subsidiary DLL Ireland DAC, which undertakes a group treasury function for DLL. Interest rates on these borrowings are between (0.43)% and 4.79% (2023: between (0.59)% and 4.51%). The long-term borrowings from group companies have a fair value as on December 31, 2024, of EUR 5,430 million (2023: EUR 5,164 million).

Other long-term borrowings are long-term loans received by DLL from third parties and bear an interest rate between 0.00% and 4.65% (2023: between 0.00% and 3.43%). The other long-term borrowings have a fair value of EUR 654 million (2023: EUR 570 million).

The following table provides an overview of movements of long-term borrowings.

In millions of euros	2024[1]	2023[1]
Opening balance	**5,958**	**6,392**
Loans borrowed	16,750	14,594
Loans repaid	(16,573)	(14,995)
Interest paid	(147)	(113)
Interest accrued	147	117
Exchange differences	32	(37)
Closing balance	**6,167**	**5,958**

1 As on December 31

The table below summarizes the aging of the total borrowings.

In millions of euros	2024[1]	2023[1]
Less than 1 year	3,498	3,740
More than 1, less than 2 years	473	301
More than 2, less than 3 years	915	692
More than 3, less than 4 years	602	1,106
More than 4, less than 5 years	930	721
More than 5 years	2,225	1,841
Total borrowing	**8,643**	**8,401**

1 As on December 31

14. Deposits from customers

Deposits from customers mainly consist of one-year interest-bearing deposits from retail customers.

15. Other liabilities

The following table provides an overview of the items comprising other liabilities.

In millions of euros	2024[1]	2023[1]
Accounts payable to suppliers	80	108
Accrued expenses	39	35
Staff-related expenses	27	26
Current tax liabilities	32	18
VAT Payable	3	-
Deferred income	17	16
Lease liabilities	5	4
Other	44	23
Total other liabilities	**247**	**230**

1 As on December 31

In general, other liabilities consist of current liabilities, with the exception of deferred income and lease liabilities that can have a settlement period of more than one year.

Payables to group companies include current accounts with subsidiaries that are repaid within 12 months of the reporting date.

16. Provisions

The following table presents the composition of the balance for provisions as on December 31. For a detailed description of accounting policies regarding the relevant provisions, please refer to note 4.4 of the consolidated financial statements.

In millions of euros	2024[1]	2023[1]
Provision for restructuring	2	3
Provision for tax claims	1	3
Other provisions	9	13
Total provisions	**12**	**19**

1 As on December 31

Changes in provisions were as follows:

In millions of euros	Restructuring	Tax claims	Other provisions	Total
As on January 1, 2024	**3**	**3**	**13**	**19**
Added	-	1	-	1
Released/reclassified	(1)	-	(4)	(5)
Utilized	-	(3)	-	(3)
As on December 31, 2024	**2**	**1**	**9**	**12**
As on January 1, 2023	**16**	**6**	**-**	**22**
Added	-	-	13	**13**
Released/reclassified	(13)	(3)	-	**(16)**
As on December 31, 2023	**3**	**3**	**13**	**19**

17. Interest income and expense

The following table provides an overview of interest income and expenses.

In millions of euros	2024	2023
Interest income		
Interest income from finance leases	136	110
Interest income from loans to customers	160	118
Interest income from loans to banks	-	1
Interest income from subsidiaries	28	47
Other interest income	1	-
	325	**276**
Interest expense		
Interest expense on borrowings from Rabobank	(89)	(76)
Interest expense on other borrowings	(24)	(51)
Interest expense on subsidiaries	(141)	(90)
Interest expense on derivatives	(24)	(28)
	(278)	**(245)**
Net interest income	**47**	**31**

18. Other operating income

The following table provides an overview of other operating income.

In millions of euros	2024	2023
Administration income from subsidiaries	156	122
Other operating income	20	21
Total other operating income	**176**	**143**

Administrative income from subsidiaries includes the central overhead and other costs that are recharged to DLL subsidiaries in accordance with the DLL transfer pricing policy. Other operating income is portfolio-related income, such as income operating lease, income commercial finance and result on lease assets sold.

19. Staff costs

The following table provides an overview of staff costs.

In millions of euros	2024	2023
Short-term employee benefits	119	117
Wages and salaries	93	76
Social security costs	12	26
Temporary staff	14	15
Other short-term benefits	50	46
Pension-defined contribution plan expenses	14	10
Other long-term employee benefits	1	1
Total staff costs	**184**	**174**

The average number of staff full-time equivalents (FTEs) at DLL was 1,447 (2023: 1,252) of whom 1,034 (2023: 844) were employed in the Netherlands.

Key management personnel of DLL comprise members of the EB and members of the SB. For compensation of the EB and the SB, please refer to note 2.4 of the consolidated financial statements.

Neither DLL nor any of its group companies has granted any loans, guarantees or advances to the members of the EB or SB.

DLL participates in the Rabobank Pension Fund for its Dutch pension plan. Due to a change in the set-up of the scheme, the scheme is a defined contribution plan (until prior year a collective collective defined contribution plan with a pensionable age of 68 and a target annual accrual of 1.70%). The Dutch pension plan qualifies as a defined contribution plan under International Accounting Standards (IAS) 19. DLL complies with all its pension obligations by paying the annual pension premium and therefore has no financial liabilities with regard to underlying membership years and already-accrued pension rights.

20. Income tax

The following table summarizes the amounts of tax (credit)/expense recognized in profit or loss.

In millions of euros	2024	2023
Current tax credit for the year	(33)	(38)
Deferred tax charge/(credit) for the year	2	7
Origination and reversal of temporary differences	2	7
Effect of changes in tax rates	-	-
Adjustments for prior years	2	-
Tax credit for the year	**(29)**	**(31)**

The following table shows a reconciliation of the tax credit and the accounting profit multiplied by the domestic tax rate.

In millions of euros	2024	2023
Profit before income tax	**314**	**318**
Tax-exempt income	(2)	(13)
Non-deductible expenses	29	30
Local tax credits	-	(6)
Other	(1)	-
Taxable income	**340**	**329**
Tax calculated using applicable tax rates	(30)	(31)
Adjustments for prior years	2	-
Other adjustments	(1)	(1)
Tax credit for the year	**(29)**	**(32)**

The taxable income is including results of all foreign subsidiaries, whereas the tax calculated using applicable rates is based on the results of the branches only.

The effective tax rate was (9.18)% and differs from the theoretical rate that would arise using the Dutch corporate tax rate. This is mainly because of the inclusion of result from subsidiaries.

For an analysis of the income tax per country, reference is made to note 4.8.

21. Other operating expenses

The following table provides an overview of other operating expenses.

