Citibank Europe Plc.

Pillar 3 Disclosures

30 June 2025

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Forward-Looking Statements

This document contains certain forward-looking statements. Citigroup cautions readers that no forward-looking statement is a guarantee of future performance. Citigroup's actual results may differ materially from those included in any forward-looking statements, which are indicated by words such as "believe", "expect", "anticipate", "intend", "estimate", "may increase", "may fluctuate", and similar expressions, or future or conditional verbs such as "will", "should", "would", and "could".

Any forward-looking statements are based on management's current expectations and involve external risks and uncertainties including, but not limited to: levels of activity and volatility in the capital markets, global economic and business conditions, including the level of interest rates and exchange rates, the credit environment, unemployment rates, and political and regulatory developments in the U.S. and around the world, as well as the outcome of legal, regulatory and other proceedings.

For a more detailed discussion of potential risk factors, the reader is directed to Citigroup's 2024 Annual Report. Except as required by any competent regulator or applicable law, Citigroup expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in Citigroup's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that Citigroup has made or may make in documents it has filed or may file with the SEC, including Citigroup's 2024 Annual Report and CEP's 2024 financial statement.

Introduction

Citibank Europe Plc. ("the Company") and its subsidiaries (together as "CEP" or "the Group") are recognised as being an integral part of the Citi network, both regionally and globally. The core activities of the Group comprise of Markets, Services, Banking, Wealth and Personal Banking.

The Company is a registered credit institution in the Republic of Ireland which is authorised and regulated by the Central Bank of Ireland (CBI) and supervised under the Single Supervisory Mechanism (SSM) by the European Central Bank (ECB). CEP is designated as an Other Systemically Important Institution (OSII).

CEP is headquartered in Dublin, Ireland and operates across 21 additional branches in the European Economic Area (EEA) and the UK. CEP hosts three Citi Solution Centres (CSCs) in Ireland, Hungary and Poland providing services to CEP and other affiliates.

CEP is Citi's principal European banking subsidiary, providing services to Citi's clients who require or wish to transact via an EU licensed bank. Citi's mission is to serve as a trusted partner to our clients by responsibly providing financial services that enable growth and economic progress.

CEP continues to progress on its strategic priorities outlined below:

- Transformation
- Invest for Growth
- Simplification
- Culture & Talent

CEP remains aligned with Citi's core strategy and these strategic priorities.

The five businesses within Citi are: Services, Markets, Banking, Wealth and US Personal Banking. CEP's businesses are outlined below.

The Services organization combines Treasury and Trade Solutions ("TTS") and Securities Services. The TTS business provides integrated Treasury solutions (payments, deposits, liquidity management, commercial card and channel capabilities) and Trade solutions (documentary trade services, working capital solutions and export agency finance) to multinational corporations, financial institutions and public sector organisations. Securities Services provides three main services: One Custody (securities settlement, clearing, custody and asset servicing), Fund Services (valuation, fund accounting, investment administration and depositary services), and Issuer Services (services to institutional clients who are raising, deploying or mobilising capital).

Markets provide corporate, institutional and public sector clients with liquidity and the ability to hedge with access to global markets and products provided by the Rates, Currencies, Spread Products and Equities business units. Markets offer EEA clients access to Citi's global network and global clients access to European markets and products.

The Banking organization comprises three businesses: Investment, Corporate and Commercial Banking. Investment Banking provides institutional clients with a full range of M&A advisory and Capital Markets products, as well as access to Product & Industry specialists based across the globe. Corporate Banking manages the relationship with institutional clients headquartered in Europe, providing them with financial services and coordinating the access to Citi's global network; in addition, the business supports the financing needs of its clients through the extension of credit facilities. Commercial Banking performs similar activities as Corporate Banking with the differentiating factor being the target market size of clients.

Wealth serves two client segments in CEP: Citi Private Bank (CPB) and Wealth at Work (WaW). CPB, primarily from CEP Luxembourg, serves EEA as a touchpoint for ultra-high-net-worth individuals, family offices and their associated structures, providing an extensive range of services from banking, custody and cash management to investment finance, investment strategies, trust and specialised services. WaW provides wealth management solutions to firms and senior employees of Law Firms, Professional Services Group (accountancy, consultancy), Investment Managers and Enterprise (private firms in specialist areas).

Bank Handlowy w Warszawie S.A.

In November 2023, Citi Overseas Investment Corp (COIC) transferred all of its stake in Bank Handlowy w Warszawie S.A. (BHW) to CEP to bring Citi's European banks under common ownership.

BHW is a subsidiary of CEP but, as before, continues to operate independently. BHW offers its products and services under the Citi Handlowy brand.

BHW is a Poland-based bank and one of the oldest continually operating banks in Europe. BHW merged with Citibank (Poland) SA in 2001, with Citibank becoming its largest shareholder, owning 75% of shares. BHW has been listed on the Warsaw Stock Exchange since 1997 and is a constituent of the WIG-BANKI index.

On 27th May 2025, BHW announced an agreement to sell its consumer banking business to VeloBank S.A, a Poland-based universal bank. The transaction, which is subject to regulatory approvals, antitrust clearance and other customary conditions. This involves the demerger of BHW's consumer banking operations to VeloBank S.A., including wealth management, micro business banking, credit cards, consumer loans, deposits and assets under management, consumer clients of the brokerage business, branches and other consumer-related assets. The transaction is expected to close by mid-2026.

Regulatory framework for disclosure

The Capital Requirements Directive (CRD V) package was transposed into Irish law on 22 December 2020. It implements the provisions of the Basel Capital Accord in the European Union (EU) and mandates a framework of capital adequacy regulation for banks and investment firms incorporating three distinct pillars:

- Pillar 1 prescribes the minimum capital requirements for such firms;
- Pillar 2 addresses the associated supervisory review process; and,
- Pillar 3 specifies further public disclosure requirements in respect of their capital and risk profile.

The basis of the disclosure for CEP is on a consolidated basis (Group) for all periods.

These disclosures are made in accordance with Part Eight of Regulation (EU) No 575/2013 of the Capital Requirements Regulation (CRR), as amended by Regulation (EU) 2019/876 (CRR II) and Regulation (EU) 2024/1623 (CRR III). In addition, CEP has implemented the disclosure templates and instructions as set out in the Implementing Regulation (EU) 2024/3172 on public disclosures and Implementing Regulation (EU) 2021/763 on public disclosure of the minimum requirement for own funds and eligible liabilities as amended by Implementing Regulation (EU) 2024/1618.

Frequency and Scope of disclosure

CEP, as a large listed institution on a consolidated level, is subject to the disclosure requirements set out in Article 433a(1), On the basis that CEP is a material subsidiary of a non-EU G-SII and is not a resolution entity, CEP must also disclose its own funds and eligible liabilities in accordance with Article 433a(3). CEP publishes Pillar 3 Disclosures quarterly, with a more comprehensive disclosure on an annual basis. The scope covered by CEP's semi annual disclosures include the Minimum Requirement for Own funds and Eligible liabilities (MREL), Key Metrics, Overview of Risk Weighted Exposures, Leverage, Credit Risk, Market Risk, Securitisation Liquidity and ESG. All disclosures are made in EUR, unless otherwise stated. CEP publishes its Pillar 3 Disclosures at: https://www.citigroup.com/citi/investor/reg.htm.

Policy and Verification

In accordance with Article 431 (3) of the CRR II, CEP's Pillar 3 Disclosures are covered under the Citi EU Pillar 3 Standard, which outlines the principles and minimum standards to be applied for preparing CEP's Pillar 3 Disclosures. The firm operates within a framework of internal controls and procedures for assessing the appropriateness of this disclosure.

This Pillar 3 document is subject to a formal governance process and was reviewed by the CEP Executive Committee.

Attestation by Chief Financial Officer (CFO)

I confirm that CEP has taken reasonable measures to ensure that the information presented in this disclosure complies with the requirements of Part 8 of EU Regulation No.2013/575, 2019/876 (and its subsequent amendments) and the disclosure has been prepared in accordance with the internal control processes, systems and policies detailed in Citi's Basel Public Disclosure Policy and supporting Pillar 3 Standard.

Natalia Bozek
CEP Chief Financial Officer

Regulatory Outlook

Basel Reforms

The Basel Committee on Banking Supervision adopted a set of reforms in 2017, known as "Basel III Finalisation", which covered a number of areas including a new Standardised Approach to Credit Risk (SA-CR), a new Credit Valuation Adjustment (CVA) framework, revisions to the approach to measuring exposure on Securities Financing Transactions, Fundamental Review of the Trading Book (FRTB), the Output Floor, a new Standardised Approach to Operational Risk, new ESG reporting requirements and a transitional regime for crypto asset exposures. These reforms were implemented in the European Union (EU) through amendments to the Capital Requirements Regulation (CRR III).

The implementation date for CRR III was 1 January 2025 with the exception of market risk where a delegated act was published in October 2024 to move the FRTB start date to 1 January 2026. Due to delays in implementation in other major jurisdictions and in order to maintain a level playing field, the European Commission adopted a second delegated act in June 2025 to postpone the date of application of FRTB by a further year to 1 January 2027. The adoption started a 3-month non-objection scrutiny period (extendable once by 3 more months) for the European Parliament and the Council.

These Pillar 3 disclosures are prepared under CRR III.

Key Metrics

CEP's capital resources consist of Common Equity Tier 1 (CET1) capital. As at June 2025, CEP's total capital ratio was 18.18%, which significantly exceeds the regulatory overall capital requirement of 14.79%, and the leverage ratio of 7.05% is significantly in excess of the 3.2% regulatory requirement.

Table 1: EU KM1 – Key Metrics template

		30 June 2025	31 March 2025	31 December 2024	30 September 2024	30 June 2024
	Available own funds	**€ million**	**€ million**	€ million	€ million	€ million
1	Common Equity Tier 1 (CET1) capital	**14,450**	15,779	16,519	16,616	17,350
2	Tier 1 capital	**14,450**	15,779	16,519	16,616	17,350
3	Total capital	**14,450**	15,779	16,519	16,616	17,350
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	**78,462**	79,253	81,084	70,605	66,770
4a	Total risk exposure pre-floor	**78,462**	79,253	N/A	N/A	N/A
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	**18.42%**	19.91%	20.37%	23.53%	25.99%
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	**18.42%**	19.91%	N/A	N/A	N/A
6	Tier 1 ratio (%)	**18.42%**	19.91%	20.37%	23.53%	25.99%
6b	Tier 1 ratio considering unfloored TREA (%)	**18.42%**	19.91%	N/A	N/A	N/A
7	Total capital ratio (%)	**18.42%**	19.91%	20.37%	23.53%	25.99%
7b	Total capital ratio considering unfloored TREA (%)	**18.42%**	19.91%	N/A	N/A	N/A
	Additional own funds requirements to address risks other than the risk excessive leverage					
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	**2.40%**	2.40%	2.50%	2.50%	2.50%
EU 7e	of which: to be made up of CET1 capital (percentage points)	**1.35%**	1.35%	1.41%	1.41%	1.41%
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	**1.80%**	1.80%	1.88%	1.88%	1.88%
EU 7g	Total SREP own funds requirements (%)	**10.40%**	10.40%	10.50%	10.50%	10.50%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	**2.50%**	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	**0.00%**	0.00%	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	**0.86%**	0.87%	0.87%	0.87%	0.84%
EU 9a	Systemic risk buffer (%)	**0.03%**	0.00%	0.00%	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	**0.00%**	0.00%	0.00%	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer	**1.00%**	1.00%	1.00%	1.00%	1.00%
11	Combined buffer requirement (%)	**4.39%**	4.37%	4.37%	4.37%	4.34%
EU 11a	Overall capital requirements (%)	**14.79%**	14.77%	14.87%	14.87%	14.84%
12	CET1 available after meeting the total SREP own funds requirements (%)	**8.02%**	9.51%	9.87%	13.03%	15.49%
	Leverage ratio					
13	Total exposure measure	**205,093**	213,410	179,698	168,678	171,192
14	Leverage ratio (%)	**7.05%**	7.39%	9.19%	9.85%	10.14%
	Additional own funds requirements to address the risk of excessive leverage					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	**0.20%**	0.20%	0.00%	0.00%	0.00%
EU 14b	of which: to be made up of CET1 capital (percentage points)	**0.00%**	0.00%	0.00%	0.00%	0.00%
EU 14c	Total SREP leverage ratio requirement (%)	**3.20%**	3.20%	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	**0.00%**	0.00%	0.00%	0.00%	0.00%
EU 14e	Overall leverage ratio requirements (%)	**3.20%**	3.20%	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio[1]					
15	Total high-quality liquid assets (HQLA) (Weighted value-average)	**56,934**	55,030	52,058	50,229	49,743
EU 16a	Cash outflows - Total weighted value	**53,470**	50,753	47,497	45,188	45,207
EU 16b	Cash inflows - Total weighted value	**10,071**	9,231	8,852	8,398	8,440
16	Total net cash outflows (adjustment value)	**43,399**	41,521	38,645	36,790	36,767
17	Liquidity coverage ratio (%)	**132.48%**	133.46%	135.11%	136.54%	135.31%
	Net Stable Funding Ratio					
18	Total available stable funding	**60,408**	58,128	58,853	57,027	56,628
19	Total required stable funding	**38,683**	38,809	38,813	35,999	36,479
20	NSFR ratio (%)[2]	**156.16%**	149.78%	151.63%	158.41%	155.23%

Effective from Q1 2025 CEP is required to maintain a minimum LCR of 108%
Effective from Q1 2025 CEP is required to maintain a minimum NSFR of 105%

As at 30 June 2025, CEP's total capital ratio is at 18.42%, a decrease of 1.49% compared to 31 March 2025. This is mainly driven by a decrease of 1.69% in Own Funds mainly due to the EUR/USD FX rate change. This was partially offset by an RWEA decrease with an impact of 0.20% increase in the total capital ratio, mainly driven by a decrease of €1.1 billion decrease in nostro accounts and €0.8 billion in unused commitments in Credit Risk, partially offset by a €1.0 billion increase in Internal Model Approach (IMA) due to net long position in Spain sovereign exposure in Market Risk.

CEP's leverage ratio decreased to 7.05% as at 30 June 2025, primarily due to an overall €1.3 billion decrease in CET1 capital compared to 31 March 2025 due to the weakening of USD against the EUR by 8%. The change in exposures was less significant overall, with an €8.0 billion decrease compared to the last quarter, primarily due to a decrease in regular-way sales and Securities Financing Transactions (SFTs).

Movements in liquidity coverage ratio and net stable funding ratio are explained below tables 41 and 42.

Own Funds

Capital Resources

Under CRD V, CEP is required to comply with minimum capital standards and maintain a prescribed excess of total capital resources over Pillar I capital requirement. Capital resources are measured and reported in accordance with the CRD.

CEP's regulatory capital resources are comprised of the following distinct elements:

- Common Equity Tier 1 Capital, which includes ordinary share capital, share premium, retained earnings, accumulated other comprehensive income and capital reserves;
- Deductions from capital include:
    - Intangible assets, including goodwill;
    - Prudent valuation;
    - Deferred tax relying on future profitability; and,
    - Significant investments.

Table 2 show the regulatory capital resources of CEP as at 30 June 2025 and 31 December 2024.

Table 2: EU CC1 - Composition of regulatory own funds

This table presents CEP's capital resources as at 30 June 2024 and 31 December 2023.

		30 June 2025	Reference to EU CC2 table	31 December 2024
		€ million		€ million
Common Equity Tier 1 (CET1) capital: instruments and reserves				
1	Capital instruments and the related share premium accounts	**1,684**	**(a)**	1,899
2	Retained earnings	**8,652**	**(c)**	9,903
3	Accumulated other comprehensive income (and other reserves)	**4,490**	**(b)**	5,066
5	**Minority interests (amount allowed in consolidated CET1)**	**195**		305
EU-5a	**Independently reviewed interim profits net of any foreseeable charge of dividend**	**—**	(c)	—
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**15,021**	(d)	17,173
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount)	**(90)**		(113)
8	Intangible assets (net of related tax liability) (negative amount)	**(290)**	**(f)**	(307)
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) are met) (negative amount)	**(38)**	**(e)**	(42)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	**—**		—
15	Defined-benefit pension fund assets (negative amount)	**(10)**		(11)
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	**—**		
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	**—**	**(i)**	—
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	**(3)**		—
EU-20d	of which: free deliveries (negative amount)	**(3)**		—
EU-25a	Losses for the current financial year (negative amount)	**—**		(143)
27a	Other regulatory adjustments	**(140)**	**(h)**	(37)
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(571)**		(654)
29	**Common Equity Tier 1 (CET1) capital**	**14,450**		16,519
Additional Tier 1 (AT1) capital: instruments				
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**—**		—
Additional Tier 1 (AT1) capital: regulatory adjustments				
43	**Total Regulatory Adjustments to Additional Tier 1 (AT1) Capital**	**—**		—
44	**Additional Tier 1 (AT1) capital**	**—**		—
45	**Tier 1 capital (T1 = CET1 + AT1)**	**14,450**		16,519
Tier 2 (T2) capital: instruments				
51	**Tier 2 (T2) capital before regulatory adjustments**	**—**		—
Tier 2 (T2) capital: regulatory adjustments				
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**—**		—
58	**Tier 2 (T2) capital**	**—**		—
59	**Total capital (TC = T1 + T2)**	**14,450**		16,519
60	**Total Risk exposure amount**	**78,462**		81,084
Capital ratios and requirements including buffers				
61	Common Equity Tier 1	**18.42%**		20.37%
62	Tier 1	**18.42%**		20.37%
63	Total capital	**18.42%**		20.37%
64	Institution CET1 overall capital requirements	**10.24%**		10.28%
65	of which: capital conservation buffer requirement	**2.50%**		2.50%

		30 June 2025	Reference to EU CC2 table	31 December 2024
		€ million		€ million
66	of which: countercyclical capital buffer requirement	0.86%		0.87%
67	of which: systemic risk buffer requirement	0.03%		—%
EU-67a	**of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement**	1.00%		1.00%
EU-67b	**of which: additional own funds requirements to address the risks other than the risk of excessive leverage**	1.35%		1.41%
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	8.02%		9.87%
Amounts below the thresholds for deduction (before risk weighting)				
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	18		—
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	156	(g)	163
Applicable caps on the inclusion of provisions in Tier 2		—		—
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)		—		—

Overview of Risk Weighted Exposure Amounts

Table 3: EU OV1 - Overview of total risk exposure amounts

		30 June 2025	31 March 2025	30 June 2025
		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		€ million	€ million	€ million
1	**Credit risk (excluding CCR)**	45,611	47,804	3,649
2	Of which the standardised approach	45,611	47,804	3,649
3	Of which the Foundation IRB (F-IRB) approach	—	—	—
4	Of which: slotting approach	—	—	—
EU 4a	Of which: equities under the simple risk weighted approach	—	—	—
5	Of which the Advanced IRB (A-IRB) approach	—	—	—
6	**Counterparty credit risk - CCR**	6,477	5,916	518
7	Of which the standardised approach	1,072	1,137	86
8	Of which internal model method (IMM)	4,043	3,329	323
EU 8a	Of which exposures to a CCP	157	173	13
9	Of which other CCR	1,205	1,277	96
10	**Credit valuation adjustments risk - CVA risk**	2,131	2,107	170
10a	Of which the standardised approach (SA)	—	—	—
10b	Of which the basic approach (F-BA and R-BA)	2,131	2,107	170
10c	Of which the simplified approach	—	—	—
15	**Settlement risk**	—	—	—
16	**Securitisation exposures in the non-trading book (after the cap)**	371	382	30
17	Of which SEC-IRBA approach	—	—	—
18	Of which SEC-ERBA (including IAA)	1	1	—
19	Of which SEC-SA approach	370	381	30
EU 19a	Of which 1250% / deduction	—	—	—
20	**Position, foreign exchange and commodities risk (Market risk)**	16,969	15,532	1,358
21	Of which the standardised approach	—	—	—
EU 21a	Of which the Simplified standardised approach (S-SA)	1,572	1,133	126
22	Of which the Alternative Internal Models Approach (A-IMA)	—	—	—
EU 22a	**Large exposures**[1]	—	—	—
23	**Reclassifications between trading and non-trading books**	—	—	—
24	Operational risk	6,903	7,512	552
EU 24a	Exposures to crypto-assets	—	—	—
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	391	391	31
26	Output floor applied (%)	50.00%	50.00%	—
27	**Floor adjustment (before application of transitional cap)**	—	—	—
28	**Floor adjustment (after application of transitional cap)**	—	—	—
29	**Total**	78,462	79,253	6,277

[1] Large Exposure (LEX) capital requirements are calculated on the trading book excess. As at 30 September 2024 CEP had no LEX related RWEA.

Credit Risk

RWEA decreased by €2.1 billion primarily due to €1.1 billion in nostro accounts and €0.8 billion in unused commitments .

Counterparty Credit Risk (CCR)

RWEA increased by €0.6 billion primarily due to a €0.4 billion increase in interest rate derivatives and a €0.3 billion increase on FX derivatives, partially offset by a €0.1 billion decrease on the SFT portfolio.

Operational risk

RWEA decreased by €0.6 billion due to the EUR/USD FX rate change.

Market Risk

RWEA increased by €1.4 billion, primarily driven by a €1.0 billion increase in internal model approach, mostly in IRC due to the increased net long Spanish sovereign exposure and €0.5 billion Traded Debt Instrument increase,. This was mainly driven by credit derivatives which were partially offset by a €0.1 billion decrease in FX mainly driven by a decrease in net long EUR position.

Table 4: EU CCR7 - RWEA flow statements of CCR exposures under the IMM

This table presents a flow statement explaining changes in the CCR RWEA under the IMM calculation. This table is disclosed at CEP Individual level. There are no BHW positions calculated under IMM, as BHW do not have the relevant permission.

		RWA
		€ million
1	**RWA as at 31 March 2025**	**3,329**
2	Asset size	771
3	Credit quality of counterparties	(60)
4	Model updates (IMM only)	2
5	Methodology and policy (IMM only)	—
6	Acquisitions and disposals	—
7	Foreign exchange movements	—
8	Other	—
9	**RWA as at 30 June 2025**	**4,043**

CEP’s CCR RWEA under IMM increased by €0.7 billion, primarily driven by €0.4 billion increase in interest rate derivatives and €0.3 billion increase in FX derivatives.

Table 5: EU MR2-B: RWEA flow statements of market risk exposure under the IMA

This table presents a flow statement explaining variations in the market risk RWEAs. This table is disclosed at CEP Individual level as BHW calculates market risk under the standardised approach.

		VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWAs	Total own funds requirements
		€ million	€ million	€ million	€ million	€ million	€ million	€ million
1	**RWEAs as at 31 March 2025**	2,185	8,660	3,554	—	—	14,399	1,152
1a	*Regulatory adjustment*	(1,837)	(6,262)	—	—	—	(8,099)	(648)
1b	*RWEAs at 31 March 2025 (end of the day)*	348	2,398	3,554	—	—	6,300	504
2	Movement in risk levels	257	(161)	1,177	—	—	1,273	102
3	Model updates/changes	(9)	(34)	—	—	—	(43)	(3)
4	Methodology and policy	—	—	—	—	—	—	—
5	Acquisitions and disposals	—	—	—	—	—	—	—
6	Foreign exchange movements	(29)	(201)	(297)	—	—	(527)	(42)
7	Other	—	—	—	—	—	—	—
8a	*RWEAs at 30 June 2025 (end of the day)*	567	2,002	4,434	—	—	7,003	560
8b	*Regulatory adjustment*	1,160	7,234	—	—	—	8,394	672
8	**RWAs as at 30 June 2025**	1,728	9,236	4,434	—	—	15,397	1,232

CEP's Market Risk RWEA calculated under the IMA increased by €1.0 billion compared to the previous quarter-end mainly in IRC, largely as a result of increasing net long position in Spain sovereign exposure.

Table 6: EU CVA4: RWEA flow statements of credit valuation adjustment risk under the Standardised Approach (SA)

		RWA
		€ million
1	Risk weighted exposure amount as at the end of the previous reporting period	
2	Risk weighted exposure amount as at the end of the current reporting period	—

Table 7: EU CMS1: Comparison of modelled and standardised risk weighted exposure amounts at risk level

		Risk weighted exposure amounts (RWEAs)				
		RWEAs for modelled approaches that banks have supervisory approval to use	RWEAs for portfolios where standardised approaches are used	Total actual RWEAs	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
		€ million	€ million	€ million	€ million	€ million
1	**Credit risk (excluding counterparty credit risk)**	—	45,611	45,611	45,611	45,611
2	*Counterparty credit risk*	4,043	2,434	6,477	7,884	7,884
3	*Credit valuation adjustment*		2,131	2,131	3,352	3,352
4	Securitisation exposures in the banking book	—	371	371	371	371
5	Market risk	15,397	1,572	16,969	7,699	7,699
6	Operational risk		6,903	6,903	6,903	6,903
7	Other risk weighted exposure amounts		—	—	—	—
8	Total	19,440	59,022	78,462	71,820	71,820

The output floor requirement does not impact CEP's final RWEAs under either the transition period rules or the fully loaded view..

Leverage Ratio

Leverage risk is the risk that excessive growth in exposure or a decrease in capital will lead to an entity becoming more vulnerable to leverage or contingent leverage that may require unintended corrective measures, including distressed selling of assets which might result in losses or in valuation adjustments to its remaining assets.

The leverage ratio is a measure which allows for the assessment of institutions' exposure to the risk of excessive leverage. It is a simple non-risk based measure complementary to the risk-based capital framework. The Basel III Framework ensures broad and adequate capture of both the on and off-balance sheet sources of banks' leverage and aims to constrain the build-up of excess leverage in the financial sector.

The leverage ratio is a measure of Tier 1 capital as a percentage of exposure as defined under CRR rules. A binding minimum requirement of 3% became effective from 28 June 2021.

CEP manages its risk of excessive leverage through leverage ratio early warning thresholds. Limits are calibrated to ensure leverage exposure remains within CEP's risk appetite.

CEP's leverage ratio is calculated based on the current CRR exposure measure and during the period was in excess of the minimum requirements; CEP has a leverage ratio of 7.05% as at 30 June 2025.

The following disclosure templates provide additional details on the Leverage Ratio.

Table 8: EU LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

This table summarises the total leverage exposure, comprising of the total assets in the statutory financial statement and other regulatory adjustments for leverage purposes.

		30 June 2025
		€ million
1	Total assets as per published financial statements	199,586
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory prudential consolidation	—
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	—
4	(Adjustment for temporary exemption of exposures to central banks (if applicable)	—
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the leverage ratio total exposure measure in accordance with point (i) of Article 429a(1) CRR)	—
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	—
7	Adjustment for eligible cash pooling transactions	—
8	Adjustment for derivative financial instruments	(19,518)
9	Adjustment for securities financing transactions (SFTs)	566
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	30,530
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	145,303
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	—
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) of the CRR)	—
12	Other adjustments	(151,374)
13	**Total exposure measure**	205,093

Table 9: EU LR2 - LRCom: Leverage ratio common disclosure

This table shows a more granular breakdown of the leverage exposures and the leverage ratio calculation.

		30 June 2025	31 December 2024
		€ million	€ million
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	146,062	116,412
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	—	—
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(3,485)	(3,575)
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	—	—
5	(General credit risk adjustments to on-balance sheet items)	—	—
6	(Asset amounts deducted in determining Tier 1 capital)	(344)	(366)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	142,234	112,470
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	3,752	4,393
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	10,733	9,810
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	—	—
11	Adjusted effective notional amount of written credit derivatives	7,440	5,323
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(6,961)	(4,643)
13	**Total derivatives exposures**	14,964	14,882
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	43,334	29,006
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(24,291)	(11,199)
16	Counterparty credit risk exposure for SFT assets	566	600
17	Agent transaction exposures	—	—
18	**Total securities financing transaction exposures**	19,608	18,407
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	56,955	64,037
20	(Adjustments for conversion to credit equivalent amounts)	(26,425)	(28,585)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	—	—
22	**Off-balance sheet exposures**	30,530	35,453
Excluded exposures			
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	(2,242)	(1,514)
EU-22k	**(Total exempted exposures)**	(2,242)	(1,514)
Capital and total exposure measure			
23	Tier 1 capital	14,450	16,519
24	**Total exposure measure**	205,093	179,698
Leverage ratio			
25	Leverage ratio	7.05%	9.19%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) %)	7.05%	9.19%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	7.05%	9.19%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.20%	0.00%
EU-26b	of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%
27	Leverage ratio buffer requirement(%)	0.00%	0.00%
EU-27a	Overall leverage ratio requirement (%)	3.20%	3.00%
Choice on transitional arrengements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Fully phased in	Fully phased in
Disclosure of mean values			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	25,914	23,197
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	19,042	17,807
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	211,965	185,088
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	211,965	185,088
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.82%	8.92%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	6.82%	8.92%

CEP's leverage ratio significantly decreased from 9.19% at year-end to 7.05% as at 30 June 2025. This 2.14% decline over the semi-annual period was primarily driven by a net increase in Total Exposures of approximately €25.7 billion. This increase was influenced by higher Traded Assets of €15.2 billion and Other Assets of €1.8 billion in scope of Credit Risk, alongside fluctuations in Regular Way Sales of €11.9 billion and SFT Exposure of €1.2 billion, partially offset by a decrease in Off-Balance Sheet items of €4.9 billion. Further contributing to the reduction in the leverage ratio was a €2.1 billion decrease in Tier 1 capital, mainly attributable to the weakening of the USD against the EUR by 13%

Table 10: EU LR3 - LRSpl: Split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		30 June 2024
		CRR leverage ratio exposures
		€ million
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	141,310
EU-2	Trading book exposures	28,018
EU-3	Banking book exposures, of which:	113,292
EU-4	Covered bonds	—
EU-5	Exposures treated as sovereigns	54,915
EU-6	Exposures to regional governments, MDB, international organizations and PSE not treated as sovereigns	7
EU-7	Institutions	27,663
EU-8	Secured by mortgages of immovable properties	2,831
EU-9	Retail exposures	866
EU-10	Corporates	24,343
EU-11	Exposures in default	87
EU-12	Other exposures (e.g. equity, securitizations, and other non-credit obligation assets)	2,580

Minimum Requirement for Own Funds and Eligible Liabilities

Under Bank Recovery and Resolution Directive (BRRD II), published in the Official Journal of the EU as Directive 2014/15/EU, amended by Directive (EU) 2019/876 in May 2019, credit institutions must hold a certain level of own funds and loss absorbing (bail-in-able) liabilities to support the institution in the event of a resolution. This requirement is referred to as the Minimum Requirement for Own Funds and Eligible Liabilities (MREL). MREL resources are comprised of qualifying own funds and eligible liabilities.

