



Citibank Europe Plc.

Pillar 3 Disclosures

31 December 2024



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Forward-Looking Statements

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

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

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

Introduction

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

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

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

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

CEP continues to progress on its strategic priorities outlined below:

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

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

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

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

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

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

Wealth serves two client segments in CEP: Citi Private Bank (CPB) and Wealth at Work (WaW). CPB, primarily from CEP Luxembourg, serves EEA as a touchpoint for ultra-high-net-worth individuals, family offices and their associated structures, providing an

extensive range of services from banking, custody and cash management to investment finance, investment strategies, trust and specialised services. WaW provides wealth management solutions to firms and senior employees of Law Firms, Professional Services Group (accountancy, consultancy), Investment Managers and Enterprise (private firms in specialist areas).

Bank Handlowy w Warszawie S.A.

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

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

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

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

Regulatory framework for disclosure

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

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

The basis of the disclosure for CEP is the consolidated level (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 under Capital Requirements Regulation II (CRR II). In addition, CEP has implemented the disclosure templates and instructions as set out in the European Banking Authority's (EBA) final Implementing Technical Standards (ITS) on public disclosures in Commission Implementing Regulation (EU) 2021/637.

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, operational risk, liquidity risk, leverage ratio, securitisation activity, encumbered and unencumbered assets and remuneration disclosures.

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 now 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 2024 and therefore this report does not contain the disclosure per Article 8 paragraph 3 of that regulation.

The annual Pillar 3 Disclosures are published following the publication of the CEP financial statements for the year ended 31 December 2024.

Frequency of disclosure

In accordance with Article 433 of the CRR, as amended by CRR II, CEP publishes disclosures in the manner set out in Article 433a (1) and 433a (3), which specifies disclosure requirements for listed large Institutions as defined by Article 4 (146 and 148). 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>.

Quantitative Disclosure

Where disclosures are not relevant or deemed immaterial to the activities of CEP, these have been omitted and detailed in Appendix 4. 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 Citi EU Pillar 3 Standard, which outlines the principles and minimum standards to be applied for preparing CEP's Pillar 3 Disclosures. The firm operates within a framework of internal controls and procedures for assessing the appropriateness of this disclosure.

This Pillar 3 document is subject to a formal governance process and was reviewed by the CEP Executive Committee, CEP Audit Committee and approved by the CEP Board of Directors ("Board")

Attestation by Chief Financial Officer ("CFO")

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

Natalia Bozek

CEP Chief Financial Officer

Regulatory Outlook

Basel Reforms

The Basel Committee on Banking Supervision adopted a set of reforms in 2017, known as "Basel III Finalisation", which covered a number of areas including a new Standardised Approach to Credit Risk (SA-CR), a new Credit Valuation Adjustment ("CVA") framework, revisions to the approach to measuring exposure on Securities Financing Transactions, Fundamental Review of the Trading Book ("FRTB"), the Output Floor, a new Standardised Approach to Operational Risk, new ESG reporting requirements and a transitional regime for 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 where a delegated act was published in October 2024 to move the FRTB start date to 1 January 2026. The European Commission has adopted a second delegated act in June 2025 to postpone the date of application of FRTB by a further year to 1 January 2027. The adoption starts a 3-month non-objection scrutiny period (extendable once by 3 more months) for the European Parliament and the Council.

Future Pillar 3 disclosures will be prepared under CRR III.

Key Metrics

CEP's capital resources consist predominately of Common Equity Tier 1 (CET1) capital. As at 31 December 2024, CEP's total capital ratio was 20.37%, which significantly exceeds the regulatory overall capital requirement of 14.87%, and the leverage ratio of 9.19% is significantly in excess of the 3.0% regulatory requirement.

