

Citibank Europe Plc.

Pillar 3 Disclosures

30 June 2026

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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 2025 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 2025 Annual Report and CEP's 2025 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 businesses of the Group are Markets, Services, Banking and Wealth.

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 (O-SII).

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.

Citi's strategy is focused on transforming into a modern, simpler, and more efficient bank to ensure the bank can manage the speeds and volumes of the digital age while helping clients and customers address the challenges of an ever-evolving world. Key principles guiding this strategy include:

- Thinking Global
- Simplifying the Bank
- Increasing Connectivity
- Investing in Our Team

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

Citi's mission is to act as a trusted partner for its clients, enabling growth and economic progress by responsibly providing financial services. Its operations are structured across five core, interconnected businesses: Services, Markets, Banking, Wealth, and U.S. Consumer Cards. CEP's businesses are outlined below.

Services provides global solutions that help corporations, financial institutions, public sector, and commercial clients optimise operations and drive their business forward through our five business lines: Liquidity Management Services, Payments, Trade & Working Capital Solutions, Investor Services, and Issuer Services. Services provides cash management, payments/receivables solutions, working capital solutions, post-trade securities services, and issuer services across Citi's global network.

CEP Markets provides a broad suite of financial products, including Rates, FX, Spread Products, Fixed Income Finance, Markets Treasury, and Equities. Their services are designed for institutional professional counterparties such as multinational corporations, financial institutions, and public sector clients. This broad offering enables clients to access liquidity and manage various financial risks.

CEP's Banking business is structured across three main divisions: Investment Banking (IB), Corporate Banking (CB), and Commercial Banking (CCB). The Investment Banking division provides institutional clients with M&A advisory and Capital Markets services, coordinating with global specialists. Corporate Banking manages relationships with large European institutional clients, offering a full suite of financial services, credit facilities, and access to the Citi Global Network, with CEP as the primary booking vehicle for loans. The Commercial Banking division mirrors the Corporate Bank's model but focuses on small and medium-sized companies, providing relationship coverage and financing to support their international growth. Together, these divisions deliver a range of asset-based products like loans and credit facilities, and fee-based products including M&A advisory and capital markets activities, often collaborating with other Citi entities for execution while maintaining coordinated client coverage.

Citi Wealth combines the Citi Private Bank (CPB) and Wealth at Work (WaW) businesses to serve a global client base, with a primary focus on ultra-high net worth individuals. CPB targets clients with over $25 million in net worth, offering a comprehensive suite of banking, lending, custody, and investment products through its main EEA booking center in Luxembourg, which is projected to manage approximately 3,200 active accounts. The WaW division caters to specific professional verticals like law and investment firms, providing capital lending and the full range of CPB products, with CEP Luxembourg serving as the booking center for its roughly 700 EEA clients and CEP UK for non-EEA clients.

Bank Handlowy w Warszawie S.A. (BHW)

BHW is a majority owned subsidiary of CEP since 2023.

BHW, Poland's oldest commercial bank and majority-owned by Citi since 2000, has undergone a significant strategic transformation by divesting its Consumer Business to VeloBank S.A. This move, which received regulatory approval from the Polish Financial Supervision Authority in December 2025 and closed by June 2026, aligns with Citi's global strategy to focus primarily on Institutional Banking. BHW maintains its own governance structure in compliance with Polish law.

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.

Scope

In accordance with Pillar 3 requirements, the scope covered by CEP's Pillar 3 Disclosures include CRD V capital requirements and

resources, capital ratios, credit risk, market risk, liquidity risk, leverage ratio and securitisation activity.

CEP's Basel Committee on Banking Supervision ("BCBS") 239 in-scope reports are produced with reference to Citi's Global BCBS 239 Procedure (which was introduced to set out heightened standards for BCBS 239 compliance) with respect to report accuracy, comprehensiveness, clarity, usefulness, frequency and distribution.

CEP is required to make a disclosure of Environmental, Social and Governance ("ESG") risks as laid down in CRR Article 449a as it meets the criteria of a "large institution which has issued securities that are admitted to trading on a regulated market of any Member State"

CEP is below the Non Performing Loans ("NPL") 5% threshold as per Regulation (EU) 2021/637 Article 8 paragraph 6 at 31 December 2025 and therefore this report does not contain the disclosure per Article 8 paragraph 3 of that regulation.

Frequency 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. All disclosures are made in EUR, unless otherwise stated. CEP publishes its Pillar 3 Disclosures at: https://www.citigroup.com/citi/investor/reg.htm Further to the requirements in CRD Article 106, CEP also submits Pillar 3 Disclosures to the EBA's Pillar 3 Data Hub.

Quantitative Disclosure

Where disclosures are not relevant or deemed immaterial to the activities of CEP, these have been omitted and detailed in appendix 2. In addition, those rows and columns not relevant or reportable as nil have been omitted from prescribed tables.

Policy and Verification

In accordance with Article 431 (3) of the CRR II, CEP's Pillar 3 Disclosures are covered under the 'Pillar 3 Standard - Citi CRR Legal Entities' internal policy document, 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 the 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 (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 Citi CRR 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 cryptoasset 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. The application of the binding capital requirements for market risk has been postponed twice, until 1 January 2027, due to delays in implementation in other major jurisdictions. Whilst the FRTB market risk framework will apply from 1 January 2027, a delegated act has been adopted that seeks to neutralise the increase stemming from market risk capital requirements for a period of three years.

Key Metrics

CEP's capital resources consist of Common Equity Tier 1 (CET1) capital and Additional Tier 1 (AT1) capital. As at June 2026, CEP's total capital ratio was 18.87%, which significantly exceeds the regulatory overall capital requirement of 14.78%, and the leverage ratio of 7.14% is significantly in excess of the 3.1% regulatory requirement.

Table 1: EU KM1 - Key Metrics template

		30 June 2026	31 March 2026	31 December 2025	30 September 2025	30 June 2025
	Available own funds	**€ million**	**€ million**	€ million	€ million	€ million
1	Common Equity Tier 1 (CET1) capital	**15,303**	15,090	15,053	14,392	14,450
2	Tier 1 capital	**15,820**	15,308	15,053	14,392	14,450
3	Total capital	**15,820**	15,308	15,053	14,392	14,450
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	**83,830**	80,144	77,430	78,081	78,462
4a	Total risk exposure pre-floor	**83,830**	80,144	77,430	78,081	78,462
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	**18.25%**	18.83%	19.44%	18.43%	18.42%
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	**18.25%**	18.83%	19.44%	18.43%	18.42%
6	Tier 1 ratio (%)	**18.87%**	19.10%	19.44%	18.43%	18.42%
6b	Tier 1 ratio considering unfloored TREA (%)	**18.87%**	19.10%	19.44%	18.43%	18.42%
7	Total capital ratio (%)	**18.87%**	19.10%	19.44%	18.43%	18.42%
7b	Total capital ratio considering unfloored TREA (%)	**18.87%**	19.10%	19.44%	18.43%	18.42%
	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 (%)	**2.25%**	2.25%	2.40%	2.40%	2.40%
EU 7e	of which: to be made up of CET1 capital (percentage points)	**1.27%**	1.27%	1.35%	1.35%	1.35%
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	**1.69%**	1.69%	1.80%	1.80%	1.80%
EU 7g	Total SREP own funds requirements (%)	**10.25%**	10.25%	10.40%	10.40%	10.40%
	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 (%)	**—%**	—%	—%	—%	—%
9	Institution specific countercyclical capital buffer (%)	**1.00%**	1.05%	1.06%	0.99%	0.86%
EU 9a	Systemic risk buffer (%)	**0.03%**	0.04%	0.03%	0.03%	0.03%
10	Global Systemically Important Institution buffer (%)	**—%**	—%	—%	—%	—%
EU 10a	Other Systemically Important Institution buffer	**1.00%**	1.00%	1.00%	1.00%	1.00%
11	Combined buffer requirement (%)	**4.53%**	4.58%	4.59%	4.52%	4.39%
EU 11a	Overall capital requirements (%)	**14.78%**	14.83%	14.99%	14.92%	14.79%
12	CET1 available after meeting the total SREP own funds requirements (%)	**8.62%**	8.85%	9.04%	8.03%	8.02%
	Leverage ratio					
13	Total exposure measure	**221,525**	220,829	185,838	205,799	205,093
14	Leverage ratio (%)	**7.14%**	6.93%	8.10%	6.99%	7.05%
	Additional own funds requirements to address the risk of excessive leverage					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	**0.10%**	0.10%	0.20%	0.20%	0.20%
EU 14b	of which: to be made up of CET1 capital (percentage points)	**—%**	—%	—%	—%	—%
EU 14c	Total SREP leverage ratio requirement (%)	**3.10%**	3.10%	3.20%	3.20%	3.20%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	**—%**	—%	—%	—%	—%
EU 14e	Overall leverage ratio requirements (%)	**3.10%**	3.10%	3.20%	3.20%	3.20%
	Liquidity Coverage Ratio[1]					
15	Total high-quality liquid assets (HQLA) (Weighted value-average)	**59,252**	58,892	60,001	59,022	56,934
EU 16a	Cash outflows - Total weighted value	**57,238**	56,100	56,556	55,710	53,470
EU 16b	Cash inflows - Total weighted value	**9,590**	9,918	9,565	9,932	10,071
16	Total net cash outflows (adjustment value)	**47,648**	46,182	46,991	45,778	43,399
17	Liquidity coverage ratio (%)	**124.43%**	128.13%	128.38%	129.82%	132.48%

		30 June 2026	31 March 2026	31 December 2025	30 September 2025	30 June 2025
	Net Stable Funding Ratio					
18	Total available stable funding	**60,716**	63,291	61,568	61,632	60,408
19	Total required stable funding	**45,087**	44,086	41,280	40,117	38,683
20	NSFR ratio (%)[2]	**134.66%**	143.56%	149.15%	153.63%	156.16%

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

As at 30 June 2026, CEP's total capital ratio is 18.87%, a decrease of 0.23% compared to 19.10% at the 31 March 2026. This decrease is mainly driven by a €3.7 billion increase in RWEA mainly due to a €2.2 billion increase in Credit Risk (including Counterparty Credit Risk) driven by a €1.5 billion increase in Unused Commitments and €0.7 billion increase in Derivatives. A further driver of this is a €1.4 billion increase in Market Risk driven by a €1.4 billion increase in internal model approach (IMA). This was partially offset by a €0.5 billion increase in Own Funds, which was mainly driven by the the issuance of AT1 instruments and the EUR/USD FX rate change.

CEP's leverage ratio increased to 7.14% as at 30 June 2026 compared to 6.93% as at 31 March 2026, which is mainly driven by a €0.5 billion increase in Total Capital. There were no significant changes in exposures compared to the previous quarter-end.

Movements in liquidity coverage ratio and net stable funding ratio are explained in the below tables 39 and 40.

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 1 capital requirements. 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;
- Additional Tier 1 (AT1) Capital, primarily comprised of eligible perpetual subordinated debt.
- Deductions from capital include:
  - Intangible assets, including goodwill;
  - Prudent valuation; and,
  - Deferred tax relying on future profitability.

Table 2: EU CC1 - Composition of regulatory own funds

This table presents CEP's capital resources as at 30 June 2026 and 31 December 2025.

		30 June 2026	Reference to EU CC2 table	31 December 2026
		€ million		€ million
Common Equity Tier 1 (CET1) capital: instruments and reserves				
1	Capital instruments and the related share premium accounts	1,732	(a)	1,679
2	Retained earnings	8,781	(c)	8,630
3	Accumulated other comprehensive income (and other reserves)	5,085	(b)	5,038
5	**Minority interests (amount allowed in consolidated CET1)**	202		324
EU-5a	**Independently reviewed interim profits net of any foreseeable charge of dividend**	—	(c)	—
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	15,800	(d)	15,671
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount)	(86)		(82)
8	Intangible assets (net of related tax liability) (negative amount)	(301)	(f)	(306)
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)	(54)	(e)	(52)
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)	(12)		(12)
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	(5)		(4)
EU-20d	of which: free deliveries (negative amount)	(5)		(4)
EU-25a	Losses for the current financial year (negative amount)	—		(115)
27a	Other regulatory adjustments	(39)	(h)	(47)
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	(497)		(618)
29	**Common Equity Tier 1 (CET1) capital**	15,303		15,053
Additional Tier 1 (AT1) capital: instruments				
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	518		—
Additional Tier 1 (AT1) capital: regulatory adjustments				
43	**Total Regulatory Adjustments to Additional Tier 1 (AT1) Capital**	—		—
44	**Additional Tier 1 (AT1) capital**	518		—
45	**Tier 1 capital (T1 = CET1 + AT1)**	15,820		15,053
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)**	15,820		15,053
60	**Total Risk exposure amount**	83,830		77,430
Capital ratios and requirements including buffers				
61	Common Equity Tier 1	18.25%		19.44%
62	Tier 1	18.87%		19.44%
63	Total capital	18.87%		19.44%
64	Institution CET1 overall capital requirements	10.29%		10.44%
65	of which: capital conservation buffer requirement	2.50%		2.50%

		30 June 2026	Reference to EU CC2 table	31 December 2026
		€ million		€ million
66	of which: countercyclical capital buffer requirement	1.00%		1.06%
67	of which: systemic risk buffer requirement	0.03%		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**	1.27%		1.35%
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	8.62%		9.04%
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)	9		20
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)	170	(g)	165
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 2026	31 March 2026	30 June 2026
		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		€ million	€ million	€ million
1	**Credit risk (excluding CCR)**	**48,486**	46,814	**3,879**
2	Of which the standardised approach	**48,486**	46,814	**3,879**
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**	**7,214**	6,740	**577**
7	Of which the standardised approach	**1,260**	1,176	**101**
8	Of which internal model method (IMM)	**4,268**	3,644	**341**
EU 8a	Of which exposures to a CCP	**152**	194	**12**
9	Of which other CCR	**1,534**	1,726	**123**
10	**Credit valuation adjustments risk - CVA risk**	**2,008**	1,949	**161**
10a	Of which the standardised approach (SA)	—	—	—
10b	Of which the basic approach (F-BA and R-BA)	**2,008**	1,949	**161**
10c	Of which the simplified approach	—	—	—
15	**Settlement risk**	—	1	—
16	**Securitisation exposures in the non-trading book (after the cap)**	**464**	418	**37**
17	Of which SEC-IRBA approach	—	—	—
18	Of which SEC-ERBA (including IAA)	**17**	4	**1**
19	Of which SEC-SA approach	**447**	414	**36**
EU 19a	Of which 1250% / deduction	—	—	—
20	**Position, foreign exchange and commodities risk (Market risk)**	**16,723**	15,371	**1,338**
21	Of which the standardised approach	—	—	—
EU 21a	Of which the Simplified standardised approach (S-SA)	**2,019**	2,097	**161**
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	**8,936**	8,852	**715**
EU 24a	Exposures to crypto-assets	—	—	—
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	**426**	422	**34**
26	Output floor applied (%)	**55.00%**	55.00%	—
27	**Floor adjustment (before application of transitional cap)**	—	—	—
28	**Floor adjustment (after application of transitional cap)**	—	—	—
29	**Total**	**83,830**	80,144	**6,706**

[1] Large Exposure (LEX) capital requirements are calculated on the trading book excess. As at 30 June 2026 CEP had no LEX related RWEA.

Credit Risk

RWEA increased by €1.7 billion primarily due to an increase in Unused Commitments by €1.5 billion.

Counterparty Credit Risk (CCR)

RWEA increased by €0.5 billion mainly due to an increase in interest rate derivatives by €0.4 billion and an increase in FX derivatives by €0.3 billion, which was partially offset by a decrease of €0.2 billion in SFTs.

Operational risk

RWEA increased by €0.1 billion due to the EUR/USD FX rate change.

Market Risk

RWEA increased by €1.35 billion, driven by a €1.43 billion increase in internal model approach (IMA) and a €0.08 billion decrease in traded debt instruments (TDI). IMA increase was mostly driven by a €1.16 billion increase in SVaR driven by increased Portugal and Greece sovereign exposures, €0.14 billion increase in Incremental Risk Charge (IRC) due to increased long positions and €0.13 billion increase in VaR driven by model input (volatility) parameter updates. The TDI decrease was mostly driven by a €0.08 billion decrease in general market risk due to a decrease in swap positions.

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 2026**	3,644
2	Asset size	724
3	Credit quality of counterparties	(100)
4	Model updates (IMM only)	—
5	Methodology and policy (IMM only)	—
6	Acquisitions and disposals	—
7	Foreign exchange movements	—
8	Other	—
9	**RWA as at 30 June 2026**	4,268

CEP's CCR RWEA under IMM increased by €0.6 billion, mainly driven by a €0.4 billion increase oi interest rate derivatives and €0.2 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 fully 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 2026**	1,466	7,661	4,147	—	—	13,275	1,062
1a	*Regulatory adjustment*	(1,128)	(5,076)	—	—	—	(6,204)	(496)
1b	*RWEAs at 31 March 2026 (end of the day)*	338	2,585	4,147	—	—	7,071	566
2	Movement in risk levels	241	1,106	(1,376)	—	—	(30)	(2)
3	Model updates/changes	58	284	—	—	—	342	27
4	Methodology and policy	—	—	—	—	—	—	—
5	Acquisitions and disposals	—	—	—	—	—	—	—
6	Foreign exchange movements	3	23	38	—	—	64	5
7	Other	—	—	—	—	—	—	—
8a	*RWEAs at 30 June 2026 (end of the day)*	640	3,999	2,808	—	—	7,447	596
8b	*Regulatory adjustment*	957	4,818	1,483	—	—	7,258	581
8	**RWAs as at 30 June 2026**	1,597	8,816	4,291	—	—	14,704	1,176

CEP's Market Risk RWEA calculated under the IMA increased by €1.43 billion compared to the previous quarter-end, driven by a €1.16 billion increase in SVaR driven by increased Portugal and Greece sovereign exposures, €0.14 billion increase in Incremental Risk Charge (IRC) due to increased long positions and €0.13 billion increase in VaR driven by model input (volatility) parameter updates..

Table 6: 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)**	—	48,486	48,486	48,486	48,486
2	*Counterparty credit risk*	4,268	2,945	7,214	6,756	6,756
3	*Credit valuation adjustment*		2,008	2,008	4,563	4,563
4	Securitisation exposures in the banking book	—	464	464	535	535
5	Market risk	14,704	2,019	16,723	8,137	8,137
6	Operational risk		8,936	8,936	8,936	8,936
7	Other risk weighted exposure amounts		—	—	—	—
8	Total	18,973	64,857	83,830	77,413	77,413

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 3.1% became effective from 1 January 2026.

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 7.14% as at 30 June 2026.