In millions of euros	2024	2023
Administration expenses	77	61
IT-related cost	73	60
Administrative charges - Rabobank	15	38
Total other operating expenses	**165**	**159**

22. Independent auditor remuneration

Included in other operating expenses are amounts that DLL owed to its independent auditor, PricewaterhouseCoopers Accountants N.V. For details on these fees and their composition, please refer to note 2.5 of the consolidated financial statements.

23. Commitments and contingencies

Legal claims

DLL operates in a regulatory and legal environment that has an element of litigation risk inherent in its operations. As a result, DLL is involved in various litigation, arbitration and regulatory proceedings, both in the Netherlands and in other jurisdictions, in the ordinary course of its business. DLL has formal controls and policies for managing legal claims. Based on professional legal advice, DLL provides and/or discloses amounts in accordance with its accounting policies described below.

On December 31, 2024, DLL had no material unresolved legal claims (2023: none) where a negative outcome and a respective cash outflow was possible (the probability is higher than "remote" but lower than "probable"). Legal claims contain provisions related to legal claims against DLL. This provision is based on the best possible estimates of the outcomes that take into account legal advice received where available.

The timing of the cash outflow of these provisions is uncertain because the outcome of the disputes and the time involved are too complex to reasonably predict. For legal claims with a probable negative outcome leading to a probable cash outflow in the future, DLL recognized provisions on the statement of financial position.

Undrawn irrevocable credit facilities, irrevocable quotations and guarantees issued

To meet the financial needs of customers, DLL enters into various revocable and irrevocable commitments in the ordinary course of conducting its business. These commitments include commitments to provide financing to customers. Even though these obligations are not recognized on the statement of financial position, DLL is exposed to credit risk on these instruments and therefore includes them in its credit risk management process (refer to note 1.3 of the consolidated financial statements). Given that these instruments can lead to a cash outflow, they are included in the liquidity management purposes framework of DLL (refer to note 3.7 of the consolidated financial statements). DLL also discloses its irrevocable quotations. Quotations are offers for a loan or lease sent to customers. A quotation is irrevocable when the combination of local terms and conditions and local laws and regulations determine that DLL is required to honor the quote, unless specific conditions apply that allow DLL to step out of the deal that is quoted.

There are no irrevocable facilities (2023: none) and no guarantees issued (2023: none) as per December 31, 2024, for De Lage Landen International B.V. The irrevocable quotations amount to EUR 791 million (2023: EUR 1,434 million).

Master Guarantee Agreement
In 2016, DLL and Rabobank signed a Master Guarantee Agreement under which DLL may agree to guarantee specific obligations of any Group entity owed toward Rabobank. The only obligations presently subject to the Master Guarantee Agreement are the obligations of the Group's treasury function and DLL Ireland DAC under a loan facility agreement with Rabobank, and a current account facility agreement between DLL Ireland DAC and Rabobank. The maximum amount of the obligations subject to the Master Guarantee Agreement at year-end 2024 is EUR 19,000 million (2023: EUR 17,945 million).

Fiscal unity
DLL is part of the fiscal unity for Dutch corporate income tax purposes of Rabobank (including a number of other domestic subsidiaries). Under the fiscal unity, each participating legal entity is jointly and severally liable for the fiscal unity's corporate tax liabilities.

No other material contingencies exist.

24. Shareholders' equity

Share capital and share premium
On December 31, 2024, DLL's authorized capital was EUR 454 million (2023: EUR 454 million), divided into 950 ordinary A shares and 50 ordinary B shares (2023: 950 A and 50 B). The nominal value of each share is EUR 454 thousand (2023: EUR 454 thousand). EUR 98 million (2023: EUR 98 million) is issued and paid up, consisting of 215 ordinary A shares (A1-A215) and 2 ordinary B shares (B1 and B2). Additional paid-in capital (share premium) on the outstanding shares amounts to EUR 1,135 million (2023: EUR 1,135 million). For the years 2024 and 2023, there is no difference in shareholders' rights related to the class A and class B shares.

The share premium includes the amount paid in excess of the nominal value of the share capital.

Legal reserves are non-distributable reserves relating to requirements to establish reserves for specific purposes either by the Articles of Association of the Company, Part 9, Book 2, of the Dutch Civil Code and/or by local law. The legal reserves relate to minimum reserves to be maintained for the non-distributable share in cumulated profits of subsidiaries and investments accounted for using the net asset value method.

Since the results and financial position of foreign operations that have a functional currency that is different from the presentation currency are translated into the presentation currency, all resulting exchange differences are recognized in legal and statutory reserves, which is the sole item comprising the legal reserve. The following table provides an overview of the movements of the legal reserves.

In millions of euros	2024[1]	2023[1]
Opening balance	**(39)**	**53**
Exchange differences on translation of foreign operations, net of tax	134	(92)
Closing balance	**95**	**(39)**

1 As on December 31

There are no statutory reserves prescribed in the Articles of Association of the Company.

DLL uses a Foreign Net Investment hedging model to hedge the Common Equity Tier 1 (CET1) capital ratio. The hedge effectiveness is tested by comparing the changes in fair value of the hedged items against the changes in fair value of the hedge instruments, both prospectively and retrospectively. The model runs the tests on a monthly basis and is effective if the results are within the effectiveness range as defined. In 2024, the hedge relations were highly effective within the effectiveness range, based on International Financial Reporting Standards (IFRS) 9 regulations. In 2024, an amount of EUR 92 million (2023: EUR (55) million) in the revaluation reserves was accounted for due to changes in the fair value of financial instruments used as net investment hedges. This revaluation is tax exempted. Please refer to note 3.4 of the consolidated financial statements.

The Company appropriates prior-year profits into other reserves if no resolution is adopted on the distribution. On a proposal by the EB, the General Meeting of Shareholders allocates the profits of the year and declares distributions from the profits or distributions from the reserves to the shareholders, subject to the EB's approval. The EB proposes to the General Meeting of Shareholders to add the profit for the year ended December 31, 2024, to the other reserves. This proposal is not reflected in the statement of financial position.

The following table presents the composition of shareholders' equity and a reconciliation of opening and closing balances for the years ended December 31, 2023, and 2024.