Table 1: EU KM1 - Key Metrics template

	31 December 2024	30 September 2024	30 June 2024	31 March 2024	31 December 2023
Available own funds	€ million	€ million	€ million	€ million	€ million
1 Common Equity Tier 1 (CET1) capital	16,519	16,616	17,350	17,260	16,957
2 Tier 1 capital	16,519	16,616	17,350	17,260	16,957
3 Total capital	16,519	16,616	17,350	17,260	16,957
Risk-weighted exposure amounts					
4 Total risk-weighted exposure amount	81,084	70,605	66,770	63,622	66,977
Capital ratios					
5 Common Equity Tier 1 ratio (%)	20.37%	23.53%	25.99%	27.13%	25.32%
6 Tier 1 ratio (%)	20.37%	23.53%	25.99%	27.13%	25.32%
7 Total capital ratio (%)	20.37%	23.53%	25.99%	27.13%	25.32%
Additional own funds requirements to address risks other than the risk excessive leverage					
EU 7a Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 7b of which: to be made up of CET1 capital (percentage points)	1.41%	1.41%	1.41%	1.41%	1.41%
EU 7c of which: to be made up of Tier 1 capital (percentage points)	1.88%	1.88%	1.88%	1.88%	1.88%
EU 7d Total SREP own funds requirements (%)	10.50%	10.50%	10.50%	10.50%	10.50%
Combined buffer requirement					
8 Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%	0.00%	0.00%	0.00%
9 Institution specific countercyclical capital buffer (%)	0.87%	0.87%	0.84%	0.76%	0.71%
EU 9a Systemic risk buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
10 Global Systemically Important Institution buffer (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 10a Other Systemically Important Institution buffer	1.00%	1.00%	1.00%	1.00%	1.00%
11 Combined buffer requirement (%)	4.37%	4.37%	4.34%	4.26%	4.21%
EU 11a Overall capital requirements (%)	14.87%	14.87%	14.84%	14.76%	14.71%
12 CET1 available after meeting the total SREP own funds requirements (%)	9.87%	13.03%	15.49%	16.63%	14.82%
Leverage ratio					
13 Total exposure measure	179,698	168,678	171,192	165,062	153,380
14 Leverage ratio (%)	9.19%	9.85%	10.14%	10.46%	11.06%
Additional own funds requirements to address the risk of excessive leverage					
EU 14a Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14b of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14c Total SREP Leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
EU 14d Leverage ratio buffer requirement (%)	0.00%	0.00%	0.00%	0.00%	0.00%
EU 14e Overall leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
Liquidity Coverage Ratio¹					
15 Total high-quality liquid assets (HQLA) (Weighted value-average)	52,058	50,229	49,743	47,775	46,306
EU 16a Cash outflows - Total weighted value	47,497	45,188	45,207	44,281	42,717
EU 16b Cash inflows - Total weighted value	8,852	8,398	8,440	8,184	8,933
16 Total net cash outflows (adjustment value)	38,645	36,790	36,767	36,097	33,784
17 Liquidity coverage ratio (%)	135.11%	136.54%	135.31%	132.51%	137.07%
Net Stable Funding Ratio					
18 Total available stable funding	58,853	57,027	56,628	54,778	53,351
19 Total required stable funding	38,813	35,999	36,479	34,030	29,764
20 NSFR ratio (%)	151.63%	158.41%	155.23%	160.97%	179.25%

¹ Please note the computation approach for the average LCR figures pertaining to the June 2024, March 2024 and December 2023 periods has been revised. Please see further details on page 53, above the EU LIQ1 Table.

As at 31 December 2024, the Group's total capital ratio was 20.37%, a decrease of 4.95% year on year. This was mainly driven by an increase of €14 billion in Total Risk Exposure Amount, mainly driven by a credit risk increase in unused commitments of €4.1 billion, letters of credit of €2.7 billion, vostro accounts of €1.8 billion and nostro accounts of €1.4 billion and an Operational Risk Charge increase of €2.4 billion, due to steady increase in revenues for the Company, and this also being the first full year when the Group's share of BHW's revenues was included in the operational risk calculation.