CEP is deemed a Relevant Legal Entity as per the Single Resolution Board (SRB) MREL policy published in June 2022; and is subject to an internal MREL requirement. Since 1 January 2024, CEP has been required to comply with a binding requirement of 24.29% (plus its combined buffer requirement "CBR," which was 4.39% as at 30 June 2025) of Total Risk Exposure Amount (TREA) and 6% of Leverage Ratio Exposure (LRE), as communicated by the SRB.

TLAC

Under the CRR II, firms that are material subsidiaries of non-EU Global Systemically Important Institutions (non-EU G-SIIs) per the CRR definition are subject to an internal minimum amount of Total Loss-Absorbing Capacity (iTLAC). CEP continues to meet the definition of material subsidiary as per Art 4(135) of CRR, hence is also subject to the iTLAC requirements in addition to the MREL requirements under BRRD II.

CEP has an iTLAC requirement of 16.2% (plus its CBR) of TREA, and 6.075% of LRE, in line with Article 92(b) of the Capital Requirements Regulation (CRR). CEP's Eligible Liabilities are currently structured and documented in such a way to satisfy both the CRR TLAC and BRRD MREL requirements.

CEP has an internal management action trigger framework in place to ensure compliance with the regulatory requirements and its internal risk appetite.

Table 11: EU iLAC – Internal loss absorbing capacity

	€ million	Minimum requirement for own funds and eligible liabilities (internal MREL)	Non-EU G-SII Requirement for own funds and eligible liabilities (internal TLAC)	Qualitative information
Applicable requirement and level of application				
EU 1	Is the entity subject to a Non-EU G-SII Requirement for own funds and eligible liabilities? (Y/N)			Y
EU 2	If EU 1 is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			C
EU 2a	Is the entity subject to an internal MREL requirement? (Y/N)			Y
EU 2b	If EU 2a is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			C
Own funds and eligible liabilities				
EU 3	Common Equity Tier 1 capital (CET1)	14,450	14,450	
EU 4	Eligible Additional Tier 1 instruments	—	—	
EU 5	Eligible Tier 2 instruments	—	—	
EU 6	Eligible own funds	14,450	14,450	
EU 7	Eligible liabilities	11,125	11,125	
EU 8	Of which permitted guarantees	—		
EU 9a	(Adjustments)	—		
EU 9b	Own funds and eligible liabilities items after adjustments	25,575	25,575	
Total risk exposure amount and total exposure measure				
EU 10	Total risk exposure amount	78,462	78,462	
EU 11	Total exposure measure	205,093	205,093	
Ratio of own funds and eligible liabilities				
EU 12	Own funds and eligible liabilities (as a percentage of TREA)	32.60%	32.60%	
EU 13	>>> of which permitted guarantees	0.00%		
EU 14	Own funds and eligible liabilities (as a percentage of leverage exposure)	12.47%	12.47%	
EU 15	>>> of which permitted guarantees	0.00%		
EU 16	CET1 (as a percentage of TREA) available after meeting the entity's requirements	7.92%	7.92%	
EU 17	Institution-specific combined buffer requirement*		4.39%	
Requirements				
EU 18	Requirement expressed as a percentage of the total risk exposure amount***	24.29%	16.20%	
EU 19	>>> of which may be met with guarantees	0.00%		
EU 20	Internal MREL expressed as percentage of the total exposure measure	6.00%	6.08%	
EU 21	>>> of which may be met with guarantees	0.00%		
Memorandum items				
EU 22	Total amount of excluded liabilities referred to in Article 72a(2) CRR**		153,066	

* Row EU 17 requires reporting Institution-specific combined buffer requirement, but EBA template mapping refers to cell M 03.00, r0540, c0020 (O-SII requirement). CEP is reporting the Institution-specific combined buffer requirement in this row.

*** Row EU 18 The MREL requirement presented is the base SRB requirement only and does not include the additional Combined Buffer Requirement (CBR) of 4.39%.
** Row EU 22 requires reporting Total amount of excluded liabilities referred to in Article 72a(2) CRR, but EBA template mapping refers to cell M 03.00, r0590, c0020 (Other bailinable liabilities with residual maturity of >= 1 year and < 2 years). CEP is reporting Total amount of excluded liabilities in this row.

Table 12: EU TLAC2a – Creditor ranking – Entity that is not a resolution entity

This table shows the ranking of eligible liabilities in the creditor hierarchy. In line with commission implementing regulation (EU) 2021/763 this table is disclosed at the level of individual entity.

		Insolvency ranking								
	€ million	1 (most junior) resolution entity	1 (most junior) other	2 (most junior) resolution entity	2 (most junior) other	3 (most junior) resolution entity	3 (most junior) other	5 (most junior) resolution entity	5 (most junior) other	Sum of 1 to 5
2	Description of insolvency rank (free text)		Equity		Subordinated claims		Unsecured claims		Certain deposit claims	
3	Liabilities and own funds including derivative liabilities		14,410		11,125		83,644		1,495	110,675
4	of which excluded liabilities		—		—		—		—	—
5	Liabilities and own funds less excluded liabilities		14,410		11,125		83,644		1,495	110,675
6	Subset of liabilities and own funds less excluded liabilities that are own funds and eligible liabilities for the purpose of internal TLAC & internal MREL.		14,410		11,125		—		—	25,536
7	of which residual maturity ≥ 1 year < 2 years		—		872		—		—	872
8	of which residual maturity ≥ 2 year < 5 years		—		4,000		—		—	4,000
9	of which residual maturity ≥ 5 years < 10 years		—		6,253		—		—	6,253
10	of which residual maturity ≥ 10 years, but excluding perpetual securities		—		—		—		—	—
11	of which perpetual securities		14,410		—		—		—	14,410

Credit Risk

Credit and Counterparty Risk Overview

Credit Risk

Credit risk is defined as the risk of loss resulting from the decline in credit quality (or downgrade risk) or failure of a borrower, counterparty, third party or issuer to honour its financial or contractual obligations. Concentration risk, within credit risk, is the risk associated with having excessive credit exposure, including to an individual obligor, industry sector, region, country or other category.

Credit risk in CEP arises from on-balance sheet and off-balance sheet items, mainly through exposures to large corporates, financial institutions, and governments along with inter-company affiliates, and predominantly through Wholesale Credit Risk and Available for Sale (AFS) exposure. CEP has limited retail exposure through Private Banking and BHW's retail portfolio.

Wholesale Credit Risk exposure is comprised of direct risk, contingent risk and clearing risk. Typical financial reporting categories that include wholesale exposures are deposits with banks, debt securities held-to-maturity, loans, trade receivables and off-balance sheet commitments such as unused commitments to lend and letters of credit.

AFS assets are those financial assets that are designated as available for sale or are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss. BHW's Retail portfolio is primarily comprised of Credit Cards, Personal Instalment Loans and Mortgage lending.

Private Banking is primarily comprised of loans provided to individuals – secured or unsecured, and term/instalment or revolving.

Credit risk also arises from settlement and clearing activities, when CEP transfers an asset and/or funds in advance of receiving its counter-value or advances funds to settle a transaction on behalf of a client.

Counterparty Risk

Counterparty risk is the risk arising from the possibility that the counterparty could default before the settlement of a transaction, without fulfilling its financial obligation.

Counterparty credit risk for CEP arises as a result of market sales and trading business activities including:

- Capital Markets OTC (Over-the-Counter) Derivatives;
- Securities Financing Transactions (SFTs) such as repurchase agreements and reverse repurchase transactions; and,
- Settlement Exposure.

Quantitative Credit, Credit Concentration and Counterparty Risk-related quantitative disclosures made in accordance with the CRR requirement, and the EBA final guidelines on revised Pillar 3 disclosures are provided in the Credit Risk Profile and Counterparty Credit Risk section later in the disclosure.

Credit Risk Governance and Reporting

CEP manages credit risk on a day-to-day basis through a three lines of defence approach.

The first line of defence is involved in underwriting applications for lines of credit, along with conducting regular (at least annual) assessments and evaluations of material obligors. The first line of defence includes Banking, product teams and Institutional Credit Management (ICM).

The second line of defence is represented by Independent Risk Management led by the CEP CRO, and performs an independent review and challenge. CEP's Head of Credit Risk reports to the CRO. The Credit Risk Management function reports to the Head of Credit Risk and is responsible for approving extensions of credit and limits, in line with delegated approval authority levels set out in internal policies, and for ongoing monitoring and reporting on credit risk exposures and trends including portfolio and delinquency based monitoring and management.

The CEP Board has the ultimate responsibility for ensuring that there is an appropriate credit risk management framework in place. Credit risk governance is provided by the Board, Board Risk Committee, Executive Committee, Risk Management Committee and New Activity Committee. The Board is also responsible for articulating CEP's risk appetite for credit risk.

CEP's Special Assets team evaluates and determines obligors deemed non-performing in line with CEP's Remedial Management Standard. It assesses higher risk and Non-Performing cases on a quarterly basis for loan loss provisioning and takes the necessary remedial actions to manage clients or exposures in financial difficulty where possible and otherwise minimise losses to CEP.

CEP has a dedicated Banking & International Credit Review function that reports to the CRO and which is responsible for providing independent assurance on credit risk by monitoring adherence to the CEP Credit Risk Management Framework, associated credit standards and applicable regulations..

Credit risk limits for CEP are governed by CEP's Risk Appetite Framework. CEP's Risk Management Committee sets more granular level exposure and concentration limits, which supplement the Board Risk Appetite Statement limits.

CEP Risk Management monitors the Credit Risk profile on an ongoing basis and ensures detailed reports are sent to the Risk Management Committee, Executive Committee, Board Risk Committee and Board on the Credit Risk portfolio, which also outline adherence to agreed limits.

CEP's Internal Audit function (Third Line of Defence) independently reviews the activities of the first two lines of defence, based on a risk-based audit plan and a methodology approved by the CEP Audit Committee.

Credit and Counterparty Risk Management

CEP has adopted sound principles for the management of credit risk informed by regulatory guidance and Group practices. These key principles on which CEP bases its Credit Risk Management Framework are:

- CEP has an appropriate credit risk management environment;
- CEP operates sound credit granting, credit measurement, and credit monitoring processes;
- CEP monitors asset quality and maintains appropriate provisions for bad and doubtful debts;
- CEP maintains adequate controls over credit risk and appropriate disclosures; and,
- Credit risk is also comprehensively assessed from a Risk Capital and Stress Loss perspective.

Credit risk is deemed a material risk to CEP and is captured as part of CEP's approved Risk Appetite Statement.

CEP uses the global CitiRisk transaction and exposure processing system to manage credit exposure to its wholesale obligors and counterparties such as:

- Extensions of Credit;
- Collateral Management; and,
- Exposure Monitoring.

Methodology Used to Assign Credit Limits

The process for approving a credit risk exposure limit is guided by:

- core credit policies;
- procedures and standards;
- experience and judgment of credit risk professionals;
- the creditworthiness of the counterparty; and,
- the amount of exposure at risk.

The process applies to all counterparty credit risk products – including OTC derivative contracts, repo-style transactions and eligible margin loans. The process includes the determination of maximum potential exposure after recognition of netting agreements and collateral as appropriate.

While internal risk ratings are the starting point in establishing credit assessments, a range of factors, such as quality of management, strategy, client scale, industry, environmental and regulatory, are also taken into consideration for obligor limits and approvals. Exposure to credit risk on derivatives is also impacted by market volatility, which may impair the ability of clients to satisfy their obligations to CEP. CEP Credit Risk conducts daily monitoring versus limits and any issues are escalated to credit officers and business management as appropriate.

Stress Testing

In CEP, stress testing is integrated into CEP's risk management processes and supports business strategic decisions.
The stress test programme:

- Supports bottom-up and top-down stress testing, including reverse stress-testing;
- Is a flexible platform that enables modelling of a wide variety of stress tests across business lines and risk types;
- Draws data from across the organisation, as needed.

Sensitivity analysis supports ongoing risk monitoring by risk teams as appropriate. It is performed at regular intervals dependent on internal and regulatory requirements.

CEP utilises scenario analyses, which are both dynamic and forward looking. Scenarios appropriately impact all material risk types, risk factors and specific vulnerabilities relevant to CEP. Reverse stress testing is used by CEP to assess its business model vulnerabilities and is appropriate to the nature, size and complexity of its business and the risks it bears.

Credit and Counterparty Risk Measurement

Credit Risk Regulatory Capital Requirement

CEP has adopted the Standardised Approach for calculating credit risk and counterparty risk capital requirements, which is based on ratings from External Credit Assessment Institutions. Credit exposures are assigned a risk weighting based on the external credit rating of the counterparty to arrive at a risk adjusted or Risk Weighted Exposure Amount (RWEA). Risk weights reduce with increasing credit quality of the obligor.

For off-balance sheet items, a Credit Conversion Factor (CRR, Article 111) is used to transform the nominal value into an exposure-at-default.

For all on-balance sheet items, the exposure value is measured as the on-balance sheet carrying, or accounting value.

For OTC Derivatives, CEP uses the Internal Model Method (IMM) where eligible as per model permission, and the Standardised Approach (SA-CCR) for the rest of the population, to measure the exposure of a derivative contract in the case of a counterparty default. Exchange Traded Derivatives (ETDs) are not eligible for IMM, they are measured under Standardised Approach - Counterparty Credit Risk (SA-CCR). With IMM, exposure values are calculated using an internal risk model that assesses the distribution of future positive market values of derivatives based on modelled market price movements. SA-CCR assigns to each transaction a regulatory stipulated exposure based on the mark-to-market value and a measure of potential future exposure that is mainly dependent on notional, maturity, and the type of contract (i.e. interest rate, equities etc.).

CEP leverages the Financial Collateral Comprehensive Method (CRR, Article 223) to determine the appropriate haircuts for liquid and marketable collateral, and in doing so, calculates a net exposure-at-default (e.g. for SFTs).

Where appropriate for SFT and OTC derivatives, netting and collateral may be recognised as credit risk mitigants, provided that they meet certain eligibility criteria.
For clarity, sovereign bond holdings in AFS are risk-weighted per CRR, Article 114.

Internal Credit Risk Capital Assessment

Wholesale Credit Risk is assessed using a Monte Carlo simulation model that estimates defaults and economic losses during a 1-year time horizon. The model estimates a range of loss scenarios based on simulated distributions for Probabilities of Default (PD), Loss Given Defaults (LGD), facility usage/EAD and credit rating migration loss estimates. The model also captures correlated movements in credit spreads to infer price movements on AFS holdings from downgrades. The internal risk capital assessment for credit risk also considers Single Name, Regional and Sectorial Credit Concentration risk.

Credit and Counterparty Risk Mitigation

Credit risk mitigation is important to CEP in the effective management of its counterparty and credit risk exposures where such techniques are employed. Netting agreements, collateral and other techniques have a material beneficial impact on the level of such risks borne by the organisation. CEP's credit risk mitigation processes are governed by CEP credit risk management standards.

Five types of collateral are recognized within CEP: cash, securities, financial assets, real estate and physical assets.

CEP's core principles of collateral management are:

- Documentation;
- Legal enforceability;
- Valuation; and,
- Collateral control.

These core principles are designed to ensure that the risks associated with the value and liquidity of collateral being held in support of a facility are fully understood and documented and that they form part of the approval of the facility.

Collateral received is subject to continuous monitoring. This includes establishing the legal enforceability of the collateral and ensuring it is valued regularly.

CEP has processes and procedures in place to ensure that appropriate information is available to support the collateral process, including timely and accurate information relating to margin calls. Key to the process is a daily credit exposure report as well as reports identifying counterparties that have not met their requirement for additional collateral to satisfy specified initial margin amount and variation margin thresholds. In addition, there is firm wide risk reporting of counterparty exposures at an individual and an aggregated level.

Quantitative collateral related disclosures in line with the CRR requirements and the EBA Guidelines are provided in the Credit Risk Mitigation (Page 28) and Counterparty Credit Risk (Page 31) section.

Collateral

Generally, in consultation with legal counsel, CEP determines whether collateral documentation is legally enforceable and gives CEP the right to liquidate or take possession of collateral in a timely manner in the event of the default, insolvency, bankruptcy or other defined credit event of the obligor.

Collateral is defined as pledged, transferred, and other secured assets that achieve enforceable security interests. For all collateral, CEP will have a perfected lien and the legal ability to gain possession of collateral if required.

In addition, CEP leverages from legal guarantee(s) provided by an affiliate of the obligor that will cover commercial risk and be legally enforceable. It constitutes one of the primary sources of repayment, or one of the principal considerations in the decision to extend credit if the support provider has the financial ability and willingness to meet the obligations of the supported obligor without harming its own credit ratings.

Valuation

Each CEP business sets appropriate loan-to-value ratios, loanable values, or haircuts for each appropriate type of collateral involved, as applicable:

- **Loan-to-value ratio**: the ratio of a loan to the value of posted collateral;
- **Loanable value**: the most likely recovery value of the collateral considering all potential resolution; and,
- **Haircut**: the amount by which the market value of posted collateral must exceed the cash advance or associated exposure against the collateral.

The value of collateral is generally determined at inception and on an ongoing basis per agreed methodology. In the case of Securities Financing Transactions and the Insurance Letters of Credit (ILOC) business where daily margining exists, the pricing for securities is generated on an automated daily basis based upon publicly available sources.

Collateral Concentrations

Apart from a concentration of cash and high-grade liquid securities such as OECD Governments Supranational, U.S. Treasury or U.S. Agency bonds, there were no other material concentrations of collateral as at 30 June 2025.

Securitisation Exposure

CEP's Securitisation activities are subject to full CEP review and challenge for both transactions and annual reviews. CEP's exposure to securitisations is subject to CEP Credit Risk Management Standard and CEP Rules Governing Extension of Credit Procedure as well as Citi's WCR Securitisation Standard and the WCR Securitisation Procedure. The latter includes the processes for extending credit to securitization transactions. The Procedure encompasses governance, roles and responsibilities, data quality, documentation, and controls. Note that CEP exposure to securitisations is primarily credit exposure to third party securitisations and, to date does not include CEP's own securitisations, and are not transferring CEP's credit risk of the securitized exposures to third parties. CEP doesn't currently have any exposure to simple, transparent and standardised securitisation (STS) as defined in point (10) of Article 242 STS Securitisation exposures.

CEP is exposed to credit risk from third party securitisations including senior term lending exposure, super senior derivative (including interest rate and cross currency) swaps exposure, and related settlement risk.

Counterparty Risk

CEP adopts Citi policies and procedures in respect of the management and governance of Counterparty Risk, including those relating to the securing and valuing of collateral, utilised for the purpose of mitigating the credit risk including OTC derivatives, repo-style transactions and eligible margin loans.

Credit Reserve

Prior to quoting a price to a client for a derivatives transaction, CEP checks with the relevant CVA desk for a credit reserve charge that is offset against the profit and loss account for the transaction.

Derivative Master Netting Agreements

Counterparty credit risk from derivatives is mitigated where possible through netting and margining agreements, whereby derivative assets and liabilities with the same counterparty can be offset. Off-balance sheet netting and netting of collateral against exposure is permitted under approved circumstances. CEP policy requires all netting arrangements to be legally documented. ISDA (International Swaps and Derivative Association) master agreements are CEP's preferred manner for documenting OTC derivatives. The agreements provide the contractual framework within which dealing activities across a full range of OTC products are conducted and contractually bind both parties to apply close-out netting across all outstanding transactions covered by an agreement if either party defaults or other predetermined events occur.

CEP considers the level of legal certainty regarding enforceability of its offsetting rights under Master Netting Agreements and Credit Support Annexes to be an important factor in its risk management process.

Industry standard legal agreements, combined with internal reviews for legal enforceability, are used to achieve a perfected security interest in the collateral.

Primary Types of Collateral

Where CEP uses margining, cash collateral and security collateral in the form of G10 (Group of Ten) government debt securities are generally posted to secure the net open exposure of OTC derivative transactions, at a counterparty level, whereby the receiving party is generally free to co-mingle or re-hypothecate such collateral in the ordinary course of business. Non-standard collateral, such as corporate bonds, municipal bonds, U.S. agency securities and mortgage-backed securities, may also be pledged as collateral for OTC derivative transactions, dependent on the agreed counterparty ISDA terms. Security collateral posted to open and maintain a master netting agreement with a counterparty in the form of cash and securities may from time to time be segregated in an account at a third-party custodian pursuant to a tri-party account control agreement.

Valuation

Collateral valuations are performed daily for SFTs and OTC derivatives. Collateral haircuts may be applied in the form of instrument margins and foreign exchange margins where appropriate, to mitigate price volatility and liquidity risk of the collateral. With regards to instrument margins, the level of haircut is driven by asset type and duration to maturity whereas a foreign exchange margin arises when there is a currency mismatch between the credit exposure and the collateral. CEP has sound and well managed systems and procedures for requesting and promptly receiving additional collateral for transactions whose terms require maintenance of collateral values at specified thresholds as documented in the respective legal agreements.

Wrong Way Risk and Rating Downgrades

Wrong Way Risk

An integral aspect of portfolio management is overseeing concentrations. Portfolio management is further complicated when the assumption of independence between potential exposure and potential default proves not to be true. The interdependence between the exposure and any underlying collateral can exacerbate and magnify the speed in which a portfolio deteriorates. For this reason, a best practice of portfolio management includes an assessment of correlated or "wrong way risks".

For CEP, SFTs and OTC derivatives may incur wrong way risk.

Should general and specific wrong way risk arise, where there is a material correlation between the credit quality of the counterparty and the value of the collateral, or any significant degree of dependence between the risk to the counterparty and that of the collateral, then this aspect of accounting for, managing, and reflecting both general and specific wrong way risks could be reflected through the definition of acceptable collateral, which ensures that the quality and liquidity value of the collateral received is in excess of the credit extended, as well as identification and quantification metrics to ensure these risks are managed and reflected.

Other aspects of wrong way risk are monitored by credit and other analysis, such as the use of stress tests conducted on at least monthly basis.

General wrong way risk (positive correlation with general market factors) for SFTs/OTC trades will be applied to transactions where the underlying and counterparty are from institutions or governments domiciled in the same country and/or fulfilling a set of pre-defined criteria.

Credit Risk Adjustments

From 1 January 2018, the IFRS 9 impairment standard applies to any debt instruments measured at amortised cost or at fair value through other comprehensive income and also to off-balance sheet loan commitments and financial guarantees.

The amount of expected credit losses (ECLs) recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition of the asset. The measurement of an ECL is primarily determined by an assessment of the financial asset's probability of default (PD), loss given default (LGD) and exposure at default (EAD) where the cash shortfalls are discounted to the reporting date.

The ECL model is a 3-stage model under which financial assets are classified in 3 stages depending on the extent of credit deterioration. Stage 1 includes assets with no Significant Increase in Credit Risk (SICR) since initial recognition. ECL is estimated over the next 12 months of the asset; Stage 2 includes assets that have experienced SICR since initial recognition, but the exposure is not yet defaulted/credit impaired. ECL is estimated over the lifetime; and Stage 3 includes assets deemed to be credit-impaired and lifetime ECL is estimated.

Definitions of Past Due and Impairment

Exposures are considered to be past due if contractually agreed payments of principal, interest or fees have not been paid at the date due.

CEP recognises exposures as past due in accordance with section 4 of the EBA Guidelines on the application of the definition of default and Commission Delegated Regulation (EU) 2018/171 on the materiality threshold for credit obligations past due. An exposure can only be past due if there is a legal obligation to make a payment and the payment is compulsory. In the event there is no legal obligation or payment is not compulsory, non-payment does not constitute a breach. Once the legal obligation for a mandatory payment has been established, the counting of days past due starts as soon as any amount of principal, interest or fee has not been paid at the date when it was due.

In line with the default definition under Article 178 of the CRR, exposures which are 90 days past due are treated as defaulted, and classified Stage 3 from an IFRS 9 perspective. In line with the ECB Regulation (EU) 2018/1845, CEP assesses an amount to be material for past due purposes if the amount past due is equal to or above €500 and represents an amount greater than 1% of the total amount of all on-balance sheet exposures to the obligor excluding equity exposures. There is no difference between regulatory and accounting definitions of "past due" or "default" for CEP.

A financial asset is credit-impaired (and classified stage 3 and defaulted) when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Interest revenue is calculated based on the carrying amount of the asset, net of the loss allowance, rather than on its gross carrying amount.

A loss allowance for credit-impaired financial assets with material exposure is determined through an individual impairment assessment. Materiality is typically determined based on the obligor's exposure where net aggregate Outstanding and Unused Commitments (OSUC) exceeds $10 million.

A loss allowance is determined using the IFRS 9 ECL model for financial assets which do not have material exposures.

Credit Risk Profile

For completeness, the tables in this section are disclosed at the CEP Consolidated level for both the current and the prior period.

These tables detail CEP's credit risk profile focusing on the on-balance sheet and off-balance sheet exposures that are not held for sale. As of 30 June 2025, for these exposures the gross carrying amount of CEP's total on-balance sheet and off-balance sheet exposures were €170.88 billion.

In this section the credit risk profile is split into performing and non-performing exposures, industry, exposure classes, regions, maturities, forborne and defaulted exposures.

Table 13: EU CQ1 - Credit quality of forborne exposures (current period)

This table discloses additional information on non-performing and forborne exposures (NPEs & FBEs).

	€ million	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
5	**Cash balances at central banks and other demand deposits**	—	—	—	—	—	—	—	—
10	**Loans and advances**	150	48	48	48	(9)	(16)	52	8
20	*Central banks*	—	—	—	—	—	—	—	—
30	*General governments*	—	—	—	—	—	—	—	—
40	*Credit institutions*	—	—	—	—	—	—	—	—
50	*Other financial corporations*	—	—	—	—	—	—	—	—
60	*Non-financial corporations*	147	47	47	47	(8)	(15)	48	7
70	*Households*	3	2	2	2	(1)	—	3	1
80	**Debt Securities**	—	—	—	—	—	—	—	—
90	**Loan commitments given**	52	9	9	9	1	—	—	—
100	**Total as at 30 June 2025**	202	57	57	57	(10)	(16)	52	8

Table 14: EU CQ1 - Credit quality of forborne exposures (previous period)

	€ million	Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
5	Cash balances at central banks and other demand deposits	—	—	—	—	—	—	—	—
10	Loans and advances	121	55	55	55	(6)	(15)	58	7
20	*Central banks*	—	—	—	—	—	—	—	—
30	*General governments*	—	—	—	—	—	—	—	—
40	*Credit institutions*	—	—	—	—	—	—	—	—
50	*Other financial corporations*	—	—	—	—	—	—	—	—
60	*Non-financial corporations*	118	45	45	45	(5)	(13)	54	5
70	*Households*	3	10	10	10	(1)	(2)	4	2
80	Debt Securities	—	—	—	—	—	—	—	—
90	Loan commitments given	74	—	—	—	2	—	—	—
100	Total as at 31 December 2024	195	55	55	55	(8)	(15)	58	7

There was a total of €9 million increase across performing and non-performing forborne exposures, due to the increase in Loan commitments given, partially offset by Households exposures.

Table 15: EU CR1 - Performing and non-performing exposures and related provisions (current period)

This table shows the impairment stage for performing and non-performing exposures by exposure class, and also discloses write-offs and guarantees received.