In millions of euros	Share capital	Share premium	Revaluation reserves	Legal and statutory reserves	Other reserves	Unappro-priated result	Total equity
Balance on January 1, 2023	**98**	**1,135**	**(1)**	**53**	**2,292**	**271**	**3,848**
Appropriation of results	-	-	-	-	271	(271)	-
Profit for the year	-	-	-	-	-	349	349
Remeasurement of post-employment benefit reserve, net of tax	-	-	-	-	-	-	-
Fair value changes of derivatives designated for net investment hedging, net of tax	-	-	55	-	-	-	55
Exchange differences on translation of foreign operations, net of tax	-	-	-	(92)	2	-	(90)
Total amount recognized in equity	**-**	**-**	**55**	**(92)**	**2**	**349**	**314**
Dividends	-	-	-	-	-	-	-
Balance on December 31, 2023	**98**	**1,135**	**54**	**(39)**	**2,565**	**349**	**4,162**
Balance on January 1, 2024	**98**	**1,135**	**54**	**(39)**	**2,565**	**349**	**4,162**
Appropriation of results	-	-	-	-	349	(349)	-
Profit for the year	-	-	-	-	-	343	343
Remeasurement of post-employment benefit reserve, net of tax	-	-	-	-	(2)	-	(2)
Fair value changes of derivatives designated for net investment hedging, net of tax	-	-	(92)	-	-	-	(92)
Exchange differences on translation of foreign operations, net of tax	-	-	-	134	-	-	134
Total amount recognized in equity	**-**	**-**	**(92)**	**134**	**(2)**	**343**	**383**
Dividends	-	-	-	-	-	-	-
Balance on December 31, 2024	**98**	**1,135**	**(38)**	**95**	**2,912**	**343**	**4,545**

The legal and statutory reserves consist of the translation reserve on foreign subsidiaries, and cannot be paid out to the shareholder.

25. List of subsidiaries

The below list contains the names, registered office and (in)direct capital interest of all subsidiaries of De Lage Landen International B.V.

Name	Registered office	% Capital
AGCO Capital Argentina S.A.	Buenos Aires, Argentina	51
AGCO Finance AG	Zürich, Switzerland	51
AGCO Finance B.V.	Eindhoven, the Netherlands	51
AGCO Finance Canada, Ltd	Regina, Canada	51
AGCO Finance Designated Activity Company	Dublin, Ireland	100
AGCO Finance GmbH, Landmaschinenleasing	Vienna, Austria	51
AGCO Finance Limited	Watford, United Kingdom	51
AGCO Finance Limited	Te Awamutu, New Zealand	51
AGCO Finance LLC	Johnston, United States of America	51
AGCO Finance N.V.	Mechelen, Belgium	51
AGCO Finance Pty Limited	Sydney, Australia	51
AGCO Finance S.A.S.	Beauvais, France	51
AGCO Finance Sp. z o.o.	Warsaw, Poland	51
ALLCO-DLL Solar Trust	Wilmington, United States of America	100
AM-DLL Solar Trust	Wilmington, United States of America	100
Banco De Lage Landen Brasil S.A.	Porto Alegre, Brazil	75.6
BSE-DLL Solar Trust	Wilmington, United States of America	100
Cargobull Commercial Solutions, S.L.U.	Madrid, Spain	51
Cargobull Finance A/S	København S, Denmark	51
Cargobull Finance AB	Stockholm, Sweden	51
Cargobull Finance GmbH	Düsseldorf, Germany	51
Cargobull Finance Holding B.V.	Eindhoven, the Netherlands	51
Cargobull Finance Sp. z o.o.	Warsaw, Poland	51
CBSC Capital Inc.	Brampton, Canada	51
De Lage Landen America Holdings B.V.	Eindhoven, the Netherlands	100
De Lage Landen Asia Participations B.V.	Eindhoven, the Netherlands	100
De Lage Landen Austria GmbH	Vienna, Austria	100
De Lage Landen Chile S.A.	Santiago, Chile	100
De Lage Landen Co., Ltd	Seoul, Republic of Korea	100
De Lage Landen Commercial Finance Inc.	Burlington, Canada	100
De Lage Landen Corporate Finance B.V.	Eindhoven, the Netherlands	100
De Lage Landen Cross-Border Finance, LLC	Wayne, United States of America	100
De Lage Landen Erste Vorratsgesellschaft mbH	Düsseldorf, Germany	100
De Lage Landen Europe Participations B.V.	Eindhoven, the Netherlands	100
De Lage Landen Finance Limited Liability Company	Seoul, Republic of Korea	100
De Lage Landen Financial Services Canada Inc.	Burlington, Canada	100
De Lage Landen Financial Services, Inc.	Wayne, United States of America	100
De Lage Landen Finans AB	Stockholm, Sweden	100
De Lage Landen Leasing AG	Zürich, Switzerland	100
De Lage Landen Leasing GmbH	Düsseldorf, Germany	100
De Lage Landen Leasing Limited	Watford, United Kingdom	100
De Lage Landen Leasing N.V.	Mechelen, Belgium	100
De Lage Landen Leasing Polska S.A.	Warsaw, Poland	100
De Lage Landen Leasing S.A.S.	La Défense, France	100
De Lage Landen Limited	Watford, United Kingdom	100
De Lage Landen Limited	Te Awamutu, New Zealand	100
De Lage Landen Participações Limitada	Porto Alegre, Brazil	75.6
De Lage Landen Pte. Limited	Singapore, Singapore	100
De Lage Landen Pty Limited	Sydney, Australia	100
De Lage Landen Public Finance LLC	Wayne, United States of America	100
De Lage Landen Remarketing Solutions B.V.	Eindhoven, the Netherlands	100
De Lage Landen Renting Solutions S.r.l.	Milano, Italy	100
De Lage Landen Vendorlease B.V.	Eindhoven, the Netherlands	100
De Lage Landen, S.A. de C.V., Sociedad Financiera de Objeto Múltiple, Entidad no Regulada	Huixquilucan, Mexico	100
DLL Company One B.V.	Eindhoven, the Netherlands	100
DLL Corretora de Seguros Ltda.	São Paulo, Brazil	75.6
DLL Finance LLC	Johnston, United States of America	100
DLL Global Business Services Private Limited	Mumbai, India	100
DLL Ireland Designated Activity Company	Dublin, Ireland	100
DLL Leasing Argentina S.A.	Buenos Aires, Argentina	100
DLL Leasing Designated Activity Company	Dublin, Ireland	100
DLL Leasing S.A. de C.V.	Huixquilucan, Mexico	100
DLL Polska Corporate Sp. z o.o. in liquidation	Warsaw, Poland	100
DLL Polska Participations Sp. z o.o. in liquidation	Warsaw, Poland	100
DLL Re Designated Activity Company	Dublin, Ireland	100