The Group's leverage ratio decreased to 9.19% as at 31 December 2024, mainly due to an overall €26 billion increase on total leverage exposure driven by a €15.5 billion increase on other assets, a €4.8 billion increase on off-balance sheet items and a €3.2 billion increase on SFTs. Movements in liquidity coverage ratio and net stable funding ratio are explained below Tables 47 and 48.

Risk Management

Risk Overview

To achieve its business strategy, CEP selectively takes risks. The objective of CEP's risk management system is to ensure that the risks associated with CEP's strategy are identified, understood, quantified, mitigated and communicated.

As a wholesale bank with a clearly defined target market, operating across 21 EU jurisdictions and the UK, CEP assumes wholesale credit and market risks in a controlled manner. Its counterparties are made up of highly rated corporates, large multinationals, prime sovereigns and top-tier financial institutions. CEP interacts with Citi affiliates, in its normal course of business, giving rise to intercompany assets and liabilities. This interaction typically comes from the following types of activities: cash placements and deposits, operating account balances, repo transactions and derivative transactions.

The Risk Identification & Assessment (RIA) process identifies risks CEP is exposed to through the course of its business activities. Through this process, CEP performs an in-depth review of its vulnerabilities and the uncertainties facing its business, capturing all material risks on a consolidated basis from both a bottom-up perspective by each business and function, and a top-down perspective. The RIA process informs the Risk Appetite setting process. Risk Appetite formally articulates the aggregate levels and types of risk that CEP is willing to assume, within its risk capacity and in line with its business model, in order to achieve its strategic objectives. The Risk Appetite Statement is reviewed at least annually whereby the Board Risk Committee recommends the approval of the CEP Risk Appetite Statement to the Board. The risk Appetite Statement includes qualitative statements and supporting metrics. CEP Risk reviews and reports adherence to Risk Appetite on a regular basis to the Risk Management Committee, Executive Committee, Board Risk Committee and the Board. Refer to Table 1 for selected metrics.

Governance & Reporting, Risk Management, Risk Measurement, Risk Mitigation for CEP's Credit Risk, Market Risk, Liquidity Risk and Operational Risk are disclosed within respective sections.

The Board considers that the risk management systems in place, briefly outlined in the sections following, are adequate with regard to CEP's profile and strategy.

Risk Governance & Reporting

CEP has a comprehensive risk governance framework in place to provide oversight of CEP's monitoring and management of risks, ensuring that the risk profile of CEP is well documented and pro-actively managed at all levels of the organisation, so that the CEP's financial strength is safeguarded.

CEP risk governance is cascaded in line with risk frameworks through risk policies and standards, which describe how CEP identifies, measures, mitigates, monitors and reports material risks. This ensures transparent lines of responsibility and accountability for the core risk governance processes performed by CEP.

Risk management oversight is conducted at both Board and executive level, supported by the workings of various committees. This includes the Board Risk Committee (BRC), Board Audit Committee (BAC), Remuneration Committee, Nomination Committee and Related Party Lending Committee. It also includes the Management Committees such as the Executive Committee (ExCo), Risk Management Committee (RMC), Asset & Liability Committee (ALCO) and Business Risk and Controls Committee (BRCC).

Enhancements in good governance are monitored on an ongoing basis via benchmarking against peers and reviewing emerging

guidance from regulators and supervisory bodies and reviewing Citigroup developments.

The Board approves the Strategy, the Risk Plan, and the outcome of the Risk Identification & Assessment process annually and sets the overall level of risk appetite in pursuit of the CEP's Strategy. The BRC is a sub-committee of the Board and is governed by Terms of Reference approved by the Board. The BRC has responsibility for the oversight and advice to the Board on the current risk exposures of the Group and future risk profile resulting from business strategy. The BRC reviews risk governance documentation, risk profile, development of ICAAP & ILAAP, is responsible for any key regulatory developments from a risk perspective, monitors risk trends and ensures adequate resources are in place to enable the function to perform its duties effectively. The BRC oversees Independent Risk Management and provides recommendations to the Board on risk related matters. The BRC convenes at least quarterly and in 2024 met on 7 occasions.