	€ million	Gross carrying amount/nominal amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures		Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Accumulated partial write-off	On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 3			
5	**Cash balances at central banks and other demand deposits**	43,490	43,488	2	1	1	(1)	(1)	—	—	—	—	—	—
10	**Loans and advances**	50,242	47,517	2,725	85	85	(137)	(59)	(78)	(28)	(28)	—	33,039	35
20	*Central banks*	2,350	2,350	—	—	—	—	—	—	—	—	—	2,284	—
30	*General governments*	793	793	—	—	—	—	—	—	—	—	—	34	—
40	*Credit institutions*	20,288	20,247	41	—	—	(5)	(5)	—	—	—	—	16,445	—
50	*Other financial corporations*	4,482	4,452	30	—	—	(11)	(10)	(1)	—	—	—	3,300	—
60	*Non-financial corporations*	21,121	18,539	2,581	82	82	(109)	(37)	(72)	(26)	(26)	—	10,550	34
70	*Of which SMEs*	319	248	71	5	5	(8)	(2)	(6)	(2)	(2)	—	311	4
80	*Households*	1,208	1,136	73	3	3	(12)	(6)	(6)	(1)	(1)	—	427	1
90	**Debt securities**	21,108	21,108	—	—	—	(9)	(9)	—	—	—	—	—	—
100	*Central banks*	353	353	—	—	—	—	—	—	—	—	—	—	—
110	*General governments*	17,145	17,145	—	—	—	(8)	(8)	—	—	—	—	—	—
120	*Credit institutions*	3,368	3,368	—	—	—	—	—	—	—	—	—	—	—
130	*Other financial corporations*	237	237	—	—	—	(1)	(1)	—	—	—	—	—	—
140	*Non-financial corporations*	5	5	—	—	—	—	—	—	—	—	—	—	—
150	**Off-balance-sheet exposures**	55,894	52,908	2,986	60	60	97	42	55	5	5		—	—
160	*Central banks*	—	—	—	—	—	—	—	—	—	—		—	—
170	*General governments*	741	737	5	—	—	—	—	—	—	—		—	—
180	*Credit institutions*	2,548	2,489	58	19	19	2	2	1	1	1		—	—
190	*Other financial corporations*	11,648	11,613	34	—	—	4	2	1	—	—		—	—
200	*Non-financial corporations*	40,893	38,006	2,888	41	41	90	37	53	4	4		—	—
210	*Households*	64	64	—	—	—	—	—	—	—	—		—	—
220	**Total as at 30 June 2025**	170,735	165,022	5,713	146	146	(244)	(111)	(133)	(33)	(33)	—	33,039	35

Table 16: EU CR1 - Performing and non-performing exposures and related provisions (previous period)

	€ million	Gross carrying amount/nominal amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures		Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Accumulated partial write-off	On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 3			
5	Cash balances at central banks and other demand deposits	47,468	47,467	1	—	—	(2)	(2)	—	—	—	—	—	—
10	Loans and advances	44,828	41,938	2,891	165	165	(99)	(42)	(57)	(88)	(88)	—	32,037	46
20	*Central banks*	1,659	1,659	—	—	—	—	—	—	—	—	—	1,368	—
30	*General governments*	407	407	—	—	—	—	—	—	—	—	—	206	—
40	*Credit institutions*	13,313	13,249	64	—	—	(3)	(2)	(1)	—	—	—	13,023	—
50	*Other financial corporations*	7,266	6,973	293	—	—	(14)	(7)	(7)	—	—	—	6,389	—
60	*Non-financial corporations*	19,516	17,447	2,070	77	77	(57)	(25)	(32)	(25)	(25)	—	9,996	42
70	*Of which SMEs*	351	284	67	13	13	(6)	(2)	(4)	(6)	(6)	—	337	5
80	*Households*	2,668	2,203	465	88	88	(24)	(8)	(17)	(63)	(63)	—	1,056	4
90	Debt securities	19,679	19,679	—	—	—	(6)	(6)	—	—	—	—	—	—
100	*Central banks*	235	235	—	—	—	—	—	—	—	—	—	—	—
110	*General governments*	15,371	15,371	—	—	—	(5)	(5)	—	—	—	—	—	—
120	*Credit institutions*	3,836	3,836	—	—	—	—	—	— —		—	—	—	—
130	*Other financial corporations*	235	235	—	—	—	(1)	(1)	—	—	—	—	—	—
140	*Non-financial corporations*	2	2	—	—	—	—	—	—	—	—	—	—	—
150	Off-balance-sheet exposures	64,046	60,782	3,264	50	50	75	34	41	5	5	—	—	—
160	*Central banks*	—	—	—	—	—	—	— —		—	—	—	—	—
170	*General governments*	418	413	5	—	—	—	—	—	—	—	—	—	—
180	*Credit institutions*	2,626	2,368	258	20	20	3	1	2	—	—	—	—	—
190	*Other financial corporations*	13,018	12,976	42	—	—	4	3	1	—	—	—	—	—
200	*Non-financial corporations*	46,669	44,107	2,562	29	29	65	30	36	4	4	—	—	—
210	*Households*	1,314	918	397	1	1	2	—	2	1	1	—	—	—
220	Total as at 31 December 2024	176,020	169,865	6,155	216	216	(182)	(84)	(98)	(94)	(94)	—	32,037	46

Table 17: EU CQ4 – Quality of non-performing exposures by geography

This table shows the performing and non-performing exposures and related impairments without cash balances, split out by geography.

€ million		Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which subject to impairment			
				Of which defaulted				
10	**On-balance-sheet exposures**	71,436	—	—	—	(174)		
20	UNITED KINGDOM	12,475	—	—	—	(12)		
30	POLAND	10,425	—	—	—	(29)		
40	UNITED STATES	8,484	—	—	—	(3)		
50	FRANCE	5,477	—	—	—	(4)		
60	CZECH REPUBLIC	5,099	—	—	—	(9)		
70	GERMANY	3,836	—	—	—	(12)		
80	NETHERLANDS	3,185	—	—	—	(22)		
90	ROMANIA	3,174	—	—	—	(14)		
100	SWITZERLAND	2,642	—	—	—	(8)		
110	SPAIN	2,568	—	—	—	(9)		
120	Other countries	14,070	—	—	—	(52)		
130	**Off-balance-sheet exposures**	55,954	—	—			101	
140	FRANCE	10,644	—	—			19	
150	GERMANY	8,781	—	—			18	
160	NETHERLANDS	5,677	—	—			8	
170	UNITED KINGDOM	3,647	—	—			5	
180	BERMUDA	3,630	—	—			1	
190	POLAND	3,069	—	—			4	
200	UNITED STATES	2,677	—	—			1	
210	SPAIN	2,609	—	—			6	
220	SWEDEN	2,003	—	—			4	
230	IRELAND	1,566	—	—			5	
240	Other countries	11,651	—	—			31	
250	**Total**	127,390	—	—	—	(174)	101	

[1] The top 10 countries by exposures are listed out individually. The remaining countries are presented as "Other Countries".

Table 18: EU CQ5 – Credit quality of loans and advances to non-financial corporations by industry

In this table the performing and non-performing exposures and related impairments are shown specifically for non-financial corporations further split by industry.

		a	b	c	d	e	f
€ million		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
10	Agriculture, forestry and fishing	56	—	—	56	—	—
20	Mining and quarrying	473	—	—	473	—	—
30	Manufacturing	7,972	34	34	7,032	(43)	—
40	Electricity, gas, steam and air conditioning supply	1,173	—	—	1,173	(2)	—
50	Water supply	14	—	—	14	—	—
60	Construction	103	7	7	103	(3)	—
70	Wholesale and retail trade	2,729	23	23	2,727	(31)	—
80	Transport and storage	510	—	—	510	(4)	—
90	Accommodation and food service activities	107	—	—	107	—	—
100	Information and communication	2,516	1	1	2,516	(7)	—
110	Financial and insurance actvities	1,488	13	13	1,396	(15)	—
120	Real estate activities	1,742	1	1	1,652	(11)	—
130	Professional, scientific and technical activities	1,385	3	3	1,385	(15)	—
140	Administrative and support service activities	805	—	—	805	(4)	—

€ million		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
150	Public administration and defense, compulsory social security	—	—	—	—	—	—
160	Education	—	—	—	—	—	—
170	Human health services and social work activities	68	—	—	68	(1)	—
180	Arts, entertainment and recreation	3	—	—	3	—	—
190	Other services	60	—	—	60	—	—
200	*Total*	21,203	82	82	20,080	(135)	—

Table 19: EU CR1-A: Maturity of exposures

This table shows the impairment stage for performing and non-performing exposures by exposure class.

€ million		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances[1]	—	39,426	7,785	2,951	—	50,162
2	Debt securities	—	4,843	13,933	2,323	—	21,099
3	**Total**	—	44,269	21,718	5,274	—	71,261

[1] Loans and advances category includes Reverse repurchase agreement amounts.

Table 20: EU CR2: Changes in the stock of non-performing loans and advances

		a
		Gross carrying amount
		€ million
010	Initial stock of non-performing loans and advances	216
020	Inflows to non-performing portfolios	56
030	Outflows from non-performing portfolios	—
040	Outflows due to write-offs	—
050	Outflow due to other situations	(126)
060	Final stock of non-performing loans and advances	145

Credit Risk Mitigation (CRM)

Table 21: EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

This table shows the extent of the use of CRM techniques.

€ million		Unsecured carrying amount	Secured carrying amount			
				Of which secured by collateral	Of which secured by financial guarantees	
						Of which secured by credit derivatives
1	**Loans and advances**	60,577	33,074	24,375	8,699	—
2	**Debt securities**	21,099	—	—	—	
3	**Total as at 30 June 2025**	81,676	33,074	24,375	8,699	—
4	*Of which non-performing exposures*	45	35	12	23	—
5	*Of which defaulted*	45	35			

Table 22: EU CR4 - Standardised approach – Credit risk exposure and CRM effects (current period)

This table shows the effect of CCF and CRM techniques applied on total on-balance sheet and off-balance sheet credit risk exposures, across exposure classes. RWEA density is expressed as total risk weighted exposures divided by exposures post-CCF and post-CRM.

		Exposures before CCF and CRM		Exposures post CCF and CRM		RWEAs and RWEA density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWEA	RWEA density (%)
		€ million	€ million	€ million	€ million	€ million	
	Exposure classes						
1	Central governments or central banks	52,006	561	55,881	2,481	520	0.89%
2	Non-central government public sector entities	574	834	574	336	128	14.04%
EU 2a	Regional government or local authorities	—	141	—	58	12	20.25%
EU 2b	Public sector entities	574	693	574	278	116	13.61%
3	Multilateral development banks	1,416	6	1,416	3	2	0.15%
EU 3a	International organisations	1,165	—	1,165	—	—	0.00%
4	Institutions	15,798	2,054	14,088	1,323	4,552	29.54%
5	Covered bonds	—	—	—	—	—	0.00%
6	Corporates	22,626	51,398	19,592	21,936	36,747	88.49%
7	Subordinated debt exposures and equity	22	1	22	—	22	100.00%
EU 7b	Equity	22	1	22	—	22	100.00%
8	Retail	866	1,241	866	12	627	71.42%
9	Secured by mortgages on immovable property and ADC exposures	2,831	402	2,831	402	2,333	72.17%
10	Exposures in default	87	56	86	31	143	122.61%
EU 10a	Claims on institutions and corporates with a short-term credit assessment	—	—	—	—	—	0.00%
EU 10c	Other items	635	—	635	—	537	84.64%
12	**Total as at 30 June 2025**	**98,026**	**56,552**	**97,156**	**26,525**	**45,611**	**36.88%**

Table 23: EU CR4 - Standardised approach – Credit risk exposure and CRM effects (previous period)

		Exposures before CCF and CRM		Exposures post CCF and CRM		RWEAs and RWEAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWEA	RWEA density (%)
		€ million	€ million	€ million	€ million	€ million	
	Exposure classes						
1	Central governments or central banks	49,963	262	54,416	1,062	457	0.82 %
2	Non-central government public sector entities	N/A	N/A	N/A	N/A	N/A	N/A
EU 2a	Regional government or local authorities	—	124	—	63	13	20.00 %
EU 2b	Public sector entities	527	583	527	291	121	14.80 %
3	Multilateral development banks	1,122	6	1,122	3	2	0.19 %
EU 3a	International organisations	1,145	—	1,145	—	—	0.00 %
4	Institutions	16,719	2,283	13,404	5,497	6,285	33.25 %
5	Covered bonds	—	—	—	—	—	0.00 %
6	Corporates	21,289	58,729	19,337	27,445	42,205	90.22 %
7	Subordinated debt exposures and equity	56	—	56	—	56	100.00 %
EU 7b	Equity	56	—	56	—	56	100.00 %
8	Retail	874	1,223	874	6	660	75.00 %
9	Secured by mortgages on immovable property and ADC exposures	2,462	257	2,462	112	2,241	87.06 %
10	Exposures in default	34	28	34	19	64	118.68 %
EU 10a	Claims on institutions and corporates with a short-term credit assessment	—	—	—	—	—	0.00 %

EU 10c	Other items	628	—	628	—	507	80.70 %
12	Total as at 31 December 2024	95,072	63,954	94,258	34,758	53,379	41.37 %

RWEA density decreased by 4.66% compared to year-end due to the change in RWEA calculation methodology as a result of the implementation of CRR3.

Use of External Credit Ratings under the Standardised Approach for Credit Risk

The nominated ECAIs used by CEP are Standard & Poor's, Moody's, Dominion Bond Rating Service (DBRS) and Fitch. These are used for all credit risk exposure classes. Credit assessments applied to items in the trading book and banking book alike, are assigned in accordance with the requirements laid out in the CRR, including the use of the credit quality assessment scale.

The credit quality assessment scale assigns a credit quality step to each rating provided by the ECAIs, as set out in the Table 25 below.

Risk weightings are assigned to each exposure depending on its credit quality step and other factors, including exposure class and maturity. Additionally Table 25 below sets out a simplified summary of how credit quality is linked to risk weighting.

Table 24: Credit Quality Assessment Scale

Credit Quality Step	Standard & Poor's	Moody's	Fitch	DBRS	Corporates	Governments and Central Banks	Institution (Includes Banks)	
							Maturity > 3 months	Maturity ≤ 3 months
1	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AAL	20%	0%	20 %	20%
2	A+ to A-	A1 to A3	A+ to A-	AH to AL	50%	20%	50 %	20%
3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	BBBH to BBBL	75 %	50%	50 %	20%
4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-	BBH to BBL	100%	100%	100 %	50%
5	B+ to B-	B1 to B3	B+ to B-	BH to BL	150%	100%	100 %	50%
6	CCC+ and below	Caa1 and below	CCC+ and below	CCCH and below	150%	150%	150 %	150%

Table 25: EU CR5 - Standardised approach (current period)

This table provides the breakdown of exposures under the standardised approach by asset class and risk weight.

	Exposure classes	Risk weight										Total	Of which: unrated
		0%	4 %	10 %	20%	35%	50%	75%	100%	150%	250 %		
		€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
1	Central governments or central banks	57,425	221	288	159	—	88	—	20	17	144	58,363	58,230
EU 2a	Regional government or local authorities	—	—	—	58	—	—	—	—	—	—	58	58
EU 2b	Public sector entities	570	—	—	111	—	154	—	17	—	—	852	714
3	Multilateral development banks	1,417	—	—	—	—	—	—	2	—	—	1,419	1,419
EU 3a	International organisations	1,165	—	—	—	—	—	—	—	—	—	1,165	1,165
4	Institutions	—	—	—	5,263	—	461	172	351	13	—	15,411	11,366
5	Covered bonds	—	—	—	—	—	—	—	—	—	—	—	—
6	Corporates	—	—	—	1,587	—	4,088	7,299	27,840	714	—	41,528	32,186
EU 7b	Equity	—	—	—	—	—	—	—	22	—	—	22	22
8	Retail exposures	—	—	—	—	—	—	774	—	—	—	878	878
9	Secured by mortgages on immovable property and ADC exposures	—	—	—	572	—	—	144	1,035	2	—	3,233	3,233
10	Exposures in default	—	—	—	—	—	—	—	64	53	—	116	116

EU 10a	Claims on institutions and corporates with a short-term credit assessment	—	—	—	—	—	—	—	—	—	—	—	—
EU 10c	Other items	97	—	—	1	—	—	—	537	—	—	635	635
EU 11c	**Total as at 30 June 2025**	**60,674**	**221**	**288**	**7,750**	**—**	**4,791**	**8,389**	**29,888**	**799**	**144**	**123,681**	**110,023**

Table 26: EU CR5 – Standardised approach (previous period)

	Exposure classes	Risk weight										Total	Of which: unrated
		0%	4 %	10 %	20%	35%	50%	75%	100%	150%	250 %		
		€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
1	Central governments or central banks	55,128	—	—	169	—	4	—	15	—	163	55,478	—
EU 2a	Regional government or local authorities	—	—	—	63	—	—	—	—	—	—	63	9
EU 2b	Public sector entities	526	—	—	83	—	209	—	—	—	—	818	1
3	Multilateral development banks	1,123	—	—	—	—	—	—	2	—	—	1,125	2
EU 3a	International organisations	1,145	—	—	—	—	—	—	—	—	—	1,145	795
4	Institutions	—	—	—	10,954	—	7,706	—	241	—	—	18,902	6,641
5	Covered bonds	—	—	—	—	—	—	—	—	—	—	—	—
6	Corporates	—	—	—	3,335	—	4,732	—	37,802	914	—	46,782	27,723
EU 7b	Equity	—	—	—	—	—	—	—	56	—	—	56	—
8	Retail exposures	—	—	—	—	—	—	880	—	—	—	880	880
9	Secured by mortgages on immovable property	—	—	—	—	517	—	—	2,051	6	—	2,574	2,574
10	Exposures in default	—	—	—	—	—	—	—	34	20	—	54	54
10a	Exposures associated with particularly high risk	—	—	—	—	—	—	—	—	512	—	512	316
EU 10a	Institutions and corporates with a short-term credit assessment	—	—	—	—	—	—	—	—	—	—	—	—
EU 10c	Other items	121	—	—	—	—	—	—	507	—	—	628	284
EU 11c	Total as at 31 December 2024	58,042	—	—	14,604	517	12,651	880	40,708	1,451	163	129,016	39,278

Credit risk exposures under the standardised approach decreased by €5.3 billion primarily due to a decrease in Nostro Accounts of €4.1 billion, Unused commitments of €3.6 billion and Letter of Credit of €3.5 billion, partially offset by an increase in Vostro Accounts of €4.3 billion and Fair valued Securities of €1.1 billion.

Counterparty Credit Risk ("CCR")

CCR is the risk a transaction could default before the final settlement of the transaction's cash flows. The following table provides a comprehensive view of the methods used by CEP. CEP's CCR arise from derivatives and SFTs across banking and trading book exposures. The measure of Exposure at Default ("EAD") used to determine these requirements are described below.

Risk Category	Methods for Calculating Exposure	Application
Derivatives	SA-CCR	The exposure amount for a derivative contract is equal to an alpha factor of 1.4 multiplied by the sum of the replacement cost and the PFE of the netting set. The PFE portion consists of a multiplier and an aggregate add-on, which is derived from add-ons developed for each asset class. SA-CCR differentiates between margined and non-margined trades and recognizes netting benefits. This method applies to all derivatives not calculated under IMM.
	IMM	IMM applies to all derivatives provided for in the ECB modelled permission. These derivative exposures are calculated as the supervisory alpha factor of 1.5 multiplied by the Effective Expected Positive Exposure (EEPE), modelled using the Monte Carlo simulation.
SFTs	Financial Collateral Comprehensive Method (FCCM)	Under FCCM, the exposure value is calculated as positive difference in the exposure value of securities, commodities or cash sold, posted or lent and the value of securities, commodities or cash received in return, and applying regulatory haircuts for security volatility adjustments and any applicable currency mismatches.

Table 27: EU CCR1 - Analysis of CCR exposure by approach (current period)

This table provides a comprehensive view of the methods used by CEP to calculate CCR regulatory requirements and the main parameters used within each method. This excludes CVA charges or exposures cleared through a CCP.

		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
		€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
EU1	EU - Original Exposure Method (for derivatives)	—	—		1.4	—	—	—	—
EU2	EU - Simplified SA-CCR (for derivatives)	—	—		1.4	—	—	—	—
1	SA-CCR (for derivatives)	346	860		1.4	3,328	1,689	1,689	1,072
2	IMM (for derivatives and SFTs)			4,548	1.5	21,187	6,821	6,797	4,043
2b	Of which derivatives and long settlement transactions netting sets			4,548		21,187	6,821	6,797	4,043
3	Financial collateral simple method (for SFTs)					—	—	—	—
4	Financial collateral comprehensive method (for SFTs)					23,402	5,165	5,165	1,207
5	VaR for SFTs					—	—	—	—
6	**Total as at 30 June 2025**					**47,917**	**13,676**	**13,652**	**6,322**

Table 28: EU CCR1 - Analysis of CCR exposure by approach (previous period)

		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
		€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
EU1	EU - Original Exposure Method (for derivatives)	—	—		1.4	—	—	—	—
EU2	EU - Simplified SA-CCR (for derivatives)	—	—		1.4	—	—	—	—
1	SA-CCR (for derivatives)	544	674		1.4	2,729	1,712	1,711	1,025
2	IMM (for derivatives and SFTs)			4,739	1.5	19,108	7,108	7,091	4,065
2b	Of which derivatives and long settlement transactions netting sets			4,739		19,108	7,108	7,091	4,065
3	Financial collateral simple method (for SFTs)					—	—	—	—
4	Financial collateral comprehensive method (for SFTs)					16,674	4,691	4,691	1,721
5	VaR for SFTs					—	—	—	—
6	Total as at 31 December 2024					38,511	13,511	13,493	6,811

CCR RWEA excluding exposures to CCPs decreased by €0.5 billion compared to year-end primarily driven by a decrease in SFTs.

Table 29: EU CCR3 - Standardised approach – CCR exposures by regulatory exposure class and risk weights (current period)

This table provides a breakdown of Counterparty Credit Risk exposures and risk-weighted by portfolio (type of counterparties) and by risk weight (riskiness attributed according to the standardised approach).

	Risk weight								
	0%	2%	20%	50%	75 %	100%	150%	Others	Total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Central governments or central banks	2,706	—	243	117	—	42	—	—	3,108
Regional government or local authorities	—	—	—	—	—	—	—	—	—
Public sector entities	74	—	226	91	—	—	—	—	391
Multilateral development banks	136	—	—	—	—	—	—	—	196
International organizations	18	—	—	—	—	—	—	—	18
Institutions	—	5,281	69	732	70	190	—	—	10,443
Corporates	—	—	95	640	787	3,217	19	—	4,758
Retail	—	—	—	—	—	—	—	—	—
Institutions and corporates with a short-term credit assessment	—	—	—	—	—	—	—	—	—
Other items	—	—	—	—	—	—	18	—	18
Total as at 30 June 2025	2,934	5,281	633	1,580	856	3,449	38	—	18,933

Table 30: EU CCR3 - Standardised approach – CCR exposures by regulatory exposure class and risk weights (previous period)

	Risk weight								
	0%	2%	20%	50%	75 %	100%	150%	Others	Total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Central governments or central banks	1,912	—	340	40	—	11	—	—	2,303
Regional government or local authorities	—	—	—	—	—	—	—	—	—
Public sector entities	129	—	260	114	—	—	—	—	502
Multilateral development banks	206	—	97	—	—	—	—	—	303
International organizations	13	—		—	—	—	—	—	13
Institutions	—	6,582	830	4,637	—	75	—	—	12,124
Corporates			106	1,520	—	3,125	13	—	4,765
Retail			—		—	—	—	—	—
Institutions and corporates with a short-term credit assessment			—		—	—	—	—	—
Other items			—		—	—	66	—	66
Claims in the form of CIU			—		—	—	—	—	—
Total as at 31 December 2024	2,260	6,582	1,633	6,310	—	3,211	78	—	20,076

Counterparty credit risk exposures decreased by €1.1 billion compared to prior year-end due to lower derivatives exposures mainly traded with central clearing houses.

Table 31: EU CCR5 - Composition of collateral for CCR exposures (current period)

This table shows the breakdown of all types of posted or received collateral by CEP to support or reduce Counterparty Credit Risk exposures related to derivative transactions or to SFTs.

		Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
	Collateral type	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
1	Cash – domestic currency	—	3,428	—	3,012	—	29,038	—	33,022
2	Cash – other currency	—	1,138	—	775	—	1,359	—	11,087
3	Domestic sovereign debt	—	—	—	—	—	748	—	379
4	Other sovereign debt	518	393	—	—	—	34,260	—	26,539
5	Government agency debt	14	—	660	90	—	3,282	—	1,292
6	Corporate bonds	210	14	830	—	—	6,832	—	3,961
7	Equity securities	47	—	—	—	—	1,265	—	—

8	Other collateral	—	38	—	357	—	—	—	—
9	**Total as at 30 June 2025**	**788**	**5,012**	**1,490**	**4,234**	**—**	**76,785**	**—**	**76,278**

Table 32: EU CCR5 - Composition of collateral for CCR exposures (previous period)

		Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
	Collateral type	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
1	Cash – domestic currency	—	3,065	—	3,390	—	11,900	—	20,845
2	Cash – other currency	—	806	—	1,640	—	2,010	—	9,000
3	Domestic sovereign debt	—	—	—	—	—	279	—	71
4	Other sovereign debt	150	365	—	—	—	21,757	—	12,462
5	Government agency debt	9	—	1,002	4	—	2,765	—	245
6	Corporate bonds	113	7	121	1	—	7,053	—	1,915
7	Equity securities	36	—	—	—	—	1,367	—	—
8	Other collateral	—	—	—	—	—	—	—	—
9	Total as at 31 December 2024	308	4,243	1,123	5,034	—	47,132	—	44,538

Collateral used in SFTs increase is related to the increase in volume of the SFT portfolio.

Table 33: EU CCR6 - Credit derivatives exposures

This table illustrates exposures to credit derivative transactions split between derivatives bought or sold.

		Protection bought JUN 2025	**Protection sold JUN 2025**	Protection bought DEC 2024	Protection sold DEC 2024
		€ million	**€ million**	€ million	€ million
Notionals					
1	Single-name credit default swaps	**5,086**	**1,814**	**3,083**	**1,054**
2	Index credit default swaps	**5,330**	**5,295**	**3,723**	**3,706**
3	Total return swaps	**57**	**36**	**32**	
4	Credit options	—	—		
5	Other credit derivatives	**146**	**295**	**186**	**563**
6	**Total notionals**	**10,619**	**7,440**	**7,024**	**5,323**
Fair values					
7	Positive fair value (asset)	**18**	**180**	**16**	**168**
8	Negative fair value (liability)	**(215)**	**(16)**	**(194)**	**(12)**

The total notional values of Credit Derivatives have decreased compared to the prior year end, which was driven by a decrease in trading volumes.

Table 34: EU CCR8 - Exposures to CCPs

This table provides a comprehensive picture of the institution's exposures to CCPs.

		As at 30 June 2025		As at 31 December 2024	
		Exposure value	**RWEA**	Exposure value	RWEA
		€ million	**€ million**	€ million	€ million
1	**Exposures to QCCPs (total)**		**157**		168
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	**4,822**	**98**	5,443	109
3	(i) OTC derivatives	**4,466**	**89**	4,694	94
4	(ii) Exchange-traded derivatives	—	—		
5	(iii) SFTs	**356**	**9**	749	15
6	(iv) Netting sets where cross-product netting has been approved	—	—		
7	Segregated initial margin	—			
8	Non-segregated initial margin	**469**	**9**	1,139	23
9	Prefunded default fund contributions	**115**	**49**	85	36
10	Unfunded default fund contributions	**267**	—	185	—
11	**Exposures to non-QCCPs (total)**		—		—

		As at 30 June 2025		As at 31 December 2024	
		Exposure value	**RWEA**	Exposure value	RWEA
		€ million	**€ million**	€ million	€ million
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	—	—	—	—
13	(i) OTC derivatives	—	—	—	—
14	(ii) Exchange-traded derivatives	—	—	—	—
15	(iii) SFTs	—	—	—	—
16	(iv) Netting sets where cross-product netting has been approved	—	—	—	—
17	Segregated initial margin	—		—	
18	Non-segregated initial margin	—	—	—	—
19	Prefunded default fund contributions	—	—	—	—
20	Unfunded default fund contributions	—	—	—	—

Exposures to QCCPs decreased by €0.01 billion compared to the prior year-end driven by SFTs.

Market Risk

Trading Book Market Risk Overview

Market risk in the trading book is the risk of economic or trading loss arising from changes in the value of Citi's assets and liabilities resulting from changes in market variables such as interest rates, FX or credit spreads.

Price risk equates to market risk in the trading book, as defined above, plus the financial statement reporting risks associated with independent price verification and profit attribution analysis captured under the Operational Risk category below.

The trading book comprises positions held with trading intent or to hedge positions held with trading intent, where the business seeks to capture the differences between buying and selling prices and which primarily derive from customer flows. The products traded on CEP include sovereign and other bonds, interest rate derivatives, par loans and foreign exchange (FX) spot, forwards and derivatives.

Non-linear market risk in CEP is managed according to a back to back model where the market risk is transferred to a Citi affiliate.

Trading Book Governance and Organisation

The Mark to Market Risk Management Framework, approved by the Board provides a holistic outline of how market risk in the trading book is managed, establishes standards for measuring, managing, monitoring and controlling market risk in the trading book in CEP and sets responsibilities across the lines of defence.

As documented in the Mark to Market Risk Management Framework, the following committees perform an oversight role for market risk related items:

- Board Risk Committee;
- Executive Committee; and,
- Risk Management Committee.

The Risk Management Committee is the primary committee tasked with governing market risk in the trading book in CEP, and is supported by the Market Risk Review Group, which monitors and oversees trading book market risk in CEP. The Executive Committee ensures that appropriate risk considerations are incorporated in the strategic planning process. The Board Risk Committee oversees the implementation of CEP's market risk strategy and the market risk management function.

The Head of Market Risk reports directly to CEP's CRO and is responsible for second line of defence oversight of the market risk in the trading book of CEP. The Market Risk team monitors the market risk profile on an ongoing basis and reports to the Risk Management Committee and BRC/Board on trading book exposures against approved limits.

Trading Book Risk Management and Measurement

Market risk in the trading book in CEP is measured in accordance with industry standard methodologies, which are designed to:

- Promote the transparency and comparability of market risk-taking activities; and,
- Provide a consistent framework to measure market risk exposures in order to facilitate business performance analysis.

Value at Risk (VaR) estimates the potential decline in the value of a position or a portfolio, under normal market conditions, within a defined confidence level, and over a specific time period. Further detail on the CEP VaR model is set out below.

Factor sensitivities represent the change in the value of a position for a defined change in a market risk factor, such as a change in the value of a bond for a one-basis-point change in interest rates. Independent Risk Management ensure that factor sensitivities are calculated, monitored and, in most cases, limited, for all relevant risks taken in a trading book.

Stress testing is performed on trading books on a daily basis to estimate the impact of abnormal market movements. Independent Risk Management develops stress scenarios, reviews the output of daily and other periodic stress testing exercises and uses the information to make judgements as to the ongoing appropriateness of exposure levels and limits.

Trading Book Regulatory Capital

CEP has adopted an internal model approach in line with its regulatory permissions, to calculate market risk capital requirement.

The majority of market risk in the trading book is captured under IMA with the remaining exposure captured under the standardised approach.