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

Table 7: 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 2026
		€ million
1	Total assets as per published financial statements	210,740
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	(16,318)
9	Adjustment for securities financing transactions (SFTs)	595
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	33,073
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	—
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	(6,565)
13	**Total exposure measure**	221,525

Table 8: 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 2026	31 December 2025
		€ million	€ million
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	**153,333**	125,374
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)	**(2,958)**	(3,097)
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)	**(367)**	(370)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**150,008**	121,907
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	**4,863**	3,507
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	**11,922**	11,463
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	**—**	—
11	Adjusted effective notional amount of written credit derivatives	**7,683**	6,227
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	**(7,493)**	(5,647)
13	**Total derivatives exposures**	**16,976**	15,551
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	**51,269**	39,065
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	**(27,156)**	(19,281)
16	Counterparty credit risk exposure for SFT assets	**595**	291
17	Agent transaction exposures	**—**	—
18	**Total securities financing transaction exposures**	**24,709**	20,075
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	**61,518**	57,752
20	(Adjustments for conversion to credit equivalent amounts)	**(28,445)**	(26,707)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	**—**	—
22	**Off-balance sheet exposures**	**33,073**	31,046
Excluded exposures			
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	**(3,240)**	(2,740)
EU-22m	**(Total exempted exposures)**	**(3,240)**	(2,740)
Capital and total exposure measure			
23	Tier 1 capital	**15,820**	15,053
24	**Total exposure measure**	**221,525**	185,838
Leverage ratio			
25	Leverage ratio	**7.14%**	8.10%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) %)	**7.14%**	8.10%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	**7.14%**	8.10%
26	Regulatory minimum leverage ratio requirement (%)	**3.00%**	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	**0.10%**	0.20%
EU-26b	of which: to be made up of CET1 capital (percentage points)	**—%**	—%
27	Leverage ratio buffer requirement(%)	**—%**	—%
EU-27a	Overall leverage ratio requirement (%)	**3.10%**	3.20%
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	**29,453**	22,060
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	**24,113**	19,784
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)	**226,865**	188,114
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)	**226,865**	188,114

		30 June 2026	31 December 2025
		€ million	€ million
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)	**6.97%**	8.00%
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)	**6.97%**	8.00%

CEP's leverage ratio decreased to 7.14% as at 30 June 2026 compared to 8.10% at 31 December 2025. This 0.96% decrease over the semi-annual period was driven by a €36 billion increase in leverage exposure mainly due to a €13 billion increase in unsettled securities transactions, €12 billion increase in Trading book exposures €4 billion increase in SFT Exposure, €2 billion increase in OFF BS items and €2 billion increase in Credit Risk items.

Table 9: EU LR3 - LRSpl: Split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		30 June 2026
		CRR leverage ratio exposures
		€ million
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**147,796**
EU-2	Trading book exposures	**35,451**
EU-3	Banking book exposures, of which:	**112,345**
EU-4	Covered bonds	**—**
EU-5	Exposures treated as sovereigns	**51,775**
EU-6	Exposures to regional governments, MDB, international organizations and PSE not treated as sovereigns	**93**
EU-7	Institutions	**26,946**
EU-8	Secured by mortgages of immovable properties	**2,213**
EU-9	Retail exposures	**—**
EU-10	Corporates	**28,002**
EU-11	Exposures in default	**150**
EU-12	Other exposures (e.g. equity, securitizations, and other non-credit obligation assets)	**3,166**

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 16 July 2025, CEP has been required to comply with a binding requirement of 24.50% (plus its combined buffer requirement "CBR," which was 4.53% as at 30 June 2026) 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 own internal risk appetite.

Table 10: 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)	15,303	15,303	
EU 4	Eligible Additional Tier 1 instruments	518	518	
EU 5	Eligible Tier 2 instruments	—	—	
EU 6	Eligible own funds	15,820	15,820	
EU 7	Eligible liabilities	11,149	11,149	
EU 8	Of which permitted guarantees	—		
EU 9a	(Adjustments)	—	0	
EU 9b	Own funds and eligible liabilities items after adjustments	26,970	26,970	
Total risk exposure amount and total exposure measure				
EU 10	Total risk exposure amount	83,830	83,830	
EU 11	Total exposure measure	221,525	221,525	
Ratio of own funds and eligible liabilities				
EU 12	Own funds and eligible liabilities (as a percentage of TREA)	32.17%	32.17%	
EU 13	>>> of which permitted guarantees	—%		
EU 14	Own funds and eligible liabilities (as a percentage of leverage exposure)	12.17%	12.17%	
EU 15	>>> of which permitted guarantees	—%		
EU 16	CET1 (as a percentage of TREA) available after meeting the entity's requirements	7.88%	7.88%	
EU 17	Institution-specific combined buffer requirement*		4.53%	
Requirements				
EU 18	Requirement expressed as a percentage of the total risk exposure amount***	24.50%	16.20%	
EU 19	>>> of which may be met with guarantees	—%		
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	—%		
Memorandum items				
EU 22	Total amount of excluded liabilities referred to in Article 72a(2) CRR**		166,200	

*** Row EU 18 The MREL requirement presented is the base SRB requirement only and does not include the additional Combined Buffer Requirement (CBR) of 4.53%.

Table 11: 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.

	€ million	Insolvency ranking								
		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	—	15,592	—	11,149	—	104,088	—	2,054	132,884
4	of which excluded liabilities	—	—	—	—	—	—	—	—	—
5	Liabilities and own funds less excluded liabilities	—	15,592	—	11,149	—	104,088	—	2,054	132,884
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.	—	15,592	—	11,149	—	—	—	—	26,741
7	of which residual maturity ≥ 1 year < 2 years	—	—	—	500	—	—	—	—	500
8	of which residual maturity ≥ 2 year < 5 years	—	—	—	7,649	—	—	—	—	7,649
9	of which residual maturity ≥ 5 years < 10 years	—	—	—	3,000	—	—	—	—	3,000
10	of which residual maturity ≥ 10 years, but excluding perpetual securities	—	—	—	—	—	—	—	—	—
11	of which perpetual securities	—	15,592	—	—	—	—	—	—	15,592

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 its Wealth Business.

Wholesale Credit Risk exposure is comprised of direct risk, contingent risk and clearing and settlement 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 not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

Wealth Business retail exposure is primarily comprised of secured and unsecured loans provided to individuals both on a secured and unsecured basis.

Counterparty Risk

Counterparty risk is the risk of loss resulting from the decline in credit quality (or downgrade risk) or failure of a counterparty to honour its financial or contractual obligations.

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 disclosures made in accordance with the CRR requirement, and EBA guidance on Pillar 3 disclosures are provided in the Credit Risk Profile and Counterparty Credit Risk sections later in the disclosure.

Credit Risk Governance and Reporting

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.

CEP manages credit risk on a day-to-day basis through a three lines of defence approach. Every employee must act as a risk manager consistent with CEP's Risk Management Framework.

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 monitors, controls and supports risk-taking activities across CEP. CEP's Head of Credit Risk reports to the CRO. The Credit Risk Management function reports to the Head of Credit Risk and provides oversight of identification, measurement, monitoring, control and reporting of credit risk. The key tasks undertaken by the CEP Credit Risk team include Credit Policy & Governance, Portfolio Monitoring, Expected Credit Loss, Counterparty Credit Risk, Credit Approval and Special Assets (Non- Performing and Higher Risk assets).

CEP also has a dedicated 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.

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

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 Independent 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 Independent Risk Management also escalates matters of concern to senior management as required.

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 approval, 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;

Credit risk is also comprehensively assessed from a Risk Capital and Stress Loss perspective.

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 obligor; and,
- the amount of exposure at risk.

The process also applies to all counterparty credit risk obligors including central clearing counterparties which transact products

such as OTC derivative contracts, Derivatives & Securities Financing Transactions (DSFT) including 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 serve as the primary basis for credit assessments, a range of additional factors are also considered when determining obligor limits including management quality, strategy, client scale, industry dynamics and environmental and regulatory considerations. Exposure to credit risk in relation to 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 of obligor exposures versus limits and excesses 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 credit rating of the obligor to arrive at a risk adjusted or Risk Weighted Exposure Amount (RWEA).

Credit Risk exposures are captured as accounting value, net of specific credit risk adjustments. For off-balance sheet items, a Credit Conversion Factor (CRR, Article 111) is used to transform the nominal value into an exposure.

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

Counterparty Credit Risk exposures are calculated using three methods. The Internal Model Method (IMM) is used to estimate exposure for transactions for which CEP has been granted approval to use advanced Pillar 1 regulatory models. The Standardised Approach - Counterparty Credit Risk (SA-CCR) is used for transactions, businesses, or subsidiaries where CEP does not have an approval to use the IMM. For SFTs, CEP applies the Financial Collateral Comprehensive Method (FCCM), as per CRR, Article 223.

Regarding 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.).

The FCCM is leveraged to determine the appropriate haircuts for liquid and marketable collateral, and in doing so, calculates a net exposure-at-default.

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 over 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. CEP uses various approaches to help mitigate risks relating to individual credits, including transaction structure, collateral and guarantees. CEP's credit risk mitigation processes are governed by relevant CEP policies and procedures.

Netting agreements, collateral and other techniques have a material beneficial impact on the level of such risks borne by the organisation.

Collateral

The main types of collateral which are recognized within CEP are 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.

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 may benefit 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 can be one of the principal considerations in the decision to extend credit.

Quantitative collateral related disclosures in line with the CRR requirements and the EBA Guidelines are provided in the Credit Risk Mitigation (Page 27) and Counterparty Credit Risk (Page 31) section.

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 2026.

Securitisation Exposure

CEP's Securitisation activities are subject to CEP review and challenge for both transactions and periodic reviews. CEP's exposure to securitisations is subject to relevant policies and procedures. 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 does not involve 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 Sales 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.

For legal netting 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.

For collateral enforceability 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

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.

Where general or specific wrong-way risk arises due to a material correlation between a counterparty's credit quality and the value of

the collateral, or a significant dependence between the counterparty exposure and the collateral, these risks are managed through collateral eligibility requirements and risk monitoring measures. These controls help ensure that collateral quality and liquidity are sufficient relative to the credit exposure, and that wrong-way risk is identified, measured, and appropriately 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 a 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 Financial Instruments 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. ECLs are defined as the weighted average of credit losses across multiple macroeconomic scenarios, with weights assigned based on the probability of each scenario occurring and are an estimate of credit losses over the life of a financial instrument.

The ECL is measured as either a 12-month or Lifetime ECL based on whether an exposure is classified as either Stage 1, 2, 3 or POCI (Purchased or Originated Credit Impaired). Stage 1 includes assets with no Significant Increase in Credit Risk (SICR) since initial recognition and ECL is estimated using a 12 month time horizon. Stage 2 includes assets that have experienced SICR since initial recognition, but the exposure is not yet defaulted/credit impaired. ECL for Stage 2 assets is estimated over the lifetime of the asset. Stage 3 and POCI are those assets which are 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 2026, for these exposures the gross carrying amount of CEP's total on-balance sheet and off-balance sheet exposures were €181.24 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 12: 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**	182	127	127	127	(13)	(32)	45	9
20	*Central banks*	—	—	—	—	—	—	—	—
30	*General governments*	—	—	—	—	—	—	—	—
40	*Credit institutions*	—	—	—	—	—	—	—	—
50	*Other financial corporations*	—	—	—	—	—	—	—	—
60	*Non-financial corporations*	177	127	127	127	(13)	(32)	41	9
70	*Households*	5	—	—	—	—	—	5	—
80	**Debt Securities**	—	—	—	—	—	—	—	—
90	**Loan commitments given**	22	24	24	24	1	1	—	—
100	**Total as at 30 June 2026**	203	151	151	151	(15)	(33)	45	9

Table 13: 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	225	60	60	60	(23)	(15)	94	7
20	*Central banks*	—	—	—	—	—	—	—	—
30	*General governments*	—	—	—	—	—	—	—	—
40	*Credit institutions*	—	—	—	—	—	—	—	—
50	*Other financial corporations*	—	—	—	—	—	—	—	—
60	*Non-financial corporations*	222	58	58	58	(23)	(15)	90	6
70	*Households*	3	2	2	2	(1)	—	3	1
80	Debt Securities	—	—	—	—	—	—	—	—
90	Loan commitments given	73	33	33	33	4	2	—	—
100	Total as at 31 December 2025	298	92	92	92	(28)	(17)	94	7

There was a total of €36 million decrease across performing and non-performing forborne exposures, due to the decreased amount exposure in Loan commitments given by €60 million, which was partially offset by the increased amount exposure in Non-financial corporations by €24 million.

Table 14: 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					Accumulated partial write-off	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			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**	44,248	44,168	80	—	—	(2)	(1)	—	—	—	—	—	—
10	**Loans and advances**	54,640	47,640	2,976	160	160	(160)	(62)	(97)	(44)	(44)	(7)	32,506	51
20	*Central banks*	4,517	4,351	—	—	—	—	—	—	—	—	—	1	—
30	*General governments*	1,349	1,349	—	—	—	(1)	(1)	—	—	—	—	50	—
40	*Credit institutions*	20,171	16,563	5	—	—	(3)	(3)	—	—	—	—	16,053	—
50	*Other financial corporations*	6,326	5,895	376	2	2	(14)	(10)	(4)	(1)	(1)	—	4,950	—
60	*Non-financial corporations*	20,987	18,324	2,463	155	155	(125)	(41)	(84)	(42)	(42)	(7)	11,166	51
70	*Of which SMEs*	257	209	48	15	15	(3)	(1)	(2)	(6)	(6)	—	217	7
80	*Households*	1,289	1,157	133	3	3	(17)	(8)	(9)	(1)	(1)	—	286	—
90	**Debt securities**	20,132	20,132	—	—	—	(9)	(9)	—	—	—	—	—	—
100	*Central banks*	581	581	—	—	—	—	—	—	—	—	—	—	—
110	*General governments*	17,464	17,464	—	—	—	(9)	(9)	—	—	—	—	—	—
120	*Credit institutions*	1,759	1,759	—	—	—	—	—	—	—	—	—	—	—
130	*Other financial corporations*	326	326	—	—	—	—	—	—	—	—	—	—	—
140	*Non-financial corporations*	—	—	—	—	—	—	—	—	—	—	—	—	—
150	**Off-balance-sheet exposures**	61,994	58,987	3,007	70	64	86	44	42	1	1		—	—
160	*Central banks*	—	—	—	—	—	—	—	—	—	—		—	—
170	*General governments*	690	690	—	—	—	1	1	—	—	—		—	—
180	*Credit institutions*	2,738	2,712	27	4	4	1	1	—	—	—		—	—
190	*Other financial corporations*	14,933	14,485	448	—	—	9	4	4	—	—		—	—
200	*Non-financial corporations*	43,576	41,044	2,531	66	59	76	38	37	1	1		—	—
210	*Households*	56	56	—	—	—	—	—	—	—	—		—	—
220	**Total as at 30 June 2026**	181,013	170,926	6,062	230	223	(256)	(116)	(140)	(45)	(45)	(7)	32,506	51

Table 15: 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					Accumulated partial write-off	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			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	42,983	42,981	2	1	1	(1)	(1)	—	—	—	—	—	—
10	Loans and advances	47,909	42,382	2,356	114	114	(138)	(58)	(80)	(32)	(32)	(1)	31,240	55
20	*Central banks*	2,972	2,972	—	—	—	—	—	—	—	—	—	—	—
30	*General governments*	913	909	4	—	—	—	—	—	—	—	—	46	—
40	*Credit institutions*	18,797	16,198	2	—	—	(2)	(2)	—	—	—	—	17,656	—
50	*Other financial corporations*	4,172	3,765	74	—	—	(17)	(16)	(1)	—	—	—	2,548	—
60	*Non-financial corporations*	19,847	17,373	2,233	110	110	(110)	(34)	(76)	(30)	(30)	(1)	10,590	54
70	*Of which SMEs*	277	204	74	2	2	(7)	(1)	(6)	—	—	(1)	259	2
80	*Households*	1,208	1,164	44	4	4	(10)	(7)	(3)	(3)	(3)	—	400	1
90	Debt securities	19,733	19,717	16	—	—	(11)	(10)	—	—	—	—	—	—
100	*Central banks*	—	—	—	—	—	—	—	—	—	—	—	—	—
110	*General governments*	16,970	16,954	16	—	—	(10)	(9)	—	—	—	—	—	—
120	*Credit institutions*	2,527	2,527	—	—	—	—	—	—	—	—	—	—	—
130	*Other financial corporations*	237	237	—	—	—	(1)	(1)	—	—	—	—	—	—
140	*Non-financial corporations*	—	—	—	—	—	—	—	—	—	—	—	—	—
150	Off-balance-sheet exposures	56,657	53,862	2,795	56	50	81	40	41	4	3		—	—
160	*Central banks*	—	—	—	—	—	—	—	—	—	—		—	—
170	*General governments*	579	579	—	—	—	—	—	—	—	—		—	—
180	*Credit institutions*	2,431	2,391	39	5	5	2	1	—	1	1		—	—
190	*Other financial corporations*	11,090	11,022	68	—	—	3	2	1	—	—		—	—
200	*Non-financial corporations*	42,500	39,813	2,687	50	44	75	36	39	3	3		—	—
210	*Households*	57	56	—	—	—	—	—	—	—	—		—	—
220	Total as at 31 December 2025	167,283	158,942	5,169	171	164	(231)	(110)	(121)	(36)	(36)	(1)	31,240	55

Table 16: 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**	119,179	160	160	115,154	(214)		—
20	UNITED STATES	17,288	—	—	17,280	(5)		—
30	GERMANY	13,200	10	10	12,233	(7)		—
40	UNITED KINGDOM	12,259	2	2	12,227	(14)		—
50	NETHERLANDS	11,790	16	16	11,703	(27)		—
60	POLAND	11,197	76	76	11,197	(34)		—
70	FRANCE	10,015	—	—	9,706	(17)		—
80	CZECH REPUBLIC	7,240	6	6	7,240	(6)		—
90	IRELAND	5,976	2	2	5,976	(18)		—
100	LUXEMBOURG	4,531	31	31	4,435	(13)		—
110	ROMANIA	4,046	10	10	3,848	(11)		—
120	Other countries	21,637	7	7	19,310	(60)		—
130	**Off-balance-sheet exposures**	62,064	70	70			87	
140	FRANCE	10,872	—	—			15	
150	GERMANY	9,562	14	14			17	
160	NETHERLANDS	5,152	15	15			12	
170	UNITED KINGDOM	3,921	3	3			3	
180	BERMUDA	3,632	—	—			—	
190	SWEDEN	3,334	—	—			4	
200	POLAND	2,877	6	6			3	
210	UNITED STATES	2,855	—	—			2	
220	SPAIN	2,651	—	—			3	
230	IRELAND	1,994	—	—			3	
240	Other countries	15,214	31	31			25	
250	**Total**	181,243	230	230	115,154	(214)	87	—

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

Table 17: 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	58	—	—	58	—	—
20	Mining and quarrying	212	—	—	212	(10)	—
30	Manufacturing	6,997	52	52	6,912	(51)	—
40	Electricity, gas, steam and air conditioning supply	1,485	—	—	1,485	(1)	—
50	Water supply	27	—	—	27	(3)	—
60	Construction	114	7	7	103	(3)	—
70	Wholesale and retail trade	2,577	52	52	2,576	(31)	—
80	Transport and storage	882	—	—	882	(4)	—
90	Accommodation and food service activities	97	—	—	97	—	—
100	Information and communication	2,416	—	—	2,416	(15)	—
110	Financial and insurance actvities	2,103	41	41	2,095	(17)	—
120	Real estate activities	2,083	—	—	1,995	(23)	—
130	Professional, scientific and technical activities	1,033	3	3	1,033	(6)	—
140	Administrative and support service activities	881	—	—	874	(3)	—

		a	b	c	d	e	f
		Gross carrying amount					Accumulated
150	Public administration and defense, compulsory social security	—	—	—	—	—	—
160	Education	2	—	—	2	—	—
170	Human health services and social work activities	76	—	—	76	(1)	—
180	Arts, entertainment and recreation	7	—	—	7	—	—
190	Other services	92	—	—	92	—	—
200	*Total*	21,142	155	155	20,942	(167)	—

Table 18: 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]	3,742	37,092	9,405	4,358	—	54,597
2	Debt securities	—	2,701	15,745	1,677	—	20,123
3	**Total**	3,742	39,793	25,150	6,035	—	74,719

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

Table 19: 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	114
020	Inflows to non-performing portfolios	110
030	Outflows from non-performing portfolios	(64)
040	Outflows due to write-offs	(7)
050	Outflow due to other situations	(58)
060	Final stock of non-performing loans and advances	160

Credit Risk Mitigation (CRM)

Table 20: 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**	66,285	32,557	22,517	10,040	—
2	**Debt securities**	20,123	—	—	—	
3	**Total as at 30 June 2026**	86,408	32,557	22,517	10,040	—
4	*Of which non-performing exposures*	65	51	10	41	—
5	*Of which defaulted*	65	51			