Name	Registered office	% Capital
DLL U.S. Holding Company, Inc.	Wilmington, United States of America	100
DLLAA 2021-1 LLC	Wayne, United States of America	100
DLLAA 2023-1 LLC	Wayne, United States of America	100
DLLAD 2021-1 LLC	Wayne, United States of America	100
DLLAD 2023-1 LLC	Wayne, United States of America	100
DLLAD 2024-1 LLC	Wayne, United States of America	100
DLLMT 2023-1 LLC	Wayne, United States of America	100
DLLMT 2024-1 LLC	Wayne, United States of America	100
DLLST 2022-1 LLC	Wayne, United States of America	100
DLLST 2024-1 LLC	Wayne, United States of America	100
Elf Leasing GmbH	Essen, Germany	100
Mahindra Finance USA LLC	Johnston, United States of America	51
MP2-DLL Solar Trust	Wilmington, United States of America	100
NSE-DLL Solar Trust	Wilmington, United States of America	100
Philips Medical Capital, LLC	Wayne, United States of America	60
SE DLL Solar Trust	Wilmington, United States of America	100
TE-DLL Solar Trust	Wilmington, United States of America	100
Truckland Lease B.V.	Eindhoven, the Netherlands	100

26. Events occurring after reported period

Events after the reporting date that relate to conditions that existed at the end of the reporting period have been reflected in these financial statements.

In 2025, Capital Requirements Regulation 3 (CRR 3) will become applicable in Europe, which will have the Based IV capital requirements included. As a consequence, the risk-weighted assets and associated capital requirements will significantly increase. To ensure DLL remains sufficiently capitalized, we have obtained additional Tier 2 capital amounting to EUR 750 million from our shareholder in March 2025.

On behalf of the Executive Board

L. Yocarini, *Chair and CEO (as of May 29, 2024)*
I. Eddini, *CHRO*
N. Garnett, *CCO*
Y.E. Hoefsmit, *CRO*
M. Janse, *COO*
G.T.R. Raison, *CFO*

M.R.C. Pensaert, *Chair (as of July 4, 2024)*
A.E. Bouma, *member*
R. De Feo, *member*
E.G. Kamphof, *member*

Utrecht, April 24, 2025

Other information

Independent auditor's report

Independent auditor's report

To: the general meeting and the supervisory board of De Lage Landen International B.V.

Report on the audit of the financial statements 2024

Our opinion

In our opinion:

- the consolidated financial statements of De Lage Landen International B.V. together with its subsidiaries ('the Group') give a true and fair view of the financial position of the Group as at 31 December 2024 and of its result and cash flows for the year then ended in accordance with IFRS Accounting Standards as adopted by the European Union ('EU') and with Part 9 of Book 2 of the Dutch Civil Code; and
- the company financial statements of De Lage Landen International B.V. ('the Company') give a true and fair view of the financial position of the Company as at 31 December 2024 and of its result for the year then ended in accordance with Part 9 of Book 2 of the Dutch Civil Code.

What we have audited

We have audited the accompanying financial statements 2024 of De Lage Landen International B.V., Eindhoven. The financial statements comprise the consolidated financial statements of the Group and the company financial statements.

The consolidated financial statements comprise:

- the consolidated statement of financial position as at 31 December 2024;
- the following statements for 2024: the consolidated statement of profit or loss, the consolidated statement of other comprehensive income, the consolidated statement of changes in equity, the consolidated statement of cash flows; and
- the notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

The company financial statements comprise:

- the company statement of financial position as at 31 December 2024;
- the company statement of profit or loss for the year then ended; and

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- the notes to the company financial statements, including material accounting policy information and other explanatory information.

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

The basis for our opinion

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

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

Independence

We are independent of De Lage Landen International B.V. in accordance with the European Union Regulation on specific requirements regarding statutory audits of public-interest entities, the 'Wet toezicht accountantsorganisaties' (Wta, Audit firms supervision act), the 'Verordening inzake de onafhankelijkheid van accountants bij assuranceopdrachten' (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore, we have complied with the 'Verordening gedrags- en beroepsregels accountants' (VGBA, Dutch Code of Ethics).

Our audit approach

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

Overview and context

De Lage Landen International B.V. is a wholly owned subsidiary of Coöperatieve Rabobank U.A. ('Rabobank') and offers clients asset based financial products, primarily leasing and lending in several industries for equipment and technology assets. The Group has operations in more than 25 countries.The Group consists of several components and therefore we considered our group audit scope and approach as set out in the section 'The scope of our group audit'.

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In note iv 'Key judgements and estimates' of the consolidated financial statements, the Company describes the main areas of judgement and estimates in applying accounting policies. As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we considered where the executive board made important judgements in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. We paid attention to the key assumptions, (amongst others, forward-looking information, probability of default, loss given default, and staging) related to the significant accounting estimate in the measurement of balances due from customers. In these considerations, we paid attention to the assumptions underlying the physical and transition risk assessment related to climate change. Given the significant estimation uncertainty and the related higher inherent risks of material misstatement in the measurement of balances due from customers, we considered this matter a key audit matter as set out in the section 'Key audit matters' of this report.

De Lage Landen International B.V. assessed the possible effects of climate change on its financial position, refer to the section 'Risk management and compliance – environmental risk' of the management report. We discussed De Lage Landen International B.V.'s assessment and governance thereof with management and evaluated the potential impact on the financial position, including underlying assumptions and estimates underlying the measurement of the credit impairment allowances relating to balances due from customers (credit risk). The expected effects of climate change are not considered a key audit matter as we concluded that the impact is not material, except for Brazil for which we have included a key audit matter related to the increased risk costs.

Management has observed increased risk costs in Brazil mainly as result of macroeconomic developments, climate related events and external fraud cases. Due to the nature and financial impact of the increased risk costs in Brazil, we deem this as a key audit matter.

As compliance has management's attention and needs continuous efforts for improvements and any non-compliance could have a high financial impact, we consider compliance with laws and regulations as a key audit matter.

Other areas of focus, that were not considered as key audit matters, were identity and access management and the identified fraud risk of management override of control. In view of the importance of the information technology ('IT') environment to our audit of the financial statements, we, with the support of our IT specialists, assessed the IT environment. We addressed information technology general controls ('ITGCs'), which are the policies and procedures used by the Group to ensure that IT operates as intended and provides reliable data for financial reporting purposes. The IT environment of the Group has been assessed in the context of, and where relevant for, the audit of the financial statements.

We ensured that the audit teams at both group and component level included the appropriate skills and competences which are needed for the audit of a financial services company, offering leasing and lending services, holding banking licenses in several jurisdictions (including in the Netherlands) and a reinsurance license (Ireland). We therefore included experts and specialists in the areas of amongst others, IT, taxation, credit risk provisioning, regulatory reporting, forensics, valuation of financial instruments, macroeconomic forecasting, as well as employee benefits in our team.