The main risks captured in the IMA VaR and SVaR models are credit spread risk and interest rate risk arising for sovereign and other bonds, interest rate derivatives, and STIRT. The main exposures contributing to IRC are sovereign and other bonds.

Internal Trading Book Risk Capital Assessment

CEP uses the Citi iVAST (Integrated VaR and Stress Testing) model aligned to the Global Citi risk capital methodology to determine economic risk capital for the trading book. The model combines a scenario-based approach (stress P&Ls) with a simulation-based approach (VaR P&L) to calculate risk capital over a one year time horizon at a 99.9% confidence level.

Table 35: EU MR1 – Market Risk under the standardised approach

This table displays CEP's components of own funds requirements under the standardised approach for market risk.

		30 June 2025	31 December 2024
		RWEAs	RWEAs
		€ million	€ million
	Outright products		
1	Interest rate risk (general and specific)	1,046	722
2	Equity risk (general and specific)	18	4
3	Foreign exchange risk	508	597
4	Commodity risk	—	—
5	Simplified approach	—	—
6	Delta-plus method	—	—

		30 June 2025	31 December 2024
		RWEAs	RWEAs
		€ million	€ million
7	Scenario approach	—	—
8	Securitisation (specific risk)	—	—
9	**Total**	**1,572**	1,323

Market risk RWEA under standardised approach increased by €0.3 billion primarily driven by a TDI increase in solo specific market risk due to credit derivatives, which were partially offset by a TDI decrease on BHW general market risk. This was driven by a decrease in directional risk on PLN and FX Risk decrease due to a decrease in net long EUR positions.

Internal Model Approach

Scope of VaR & SVaR Model Permission

CEP uses VaR and SVaR models for the calculation of market risk own funds requirements in accordance with its IMA permission granted by the ECB. The permission allows for inclusion of General Risk of Debt Instruments and Specific Risk of Debt Instruments in the scope of the model. The models are also used, with identical scope and results, for market risk own funds requirements at the Group and Company level. BHW is not included in scope of the permission, and continues to calculate its market risk capital requirements using standardised approach.

Model Characteristics

The VaR model is designed to capture potential market losses at a 99% confidence level over a one day holding period. The capital requirement is based on the VaR measure over a ten-day holding period. CEP uses one-day VaR for internal risk management purposes.

SVaR estimates the potential decline in the value of a position or a portfolio under stressed market conditions. The firm's SVaR methodology incorporates the factor sensitivities of the trading portfolio with the volatilities and correlations of those factors under stressed conditions and is expressed as the risk to the firm over a one-day holding period, at a 99% confidence level. The capital requirement is based on the SVaR measure over a ten-day holding period.

Management's Regulatory Differences

The models used for management purposes and regulatory purposes are generally the same. The 1-day VaR/SVaR is used for management purposes whereas the 10-day VaR/SVaR is used for regulatory purposes. For 1-day VaR/SVaR, volatility/correlation matrix is calibrated from daily historical returns; for 10-day VaR/SVaR, volatility is obtained from scaling up 1-day volatility by square root of 10 and correlation is calibrated from daily historical returns.

VaR Models

The key components of the VaR model are the variance/covariance matrix of market variables and the sensitivity of Citi's trading portfolio to those variables. The variance/covariance matrix is calibrated using three years of market data, with some volatilities adjusted upwards to capture fat tail effects at a 99% confidence level over a one day period, with others adjusted upwards to capture short-term spikes in volatility.

Market variations simulated from the matrix by a Monte Carlo methodology are applied to the set of factor sensitivities to generate a forecast distribution of one day profit and loss, from which the VaR can be computed. Revaluation grids are used for nonlinear positions. The factor sensitivities are designed to capture all material market risks on each trading asset, both linear and non-linear in nature.

Risk exposure feeds, comprising factor sensitivities, are fed from the front office systems at the end of the day and stored. The risk factor covariance matrix used in the VaR calculation is updated on a monthly basis. Additionally, to reflect current market conditions, volatilities of major market factors are updated on an intra-month basis through scaling factors. The covariance matrix for SVaR is reviewed on a quarterly basis to ascertain whether the underlying stress period requires updating.

Ten-day VaR/SVaR numbers are calculated directly from ten-day volatility estimates. Production and reporting take place on a daily basis and for any requested sub-portfolio or market factor.

The covariance matrix used for the VaR calculation is calibrated using risk factor time series data from three years of recent history. A mixed approach (of relative or absolute returns, depending on the risk factor) is used in the VaR and SVaR models when simulating movements in risk factors. The volatility model is a Hybrid Exponentially Weighted Moving Average (H-EWMA) approach using the maximum of the three-year fat tail scaled volatility and the exponentially weighted moving average (EWMA) volatility estimation over an effective window of one month. In this way, both long and short (recent) historical windows are considered in this combined approach in order to achieve a prudent volatility estimation.

Aggregation of VaR components by market factors or portfolios is fully integrated into the model: the model uses the covariance matrix which is an integral part of Citi's VaR model. This matrix serves to calculate VaR for individual risk factors as well as aggregate VaR across all risk categories.

SVaR Models

Citi's Monte Carlo VaR/SVaR model incorporates a full covariance matrix. The volatilities and correlations are built from thousands of market factors with actual time series from the last three years for VaR and a one-year stress period for SVaR. Aggregation of VaR/SVaR components by market factors or portfolios is fully integrated into the model, see above.

As per the VaR model, 10-day SVaR results are calculated directly from ten-day volatility estimates, obtained from scaling 1-day volatility up by the square-root of 10. Production and reporting take place on a daily basis for any requested sub-portfolio or market factor. Also in line with the VaR model, market variations simulated from the matrix by a Monte Carlo methodology are applied to the set of factor sensitivities to generate a forecast distribution of one-day profit and loss, from which the SVaR can be computed. Revaluation grids are also used for nonlinear positions.

CEP bases the stress period selection on a broad set of market factors that represent all assets held by CEP. The market factor selection is based on the materiality of risk. A 12-month stress period is selected as the covariance matrix calibrated from this period maximises VaR for CEP's portfolio, in accordance with regulatory requirements. The stressed period selection is reviewed by Market Risk Management, Market Risk Analytics and the IMA Control Committee at least on a quarterly basis. The stress period was moved to the 12-month period ending June 2012, from the 12-month period ending July 2012, driven by increased exposure to European Sovereigns located in the Eurozone.

Stress Testing

CEP design bespoke scenarios on an annual basis as part of the annual ICAAP to target the key vulnerabilities of the institution. The scenarios cover business specific, plausible, historic or hypothetical events impacting the CEP portfolio across a range of severities. Scenarios are expanded into key macroeconomic and market variables required for downstream modelling purposes. VaR stress testing is driven by stressed H-EWMA volatilities determined by each scenario which impact the covariance matrix input into the VaR engine.

RWEA Back-testing / Validation Approach for Internal Models & Modelling Processes

The accuracy of the VaR model is assessed through daily back-testing performed by VaR Operations with oversight from Market Risk Management. The back-testing results are reported quarterly to the regulator.

Back-testing is the comparison of VaR to profit and loss results and is conducted daily, at both legal entity and business levels. In line with regulatory requirements, Citi performs back-testing against both actual profit or loss and hypothetical profit or loss (the daily profit or loss that would arise from a constant trading portfolio) in order to ensure that the firm's VaR model meets supervisory standards for the measurement of regulatory capital.

VaR values used for back-testing are consistent with production values and they are calculated using the method described above. P&L values are provided by the Front Office while the daily and hypothetical P&L of the Trading portfolio are provided by Market Controllers post affirmation by the Front Office.

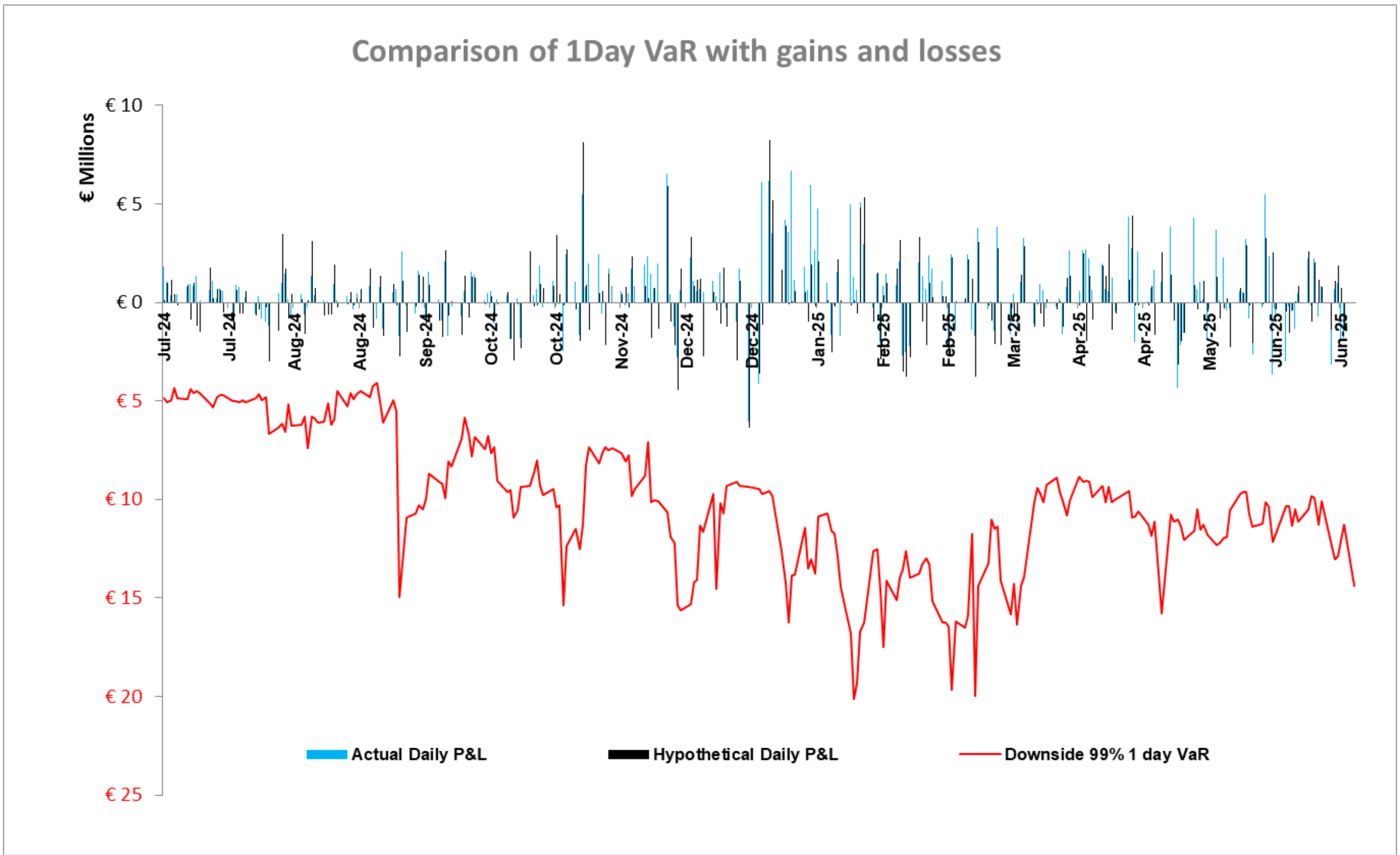
Additionally, VaR/SVaR models are subject to periodic independent validation to ensure technical and functional soundness of the model.

Overshootings during the reporting period

Under normal and stable market conditions, Citi would expect the number of days where trading losses exceed its VaR to be no more than two or three occasions per year. Periods of unstable market conditions can increase the number of these exceptions.

CEP experienced no overshootings during the reporting period.

Table 36: EU MR4 - Comparison of VaR estimates with gains/losses



Scope of IRC Model Permission

CEP uses the IRC model for the calculation of market risk own funds requirements for incremental default and migration risk of specific risk for debt instruments in accordance with the permission granted by the ECB. The model is also used, with identical scope and results at the Group and Company level. As with the VaR and SVaR models, BHW is not included in the scope of the permission.

Incremental Risk Charge Methodology

The IRC is a measure of potential losses due to default and credit migration risk over a one-year time horizon at a one-tailed, 99.9% confidence level under the assumption of constant positions.

The IRC model is a credit rating transition matrix based model, which captures both rating migration and issuer default risks. An in-house Monte Carlo 6-factor copula model is used for the correlations between issuers. The correlation depends mainly on the risk rating, region and industry sector of the issuer, and thus provides a richer correlation structure than what has been observed with 1-factor copula models.

The model is calibrated annually to the public data of over 20,000 companies maintained within Citi's databases and has been the subject of independent model validation. The migration and default of each issuer are modelled consistently by a single normal random variable which is mapped to the inverse normal cumulative distribution of the transition matrix to determine whether a migration or a default happens. The transition matrix is based on publicly available data from rating agencies. The scope of the issuers that is used for the calibration of the model encompasses the full spectrum of relevant trading products. The model accepts as inputs the jump-to-default amounts and the spread sensitivities from every debt issuer with interest rate exposure in Citi's systems.

Recovery rates are also simulated with their parameters properly calibrated to market data.

A fixed one-year liquidity horizon is used consistently across all positions. The approach also includes positions that have maturities of less than one year, and for such positions the time of default is determined and the P&L effect is estimated accordingly.
The IRC model, which is used to calculate the incremental risk capital over a one-year time horizon at a one–tailed 99.9% confidence level, is consistent with regulatory requirements and meets the required soundness standard.

Stress Testing

CEP design bespoke scenarios on an annual basis as part of the ICAAP process and stresses the input parameters of the IRC model i.e. rating transition matrix and credit spreads.

IRC Model Validation Approach

A model validation and internal governance framework is in place to monitor the model's performance on an on-going basis to ensure that it continues to meet the required soundness standard.

The IRC model has been validated to provide an independent assessment of the model risk and verification that it is performing as expected. The validation includes testing performed on the underlying data and the mathematical framework by the model developer as well as additional independent testing designed by the model validator. The model parameters are calibrated on the long-term averages of through-the-cycle data, taking into account periods of significant market stress.

Back-testing is not feasible because the IRC model captures default losses at a very high confidence level (99.9%), which is in line with regulatory standards. However, the accuracy and internal consistency of data and parameters used for the IRC model and modelling processes are subject to independent validation to ensure the technical and functional soundness of the model.

Similarly to VaR and SVaR, daily IRC results are reported quarterly to the JST.

The risks not in model engine (RNIME) are risks that are missing from the VaR/SVaR and IRC models. The RNIMEs are assessed and reviewed periodically in line with Citi's internal processes. There were no material RNIMEs identified in the reporting period, which would require additional own fund buffer to compensate.

Table 37: EU MR2-A: Market risk under the Internal Model Approach

		As at 30 June 2025		As at 31 December 2024	
		RWEAs	Own funds requirements	RWEAs	Own funds requirements
		€ million	€ million	€ million	€ million
1	**VaR** (higher of values a and b)	1,728	138	1,586	127
(a)	Previous day's VaR (VaR_{t-1})		45		31
(b)	Multiplication factor (mc) x average of previous 60 working days (VaRavg)		138		127
2	**SVaR** (higher of values a and b)	9,236	739	5,645	452
(a)	Latest available SVaR ($SVaR_{t-1}$)		160		173
(b)	Multiplication factor (ms) x average of previous 60 working days (sVaRavg)		739		452
3	**IRC** (higher of values a and b)	4,434	355	2,146	172
(a)	Most recent IRC measure		355		172
(b)	12 weeks average IRC measure		306		158
4	**Comprehensive risk measure** (higher of values a, b and c)	—	—	—	—
(a)	Most recent risk measure of comprehensive risk measure		—		—
(b)	12 weeks average of comprehensive risk measure		—		—
(c)	Comprehensive risk measure - Floor		—		—
5	**Other**	—	—	—	
6	**Total**	15,397	1,232	9,376	750

CEP's Market Risk's RWEA's calculated under IMA increased by €6.0 billion compared to the year-end in SVaR and IRC, largely as a result of EGB desk taking positions in Spanish and Portugal sovereign exposures.

Table 38: EU MR3 – IMA values for trading portfolios

This table displays the values (maximum, minimum, average and end of the reporting period) resulting from the different elements of the regulatory capital charge.

		30 June 2025	31 December 2024
		€ million	€ million
VaR (10 day 99%)			
1	Maximum value	63	50
2	Average value	39	22
3	Minimum value	28	13
4	Period end	45	31
SVar (10 day 99%)			
5	Maximum value	244	179
6	Average value	179	74
7	Minimum value	137	29
8	Period end	160	173
IRC (99.9%)			
9	Maximum value	583	418
10	Average value	283	107
11	Minimum value	117	19
12	Period end	355	172
Comprehensive risk measure (99.9%)			
13	Maximum value	—	—
14	Average value	—	—
15	Minimum value	—	—
16	Period end	—	—

Valuation Methodology

CEP's valuation methodologies for trading book and non-trading book positions are documented and meet all regulatory requirements set out in Article 105 of the CRR. Fair valued positions in CEP are revalued daily using the evidence of the market whenever possible. If a market-based valuation is not possible, then positions are marked to model using input parameters sourced from the market wherever possible or sourced using appropriately prudent assumptions where not possible.

Market prices and model inputs used in the valuation process for securities and derivatives required to be measured at Fair Value are reviewed by an independent function and where required, adjustments are made to the valuations in the books and records.

Valuation adjustments (VAs) are taken to ensure that positions represent Fair Value. These include Bid-Offer, Liquidity and Model Valuation adjustments. It is recognised that there are a range of plausible alternative valuations that can be used for CEP's fair value inventory. Prudent Valuation additional valuation adjustments (AVAs) are required to achieve a 90% confidence that the portfolio can be exited at that valuation or better. These include, where relevant, market price uncertainty, close out cost, model risk, unearned credit spreads, investing and funding costs, future administrative costs, early termination costs, concentrated positions, and operational risk AVAs.

The largest AVAs in CEP relate to securities, followed by XVA and rates derivatives. CEP calculates AVAs and deducts them from CET1 Capital in line with the requirements of Article 105(14) of the CRR.

Non-Trading Market Risk Governance and Organisation

The Treasury Risk Management Framework, approved by the Board provides a holistic outline of how market risk in the non-trading market risk ('NTMR') portfolios is managed, establishes standards for measuring, managing, monitoring, and controlling NTMR in CEP and sets responsibilities across all lines of defence. As part of the Treasury Risk Management Framework, the following committees and forum perform an oversight role for NTMR related items:

- Board Risk Committee;
- Executive Committee;
- Asset & Liability Committee (ALCO); and,
- ALCO Technical Review Forum (A-TRF)

The ALCO is the primary committee tasked with governing market risk in the NTMR portfolio in CEP. The Executive Committee ensures that appropriate risk considerations are incorporated in the strategic planning process. The Board Risk Committee oversees the implementation of CEP's NTMR strategy and management function.

CEP Treasury is responsible for the management and first line oversight of NTMR in CEP. Finance Chief Risk Office (FinCRO) is responsible for second line oversight, with the Head of FinCRO reporting directly to the CRO. The FinCRO team monitors the NTMR profile on an ongoing basis and reports to the ALCO and the BRC/ Board on the NTMR portfolio exposures against approved limits and risk appetite.

Non-Trading Market Risk Management and Measurement

Positions in the NTMR Book arise primarily from customer flows. The main products include loans held at amortised cost, non-maturing deposits (NMD), and available-for-sale (AFS) securities. Throughout the natural course of business, these positions generate IRRBB (Interest Rate Risk in the Banking Book).

IRRBB refers to the current and prospective risk of a negative impact to CEP's economic value of equity, or to CEP's net interest income, taking market value changes into account as appropriate, which arise from adverse movements in interest rates affecting interest rate sensitive instruments, including gap risk, basis risk and option risk. The risk is estimated using a cashflow-based approach and a common set of standards that define, measure, limit and report the exposures to ALCO on a monthly basis.

CEP's measure of IRRBB from an earnings perspective is Interest Rate Exposure (IRE). IRE measures the potential pre-tax impact on Net Interest Revenue (NIR) for NTMR book positions due to defined shifts in interest rates over a 12-month period under a static balance sheet approach. Net Interest revenue (NIR) is the difference between the interest income earned on the NTMR book portfolio assets and the interest expense paid on the liabilities.

In addition, CEP measures Economic Value Sensitivity (EVS) for its NTMR book. EVS captures the impact of interest rate changes on CEP's Economic Value of Equity (EVE) by discounting all interest rate sensitive instruments on the balance sheet using a base interest rate scenario and a stressed interest rate scenario and calculating the difference.

For internal IRRBB management, CEP uses four shocks to assess interest rate risk, namely +/-100bps & +/-200bps scenarios, all of which incorporate a -200bps shock rate floor, commercial margins and are aggregated without adjustment. These are supplemented by additional non-parallel currency specific scenarios, other comprehensive income (OCI) stress scenarios and the regulatory prescribed supervisory outlier test (SOT) shocks, the results of which are presented in table 40 below.

The period-over-period changes to the SOT scenarios noted in table 40 are primarily driven by CEP's balance sheet evolution and strategy. Changes in the interest rate environment and benchmark rates impacts CEP's interest rate pass-through, and consequently the IRRBB metrics.

Moreover, for IRRBB modelling purposes, CEP's NMDs are bifurcated into stable & non-stable and core & non-core. Behavioural assumptions are applied to stable & core portion of the NMDs to assign specific maturity profiles and run-offs, including a maximum truncation period of 60 months. These components are determined and supported by, inter alia, statistical analysis of historical customer and market information. The average effective duration of CEP's stable & core NMD is approximately 3 years.

The IRRBB generated by the NMDs modelling is mitigated through the purchase of securities accounted for as Fair Value through OCI. The capital at risk arising from these securities is measured and monitored against approved limits and risk appetite. CEP's subsidiary BHW maintain an active Interest Rate Swap (IRS) hedge program to mitigate Fair Value through OCI impacts.

An option risk assessment is regularly performed and approved by CEP ALCO. The material option risk identified in CEP's balance sheet is pricing option risk related to its NMDs. This risk is modelled in EVS through the application of a multi path pass-through rate matrix (Betas). Other option risk types are effectively mitigated through business strategy and reassessed periodically.

A basis risk assessment is regularly performed and approved by CEP ALCO. The assessment is conducted to evaluate CEP's exposures to reference rate indexes and potential financial impact from their non-correlated interest rate movements. The key material basis risk exposures for CEP are in EUR (ESTR vs Central Bank Deposit Rate), USD (SOFR vs FED FUNDS rate) and PLN (POLONIA vs WIBOR).

The CEP Board approves the IRRBB risk appetite statement (RAS) and hedging strategy. CEP's ALCO receives updates on IRRBB metrics monthly, including trends and details on various topics impacting IRRBB. Stress testing is performed for IRRBB, where systemic stresses are designed to quantify the potential impact of extreme market movements and are constructed using both historical periods of market stress and projections of adverse economic scenarios. Based on CEP's risk appetite framework, the company's current level of IRRBB exposure is deemed low.

For CEP's risk capital assessment, the IRRBB Risk Capital model captures risk to Citi's portfolio related to interest rate movements. The model is a VaR model at the 99.9% confidence level over the one-year horizon, and is based on a multi-factor Monte Carlo Simulation model, similar to the trading portfolio VaR.

In addition to IRRBB, as part of CEP risk management, Credit Spread Risk in the Banking book (CSRBB) and Foreign Exchange Risk in the Banking Book (FXRBB) are also monitored. CSRBB is defined as the risk of potential financial loss due to changes in credit spreads and FXRBB is defined as the risk of potential financial losses due to changes in foreign exchange rates.

Table 39: EU IRRBB1 - Interest Rate Risks of Non-trading Market Risk Activities

	Supervisory shock scenarios	30 June 2025	31 December 2024	30 June 2025	31 December 2024
		Changes of the economic value of equity		Changes of the net interest income	
1	Parallel up	(121,994)	(33,420)	446,060	474,261
2	Parallel down	(298,144)	(461,667)	(539,816)	(569,739)
3	Steepener	81,849	70,072		
4	Flattener	(246,865)	(196,179)		
5	Short rates up	(267,166)	(181,374)		
6	Short rates down	29,090	(47,522)		

Liquidity Risk

Table 40: EU LIQ1 - Quantitative information of LCR[1]

Values and figures disclosed, for the Group, are calculated as the simple averages of month-end observations over 12 month preceding quarter-ends June 2025, March 2025 and December 2024. Values for September 2024 are derived as average of 10 month-end observations.

		Total unweighted value				Total weighted value			
		June 2025	March 2025	December 2024	September 2024	June 2025	March 2025	December 2024	September 2024
Number of data points used in the calculation of averages		**12**	12	12	10	**12**	12	12	10
		€ million	€ million	€ million	€ million	**€ million**	€ million	€ million	€ million
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					56,934	55,030	52,058	50,229
CASH-OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	6,807	6,855	6,801	6,758	1,103	1,346	1,543	1,734
3	*Stable deposits*	1,589	1,558	1,551	1,529	79	78	78	76
4	*Less stable deposits*	4,954	4,753	4,455	4,187	760	724	671	615
5	Unsecured wholesale funding	73,594	70,231	65,924	63,178	40,291	37,938	34,823	32,932
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	22,542	22,394	22,409	22,403	5,611	5,572	5,578	5,577
7	*Non-operational deposits (all counterparties)*	51,052	47,837	43,514	40,775	34,679	32,366	29,245	27,355
8	*Unsecured debt*	—	—	—	—	—	—	—	—
9	Secured wholesale funding					98	70	51	40
10	Additional requirements	43,811	41,763	39,709	38,288	8,302	7,794	7,458	7,272
11	*Outflows related to derivative exposures and other collateral requirements*	2,724	2,367	2,303	2,323	2,724	2,367	2,303	2,323
12	*Outflows related to loss of funding on debt products*	—	—	—	—	—	—	—	—
13	*Credit and liquidity facilities*	41,087	39,395	37,405	35,965	5,578	5,426	5,155	4,949
14	Other contractual funding obligations	15,050	11,878	9,174	7,522	3,222	3,153	3,179	2,779
15	Other contingent funding obligations	16,073	16,324	16,233	16,148	454	452	442	431
16	**TOTAL CASH OUTFLOWS**					53,470	50,753	47,497	45,188
CASH-INFLOWS									
17	Secured lending (e.g. reverse repos)	25,353	21,745	17,639	15,769	209	211	372	461
18	Inflows from fully performing exposures	7,455	6,800	6,445	6,049	6,213	5,638	5,310	4,908
19	Other cash inflows	5,283	5,042	4,788	4,633	3,648	3,382	3,169	3,029
EU-19a	weighted outflows arising from transactions in third countries where there are transfer restrictions or which are					—	—	—	—
EU-19b	(Excess inflows from a related specialized credit institution)					—	—	—	—
20	**TOTAL CASH INFLOWS**	38,091	33,587	28,872	26,451	10,071	9,231	8,852	8,398
EU-20a	***Fully exempt inflows***	—	—	—	—	—	—	—	—
EU-20b	***Inflows Subject to 90% Cap***	—	—	—	—	—	—	—	—
EU-20c	***Inflows Subject to 75% Cap***	38,091	33,587	28,872	26,451	10,071	9,231	8,852	8,398
TOTAL ADJUSTMENT VALUE									
21	**LIQUIDITY BUFFER**					56,934	55,030	52,058	50,229

		Total unweighted value				Total weighted value			
		June 2025	March 2025	December 2024	September 2024	June 2025	March 2025	December 2024	September 2024
22	TOTAL NET CASH OUTFLOWS					43,399	41,521	38,645	36,790
23	LIQUIDITY COVERAGE RATIO (%)					132.48 %	133.46 %	135.11 %	136.54 %

1 Effective from Q1 2025 CEP is required to maintain a minimum LCR of 108%

LCR Evolution and Drivers

in Q2 2025, the LCR has remained well in excess of regulatory and internal limits. CEP customer deposits remain at elevated levels in 2025, contributing to a highly liquid position.

The liquidity buffer is the primary mechanism for ensuring that CEP can withstand the prescribed stresses under LCR. In line with the criteria set out in the LCR Delegated Regulation, the assets held in the buffer are unencumbered, well diversified, under the control of CEP Treasury and monetisable in a stress scenario. CEP also ensures that the currency denomination of its buffer is consistent with the distribution by significant currency of its net liquidity outflows. The buffer is comprised of cash placed with European central banks and high quality, unencumbered securities. The composition of the liquidity buffer remained largely unchanged in Q2 2025.

CEP operates a deposit-based funding model which is supplemented by equity and MREL. The deposit portfolio is well-diversified across a large number of clients and industries. The largest component of LCR outflows is third-party deposits. Other material drivers of CEP's outflows include committed credit and liquidity facilities and derivatives. LCR inflows are primarily from loans receivable in the next 30 days.

Currency mismatch in the LCR

Due to the global nature of the business model, CEP has a multi-currency balance sheet, the resulting currency risk (mismatch between the currency of assets and the currency of liabilities) is monitored and managed daily ensuring CEP has sufficient liquidity to continue business activities and withstand stresses on an individual currency basis.

CEP reports and monitors LCR on a consolidated basis in the reporting currency (EUR) and on an individual currency basis for significant currencies. Significant currencies are defined as currencies in which aggregate liabilities are greater than 5% of total liabilities.

As of 30 June 2025 significant currencies in CEP were EUR, USD and PLN. To monitor significant currencies, CEP has a currency limits framework comprised of economic and normative limits.

Derivative exposures and potential collateral calls

In the ordinary course of business, CEP enters into various types of derivative transactions, including bilateral transactions that are OTC and transactions settled via exchanges with central counterparties. CEP maintains liquidity reserves to counter potential liquidity outflows from derivatives.