Table 21: 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	50,048	535	52,709	1,392	755	1.40%
2	Non-central government public sector entities	26	571	1,394	231	107	6.57%
EU 2a	Regional government or local authorities	—	119	—	49	10	20.00%
EU 2b	Public sector entities	25	453	1,393	182	97	6.15%
3	Multilateral development banks	1,576	6	1,576	3	68	4.28%
EU 3a	International organisations	443	—	443	—	—	—%
4	Institutions	15,624	1,721	14,025	1,093	3,525	23.32%
5	Covered bonds	—	—	—	—	—	—%
6	Corporates	24,692	57,506	21,036	25,229	41,033	88.69%
7	Subordinated debt exposures and equity	52	—	51	—	53	104.31%
EU 7b	Equity	52	—	51	—	53	104.31%
8	Retail	—	—	—	—	—	—%
9	Secured by mortgages on immovable property and ADC exposures	2,213	515	2,213	515	2,204	80.80%
9.1	Secured by mortgages on residential immovable property - non IPRE	278	1	278	1	192	68.84%
9.3	Secured by mortgages on commercial immovable property - non IPRE	517	311	517	311	825	99.61%
9.4	Secured by mortgages on commercial immovable property - IPRE	1,418	202	1,418	202	1,187	73.23%
10	Exposures in default	150	62	150	38	251	134.07%
EU 10c	Other items	538	—	538	—	490	91.00%
12	**Total as at 30 June 2026**	95,360	60,918	94,133	28,500	48,486	39.54%

Table 22: 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	46,966	526	51,000	1,289	521	1.00 %
2	Non-central government public sector entities	444	640	561	321	120	13.65 %
EU 2a	Regional government or local authorities	—	24	—	11	2	20.00 %
EU 2b	Public sector entities	444	616	561	310	118	13.57 %
3	Multilateral development banks	1,592	6	1,592	3	2	0.12 %
EU 3a	International organisations	217	—	217	—	—	— %
4	Institutions	17,139	1,860	14,939	1,257	4,102	25.33 %
5	Covered bonds	—	—	—	—	—	— %
6	Corporates	22,325	52,672	19,705	23,060	37,835	88.47 %
7	Subordinated debt exposures and equity	52	1	52	—	53	100.00 %
EU 7b	Equity	52	1	52	—	53	100.00 %
8	Retail	879	1,244	879	13	638	71.49 %

		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 (%)
9	Secured by mortgages on immovable property and ADC exposures	2,600	434	2,600	434	2,189	72.14 %
9.1	Secured by mortgages on residential immovable property - non IPRE	838	17	838	17	372	43.51 %
9.2	Secured by mortgages on residential immovable property - IPRE	5	—	5	—	4	75.00 %
9.3	Secured by mortgages on commercial immovable property - non IPRE	480	298	480	298	774	99.55 %
9.4	Secured by mortgages on commercial immovable property - IPRE	1,276	119	1,276	119	1,036	74.30 %
9.5	Acquisition, Development and Construction (ADC)	2	—	2	—	2	150.00 %
10	Exposures in default	112	52	110	24	170	126.76 %
EU 10c	Other items	628	—	628	—	502	79.86 %
12	Total as at 31 December 2025	92,953	57,434	92,283	26,402	46,131	38.87 %

RWEA density increased by 0.67% compared to 31 December 2025. This was driven by a significant increase in Commercial Loan RWEA exposure, which typically has a higher RWEA impact on the overall portfolio.

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 23 below.

Risk weightings are assigned to each exposure depending on its credit quality step and other factors, including exposure class and maturity. Additionally Table 23 below sets out a simplified summary of how credit quality is linked to risk weighting.

Table 23: 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%	30 %	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 24: 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%	10 %	20%	30 %	40 %	50%	75%	90 %	100%	110 %	130 %	150%	250 %	Others		
		€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
1	Central governments or central banks	52,784	249	120	—	—	244	—	—	16	—	—	10	170	508	54,101	53,946
2	Non-central government public sector entities	1,368	—	114	—	—	117	—	—	25	—	—	—	—	—	1,624	1,393
EU 2a	Regional government or local authorities	—	—	49	—	—	—	—	—	—	—	—	—	—	—	49	49
EU 2b	Public sector entities	1,368	—	64	—	—	117	—	—	25	—	—	—	—	—	1,575	1,344
3	Multilateral development banks	1,511	—	—	—	—	—	—	—	68	—	—	—	—	—	1,579	1,579
EU 3a	International organisations	443	—	—	—	—	—	—	—	—	—	—	—	—	—	443	443
4	Institutions	—	—	11,785	2,824	75	217	134	—	82	—	—	—	—	—	15,117	10,270
6	Corporates	—	—	1,722	—	—	5,019	8,512	—	29,446	—	—	1,566	—	—	46,264	34,852
7	Subordinated debt exposures and equity	—	—	—	—	—	—	—	—	44	—	7	—	—	—	51	51
EU 7b	Equity	—	—	—	—	—	—	—	—	44	—	7	—	—	—	51	51
8	Retail exposures	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Secured by mortgages on immovable property and ADC exposures	—	—	109	—	—	—	13	91	985	85	—	—	—	1,444	2,728	2,728
9.1	Secured by mortgages on residential immovable property – non IPRE	—	—	109	—	—	—	—	—	170	—	—	—	—	—	279	279
9.1.1	No loan splitting applied	—	—	—	—	—	—	—	—	80	—	—	—	—	—	80	80
9.1.2	loan splitting applied (secured)	—	—	109	—	—	—	—	—	1	—	—	—	—	—	110	110
9.1.3	loan splitting applied (unsecured)	—	—	—	—	—	—	—	—	89	—	—	—	—	—	89	89
9.3	Secured by mortgages on commercial immovable property – non IPRE	—	—	—	—	—	—	13	—	815	—	—	—	—	—	828	828
9.3.1	No loan splitting applied	—	—	—	—	—	—	—	—	78	—	—	—	—	—	78	78
9.3.2	loan splitting applied (secured)	—	—	—	—	—	—	12	—	362	—	—	—	—	—	374	374
9.3.3	loan splitting applied (unsecured)	—	—	—	—	—	—	1	—	375	—	—	—	—	—	376	376
9.4	Secured by mortgages on commercial immovable property – IPRE	—	—	—	—	—	—	—	91	—	85	—	—	—	1,444	1,620	1,620
10	Exposures in default	—	—	—	—	—	—	—	—	60	—	—	128	—	—	188	188
EU 10c	Other items	48	—	—	—	—	—	—	—	490	—	—	—	—	—	538	538
EU 11c	**Total as at 30 June 2026**	56,154	249	13,850	2,824	75	5,597	8,658	91	31,215	85	7	1,705	170	1,952	122,633	105,988

Table 25: EU CR5 – Standardised approach (previous period)

	Exposure classes	Risk weight													Total	Of which: unrated
		0%	10 %	20%	30 %	40 %	50%	75%	90 %	100%	110 %	130 %	150%	250 %	Others		
		€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
1	Central governments or central banks	51,570	325	134	—	—	34	—	—	16	—	—	10	165	—	52,289	52,172
2	Non-central government public sector entities	589	—	145	—	—	114	—	—	34	—	—	—	—	—	882	687
EU 2a	Regional government or local authorities	—	—	11	—	—	—	—	—	—	—	—	—	—	—	11	11
EU 2b	Public sector entities	589	—	134	—	—	114	—	—	34	—	—	—	—	—	871	676
3	Multilateral development banks	1,593	—	—	—	—	—	—	—	2	—	—	—	—	—	1,595	1,595
EU 3a	International organisations	217	—	—	—	—	—	—	—	—	—	—	—	—	—	217	217
4	Institutions	1	—	9,318	6,158	35	570	88	—	26	—	—	—	—	—	16,197	10,767
5	Covered bonds	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Corporates	—	—	1,665	—	—	4,041	8,191	—	27,861	—	—	965	—	42	42,765	32,307
EU 7b	Equity	—	—	—	—	—	—	—	—	53	—	—	—	—	—	53	53
8	Retail exposures	—	—	—	—	—	—	788	—	—	—	—	—	—	—	892	892
9	Secured by mortgages on immovable property	—	—	565	—	—	—	143	134	930	83	—	2	—	1,178	3,034	3,034
9.1	Secured by mortgages on residential immovable property – non IPRE	—	—	565	—	—	—	123	—	166	—	—	—	—	—	855	855
9.1.1	No loan splitting applied	—	—	—	—	—	—	—	—	75	—	—	—	—	—	75	75
9.1.2	loan splitting applied (secured)	—	—	108	—	—	—	—	—	1	—	—	—	—	—	109	109
9.1.3	loan splitting applied (unsecured)	—	—	457	—	—	—	123	—	91	—	—	—	—	—	672	672
9.2	Secured by mortgages on residential immovable property – IPRE	—	—	—	—	—	—	5	—	—	—	—	—	—	—	5	5
9.3	Secured by mortgages on commercial immovable property – non IPRE	—	—	—	—	—	—	14	—	764	—	—	—	—	—	778	778
9.3.1	No loan splitting applied	—	—	—	—	—	—	—	—	56	—	—	—	—	—	56	56
9.3.2	loan splitting applied (secured)	—	—	—	—	—	—	14	—	360	—	—	—	—	—	374	374
9.3.3	loan splitting applied (unsecured)	—	—	—	—	—	—	—	—	348	—	—	—	—	—	348	348
9.4	Secured by mortgages on commercial immovable property – IPRE	—	—	—	—	—	—	—	134	—	83	—	—	—	1,178	1,394	1,394
9.5	Acquisition, Development and Construction (ADC)	—	—	—	—	—	—	—	—	—	—	—	2	—	—	2	2
10	Exposures in default	—	—	—	—	—	—	—	—	62	—	—	72	—	—	134	134
EU 10c	Other items	126	—	1	—	—	—	—	—	501	—	—	—	—	—	628	628
EU 11c	Total as at 31 December 2025	54,096	325	11,827	6,158	35	4,759	9,209	134	29,486	83	—	1,048	165	1,220	118,685	102,486

Credit risk exposures under the standardised approach increased by €3.9 billion primarily due to an increase in Vostro Accounts of €2.5 billion, Unused Commitments of €1.9 billion, and Central Bank Deposits of €1.5 billion, partially offset by a decrease in Consumer Loans of €2.3 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 26: 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)	461	950		1.4	2,920	1,975	1,928	1,260
2	IMM (for derivatives and SFTs)			4,968	1.4	21,655	6,955	6,820	4,268
2b	Of which derivatives and long settlement transactions netting sets			4,968		21,655	6,955	6,820	4,268
3	Financial collateral simple method (for SFTs)					—	—	—	—
4	Financial collateral comprehensive method (for SFTs)					35,929	8,503	8,503	1,525
5	VaR for SFTs					—	—	—	—
6	**Total as at 30 June 2026**					60,504	17,433	17,251	7,053

Table 27: 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)	419	961		1.4	3,310	1,932	1,972	1,369
2	IMM (for derivatives and SFTs)			3,821	1.4	20,395	5,349	5,291	3,313
2b	Of which derivatives and long settlement transactions netting sets			3,821		20,395	5,349	5,291	3,313
3	Financial collateral simple method (for SFTs)					—	—	—	—
4	Financial collateral comprehensive method (for SFTs)					26,798	6,957	6,957	1,851
5	VaR for SFTs					—	—	—	—
6	Total as at 31 December 2025					50,504	14,239	14,220	6,532

CCR RWEA excluding exposures to CCPs increased by €0.5 billion mainly driven by an increase in interest rate derivatives by €0.5 billion and an increase in FX derivatives by €0.4 billion, which was partially offset by a decrease in SFT portfolio by €0.4 billion.

Table 28: 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	4,235	—	439	112	—	31	—	—	4,818
Regional government or local authorities	—	—	—	—	—	—	—	—	—
Public sector entities	—	—	170	277	—	—	—	—	447
Multilateral development banks	97	—	—	—	—	35	—	—	131
International organizations	19	—	—	—	—	—	—	—	19
Institutions	—	5,441	1,402	1,109	40	10	—	4,111	12,112
Corporates	—	—	245	390	888	3,610	19	—	5,153
Retail	—	—	—	—	—	—	—	—	—
Institutions and corporates with a short-term credit assessment	—	—	—	—	—	—	—	—	—
Other items	—	—	—	—	—	13	—	—	13
Total as at 30 June 2026	4,351	5,441	2,256	1,888	928	3,698	20	4,111	22,692

Table 29: 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	3,051	—	170	134	—	39	—	—	3,394
Regional government or local authorities	—	—	—	—	—	—	—	—	—
Public sector entities	77	—	86	225	—	—	—	—	388
Multilateral development banks	155	—	—	—	—	—	—	54	209
International organizations	12	—	—	—	—	—	—	—	12
Institutions	—	6,626	35	757	95	196	—	4,290	11,999
Corporates	—	—	146	409	810	3,415	19	—	4,800
Retail	—	—	—	—	—	—	—	—	—
Institutions and corporates with a short-term credit assessment	—	—	—	—	—	—	—	—	—
Other items	—	—	—	—	—	—	—	—	—
Total as at 31 December 2025	3,295	6,626	437	1,525	905	3,651	19	4,344	20,802

Counterparty credit risk exposures increased by €1.9 billion compared to year-end, due to an increase in volume of the SFT portfolio.

Table 30: 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	—	2,972	20	2,737	—	36,975	—	34,844
2	Cash – other currency	—	920	—	999	—	3,288	—	15,607
3	Domestic sovereign debt	—	—	—	—	—	1,700	—	1,158
4	Other sovereign debt	191	1,070	—	—	—	36,083	—	29,609
5	Government agency debt	4	4	405	282	—	5,364	—	3,489
6	Corporate bonds	115	3	251	2	—	9,457	—	5,689
7	Equity securities	6	—	—	—	—	1,280	—	—
8	Other collateral	—	28	—	511	—	772	—	186
9	**Total as at 30 June 2026**	316	4,997	677	4,531	—	94,920	—	90,582

Table 31: 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	—	2,814	21	3,565	—	20,331	—	25,816
2	Cash – other currency	—	1,887	—	669	—	2,189	—	13,574
3	Domestic sovereign debt	—	—	—	—	—	965	—	299
4	Other sovereign debt	143	484	—	—	—	28,145	—	17,961
5	Government agency debt	13	4	1,177	301	—	3,991	—	582
6	Corporate bonds	141	12	175	—	—	7,363	—	3,139
7	Equity securities	17	—	—	—	—	1,636	—	—
8	Other collateral	—	38	—	430	—	375	—	—
9	Total as at 31 December 2025	315	5,238	1,373	4,966	—	64,995	—	61,370

The increase in collateral used in SFTs is driven by the increase volume of transactions in the SFT portfolio.

Table 32: EU CCR6 – Credit derivatives exposures

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

		Protection bought JUN 2026	Protection sold JUN 2026	Protection bought DEC 2025	Protection sold DEC 2025
		€ million	€ million	€ million	€ million
Notionals					
1	Single-name credit default swaps	5,838	2,700	4,858	1,816
2	Index credit default swaps	5,010	4,928	3,917	3,890
3	Total return swaps	—	42	36	78
4	Credit options	—	—	—	—
5	Other credit derivatives	592	13	215	443
6	**Total notionals**	11,439	7,683	9,026	6,227
Fair values					
7	Positive fair value (asset)	12	201	31	154
8	Negative fair value (liability)	(241)	(8)	(177)	(29)

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

Table 33: EU CCR8 – Exposures to CCPs

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

		As at 30 June 2026		As at 31 December 2025	
		Exposure value	RWEA	Exposure value	RWEA
		€ million	€ million	€ million	€ million
1	**Exposures to QCCPs (total)**		152		173
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	4,760	86	5,302	106
3	(i) OTC derivatives	4,317	77	5,150	103
4	(ii) Exchange-traded derivatives	—	—	—	—
5	(iii) SFTs	443	9	152	3
6	(iv) Netting sets where cross-product netting has been approved	—	—	—	—
7	Segregated initial margin	20		—	
8	Non-segregated initial margin	681	14	1,324	26
9	Prefunded default fund contributions	100	52	85	41
10	Unfunded default fund contributions	189	—	190	—

		As at 30 June 2026		As at 31 December 2025	
		Exposure value	RWEA	Exposure value	RWEA
		€ million	€ million	€ million	€ million
11	**Exposures to non-QCCPs (total)**		—		—
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 compared to year-end with the main decrease attributed to OTC derivatives as cleared activity has decreased in volume.

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 CEP's assets and liabilities resulting from changes in market variables such as interest rates, FX or credit spreads.

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.

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 34: 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 2026	31 December 2025
		RWEAs	RWEAs
		€ million	€ million
	Outright products		
1	Interest rate risk (general and specific)	**1,587**	1,374
2	Equity risk (general and specific)	**12**	**11**
3	Foreign exchange risk	**419**	403
4	Commodity risk	**—**	—
5	Simplified approach	**—**	—
6	Delta-plus method	**—**	—
7	Scenario approach	**—**	—
8	Securitisation (specific risk)	**—**	—
9	**Total**	**2,019**	1,789

Market risk RWEA under standardised approach increased by €0.23 billion. It was mainly driven by €0.28 billion TDI increase in solo specific market risk due to corporate loans in EUR, which was partially offset by €0.05 billion TDI decrease in solo general market risk mainly driven by a decrease in swaps in EUR and a €0.02 billion TDI decrease in BHW in directional risk in PLN and other individually smaller moves.

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 10-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 movements 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 10-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 mode.

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 used for SVaR is the 12-month period ending June 2012, which is unchanged from 2025 year end.

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. 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.

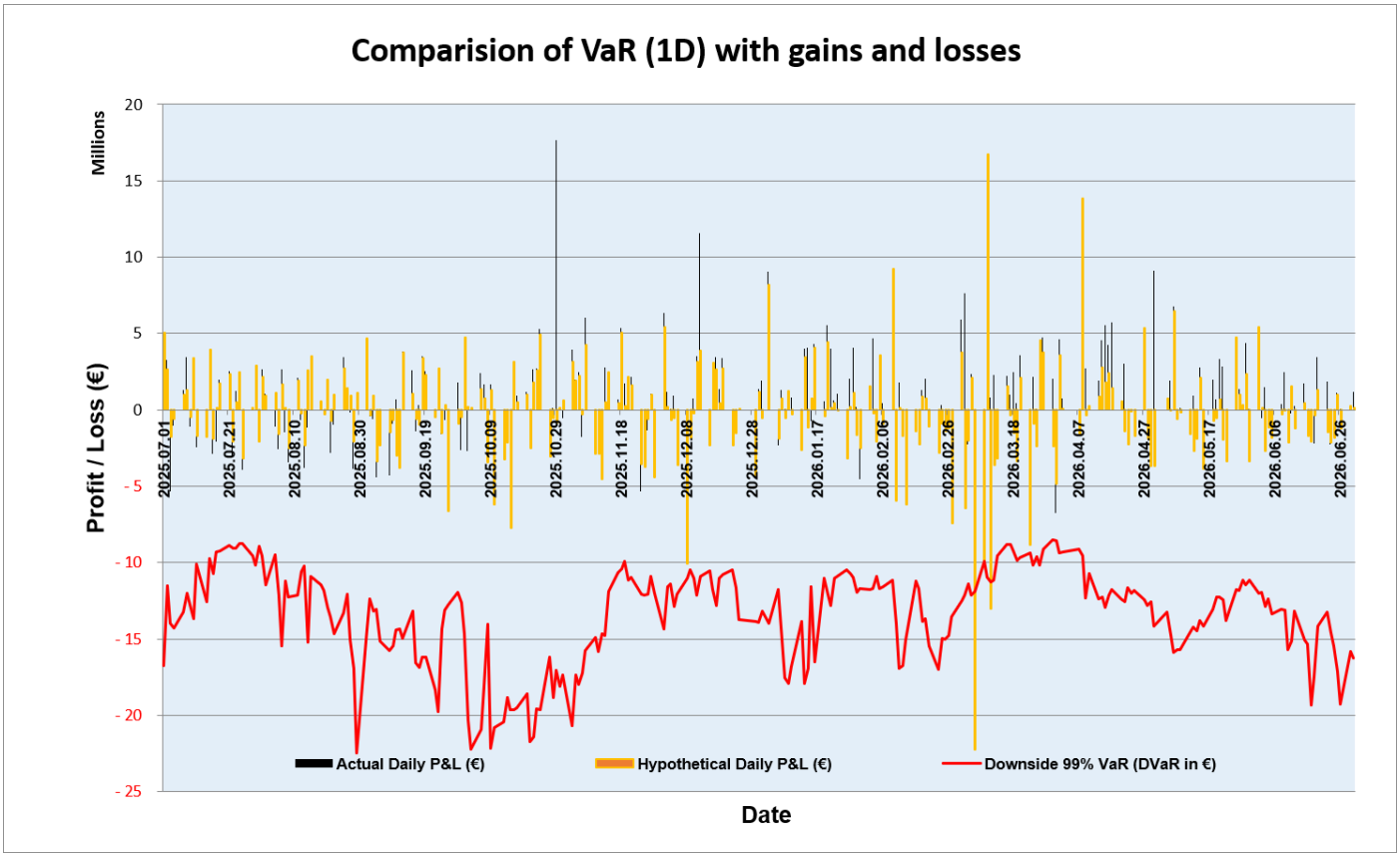
Overshootings during the reporting period

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 recorded three VaR overshootings during the reporting period, on 6, 9 and 11 March, as hypothetical P&L losses exceeded the reported VaR measure. The overshootings were attributable to elevated market volatility, particularly the sharp sell-off in EUR swap rates and sovereign bonds following the escalation of the Middle East conflict in late February. Details of the individual overshootings are set out below.