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The outline of our audit approach was as follows:

Materiality
• Overall materiality: €26.6 million (2023: €31 million)
Audit scope
• The group engagement team was responsible for the coordination, direction and supervision of the group audit and conducted audit work on the Dutch components in scope. • We performed audit work on nineteen individually significant components in twelve countries, and held site visits in the United States, Germany, Sweden, Italy and Brazil. • Audit coverage: 94% of consolidated total assets, 88% of consolidated net income and 70% of consolidated profit before tax.
Key audit matters
• Measurement of balances due from customers; • Increased risk costs in Brazil; and • Compliance with laws and regulations.

Materiality

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

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

Overall group materiality	€26.6 million (2023: €31 million)
Basis for determining materiality	We used our professional judgement to determine overall materiality. As a basis for our judgement, we used 5% of profit before tax.
Rationale for benchmark applied	We used profit before tax as the primary benchmark, a generally accepted auditing practice, based on our analysis of the common information needs of the users of the financial statements. On this basis, we believe that profit before tax is the most relevant metric for the financial performance of the Group. Furthermore, we utilised a 5% threshold, based on our professional judgement, noting it is within the range of commonly acceptable thresholds.

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	As we observed that the profit before tax has been more stable over the past years, we no longer consider it necessary to use the multi-year average benchmark which was used in previous year audits. Using our professional judgement, we determined materiality for 2024 at €26.6 million, which equates to approximately 5% of the current years profit before tax.
Component materiality	Based on our judgement, we allocate materiality to each component in our audit scope that is less than our overall group materiality. The range of materiality allocated across components was between €3 million and €25 million.

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

We agreed with the supervisory board that we would report to them any misstatement identified during our audit above €1.33 million (2023: €1.55 million) as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

The scope of our group audit

De Lage Landen International B.V. is the parent company of a group of entities. The financial information of this Group is included in the consolidated financial statements of De Lage Landen International B.V.

We are responsible for the identification and assessment of the risks of material misstatement of the financial statements of the Group, including those with respect to the consolidation process. Based on our risk assessment, we tailored the scope of our audit to ensure that we, in aggregate, performed sufficient work on the financial statements to enable us to provide an opinion on the financial statements as a whole, taking into account the management structure of the Group, the nature of operations of its components, the accounting processes and controls, and the markets in which the components of the Group operate.

In setting the scope of our group audit we determined what audit work needed to be performed at group level or component level and whether involvement of component auditors was necessary.

Based on this outcome, we subjected thirteen components to audits of their complete financial information, as those components are considered significant due to risk or size. We further subjected six components to specific risk-focussed audit procedures.

In total, in performing these procedures, we achieved the following coverage on the financial line items:

Consolidated net income	88%
Consolidated total assets	94%
Consolidated profit before tax	70%

None of the remaining components individually represented more than 3% of total Group net income, total assets or profit before tax.

For the individually financially significant Dutch components, the group engagement team performed the audit work. For the locations where component auditors performed the work, we determined the nature, timing and extent of direction and supervision of the component auditors and review of their work. All components in scope for group reporting are audited by PwC member firms. We performed, amongst others, the following procedures:

- Issued group audit instructions to component auditors to set expectations for the component auditor's work and facilitate our direction and supervision of the component auditor and review of their work.
- Participated in discussions with component auditors as part of planning the engagement, including when we as the group auditor assigned tasks or procedures such as the performance of risk assessment procedures or determining the nature, timing and extent of audit responses to identified and assessed risks of material misstatement to component auditors.
- Communicated with component auditors throughout the course of the group audit, either virtually by leveraging technology solutions, in-person meetings (e.g., as part of a site visit to the component auditor's territory), or through a combination of these, in order to monitor the progress of the component auditor's work. These ongoing communications included matters affecting the execution, completion and reporting of the group audit.
- Reviewed relevant parts of the component auditor's work including the component auditor's communication of matters relevant to our conclusion with regard to the group audit. Our review of the component auditor's work took place throughout the engagement. This included on-site and virtual reviews for a selection of component auditors, including of the component auditor's working papers.

The group engagement team performed the audit work on the group consolidation, financial statement disclosures and various specific items at group level where central functions, such as IT, reporting, control, risk, tax, legal, compliance and internal audit are located. Areas included in the audit procedures performed by the group engagement team, amongst others, were:

- entity level controls;
- centralized activities of credit risk provisioning;
- centralized activities (e.g accounts payable process, ITGCs);
- residual value reassessment of fixed assets under operating leases and finance leases;
- measurement of derivatives and the application of macro fair value hedge accounting; and
- measurement of the provisions for uncertain tax exposures.

By performing the procedures outlined above at the components, combined with additional procedures exercised at group level, we have been able to obtain sufficient and appropriate audit evidence on the Group's financial information, to provide a basis for our opinion on the (consolidated) financial statements.

Audit approach fraud risks

We identified and assessed the risks of material misstatements of the financial statements due to fraud. During our audit we obtained an understanding of De Lage Landen International B.V. and its environment and the components of the internal control system. This included the executive board's risk assessment process, the executive board's process for responding to the risks of fraud and monitoring the internal control system and how the supervisory board exercised oversight, as well as the outcomes.

We evaluated the design and relevant aspects of the internal control system with respect to the risks of material misstatements due to fraud and, in particular, the fraud risk assessment in the systematic integrity risk assessment, as well as, the code of conduct, whistle-blower procedures and incident registration, including follow-up measures taken. We evaluated the design and the implementation and, where considered appropriate, tested the operating effectiveness of internal controls designed to mitigate fraud risks. We performed inquiries with a selection of members of the executive board and senior management (including compliance, legal, finance, control, risk and internal audit) to evaluate their fraud awareness, the Group internal control environment in relation to fraud, the 'tone at the top' and entity-level controls. As part of these procedures, we have requested the CEO and the Global Head of Financial Crime to fill in our fraud questionnaire and discussed the outcomes of this questionnaire.

We asked members of the executive board as well as the internal audit, legal, compliance, finance, control and risk departments and the supervisory board whether they are aware of any actual or suspected fraud. They informed us about eight external fraud cases with an individual financial impact above €1.33 million. Based on this, we evaluated our fraud risk assessment.

The compliance, legal and risk management departments investigate, amongst others, reported internal integrity, conduct, and fraud matters. We assessed the process that the Company has in place and discussed the investigation approach. In cooperation with forensics experts, we assessed management's investigation approach, procedures performed, findings and conclusions regarding (potential) external fraud incidents with an individual financial impact above €1.33 million.