Risk Mission

CEP's risk mission is to take intelligent risk with shared responsibility, without forsaking individual accountability. The management of risk is the collective responsibility of all CEP employees.

The Board and senior management set the tone from the top and cascade accountability and responsibility for risk management throughout CEP. This ensures comprehensive risk dialogue among senior management and provides crucial leadership and guidance which enables senior management to make better risk and reward trade-off decisions.

CEP has in addition a robust and sound remuneration strategy in place, supported by effective employee compensation structures balancing strategic goals and behaviour. The CEP remuneration strategy promotes sound and effective risk management, and supports CEP's strategy, objectives and the long term interests of the organisation.

Lines of Defence

CEP uses a Lines of Defence model as a key component to manage its risks. The Lines of Defence model brings together risk taking, risk oversight, and risk assurance under one umbrella. It also provides an avenue for risk accountability of those units that create risk ("First Line of Defence"), a construct for effective challenge by Independent Risk Management / Independent Compliance Risk Management ("Second Line of Defence") and empowers independent risk assurance by Internal Audit ("Third Line of Defence"). Additionally, CEP has Enterprise Support Functions.

Each Line of Defence and Enterprise Support Functions are empowered to perform their relevant risk management processes and responsibilities in order to manage CEP's risks in a consistent and effective manner.

CEP's business lines, CSC, Operations & Technology and Finance (the first line of defence) owns the risks and associated controls inherent in, or arising from, the execution of their business activities and is responsible for identifying, measuring, monitoring, controlling, and reporting those risks consistent with Citi's strategy, mission, value proposition, leadership principles and risk appetite. The First Line of Defence is also subject to the oversight and challenge of Independent Risk Management / Independent Compliance Risk Management.

CEP's independent control functions (second line of defence), comprising of Independent Risk Management and Independent Compliance Risk Management, establishes risk and control policies and actively manages and oversees aggregate risk categories across Citi, including risks that span categories, such as concentration risk.

CEP's Internal Audit function is the third line of defence. The purpose, authority and responsibility of the Internal Audit function is defined by the Internal Audit Charter, which is reviewed and approved annually by the Audit Committee. Internal Audit is an independent function that supports the organisation's business objectives and evaluates the effectiveness of risk management, control, and governance processes.

Enterprise support functions include Human Resources and Legal and do not meet the definition of the First Line of Defence, Independent Risk Management / Independent Compliance Risk Management or Internal Audit. Any activities carried out by the First Line of Defence within enterprise support functions remain subject to challenge by Independent Risk Management / Independent Compliance Risk Management.

Independent Risk Management

CEP Independent Risk Management acts as a strong independent partner of the business to support effective risk management across all risks to which CEP is exposed in a manner consistent with CEP's risk appetite.

The CEP Chief Risk Officer ("CRO") reports ultimately to the Board Risk Committee in CEP and functionally to the International and Europe Cluster & Banking Risk Head. The CEP CRO has direct and independent access to the BRC / Board and reports on the risk profile on a regular basis. CEP Independent Risk Management maintains appropriate representation on all CEP's management committees and other governance fora as appropriate. The CRO reports on the risk profile of CEP on an ongoing basis to the RMC, BRC and Board.

CEP aims to ensure that CEP Independent Risk Management employees possess the appropriate expertise, stature, authority and independence and are empowered to make decisions and escalate issues.

Risk Management Framework

CEP has in place comprehensive, documented risk management frameworks, policies and standards to support the management of the material risks identified for its activities and ensure accountability through its lines of defence model.