CEP's LCR reports additional collateral outflows per the historical lookback approach. This additional outflow is based on the past 24 months of net daily collateral flows over any consecutive 30-day period. The highest point of which is considered as outflow weighted at 100%, simulating the impact of an adverse market scenario on CEP's derivative portfolio. Throughout 2025, contingent outflows relating to downgrade triggers were immaterial.

Other items relevant for the LCR calculation

CEP is a direct participant in Settlement Systems where it offers General Clearing Member (GCM) services across EMEA and Settlement Agent services in multiple European markets through CEP's branches and the centralised Target 2 Securities clearing platform. To support direct clearing activity CEP must post cash and securities collateral in order to access credit lines and fund payment obligations. To ensure there is sufficient liquidity to meet CEP's intraday liquidity needs, any cash amount regularly used for intraday payments and any collateral pledged for intraday credit are reported as encumbered for CEP's regulatory liquidity reporting. The ALCO Technical Review Forum serves as the supporting committee for the monitoring and review of intraday liquidity and related encumbered collateral.

NSFR Disclosure

The NSFR measures the amount of Available Stable Funding (ASF) relative to Required Stable Funding (RSF).

CEP's stable funding mainly comprises of third-party deposits, MREL and equity.

Table 41: EU LIQ2 - Net Stable Funding Ratio

Net Stable Funding Ratio (NSFR) is calculated as per CRR II rules with daily monitoring of consolidated ratio currently in place. CEP's stable funding composition is made up of third-party deposits, MREL, and equity. The NSFR remained at comfortable levels, significantly above the regulatory limits (effective from Q1 2025 CEP is required to maintain a minimum NSFR of 105%) .
This table is prepared in accordance with Article 451a(3) CRR.

30 June 2025

	€ million	Unweighted value by residual maturity				
	Available stable funding (ASF) Items	**No maturity**	**< 6 months**	**6 months to < 1yr**	**≥ 1yr**	**Weighted value**
1	Capital items and instruments	14,878	—	—	—	14,878
2	*Own funds*	14,878	—	—	—	14,878
3	*Other capital instruments*		—	—	—	—
4	Retail deposits		6,911	22	—	6,322
5	*Stable deposits*		1,646	—	—	1,564
6	*Less stable deposits*		5,265	22	—	4,758
7	Wholesale funding:		80,082	72	11,535	39,208
8	*Operational deposits*		24,438	—	—	12,219
9	*Other wholesale funding*		55,644	72	11,535	26,989
10	Interdependent liabilities		—	—	—	—
11	Other liabilities:	—	48,435	—	—	—
12	*NSFR derivative liabilities*	—				
13	*All other liabilities and capital instruments not included in the above categories*		48,435	—	—	—
14	**Total available stable funding (ASF)**					60,408
	Required stable funding (RSF) Items					
15	Total high-quality liquid assets (HQLA)					2,576
EU-15a	Assets encumbered for more than 12m in cover pool		—	—	—	—
16	Deposits held at other financial institutions for operational purposes		128	—	—	64
17	Performing loans and securities:		33,038	2,705	21,935	28,478
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		10,518	1,717	1,006	4,272
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		13,384	161	5,077	6,493
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		7,306	644	13,768	15,630
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		75	2	240	194
22	*Performing residential mortgages, of which:*		—	—	821	698
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		—	—	—	—
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		1,830	183	1,263	1,386
25	Interdependent assets		—	—	—	—
26	Other assets:	0	24,163	—	3,103	4,827
27	*Physical traded commodities*				—	—
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		1,494	—	225	1,461
29	*NSFR derivative assets*		132			132
30	*NSFR derivative liabilities before deduction of variation margin posted*		5,827			291
31	*All other assets not included in the above categories*		16,710	—	2,878	2,943

32	Off-balance sheet items		6,839	11,155	37,960	2,738
33	**Total RSF**					38,683
34	**Net Stable Funding Ratio (%)**					156.16 %

31 March 2025

	€ million	Unweighted value by residual maturity				
	Available stable funding (ASF) Items	**No maturity**	**< 6 months**	**6 months to < 1yr**	**≥ 1yr**	**Weighted value**
1	Capital items and instruments	16,218	—	—	—	16,218
2	*Own funds*	16,218	—	—	—	16,218
3	*Other capital instruments*		—	—	—	—
4	Retail deposits		6,786	19	—	6,224
5	*Stable deposits*		2,003	—	—	1,903
6	*Less stable deposits*		4,783	19	—	4,321
7	Wholesale funding:		90,723	219	9,274	35,687
8	*Operational deposits*		23,086	—	—	11,543
9	*Other wholesale funding*		67,637	219	9,274	24,144
10	Interdependent liabilities		—	—	—	—
11	Other liabilities:	—	45,833	—	—	—
12	*NSFR derivative liabilities*	—				
13	*All other liabilities and capital instruments not included in the above categories*		45,833	—	—	—
14	**Total available stable funding (ASF)**					58,128
	Required stable funding (RSF) Items					
15	Total high-quality liquid assets (HQLA)					3,460
EU-15a	Assets encumbered for more than 12m in cover pool		—	—	—	—
16	Deposits held at other financial institutions for operational purposes		151	—	—	75
17	Performing loans and securities:		40,768	2,484	20,652	27,429
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		15,950	1,523	1,020	3,713
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		14,851	296	5,222	6,847
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		8,228	534	12,133	14,694
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		507	—	4	256
22	*Performing residential mortgages, of which:*		—	—	1,384	1,176
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		—	—	—	—
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		1,739	132	893	999
25	Interdependent assets		—	—	—	—
26	Other assets:	0	26,390	—	3,127	4,977
27	*Physical traded commodities*				—	—
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		1,144	—	217	1,157
29	*NSFR derivative assets*		481			481
30	*NSFR derivative liabilities before deduction of variation margin posted*		4,960			248
31	*All other assets not included in the above categories*		19,805	—	2,910	3,091
32	Off-balance sheet items		9,488	11,805	37,616	2,868
33	**Total RSF**					38,809
34	**Net Stable Funding Ratio (%)**					149.78 %

31 December 2024

	€ million	Unweighted value by residual maturity				
	Available stable funding (ASF) Items	**No maturity**	**< 6 months**	**6 months to < 1yr**	**≥ 1yr**	**Weighted value**
1	Capital items and instruments	16,993	—	—	—	16,993
2	*Own funds*	16,993	—	—	—	16,993
3	*Other capital instruments*		—	—	—	—
4	Retail deposits		6,885	13	—	6,288
5	*Stable deposits*		1,591	—	—	1,511
6	*Less stable deposits*		5,294	13	—	4,776
7	Wholesale funding:		75,472	215	9,297	35,573
8	*Operational deposits*		23,990	—	—	11,995
9	*Other wholesale funding*		51,481	215	9,297	23,578
10	Interdependent liabilities		—	—	—	—
11	Other liabilities:	—	23,054	—	—	—
12	*NSFR derivative liabilities*	—				
13	*All other liabilities and capital instruments not included in the above categories*		23,054	—	—	—
14	**Total available stable funding (ASF)**					58,853
	Required stable funding (RSF) Items					
15	Total high-quality liquid assets (HQLA)					3,444
EU-15a	Assets encumbered for more than 12m in cover pool		—	—	—	—
16	Deposits held at other financial institutions for operational purposes		82	—	—	41
17	Performing loans and securities:		34,607	2,866	19,380	26,941
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		12,119	1,392	906	4,559
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		13,702	430	4,797	6,470
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		7,217	869	11,400	13,731
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		85	—	6	46
22	*Performing residential mortgages, of which:*		—	—	1,396	1,187
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		—	—	—	—
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		1,570	175	883	994
25	Interdependent assets		—	—	—	—
26	Other assets:	0	11,412	—	2,998	5,251
27	*Physical traded commodities*				—	—
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		885	—	360	1,058
29	*NSFR derivative assets*		1,095			1,095
30	*NSFR derivative liabilities before deduction of variation margin posted*		4,961			248
31	*All other assets not included in the above categories*		4,471	—	2,638	2,850
32	Off-balance sheet items		8,409	9,873	45,945	3,137
33	**Total RSF**					38,813
34	**Net Stable Funding Ratio (%)**					151.63 %

30 September 2024

	€ million	Unweighted value by residual maturity				
	Available stable funding (ASF) Items	**No maturity**	**< 6 months**	**6 months to < 1yr**	**≥ 1yr**	**Weighted value**
1	Capital items and instruments	17,082	—	—	—	17,082
2	*Own funds*	17,082	—	—	—	17,082
3	*Other capital instruments*		—	—	—	—
4	Retail deposits		6,541	14	—	6,026
5	*Stable deposits*		2,527	—	—	2,400
6	*Less stable deposits*		4,015	14	—	3,626
7	Wholesale funding:		69,354	273	9,907	33,919
8	*Operational deposits*		21,066	—	—	10,533
9	*Other wholesale funding*		48,289	273	9,907	23,386
10	Interdependent liabilities		—	—	—	—
11	Other liabilities:	—	22,700	—	—	—
12	*NSFR derivative liabilities*	—				
13	*All other liabilities and capital instruments not included in the above categories*		22,700	—	—	—
14	**Total available stable funding (ASF)**					57,027
	Required stable funding (RSF) Items					
15	Total high-quality liquid assets (HQLA)					2,583
EU-15a	Assets encumbered for more than 12m in cover pool		—	—	—	—
16	Deposits held at other financial institutions for operational purposes		129	—	—	65
17	Performing loans and securities:		28,694	1,777	19,266	25,752
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		11,300	20	1,012	4,450
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		9,355	312	4,259	5,319
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		6,416	1,184	11,936	13,940
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		87	—	30	63
22	*Performing residential mortgages, of which:*		—	—	1,393	1,184
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		—	—	—	—
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		1,623	261	666	859
25	Interdependent assets		—	—	—	—
26	Other assets:	0	17,936	—	2,910	5,008
27	*Physical traded commodities*				—	—
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		885	—	414	1,104
29	*NSFR derivative assets*		1,002			1,002
30	*NSFR derivative liabilities before deduction of variation margin posted*		4,467			223
31	*All other assets not included in the above categories*		11,581	—	2,496	2,678
32	Off-balance sheet items		12,700	5,446	35,404	2,591
33	**Total RSF**					35,999
34	**Net Stable Funding Ratio (%)**					158.41 %

Environmental, Social and Governance Risk (ESG)

Environmental risk

Business strategy and processes

a) *Institution's business strategy to integrate environmental factors and risks, taking into account the impact of environmental factors and risks on institution's business environment, business model, strategy and financial planning*

For CEP, sustainability includes integrating relevant commitments and priorities into its business strategy consistent with Citi's policies. CEP's financing activities are counted towards Citi's group-level commitment to achieve net zero emissions associated with financing activities by 2050 and Citi's goal to reach $1 trillion in sustainable finance by 2030. CEP's operational greenhouse gas (GHG) emissions are included in Citi's commitment to net zero emissions for its own operations by 2030 and in its 2025 operational footprint goals.

The sustainable transformation across industries is expected to lead to both challenges and opportunities for CEP and its clients. Environmental and social issues are closely linked with economic stability and have an impact on CEP, its clients and wider stakeholders. Therefore, CEP is embedding sustainability matters into its operating culture through the implementation of its sustainability strategy.

CEP defines three strategic pillars in line with Citi's commitments, considerations and priorities around ESG and sustainability issues:

- Clients' expectations and products: Support our clients in financing their sustainability objectives and embrace new business opportunities resulting from the sustainability transformation.
- Policies and regulations: Ensure compliance with regulatory requirements and supervisory expectations, including incorporating ESG risks in our risk management practices, policy developments and stakeholder engagement and enhancing our ESG disclosures in line with sustainability reporting requirements.
- Sustainable operations: Reduce the impact of our operations in line with Citi's Operational Footprint Goals and strengthen sustainability culture across our organisation.

CEP performs ongoing Business Environment Scanning to monitor Climate and Environmental (C&E) risks which may impact the effectiveness of its strategy and monitors the impact of such risks in the short, medium and long term to help make informed strategic and business decisions.

The Business Environment Scanning (BES) process considers internal and external related developments arising from regulatory developments, macroeconomic changes, competitive landscape, technological, societal/demographic and geopolitical trends. CEP performs the BES periodically to monitor C&E risks over the short, medium and long term and determines an appropriate action when an impact is identified. The outcome of this assessment is reported to CEP's management body to consider in the strategy where significant. The key developments and trends observed are considered in CEP's strategy and in the Climate and Environmental Risk Identification and Assessment Process (RIAP).

CEP measures and monitors a range of key performance indicators (KPIs) and metrics and continues to evolve the process in line with its sustainability strategy, data availability, industry practice and regulatory developments. CEP reports these metrics at legal entity and business line levels where appropriate. CEP's management KPIs are currently focused on climate and environmental risk in line with the risk materiality assessment. Management is expected to monitor the development of these metrics and report on the progress of trends periodically and take action where required.

CEP's ESG disclosures have been included in accordance with Article 449a CRR and the EBA ITS 2022/01. On 22 May 2025, the European Banking Authority (EBA) published a consultation paper regarding Draft Implementing Technical Standards amending Commission Implementing Regulation (EU) 2024/3172, as regards the disclosures on ESG risks, equity exposures and the aggregate exposure to shadow banking entities. Subsequent to this, the EBA issued a no-action letter on 6 August 2025 on the application of ESG disclosure requirements. Pursuant to this no-action letter, CEP is making use of the transitional provisions set out in the no-action letter and therefore has not reported ESG Templates 6 to 10, and relevant columns in ESG Templates 1 and 4 as set out in the no-action letter, of the Commission's Implementing Regulation (EU) 2024/3172. See section c) for further detail. BHW's Management Board have decided not to make use of the transitional provisions within its own publicly available Pillar 3 disclosures.

As set out in the introduction to this document, the basis of this disclosure is on a consolidated basis, and BHW continues to operate independently. As such, BHW's approach to sustainability risk management (within CEP's overall requirements), sustainability reporting and disclosed matters, including relevant policies, actions and targets, may differ from those of CEP. BHW's information has been included below separately, where these differ materially to those of the consolidated CEP entity. Information relating to BHW's environmental, social and governance risk, disclosed in line with the requirements of Article 449a CRR and EBA ITS 2022/01, can be found within its own publicly available Pillar 3 disclosures.

b) *Objectives, targets and limits to assess and address environmental risk in short-, medium-, and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes*

CEP does not set sustainability targets at a legal entity level.

CEP's financing activities are included towards Citi's goal to reach $1 trillion in sustainable finance by 2030 where applicable; its contribution towards this goal is tracked at a legal entity level.

CEP's financing activities are also counted towards Citi's group-level commitment to achieve net zero emissions associated with financing activities by 2050 and Citi's 2030 interim targets if within for each of the in-scope lending portfolios include Aluminium, Auto Manufacturing, Aviation, Cement, Commercial Real Estate (in North America), Energy, Power, Shipping, Steel and Thermal Coal Mining; its progress against these targets is not tracked at a legal entity level.

CEP's operational GHG emissions are included in Citi's commitment to net zero emissions for its own operations by 2030 and in its 2050 operational footprint goals; its progress against these goals are not tracked at a legal entity level.

Although CEP's direct operations do not represent most of its emissions impact, its facilities, including offices and bank branches, contribute to GHG emissions through energy consumption. CEP looks to manage the impact from its own operations through two primary decarbonisation levers:

- improving sustainability of its facilities; and
- sourcing renewable electricity.

These levers support Citi's net zero operational emissions commitment.

CEP's sustainable finance products and services such as Sustainability-Linked Loans and Sustainable Supply Chain Finance are available to clients and can be included as part of Citi's $1 Trillion Sustainable Finance Goal. Through these, CEP supports Citi's target through its actions around sustainable finance products and services.

As described in section j), C&E risks are considered within the Risk Identification process. The Risk Identification process informs the Risk Management process as a part of Risk Management Framework and feeds into CEP's strategic planning. As part of this, CEP sets business limits, which include limits with respect to C&E risks. CEP's strategy is also monitored through KPIs, which includes a C&E risks related KPI that is reported at business level where appropriate. Furthermore, as described in section m), CEP includes C&E risks as a part of its ESG Credit Assessment Procedure which informs its lending decision making.

As part of CEP's governance processes, and the monitoring of the business model and strategic direction of CEP, the executive committee (and other relevant governance forums) monitors certain C&E risk KPIs on an on-going basis, which are tracked at relevant business lines as applicable.

c) ***Current investment activities and (future) investment targets towards environmental objectives and EU Taxonomy-aligned activities.***

Citi has a goal to finance and facilitate USD $1 trillion in sustainable finance by 2030 as set out in section b). As noted previously, CEP's financing activities are included in Citi's goal, however, CEP has not set any separate targets in relation to this.

As part of the Sustainability Statement included as part of the Directors' Report within CEP's Annual Report and Financial Statements for the year ended 31 December 2024, CEP has included disclosures required by Article 8 of the EU Taxonomy. This requires entities to disclose how their activities are associated with economic activities that qualify as "environmentally sustainable" under the EU Taxonomy. This disclosure requires reporting of both taxonomy-eligible and taxonomy-aligned economic activities under the six environmental objectives defined in Article 9 of the EU Taxonomy.

As out lined in section a), the (EBA) issued a no-action letter on the application of ESG disclosure requirements, which included a recommendation that competent authorities do not prioritise the enforcement of the disclosure of ESG Templates 6 to 10; column c of ESG Template 1; and column c of Template 4, within this Pillar 3 disclosure, all of which relate to EU Taxonomy information.

Pursuant to this no-action letter, CEP is making use of the transitional provisions, and has not produced EU Taxonomy reporting as at 30 June 2025, including the key performance indicators included under the EU Taxonomy.

d) ***Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce environmental risks.***

Under Citi's Environmental and Social Risk Management (ESRM) processes, CEP has implemented both the relevant exclusion criteria and counterparty level assessment as a part of the underwriting process. Any new transaction (that meets or exceeds certain financing thresholds) with a known use of proceeds directed to a specific physical project, asset, or activity that may have real or perceived environmental or social risks, requires assessment of the client's ability to manage the relevant risks. Under the ESRM Policy, Citi has outlined sector specific requirements for a number of sectors, including Thermal Coal Mining, Coal-Fired Power, Mining, Oil & Gas, and certain Agribusiness industries. The policy is updated periodically, and a summary is publicly available.
In addition, to help with understanding of the climate-related risk profiles of the individual corporate clients in certain sectors, Citi created a tool called the Climate Risk Assessment & Scorecard (CRAS). Further details have been outlined in the Risk Management section, refer to section j).

Governance

e) ***Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of environmental risk management covering relevant transmission channels.***

f) ***Management body's integration of short-, medium- and long-term effects of environmental factors and risks, organisational structure both within business lines and internal control functions.***

g) ***Integration of measures to manage environmental factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body covering relevant transmission channels.***

h) ***Lines of reporting and frequency of reporting relating to environmental risk.***

i) ***Alignment of the remuneration policy with institution's environmental risk-related objectives.***

Roles and Responsibilities of CEP's Management Body
Roles and responsibilities for the management of C&E risks are assigned within CEP's organisational structure including the Board of Directors and its committees, Management Committees and across its three lines of defence. In addition to the roles and responsibilities at the legal entity level, CEP also collaborates with various subject matter experts and teams across Citi to support a holistic implementation of the C&E risk framework.

In order to meet regulatory, client and other stakeholder requirements as well as to mitigate and manage C&E risks, CEP continues to integrate environmental risk considerations into its relevant products and operations as needed. In addition, to progress its broader sustainability priorities, while appropriately mitigating and managing identified risks and their impact, CEP aims to monitor KPIs per sustainability risk categories: Environmental, Social, and Governance.

Board of Directors (the Board)
CEP's Board is the governance body with the highest decision-making authority within the legal entity. The Board is responsible for ensuring that prudential and conduct risk management requirements are adhered to for CEP and its subsidiaries, on a consolidated basis where required by regulation. The BHW chief executive officer presents to the Board when appropriate and has the opportunity for dialogue with the Board to discuss matters related to consolidated supervisory requirements.

The Board oversees the CEP Executive Committee's (ExCo) process of the identification, assessment, and management of sustainability-related impacts, risks and opportunities. The Board and its committees with roles in the sustainability oversight process receive periodic topical reporting on certain sustainability matters that warrant their review and challenge, including those related to climate change; conduct risk, risk management; and human capital, among others. In the course of such reporting and through management escalations, matters relevant to CEP's sustainability-related impacts, risks and opportunities requiring Board attention or approval would be raised to the Board as necessary and, if appropriate, considered together with other relevant risks when overseeing strategy, material transactions, and risk processes. The oversight by the Board is set out in its Terms of Reference, and the Board has delegated certain responsibilities to its Committees as described in their Terms of Reference, which are reviewed annually by the Board. CEP's activities related to environmental, social, and governance topics, including the management of sustainability-related impacts, risks and opportunities, are then delegated to, and driven and executed by, management with input, strategic guidance, and senior-level review by specialised management-level committees, forums, and teams throughout the Company.

CEP's management plays an essential role in its sustainability governance through forums and committees which oversee key strategic priorities and decision-making. CEP's CEO directs and oversees the day-to-day management of the Company as delegated by the Board. The CEO leads the Company through the ExCo and provides oversight of CEP's activities, both directly and through authority delegated to committees established to oversee the management of risk and continued alignment with Citi's strategy.

Roles and responsibilities for the management of sustainability risks are then assigned within CEP's organisational structure, including the ExCo, the risk management committee and the ESG Steering Group.

The role of key functions within CEP's organisational structure responsible for the management of ESG risks are as follows:

Executive Committee
The CEP ExCo is responsible for ensuring CEP adequately embeds sustainability considerations, opportunities and risks in the overall business strategy and risk management framework. It monitors and reports to the Board as necessary, related metrics, including those set out in the Strategic Plan.

Risk Management Committee
The key responsibilities of the committee include discussing risk issues inclusive of considering the risk components of sustainability matters.

ESG Steering Group
The purpose of the CEP ESG Steering Group is to act as a cross functional, central forum to bring together expertise from stakeholders across CEP to progress the sustainability risk integration, as well as to support and monitor the implementation of regulatory requirements and expectations around sustainability. Strategic and other important sustainability related matters might also be considered by the ESG Steering Group to support the decision-making process within CEP.

Included within the CEP ESG Steering Group, among other areas, are the First Line of Defence (responsible for the management of sustainability risks, sustainability-related products and services, resourcing, and training), Risk Management and Independent Compliance Risk Management (Second Line of Defence). In addition to the roles and responsibilities at the legal entity level, CEP collaborates with various subject matter experts and teams across Citi to facilitate a holistic implementation of sustainability governance.

Although CEP's financing activities and operational GHG emissions are included within Citi's group-level sustainability goals and commitments, CEP's Board of Directors and ExCo do not oversee the setting or progress of Citi's targets.

Citi is continuously evaluating and developing the employee training program on climate change and sustainability. Please refer to the 2023 Citi Climate report, section- Capacity Building and Expertise for more information.

The Risk Committee (sub-committee of the Board) and the Risk Management Committee receive regular updates on C&E risk related matters. The focus of such updates is based on the outcome of existing processes (listed below) and regulatory updates. The frequency of processes can range from quarterly to annual. Some of the key processes are listed below:

- Strategic Plan: The strategic planning process is performed in the context of the changing environment and perceived business opportunities and includes a risk assessment of the material risks facing CEP, including C&E risk. The strategic planning process includes setting KPIs to monitor CEP's progress against metrics related to strategic climate and environmental risks.
- Risk Appetite and Limits: CEP recognises C&E risks as a driver of its existing risk categories. CEP operates within the Board-approved risk appetite which takes into consideration C&E risks within the management processes and governance of these impacted risk categories.
- New Product Approval Process: CEP integrates climate risk into the New Activities Approval Process through the introduction of C&E related questions.
- Risk Monitoring: As C&E risks are a driver of existing risk categories, the First Line of Defence is responsible for integrating C&E considerations into the monitoring of respective risk categories. This includes the identification, escalation, and remediation of breaches of any applicable risk appetite, limits, and/or thresholds. CEP has established a regular monitoring process that covers the climate risk exposure, monitoring of the climate risk metrics and status of embedding of climate risk management tools. As part of this, Key Risk Indicators (KRIs) for operational, strategic, reputational and compliance risks are measured quarterly within the Non-Financial Risk Appetite process.
- Quarterly Material Risk Statements: the results of BES process (refer to section a)) informs the quarterly review of CEP's material risk statements.

Alignment to Remuneration Policy
Where permissible under relevant local laws, regulatory requirements and guidelines, the CEP Remuneration Policy Statement is applicable on a consolidated basis, to CEP and its subsidiaries. Sustainability considerations are part of Citi's firm-wide strategy and integrated into business and long-term priorities. Sustainability metrics are reflected in certain goals across Citi globally, and these are cascaded to selected individuals.

Risk management

j) Integration of short-, medium- and long-term effects of environmental factors and risks in the risk framework.

C&E risks present short-term, medium-term and long-term risks to CEP and to its clients with the risks expected to increase over time. CEP manages C&E risk as part of a wider approach to managing sustainability risks. C&E risks are two interconnected and to some degree overlapping risks originating from climate and environmental aspects.

They may present a combined effect and both risks may reinforce each other. It is important to underline that not all environmental degradation originates from climate change, therefore a distinction between the two definitions is required. Both risks shall be assessed on an individual and combined basis.

Climate risk is defined as the risk stemming from climate change either through physical risk (which refers to impact of changes in climate and weather) or through transition risk (which refers to risk arising from actions needed to mitigate the impacts of climate change by transitioning to a low-carbon economy).

Environmental risk includes both the risk of 1) negative impacts to the environment from client activities, as well as 2) negative impacts to the client from environmental factors, both of which could lead to credit or reputation risk to Citi. As a result, environmental risk may lead to financial or non-financial risks. Similarly to climate related risk, environmental risk also presents physical risk and transition risk aspects.

CEP considers C&E risk as a crosscutting risk which can manifest through or amplify existing risks within CEP's risk taxonomy. These impacts may be from either physical- or transition-related climate and environmental drivers and may vary depending on the time horizon. CEP defines transmission channels that are the causal chains that explain how C&E risk drivers may materialise directly or indirectly as sources of financial or non-financial risk to CEP. For details on the transmission channels for C&E risk refer to section r). CEP continues to consider and integrate C&E matters into CEP's overarching risk management framework and processes in line with Citi's approach. Over the past year, Citi continued to develop tools to assess climate risk and other environmental risks and engage Citi clients with respect to climate risk and transition plans. Citi has also continued building risk identification, management, and scenario analysis capabilities.

The CEP Climate Related and Environment Risk Management Framework ("Framework") has been approved by the Board. It details the governance, principles, and requirements for integration of the C&E Risk into business-as-usual risk management activities across the risk management lifecycle (risk identification, risk measurement, risk monitoring, risk control and risk reporting) and through Risk Enterprise Programs. The update from October 2024 included expanded definitions and additional examples of environmental risk aspects. The Framework has been formulated in conjunction with the Citi Climate Risk Management Framework that applies to Citi and all of its businesses, functions, geographies, and legal entities that give rise to risk exposure.

The identification of C&E risk is based on a set of standard C&E risk drivers linked to the CEP Risk Taxonomy, its transmission channels and materiality of the risk impact assessed over different time horizons. CEP has reflected the Citi developments with regard to climate risk identification and assessment and further expanded a quantitative approach to other environmental risks in line with regulatory requirements. Therefore, the climate and environmental risks are reflected as a cross-cutting risk in CEP's Risk Taxonomy. Results of the assessment inform the development of the CEP Strategic Plan, CEP Risk Appetite Statement and ICAAP/ILAAP processes.

Heatmaps have been developed by Citi to deepen the understanding of the sectors of Citi's business that are most sensitive to climate risk. In 2024, Citi further enhanced the heatmap methodology for corporate clients.

To support the risk identification process, CEP uses climate vulnerability heatmaps to assess the vulnerability of corporate sectors. The revised methodology is underpinned by the following considerations:

- Vulnerability to transition drivers and transmission channels includes an assessment of the impact of decarbonization efforts on the long-term demand profile of the sector's end-product (includes whether a sector is likely to see demand destruction, demand substitution or limited impact on demand), and an assessment of the underlying drivers to date from a technology, policy and stakeholder perspective.
- Vulnerability to physical risk drivers and transmission channels includes an assessment of the dependency of the sector's business model on its fixed assets base, the geographic concentration of fixed assets and/or its supply chain. Physical risk vulnerability assessment is performed at a macro level and is not reflective of the vulnerability of our clients' or collateral geospatial footprint.

Climate vulnerability heatmaps are utilised within CEP to support our risk identification, risk monitoring, scenario design, inform climate risk metrics and KRIs and use in CEP's internal reporting. The heatmaps express the vulnerability of corporate sectors to climate risk physical drivers and transmission channels on the scale of 1 to 4 over two different time frames, short-term (<5 years) and long-term (>5years).

The methodology for risk materiality assessment is guided by the following steps:

- Identification of risk drivers and transmission channels relevant for CEP's current business model and in line with the risk categories defined in CEP's Risk Taxonomy.
- Mapping of the potential C&E drivers and transmission channels to CEP's existing financial and non-financial risks on an expert judgment-based approach.
- Analysis of the C&E risks and their potential impact on the risk categories through the defined transmission channels, including quantitative assessment of concentrations of climate risks, based on internal exposures/revenues as well as Citi developed tools (including the climate risk sectoral heatmap), supplemented with qualitative analysis. The assessment of other environmental risks was enhanced with quantitative approach (leveraging publicly available tools) and supported with qualitative analysis and expert judgment.
- Assessment of the materiality of the risk impact across risk categories through a combination of quantitative concentration thresholds and qualitative assessment, across different time horizons in line with CEP's risk materiality definition.

The materiality assessment is based on the results of qualitative and quantitative metrics as applicable in case of a particular risk stripe. The latest RIAP was completed in Q4 2024, and the results are given under Table 42.