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

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

Identified fraud risks	Our audit work and observations
The risk of management override of controls. Management is in a unique position to perpetrate fraud because of management's ability to manipulate accounting records and prepare fraudulent financial statements by overriding controls that otherwise appear to be operating effectively. That is why, in all our audits, we pay attention to the risk of management override of controls, including risks of potential misstatements due to fraud, based on an analysis of potential interests of management.	We evaluated the design and implementation of the internal control measures in the processes of generating and recording journal entries and the accounting for estimates. We paid specific attention to the access safeguards in the relevant IT systems and the possibility that these may lead to violations of the segregation of duties. We concluded that, in the context of our audit of the financial statements, we could rely on the internal control procedures relevant to this risk. We also considered the risk of management override of controls in relation to our audit work on IT systems and the IT environment. We gave specific consideration to: the appropriateness of journal entries and other adjustments made in the preparation of the financial statements; possible management bias in management estimates; significant transactions that are outside the normal course of business for the Company; and (potential) fraud incidents with a financial impact above our threshold for misstatements of €1.33 million.

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Identified fraud risks	Our audit work and observations
	In assessing fraud risk and discussing and evaluating the aspects incentive/pressure, opportunity, and rationalisation, we considered the authenticity of documentation, the validity of respective data used, the reasonability of assumptions, and the accuracy of calculations made in relation to management's estimates as part of our fraud related audit work. We selected journal entries based on risk criteria and conducted specific audit activities for these entries. The risk criteria applied relates to unusual account combinations, unexpected users and post-close entries. These procedures include, amongst others, inspection of the entries with source documentation. We also tested the appropriateness of the journal entries made as part of the consolidation process. Furthermore, we performed specific audit work on important estimates made by management. In this context, we paid specific attention to the following estimates: • the measurement of loan loss provisions for the balances due from customers; and • the measurement of assets under operating lease. In cooperation with forensics experts, we assessed management's investigation approach, procedures performed, findings and conclusions regarding (potential) external fraud incidents with a financial impact above €1.33 million. Our audit procedures did not lead to specific indications of fraud or suspicions of fraud with respect to management override of controls. We identified no significant transactions outside the normal course of business and we have not identified any material management bias in the identified accounting estimates.
Misappropriation of assets due to external frauds We consider DLL's business model inherently vulnerable to (dealer) fraud. DLL finances more than €47 bln of assets all over the world, with an average ticket size below €50,000, a so-called small ticket business. Despite controls in place to detect and prevent external fraud, due to large volumes of transactions, vendors and dealers there is a residual risk that clients or dealers will commit fraud with either (acquiring) financing or with the asset itself.	*Controls design and operating effectiveness* We evaluated the design of the relevant internal controls and tested the operating effectiveness of these controls. For controls that were not designed properly or not operating effectively, impact assessments were made, and additional substantive audit procedures were performed. *Substantive audit procedures* • We inquired with local and group management throughout the year on the external fraud cases. • In cooperation with forensics experts, we assessed management's investigation approach, procedures performed, findings and conclusions regarding the external fraud incidents with a financial impact above €1.33 million. • We evaluated the measures that management has taken to react on these fraud cases, such as improvements in the control environment and the attention for red flags.

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Identified fraud risks	Our audit work and observations
	• Reviewed relevant parts of the component auditors' work including the component auditors' communication of matters relevant to our conclusion with regard to the group audit. This included on-site and virtual reviews, including of the component auditors' working papers. Our audit procedures did not lead to any indications of fraud potentially resulting in material misstatements in the financial statements and did not lead to specific indications of internal involvement in the identified fraud cases. We believe that management is addressing the adverse effects of external frauds with an adequate approach.

We incorporated an element of unpredictability in our audit. We reviewed lawyer's letters and correspondence with regulators. During the audit, we remained alert to indications of fraud. Furthermore, we considered the outcome of our other audit procedures and evaluated whether any findings were indicative of fraud or non-compliance with laws and regulations. Whenever we identified any indications of fraud, we re-evaluated our fraud risk assessment and its impact on our audit procedures.

Audit approach going concern

As disclosed in section 'ii Basis of preparation' on page 58 of the consolidated financial statements, the executive board performed their assessment of the Company's ability to continue as a going concern for at least twelve months from the date of preparation of the financial statements and has not identified events or conditions that may cast significant doubt on the Company's ability to continue as a going concern (hereafter: going-concern risks).

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

- considering whether the going-concern assessment included all relevant information of which we were aware as a result of our audit and inquiring with management regarding the most important assumptions underlying its going-concern assessment. These assumptions include the capital, solvency and liquidity position, financial performance (actual and projected), the current macroeconomic environment and uncertainties;
- being a global operating vendor finance company with a Dutch banking license, evaluating the developments in respect of funding, liquidity and solvency of the Company and, where applicable, assessing these in light of the prudential requirements imposed by the European Central Bank;
- evaluating the 2025 budget in comparison with last year and current developments, as well as the 2025-2027 mid-term plan, including cash flows, funding, and all relevant information of which we became aware as a result of our audit; and
- performing inquiries of management as to its knowledge of going-concern risks beyond the period of management's assessment.

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

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Key audit matters

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

We do not consider the treatment of macro fair-value hedge and the measurement of derivatives as a key audit matter for this year due to their nature being consistent year-over-year. The application of the macro fair-value hedge did not change during the year and the valuation of the derivatives are based on discounted cash flow models using observable market inputs. As compliance has management's attention and needs continuous efforts for improvements and any non-compliance could have a high financial impact, we consider compliance with laws and regulations as a key audit matter. Management has observed increased risk costs in Brazil mainly as result of macroeconomic developments, climate related events and external fraud cases. Due to the nature and financial impact of the increased risk costs in Brazil, we deem this a key audit matter.