Values in €			
P&L as at	VaR as at	VaR	Hypo P&L
06/03/2026	05/03/2023	-11,890,338	-22,237,625
09/03/2026	06/03/2023	-9,906,209	-10,149,081
11/03/2026	10/03/2026	-11,283,892	-13,028,069

Table 35: 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.

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 an additional own fund buffer.

Table 36: EU MR2-A: Market risk under the Internal Model Approach

		As at 30 June 2026		As at 31 December 2025	
		RWEAs	Own funds requirements	RWEAs	Own funds requirements
		€ million	€ million	€ million	€ million
1	**VaR** (higher of values a and b)	1,597	128	1,757	141
(a)	Previous day's VaR (VaR_{t-1})		51		42
(b)	Multiplication factor (mc) x average of previous 60 working days (VaRavg)		128		141
2	**SVaR** (higher of values a and b)	8,816	705	6,704	536
(a)	Latest available SVaR ($SVaR_{t-1}$)		320		193
(b)	Multiplication factor (ms) x average of previous 60 working days (sVaRavg)		705		536
3	**IRC** (higher of values a and b)	4,291	343	3,071	246
(a)	Most recent IRC measure		225		164
(b)	12 weeks average IRC measure		343		246
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**	14,704	1,176	11,532	923

CEP's Market Risk's RWEA's calculated under IMA increased by €3.2 billion compared to the 31 December 2025, mainly driven by a €2.1 billion SVaR increase in sovereign exposures and €1.2 billion increase in IRC due to increased long positions, which was partially offset by a €0.1 billion decrease in VaR driven by decreased overall risk on the European Government Bonds (EGB) desk.

Table 37: 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 2026	31 December 2025
		€ million	€ million
VaR (10 day 99%)			
1	Maximum value	**61**	71
2	Average value	**41**	42
3	Minimum value	**27**	27
4	Period end	**51**	42
SVar (10 day 99%)			
5	Maximum value	**361**	244
6	Average value	**221**	178
7	Minimum value	**160**	137
8	Period end	**320**	193
IRC (99.9%)			
9	Maximum value	**512**	583
10	Average value	**314**	279
11	Minimum value	**157**	117
12	Period end	**225**	164
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

Market Risk (Non-Trading) is the impact of adverse changes in market variables such as interest rates, foreign exchange rates, credit spreads, and equity prices on CEP's net interest revenue (NIR), economic value of equity (EVE), or accumulated other comprehensive income (AOCI).

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 CRO (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 Fair Value through Other Comprehensive Income (FVtOCI) securities. Throughout the natural course of business, these positions generate Interest Rate Risk in the Banking Book (IRRBB).

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. This includes the IRRBB sub-risks gap risk, basis risk and option risk. The risk is estimated using a cashflow-based approach, computed in a dedicated balance sheet management system, and a common set of standards that define, measure, limit and report the exposures to ALCO on a monthly basis. All three sub-types of IRRBB are deemed material risks as per the annual Risk ID process.

CEP's primary 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. Additionally, CEP measures and monitors IRE + Market Value changes of fair value through OCI banking book instruments (bonds & swaps) against the same limit as IRE.

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. EVS arises mainly from repricing gap risk which is thus captured by this measure.

Option risk is mainly present in CEP's balance sheet as pricing risk related to CEP's NMDs. This risk is modelled in EVS through the application of a multi path pass-through rate matrix (Betas) and sensitivity thereof is reported to ALCO quarterly. Other option risk types are reviewed annually in an assessment brought to ALCO and are effectively mitigated through business strategy and reassessed periodically. CEP is not exposed to prepayment risk from loans or early redemption risk from term deposits because breakage is either not permitted or the economic cost of the breakage is fully born by the client.

Basis risk, referring to risk to earnings from interest rate movements due to changing rate relationships among yield curves, is present in CEP's balance sheet in EUR (ESTR vs Central Bank Deposit Rate) and USD (SOFR vs FED FUNDS rate). Sensitivity to basis risk is reported to ALCO monthly. A holistic basis risk assessment is performed annually and approved by CEP ALCO.

Hedgeable IRRBB is transferred from the business to Markets Treasury (MT) through an Interest Transfer Pricing (ITP) process. For all accrual business, ITP charges costs to asset businesses and provides credits to deposit businesses at terms that match the maturity or rate sensitivity of the underlying business. MT mitigates the transferred IRRBB through the purchase of FVtOCI securities. The capital at risk arising from these securities is measured and monitored against approved limits and risk appetite. CEP's subsidiary BHW maintains an active Interest Rate Swap (IRS) hedge program to mitigate FVtOCI impacts. CEP Solo ALCO approved an initiative to introduce in H2 2026 a Banking Book Mark-To-Market (MTM) derivatives program, allowing tactical hedging on Banking Book positions. A comprehensive monitoring framework has been introduced for this initiative.

For internal IRRBB management, CEP uses four shocks to assess IRE and EVS each month, namely parallel +/-100bps & +/-200bps scenarios, all of which incorporate a -200bps shock rate floor, commercial margins and are aggregated without adjustment. These are supplemented quarterly by additional non-parallel currency specific scenarios, monthly other comprehensive income (OCI) stress scenarios and the quarterly regulatory prescribed supervisory outlier test (SOT) shocks, the results of which are presented in table 44 below. The DV01 sensitivity of the Banking Book FV portfolio (both through OCI and PL) is assessed daily.

For IRRBB modelling purposes, CEP's NMDs are bifurcated into stable & non-stable and core & non-core segments. Behavioural assumptions are applied to the stable & core segment 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 key modelling and parametric assumptions that are different in internal monitoring from those used for regulatory disclosure relate to three areas: Firstly, when discounting positions for EVE and EVS, the internal approach uses product-specific curves rather than just the risk-free rate curve. Secondly, when combining gains and losses from different currencies, 100% of gains and losses are taken rather than 50% of gains and 100% of losses. Thirdly, the post-shock rate floor in internal scenarios is set at -200bps rather than ramping up linearly from -150bps to 0bps of 50 years.

All IRRBB models are subject to periodic review and back-testing by internal model risk management, the frequency of which is determined by the model rating. Assumptions are reviewed at least annually, with deposit pass-through rate matrices (betas) reviewed quarterly to ensure changing market conditions are captured in a timely manner. IRRBB is in scope of the periodic independent audit of CEP Treasury.

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.

The period-over-period changes to the SOT scenarios noted in table 44 are driven by several factors, including the divestiture of the BHW retail business in June 2026, the change in interest rate environment driven by geopolitical factors and CEP's general balance sheet evolution and strategy. This led to the material reduction in NII SOT exposure in the parallel down shock scenario and to the change of the binding EVE SOT scenario from parallel down to short rates up shock.

For risk capital assessment, CEP uses a variety of stress scenarios to measure and identify potential impacts to the company's economic value arising from shifts in interest rates. The worst outcome of the capital assessment is then selected for IRRBB capital allocation. The approach incorporates all IRRBB assumptions used for ongoing risk management at a high severity to capture tail risk and rare events.

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. CSRBB, as well as structural and open FX risk are also capitalised in economic risk capital.

Table 38: EU IRRBB1 - Interest Rate Risks of Non-trading Market Risk Activities

	Supervisory shock scenarios	30 June 2026	31 December 2025	30 June 2026	31 December 2025
		Changes of the economic value of equity		Changes of the net interest income	
1	Parallel up	**(160)**	(113)	**105**	121
2	Parallel down	**(249)**	(297)	**(309)**	(431)
3	Steepener	**109**	85		
4	Flattener	**(304)**	(259)		
5	Short rates up	**(337)**	(281)		
6	Short rates down	**84**	24		

Liquidity Risk

Values and figures disclosed, for the Group, are calculated as the simple averages of month-end observations over 12 month preceding quarter-ends June 2026, March 2026, December 2025 and September 2025.

Table 39: EU LIQ1 - Quantitative information of LCR[1]

		Total unweighted value				Total weighted value			
		June 2026	March 2026	December 2025	September 2025	June 2026	March 2026	December 2025	September 2025
Number of data points used in the calculation of averages		**12**	12	12	12	**12**	12	12	12
		€ million	€ million	€ million	€ million	**€ million**	€ million	€ million	€ million
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					59,252	58,892	60,001	59,022
CASH-OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	6,316	6,710	6,729	6,791	835	867	867	882
3	*Stable deposits*	1,332	1,567	1,637	1,622	67	78	82	81
4	*Less stable deposits*	4,977	5,137	5,086	5,167	762	782	780	799
5	Unsecured wholesale funding	80,270	78,585	78,855	76,938	42,071	41,818	43,010	42,138
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	26,418	25,486	24,538	23,737	6,579	6,347	6,110	5,910
7	*Non-operational deposits (all counterparties)*	53,852	53,099	54,317	53,201	35,492	35,470	36,900	36,228
8	*Unsecured debt*	—	—	—	—	—	—	—	—
9	Secured wholesale funding					733	658	440	207
10	Additional requirements	47,763	47,109	46,719	45,885	10,192	9,473	9,121	8,850
11	*Outflows related to derivative exposures and other collateral requirements*	3,202	3,173	2,954	2,837	3,202	3,173	2,954	2,837
12	*Outflows related to loss of funding on debt products*	—	—	—	—	—	—	—	—
13	*Credit and liquidity facilities*	44,562	43,936	43,765	43,048	6,990	6,300	6,167	6,013
14	Other contractual funding obligations	20,263	19,458	18,693	18,029	2,981	2,860	2,680	3,185
15	Other contingent funding obligations	14,705	14,752	15,261	15,724	426	425	437	449
16	**TOTAL CASH OUTFLOWS**					57,238	56,100	56,556	55,710
CASH-INFLOWS									
17	Secured lending (e.g. reverse repos)	34,053	31,952	30,508	28,786	196	214	170	194
18	Inflows from fully performing exposures	6,547	6,997	6,875	7,270	5,344	5,711	5,549	5,984
19	Other cash inflows	5,594	5,507	5,396	5,367	4,050	3,994	3,847	3,754
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					—	—	—	—
EU-19b	(Excess inflows from a related specialized credit institution)					—	—	—	—
20	**TOTAL CASH INFLOWS**	46,194	44,456	42,779	41,423	9,590	9,918	9,565	9,932
EU-20a	***Fully exempt inflows***	—	—	—	—	—	—	—	—
EU-20b	***Inflows Subject to 90% Cap***	—	—	—	—	—	—	—	—
EU-20c	***Inflows Subject to 75% Cap***	45,834	44,275	42,779	41,423	9,590	9,918	9,565	9,932
TOTAL ADJUSTMENT VALUE									
21	**LIQUIDITY BUFFER**					59,252	58,892	60,001	59,022

		Total unweighted value		Total weighted value		
22	TOTAL NET CASH OUTFLOWS	47,648	46,182	46,991	45,778	
23	LIQUIDITY COVERAGE RATIO (%)	124.43 %	128.13 %	128.38 %	129.82 %	

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

LCR Evolution and Drivers

As at 30 June 2026 , the LCR has remained well in excess of regulatory and internal limits.

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 2026.

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 30th June 2026 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 2026, 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.

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.

Table 40: EU LIQ2 - Net Stable Funding Ratio

30 June 2026

	€ 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	16,275	—	—	—	16,275
2	*Own funds*	16,275	—	—	—	16,275
3	*Other capital instruments*		—	—	—	—
4	Retail deposits		1,917	47	—	1,768
5	*Stable deposits*		—	—	—	—
6	*Less stable deposits*		1,917	47	—	1,768
7	Wholesale funding:		97,978	331	11,764	42,673
8	*Operational deposits*		28,520	—	—	14,260
9	*Other wholesale funding*		69,459	331	11,764	28,413
10	Interdependent liabilities		—	—	—	—
11	Other liabilities:	—	47,879	—	—	—
12	*NSFR derivative liabilities*	—				
13	*All other liabilities and capital instruments not included in the above categories*		47,879	—	—	—
14	**Total available stable funding (ASF)**					60,716
		Required stable funding (RSF) Items				
15	Total high-quality liquid assets (HQLA)					3,106
EU-15a	Assets encumbered for more than 12m in cover pool		—	—	—	—
16	Deposits held at other financial institutions for operational purposes		67	—	—	33
17	Performing loans and securities:		33,625	4,120	27,099	34,098
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		8,246	1,694	2,168	4,917
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		16,878	1,585	7,867	10,734
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		6,833	729	15,151	16,574
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		68	—	426	311
22	*Performing residential mortgages, of which:*		—	—	191	163
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*		1,669	111	1,721	1,710
25	Interdependent assets		—	—	—	—
26	Other assets:	0	25,639	—	2,567	4,792
27	*Physical traded commodities*				—	—
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		814	—	329	972
29	*NSFR derivative assets*		1,172			1,172
30	*NSFR derivative liabilities before deduction of variation margin posted*		4,550			227
31	*All other assets not included in the above categories*		19,104	—	2,238	2,421
32	Off-balance sheet items		8,079	10,627	43,357	3,057
33	**Total RSF**					45,087
34	**Net Stable Funding Ratio (%)**					134.66 %

31 March 2026

	€ 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	15,754	—	—	—	15,754
2	*Own funds*	15,754	—	—	—	15,754
3	*Other capital instruments*		—	—	—	—
4	Retail deposits		6,783	13	—	6,170
5	*Stable deposits*		1,062	—	—	1,009
6	*Less stable deposits*		5,721	13	—	5,161
7	Wholesale funding:		90,325	292	11,664	41,367
8	*Operational deposits*		27,323	—	—	13,662
9	*Other wholesale funding*		63,002	292	11,664	27,706
10	Interdependent liabilities		—	—	—	—
11	Other liabilities:	—	52,082	—	—	—
12	*NSFR derivative liabilities*	—				
13	*All other liabilities and capital instruments not included in the above categories*		52,082	—	—	—
14	**Total available stable funding (ASF)**					63,291
		Required stable funding (RSF) Items				
15	Total high-quality liquid assets (HQLA)					2,803
EU-15a	Assets encumbered for more than 12m in cover pool		—	—	—	—
16	Deposits held at other financial institutions for operational purposes		115	—	—	57
17	Performing loans and securities:		33,279	4,269	25,284	32,559
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		8,113	1,715	2,221	4,915
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		16,557	2,056	6,430	9,682
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		6,820	396	14,412	15,792
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		83	—	331	257
22	*Performing residential mortgages, of which:*		2	2	770	656
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*		1,786	100	1,451	1,514
25	Interdependent assets		—	—	—	—
26	Other assets:	0	27,835	1	3,428	5,886
27	*Physical traded commodities*				—	—
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		962	—	380	1,141
29	*NSFR derivative assets*		1,403			1,403
30	*NSFR derivative liabilities before deduction of variation margin posted*		3,577			179
31	*All other assets not included in the above categories*		21,893	1	3,048	3,163
32	Off-balance sheet items		7,813	9,874	39,462	2,780
33	**Total RSF**					44,086
34	**Net Stable Funding Ratio (%)**					143.56 %

31 December 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	15,506	—	—	—	15,506
2	*Own funds*	15,506	—	—	—	15,506
3	*Other capital instruments*		—	—	—	—
4	Retail deposits		6,616	10	—	6,046
5	*Stable deposits*		1,648	—	—	1,565
6	*Less stable deposits*		4,968	10	—	4,481
7	Wholesale funding:		82,047	68	11,531	40,016
8	*Operational deposits*		26,930	—	—	13,465
9	*Other wholesale funding*		55,117	68	11,531	26,551
10	Interdependent liabilities		—	—	—	—
11	Other liabilities:	—	26,999	—	—	—
12	*NSFR derivative liabilities*	—				
13	*All other liabilities and capital instruments not included in the above categories*		26,999	—	—	—
14	**Total available stable funding (ASF)**					61,568
		Required stable funding (RSF) Items				
15	Total high-quality liquid assets (HQLA)					4,043
EU-15a	Assets encumbered for more than 12m in cover pool		—	—	—	—
16	Deposits held at other financial institutions for operational purposes		69	—	—	35
17	Performing loans and securities:		33,137	3,446	23,332	29,843
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		7,833	1,681	1,463	3,744
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		16,092	1,147	6,693	8,996
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		7,367	385	13,129	14,969
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		77	1	335	257
22	*Performing residential mortgages, of which:*		2	2	784	669
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*		1,843	231	1,263	1,465
25	Interdependent assets		—	—	—	—
26	Other assets:	0	12,254	20	3,078	4,582
27	*Physical traded commodities*				—	—
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		981	—	344	1,126
29	*NSFR derivative assets*		344			344
30	*NSFR derivative liabilities before deduction of variation margin posted*		4,856			243
31	*All other assets not included in the above categories*		6,073	20	2,734	2,868
32	Off-balance sheet items		9,007	5,382	42,325	2,777
33	**Total RSF**					41,280
34	**Net Stable Funding Ratio (%)**					149.15 %

30 September 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	14,822	—	—	—	14,822
2	*Own funds*	14,822	—	—	—	14,822
3	*Other capital instruments*		—	—	—	—
4	Retail deposits		6,554	17	—	5,998
5	*Stable deposits*		1,686	— —		1,601
6	*Less stable deposits*		4,868	17 —		4,397
7	Wholesale funding:		88,443	54	11,870	40,812
8	*Operational deposits*		26,730	—	—	13,365
9	*Other wholesale funding*		61,713	54	11,870	27,447
10	Interdependent liabilities		—	—	—	—
11	Other liabilities:	—	40,965	—	—	—
12	*NSFR derivative liabilities*	—				
13	*All other liabilities and capital instruments not included in the above categories*		40,965	—	—	—
14	**Total available stable funding (ASF)**					61,632
		Required stable funding (RSF) Items				
15	Total high-quality liquid assets (HQLA)					2,509
EU-15a	Assets encumbered for more than 12m in cover pool		—	—	—	—
16	Deposits held at other financial institutions for operational purposes		341	— —		170
17	Performing loans and securities:		28,538	3,407	23,299	29,529
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		8,031	1,639	1,603	4,374
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		12,049	509	6,151	7,620
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		6,790	799	13,008	14,785
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		115	2	333	275
22	*Performing residential mortgages, of which:*		—	—	814	692
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*		1,668	459	1,724	2,058
25	Interdependent assets		—	—	—	—
26	Other assets:	0	24,940	—	3,107	4,986
27	*Physical traded commodities*				—	—
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		1,411	—	180	1,353
29	*NSFR derivative assets*		421			421
30	*NSFR derivative liabilities before deduction of variation margin posted*		4,368			218
31	*All other assets not included in the above categories*		18,740	—	2,927	2,994
32	Off-balance sheet items		12,281	7,851	39,591	2,923
33	**Total RSF**					40,117
34	**Net Stable Funding Ratio (%)**					153.63 %

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

CEP's ESG disclosures have been included in accordance with Article 449a of CRR and the Commission Implementing Regulation (EU) 2022/2453. On 6 August 2025, the European Banking Authority (EBA) issued a no-action letter on the application of ESG disclosure requirements. Pursuant to this no-action letter, CEP is utilising the transitional provisions set out in the no-action letter and therefore has not reported ESG Templates 6 to 10, nor the 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 Environmental risk - section c) for further details. BHW's Management Board has decided not to make use of the transitional provisions within BHW's 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 ESG risk management (within CEP's overall requirements), ESG reporting and disclosed matters, including relevant policies, actions and targets, may differ from those of CEP. 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.