Table 42: CEP's RIAP results for the materiality assessment across all time horizons

Risk Stripe	Climate/Environmental risk type	Climate Risk			Environmental Risk		
		Short Term (1 - 3 Years)	Medium Term (3 - 5 Years)	Long Term (>5 Years)	Short Term (1 - 3 Years)	Medium Term (3 - 5 Years)	Long Term (>5 Years)
Credit Risk	Transition	Material	Material	Material	Non–material	Material[1,2]	Material
	Physical	Non–material	Material	Material	Non–material	Material[1,2]	Material
Market Risk	Transition	Non–material	Non–material	Non–material	Non–material	Non–material	Non–material
	Physical	Non–material	Non–material	Non–material	Non–material	Non–material	Non–material
Liquidity Risk	Transition	Material	Material	Material	Non–material	Non–material	Non–material
	Physical	Non–material	Non–material	Non–material	Non–material	Non–material	Non–material
Operational Risk	Transition	Non–material	Non–material	Non–material	Non–material	Non–material	Non–material
	Physical	Non–material	Material	Material	Non–material	Non–material	Non–material
Reputational Risk	Transition	Material	Material	Material	Non–material	Material[1,3]	Material
	Physical	Material	Material	Material	Non–material	Material[1,3]	Material
Strategic Risk	Transition	Material	Material	Material	Non–material	Material[1,4]	Material
	Physical	Non–material	Non–material	Non–material	Non–material	Non–material	Non–material
Compliance Risk	Transition	Material	Material	Material	Material	Material	Material
	Physical	Non–material	Non–material	Non–material	Non–material	Non–material	Non–material

CEP's Board-approved Risk Appetite Statement (RAS) outlines statements and levels for all material risks, supported by a suite of metrics. These metrics enable the Board to effectively monitor adherence to its defined risk appetite. During the 2023-2025 RAS process, CEP's risk appetite statements were updated to reflect materiality of C&E risks within CEP and a new supporting RAS metric was introduced. This metric quantifies the ratio of exposure to 'Major' and 'Moderate' climate-vulnerable industries as a percentage of CEP's total credit risk exposure.

For C&E exposure, a specific RAS limit has been approved, along with an escalation trigger. This allows effective oversight while new climate risk credit assessment tools are being implemented. Furthermore, KRIs for operational, strategic, reputational, and compliance risks are measured quarterly within Non-Financial Risk Appetite process and have incorporated climate risk transmission channels. The established limit or trigger breach management escalation protocols are followed in line with the existing risk management framework and practices applicable to each risk stripe.

k) Definitions, methodologies and international standards on which the environmental risk management framework is based

Citi and CEP's policies are guided by the external principles and standards listed below, which inform Citi's approach to environmental risk management:

- IFC Performance Standards
- World Bank / IFC Environmental, Health and Safety Guidelines
- Forest Stewardship Council Certification
- Roundtable on Sustainable Palm Oil (RSPO)

In addition, the approach to sustainable finance and net zero is informed by the following external principles, standards and industry groups:

- Green Bond Principles
- Partnership for Carbon Accounting Financials (PCAF)
- Principles for Responsible Banking
- Poseidon Principles
- United Nations Environment Programme Finance Initiative (UNEP FI)
- United Nations Global Compact

CEP has adopted a set of rules for effective C&E risk management that has been informed by reference to the following non-exhaustive list of regulatory guidance:

- European Central Bank (ECB), Guide on Climate-related & Environmental risks
- European Commission Delegated Regulation (EU) 2021/1253 (MiFID II sustainability-related amendments)
- European Banking Authority (EBA), Guidelines on Loan Origination and Monitoring.
- European Banking Authority (EBA), Report on management and supervision of ESG risks for credit institutions and investment firm
- Basel Committee on Banking Supervision (BCBS), Principles for the Effective Management and Supervision of Climate-Related Financial Risks
- Basel Committee on Banking Supervision (BCBS), Climate-related risk drivers and their transmission channels
- Basel Committee on Banking Supervision (BCBS), Climate-related financial risks – measurement methodologies
- Network for Greening the Financial System (NGFS), Guide to climate scenario analysis for central banks supervisors
- Office of the Comptroller of the Currency (OCC), Principles for Climate-Related Financial Risk Management for Large Banks

[1] Changes in materiality assessment comparing to RIAP Process Q4 2023 results.

[2] It reflects the expectation that environmental risks will become significant in the medium term, driven by higher probability of these risk events negatively affecting creditworthiness and clients' ability to repay.

[3] The Environmental Reputational Risk is expected to start materializing in medium-term horizon, which is driven by increasing ECB regulatory expectations as well as the ongoing development of the frameworks and best practices across financial industry.

[4] Growing regulatory expectations towards environmental risks and EU ambitions in this area might impact CEP's Environmental Strategic Risk starting from medium term.

l) Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to environmental risks, covering relevant transmission channels

m) Activities, commitments and exposures contributing to mitigate environmental risks

CEP, in line with Citi, manages and mitigates the credit and reputation risks from climate and environmental change through numerous internal initiatives, including Citi's ESRM Policy. The ESRM Policy provides the framework for how Citi identifies, mitigates, and manages the potential environmental and social risks associated with clients' activities that could lead to credit or reputation risks to Citi. For qualifying transactions (as detailed in section c)) it guides how Citi evaluates lending, underwriting and advisory services in environmentally sensitive and/or high-carbon sectors, and presents opportunities for Citi to engage with clients on solutions to thematic risks. Citi's ESRM Policy covers lending and underwriting with identified use of proceeds directed to physical assets and activities, as well as sector-specific requirements for corporate relationships in higher-risk sectors, including carbon-intensive sectors.

Activities and exposures that may be exposed to environmental risk are identified prior to execution of a transaction. As set out in the ESRM Policy, clients in certain sectors that have particularly sensitive environmental and social risks require ESRM screening. These include Agribusiness, Mining, Coal-Fired Power and Oil and Gas. In addition, where a banker or risk manager identifies a concern relating to an Area of High Caution which include high biodiversity risk among other environmental risks, the transaction should be submitted to the ESRM unit for further review. The ESRM unit applies a risk-based approach when considering counterparties' management of environmental and social risks.

Citi has committed not to finance any new or expanding coal-fired power plants or thermal coal mines globally. The ESRM Policy sector specific requirements on thermal coal mining also includes a commitment to eliminate our credit exposure to clients with greater than 25% revenues from thermal coal mining by 2030 and restrict financing for clients with coal-fired power generation over time unless they are in alignment with the goals of the Paris Agreement.

Following the publication of the EBA Guidelines on Loan Origination and Monitoring in May 2020, CEP developed the ESG Credit Assessment Procedure which includes in its credit-decision process the quantitative assessment of a borrower's exposure to climate risk and qualitative assessment of other environmental, social and governance risks. For the climate risk assessment, CEP has embedded a quantitative tool called the Climate Risk Assessment & Scorecard (CRAS) that has been developed by Citi to better understand the climate risk profiles of individual corporate clients. The CRAS was designed to identify the most material climate risks Citi clients face and the management plans in place for adaptation and mitigation of those risks, using both quantitative and qualitative inputs. The tool assesses clients' vulnerability to climate risk, the feasibility of their plans to transition to a low carbon environment and the quality of their governance and disclosure. Citi's Climate Risk Report 2023 provides more details regarding components, usage, and development of CRAS.

Please refer to section h) and section j) for details regarding how sustainability factors are assessed in line with the EBA Guidelines on Loan Origination and Monitoring for CEP and for further details regarding the risk identification process.

Citi has a goal of achieving net zero emissions associated with financing activities by 2050, and net zero emissions for operations by 2030. Citi's climate risk and net zero work relate to and reinforce one another, relying on common data elements to help drive its understanding and progress in both. Citi's climate risk work focuses on the identification, measurement and management of key risks arising from climate change, while its net zero work focuses on Citi's impacts on the climate, striving toward its net zero emissions reduction targets and supporting clients in the clean energy transition.

n) Implementation of tools for identification, measurement and management of environmental risks

CEP has a range of tools for the purposes of identification and management of environmental risks which are further detailed in section h) and section j).

o) Results and outcome of the risk tools implemented and the estimated impact of environmental risk on capital and liquidity risk profile

CEP has developed a single climate risk scenario, of which the impact on capital and liquidity is included in CEP's ICAAP and ILAAP. Particularly as they pertain to risk identification, scenario design, modelling, reporting, use of results and overall governance. The scenario narrative specifies the time horizons, geographical granularity, sectoral differentiation, scenario plausibility and severity

CEP considers this climate risk scenario as one of it's adverse macro-economic stress scenarios within its ICAAP, to assess the potential impact of climate-related risk drivers on CEP's risk profile. Considering the limitations of historical benchmarks, climate scenario analysis requires the adoption of methodologies that may be extended through prudent application of expert judgment and qualitative approaches.

CEP's climate risk scenario projects a disorderly short-term transition to a climate neutral economy. It envisions rapid policy changes triggered by extreme weather events, alongside their broader economic and physical impacts. In line with other risk types, scenario analyses are conducted to capture the specific vulnerabilities of the institution informed by the climate-related and environmental risk materiality assessment. For credit exposures, CEP uses climate transition and physical risk model to stress the impact of the transition to a low carbon economy and to understand the impact of physical climate risk, such as heat and water stress, and flooding in various obligors within CEP's portfolio.

CEP uses stress testing, to assess the potential impact of climate-related risk drivers on our risk profile as part of the annual ICAAP Process. Climate risk drivers are variables needed to represent the asset, regional and sectoral economic impacts of climate risk. These include the primary drivers used to quantify the climate risk shock(s) or changes in trends (e.g., carbon price) and the immediate sectoral/regional macroeconomic impacts.

Given the materiality of climate risk on operational risk, CEP has incorporated a climate physical scenario in its operational risk stress testing in the ICAAP exercise. This results in incremental stress scenario losses included in the overall ICAAP results, and the capital impact of a climate risk associated operational loss events is incorporated into the quantitative assessment of the CEP's capital adequacy under the ICAAP Normative and Economic Perspective.

In respect of liquidity, in addition to the impact of the single climate risk scenario, CEP's ILAAP also includes an idiosyncratic climate scenario which assumes a stress on some of CEP's key material liquidity risk drivers as a result of the climate events.

p) Data availability, quality and accuracy, and efforts to improve these aspects

The availability and quality of climate and wider ESG data and metrics continues to present a challenge in non-financial reporting. CEP, as part of Citi, is committed to contributing to methodology improvements and developing tools to assess climate risk and climate data, including the quantification of the GHG emissions; these capabilities will continue to evolve as the underlying data improves.

Through Citi's transformation, Citi and CEP are working to modernise and simplify the firm so that risk can be managed better, and service to customers and clients are improved. Through the modernisation of the data infrastructure and operations, we look to strengthen and improve the safety and soundness of Citi and CEP's data capabilities.

As part of this, CEP leverages off defined Citi data procedures and protocols for the data used in disclosure reporting and risk identification, assessment and management, where appropriate, while supplementing this with additional information relevant to CEP's needs. This allows CEP to utilise the scale of Citi for data governance, data quality validations, and automation.

Given the nature of the maturity and availability of data (counterparty and otherwise) for environmental topics, there are assumptions made due to the limitations of data utilised in CEP's reporting. The key gaps relate to the coverage of counterparties included within greenhouse gas financed emissions, counterparty attributes in respect of energy efficiency and physical risk and data in respect of alignment of counterparty revenue to the EU Taxonomy. CEP has outlined specific data limitations in respect of Tables 43 - 46 prior to each disclosure.

CEP will continue to monitor regulatory developments which may require counterparties to enhance the availability of their data, while CEP also looks to continue to strengthen its data sourcing to address the availability of information.

q) Description of limits to environmental risks (as drivers of prudential risks) that are set, and triggering escalation and exclusion in the case of breaching these limits

For details on the risk limits in place to manage C&E risk refer to section j).

r) Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework

CEP views C&E risks as a cross-cutting risk, that can manifest itself within each of the main risks categories, i.e. strategic, credit, market, liquidity, operational, compliance and reputational risk. Citi has also identified transmission channels through which climate risk may impact other risk stripes. Transmission channels are the causal chains that explain how C&E risk drivers may materialize directly or indirectly as sources of financial or non-financial risk to CEP with the following considerations:

- Vulnerability to transition drivers and transmission channels includes an assessment of the impact of decarbonization efforts on the long-term demand profile of the sector.
- Vulnerability to physical risk drivers and transmission channels includes an assessment of the dependency of the sector's business model on its fixed assets base, the geographic concentration of fixed assets and/or its supply chain.

Citi's Climate Report 2023 provides examples of potential transition and physical risks associated with Citi's risk categories and the impacts that climate risk drivers can have on these same categories.

For CEP the identification and assessment of C&E risk is a part of day-to-day risk management and incorporates current and forward-looking views.

Social risk

Business strategy and processes

a) Adjustment of the institution's business strategy to integrate social factors and risks taking into account the impact of social risk on the institution's business environment, business model, strategy and financial planning

Social risk as defined by Art 449a guidance relates to those social risk approaches undertaken by the institution's counterparties which the remainder of this section of the document articulates. In addition, CEP has a number of processes related to the management of its own social risks including in relation to employees which can be found in the Sustainability Statement included as part of the Directors' Report within CEP's Annual Report and Financial Statements for the year ended 31 December 2024. For CEP, social risks such as labour relations may create financial or reputational risks for counterparties, which may then become a credit or reputational risk for banks. Social factors such as security, social inequity, health, education and migration can be a driver of macroeconomic factors which may affect the business environment of our counterparties.

Management of social risks pertaining to Citi's clients occurs through the Environmental and Social Risk Policy Framework which outlines our approach and the standards we apply to environmental and social issues, including human rights issues, within financing of our clients' activities. The policy framework is updated from time-to-time, informed by emerging risks and stakeholder engagement. This Policy includes prohibitions against doing business with companies who our due diligence has identified as being directly involved in forced labour or harmful child labour. In addition, the Policy has Areas of High Caution describing the most sensitive risks to screen for, such as elevated human rights risks, Indigenous Peoples risks or conflict risk (from community-company conflict).

Banks have a role to play in enabling flow of capital to economic activities that enable society to progress. Citi has an on-the-ground presence in 90+ countries and does business in nearly 160 countries. Social finance, such as financing of basic infrastructure, education and healthcare for underserved populations, is integrated into Citi's $1 trillion by 2030 sustainable finance goal and is supported by a specialist Social Finance team.

b) Objectives, targets and limits to assess and address social risk in short-term, medium-term and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes

Citi, including CEP, supports the protection and fulfilment of human rights around the world and are guided by fundamental principles of human rights, such as those in the UN Universal Declaration of Human Rights and the International Labour Organization's (ILO) Declaration on Fundamental Principles and Rights at Work (including the fundamental core conventions). Citi seeks to conduct our business consistent with the expectations articulated for companies in the UN Guiding Principles on Business and Human Rights.

Citi's commitment to fair, ethical and responsible business practices, as we engage with employees, clients, vendors and communities around the world, is embodied in our values and Code of Conduct.

Citi's ESRM Policy guides our approach to assessing environmental and social risks related to financing our clients' business activities.

Citi has committed to finance and facilitate USD $1 trillion in sustainable finance by 2030, to help accelerate the transition to a sustainable, low-carbon economy that supports society's environmental, social and economic needs. Transactions must meet specified environmental or social criteria to contribute towards this goal.

Citi's specialist Social Finance team works across Citi businesses globally to develop scalable business platforms and client solutions that enable the organisation, our clients and partners to expand financial inclusion, accelerate access to basic services, boost job creation and scale social infrastructure development in emerging markets.

c) ***Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce socially harmful activities***

Citi's ESRM Policy guides our approach to engaging with clients to help us responsibly mitigate environmental and social risks in our financing. The ESRM Policy covers a broad scope of financial products and client sectors and guides how we assess client impacts and associated risks.

Under the Policy, we have outlined specific Sector-Specific Requirements for a number of sectors as well as Areas of High Caution for any transaction which include potential risks to project-induced community conflict, indigenous Peoples, cultural heritage, human rights, environmental justice and involuntary resettlement.

Our approach to project-related transactions is informed by internationally recognized standards and frameworks including those articulated by the World Bank, and the International Finance Corporation (IFC).

We screen clients for risks related to forced labour and modern slavery through Citi's Global Anti-Money Laundering Program and Know Your Customer protocols. These protocols designate human trafficking as among the most severe types of risks for financial crimes due to the risks of traffickers laundering their illicit proceeds via our financial products, services, or those of our correspondent banking relationships.

Governance

d) ***Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of social risk management covering counterparties' approaches to:***
   - *i* ***Activities towards the community and society***
   - *ii* ***Employee relationships and labour standards***
   - *iii* ***Customer protection and product responsibility***
   - *iv* ***Human rights***

e) ***Integration of measures to manage social factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body***

f) ***Lines of reporting and frequency of reporting relating to social risk***

g) ***Alignment of the remuneration policy in line with institution's social risk-related objectives***

Citi's (inclusive of CEP) ESRM Policies govern their respective approaches to identifying potential social risks related to our client activities. The ESRM Policy considers our clients approach to employee health and safety, community health and safety and community engagement. The ESRM Policy also has Areas of High Caution that can be triggered in any sector if there are concerns on human rights risks, Indigenous Peoples risks, or conflict risk.

Implementation of the ESRM Policy is a shared responsibility across Citi. The first line of defence, including bankers and/or risk managers are responsible for identifying transactions and clients subject to the ESRM Policy, and when required, contacting the ESRM team for review. Citi has a specialized team of subject matter experts responsible for reviewing transactions and client relationships subject to the ESRM Policy when referred by the 1st line of defence business units. In the course of their credit review, the relevant ESRM team member independently determines whether the ESRM process requirements have been fulfilled in consultation with bankers and the ESRM unit. Citi's ESRM team may further escalate human rights risks identified to relevant reputation risk forums.

The Citi Board of Directors has ultimate oversight of our work to identify, assess and integrate sustainability-related risks and opportunities throughout Citi, including our climate-related work and Talent Management efforts. The Nomination, Governance and Public Affairs Committee receives reports from management on our activities pertaining to environmental sustainability, climate change, human rights and community investment. The Citi Audit Committee has oversight over the controls and procedures related to Citi level sustainability and climate-related reporting. The Risk Management Committee of the Citi Board of Directors reviews key risk policies, including those related to sustainability.

Citi's commitments to human rights are disclosed in the Statement on Human Rights.

Alignment to Remuneration Policy

Where permissible under relevant local laws, regulatory requirements and guidelines, the CEP Remuneration Policy Statement is applicable on a consolidated basis, to CEP and its subsidiaries. Sustainability considerations are part of Citi's firm-wide strategy and integrated into business and long-term priorities. Sustainability metrics are reflected in certain goals across Citi globally, and these are cascaded to selected individuals.

Reinforcing gender neutrality and inclusion, continues to be a key focus area, particularly as Citi considers this to be one of the key elements of its sustainability approach. Citi continues to uphold the principles of inclusion and equal opportunity in its talent and remuneration policies and practices, recognising that diverse perspectives contribute to stronger outcomes. In doing so, we remain focused on creating a supportive environment where all employees can perform at their best.

Risk management

h) ***Definitions, methodologies and international standards on which the social risk management framework is based***

i) ***Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to social risk, covering relevant transmission channels***

j) ***Activities, commitments and assets contributing to mitigate social risk***

k) ***Implementation of tools for identification and management of social risk***

Activities and exposures that may be exposed to social risk are identified prior to execution of a transaction. As set out in the respective ESRM policies for Citi (which includes CEP), where a relationship manager or risk manager identifies a concern relating to an Area of High Caution which include conflict risk, indigenous rights, cultural heritage, elevated human rights risks, environmental justice and involuntary resettlement, the transaction should be submitted to the ESRM unit for further review. The ESRM unit applies a risk-based approach when considering counterparties social risks and management of social risks.

For the purposes of identifying social risk, ESRM uses third party vendors to help screen for social risks as part of its ESRM Policy.

Citi's sustainability commitments are disclosed in the global Sustainability Report. This includes Citi's commitment to sustainable finance. It aims to further accelerate the transition to a sustainable, low-carbon economy that balances society's environmental, social and economic needs. CEP's Banking and Services businesses may undertake transactions that are included in the sustainable finance goal including sustainability-linked loans and sustainability-focused project-related loans, in line with Citi's Sustainable Finance Goal guidance.

Please refer to [Environmental and Social Policy Framework, section- Environmental and Social Risk Management (ESRM)](#).

l) Description of setting limits to social risk and cases to trigger escalation and exclusion in the case of breaching these limits

Any concerns with social risk related to a client or transaction can be referred to the ESRM team for review. As detailed in the Citi Environmental and Social Policy Framework. CEP, in alignment with Citi, do not do business with companies when our due diligence indicates that they are active in the following activities:

- Production or activities involving modern slavery, human trafficking or forced labour, defined as all work or service, not voluntarily performed, that is extracted from an individual under threat of force or penalty;
- Production or activities involving harmful or exploitative forms of child labour. Harmful child labour means the employment of children that is economically exploitive, or is likely to be hazardous to, or interfere with, the child's education, or be harmful to the child's health, or physical, mental, spiritual, moral or social development;

In addition, Citi's Environmental and Social Policy Framework includes a number of Areas of High Caution related to social risks.

Areas of High Caution
Consistent with the precautionary principle of "do no harm," Citi recognises that there are certain Areas of High Caution that require special attention, focus and respect due to heightened risks which may also subject Citi to associated credit and reputation risks. These Areas of High Caution apply where these risks are identified, regardless of financial product or sector. Citi only proceeds with transactions where these Areas if High Caution are present after a thorough assessment of impacts and risks, and confirmation that mitigation measures have been or will be designed to comply with ESRM Policy and international standards. Where applicable, Citi considers relevant national laws and international standards such as the U.N. Guiding Principles on Business and Human Rights, and, for emerging markets, the IFC Performance Standards. In addition, in project-related transactions where these risks are present, Independent Review of social and environmental assessment documentation by a qualified independent consultant with the relevant expertise may be required, as determined by the ESRM unit, to evaluate whether risks and impacts are being appropriately managed. These Areas of High Caution include the following thematic areas.

Project-Induced Conflict Risk
Project development in sectors with large land requirements, such as mining, oil & gas and agribusiness, may trigger conflict due to land conversion needs. This need for resources and land may also trigger company-community conflict presenting risk to rights holders. In these project-related financing cases, Citi carefully considers key conflict factors such as sources of tension, root causes of conflict, different stakeholders' perspectives and motivations, and ability to address such risks. In addition, projects in fragile and conflict-affected areas present risk in the management of project security, for example mining projects involving "conflict minerals." In these cases, we recommend our clients use the Voluntary Principles on Security and Human Rights as guidance for managing their engagement of security forces.

Elevated Human Rights Risks
Certain risk factors in client activities can lead to elevated human rights risks that require special attention. If a transaction involves a project with any of the following risk factors, it receives enhanced human rights due diligence:

- Projects in countries or regions with both the presence of significant vulnerable populations and with a history of known human rights abuses relevant to the sector. Vulnerable groups may have increased difficulty in adapting to changes brought by projects and may not have access to adequate protection, respect and remedy for their human rights, and thus significant presence of these groups in the project area of influence increases the social risks;
- Projects in countries or regions with a history of known human rights abuses related to the sector and weak enforcement of labour laws, especially occupational health and safety and freedom of association;
- Projects involving in-migration of large labour forces, which can lead to a higher risk of human trafficking or forced labour.
- Projects with environmental justice concerns due to disproportionate or adverse environmental and health impacts on racial or ethnic minority communities.
- Projects related to constructing or operating private prisons.

Indigenous Peoples
Citi recognises and respects the unique historical treatment and collective rights of Indigenous Peoples, and understands that these communities' languages, beliefs, cultural values and lands are often under threat, representing a higher degree of vulnerability than other project-affected communities. Citi will use extra caution and conduct enhanced due diligence (which may require independent review by a qualified social expert) when the transaction may pose adverse effects to:

- An area used or traditionally claimed by an indigenous community;
- Their communal self-preservation based on traditional ways of life; or
- Their use or enjoyment of critical cultural heritage that is essential to their identity and/or the cultural, ceremonial or spiritual aspects of their lives.

Building upon government efforts, companies must not infringe upon the rights and protections for Indigenous Peoples contained in relevant national law, including those laws implementing host country obligations under international law. Globally, in project-related lending for projects involving involuntary resettlement of indigenous communities, significant impacts on land and natural resources traditionally used by the community, or significant impacts on critical cultural heritage, project sponsors are expected to have engaged in meaningful consultation with directly affected Indigenous Peoples, with the goal of achieving Free Prior and Informed Consent (FPIC).

Large-scale Resettlement
All transactions involving large-scale resettlement or displacement of people require special attention and enhanced due diligence.

m) Description of the link (transmission channels) between social risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework

Environmental and Social risks related to counterparties' activities are categorised in Citi's risk taxonomy as part of Reputation Risk – Environmental and Social Risk. Social risk as defined in the ESRM Policy refers to the risk of negative impacts arising from our clients' treatment and oversight of employees, contractors and subcontractors, negative impacts to clients' surrounding communities or customers or employee strikes, customer boycotts, community protests, NGO campaigns, divestment or negative public attention to the company as a result of clients' negative environmental or social impacts. Social risk analysis includes consideration of human rights risks. Social risks may be further amplified when they affect vulnerable or marginalized populations.

Governance risk

Governance & Risk Management

a) ***Institution's integration in their governance arrangements of the governance performance of the counterparty, including committees of the highest governance body, committees responsible for decision-making on economic, environmental, and social topics***

Governance and conducting business responsibly are part of the Group's strategy. Acting responsibly builds the trust with the public and clients that allows the Group to pursue its business model for providing financial services that enable growth and economic progress. The Group has established policies, procedures, controls, training modules, and taken actions that promote ethical business conduct and support its long-term resilience.

Citi established a number of enterprise-level programs and training to combat financial crimes in alignment with CEP Compliance as well as with business lines and functions:

- The Global Sanctions Program monitors and fosters awareness of applicable sanctions laws and regulations, assesses sanctions risk exposure, oversees the quality of sanctions control processes, and sets global policies/ standards/processes to identify, measure, monitor, and manage sanctions risk. CEP also has an EU Trade Restrictive Measures ("TRM") ICRM function that monitors and fosters awareness of applicable EU TRM laws and regulations, assesses CEP's businesses exposure to EU TRM risk, and oversees the quality of TRM controls.
- CEP's AML Program is designed to protect both our clients and our franchise from the risks of money laundering, terrorist financing and other financial crimes.
- The Complex Investigation Unit (CIU) is uniquely positioned within Citi's Compliance function to tackle financial crime and provide a globally consistent approach to the prevention and detection of risk.
- The globally applicable Anti-Bribery and Corruption Policy provides guiding principles and requirements to identify and mitigate bribery risks. Given Citi's global presence, Citi regularly verifies that the AB&C Policy, standards, and procedures are consistent with relevant laws, rules, and regulations and reviews and updates the policy at least annually. The policy is designed to be in compliance with applicable laws and covers key aspects of bribery risk. For more information, see the Citi Anti-Bribery & Corruption Program Statement, which is updated at least annually.

These rigorous practices support Citi's and CEP's efforts to grow a successful, respected business that delivers the best possible results for clients and communities, while managing the inherent risks associated with financial crimes.

Citi manages its exposure to internal and external fraud risks through policies and trainings related to fraud risk management. The Fraud Risk Management Policy requires employees to use the Escalation Channels to report suspected incidents of fraud. A Citi Fraud Risk Governance Committee is in place to provide senior management oversight for fraud risk in all Citi businesses, functions, and legal entities in all geographies.

Citi's Global Conduct Risk Management Policy and Standard sets out the requirements for managing the risk that Citi may cause harm to customers, clients and integrity of markets. The Conduct Program, along with that of the Culture Program:

- Set, reinforce, and enhance Citi's risk culture.
- Integrate its values and conduct expectations into the organisation.
- Provide employees with tools to assist them with making prudent and ethical risk decisions and to escalate issues appropriately.
- Ethics and responsible business practices are among the highest priorities for the Group and its stakeholders. The Group's leadership plays an important role in promoting and fostering its corporate culture. CEP has established a Conduct and Culture Risk Working Group to oversee how conduct and culture is managed within the entity.

Citi's Code of Conduct outlines the standards of ethics and professional behaviour expected of employees and representatives of Citi when dealing with clients, business colleagues, shareholders, communities and each other. It also provides an overview of key legal and regulatory requirements and select global policies.

Citi's Code of Conduct emphasises the principle that, when in doubt, employees should always err on the side of escalating concerns. Employees are encouraged to raise concerns to their manager, but if they feel uncomfortable doing so, Citi provides a number of escalation resources, including the Ethics Hotline. The Ethics Hotline provides different channels for employees and any third party, including members of the general public, to report concerns about unethical behaviour to our Ethics Office. Citi prohibits any form of retaliation against anyone who raises a concern or question regarding ethics, discrimination or harassment matters, as well as against anyone who participates in a subsequent investigation.

Hearing from employees is one important way that Citi assesses the strength of ethics and accountability across our company. As part of our annual Voice of the Employee survey, we include an Ethics Index to gather feedback from employees. This survey is conducted in CEP also and provides valuable insights regarding colleague engagement and perceptions about Citi.

CEP has a governance process for managing escalations. Citi's Escalation Policy, and the related Escalation Standard and Procedure, define principles and criteria on matters for escalation (i.e., potential or actual matters or any other situations that may result in negative impacts to the Group such as business impairment, reputation damage, loss, or harm), including escalation of significant matters to the CEP BRCC (Business Risk and Control Committee), the CEP Audit Committee and the CEP Board of Directors, as applicable.