Key audit matter	Our audit work and observations
Measurement of Balances Due From Customers *Measurement of balances due from customers reference to notes 1.1 and 1.3 in the consolidated financial statements.* Balances due from customers amounting to €45,167 million are included in the consolidated statement of financial position. This line item consists of finance lease receivables and loans to customers. The Group is exposed to credit risk in relation to these balances. To account for the expected credit losses, credit impairment allowances are recognised. In accordance with IFRS 9, management distinguishes the following credit impairment allowances: • Performing finance lease receivables and loans with no significant change in credit risk since origination (stage 1) – €80 million as at year-end 2024. • Performing finance lease receivables and loans with significant increase in credit risk since origination (stage 2) – €132 million as at year-end 2024. • Credit impaired finance lease receivables and loans (stage 3) – €299 million as at year-end 2024. The stage 1, 2 and 'small ticket' stage 3 (exposures below €500,000) credit impairment allowances are based on quantitative models. The 'large ticket' stage 3 credit impairment allowance is based on individual management judgement, including relevant governance and guidelines (such as authorisations and monitoring by the global risk committee). Determining credit impairment allowances requires a significant degree of management judgement based on aspects such as:	*Controls design and operating effectiveness* We evaluated the design of the relevant internal controls and tested the operating effectiveness of these controls regarding: • Governance in relation to the development, validation, implementation and maintenance of the quantitative models based on IFRS 9. • Accuracy and completeness of portfolio data that is used in the calculation of the stage 1, 2 or 3 credit impairment allowances. • Methodology and controls applied in determining and measuring significant increase in credit risk. • Review and approval process regarding the outcome of the models and the adjustments, if any, applied to the outcome of the models. We tested the IT environment and relevant IT applications that support data, models, calculations and reports utilised to determine the measurement of balances due from customers. We focused on the data lineage of contract and relevant default data used for model parameters and the client exposure allocation to stage 1, 2 or 3. For the controls that were operating effectively, we placed appropriate reliance for the purpose of our audit. For controls that were not designed properly or not operating effectively, impact assessments were made, and additional substantive audit procedures were performed.

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Key audit matter	Our audit work and observations
• Judgement in determining key parameters for the quantitative models used to determine the credit impairment allowances (e.g. probability of default and loss given default). • Expectations relating to macroeconomic scenarios, which include determining the relevant macroeconomic variables and the assignment of appropriate risk weights to the different scenarios • Judgement in assessing the 'large ticket' stage 3 credit impairment allowance (including forward-looking information and the valuation of underlying collateral). • The distinction between stage 1 performing finance lease receivables and loans and stage 2 performing finance lease receivables and loans (exposures with a significant increase in credit risk since inception) for non-defaulted contracts. • The distinction between stage 2 performing finance lease receivables with significant increase in credit risk since origination and loans and stage 3 credit impaired finance lease receivables and loans based on quantitative triggers and the identification of respective qualitative credit impairment triggers. • Judgement to determine top level adjustments in case the credit impairment allowance based on the quantitative models do not capture sufficiently specific macroeconomic aspects. Measurement of balances due from customers is an area that is subject to a higher risk of material misstatement due to error or fraud, given the relevance and overall size of these balances and related credit impairment allowances, in combination with the significant level of management judgement, the high complexity and subjectivity of the models used, the sensitivity to assumptions applied, and an inherent high estimation uncertainty. Hence, we considered the measurement of balances due from customers to be a key audit matter in our audit.	*Substantive audit procedures* We inquired with management throughout the year on credit risk developments in the various industry sectors and jurisdictions. We tested management's process for credit impairment allowances, including their considerations for the current macroeconomic environment, outlook and uncertainties. With the assistance of our experts and specialists, we performed, amongst others, the procedures outlined below: • Assessed whether the IFRS 9 model methodology, including the updates, is in line with market and industry practices and, as such, is fit for purpose. • Tested the appropriateness of the stage 1 and stage 2 updates on the probability of default (PD) model, loss given default (LGD) model and exposure at default (EAD), including, but not limited to, the segmentation and macroeconomic variables applied. • Tested the appropriateness of the small ticket stage 3 model updates including proper implementation. • Tested the reconciliation of relevant exposure data between contract management systems, general ledgers and the financial statements. • Tested on a sample basis critical data elements (e.g. significant increase in credit risk and days past due). • Replicated the stage 1, 2 and 'small ticket' stage 3 credit impairment allowance outcome based on the determined IFRS 9 methodology. • Tested the reconciliation of the model outcomes, including top level adjustments, to the financial statements. • Evaluated the reasonableness of the forecasted macroeconomic scenarios, the probability weights assigned to the plus, baseline and minus scenarios and validated the relevant macroeconomic variables with external market sources. • Assessed the back testing procedures on the outcome of the IFRS 9 models (comparison of predicted losses versus the observed losses). • Performed sensitivity analysis on relevant parameters (such as probability of default, loss given default and macroeconomic scenarios). • Assessed the reasonableness of management's top level adjustments by obtaining supporting evidence to verify that this adjustment were necessary to address model limitations. Specifically, for these adjustments we have exercised professional scepticism in our audit given the significance and subjective nature of these item. • Tested on a sample basis the 'large ticket' stage 3 credit impairment allowances and evaluated whether management's key judgements were reasonable by assessing, for example, projected cash flows and underlying assumptions. • Evaluated whether the disclosures, as included in note 1.1 and 1.3 to the consolidated financial statements, are adequate and in accordance with IFRS Accounting Standards as adopted by the EU disclosure requirements, specifically in view of the high estimation uncertainty.

Key audit matter	Our audit work and observations
	We note that the procedures performed in relation to this key audit matter implicitly and explicitly address the fraud risk of management override of controls (e.g. top level adjustments). We evaluated whether judgements and decisions made by management in making this accounting estimate were indicative of possible management bias. Based on the procedures performed, we have not identified indicators of possible management bias. Our audit procedures did not result in findings that would materially affect the measurement of balances due from customers, or the disclosures.
Increased risk costs in Brazil (including macroeconomic developments, climate related events and external fraud cases) *Measurement of balances due from customers reference to notes 1.1 and 1.3 in the consolidated financial statements.* Management has observed increased risk costs in Brazil mainly as result of macroeconomic developments, climate related events and external fraud cases. The balance due from customers in this region is mainly concentrated in the Food & Agri sector. This sector is cyclical and sensitive for climate related events such as droughts and floodings. During the past two years, the North, Southeast and Midwest parts of Brazil have been severely impacted by droughts, while the Southern part of Brazil has been impacted by catastrophic floodings. Next to that, a deterioration of the macroeconomic situation and climate related events have together led to higher risk costs. Management has concluded that the quantitative models do not capture sufficiently the impact of these events on the credit impairment allowances and has recorded a top level adjustment for the stage 1 and stage 2 provision. Several external fraud cases were discovered by management in Brazil. These cases are related to documentation fraud in the area of customer acceptance. We have determined a significant deficiency in the internal control environment regarding the prevention of fraud.	*Controls design and operating effectiveness* We evaluated the design of the relevant internal controls and tested the operating effectiveness of these controls. For controls that were not designed properly or not operating effectively, impact assessments were made, and additional substantive audit procedures were performed. *Substantive audit procedures* We have performed the following substantive procedures: • We inquired with local and group management throughout the year on credit risk developments in these industries and regions, the macroeconomic situation, the internal control environment and the external fraud cases. We performed a site visit to Brazil to meet local management and inquired local management and local staff on the aforementioned topics. • Reviewed relevant parts of the component auditor's work including the component auditor's communication of matters relevant to our conclusion with regard to the group audit. This included on-site and virtual reviews, including of the component auditor's working papers. • With the assistance of our experts, we assessed the reasonableness of management's top level adjustments by obtaining supporting evidence to verify that these adjustments were necessary to address the increased credit risk due to the climate events and external fraud cases. Specifically, for these adjustments we have exercised professional scepticism in our audit given the significance and subjective nature of these item. • In cooperation with forensics experts, we assessed management's investigation approach, procedures performed, findings and conclusions regarding the external fraud incidents. • We evaluated the measures that management has taken to react on these fraud cases, such as improvements in the control environment and the attention for red flags. Our audit procedures did not lead to specific indications of internal involvement in these fraud cases and did not result in findings that would materially affect the measurement of balances due from customers, or the disclosures. We believe that management is addressing the adverse effects of these developments with an adequate approach.