In 2026, CEP developed its Prudential Transition Plan (PTP), which aligns with the EBA's Guidelines on the management of environmental, social and governance (ESG) risks (the EBA Guidelines) as a "plan developed in accordance with Article 76(2) of Directive 2013/36/EU".

From a micro-prudential perspective, the objective of the PTP is to provide an "overview and articulation of the strategic actions and risk management tools deployed" by CEP. This supports and demonstrates its resilience against and preparedness for transition scenarios, while ensuring that CEP "identifies, measures, manages and monitors ESG risks, in particular environmental transition and physical risks".

In alignment with the sequenced approach outlined in the EBA Guidelines, which places emphasis on environmental risks while establishing some minimum requirements for other ESG risk categories, CEP's current Pillar 3 disclosures reflect a corresponding focus on climate and environmental risks (C&E Risk). Social and governance risks (S&G Risk) are integrated into the CEP Environmental, Social and Governance Risk Management Framework (ESG RMF). Associated risk management practices (and resulting disclosures) are expected to develop and mature for S&G Risk over time.

CEP aligns its prudential transition planning with its overall business strategy, governance frameworks and applicable regulatory requirements. On this basis, CEP has determined the objectives that guide its response to material ESG risks, which are established in the context of the parent company approach, CEP's business model, and the results of its ESG Risk Materiality Assessment as the following:

- build enabling resources and capacity:
  - ensure appropriate resources to enable both business opportunities and risk management, leveraging Citi capabilities where possible; and
  - ensure workforce is literate on relevant matters, equipped with the tools and skills to effectively manage risks.
- address client needs:
  - meet client needs and expectations through selective enhanced client engagement, and improved understanding of their risks and opportunities; and
  - support financing for clients, including supporting their transition goals.
- manage risks:
  - manage material ESG risks appropriately in the short, medium and long term, in line with the Risk Management Framework; and
  - ensure timely compliance with regulations relating to ESG risks and disclosures.

CEP performs ongoing Business Environment Scanning (BES) to monitor ESG-related risks and assess the impact of such risks in the short- (up to 1 year), medium- (1 to 5 years) and long- (exceeding 5 years) term horizons, thereby informing strategic and business decisions. The BES process considers internal and external developments arising from regulatory updates, macroeconomic changes, the competitive landscape, technological shifts, societal/demographic trends and geopolitical trends.

CEP performs the BES periodically. When material impacts are identified, appropriate strategic actions are determined. The outcomes of this assessment are reported to CEP's management body to be considered as part of CEP's strategy development, where significant. Going forward, the significant developments and trends observed will also be considered in the ESG Risk Identification and Assessment Process (ESG RIAP) to evaluate how ESG risks transmit into traditional risk categories, i.e. credit, market, liquidity, operational, reputation, strategic and compliance risks.

CEP measures and monitors a range of key performance indicators (KPIs) and metrics, evolving these 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. Management monitors the development of these metrics, reviews and reports on the progress of trends periodically, and takes action where required.

b) Objectives, targets and limits to assess and address environmental risk in the 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

Details of CEP's ESG-risk-related objectives are included in Environmental risk - section a).

CEP maintains a range of ESG-related KPIs, some of which have targets, while others are utilised for monitoring purposes only. These KPIs link to the overarching ESG-risk-related objectives included in CEP's PTP and broader Strategic Plan. As part of its PTP, CEP has updated monitored metrics to align with the requirements of the EBA Guidelines. For 2026, CEP has established specific targets, across the short- and medium-term, to drive and measure progress against its overarching ESG-risk-related objectives.

CEP does not set greenhouse gas (GHG) emission reduction targets or make commitments at a legal entity level. Citi has committed to achieving net zero operational emissions by 2030 and CEP's in-scope operational emissions[1] are included within Citi's global commitment. Citi has also committed to achieving net zero GHG emissions associated with its financing by 2050 and has set 2030

[1] Operational emissions in this context refer to Scopes 1 and 2 (market-based) emissions for owned and leased facilities and corporate vehicles.

interim emission reduction targets for clients operating within Citi's in-scope lending portfolios (Aluminium, Auto Manufacturing, Aviation, Cement, Commercial Real Estate (in North America), Energy, Power, Shipping, Steel and Thermal Coal Mining). The 2030 targets for Auto Manufacturing, Energy and Power also include facilitation activity from capital markets activities. CEP may have eligible financed emissions which are covered by Citi's targets.

Furthermore, Citi has set a goal to finance and facilitate USD 1 trillion in sustainable finance by 2030, starting in 2020. CEP's eligible financing activities that meet Citi's sustainable finance criteria are counted towards this goal.

In line with the EBA Guidelines, which do not mandate subsidiary-level targets and goals relating to parent-level sustainability commitments or require standalone decarbonisation targets, CEP does not establish separate legal entity targets or milestones to operate as a component of these global goals and commitments.

Furthermore, Citi's commitments and targets outlined above were not designed as risk reduction targets or for credit risk management. As such, these targets are not leveraged for the purpose of managing CEP's material ESG risks, but are included here for informational purposes.

As described in Environmental risk - section j), ESG risks are considered within the Risk Identification process and monitored through Risk Metrics, for material ESG risks. 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 risk appetite thresholds and monitoring limits with respect to material ESG risks. Additionally, as described in Environmental risk - section m), CEP includes ESG 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 its business model and strategic direction, CEP's Executive Committee (ExCo) and other relevant governance forums monitor these ESG risk KPIs on an on-going basis, with tracking and reporting executed at the relevant business line level where 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 Environmental risk - section b). CEP does not establish separate legal entity targets or milestones to operate as a component of this global goal; however, and as noted previously, CEP's eligible financing activities that meet Citi's sustainable finance criteria are counted towards this global goal.

CEP has included disclosures required by Article 8 of the EU Taxonomy within the Sustainability Statement included as part of the Directors' Report, which forms part of CEP's Annual Report and Financial Statements for the year ended 31 December 2025. These disclosures detail how CEP's covered assets and economic activities are associated with taxonomy-eligible and taxonomy-aligned economic activities under the six environmental objectives defined in Article 9 of the EU Taxonomy.

For this semi-annual Pillar 3 disclosure as of 30 June 2026, CEP is utilising the transitional provisions outlined in the EBA's no-action letter on the application of ESG disclosure requirements as detailed in Environmental risk - section a). Consequently, quantitative EU Taxonomy-aligned key performance indicators and their corresponding templates (specifically ESG Templates 6 to 10; column c of ESG Template 1; and column c of Template 4) are not produced within this Pillar 3 disclosure.

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 Environmental risk - section l)-m)). CEP does not have a policy or procedure specific to engagement with counterparties, but direct or indirect engagement may take place as part of these processes.

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 ESG risks are assigned within CEP's organisational structure, including the Board of Directors and its committees, Management Committees and across its lines of defence, while the third line of defence provides independent review and assurance on the internal control framework and systems related to ESG risks. In line with CRD, overall responsibility for ESG risk management resides with the Board, with appropriate management delegations established to execute the framework. 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 ESG RMF.

CEP's Board of Directors (the Board)

The 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 Board oversees the ExCo process of the identification and assessment of ESG-related impacts, risks and opportunities, including regular reporting on ESG-related KPIs within the CEO Report, as presented at the relevant Board meetings. In the course of such reporting and through management escalations, matters relevant to CEP's ESG-related risks 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 Board ensures that short, medium, and long-term ESG risks are integrated into the ICAAP and that the Board maintains the

collective knowledge, skills, and experience necessary to oversee these risks.

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. The Board reviews risk strategies and policies to incorporate ESG factors across different time horizons, and approves the prudential transition plan and any targets. CEP's activities related to ESG topics, including the management of ESG-related risks, are delegated to management with input, strategic guidance, and senior-level review by specialised management-level committees, forums, and teams throughout the Company. In line with the Board's responsibilities for oversight of its subsidiary, the BHW CEO also 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 holds ultimate responsibility for reviewing and approving the ESG RMF and overseeing the integration of ESG risk considerations into the business strategy. The Board has delegated periodic reviews of the ESG RMF to the Board Risk Committee (a sub-committee of the Board).

CEP's management plays an essential role in its ESG-related 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 ESG-related risks are then assigned within CEP's organisational structure, including the ExCo, the Risk Management Committee and the ESG Steering Group, which has attendance from CEP's three lines of defence, as required.

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

ExCo
The ExCo is responsible for ensuring CEP adequately embeds ESG 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 and supports the implementation of CEP's prudential transition plan.

The Board Risk Committee and the Risk Management Committee
The Board Risk Committee and the Risk Management Committee (RMC) 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 the perceived business opportunities and includes a risk assessment of the material risks facing CEP, including ESG 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 ESG risks as a driver of its existing risk categories. CEP operates within the Board-approved risk appetite which takes into consideration ESG risks within the management processes and governance of these impacted risk categories.
- New Product Approval Process: CEP integrates ESG risk into the New Activities Approval Process through the introduction of ESG-related questions as applicable.
- Risk Monitoring: As ESG risks are a driver of existing risk categories, the First Line of Defence is responsible for integrating ESG 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 climate risk metrics and the status of embedding of climate risk management tools. As part of this, Risk Metrics for operational, strategic, reputation and compliance risks are measured quarterly within the Non-Financial Risk Appetite process.
- Quarterly Material Risk Statements: the results of the BES process (refer to Environmental risk - section a)) inform the quarterly review of CEP's material risk statements.

CEP 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 ESG risk integration, as well as to support and challenge the implementation of regulatory requirements and expectations around ESG. Strategic and other important ESG related matters might also be considered by the CEP 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, sustainable products and services, resourcing, and training), and 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.

With respect to building enabling resources and capacity, Citi is continuously evaluating and developing the employee training programme on climate change and sustainability matters. Please refer to the 2024 Citi Climate report, section - Capacity Building and Expertise for more information. At a legal entity level, CEP delivers ESG training to the Board and ExCo, alongside role-specific sustainability training cascaded across relevant staff cohorts. In addition, CEP maintains dedicated local ESG risk and governance resources across its lines of defence to support the implementation of the ESG RMF.

Alignment to Remuneration Policy
ESG considerations are an essential part of Citi's Firm-wide strategy and integrated into Citi's business and long-term priorities. ESG metrics are reflected in certain goals across Citi globally, and these are cascaded to selected individuals. Citi incorporates sustainability-related goals into several executive scorecards, which are elements of performance management tied to the determination of incentive compensation for these executives. ESG strategy and risk management performance goals are incorporated into annual goals and performance review processes for a number of senior executives and their teams that are responsible for developing and executing Citi's strategies around climate change.

In addition, the CEP Board has included ESG risks in the business strategy which is part of the legal entity goal assigned to all ExCo members. As such, the execution of the business strategy is part of the ExCo members' annual performance assessment, which in turn informs remuneration decisions.

Risk management

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

While ESG risks can manifest over the short-, medium- and long-term horizons, CEP's ESG Risk materiality assessment identifies the material risk exposures to CEP and its transmission channels from clients, as medium- and long-term in nature, with these risks expected to increase over time.

As set out in Environmental risk - section a), the EBA Guidelines recognise that regulatory frameworks and methodologies for environmental risks are more advanced than for social and governance risks and thus contain high-level expectations for the latter. Consequently, CEP's ESG risk management, and as such these Pillar 3 disclosures, focus primarily on C&E Risk, while outlining CEP's overarching approach to managing S&G Risk.

C&E risks are two interconnected and, to some degree, overlapping risks originating from climate and environmental aspects.

Environmental risk includes both the risk of 1) negative impacts to the environment from client activities or invested assets, as well as 2) negative impacts to the client or invested assets from environmental factors (e.g. climate change, environmental degradation, biodiversity and ecosystems services loss, emissions, energy, water use, waste and pollution production), both of which could materialise through transmission channels in traditional risk categories and lead to financial or non-financial risks to CEP.

Climate risk as a component of Environmental risk refers to the potential risks that may arise from climate change or from efforts to mitigate climate change. Climate-related risk can stem from physical risk (which refers to the risk of economic costs or financial losses due to changes in climate and weather patterns) or transition risk (which refers to risk arising from actions needed to mitigate the impacts of climate change by transitioning to a low-carbon economy).

S&G Risk definitions are in line with the ESG RMF, and cover a negative financial impact on CEP stemming from the current or future impacts of social and governance factors on CEP's clients or invested assets.

CEP considers ESG 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 the transmission channels that are the causal chains that explain how ESG risk drivers may materialise directly or indirectly as sources of financial or non-financial risk to CEP. For details on the transmission channels for ESG risk, refer to Environmental risk - section r).

CEP continues to consider and integrate ESG 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 has also continued building risk identification, management, and scenario analysis capabilities.

Effective January 2026, the CEP Climate Related and Environment Risk Management Framework was superseded by the ESG RMF. The update introduced enhancements to align with regulatory expectations, including:

- incremental governance structures and revised roles and responsibilities;
- standardised definitions for risk time horizons and methodologies to assess interlinkages among ESG risks;
- the ESG RIAP approach; and
- CEP-specific tools designed to address core regulatory requirements for ESG risk management.

CEP performed its ESG risk materiality assessment, which provides a view on the financial materiality of ESG risks on its business model and risk profile. The assessment takes into account the likelihood of occurrence and the potential magnitude of the financial effects of ESG risks in the short-, medium- and long-term. The assessment is based on the ESG factors and transmission channels set out in the ESG RMF, and, uses exposure-based, sector-based, portfolio-based and scenario-based methodologies. The outcome of the ESG risk materiality assessment over each of the time horizons is used as follows:

- Short-term horizon (up to 1 year): Informs limits and thresholds for material risk categories as appropriate.
- Medium-term horizon (within 1-5 years): Informs development of climate and other environmental risk scenarios to be included in ICAAP and ILAAP; informs the Risk Appetite Statement (RAS) and the Strategic Plan.
- Long-term horizon (exceeding 5 years): Informs the long-term assessment of business model and the RAS.

To support the ESG RIAP, CEP uses a set of internally developed heatmaps.

1. Climate vulnerability heatmap: evaluates corporate sectors vulnerability to climate related risks on a scale of one of four ("low" to "high") across short- (<5 years) and long-term (>5 years) horizons. The underlying methodology assesses:

    - transition risk transmission channels: the impact of decarbonisation and policy shifts on a sector's long-term product demand (e.g. demand destruction, or substitution);
    - physical risk transmission channels: sector-level dependency on fixed assets and supply chains, assessed at a macro level (not reflective of CEP's clients' or collateral geospatial footprints).

2. Europe environmental heatmap: identifies corporate sectors most sensitive to broader environmental risks (beyond climate) and assesses the likelihood of adverse financial impacts on clients within those sectors. The underlying analysis is based on global averages rather than specific geographic locations.

3. Sovereign climate risk heatmap: identifies a country's exposure to physical and transition risks, alongside its long-term capacity to adapt to and mitigate these impacts.

These heatmaps are portfolio agnostic and support CEP's risk identification, monitoring, scenario design, risk metrics/KRIs, and internal reporting.

CEP's ESG RIAP results for the materiality assessment across all time horizons

To comply with the EBA Guidelines, CEP enhanced its ESG RIAP, with the ESG RIAP for use in the 2026 financial year being approved in Q4 2025. The ESG RIAP is based on the results of qualitative and quantitative metrics for each risk stripe, as applicable.

The time horizons for the 2026 ESG RIAP have been updated from the Climate and Environment risk identification and assessment process completed for the 2025 financial year (the 2025 C&E RIAP) to reflect short-term as up to 1 year (previously up to 3 years), medium-term as 1–5 years (previously 3-5 years) and maintaining long-term as exceeding 5 years (which includes the 10+ horizon). This update brings the ESG RIAP in line with approach used for CEP's overall risk identification and assessment process, CEP's Sustainability Statement, and external disclosures.

Changes in the outcome of the C&E risks from the 2026 ESG RIAP (versus the 2025 process) reflect changes in the assessment methodology, in particular the incorporation of 'likelihood' in the assessment, the changes in the time horizon definitions, and an enhancement of underlying Risk ID capabilities. The ESG RIAP now also includes an overview of the assessment of S&G Risk, reflecting the requirement to assess these risks and consider the likelihood and magnitude of risks emerging over the three-time horizons.

Short-term: In the updated short-term horizon, ESG risks across all baseline risk categories, Credit, Compliance, Strategic, Liquidity, Reputation, Operational, and Market risks, are assessed as non-material. The change in outcome from the 2025 C&E RIAP reflects the narrowed 0–1 year timeframe and incorporation of likelihood. These

risks are considered non-material due to the combination of CEP's high-quality business mix and internal controls. Specifically, CEP's clients and invested assets are predominantly in non-vulnerable industries, with portfolios heavily weighted toward sovereigns and financial institutions that represent high-quality, investment-grade assets. Furthermore, CEP's internal risk and control frameworks are fully adequate to manage and mitigate any minor increases in inherent short-term risks, a position further supported by the level of historical losses arising from ESG risk factors.

Medium-term: In the medium-term horizon, transition risk is assessed as material across specific risk categories with no material risks identified for the physical aspects of C&E factors or across any S&G Risk dimensions. Transition risks across credit risk, strategic risk, and compliance risk are classified as material for this updated 1–5 year horizon (consistent with their identification in the prior cycle's up to 3-year window):

- Transition risk is assessed as material to credit risk due to the global economic shift toward a low-carbon economy.
- Transition risk across climate and environmental factors is deemed material for Strategic Risk, driven by evolving EU regulations and the global transition, which may require CEP to adapt its business activities and client relationships to meet net-zero objectives and shifting market expectations.
- Transition risk for both climate and environmental transition factors is also material for Compliance risk, reflecting the increase in sustainability reporting and operational regulations impacting both CEP and its clients.

Conversely, liquidity, reputation, operational, and market risks remain non-material during the medium-term time horizon. Transition risk is not considered material to operational risk within this or any other horizon due to the absence of clear and identifiable transmission channels.

Long-term: In the long-term horizon, risk factors become material across a number of specific risk stripes based on conservative assumptions of increased inherent risk as climate and environmental factors become more pronounced. This represents a change since the 2025 C&E RIAP, with credit risk (both transition and physical), operational risk (physical), liquidity risk (transition), compliance risk (transition), strategic risk (transition), and reputation risk (across both C&E Risk and S&G Risk) now classified as material in the long term.