In accordance with the Global Issue Management Policy and the related standard and procedure, businesses and functions must report issues to the designated BRCCs, including the CEP BRCC. High severity matters and issues are escalated to the CEP BRCC and the CEP Audit Committee for further escalation to the CEP Board of Directors, as appropriate.

CEP maintains a mandatory training program underpinned by a standard operating procedure and process, which is owned and monitored by the Independent Compliance Risk Management function. This includes training on, amongst other things, the Code of Conduct, whistleblowing, anti-money laundering and market abuse. Acquiring knowledge in the ethical standards support the dissemination of the core values and principles applied by Citi and CEP.

Citi's ESRM Policy guides our approach to engaging with clients to help us responsibly mitigate environmental and social risks in our financing. The ESRM Policy covers a broad scope of financial products and client sectors and guides how we assess client impacts and associated risks.

Social and Governance risk factors are also considered as part of the CEP Credit Assessment and the assessment is documented in the ESG Section in CEP Credit Approval Package / Credit Approval Package - CCB Social and Governance Form. By completing this section Bankers / Analysts describe and assess the impact of Social and Governance factors to the creditworthiness of the borrower.

b) ***Institution's accounting of the counterparty's highest governance body's role in non-financial reporting***

c)- d) Institution's integration in governance and risk management arrangements of the governance performance of their counterparties including:

- ***a) Ethical considerations***
- ***b) Strategy and risk management***
- ***c) Inclusiveness***
- ***d) Transparency***
- ***e) Management of conflict of interest***
- ***f) Internal communication on critical concerns***

CEP maintains local governance over the provision of non-financial reporting. This is detailed further in section e) of the Environmental Risk section. Citi may use counterparties' non-financial reporting for a number of purposes including Environmental and Social Risk Management, Climate Risk Assessment scorecard and Net Zero review. Citi (and CEP) expect that the quality of non-financial reporting will evolve in the EU as the implementation the Corporate Sustainability Reporting Directive, and related initiatives matures.

Social and Governance risk factors are considered as part of the CEP Credit Assessment and the assessment is documented in the ESG Section in CEP Credit Approval Package / Credit Approval Package – CCB Social and Governance Form. By completing this section Bankers / Analysts describe and assess the impact of Social and Governance factors to the creditworthiness of the borrower.

As part of the Credit Assessment, there is also an assessment of non-financial risk materiality as part of "Key Risks and Mitigants". The non-financial risks assessed in this section include Reputational / Franchise, Environmental / Social, Climate as well as other areas. For each of these risks, the risk is assessed with regard to materiality. If deemed material (i.e. has the potential to materially impact the financial performance of the entity), a rationale for the decision to proceed is requested. A scenario analysis or stress test must then be performed to assess the potential impact on the credit risk, which must explicitly link to the non-financial risks.

Citi's ESRM Policy guides our approach to engaging with clients to help us responsibly mitigate environmental and social risks in our financing. The ESRM Policy covers a broad scope of financial products and client sectors and guides how we assess client impacts and associated risks.

The Citi Group Reputation Risk Committee (the "Committee") has subsequently been established to provide governance and oversight for reputation risk, which is defined at Citi as "the risk to current or projected financial condition and resilience resulting from negative opinion held by key stakeholders". The mandate of the Committee is to govern the processes by which material reputation risks are identified, monitored, reported, managed, escalated, and addressed, in line with the firm-wide strategic objectives, risk appetite thresholds, and regulatory expectation, while promoting the culture of risk awareness and high standards of culture and conduct.

The Global AML Program is an enterprise-level program established to combat financial crimes in alignment with CEP Compliance as well as with business lines and functions. This program is designed to protect both our clients and our franchise from the risks of money laundering, terrorist financing and other financial crimes.

CEP and its branches have their own addendum to the Global AML Policy which sets forth any country specific requirements over and above those specified in the Global AML Policy. The Group's customer due diligence under the policy involves (i) understanding the nature and purpose of the customer relationship, (ii) understanding the beneficial ownership, and (iii) ongoing monitoring of the business relationship to identify and report suspicious transactions. In addition, Citi has processes in place to assess transactions and clients which present heightened bribery risk, in coordination with AML, Sanctions, and Reputational Risk units.

Quantitative disclosures

Climate change transition risk

Climate change presents short-term, medium-term and long-term risks to the Group and to its clients, with the risks expected to increase over time. Climate-related and environment risk refers to the risk of loss arising either through physical risk and/or through transition risk. Further information related to climate change transition risk is set out in section j) of the Environmental Risk disclosures.

Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

Template 1 provides information on the exposures that are more prone to the risks that institutions may face from the transition to a low-carbon and climate resilient economy. Information disclosed shows the gross carrying amount of the Group's loans and advances, debt securities and equity instruments to non-financial corporations, other than those held for trading towards non-financial corporates operating in carbon-related sectors, and on the quality of those exposures, including non-performing status, stage 2 classification, and related provisions as well as maturity buckets.

Identification of companies excluded from EU Paris-aligned Benchmarks as specified in Article 12(1), points (d) to (g) and Article 12(2) of Delegated Regulation (EU) 2020/1818 was done on a best effort basis using available reported counterparty data.

CEP started disclosing information on scope 1, 2 and 3 emissions of their counterparties with first disclosure reference date as of 30 June 2024 and does not have specific targets in relation to financed emissions at a legal entity level.

As subsidiaries of Citigroup Inc ("Citi"), the ultimate parent group, the Group is subject to the strategy, policies and targets of Citi relating to sustainability matters, including climate, and follows Citi's Baseline Emissions and Sector Intensity Methodology. Outlined below, specific details on the accounting methodologies, sector scoping, emissions data lag, and estimations have been included. For further details on the Citi's Baseline Emissions and Sector Intensity Methodology please refer to the 2023 Citi Climate Report and 2023 Citi Climate Report Supplement.

As out lined in section a), the EBA issued a no-action letter on the application of ESG disclosure requirements, which included a recommendation that competent authorities do not prioritise the enforcement of the disclosure of column c of ESG Template 1.

Pursuant to this no-action letter, CEP is making use of the transitional provisions and has not populated information for Column C (of which environmentally sustainable (CCM)) for ESG Template 1. BHW has not relied on these transitional provisions; please refer to BHW's own reporting for information in relation to BHW.

The quantitative information included within ESG Template 1 has been prepared on a consolidated basis.

Accounting Methodologies

CEP calculates financed emissions using outstanding funds (the funds actually drawn down by a client on available credit), per the standard outlined by the Partnership for Carbon Accounting Financial (PCAF). Consistent with PCAF methodology, where financial information is available but the client does not disclose emissions, CEP uses a revenue emissions factor to estimate client emissions and attribute emissions as stated above. Where financial information is not available for clients, CEP has applied an industry average emissions intensity factor (as available through the PCAF emissions factor database) based on the client's primary industry classification, to the available financial information for the client. Currently, there is no single, global, cross-sector data provider that adequately and consistently covers the needed scope for data to analyse emissions and assess physical and transition risks across CEP's operations and portfolios. Instead, CEP obtains historic reported data and leverages certain third-party vendors, such as CDP (formerly, the Carbon Disclosure Project) and S&P Global Sustainable1, to supplement existing data to meet specific needs. Citi also uses the PCAF emissions factor database when needed to fill data gaps.

As out lined in section a), BHW is managed separately by its own Management Board, and as such its approach to sustainability reporting and disclosed matters may differ from those of CEP. As a result, BHW's own quantitative reporting may not be comparable to CEP's in certain metrics.

Sector Scoping

PCAF asset classes and sectors for financed emissions calculations are prioritised based on a variety of factors, including carbon intensity, magnitude of financing, data availability, applicability to Citi's business model, and industry practices. The Group reports financed emissions from high-emitting sectors where Citi has set interim targets. High-emitting sectors have been defined with reference to United Nations Environment Program Finance Initiative's Guidelines for Climate Target Setting for Banks. For other activities where Citi has not set targets, Citi has not included these sectors in financed emissions calculations. The calculations performed have been produced considering the guidelines outlined in PCAF. Citi's financed emissions calculations encompass the loan portfolio for the following carbon intensive sectors: Aluminium, Auto Manufacturing, Aviation, Cement, Commercial Real Estate (in North America), Energy, Power, Shipping, Steel, and Thermal Coal Mining. The Group does not have exposure to Commercial Real Estate (in North America) or Thermal Coal Mining, and accordingly does not have emissions calculated associated to these sectors. These sectors are based on Citi's internal definitions, and may not directly align with the sectors as disclosed below.

The top three most high-emitting sectors are Energy, Power, and Steel. Scope 1 and 2 emissions have been included in all of the sectors and Scope 3 categories have been included where appropriate. These calculations have only been completed for the Banking Book, and structured products (e.g. derivatives, hedging, or trading) are excluded from this scope of analysis.

Emissions Data Lag

The quality and availability of climate-related data continues to be a significant challenge. At the time of the analysis disclosed in this report, the data available for calculating financed emissions and emissions intensity, as well as measuring progress was nearly two years old, given the availability of the data at the time. Citi is working with leading aggregation vendors of corporate disclosure on environmental metrics; however, the lag on reporting and collection remains difficult to address. Therefore, CEP currently faces a data mismatch — CEP is using 2023 financial data to represent its clients' financials, but is pairing that with 2022 emissions, to calculate emissions from CEP's Banking Book as at 30 June 2025. CEP hopes that emissions data will continue to improve, and that the data lag will diminish as disclosure regimes evolve.

Estimation

PCAF has established a data quality hierarchy that Citi uses to score emissions estimates for all of CEP's clients. Data scores range from 1 to 5, with a score of 1 signifying disclosed and third-party verified emissions — the highest quality data — and a score of 5 signifying the greatest level of estimation based on sectoral economic activity emissions factors — the lowest quality data. Without client specific data, the sector level estimations can result in a lower accuracy estimation of client emissions. Citi is working to improve the data that it uses, which will in turn refine the calculation results that CEP reports in its regulatory disclosures. Emissions data with a Score of 1 or 2 is considered to be primary data from suppliers, data with a Score 3 -5 is considered to not be primary data. In the table below, gross carrying amount percentage of the portfolio derived from company-specific reporting (column k) represents portion of calculated financed emission derived from verified emissions from company reporting. For further details on the Citi's Baseline Emissions and Sector Intensity Methodology please reference to the 2023 Citi Climate Report and 2023 Citi Climate Report Supplement.

Table 43: ESG Template 1: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

June 30, 2025

	Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
1	Exposures towards sectors that highly contribute to climate change*	14,878	310		2,278	66	-94	-57	-19	3,917,297	1,385,902	8.64 %	14,069	308	451	50	1.4
2	A - Agriculture, forestry and fishing	56			1	—	—	—	—	—	—	— %	56	—	—	—	2.1
3	B - Mining and quarrying	473	—		5	—	—	—	—	455,257	423,215	34.37 %	473	—	—	—	0.2
4	*B.05 - Mining of coal and lignite*	—			—	—	—	—	—	—	—	— %	—	—	—	—	0.8
5	*B.06 - Extraction of crude petroleum and natural gas*	399			4	—	—	—	—	395,137	373,427	36.46 %	399	—	—	—	0.2
6	*B.07 - Mining of metal ores*	—			—	—	—	—	—	—	—	— %	—	—	—	—	—
7	*B.08 - Other mining and quarrying*	3			—	—	—	—	—	5,599	—	59.53 %	3	—	—	—	0.3
8	*B.09 - Mining support service activities*	71			1	—	—	—	—	54,521	49,788	21.59 %	71	—	—	—	0.2
9	C - Manufacturing	7,972	24		1,530	34	-43	-29	-7	732,932	429,127	3.12 %	7,821	151	—	—	0.7
10	*C.10 - Manufacture of food products*	920			20	11	-2	-1	-1	4,202	—	— %	906	14	—	—	0.6
11	*C.11 - Manufacture of beverages*	590			27	—	-2	-1	—	—	—	— %	590	—	—	—	0.5
12	*C.12 - Manufacture of tobacco products*	61			—	—	—	—	—	—	—	— %	61	—	—	—	0.2
13	*C.13 - Manufacture of textiles*	68			5	3	-1	—	-1	—	—	— %	68	—	—	—	0.3
14	*C.14 - Manufacture of wearing apparel*	5			—	—	—	—	—	—	—	— %	5	—	—	—	0.7
15	*C.15 - Manufacture of leather and related products*	3			—	—	—	—	—	—	—	— %	3	—	—	—	0.2

	Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
16	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	39			6	—	—	—	—	883	831	0.58 %	35	3	—	—	2.6
17	C.17 - Manufacture of pulp, paper and paperboard	595			—	—	-1	—	—	5	—	— %	593	2	—	—	0.5
18	C.18 - Printing and service activities related to printing	55			—	—	—	—	—	—	—	— %	55	—	—	—	0.4
19	C.19 - Manufacture of coke oven products	31	24		—	—	—	—	—	133,031	123,813	25.56 %	31	—	—	—	1.1
20	C.20 - Production of chemicals	1,020			340	—	-6	-5	—	2,951	527	— %	990	31	—	—	1.0
21	C.21 - Manufacture of pharmaceutical preparations	1,359			3	—	-1	—	—	—	—	— %	1,359	—	—	—	0.2
22	C.22 - Manufacture of rubber products	148			86	2	-1	-1	—	21,079	11,105	— %	148	—	—	—	0.6
23	C.23 - Manufacture of other non-metallic mineral products	249			93	—	-2	-2	—	154,299	—	23.84 %	249	—	—	—	0.4
24	C.24 - Manufacture of basic metals	214			24	—	-1	—	—	303,254	195,726	40.37 %	214	—	—	—	1.2
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	427			139	—	-7	-6	—	12,527	—	0.21 %	427	—	—	—	1.7
26	C.26 - Manufacture of computer, electronic and optical products	223			13	—	-2	-1	—	1	—	0.01 %	223	—	—	—	0.6
27	C.27 - Manufacture of electrical equipment	344			87	6	-4	-3	-1	—	—	— %	326	17	—	—	0.6

	Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
28	*C.28 - Manufacture of machinery and equipment n.e.c.*	*591*			209	12	-8	-4	-4	190	—	— %	580	12	—	—	0.5
29	*C.29 - Manufacture of motor vehicles, trailers and semi-trailers*	*513*			422	—	-4	-5	—	99,056	97,125	18.34 %	481	32	—	—	0.9
30	*C.30 - Manufacture of other transport equipment*	*376*			53	—	-1	—	—	1,453	—	— %	336	40	—	—	1.8
31	*C.31 - Manufacture of furniture*	*33*			3	—	—	—	—	—	—	— %	33	—	—	—	2.8
32	*C.32 - Other manufacturing*	*74*			—	—	—	—	—	—	—	— %	74	—	—	—	0.2
33	*C.33 - Repair and installation of machinery and equipment*	*34*			—	—	—	—	—	1	—	0.02 %	34	—	—	—	0.5
34	D - Electricity, gas, steam and air conditioning supply	*1,173*	286		—	—	-2	—	—	1,253,229	3,277	82.21 %	771	—	401	—	7.0
35	*D35.1 - Electric power generation, transmission and distribution*	*817*	224		—	—	-1	—	—	1,149,739	210	75.35 %	415	—	401	—	6.9
36	*D35.11 - Production of electricity*	*234*	100		—	—	—	—	—	76,459	—	38.54 %	234	—	—	—	0.5
37	*D35.2 - Manufacture of gas; distribution of gaseous fuels through mains*	*251*	62		—	—	—	—	—	83,967	3,067	99.78 %	251	—	—	—	1.8
38	*D35.3 - Steam and air conditioning supply*	*105*			—	—	-1	—	—	19,523	—	93.57 %	105	—	—	—	0.4
39	E - Water supply; sewerage, waste management and remediation activities	*14*			4	—	—	—	—	4,041	—	52.90 %	14	—	—	—	0.7
40	F - Construction	*103*			40	7	-3	—	-3	103,815	88,880	27.25 %	103	—	—	—	0.6
41	*F.41 - Construction of buildings*	*26*			—	—	—	—	—	103,275	88,880	98.89 %	26	—	—	—	0.1

	Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
42	*F.42 - Civil engineering*	*17*			*4*	*3*	*-1*	—	*-1*	—	—	— %	17	—	—	—	0.9
43	*F.43 - Specialised construction activities*	*60*			*36*	*4*	*-2*	—	*-2*	540	—	4.54 %	60	—	—	—	0.7
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	*2,728*			*280*	*24*	*-31*	*-16*	*-9*	1,250,966	439,305	11.81 %	2,704	25	—	—	0.7
45	H - Transportation and storage	*510*	—		*67*	—	*-4*	*-3*	—	112,866	2,098	19.20 %	344	113	50	3	3.7
46	*H.49 - Land transport and transport via pipelines*	*32*			*4*	—	—	—	—	52,864	184	22.13 %	32	—	—	—	1.2
47	*H.50 - Water transport*	*131*			*39*	—	*-1*	*-1*	—	41,134	—	0.08 %	45	35	50	—	7.2
48	*H.51 - Air transport*	*16*			*1*	—	—	—	—	9,318	1,812	59.53 %	16	—	—	—	0.6
49	*H.52 - Warehousing and support activities for transportation*	*316*			*23*	—	*-3*	*-2*	—	8,993	27	24.63 %	237	77	—	3	2.7
50	*H.53 - Postal and courier activities*	*15*			—	—	—	—	—	557	75	22.80 %	14	1	—	—	3.1
51	I - Accommodation and food service activities	*107*			*22*	—	—	—	—	—	—	— %	107	—	—	—	0.3
52	L - Real estate activities	*1,742*			*329*	*1*	*-11*	*-9*	—	4,191	—	0.14 %	1,676	19	—	47	2.0
53	Exposures towards sectors other than those that highly contribute to climate change*	*6,352*	—		*321*	*16*	*-41*	*-15*	*-7*				6,228	116	—	8	1.1
54	K - Financial and insurance activities	*1,492*			*16*	*13*	*-15*	—	*-6*				1,476	8	—	8	1.7
55	Exposures to other sectors (NACE codes J, M - U)	*4,860*			*305*	*3*	*-26*	*-15*	*-1*				4,752	108	—	—	1.0
56	TOTAL	*21,230*	*310*		*2,599*	*82*	*-135*	*-72*	*-26*	3,917,297	1,385,902	8.64 %	20,297	424	451	58	1.4

* In accordance with the Commission delegated regulation EU) 2020/1818 supplementing regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks -Climate Benchmark Standards Regulation - Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006

December 31, 2024

	Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
1	Exposures towards sectors that highly contribute to climate change*	14,575	304	442	1,941	75	-65	-29	-23	3,431,650	1,215,716	8.23 %	13,450	595	530	—	1.7
2	A - Agriculture, forestry and fishing	36		—	1	—	—	—	—	—	—	— %	36	—	—	—	1.5
3	B - Mining and quarrying	424	—	3	2	—	—	—	—	162,254	149,007	14.18 %	424	—	—	—	0.6
4	*B.05 - Mining of coal and lignite*	—	—	—	—	—	—	—	—	—	—	— %	—	—	—	—	0.4
5	*B.06 - Extraction of crude petroleum and natural gas*	329		3	—	—	—	—	—	103,463	97,855	12.88 %	329	—	—	—	0.4
6	*B.07 - Mining of metal ores*	25		—	—	—	—	—	—	—	—	— %	25	—	—	—	3.9
7	*B.08 - Other mining and quarrying*	4		—	1	—	—	—	—	3,228	—	29.76 %	4	—	—	—	0.4
8	*B.09 - Mining support service activities*	66		—	1	—	—	—	—	55,563	51,152	24.94 %	66	—	—	—	0.4
9	C - Manufacturing	7,393	119	131	1,392	30	-28	-18	-4	1,161,344	819,581	4.47 %	7,226	167	—	—	0.9
10	*C.10 - Manufacture of food products*	1,128		—	8	11	-1	—	—	2,576	—	— %	1,116	12	—	—	0.6
11	*C.11 - Manufacture of beverages*	432		—	36	—	-3	-3	—	—	—	— %	432	—	—	—	0.4
12	*C.12 - Manufacture of tobacco products*	45		—	—	—	—	—	—	—	—	— %	45	—	—	—	0.2
13	*C.13 - Manufacture of textiles*	46		1	18	2	-1	—	—	—	—	— %	46	—	—	—	0.6
14	*C.14 - Manufacture of wearing apparel*	5		—	—	—	—	—	—	—	—	— %	5	—	—	—	0.9
15	*C.15 - Manufacture of leather and related products*	1		—	—	—	—	—	—	—	—	— %	1	—	—	—	0.3

	Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
16	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	41		—	6	—	—	—	—	1,813	851	0.63 %	38	3	—	—	4.0
17	C.17 - Manufacture of pulp, paper and paperboard	423		2	33	—	-1	—	—	8	—	— %	421	2	—	—	0.6
18	C.18 - Printing and service activities related to printing	59		—	—	—	—	—	—	—	—	— %	59	—	—	—	0.5
19	C.19 - Manufacture of coke oven products	123	119	1	—	—	—	—	—	564,622	460,513	50.42 %	123	—	—	—	0.3
20	C.20 - Production of chemicals	762		—	240	—	-3	-3	—	8	7	— %	715	47	—	—	1.0
21	C.21 - Manufacture of pharmaceutical preparations	411		—	3	3	-1	—	—	—	—	— %	411	—	—	—	1.2
22	C.22 - Manufacture of rubber products	129		2	53	2	-1	—	—	13,373	7,045	— %	126	3	—	—	0.9
23	C.23 - Manufacture of other non-metallic mineral products	238		3	54	—	—	—	—	124,113	—	22.75 %	238	—	—	—	0.5
24	C.24 - Manufacture of basic metals	200		49	29	—	-1	—	—	282,137	194,658	42.96 %	197	3	—	—	1.5
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	465		5	32	—	-3	-1	—	12,579	—	0.23 %	450	15	—	—	1.9
26	C.26 - Manufacture of computer, electronic and optical products	474		—	57	—	-2	-2	—	1	—	0.01 %	474	—	—	—	1.0
27	C.27 - Manufacture of electrical equipment	434		32	3	1	-1	—	—	—	—	— %	429	5	—	—	0.5

	Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
28	*C.28 - Manufacture of machinery and equipment n.e.c.*	*695*		*10*	*238*	*9*	*-5*	*-3*	*-2*	64	—	0.63 %	683	12	—	—	0.6
29	*C.29 - Manufacture of motor vehicles, trailers and semi-trailers*	*683*		*22*	*528*	—	*-3*	*-3*	—	158,623	156,434	17.97 %	661	22	—	—	0.8
30	*C.30 - Manufacture of other transport equipment*	*473*		*2*	*50*	—	*-1*	*-1*	—	1,425	73	0.01 %	430	43	—	—	1.7
31	*C.31 - Manufacture of furniture*	*13*		—	*4*	—	—	—	—	—	—	— %	13	—	—	—	1.5
32	*C.32 - Other manufacturing*	*74*		—	—	—	—	—	—	—	—	— %	74	—	—	—	0.3
33	*C.33 - Repair and installation of machinery and equipment*	*39*		—	*2*	—	—	—	—	—	—	0.01 %	39	—	—	—	0.6
34	D - Electricity, gas, steam and air conditioning supply	*978*	*185*	*272*	—	—	*-1*	—	—	1,162,615	3,117	46.54 %	576	—	402	—	6.0
35	*D35.1 - Electric power generation, transmission and distribution*	*683*	*127*	*195*	—	—	*-1*	—	—	1,110,975	343	24.40 %	281	—	402	—	8.3
36	*D35.11 - Production of electricity*	*93*		—	—	—	—	—	—	16,435	—	0.96 %	93	—	—	—	0.4
37	*D35.2 - Manufacture of gas; distribution of gaseous fuels through mains*	*59*	*58*	—	—	—	—	—	—	11,316	2,774	100.00 %	59	—	—	—	0.1
38	*D35.3 - Steam and air conditioning supply*	*236*		*76*	—	—	—	—	—	40,324	—	97.17 %	236	—	—	—	0.1
39	E - Water supply; sewerage, waste management and remediation activities	*30*		*1*	—	*20*	*-7*	—	*-7*	3,128	—	22.96 %	30	—	—	—	1.8
40	F - Construction	*169*		*24*	*25*	*4*	*-2*	—	*-1*	104,681	90,214	16.87 %	169	—	—	—	1.4
41	*F.41 - Construction of buildings*	*32*		—	—	—	—	—	—	103,996	90,214	78.14 %	32	—	—	—	1.3

	Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
42	*F.42 - Civil engineering*	*68*		*19*	*4*	*3*	*-1*	*—*	*-1*	—	—	— %	68	—	—	—	0.9
43	*F.43 - Specialised construction activities*	*69*		*5*	*22*	*—*	*-1*	*—*	*—*	685	—	5.61 %	70	—	—	—	1.9
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	*3,379*		*5*	*238*	*21*	*-19*	*-4*	*-11*	714,937	148,450	5.06 %	2,981	398	—	—	1.6
45	H - Transportation and storage	*425*	—	*4*	*75*	*—*	*-3*	*-3*	*—*	121,808	5,347	33.57 %	283	14	128	—	4.6
46	*H.49 - Land transport and transport via pipelines*	*44*		*1*	*12*	*—*	*—*	*—*	*—*	60,840	138	15.05 %	44	—	—	—	1.4
47	*H.50 - Water transport*	*74*		*1*	*42*	*—*	*—*	*—*	*—*	27,514	—	0.57 %	38	—	37	—	5.2
48	*H.51 - Air transport*	*48*		*—*	*2*	*—*	*—*	*—*	*—*	23,653	5,131	84.47 %	48	—	—	—	2.5
49	*H.52 - Warehousing and support activities for transportation*	*246*		*—*	*18*	*—*	*-2*	*-2*	*—*	9,384	12	37.38 %	140	14	91	—	5.5
50	*H.53 - Postal and courier activities*	*13*		*2*	*—*	*—*	*—*	*—*	*—*	418	65	24.79 %	13	—	—	—	2.0
51	I - Accommodation and food service activities	*250*		*—*	*23*	*—*	*—*	*—*	*—*	—	—	— %	250	—	—	—	2.0
52	L - Real estate activities	*1,491*		*2*	*185*	*—*	*-5*	*-4*	*—*	883	—	0.34 %	1,475	16	—	—	2.5
53	Exposures towards sectors other than those that highly contribute to climate change*	*5,043*	—	*87*	*186*	*3*	*-16*	*-3*	*-2*				4,879	164	—	—	1.6
54	K - Financial and insurance activities	*731*		*39*	*78*	*2*	*-6*	*-1*	*-2*				731	—	—	—	2.7
55	Exposures to other sectors (NACE codes J, M - U)	*4,312*		*48*	*108*	*1*	*-10*	*-2*	*—*				4,148	164	—	—	1.4
56	TOTAL	19,618	304	529	2,127	78	-81	-32	-25	3,431,650	1,215,716	8.23 %	18,329	759	530	—	1.7

* In accordance with the Commission delegated regulation EU) 2020/1818 supplementing regulation (EU) 2016/1011 as regards minimum standards for EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks -Climate Benchmark Standards Regulation - Recital 6: Sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006

Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral

Directive 2010/31/EU of the European Parliament and of the Council and Directive 2012/27/EU of the European Parliament and of the Council promote policies that aim to achieve a highly energy efficient and decarbonised building stock by 2050. Directive 2010/31/EU introduced Energy performance certificates (EPC) as instruments for improving the energy performance of buildings, with A indicating the best and G the worst in terms of energy efficiency. This template shows the gross carrying amount of loans collateralised with commercial and residential immovable property and of repossessed real estate collaterals, including information on the level of energy efficiency of the collaterals measured in terms of kWh/m2 energy consumption (EP score in KWh/m^2) and in terms of the label of the EPC of the collateral where a mapping to the European Union EPC label exists.

The gross carrying amount of exposures by energy efficiency buckets based on the specific energy consumption of the collateral in kWh/m2 is disclosed either as indicated in the EPC label of the collateral, collected from clients or estimated in the absence of kWh/m2 information. In the case of exposures to entities located in third countries where there is no EPC label equivalent, CEP leaves the EPC label columns blank. For those exposures linked to more than one collateral, CEP calculates the share of each collateral in the gross carrying amount of exposure based on the value of the collateral and disclose under the energy efficiency bucket linked to each collateral.

EPC data reported is collected through internal processes for loans collateralised by commercial immovable property, where available. Currently CEP is not collecting EPC data systematically for household's loans collateralised by residential immovable property, and has not been reported where the data is not available. CEP aims to continue to enhance its methodology and data collection processes to align with prudential disclosure requirements.

The quantitative information included within ESG Template 2 has been prepared on a consolidated basis.