Key audit matter	Our audit work and observations
Compliance with Laws and Regulations There is an industry risk that emerging compliance areas have not been identified and/or addressed properly by management for financial statements' purposes. This includes the consideration whether there is a need for the recognition of a provision or a contingent liability disclosure on the future outcome of regulatory processes. Moreover, the Company operates in an environment with continuous development of regulations and requires ongoing adaptation to these regulations. In line with ISA 250, we made in our audit approach a distinction between those laws and regulations with: • a direct effect on the determination of material amounts and disclosures in the financial statements; and • those which do not have a direct effect on the determination of material amounts and disclosures in the financial statements. However compliance with the latter may still be fundamental to the operating aspect of the business or to the Company's ability to continue its business and to avoid material penalties.	*Controls design and operating effectiveness* We evaluated the design of the relevant internal controls and tested the operating effectiveness of these controls. For controls that were not designed properly or not operating effectively, impact assessments were made, and additional substantive audit procedures were performed. *Substantive audit procedures* We have performed the following substantive procedures: • We inquired the chair of the supervisory board, members of the executive board, Compliance, Legal and Internal Audit regarding any non-compliance with laws and regulations and the ongoing developments in this area. • We assessed the minutes of the executive board and supervisory board meetings for ongoing developments. • We inspected internal compliance reporting, internal audit reporting and the correspondence with the regulators. • We updated our understanding on programs in place at the Company regarding Wwft compliance. • We obtained legal letters from the external lawyers to evaluate the identified exposures. • We assessed the speak up cases and management's response on these cases. • We assessed the accuracy and completeness of contingent liability disclosures. Our audit procedures did not lead to any indication that there is any non-compliance with laws and regulations that could lead to material penalties or impacting the Company's ability to continue its business.

Report on the other information included in the annual report

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

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

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

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

By performing our procedures, we comply with the requirements of Part 9 of Book 2 of the Dutch Civil Code and the Dutch Standard 720. The scope of such procedures was substantially less than the scope of those procedures performed in our audit of the financial statements.

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

Report on other legal and regulatory requirements

Our appointment

We were appointed as auditors of De Lage Landen International B.V. on 9 December 2016 by the supervisory board. This followed the passing of a resolution by the shareholder at the annual general meeting held on 18 June 2015. Our appointment has been renewed annually by the shareholder and now represents a total period of uninterrupted engagement of nine years.

No prohibited non-audit services

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

Services rendered

The services, in addition to the audit, that we have provided to the Group, for the period to which our statutory audit relates, are disclosed in note 2.5 to the consolidated financial statements.

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Responsibilities for the financial statements and the audit

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

The executive board is responsible for:

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

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

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

Our responsibilities for the audit of the financial statements

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

Materiality affects the nature, timing and extent of our audit procedures and the evaluation of the effect of identified misstatements on our opinion. A more detailed description of our responsibilities is set out in the appendix to our report.

Amsterdam, 24 April 2025
PricewaterhouseCoopers Accountants N.V.

Original has been signed by A.A. Meijer RA

Appendix to our auditor's report on the financial statements 2024 of De Lage Landen International B.V.

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

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

We have exercised professional judgement and have maintained professional scepticism throughout the audit in accordance with Dutch Standards on Auditing, ethical requirements and independence requirements. Our audit consisted, among other things of the following:

- Identifying and assessing the risks of material misstatement of the financial statements, whether due to fraud or error, designing and performing audit procedures responsive to those risks, and obtaining audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the intentional override of internal control.
- Obtaining an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the executive board.
- Concluding on the appropriateness of the executive board's use of the going-concern basis of accounting, and based on the audit evidence obtained, concluding whether a material uncertainty exists related to events and/or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report and are made in the context of our opinion on the financial statements as a whole. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluating the overall presentation, structure and content of the financial statements, including the disclosures, and evaluating whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We are responsible for planning and performing the group audit to obtain sufficient appropriate audit evidence regarding the financial information of the entities or business units within the group as a basis for forming an opinion on the financial statements. We are also responsible for the direction, supervision and review of the audit work performed for purposes of the group audit. We remain solely responsible for our audit opinion.

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

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

From the matters communicated with the supervisory board, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Articles of association regulation concerning **profit appropriation**

Article 11 of the articles of association determines profit, loss, and distribution on shares. On a proposal by the Executive Board, the General Meeting allocates the profits determined by the adoption of the annual accounts, determines how a shortfall will be accounted for, and declares interim distributions from the profits or distributions from the reserves. Profit or reserves may only be distributed to the extent that the Company's equity exceeds the total amount of the reserves referred to in article 2:216 (1) BW.

Notwithstanding the provisions of article 2:216 (1) BW, a resolution to distribute profits or reserves is subject to the Executive Board's approval. If at the time when the profits are allocated, no resolution is adopted on the distribution or the addition to the reserves of these profits, the profits will be added to the reserves.

Colophon

Published by
DLL

About the Annual Report 2024
DLL has integrated both the financial information and the management report information in the Annual Report 2024.

The Annual Report 2024 is based on, among other things, the financial statements and other information about DLL as required under Title 9 of Book 2 of the Dutch Civil Code and other applicable laws and regulations.

The Annual Report 2024 has been filed at the offices of the Trade Registry at the Chamber of Commerce under number 17056223 after the adoption of DLL's financial statements by Coöperatieve Rabobank U.A.

An independent auditor's report has been issued for the financial statements, as required under Article 2:393, Paragraph 1 of the Dutch Civil Code. This report takes the form of an unqualified opinion. The section "Report of the Supervisory Board" does not form part of the statutory management report.

The Annual Report 2024 is available on our website: www.dllgroup.com

Contact
DLL has exercised the utmost care in the preparation of the Annual Report 2024. If you have questions or suggestions on how we can improve our reporting, please send them by email to communication@dllgroup.com.

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