Long-term transition and physical risks could cause current internal risk and control frameworks to become inadequate if not dynamically updated:

- Credit risk materiality expands to encompass both transition and physical C&E Risk,
- Operational risk becomes material due to physical climate risk.
- Liquidity risk becomes material driven by long-term climate transition risks,
- Compliance and strategic risks remain material for transition C&E Risk.

Market risk remains non-material across all time horizons with no change since the 2025 C&E RIAP, due to high balance sheet velocity and a highly dynamic, responsive control environment.

Reputation risk is assessed to become material across both C&E Risk and S&G Risk dimensions due to evolving external pressures and heightened public and regulatory scrutiny.

S&G factors are not deemed material within the credit, liquidity, or strategic risk stripes, and are not managed in the operational and compliance risk categories as the impact on CEP's own operations is covered by other risk management frameworks and policies, and physical risk is specifically not considered material to compliance risk due to a lack of clear transmission channels.

CEP's Board-approved 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 2026-2028 RAS process, CEP's risk appetite statements were updated to reflect materiality of ESG risks and underlying heatmap methodology.

For ESG exposure, a specific RMC limit has been reviewed and approved for material risks, along with an escalation trigger. This allows effective oversight with a pragmatic risk-based approach. Furthermore, Risk Metrics for operational, strategic, reputation, and compliance risks are measured quarterly within Non-Financial Risk Appetite process and have incorporated ESG 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)
- Green Bond Principles, Social Bond Principles, Sustainability Linked Loan Principles

In addition, Citi has adopted, joined or endorsed a number of principles, standards and industry groups, which help inform its approach to sustainable finance and risk management, including:

- 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's approach to ESG risk management has been informed by the following, non-exhaustive, list of regulatory guidance:

- European Banking Authority (EBA), Guidelines on the management of Environmental, Social and Governance (ESG) risks
- 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

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 processes and policies, 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. 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 includes 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 clients' management of environmental and social risks.

Citi has committed not to provide project-related financing supporting the construction or expansion of a coal-fired power plant, or of any new or significant expansion of existing thermal coal mines globally. The ESRM Policy sector-specific requirements on thermal coal mining also include a commitment to no longer facilitate capital markets transactions or mergers and acquisition advisory and financing for companies with greater than 25% revenues from thermal coal mining, and to eliminate Citi's credit exposure to these clients by 2030.

Under its ESG Credit Assessment Procedure and related guidance documents, CEP integrates the quantitative assessment of a borrower's exposure to climate risk and the qualitative assessment of other environmental, social and governance risks, into its credit-decision process. For the climate risk assessment, CEP embeds the CRAS, a tool developed by Citi to better understand the climate risk profiles of individual corporate clients. The CRAS identifies the most material climate risks clients face and helps evaluate their plans 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. The 2024 Citi Climate Report provides more details regarding components, usage, and development of CRAS.

Citi has a goal of achieving net zero emissions associated with financing activities by 2050, and net zero emissions from its operations by 2030. 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 Environmental risk - 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 its 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 judgement 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 ESG risk materiality assessment. For credit exposures, CEP uses climate transition and physical risk models 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 CEP's risk profile as part of the annual ICAAP. 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.

CEP has incorporated supplementary Operational and Compliance Risk Climate and Environment scenarios in the ICAAP exercise. This results in incremental stress scenario losses included in the overall ICAAP results, and the capital impact of (i) a climate risk associated operational loss event and (ii) a minor regulatory breach directly attributable to inadequate change management within its ESG RMF 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 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 continue to present a challenge in non-financial reporting. CEP supports Citi's broader efforts to improve methodologies develop tools to assess climate risk and climate data, including the quantification of 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 is improved. Through the

modernisation of the data infrastructure and operations, Citi and CEP seek to strengthen and improve the safety and soundness of their 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 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 42 - 46 prior to each disclosure.

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 ESG risk, refer to Environmental risk - 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 ESG risks as a cross-cutting risk, that can manifest itself within each of Citi's main risks categories, i.e. strategic, credit, market, liquidity, operational, compliance and reputation risk. Transmission channels are the causal chains that explain how ESG risk drivers may materialize directly or indirectly as sources of financial or non-financial risk to CEP. The table below provides a non-exhaustive list of potential transmission channels to Citi's risk categories.

Table 41: ESG: Transmission Channels to Citi Risk Categories

Transmission Channel	Example / Link to Citi Risk Categories	Risk
Microeconomic – Impact to an individual obligor's ability to pay CEP	ESG drivers can have an impact on an obligor's source of income/ revenue, spend/cost, and value of assets, resulting in a reduction in their ability to pay and in the value of the collateral, as well as an increase in the utilisation of credit facilities.	Credit Risk
Macroeconomic – Impact to market variables	ESG drivers, or changes in market expectations regarding these drivers, can result in a change in the market value of the bank's investment assets, trading book assets, or liabilities, or an increase in the volatility of market variables, including interest rates, foreign exchange rates, equity and commodity prices, and credit spreads, which can result in losses.	Market Risk
Microeconomic – Impact to CEP's liquidity position	ESG drivers can trigger unexpected demand for funds by counterparties/ customers to fund their obligations, a reduction in the value of assets owned by the bank, or limitations on the bank's ability to roll its debt, affecting the bank's ability to meet both expected and unexpected current and future cash flow and collateral needs.	Liquidity Risk
Microeconomic - Impact to CEP operations	Climate and environmental risk drivers can disrupt facilities and infrastructure, impacting the bank's ability to operate. Damage to physical assets from natural disasters can affect the bank's locations (e.g., physical damage, inaccessibility), employees (e.g., productivity, ability to commute) or operations of third-party providers resulting in disruption of normal business operations.	Operational Risk
Microeconomic - External stakeholder perception	Counterparties / invested assets can have a negative impact on environmental and social factors, which could in turn translate into a direct financial impact on the CEP or affect it through reputation, litigation or business model risks.	Reputation Risk
Macroeconomic - Changes in economic variables and the policy environment may impact CEP's business decisions	ESG drivers can have an impact on the bank's business context (i.e., supplier, customer, competition, regulation, investors, and society) through changing economic conditions, regulations, low carbon products and preferences, and legal action, which can lead to the need to make strategic shifts.	Strategic Risk
Microeconomic - Increased regulatory complexity due to different approaches across jurisdictions	Rapidly evolving regulatory landscape creates regulatory and operational complexity and could result in non-compliance, creating risk of losses through penalties or incremental capital requirements.	Compliance Risk

For CEP the identification and assessment of ESG 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

CEP's business strategy and processes for integrating factors and risks are aligned with the overarching ESG RMF detailed in Environmental risk - section a).

CEP's ESG RMF defines social risk as a negative financial impact on CEP stemming from the current or future impacts of social factors on CEP's clients or invested assets, and considers social trends at

national, regional or global level as potential impacts on clients or invested assets.

In addition to integrating this into downstream activities, CEP has a number of processes related to the management of its social factors within its own operations, 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 2025.

The remainder of this section of the document articulates social risk in the context of the CEP ESG RMF definition of social risk.

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

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

CEP's social risk-related objectives are managed under CEP's overall ESG objectives and targets outlines in Environmental risk - section a)-b).

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 its business consistently 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 it engages with employees, clients, vendors and communities around the world, is embodied in its values and Code of Conduct.

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

Citi has a goal to finance and facilitate USD 1 trillion in sustainable finance by 2030, as set out in Environmental risk - section b). Social finance, such as the financing of basic infrastructure, education, and healthcare for underserved populations, is included in the sustainable finance goal.

In line with the EBA Guidelines, which do not mandate subsidiary-level targets and goals relating to parent-level sustainability commitments, CEP does not establish separate legal entity targets or milestones to operate as a component of this global goal.

Furthermore, Citi's goal was not designed as risk reduction targets or for credit risk management. As such, this goal is not leveraged for the purpose of managing CEP's material ESG risks, but are included here for informational purposes.

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

With respect to social risks, CEP aligns its priorities with its business profile, EU regulatory standards, and Citi's global strategy, policies and frameworks. Under the oversight of the Board, CEP adopts and implement's Citi policies designed to help identify and manage social risk exposure. Any references to Citi in the narrative below apply to Citi at a global level and are inclusive of CEP.

Citi's ESRM Policy guides its approach to engaging with clients to help responsibly mitigate environmental and social risks in its financing. This covers a broad scope of financial products and client sectors and guides how Citi assesses client impacts and associated risks. Although CEP does not have a policy or procedure specific to engagement with counterparties, direct or indirect engagement may take place as part of this process.

The ESRM Policy includes Sector-Specific Requirements for clients active in a number of sectors, as well as provisions for transactions in Areas of High Caution which include potential concerns relating to project-related conflict risk, Indigenous Peoples, significant cultural heritage value, elevated human rights, large scale resettlement, among other areas.

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

Clients are screened for risks related to forced labour and modern slavery through Citi's Global Anti-Money Laundering (AML) 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 its financial products, services, or those of its 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

CEP's legal-entity governance structure for managing social risks leverages the overall ESG governance framework detailed in Environmental risk - section e)-i). Under this structure, the Board, the Board Risk Committee, the ExCo, the RMC, and the CEP ESG Steering Group provide oversight, aiming to promote consistent escalation and management of social risks across all three lines of defence.

Citi's (inclusive of CEP) ESRM Policy governs the approach to identifying potential social risks related to client activities. The ESRM Policy considers a client's approach to employee health and safety, and community health, safety, and engagement. The ESRM Policy also has provisions for transactions in Areas of High Caution

which include potential concerns to elevated human rights risk, Indigenous Peoples, project-related conflict risk, among other areas.

Implementation of the ESRM Policy is a shared responsibility across Citi. The First Line of Defence, including bankers and/or risk managers, is 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. In the course of a 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.

At parent company level, the Citi Board of Directors has ultimate oversight of work to identify, assess and integrate sustainability-related risks and opportunities throughout Citi, including climate-related work and human capital management efforts. The Nomination, Governance and Public Affairs Committee of the Citi Board of Directors is responsible for overseeing and reviewing Citi's policies and programmes for 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 its Statement on Human Rights.

Alignment to Remuneration Policy
Refer to Environmental risk - section i) for reporting on the alignment of the remuneration policy in line with CEP's ESG-related objectives.

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

As detailed in Environmental risk - section j), CEP's ESG RMF defines social risk as a negative financial impact on CEP stemming from the current or future impacts of social factors on CEP's clients or invested assets, and considers social trends at national, regional or global level as potential impacts on clients or invested assets.

CEP follows the Citi understanding of social risk factors, as defined in the ESRM Policy:

1) negative impacts arising from clients' treatment and oversight of employees, contractors and subcontractors;
2) negative impacts to clients' surrounding communities or customers; and
3) employee strikes, customer boycotts, community protests, NGO campaigns, divestment or negative public attention to the counterparty as a result of negative environmental or social impacts.

Social risk analysis includes consideration of human rights risks. These risks may be further amplified when they affect racial or ethnic minority communities (i.e., environmental justice concerns), indigenous peoples, or other vulnerable or marginalised populations.

Details of CEP's ESG risk-related risk management (which encompasses social risk) are included in Environmental risk - section j).

Activities and exposures that may be exposed to social risk are identified prior to execution of a transaction. As set out in Citi's ESRM Policy (which includes CEP), where a relationship manager or risk manager identifies a concern relating to an Area of High Caution which include potential concerns relating to project-related conflict risk, Indigenous Peoples, significant cultural heritage value, elevated human rights risks, large-scale resettlement among other areas, 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.

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 Environmental and Social Policy Framework, CEP, in alignment with Citi, does not do business with companies when its 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; or
- production or activities involving harmful or exploitative forms of child labour. Harmful child labour means the employment of children that is economically exploitative, 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, 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, regardless of financial product or sector. Citi only proceeds with transactions where these Areas of 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 UN 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-related 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, Citi recommends its 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 and enhanced human rights due diligence. Some factors that may increase human rights risks include activities or 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;
- 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;
- involving in-migration of large labour forces, which can lead to a higher risk of human trafficking or forced labour;
- with environmental justice concerns due to disproportionate adverse environmental or health impacts on racial or ethnic minority communities, or economically disadvantaged communities; and
- 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; and
- 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

The transmission channels through which social risks can manifest in traditional risk categories for CEP are aligned with the overall ESG transmission channel mapping described in the Environmental risk - section r).

Social drivers (e.g., counterparty labour disputes, community protests, or human rights violations) act as key risk triggers that amplify these traditional risk categories. For example, severe labour controversies or human rights violations at a counterparty can trigger customer boycotts (reputation risk), reduce asset values/ collateral acceptability (credit and liquidity risk), or lead to costly litigation and regulatory fines (operational and compliance risk).

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 CEP's strategy. CEP's business strategy and processes for integrating governance factors and risks are aligned with the overarching ESG RMF detailed in Environmental risk - section a).

CEP's ESG RMF governance risk refers to the risk arising from the current or prospective impact of governance factors (e.g. bribery, corruption, counterparties' board oversight on strategy or risk management) on counterparties or invested assets, which could materialise through transmission channels in traditional risk categories and lead to financial or non-financial risks to CEP.

In addition to integrating this into downstream activities, CEP has a number of processes related to the management of its governance factors across its value chain, 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 2025.

Acting responsibly builds trust with the public and clients that allows CEP to pursue its business model for providing financial services that enable growth and economic progress. CEP has established policies, procedures, controls, training modules, and taken actions that promote ethical business conduct and support its long-term resilience.

Citi has 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 Programme 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 is supported by the Independent Compliance Risk Management (ICRM) UK & EU Trade Restrictive Measures (TRM) team. The TRM team's responsibilities are governed by the regional TRM ICRM standard and include managing regulatory developments, conducting the annual TRM risk assessment and conducting TRM training. The TRM ICRM team also provides advisory support and credible challenge, ensuring the quality and robustness of the TRM control framework. This ensures that CEP and the broader Citi organisation maintain a consistent and effective control environment that is responsive to the evolving TRM landscape.
- CEP's AML Programme is designed to protect both its clients and its 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 (AB&C 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 comply 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 Programme, along with that of the Culture Programme:

- set, reinforce, and enhance Citi's risk culture;
- integrate its values and conduct expectations into the organisation; and
- 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 are 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 its 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 the company. As part of the annual Voice of the Employee survey, Citi includes ethics questions 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 Business Risk and Control Committee (BRCC), the CEP Audit Committee and the Board, as applicable.

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

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

Beyond CEP's internal compliance, culture, and ethics frameworks, CEP's risk management and governance arrangements integrate the evaluation of the governance performance of its counterparties (clients and invested assets).

The governance arrangements used to identify, monitor, and manage counterparty governance risks are aligned with CEP's overarching ESG governance structure detailed in Environmental risk - section e)–i). Under this structure, CEP's legal-entity level oversight bodies – including the Board, Board Risk Committee, RMC, and the CEP ESG Steering Group – oversee counterparty governance trends. Where material governance events, financial crime risks, or conduct-related issues arise at the counterparty or invested asset level, these are escalated through CEP's established escalation and issue management channels (including the CEP BRCC, CEP Audit Committee, and Board, as applicable) in accordance with the processes set out above.

Governance risk is recognised as a cross-cutting driver that can directly amplify traditional risk categories. It transmits to CEP's traditional risk categories through the causal chains detailed in the Environmental risk - section r). For example, a counterparty's weak internal controls, bribery scandals, or lack of transparency can lead to sudden credit rating downgrades (credit risk), unexpected and immediate funding pressures (liquidity risk), or severe stakeholder backlash, litigation, and disengagement (reputation risk).

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, in line with its normal governance structures, detailed further in Environmental risk - section e). Citi may use clients' non-financial reporting for a number of purposes including ESRM, CRAS and Net Zero review. Citi (and CEP) expects that the quality of non-financial reporting and ESG reporting will evolve in the EU due to both the maturation of the Corporate Sustainability Reporting Directive and the expanded reporting scope of Pillar 3 ESG disclosure requirements (Article 449a of CRR).

Social and Governance risk factors are considered as part of the CEP Credit Assessment, which is documented in the ESG Section in CEP Credit Approval Package / Credit Approval Package – CCB Social and Governance Form. In 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

Management Quality, 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 its approach to engaging with clients to help it responsibly mitigate environmental and social risks in its financing. The ESRM Policy covers a broad scope of financial products and client sectors and guides how it assesses client impacts and associated risks.

The Citi Reputation Risk Committee (the Rep Risk Committee) has been established to provide firm-wide 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". For CEP, the ExCo provides legal entity oversight, supported by local Country Coordinating Committees. The mandate of these combined governance forums is to govern the processes by which material reputation risks affecting the legal entity 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 Programme 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 its clients and its 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 out 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 Reputation Risk units.

Quantitative disclosures

While ESG risks can manifest over the short-, medium- and long-term horizons, CEP's ESG Risk materiality assessment identifies the material risk exposures to CEP and its transmission channels from clients, as medium- and long-term in nature, with these risks expected to increase over time.

Climate change transition risk
Climate-related and environmental 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 Environmental risk - section j).

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 CEP'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 based on available reported counterparty data.

As a subsidiary of Citi, CEP 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 2024 Citi Climate Report.
As outlined in Environmental risk - 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 committed funds (the total available credit to a client under a loan facility), to represent the maximum potential financed emissions, which is then factored to outstanding funds per the standard outlined by the 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 scope required to analyse data 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 outlined in Environmental risk - 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 based on a variety of factors, including carbon intensity, magnitude of financing, data availability, applicability to Citi's business model, and industry practices. CEP reports financed emissions from high-emitting sectors where Citi has set interim targets. High-emitting sectors have been defined with reference to the 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 highest-emitting sectors are Energy, Power, and Auto Manufacturing. 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

Calculating financed emissions is inherently constrained by the availability and quality of third-party ESG data. The emissions data utilised in this disclosure is subject to a standard two-year reporting lag. Citi is working with leading data providers to streamline reporting timelines; however, systemic collection lags remain an industry-wide challenge. Therefore, CEP currently faces a data mismatch — CEP is using 2024 financial data to represent its clients' financials, but is pairing that with 2023 emissions, to calculate emissions from CEP's Banking Book as at 31 December 2025, within the Sustainability Statement of the Directors' Report, which forms part of CEP's Annual Report and Financial Statements for the year ended 31 December 2025. CEP hopes that emissions data will continue to improve, and that the data lag will diminish as disclosure regimes evolve.

For the purpose of this disclosure under Article 449a of the CRR, CEP then refines the financed emissions calculations by including only counterparties that operate in sectors identified as contributing highly to climate change, in accordance with the Commission Delegated Regulation (EU) 2020/1818, which supplements Regulation (EU) 2016/1011 (the EU Climate Benchmark Standards Regulation – Recital 6), specifically referring to sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006. Additionally, the disclosure adjusts CEP's credit exposure to counterparties to reflect the position as of 30 June 2026, while retaining client financial data from 2024 and utilising emission data from 2023, as detailed above.

These adjustments to the financed emissions balances result in differences to the total financed emissions disclosed within the Sustainability Statement of the Directors' Report, which forms part of CEP's Annual Report and Financial Statements for the year ended 31 December 2025. As of 31 December 2025, CEP has included financed emissions of 6,284,532 tCO2eq in its reporting within CEP's Sustainability Statement.

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 are considered to be primary data from suppliers, whereas data with a Score of 3-5 is not considered to be primary data. In the table below, gross carrying amount percentage of the portfolio derived from company-specific reporting (column k) represents a 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 2024 Citi Climate Report.