Table 44: ESG Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral

June 30, 2025

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Counterparty sector	Total gross carrying amount (in MEUR)															
		Level of energy efficiency (EP score in kWh/m² of collateral)							Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
			0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m² of collateral) estimated
1	**Total EU area**	1,603	68	203	145	93	4	5	48	87	79	98	68	18	16	1,189	—
2	Of which Loans collateralised by commercial immovable property	1,541	68	203	145	93	4	5	48	87	79	98	68	18	16	1,127	—
3	Of which Loans collateralised by residential immovable property	62	—	—	—	—	—	—	—	—	—	—	—	—	—	62	—
4	Of which Collateral obtained by taking possession: residential and commercial immovable properties	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	**Total non-EU area**	379	—	—	—	—	—	—	—	12	11	—	—	—	—	356	—
7	Of which Loans collateralised by commercial immovable property	176	—	—	—	—	—	—	—	12	11	—	—	—	—	153	—
8	Of which Loans collateralised by residential immovable property	203	—	—	—	—	—	—	—	—	—	—	—	—	—	203	—
9	Of which Collateral obtained by taking possession: residential and commercial immovable properties	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

December 31, 2024

	Counterparty sector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total gross carrying amount (in MEUR)															
		Level of energy efficiency (EP score in kWh/m² of collateral)							Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
			0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m² of collateral) estimated
1	**Total EU area**	2,085	109	158	24	13	11	2	55	91	84	100	72	18	19	1,646	—
2	Of which Loans collateralised by commercial immovable property	1,526	68	134	22	12	11	2	55	91	84	100	72	18	19	1,087	—
3	Of which Loans collateralised by residential immovable property	559	41	24	2	1	—	—	—	—	—	—	—	—	—	559	—
4	Of which Collateral obtained by taking possession: residential and commercial immovable properties	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	**Total non-EU area**	487	—	—	—	—	—	—	—	11	10	—	—	—	—	466	—
7	Of which Loans collateralised by commercial immovable property	189	—	—	—	—	—	—	—	11	10	—	—	—	—	168	—
8	Of which Loans collateralised by residential immovable property	298	—	—	—	—	—	—	—	—	—	—	—	—	—	298	—
9	Of which Collateral obtained by taking possession: residential and commercial immovable properties	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Banking book – Climate change transition risk: Alignment metrics

In 2021, Citi announced the commitment to net zero greenhouse gas (GHG emissions) by 2050 in alignment with the objectives of the Paris Agreement and prevailing climate science. CEP's sustainability strategy is aligned to Citi's policies and initiatives, including the Net Zero commitment and Operational Footprint Goals outlined in the 2023 Citi Climate Report and 2023 Citi Climate Report Supplement. The calculation of alignment metrics for CEP rely on calculations performed by Citi, and are subject to the same inherent limitations as those outlined with respect to financed emissions referred to in "ESG Template 1: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity".

While CEP does not set legal entity financed emissions targets, CEP's financing activities are included in Citi's commitment to achieve net zero emissions associated with financial activities by 2050 and Citi's 2030 interim targets if within the scope of the sectors included in the targets.

The disclosure below shows the sectors in scope for this disclosure requirement. Within the alignment metric for each sector below are CEP's clients included in the scope of Citi's 2030 interim targets, where they align to the NACE categorisations within each sector as set out in the disclosure requirements.

The quantitative information included within ESG Template 3 has been prepared on a consolidated basis.

Table 45: ESG Template 3: Banking book – Climate change transition risk: Alignment metrics

June 30, 2025

	a	c	d	e	f	g
	Sector	Portfolio gross carrying amount (Mn EUR)	Alignment metric[5]	Year of reference	Distance to IEA NZE2050 in %[6]	Target (year of reference + 3 years)[7]
1	Power	750	303.9 gCO_2e/kWh	2023	63.35 %	—
2	Fossil fuel combustion	598	80.6 gCO_2e/MJ	2023	47.52 %	—
3	Automotive	280	184.4 gCO_2e/km	2023	69.40 %	—
4	Aviation	79	777.5 gCO2e/RTK	2023	(8.38)%	—
5	Maritime transport	231	—	—		—
6	Cement, clinker and lime production	70	0.646 tCO2e/t cement produced	2023	43.37 %	—
7	Iron and steel, coke, and metal ore production	288	—	—		—

Legend
gCO2e - grams of carbon dioxide equivalent
tCO2e - tonnes of carbon dioxide equivalent
kWh - kilowatt-hour
MJ - Megajoule
km - kilometre
RTK - revenue tonne kilometre
t - tonnes

[5] Alignment metrics (column D) reflect metrics for CEP's client exposure calculated by Citi at group level. Not all exposures disclosed in carrying value (column C) are in scope for the calculation of alignment metrics, due to limited emissions data availability and the material emissions generating activity within each sector. For example, the alignment metric for power is a generation intensity metric which doesn't capture transmission and distribution activities also included within the power sector absolute emissions; or maritime transport where CEP has exposure to clients in this sector, but are not included within the scope of Citi's 2030 interim targets. Financed emissions are subject to fluctuations year-to-year due to a number of contributing factors, for example, company value and credit exposure and emissions data availability. The quality of this underlying information is expected to mature in the future.

[6] PiT distance to 2030 NZE2050 scenario in % (for each metric)

[7] As outlined in section b) of Environmental Risk, CEP does not have any sustainability targets at a legal entity level, and as such, targets have not been populated in the above

Banking book - Climate change transition risk: Exposures to top 20 carbon-intensive firms

The table below includes information on the gross carrying amount of exposures towards the counterparties of CEP that are among the top 20 most carbon-intensive corporates worldwide. CEP utilised the Carbon Majors Database referenced by the EBA Guidelines to identify the top 20 carbon-intensive firms. CEP totalled the reported carbon emissions of all firms listed on the Carbon Majors Database for the period 2015-2023, to identify the current top emitting firms.

Included are exposures to any company that are part of the group of any of the top twenty polluting firms.

The methodology for determining exposures to the top 20 carbon emitting firms is expected to evolve as data availability, industry guidance and market practice changes over time. CEP will update this to reflect most the recently available information and will seek to be transparent in disclosures about the methodologies applied, but results may not be comparable year on year.

The quantitative information included within ESG Template 4 has been prepared on a consolidated basis.

As out lined in section a), the EBA issued a no-action letter on the application of ESG disclosure requirements, which included a recommendation that competent authorities do not prioritise the enforcement of the disclosure of column c of ESG Template 4, within this Pillar 3 disclosure.

Pursuant to this no-action letter, CEP is making use of the transitional provisions and has not populated information for column C (of which environmentally sustainable (CCM)) for ESG Template 4. BHW has not relied on these transitional provisions; please refer to BHW's own reporting for information in relation to BHW.

Table 46: ESG Template 4: Banking book - Climate change transition risk: Exposures to top 20 carbon-intensive firms

June 30, 2025

	a	b	c	d	e
	Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
1	161	0.76 %	—	3.0	7

December 31, 2024

	a	b	c	d	e
	Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
1	292	1.49 %	—	3.3	7

*For counterparties among the top 20 carbon emitting companies in the world

Climate change Physical risk

Physical risk originates from the increase in severity and frequency of either acute physical risks, which are related to extreme weather events, or chronic physical events which stem from longer term shifts caused by climate change (e.g., average precipitation changes which may drive long-term shifts in agriculture and water availability).

Banking book – Climate change physical risk: Exposures subject to physical risk

The template shows exposures in the banking book (including loans and advances, debt securities and equity instruments not held-for-trading and not held-for-sale) towards non-financial corporates, on loans collateralized with immovable property and on repossessed real estate collaterals, exposed to chronic and acute climate-related hazards, with a breakdown by sector of economic activity (NACE classification) and by geography of location of the activity of the counterparty or of the collateral, for those sectors and geographical areas subject to climate change acute and chronic events.

The values disclosed show the concentration of exposures and collateral in countries and geographies highly exposed to physical risks. To perform this analysis, CEP uses reference data of Thinkhazard’s physical risk dashboard. This dashboard provides a mapping that defines geographical areas exposed to physical risks. It provides a general view of hazards for a given location including climate-related (floods, water scarcity, wildfire, extreme heat, cyclone, landslide) and geophysical (volcano, tsunami, earthquake). The tool estimates the likelihood of these hazards affecting the selected area (very low, low, medium or high). CEP uses this dashboard to determine an average physical risk rating for climate change acute and chronic events.
In the absence of further guidance in the area, the approach taken with regard to this disclosure relied on assumptions, such as the selection of acute and chronic risks, and the threshold for determining if a location is subject to high physical risk.

The loans are presented in the template by the geographical location based upon where the loan itself is booked, as a proxy for the location of the underlying collateral, or activity of the company.

The disclosure is dependent on the availability of location information the counterparty's registered address, which is then mapped to the average physical risk conclusion derived from Thinkhazard's physical risk dashboard.

The exposures towards physical risks were further examined in the portfolios of counterparties according to their primary operational locations according to sectors that highly contribute to climate change as defined above (NACE A-I, L).

The quantitative information included within ESG Template 5 has been prepared on a consolidated basis.

Table 47: ESG Template 5: Banking book – Climate change physical risk: Exposures subject to physical risk

June 30, 2025

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount (Mln EUR)													
			of which exposures sensitive to impact from climate change physical events												
	Variable: Geographical area subject to climate change physical risk - acute and chronic events		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
			<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
1	A - Agriculture, forestry and fishing	56	56	—	—	—	2	—	—	56	1	—	—	—	—
2	B - Mining and quarrying	473	473	—	—	—	—	2	219	252	5	—	—	—	—
3	C - Manufacturing	7,972	7,819	151	—	—	1	156	1,167	6,647	1,530	34	(43)	(29)	(7)
4	D - Electricity, gas, steam and air conditioning supply	1,173	771	—	401	—	7	—	98	1,074	—	—	(2)	—	—
5	E - Water supply; sewerage, waste management and remediation activities	14	14	—	—	—	1	—	—	14	4	—	—	—	—
6	F - Construction	103	103	—	—	—	1	—	6	97	40	7	(3)	—	(3)
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	2,728	2,704	25	—	—	1	60	586	2,083	280	23	(31)	(16)	(9)
8	H - Transportation and storage	510	344	113	50	3	4	—	60	450	67	—	(4)	(3)	—
9	L - Real estate activities	1,742	1,676	19	—	47	2	—	159	1,583	329	1	(11)	(9)	—
10	Loans collateralised by residential immovable property	265	111	20	95	40	12	—	122	144	24	2	(2)	(1)	—
11	Loans collateralised by commercial immovable property	1,717	1,669	48	—	—	1	—	94	1,623	18	2	(23)	(18)	(2)
12	Repossessed colalterals	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Other relevant sectors (breakdown below where relevant)	107	107	—	—	—	—	—	63	44	22	—	—	—	—

December 31, 2024

a		b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount (Mln EUR)													
		of which exposures sensitive to impact from climate change physical events													
	Variable: Geographical area subject to climate change physical risk - acute and chronic events		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
			<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
1	A - Agriculture, forestry and fishing	36	36	—	—	—	2	—	—	36	1	—	—	—	—
2	B - Mining and quarrying	424	424	—	—	—	1	2	262	160	2	—	—	—	—
3	C - Manufacturing	7,393	7,224	166	—	—	1	192	1,159	6,039	1,392	30	(28)	(18)	(4)
4	D - Electricity, gas, steam and air conditioning supply	978	576	—	402	—	6	—	101	877	—	—	(1)	—	—
5	E - Water supply; sewerage, waste management and remediation activities	30	30	—	—	—	2	—	—	30	—	20	(7)	—	(7)
6	F - Construction	169	169	—	—	—	1	—	13	156	25	4	(2)	—	(1)
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	3,379	2,981	398	—	—	2	33	628	2,718	238	21	(19)	(4)	(11)
8	H - Transportation and storage	425	282	15	128	—	5	—	9	416	75	—	(3)	(3)	—
9	L - Real estate activities	1,491	1,460	—	—	—	2	—	92	1,368	185	—	(5)	(4)	—
10	Loans collateralised by residential immovable property	857	173	185	354	145	12	3	703	151	130	4	(4)	(2)	(2)
11	Loans collateralised by commercial immovable property	1,715	1,579	102	—	—	3	—	107	1,574	252	10	(18)	(12)	(3)
12	Repossessed colalterals	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Other relevant sectors (breakdown below where relevant)	250	250	—	—	—	2	—	27	223	23	—	—	—	—

Mitigating actions

As out lined in section a) of the Environmental risk disclosures, the EBA has issued a no-action letter on the application of ESG disclosure requirements, which included a recommendation that competent authorities do not prioritise the enforcement of the disclosure of ESG Templates 6 to 10.

Pursuant to this no-action letter, CEP is making use of the transitional provisions, and has not produced reporting for these templates as at 30 June 2025. BHW has not relied on these transitional provisions; please refer to BHW's own reporting for information in relation to BHW.

Securitisation

Securitisation risk is defined as the risks arising from securitisation transactions in relation to which institutions are originator, sponsor or investor, including reputational risks, such as arise in relation to complex structures or products.

Securitisation activity

CEP acted as arranger and lead manager on securitisation positions held at 30 June 2025, with CBNA London Branch acting as sponsor. CEP invested into these positions or as a means of compensation for the role, received the positions in the form of S-class certificates. These positions are deemed traditional securitisations in the banking book which are subject to the securitisation framework for capital requirements as outlined in the CRR.

CEP did not originate the securitisations or act as a sponsor but is an investor in these positions. There are no re-securitisation exposures and no off-balance sheet securitisation exposures.

Regulatory Capital and Accounting Treatment

CEP has adopted the hierarchy of methods under the CRR and in line with this, the securitisation positions are treated under the Standardised Approach (SEC-SA) method as the preferred method in the hierarchy to calculate risk-weighted exposure amounts. External Ratings Based Approach (SEC-ERBA) is only applied if SEC-SA cannot be used. To calculate RWEA, CEP uses ratings assigned by Standard and Poor's, Moody's, DBRS and Fitch Ratings.

From an accounting policy perspective, CEP's holdings of the S–class certificates in both structures are viewed as trading assets under IFRS. The S-class certificates are classified as a level 3 asset because some of the valuation inputs to calculate the value of the S-class certificates are unobservable (customer prepayment rates), and the day 1 P&L is amortised over the life of the deal.

Table 48: EU SEC1 - Securitisation exposures in the non-trading book

This table sets out the aggregate amount of securitisation positions held in the banking book.

		30 June 2025			31 December 2024		
		Institution acts as investor			Institution acts as investor		
		Traditional Non-STS	Synthetic	Sub-total	Traditional Non-STS	Synthetic	Sub-total
		€ million	€ million	€ million	€ million	€ million	€ million
1	**Total exposures**	1,316	—	1,316	1,289	—	1,289
2	**Retail (total)**	247	—	247	247	—	247
3	Residential mortgage	11	—	11	13	—	13
4	Credit card	—	—	—	—	—	—
5	Other retail exposures	235	—	235	234	—	234
6	Re-securitisation	—	—	—	—	—	—
7	**Wholesale (total)**	1,069	—	1,069	1,042	—	1,042
8	Loans to corporates	187	—	187	113	—	113
9	Commercial mortgage	—	—	—	—	—	—
10	Lease and receivables	882	—	882	929	—	929
11	Other wholesale	—	—	—	—	—	—
12	Re-securitisation	—	—	—	—	—	—

Table 49: EU SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor

		Exposure values (by risk weight bands)					Exposure values (by regulatory approach)			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions
		€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
1	**Total as at 30 June 2025**	633	683	—	—	1	—	4	1,312	—
2	**Traditional securitisation**	633	683	—	—	1	—	4	1,312	—
3	Of which securitisation	633	683	—	—	1	—	4	1,312	—
4	Of which retail underlying	246	1	—	—	1	—	4	243	—
5	Of which STS	—	—	—	—	—	—	—	—	—
6	Of which wholesale	387	682	—	—	—	—	—	1,069	—
7	Of which STS	—	—	—	—	—	—	—	—	—
8	Of which re-securitisation	—	—	—	—	—	—	—	—	—
9	**Synthetic securitisation**	—	—	—	—	—	—	—	—	—

		Exposure values (by risk weight bands)					Exposure values (by regulatory approach)			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions
		€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
1	Total as at 31 December 2024	704	585	—	—	—	—	4	1,284	—
2	Traditional securitisation	704	585	—	—	—	—	4	1,284	—
3	Of which securitisation	704	585	—	—	—	—	4	1,284	—
4	Of which retail underlying	246	1	—	—	—	—	4	243	—
5	Of which STS	—	—	—	—	—	—	—	—	—
6	Of which wholesale	458	584	—	—	—	—	—	1,042	—
7	Of which STS	—	—	—	—	—	—	—	—	—
8	Of which re-securitisation	—	—	—	—	—	—	—	—	—
9	Synthetic securitisation	—	—	—	—	—	—	—	—	—

Table 50: EU SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor (continued)

		RWA				Capital charge after cap			
		SEC-IRBA	SEC-ERBA and SEC-IAA	SEC-SA	1250%/ deductions[1]	SEC-IRBA	SEC-ERBA and SEC-IAA	SEC-SA	1250%/ deductions[1]
		€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
1	**Total as at 30 June 2025**	—	1	370	—	—	—	30	—
2	Traditional securitisation	—	1	370	—	—	—	30	—
3	Of which securitisation	—	1	370	—	—	—	30	—
4	Of which retail underlying	—	1	44	—	—	—	3	—
5	Of which STS	—	—	—	—	—	—	—	—
6	Of which wholesale	—	—	326	—	—	—	26	—
7	Of which STS	—	—	—	—	—	—	—	—
8	Of which re-securitisation	—	—	—	—	—	—	—	—
9	Synthetic securitisation	—	—	—	—	—	—	—	—

		RWA				Capital charge after cap			
		SEC-IRBA	SEC-ERBA and SEC-IAA	SEC-SA	1250%/ deductions[1]	SEC-IRBA	SEC-ERBA and SEC-IAA	SEC-SA	1250%/ deductions[1]
		€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
1	Total as at 31 December 2024	—	1	363	—	—	—	29	—
2	Traditional securitisation	—	1	363	—	—	—	29	—
3	Of which securitisation	—	1	363	—	—	—	29	—
4	Of which retail underlying	—	1	37	—	—	—	3	—
5	Of which STS	—	—	—	—	—	—	—	—
6	Of which wholesale	—	—	327	—	—	—	26	—
7	Of which STS	—	—	—	—	—	—	—	—
8	Of which re-securitisation	—	—	—	—	—	—	—	—
9	Synthetic securitisation	—	—	—	—	—	—	—	—

Appendix 1: Countercyclical Capital Buffer

CEP is required to calculate its institution-specific countercyclical buffer rate as a weighted average of the buffer rates by each jurisdiction to which the firm has relevant credit exposures. Relevant credit exposures are as follows;

- credit risk;
- specific risk; and,
- securitizations.

Geographical distribution of credit exposures relevant for the calculation of the countercyclical capital buffer and amount of institution-specific countercyclical capital buffer are presented in line with Commission Implementing Regulation (EU) 2021/637 published on 21 April 2021.

The following tables set out CEP's countercyclical buffer requirement for 30 June 2025.

Table 51: EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

	General credit exposures	Relevant credit exposures – Market risk				Own funds requirements						
Breakdown by country	Exposure value under the standardised approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure values	Relevant credit risk exposures – Credit risk	Relevant credit risk exposures – Market risk	Relevant credit risk exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million		
ARMENIA	—	—	—	—	—	—	—	—	—	—	0.00%	1.50%
AUSTRALIA	32	—	—	—	32	2	—	—	2	31	0.07%	1.00%
BELGIUM	564	—	—	—	564	44	—	—	44	549	1.21%	1.00%
BERMUDA	1,391	—	—	—	1,391	82	—	—	82	1,023	2.26%	0.00%
BULGARIA	398	—	—	—	398	32	—	—	32	398	0.88%	2.00%
CHILE	—	—	—	—	—	—	—	—	—	—	0.00%	0.50%
CROATIA	7	—	—	—	7	1	—	—	1	7	0.02%	1.50%
CYPRUS	400	—	—	—	400	32	—	—	32	400	0.88%	1.00%
CZECH REPUBLIC	1,069	—	—	—	1,069	81	—	—	81	1,018	2.24%	1.25%
DENMARK	1,056	—	—	—	1,056	70	—	—	70	880	1.94%	2.50%
ESTONIA	18	—	—	—	18	1	—	—	1	18	0.04%	1.50%
FRANCE	5,481	25	10	75	5,591	308	4	1	313	3,907	8.61%	1.00%
GERMANY	5,252	—	—	—	5,252	341	—	—	341	4,264	9.40%	0.75%
HONG KONG	69	—	—	—	69	5	—	—	5	69	0.15%	0.50%
HUNGARY	741	—	—	—	741	59	—	—	59	737	1.62%	0.50%
ICELAND	—	—	—	—	—	—	—	—	—	—	0.00%	2.50%

Breakdown by country	General credit exposures	Relevant credit exposures – Market risk		Securitisation exposures		Own funds requirements						
	Exposure value under the standardised approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Exposure value for non-trading book	Total exposure values	Relevant credit risk exposures – Credit risk	Relevant credit risk exposures – Market risk	Relevant credit risk exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million		
IRELAND	1,301	8	—	313	1,623	99	1	4	103	1,290	2.84%	1.50%
KOREA, REPUBLIC OF	7	—	1	—	8	1	—	—	1	8	0.02%	1.00%
LATVIA	—	—	—	—	—	—	—	—	—	—	0.00%	1.00%
LITHUANIA	47	—	—	—	47	4	—	—	4	47	0.10%	1.00%
LUXEMBOURG	2,202	17	—	—	2,219	167	2	—	169	2,106	4.64%	0.50%
NETHERLANDS	4,500	24	21	689	5,233	325	5	22	352	4,397	9.69%	2.00%
NORWAY	598	—	—	—	598	36	—	—	36	455	1.00%	2.50%
POLAND	6,799	—	—	235	7,034	481	—	3	484	6,048	13.33%	0.00%
ROMANIA	765	—	—	—	765	61	—	—	61	763	1.68%	1.00%
SLOVAKIA	277	—	—	—	277	22	—	—	22	277	0.61%	1.50%
SLOVENIA	1	—	—	—	1	—	—	—	—	1	0.00%	1.00%
SPAIN	2,355	—	130	—	2,485	164	10	—	175	2,184	4.81%	0.00%
SWEDEN	2,049	3	—	—	2,052	150	—	—	151	1,882	4.15%	2.00%
SWITZERLAND	2,004	—	1	—	2,006	144	—	—	144	1,805	3.98%	0.00%
UNITED KINGDOM	4,551	19	2	4	4,575	339	2	—	341	4,267	9.40%	2.00%
UNITED STATES	2,413	15	—	—	2,428	149	2	—	151	1,886	4.16%	0.00%
All other countries[1]	4,841	43	29	—	4,913	367	6	—	372	4,656	10.26%	
Total as at 30 June 2025	51,189	154	195	1,316	52,854	3,569	31	30	3,630	45,372	100.00%	

[1] Countries that have a CCyB requirement or have an own funds requirement greater than 2% of total CEP's own funds requirement are disclosed separately, with remaining countries aggregated under "Other countries". List of "Other countries" is available upon request as it includes more than 100 countries.

	Amount of Institution-specific countercyclical capital buffer	
1	Total risk exposure amount (€ million) as at 30 June 2025	78,462
2	Institution specific countercyclical capital buffer rate	0.86%
3	Institution specific countercyclical capital buffer requirement (EUR million)	679

Appendix 2: Omissions

Please see below a list of disclosure tables not included in CEP's Pillar 3

Table 52: Non-disclosed tables

Table	Rationale
EU-SEC2 - Securitisation exposures in the trading book	CEP acts only as investor in its Securitisation book and does not have trading book securitisation exposures as at 30 June 2025.
EU-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor	
EU-SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments	
EU CQ7 - Collateral obtained by taking possession and execution processes	CEP's gross NPL ratio is under the 5% threshold
EU CR6 - IRB approach - Credit risk exposures by exposure class and PD range	CEP does not have an IRB permission
EU CR7 - IRB approach - Effect on the RWEAs of credit derivatives used as CRM techniques	
EU CR7-A - IRB approach - Disclosure of the extent of the use of CRM techniques	
EU CCR4 - IRB approach - CCR exposures by exposure class and PD scale	
EU CR8 - RWEA flow statements of credit risk exposures under the IRB approach	
EU CMS2 - Comparison of modelled and standardised risk weighted exposure amount for credit risk at asset class level	
EU CR10 - Specialised lending and equity exposures under the simple risk weighted approach	No special lending or equity exposures under the simple risk weighted approach for CEP
EU KM2 - Key Metrics - MREL and, where applicable, G-SII requirement for own funds and eligible liabilities	CEP is not a resolution entity
EU TLAC1 Composition - MREL and where applicable, G-SII requirement for own funds and eligible liabilities	
EU TLAC3 - Creditor ranking - resolution entity	
ESG Template 6 - Summary of GAR KPIs	As outlined in section a) of the Environmental Risk disclosures, the EBA has issued a no-action letter on the application of ESG disclosure requirements, which included a recommendation that competent authorities do not prioritise the enforcement of the disclosure of ESG Templates 6 to 10. Pursuant to this no-action letter, CEP is making use of the transitional provisions, and has not produced reporting for these templates as at 30 June 2025.
ESG Template 7 - Mitigating actions: Assets for the calculation of GAR	
ESG Template 8 - GAR (%)	
ESG Template 9 - Mitigating actions: BTAR	
ESG Template 10 - Other climate change mitigating actions that are not covered in the EU Taxonomy	

Abbreviations

Please refer to the below abbreviations used frequently throughout the document.

ALCO	Asset and Liability Committee
AFS	Available for Sale
AML	Anti-Money Laundering
ASF	Available Stable Funding
A-TRF	ALCO Technical Review Forum
AVA	Additional Valuation Adjustment
BCBS	Basel Committee on Banking Supervision
BEH	Business Environment Scanning
BHW	Bank Handlowy w Warszawie S.A.
BRC	Board Risk Committee
BRRD	Bank Recovery and Resolution Directive
CBI	Central Bank of Ireland
CCB	Citi Commercial Banking
CCF	Credit Conversion Factor
CCP	Central Clearing Counterparty
CCR	Counterparty Credit Risk
CCyB	Countercyclical Capital Buffer
CEO	Chief Executive Officer
CEP	Citibank Europe Plc
CET1	Common Equity Tier 1
CFO	Chief Finance Officer
CIU	Collective Investment Undertaking
COIC	Citi Overseas Investment Corp
CPB	Citi Private Bank
CRAS	Climate Risk Assessment & Scorecard
CRD	Capital Requirements Directive
CRM	Credit Risk Mitigation
CRO	Chief Risk Officer
CRR	Capital Requirements Regulation
CSC	Citi Solutions Center
CSRBB	Credit Spread Risk in the Banking Book
CVA	Credit Valuation Adjustment
C&E	Climate and Environmental
DBRS	Dominion Bond Rating Service
EAD	Exposure at Default
EBA	European Banking Authority
ECAI	External Credit Assessment Institution
ECB	European Central Bank
ECL	Expected Credit Loss
EEA	European Economic Area
EEPE	Effective Expected Positive Exposures
EMEA	Europe, Middle East and Africa
ESG	Environmental, Social and Governance
ESRM	Environmental and Social Risk Management
ETDs	Exchange Traded Derivatives
EU	European Union
EVE	Economic Value of Equity
EVS	Economic Value Sensitivity
EWMA	Exponentially Weighted Moving Average
ExCo	Executive Committee
FBEs	Forborne Exposures
FCCM	Financial Collateral Comprehensive Method
FinCRO	Finance Chief Risk Office
FPIC	Free Prior and Informed Consent
FRTB	Fundamental Review of the Trading Book
FX	Foreign exchange
FXRBB	Foreign Exchange Risk in the Banking Book
G10	Group of Ten (refers to the countries that have agreed to participate in the General Arrangements to Borrow (GAB))
GCM	General Clearing Member
GHG	Greenhouse Gas
G-SII	Global Systemically Important Institution
HQLA	High-Quality Liquid Assets
H-EWMA	Hybrid Exponentially Weighted Moving Average
ICAAP	Internal Capital Adequacy Assessment Process
ICM	Institutional Credit Management
ICRM	Independent Compliance Risk Management
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
ILAAP	Internal Liquidity Adequacy Assessment Process
ILO	International Labour Organization
ILOC	Insurance Letters of Credit
IVAST	Integrated VaR and Stress Testing
IMA	Internal Model Approach
IMM	Internal Models Method
IPU	Intermediate Parent Undertaking
IRC	Incremental Risk Charge
IRE	Interest Rate Exposure
IRRBB	Interest Rate Risk in the Banking Book
IRS	Interest Rate Swap
ISDA	International Swaps and Derivatives Association
ITS	Implementing Technical Standard
JST	Joint Supervisory Team
KPIs	Key Performance Indicators
KYC	Know Your Customer
LCR	Liquidity Coverage Ratio
LEX	Large Exposures
LGD	Loss Given Default
LRE	Leverage Ratio Exposure
MDB	Multilateral Development Bank
MREL	Minimum Requirement for Own Funds and Eligible Liabilities
NGFS	Network for Greening the Financial System
NIR	Net Interest Revenue
NMD	Non-maturity Deposit
NPEs	Non-performing Exposure
NSFR	Net Stable Funding Ratio
NTMR	Non-Trading Market Risk
OCC	Office of the Comptroller of the Currency
OCI	Other Comprehensive Income
OSII	Other Systematically Important Institution
OTC	Over The Counter
OSUC	Outstanding and Unused Commitments
PCAF	Partnership for Carbon Accounting Financials
PD	Probability of Default
PFE	Potential Future Exposure

PRA	Prudential Regulation Authority
RAS	Risk Appetite Statement
RIAP	Risk Identification and Assessment Process
RSPO	Roundtable on Sustainable Palm Oil
RSF	Required Stable Funding
RWEA	Risk Weighted Exposure Amount
SA	Standardised Approach
SA-CCR	Standardised Approach for Counterparty Credit Risk
SA-CR	Standardised Approach for Credit Risk
SEC-ERBA	Securitisation External Ratings Based Approach
SEC-SA	Securitisation Standardised Approach
SFT	Securities Financing Transaction
SICR	Significant Increase in Credit Risk
SOT	Supervisory Outlier Test
SRB	Single Resolution Board
SREP	Supervisory Review and Evaluation Process
SSM	Single Supervisory Mechanism
SVaR	Stressed Value at Risk
STS	Simple, Transparent and Standardised Securitisation
TCFD	Task Force on Climate-Related Financial Disclosures
TLAC	Total Loss Absorbing Capacity
TRM	Trade Restrictive Measures
TREA	Total Risk Exposure Amount
TTS	Treasury and Trade Solutions
UNEP FI	United Nations Environment Programme Finance Initiative
VA	Valuation Adjustment
VaR	Value at Risk
WaW	Wealth at Work