Table 42: ESG Template 1: Banking book - Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

June 30, 2026

	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 CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	Maturity of exposures				
			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		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
1	**Exposures towards sectors that highly contribute to climate change***	14,532	181	—	2,190	110	-126	-71	-36	2,769,783	1,057,586	10.20 %	12,936	1,117	400	79	2.3
2	A - Agriculture, forestry and fishing	58	—	—	—	—	—	—	—	—	—	— %	51	7	—	—	2.1
3	B - Mining and quarrying	212	—	—	50	—	-10	-10	—	341,323	297,526	74.07 %	212	—	—	—	0.9
4	*B.05 - Mining of coal and lignite*	—	—	—	—	—	—	—	—	—	—	— %	—	—	—	—	0.8
5	*B.06 - Extraction of crude petroleum and natural gas*	76	—	—	—	—	—	—	—	281,232	255,393	100.00 %	76	—	—	—	0.4
6	*B.07 - Mining of metal ores*	52	—	—	50	—	-10	-10	—	—	—	— %	52	—	—	—	2.8
7	*B.08 - Other mining and quarrying*	1	—	—	—	—	—	—	—	2,570	1	76.22 %	1	—	—	—	0.1
8	*B.09 - Mining support service activities*	83	—	—	—	—	—	—	—	57,521	42,132	96.24 %	83	—	—	—	0.2
9	C - Manufacturing	6,997	12	—	1,240	52	-51	-28	-16	673,974	461,619	1.61 %	6,725	272	—	—	0.9
10	*C.10 - Manufacture of food products*	990	—	—	2	25	-9	—	-8	—	—	— %	975	15	—	—	0.8
11	*C.11 - Manufacture of beverages*	675	—	—	—	—	-1	—	—	—	—	— %	569	106	—	—	1.2
12	*C.12 - Manufacture of tobacco products*	73	—	—	—	—	—	—	—	—	—	— %	73	—	—	—	0.3
13	*C.13 - Manufacture of textiles*	99	—	—	24	2	-2	-1	—	—	—	— %	99	—	—	—	0.4
14	*C.14 - Manufacture of wearing apparel*	4	—	—	—	—	—	—	—	—	—	— %	4	—	—	—	1.0
15	*C.15 - Manufacture of leather and related products*	—	—	—	—	—	—	—	—	—	—	— %	—	—	—	—	—

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 CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting					
			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		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
16	*C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials*	35	—	—	5	—	—	—	—	—	—	— %	35	—	—	—	2.7
17	*C.17 - Manufacture of pulp, paper and paperboard*	520	—	—	21	—	-4	-3	—	5	—	— %	520	—	—	—	0.6
18	*C.18 - Printing and service activities related to printing*	60	—	—	—	—	—	—	—	—	—	— %	60	—	—	—	0.3
19	*C.19 - Manufacture of coke oven products*	27	12	—	13	—	—	-1	—	29,081	23,324	36.10 %	27	—	—	—	2.2
20	*C.20 - Production of chemicals*	790	—	—	184	—	-3	-3	—	60	56	— %	736	54	—	—	0.9
21	*C.21 - Manufacture of pharmaceutical preparations*	452	—	—	11	—	-2	—	—	—	—	— %	425	27	—	—	1.5
22	*C.22 - Manufacture of rubber products*	234	—	—	33	2	—	—	—	14,606	7,368	— %	234	—	—	—	0.4
23	*C.23 - Manufacture of other non-metallic mineral products*	230	—	—	153	—	-2	-2	—	97,662	—	22.70 %	230	—	—	—	0.3
24	*C.24 - Manufacture of basic metals*	153	—	—	24	—	-1	-1	—	146,595	55,053	2.55 %	153	—	—	—	0.6
25		390	—	—	122	—	-6	-6	—	3,354	1	0.27 %	390	—	—	—	0.9
26	*C.26 - Manufacture of computer, electronic and optical products*	221	—	—	11	—	-1	-1	—	1	—	0.01 %	221	—	—	—	0.9

Sector/subsector		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (MIn EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (MIn EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting					
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27	*C.27 - Manufacture of electrical equipment*	*533*	—	—	*186*	—	*-6*	*-6*	—	—	—	— %	533	—	—	—	0.9
28	*C.28 - Manufacture of machinery and equipment n.e.c.*	*550*	—	—	*67*	*23*	*-9*	—	*-8*	91	—	1.09 %	536	14	—	—	0.8
29	*C.29 - Manufacture of motor vehicles, trailers and semi-trailers*	*406*	—	—	*322*	—	*-3*	*-3*	—	378,358	375,816	9.85 %	406	—	—	—	0.9
30	*C.30 - Manufacture of other transport equipment*	*384*	—	—	*40*	—	*-1*	—	—	4,159	—	— %	348	36	—	—	1.5
31	*C.31 - Manufacture of furniture*	*37*	—	—	*2*	—	—	—	—	—	—	— %	37	—	—	—	2.8
32	*C.32 - Other manufacturing*	*104*	—	—	*20*	—	*-1*	*-1*	—	—	—	— %	84	20	—	—	0.7
33	*C.33 - Repair and installation of machinery and equipment*	*30*	—	—	—	—	—	—	—	2	1	0.02 %	30	—	—	—	1.0
34	D - Electricity, gas, steam and air conditioning supply	*1,485*	*169*	—	*25*	—	*-1*	—	—	504,698	2,676	70.67 %	421	753	232	79	11.1
35	*D35.1 - Electric power generation, transmission and distribution*	*623*	*169*	—	*25*	—	*-1*	—	—	258,291	12	31.25 %	312	—	232	79	4.5
36	*D35.11 - Production of electricity*	*325*	169	—	—	—	—	—	—	127,889	4	55.67 %	246	—	—	79	8.1
37	*D35.2 - Manufacture of gas; distribution of gaseous fuels through mains*	*754*	—	—	—	—	—	—	—	225,653	2,664	99.92 %	1	753	—	—	6.9
38	*D35.3 - Steam and air conditioning supply*	*108*	—	—	—	—	—	—	—	20,754	—	93.58 %	108	—	—	—	0.8

	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 CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting					
			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		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
39	E - Water supply; sewerage, waste management and remediation activities	*27*	—	—	*10*	—	*-3*	*-2*	—	950	—	13.37 %	17	10	—	—	2.9
40	F - Construction	*114*	—	—	*36*	*6*	*-3*	—	*-3*	4,247	—	14.04 %	114	—	—	—	1.7
41	*F.41 - Construction of buildings*	*13*	—	—	—	—	—	—	—	1,903	—	98.62 %	13	—	—	—	0.1
42	*F.42 - Civil engineering*	*23*	—	—	—	*3*	*-1*	—	*-1*	—	—	— %	23	—	—	—	2.7
43	*F.43 - Specialised construction activities*	*78*	—	—	*36*	*3*	*-2*	—	*-2*	2,344	—	3.65 %	78	—	—	—	1.7
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	*2,577*	—	—	*373*	*52*	*-31*	*-12*	*-17*	1,165,546	294,024	4.93 %	2,577	—	—	—	0.7
45	H - Transportation and storage	*882*	—	—	*184*	—	*-4*	*-3*	—	78,605	1,741	1.68 %	687	27	168	—	3.3
46	*H.49 - Land transport and transport via pipelines*	*99*	—	—	*7*	—	—	—	—	52,036	219	6.87 %	99	—	—	—	1.3
47	*H.50 - Water transport*	*167*	—	—	—	—	—	—	—	15,475	—	0.01 %	121	—	46	—	3.6
48	*H.51 - Air transport*	*290*	—	—	*123*	—	*-2*	*-1*	—	9,507	1,187	1.50 %	168	—	122	—	5.1
49	*H.52 - Warehousing and support activities for transportation*	*305*	—	—	*54*	—	*-2*	*-2*	—	414	78	0.01 %	290	15	—	—	1.9
50	*H.53 - Postal and courier activities*	*21*	—	—	—	—	—	—	—	1,173	257	17.35 %	9	12	—	—	4.0
51	I - Accommodation and food service activities	*97*	—	—	*17*	—	—	—	—	—	—	— %	97	—	—	—	0.3
52	L - Real estate activities	*2,083*	—	—	*255*	—	*-23*	*-16*	—	440	—	0.10 %	2,035	48	—	—	2.2
53	Exposures towards sectors other than those that highly contribute to climate change*	*6,633*	—	—	*272*	*45*	*-41*	*-13*	*-6*	—	—	— %	6,214	96	322	2	2.0

	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 CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting					
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54	K - Financial and insurance activities	*2,104*	—	—	*43*	*41*	*-17*	*-1*	*-4*	—	—	— %	2,095	7	—	2	1.9
55	Exposures to other sectors (NACE codes J, M - U)	*4,529*	—	—	*229*	*4*	*-24*	*-12*	*-2*	—	—	— %	4,119	89	322	—	2.1
56	TOTAL	*21,165*	*181*	—	*2,462*	*155*	*-167*	*-84*	*-42*	2,769,783	1,057,586	7.00 %	19,150	1,213	722	81	2.2

* 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

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	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 CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	Maturity of exposures				
			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		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
1	Exposures towards sectors that highly contribute to climate change*	14,201	287		2,038	78	-102	-64	-22	4,409,319	1,746,147	12.32 %	12,772	527	752	148	2.7
2	A - Agriculture, forestry and fishing	48			—	—	—	—	—	—	—	— %	48	—	—	—	1.9
3	B - Mining and quarrying	309	—		2	—	—	—	—	904,878	785,634	98.54 %	309	—	—	—	0.3
4	*B.05 - Mining of coal and lignite*	—			—	—	—	—	—	—	—	— %	—	—	—	—	—
5	*B.06 - Extraction of crude petroleum and natural gas*	234			1	—	—	—	—	833,125	733,148	99.98 %	234	—	—	—	0.3
6	*B.07 - Mining of metal ores*	1			—	—	—	—	—	—	—	— %	1	—	—	—	0.6
7	*B.08 - Other mining and quarrying*	2			—	—	—	—	—	3,848	1	76.38 %	2	—	—	—	0.2
8	*B.09 - Mining support service activities*	72			1	—	—	—	—	67,905	52,485	95.90 %	72	—	—	—	0.2
9	C - Manufacturing	7,032	15		1,316	46	-45	-27	-11	817,805	597,220	2.75 %	6,809	223	—	—	0.9
10	*C.10 - Manufacture of food products*	934			8	11	-1	—	—	—	—	— %	906	28	—	—	0.8
11	*C.11 - Manufacture of beverages*	499			21	—	-1	—	—	—	—	— %	499	—	—	—	0.5
12	*C.12 - Manufacture of tobacco products*	86			—	—	—	—	—	—	—	— %	86	—	—	—	0.4
13	*C.13 - Manufacture of textiles*	85			13	2	-1	-1	—	—	—	— %	85	—	—	—	0.5
14	*C.14 - Manufacture of wearing apparel*	8			—	—	—	—	—	—	—	— %	8	—	—	—	2.5
15	*C.15 - Manufacture of leather and related products*	2			—	—	—	—	—	—	—	— %	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 CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting					
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16	*C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials*	36			5	—	—	—	—	1,025	961	0.70 %	33	3	—	—	3.6
17	*C.17 - Manufacture of pulp, paper and paperboard*	*554*			*7*	—	*-1*	*-1*	—	1	—	— %	553	1	—	—	0.6
18	*C.18 - Printing and service activities related to printing*	*53*			—	—	—	—	—	—	—	— %	53	—	—	—	0.2
19	*C.19 - Manufacture of coke oven products*	*31*		*15*	—	—	—	—	—	104,475	93,815	32.19 %	31	—	—	—	2.7
20	*C.20 - Production of chemicals*	*967*			*305*	*16*	*-12*	*-5*	*-7*	77	74	— %	913	54	—	—	1.0
21	*C.21 - Manufacture of pharmaceutical preparations*	*399*			*2*	—	*-1*	—	—	—	—	— %	399	—	—	—	1.2
22	*C.22 - Manufacture of rubber products*	*244*			*50*	*5*	*-1*	—	—	13,089	6,603	— %	243	—	—	—	0.4
23	*C.23 - Manufacture of other non-metallic mineral products*	*275*			*89*	—	*-2*	*-1*	—	115,186	—	20.12 %	275	—	—	—	0.7
24	*C.24 - Manufacture of basic metals*	*209*			*4*	—	*-1*	*-1*	—	249,685	172,657	29.62 %	202	7	—	—	1.3
25	*C.25 - Manufacture of fabricated metal products, except machinery and equipment*	*396*			*169*	—	*-9*	*-8*	—	4,858	1	1.14 %	396	—	—	—	1.0
26	*C.26 - Manufacture of computer, electronic and optical products*	*208*			*19*	—	*-1*	*-1*	—	1	—	0.01 %	207	1	—	—	0.9
27	*C.27 - Manufacture of electrical equipment*	*477*			*91*	—	*-3*	*-3*	—	14	12	— %	460	17	—	—	1.1

	Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
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28	*C.28 - Manufacture of machinery and equipment n.e.c.*	*636*			*216*	*12*	*-7*	*-3*	*-4*	144	—	1.41 %	625	11	—	—	0.7
29	*C.29 - Manufacture of motor vehicles, trailers and semi-trailers*	*334*			*264*	—	*-3*	*-2*	—	324,734	323,096	15.71 %	302	32	—	—	1.1
30	*C.30 - Manufacture of other transport equipment*	*467*			*51*	—	*-1*	*-1*	—	4,514	—	— %	417	50	—	—	1.5
31	*C.31 - Manufacture of furniture*	*32*			*2*	—	—	—	—	—	—	— %	17	16	—	—	2.8
32	*C.32 - Other manufacturing*	*69*			—	—	—	—	—	—	—	— %	69	—	—	—	0.4
33	*C.33 - Repair and installation of machinery and equipment*	*31*			—	—	—	—	—	2	1	0.01 %	28	3	—	—	1.0
34	D - Electricity, gas, steam and air conditioning supply	*1,403*	*272*		—	—	*-1*	—	—	1,231,693	3,255	72.18 %	520	188	632	63	15.4
35	*D35.1 - Electric power generation, transmission and distribution*	*1,025*	*272*		—	—	*-1*	—	—	1,132,343	10	62.62 %	329	—	632	63	7.9
36	*D35.11 - Production of electricity*	*231*	*79*		—	—	—	—	—	92,385	1	54.00 %	168	—	—	63	9.0
37	*D35.2 - Manufacture of gas; distribution of gaseous fuels through mains*	*189*			—	—	—	—	—	60,801	3,245	99.75 %	2	188	—	—	7.9
38	*D35.3 - Steam and air conditioning supply*	*189*			—	—	—	—	—	38,549	—	96.37 %	189	—	—	—	0.2
39	E - Water supply; sewerage, waste management and remediation activities	*26*			*13*	—	*-3*	*-3*	—	671	—	10.55 %	12	13	—	—	4.0
40	F - Construction	*98*			*21*	*7*	*-3*	—	*-3*	4,064	—	19.98 %	98	—	—	—	2.0
41	*F.41 - Construction of buildings*	*16*			—	—	—	—	—	2,379	—	99.40 %	16	—	—	—	0.6

	Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
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42	*F.42 - Civil engineering*	*31*			*4*	*4*	*-1*	—	*-1*	—	—	— %	31	—	—	—	3.0
43	*F.43 - Specialised construction activities*	*51*			*17*	*3*	*-2*	—	*-2*	1,685	—	7.08 %	51	—	—	—	1.9
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	*2,748*			*351*	*24*	*-28*	*-17*	*-8*	1,347,422	357,489	4.16 %	2,722	25	—	—	0.8
45	H - Transportation and storage	*814*	—		*63*	—	*-5*	*-2*	—	101,616	2,549	11.76 %	631	56	120	8	3.5
46	*H.49 - Land transport and transport via pipelines*	*231*			—	—	*-1*	—	—	67,475	242	3.15 %	231	—	—	—	1.4
47	*H.50 - Water transport*	*220*			*37*	—	*-1*	—	—	13,285	—	0.55 %	139	33	48	—	4.5
48	*H.51 - Air transport*	*17*			*5*	—	—	—	—	14,499	2,151	78.27 %	17	—	—	—	2.4
49	*H.52 - Warehousing and support activities for transportation*	*330*			*21*	—	*-3*	*-2*	—	5,872	54	21.84 %	240	11	72	8	4.4
50	*H.53 - Postal and courier activities*	*16*			—	—	—	—	—	485	102	11.36 %	4	12	—	—	4.7
51	I - Accommodation and food service activities	*107*			*17*	—	—	—	—	—	—	— %	107	—	—	—	0.3
52	L - Real estate activities	*1,616*			*255*	*1*	*-17*	*-15*	—	1,170	—	0.34 %	1,516	22	—	77	2.9
53	Exposures towards sectors other than those that highly contribute to climate change*	*5,778*	—		*217*	*32*	*-38*	*-11*	*-7*				5,382	201	188	7	1.9
54	K - Financial and insurance activities	*1,495*			*43*	*11*	*-18*	*-8*	*-1*				1,441	55	—	—	2.1
55	Exposures to other sectors (NACE codes J, M - U)	*4,283*			*174*	*21*	*-20*	*-3*	*-6*				3,941	146	188	7	1.9
56	TOTAL	19,979	287		2,255	110	-140	-75	-29	4,409,319	1,746,147	8.76 %	18,154	728	940	155	2.5

* 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 discloses 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 households' 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 43: ESG Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral

June 30, 2026

		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/m^2 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/m^2 of collateral) estimated
1	**Total EU area**	1,872	90	218	21	—	—	5	216	108	111	88	18	15	17	1,299	—
2	Of which Loans collateralised by commercial immovable property	1,810	90	218	21	—	—	5	216	108	111	88	18	15	17	1,237	—
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/m^2 of collateral) estimated	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	**Total non-EU area**	159	—	—	—	—	—	—	—	12	12	—	—	—	—	135	—
7	Of which Loans collateralised by commercial immovable property	24	—	—	—	—	—	—	—	12	12	—	—	—	—	—	—
8	Of which Loans collateralised by residential immovable property	135	—	—	—	—	—	—	—	—	—	—	—	—	—	135	—
9	Of which Collateral obtained by taking possession: residential and commercial immovable properties	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10	Of which Level of energy efficiency (EP score in kWh/m^2 of collateral) estimated	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

December 31, 2025

	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**	1,860	113	333	112	44	1	3	135	108	117	126	65	15	18	1,276	
2	Of which Loans collateralised by commercial immovable property	1,799	113	333	112	44	1	3	135	108	117	126	65	15	18	1,215	
3	Of which Loans collateralised by residential immovable property	61	—	—	—	—	—	—	—	—	—	—	—	—	—	61	
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**	185	—	—	—	—	—	—	—	12	12	—	—	—	—	161	
7	Of which Loans collateralised by commercial immovable property	24	—	—	—	—	—	—	—	12	12	—	—	—	—	—	
8	Of which Loans collateralised by residential immovable property	161	—	—	—	—	—	—	—	—	—	—	—	—	—	161	
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

As outlined in Environmental risk - section b) CEP does not set GHG emission reduction targets or make commitments related to GHG emission reduction at a legal entity level. Citi has committed to achieving net zero GHG emissions associated with its financing by 2050 and has set 2030 interim emission reduction targets for clients operating within Citi's in-scope lending portfolios (Aluminium, Auto Manufacturing, Aviation, Cement, Commercial Real Estate (in North America), Energy, Power, Shipping, Steel and Thermal Coal Mining). 2030 targets for Auto Manufacturing, Energy and Power also include facilitation activity from capital markets activities. CEP may have eligible financed emissions which are covered by Citi's targets.

CEP relies on the calculations of GHG emissions and physical intensities (used as alignment metrics) performed by Citi. These are then compared to the International Energy Agency's 2030 Net Zero Emissions by 2050 Scenario (2030 NZE2050 scenario), as set out in the disclosure requirements. As the IEA has not included the 2030 NZE2050 scenario within its World Energy Outlook 2025 publication, CEP has utilised the 2030 NZE2050 scenario published within the IEA's "World Energy Outlook 2024" publication.

These calculations are subject to the inherent limitations for financed emissions, consistent with those detailed in "ESG Template 1: Banking book - Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity".

The following table details the specific sectors outlined within the disclosure requirements. Within the alignment metric for each sector, CEP's clients are included if they fall within the scope of Citi's 2030 interim targets and align to the NACE categorisations outlined for each sector in the disclosure requirements.

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

Table 44: ESG Template 3: Banking book - Climate change transition risk: Alignment metrics

June 30, 2026

	a	c	d	e	f	g
	Sector	Portfolio gross carrying amount (Mn EUR)	Alignment metric[2]	Year of reference	Distance to IEA NZE2050 in %[3]	Target (year of reference + 3 years)[4]
1	Power	447	385.6 gCO2/kWh	2024	107.27 %	—
2	Fossil fuel combustion	1,179	74.9 gCO2/MJ	2024	37.09 %	—
3	Automotive	173	197.3 gCO2/km	2024	81.31 %	—
4	Aviation	135	979.0 gCO2e/RTK	2024	15.36 %	—
5	Maritime transport	140	—	—		—
6	Cement, clinker and lime production	57	0.603 tCO2e/t cement produced	2024	33.87 %	—
7	Iron and steel, coke, and metal ore production	245	—	—		—

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

[2] 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.
[3] PiT distance to 2030 NZE2050 scenario in % (for each metric)
[4] As outlined in Environmental risk - section b), CEP does not have any GHG emission reduction 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.

Consistent with Question ID 2022_6536 of the EBA's "Single Rulebook Q&A", the disclosure requirements include exposures to "any entity that belongs to the group of any of the 20 top emitters". Accordingly, CEP has identified the global ultimate parent for each of the top 20 carbon-intensive firms and included exposures to all entities within their corporate hierarchy. This also includes instances where sovereign states are the global ultimate parent, extending the scope to entities operating in other sectors under their corporate hierarchy.

The methodology for determining exposures to the top 20 carbon-emitting firms will evolve as data availability, industry guidance, and market practices change. CEP will update its approach to reflect the most recently available information and will maintain transparency in its disclosures regarding applied methodologies. Consequently, year-on-year comparability of results may be limited.

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

As outlined in Environmental risk - 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 45: ESG Template 4: Banking book - Climate change transition risk: Exposures to top 20 carbon-intensive firms

June 30, 2026

	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	149	0.71 %	—	1.4	9

December 31, 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	97	0.49 %	—	1.8	9

*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

This disclosure presents banking book exposures (including loans and advances, debt securities, and equity instruments not held-for-trading and not held-for-sale) that are subject to climate change physical risks.

The template details exposures towards non-financial corporates, loans collateralised with immovable property, and repossessed real estate collaterals.

These exposures are analysed for their susceptibility to both chronic and acute climate-related hazards by geography, based on the location of the counterparty's activity or the collateral. This is then presented in a breakdown by sector of economic activity (using NACE classification, focusing on NACE A-I, L).

The analysis identifies concentrations of exposures and collateral in countries and regions deemed highly exposed to physical risks. The primary reference for geographical risk mapping is ThinkHazard's physical risk dashboard. The dashboard aids in hazard identification by providing a comprehensive view of various hazards. These include climate-related events such as floods, water scarcity, wildfire, extreme heat, cyclones, and landslides as well as geophysical events like volcanic activity, tsunamis, and earthquakes. The tool estimates the likelihood of these hazards impacting a selected area, assigning a risk rating that ranges from very low to high. This data is then used to derive an average physical risk rating specifically for climate change acute and chronic events relevant to the portfolio. Exposures to physical risks are further examined within the portfolios of counterparties based on their primary operational locations.

In the absence of guidance for this area of disclosure, the information presented relies on specific assumptions, such as the selection of acute and chronic risks for analysis and the application of a defined threshold to classify a location as being subject to high physical risk.

For disclosure purposes, the counterparty's registered booking address serves as the geographic proxy for the location of the underlying collateral and operational activities. This proxy methodology applies uniformly across all loan portfolios, including those secured by immovable property.

The accuracy of this disclosure is contingent upon the availability of location information. This information is then mapped to the average physical risk conclusions derived from ThinkHazard's dashboard.

The quantitative information included within ESG Template 5 has been prepared on a consolidated basis. CEP is committed to continuously refining its methodology as industry best practices evolve and further guidance becomes available.

Table 46: ESG Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk

June 30, 2026

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Variable: Geographical area subject to climate change physical risk - acute and chronic events	Gross carrying amount (Mln EUR)													
		of which exposures sensitive to impact from climate change physical 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	58	51	7	—	—	2	—	—	58	—	—	—	—	—
2	B - Mining and quarrying	212	212	—	—	—	1	2	5	205	51	—	(10)	(10)	—
3	C - Manufacturing	6,997	6,725	272	—	—	1	117	1,124	5,756	1,241	52	(51)	(28)	(17)
4	D - Electricity, gas, steam and air conditioning supply	1,485	421	753	232	79	11	—	2	1,483	25	—	(1)	—	—
5	E - Water supply; sewerage, waste management and remediation activities	27	17	10	—	—	3	—	—	27	10	—	(3)	(2)	—
6	F - Construction	114	114	—	—	—	2	—	28	86	36	7	(3)	—	(3)
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	2,577	2,577	—	—	—	1	56	710	1,811	373	52	(31)	(12)	(17)
8	H - Transportation and storage	882	687	27	168	—	3	1	256	625	184	—	(4)	(3)	—
9	L - Real estate activities	2,083	2,036	47	—	—	2	79	185	1,819	255	—	(23)	(16)	—
10	Loans collateralised by residential immovable property	197	76	17	88	17	11	—	93	105	55	—	—	—	—
11	Loans collateralised by commercial immovable property	1,834	1,782	52	—	—	1	78	114	1,642	260	18	(27)	(18)	(7)
12	Repossessed collaterals	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Other relevant sectors (breakdown below where relevant)	97	97	—	—	—	—	—	90	7	17	—	—	—	—

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	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	Variable: Geographical area subject to climate change physical risk - acute and chronic events	Gross carrying amount (Mln EUR)													
		of which exposures sensitive to impact from climate change physical 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	48	48	—	—	—	2	—	—	48	—	—	—	—	—
2	B - Mining and quarrying	309	309	—	—	—	—	2	83	224	2	—	—	—	—
3	C - Manufacturing	7,032	6,809	223	—	—	1	144	1,117	5,771	1,316	46	(45)	(27)	(11)
4	D - Electricity, gas, steam and air conditioning supply	1,403	520	188	632	63	15	—	32	1,371	—	—	(1)	—	—
5	E - Water supply; sewerage, waste management and remediation activities	26	12	13	—	—	4	—	—	25	13	—	(3)	(3)	—
6	F - Construction	98	98	—	—	—	2	—	17	81	21	7	(3)	—	(3)
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	2,748	2,722	25	—	—	1	53	597	2,097	351	24	(28)	(17)	(8)
8	H - Transportation and storage	814	631	56	120	7	4	—	102	712	63	—	(5)	(2)	—
9	L - Real estate activities	1,616	1,517	22	—	77	3	78	129	1,409	255	1	(17)	(15)	—
10	Loans collateralised by residential immovable property	222	80	18	103	21	11	—	111	111	3	2	(1)	(1)	—
11	Loans collateralised by commercial immovable property	1,823	1,737	85	—	—	1	77	81	1,664	408	10	(46)	(41)	(3)
12	Repossessed collaterals	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Other relevant sectors (breakdown below where relevant)	107	107	—	—	—	—	—	76	31	17	—	—	—	—

Mitigating actions

As outlined in Environmental risk - 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 2026. 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 2026, 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.

In addition to the above, CEP holds positions in securitisation funds originated by entities outside of CEP whose underlying assets mainly comprise receivables, credit cards, corporate, SME and mortgage loans.

CEP did not originate the securitisations or act as a sponsor but is an investor in all of these positions. There are no re-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 47: 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 2026			31 December 2025		
		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**	1,739	—	1,739	1,086	—	1,086
2	**Retail (total)**	470	—	470	289	—	289
3	Residential mortgage	58	—	58	42	—	42
4	Credit card	—	—	—	—	—	—
5	Other retail exposures	412	—	412	247	—	247
6	Re-securitisation	—	—	—	—	—	—
7	**Wholesale (total)**	1,269	—	1,269	797	—	797
8	Loans to corporates	511	—	511	176	—	176
9	Commercial mortgage	—	—	—	—	—	—
10	Lease and receivables	758	—	758	620	—	620
11	Other wholesale	—	—	—	—	—	—
12	Re-securitisation	—	—	—	—	—	—

Table 48: 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 30June 2026**	1,010	726	3	—	—	—	71	1,668	—
2	**Traditional securitisation**	1,010	726	3	—	—	—	71	1,668	—
3	Of which securitisation	1,010	726	3	—	—	—	71	1,668	—
4	Of which retail underlying	391	76	3	—	—	—	71	399	—
5	Of which STS	—	—	—	—	—	—	—	—	—
6	Of which wholesale	619	650	—	—	—	—	—	1,269	—
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 2025	609	—	477	—	—	—	39	1,047	—
2	Traditional securitisation	609	—	477	—	—	—	39	1,047	—
3	Of which securitisation	609	—	477	—	—	—	39	1,047	—
4	Of which retail underlying	283	—	6	—	—	—	39	250	—
5	Of which STS	—	—	—	—	—	—	—	—	—
6	Of which wholesale	326	—	470	—	—	—	—	797	—
7	Of which STS	—	—	—	—	—	—	—	—	—
8	Of which re-securitisation	—	—	—	—	—	—	—	—	—
9	Synthetic securitisation	—	—	—	—	—	—	—	—	—

Table 49: 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 2026**	—	17	446	1	—	1	36	—
2	Traditional securitisation	—	17	446	1	—	1	36	—
3	Of which securitisation	—	17	446	1	—	1	36	—
4	Of which retail underlying	—	17	73	1	—	1	6	—
5	Of which STS	—	—	—	—	—	—	—	—
6	Of which wholesale	—	—	373	—	—	—	30	—
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 2025	—	8	352	—	—	1	28	—
2	Traditional securitisation	—	8	352	—	—	1	28	—
3	Of which securitisation	—	8	352	—	—	1	28	—
4	Of which retail underlying	—	8	43	—	—	1	3	—
5	Of which STS	—	—	—	—	—	—	—	—
6	Of which wholesale	—	—	309	—	—	—	25	—
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 2026.

Table 50: EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

	General credit exposures	Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure values	Own funds requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
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			Relevant credit risk exposures – Credit risk	Relevant credit risk exposures – Market risk	Relevant credit risk exposures – Securitisation positions in the non-trading book	Total			
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million		
ARMENIA	8	—	—	—	8	1	—	—	1	8	0.02%	1.50%
AUSTRALIA	34	—	—	—	34	3	—	—	3	32	0.06%	1.00%
BELGIUM	573	3	—	—	576	45	—	—	45	560	1.11%	1.00%
BERMUDA	1,501	—	—	—	1,501	89	—	—	89	1,116	2.21%	—%
BULGARIA	463	—	—	—	463	37	—	—	37	463	0.92%	2.00%
CHILE	—	—	—	—	—	—	—	—	—	—	—%	0.50%
CROATIA	5	—	—	—	5	—	—	—	—	5	0.01%	1.50%
CYPRUS	35	—	—	—	35	3	—	—	3	35	0.07%	1.50%
CZECH REPUBLIC	1,125	—	—	—	1,125	82	—	—	82	1,020	2.02%	1.25%
DENMARK	1,102	3	—	—	1,104	62	—	—	62	773	1.53%	2.50%
ESTONIA	27	—	—	—	27	2	—	—	2	27	0.05%	1.50%
FRANCE	5,893	30	65	106	6,094	345	9	1	355	4,443	8.82%	1.00%
GERMANY	5,388	29	—	150	5,568	343	4	2	349	4,360	8.65%	0.75%
GREECE	430	—	—	—	430	34	—	—	34	427	0.85%	0.25%
HONG KONG	59	—	—	—	59	5	—	—	5	59	0.12%	0.50%
HUNGARY	747	—	—	—	747	59	—	—	59	741	1.47%	1.00%

Breakdown by country	General credit exposures	Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure values	Own funds requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
	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			Relevant credit risk exposures – Credit risk	Relevant credit risk exposures – Market risk	Relevant credit risk exposures – Securitisation positions in the non-trading book	Total			
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million		
ICELAND	8	—	—	—	8	1	—	—	1	8	0.02%	2.50%
IRELAND	2,179	31	—	907	3,117	173	3	15	191	2,383	4.73%	1.50%
ITALY	1,656	—	2	3	1,661	122	—	—	122	1,530	3.04%	—%
KOREA, REPUBLIC OF	7	—	—	—	7	—	—	—	—	6	0.01%	1.00%
LATVIA	—	—	—	—	—	—	—	—	—	—	—%	1.00%
LITHUANIA	57	—	—	—	57	5	—	—	5	57	0.11%	1.00%
LUXEMBOURG	3,597	50	2	61	3,710	277	6	2	284	3,554	7.05%	0.50%
NETHERLANDS	4,222	52	13	411	4,697	316	7	15	337	4,218	8.37%	2.00%
NORWAY	726	—	—	—	726	42	—	—	42	528	1.05%	2.50%
POLAND	5,306	—	—	—	5,306	420	—	—	420	5,251	10.42%	1.00%
PORTUGAL	228	—	—	—	228	16	—	—	16	198	0.39%	0.75%
ROMANIA	873	—	—	—	873	70	—	—	70	873	1.73%	1.00%
SAUDI ARABIA	105	—	—	—	105	8	—	—	8	105	0.21%	1.00%
SLOVAKIA	205	—	—	—	205	16	—	—	16	199	0.39%	1.50%
SLOVENIA	1	—	—	—	1	—	—	—	—	1	—%	1.00%
SOUTH AFRICA	14	9	—	—	23	1	1	—	2	23	0.05%	1.00%
SPAIN	2,224	16	603	—	2,843	159	50	—	209	2,613	5.18%	0.50%
SWEDEN	2,372	6	—	—	2,378	176	1	—	177	2,213	4.39%	2.00%
SWITZERLAND	1,944	—	—	—	1,944	141	—	—	141	1,766	3.51%	—%
UNITED KINGDOM	4,965	101	82	47	5,194	353	18	2	373	4,660	9.25%	2.00%
UNITED STATES	2,387	37	1	52	2,476	144	4	1	149	1,862	3.69%	—%

	General credit exposures	Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure values	Own funds requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
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			Relevant credit risk exposures – Credit risk	Relevant credit risk exposures – Market risk	Relevant credit risk exposures – Securitisation positions in the non-trading book	Total			
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million		
Other countries	4,470	31	20	—	4,521	338	4	—	342	4,278	(91.51)%	—%
All Countries	54,935	398	789	1,736	57,857	3,887	106	38	4,032	50,395	—%	—%

[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.

Table 51: EU CCyB2- Amount of institution specific countercyclical capital buffer

	Amount of Institution-specific countercyclical capital buffer	
1	Total risk exposure amount (€ million) as at 30 June 2026	83,830
2	Institution specific countercyclical capital buffer rate	1.00%
3	Institution specific countercyclical capital buffer requirement (EUR million)	838

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 2026.
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 CVA 4 - RWEA flow statements of credit valuation adjustment risk under the Standardised Approach (SA)	CEP does not apply the SA-CVA calculation, it is using BA-CVA, but the EU CVA 4 table is for SA-CVA only
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 2026.
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.

AB&C Policy	Anti-Bribery and Corruption Policy
ALCO	Asset & Liability Committee
AML	Anti-Money Laundering
AOCI	Accumulated other comprehensive income
ASF	Available Stable Funding
A-TRF	ALCO Technical Review Forum
AVA	Additional valuation adjustment
BCBS	Basel Committee on Banking Supervision
BES	Business Environment Scanning
BHW	Bank Handlowy w Warszawie S.A.
BRC	Board Risk Committee
BRCC	Business Risk and Controls Committee
BRRD	Bank Recovery and Resolution Directive
CB	Corporate Banking
CBI	Central Bank of Ireland
CBR	Combined Buffer Requirement
CCB	Citi Commercial Banking
CCB	Capital Conservation Buffer
CCF	Credit Conversion Factor
CCP	Central Clearing Counterparty
CCR	Counterparty Credit Risk
CCyB	Countercyclical Capital Buffer
CEO	Chief Executive Officer
CEP	Citibank Europe Plc
C&E Risk	Climate and environmental risk
CET1	Common Equity Tier 1
CFO	Chief Finance Officer
CIU	Complex Investigation Unit
CPB	Citi Private Bank
CRAS	Climate Risk Assessment & Scorecard
CRD	Capital Requirements Directive
CRR	Capital Requirements Regulation
CSC	Citi Solutions Center
CSRBB	Credit Spread Risk in the Banking Book
CVA	Credit Valuation Adjustment
DBRS	Dominion Bond Rating Service
DSFT	Derivatives & Securities Financing Transactions
EAD	Exposure at default
EBA	European Banking Authority
ECB	European Central Bank
ECL	Expected credit loss
EEA	European Economic Area
EEPE	Effective Expected Positive Exposure
EPC	Energy Performance Certificate
ESG	Environmental, Social and Governance
ESG RIAP	ESG Risk Identification and Assessment Process
ESRM	Environmental and Social Risk Management
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
FPIC	Free Prior and Informed Consent
FRTB	Fundamental Review of the Trading Book
FVtOCI	Fair Value through Other Comprehensive Income
FX	Foreign exchange
FXRBB	Foreign Exchange Risk in the Banking Book
G10	Group of Ten
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
IB	Investment Banking
ICM	Institutional Credit Management
ICRM	Independent Compliance Risk Management
IFC	International Finance Corporation
ILAAP	Internal Liquidity Adequacy Assessment Process
ILO	International Labour Organization
ILOC	Insurance Letters of Credit
IMA	Internal Model Approach
IMM	Internal Models Method
IRE	Interest Rate Exposure
IRRBB	Interest Rate Risk in the Banking Book
IRS	Interest Rate Swap
ISDA	International Swaps and Derivative Association
ITP	Internal Transfer Pricing
IVAST	Integrated VaR and Stress Testing
KPIs	Key Performance Indicators
LCR	Liquidity Coverage Ratio
LEX	Large Exposures
LGD	Loss Given Default
LRE	Leverage Ratio Exposure
MREL	Minimum Requirement for Own Funds and Eligible Liabilities
MT	Markets Treasury
MTM	Mark-To-Market
NGFS	Network for Greening the Financial System
NIR	Net Interest Revenue
NMD	Non-maturing deposits
NPL	Non-performing Loan
NSFR	Net Stable Funding Ratio
NTMR	Non-trading Market Risk
OCI	Other Comprehensive Income
O-SII	Other Systematically Important Institution
OSUC	Outstanding and Unused Commitments
OTC	Over the Counter
PCAF	Partnership for Carbon Accounting Financials
PD	Probability of Default
PFE	Potential Future Exposure
POCI	Purchased or Originated Credit Impaired
PTP	Prudential Transition Plan
RAS	Risk Appetite Statement
RMC	Risk Management Committee

RNIME	Risk Not In Model Engine
RSF	Required Stable Funding
RSPO	Roundtable on Sustainable Palm Oil
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
S&G risk	Social & governance risk
SICR	Significant increase in Credit Risk
SOT	Supervisory Outlier Test
SRB	Single Resolution Board
SSM	Single Supervisory Mechanism
STS	Simple, transparent and standardised securitisation
SVaR	Stressed Value at Risk
TLAC	Total Loss Absorbing Capacity
TREA	Total Risk Exposure Amount
TRM	Trade Restrictive Measures
UNEP FI	United Nations Environment Programme Finance Initiative
VA	Valuation Adjustment
VaR	Value at Risk
WaW	Wealth at Work


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