The CEP Risk Management Framework is an overarching risk governance framework, based on sound principles of good risk governance and management and on guidance issued by regulatory authorities. The Risk Management Framework outlines the risk governance structure, the core risk governance processes and roles and responsibilities.

Formalised risk management frameworks by material risk type codify the processes and practices involved in the management of risk in CEP. The purpose of these risk frameworks is to clearly set out:

- the principles of sound risk management for each material risk type;
- lines of authority and risk responsibility, including roles and membership of both management and risk committees, with the responsibility to monitor adherence to frameworks, policies and standards;
- how the risk is governed under the lines of defence approach;
- supporting processes:

Core Risk Governance Processes

Appropriate processes and tools are in place to manage, measure and actively mitigate risks taken by CEP.

Independent Risk Management ensures that key risks are identified, managed, reported and monitored effectively by executing the following processes:

- Risk Identification and Assessment Process which identifies and assesses risk exposures, concentrations and positions, both quantitative and qualitative, identified as the most significant risks to CEP, and how these risks are monitored and mitigated;
- Assessing and challenging the CEP 3-Year Strategic Plan and providing a report outlining the results of that challenge to the Board on an annual basis;
- Enabling Board review and approval of CEP's Risk Appetite Statement on an annual basis. This articulates the amount of risk which the Board is prepared to tolerate in pursuit of its strategy;
- Adopting policies that establish standards, risk limits, and policy adherence processes;
- Stress testing and ensuring appropriate shocks and models are used to assess CEP's material risks;
- Documenting an annual, Board-approved Independent Risk Management plan which outlines key deliverables which support and enhance risk management. Progress against the plan is tracked and reported to the BRC on an ongoing basis.

Stress Testing

Stress testing is integrated into CEP's risk management processes and supports business 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; and,
- Enables intervention to adjust assumptions.

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 to assess its business model vulnerabilities and is appropriate to the nature, size and complexity of its business and the risks it bears.

Risk Monitoring & Reporting

Independent Risk Management complete ongoing monitoring of the risk environment which enables a comprehensive set of reports to be produced. Independent Risk Management reports are on a solo and / or consolidated basis (CEP, including branches and subsidiaries) as required and look to ensure management, relevant committees and the Board appropriately assess and understand the key risks facing CEP, facilitating proactive management and oversight:

- Detailed reports on Risk exposures covering all material risks are sent to the BRC and Board at each sitting;
- Transparent, and rigorous reporting on exposures and concentrations by risk area are sent to Risk Committees; and,
- Monthly adherence to CEP Risk Appetite Statement (RAS) reports are sent to Management to ensure that CEP risk taking remains consistent with the limits set by the CEP Board.

CEP uses a global Citi risk reporting system to monitor credit and market risk exposure. CEP uses both systems and processes to monitor operational risk, the output of which is consolidated to provide an operational risk profile.

Further information on the scope and nature of risk monitoring and reporting is provided in the following risk sections: Credit Risk, Market Risk, Liquidity Risk and Operational Risk.

Risk Profile

CEP identified the following risks as being material to its business for 2024:

Material Risk	Definition
Credit Risk	Credit risk is 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.
Operational Risk	Operational risk is the risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. This definition of operational risk includes legal risk - which is the risk of loss (including litigation costs, settlements and regulatory fines) resulting from the failure of CEP to comply with laws, regulations, prudent ethical standards and contractual obligations in any aspect of CEP's business - but excludes strategic and reputation risks.
Compliance Risk	Compliance Risk is the risk to current or projected financial condition and resilience arising from violations of laws, rules, or regulations, or from non-conformance with prescribed practices, internal policies and procedures or ethical standards.
Liquidity Risk	Liquidity risk is the risk that the firm will not be able to efficiently meet both expected and unexpected current and future cash flow and collateral needs without adversely affecting either daily operations or financial condition of the firm. Risk may be exacerbated by the inability of the firm to access funding sources or monetize assets and the composition of liability funding and liquid assets.
Market Risk (Trading)	Market Risk (Trading) 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, equity and commodity prices, FX or credit spreads. Market Risk (Trading) coverage is on mark-to-market risk metrics rather than Non-Trading market risk metrics of AOCI, EVE, & NIR. Price Risk equates to Market Risk (Trading), as defined above, plus the Financial Statement Reporting Risks associated with independent price verification and profit attribution analysis captured under the Operational Risk category above.
Market Risk (Non-Trading)	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).
Strategic Risk	Strategic Risk is: a) the risk of a sustained impact (not episodic impact) to the firm's core strategic objectives as measured by impacts on anticipated earnings, market capitalization, or capital, arising from the external factors affecting the Firm's operating environment; as well as. b) the risks associated with defining the strategy and executing the strategy, which are identified, measured, and managed as part of the Strategic Risk framework at the Enterprise Level. In this context, external factors affecting the firm's operating environment are the economic environment, geopolitical/political landscape, industry/competitive landscape, societal trends, customer/client behavior, regulatory / legislative environment and trends related to investors / shareholders.
Reputational Risk	Reputation risk is the risk to current or projected financial condition and resilience resulting from negative opinion held by key stakeholders. This risk may impair the bank's competitiveness by affecting its ability to establish new relationships or services or continue servicing existing relationships. To operate within its risk appetite, CEP promotes the early identification, escalation, and active management of issues as they arise. This active management approach includes assessment of reputation risk in new activities and products, CEP's association with a Third Party, or activities involving third parties, and expansion of existing activities in new markets

CEP identified the following risks as material 'Cross-cutting Risks' for 2024:

- Inter-affiliate Risk: Inter-Affiliate risk is the risk that CEP's financial position may be affected by its relationship with other entities within Citigroup.
- Climate Related and Environmental Risk (CR&E): CR&E risk is defined as the risk stemming from climate change and environmental degradation either through physical risk or through transition risk.
- Concentration Risk arises from a collection of exposures to independent or correlated risk factors or events. It can manifest itself across risk categories, customer segments, business lines, products and countries.

Linkage to Financial Reporting

The Pillar 3 Disclosures at 31 December 2024 are prepared in accordance with regulatory capital adequacy concepts and rules, while the financial statements for CEP are prepared in accordance with International Financial Reporting Standards (IFRS).

The tables presented in this section show an outline of the basis of consolidation for regulatory purposes. It provides the breakdown of

the carrying amounts reported under the scope of regulatory consolidation to the different risk categories. This section enables users to identify the allocation of the regulatory scope of consolidation into the different risk frameworks laid out in Part Three of the CRR.

Table 2: EU LI3 - Outline of the differences in the scopes of consolidation (entity by entity)

Name of the Entity	Method of Accounting Consolidation	Full Consolidation	Proportional Consolidation	Neither Consolidated Nor Deducted	Deducted	Description of the Entity
Citibank Europe Plc	Full Consolidation	X				Parent Company
Bank Handlowy w Warszawie	Full Consolidation	X				Subsidiary

Table 3: EU LI1 - Differences between the accounting scope and the scope of prudential consolidation and mapping of financial statement categories with regulatory risk categories

This table provides a breakdown of how the carrying values under scope of regulatory consolidation amounts are allocated to the different risk frameworks laid out in Part Three of the CRR. This is split out into the parts subject to credit risk, counterparty credit risk ("CCR"), securitisation risk, market risk, and those parts not subject to capital requirements or deduction from capital. The row headings are consistent with the financial statements. The sum of amounts disclosed in columns (c) to (g) may not equal the amounts disclosed

in column (a), as some items may be subject to capital requirements for more than one risk framework.

There are no material differences between the accounting and regulatory scopes of consolidation and in line with related implementing technical standards only the financial statements carrying values are presented in the table.

€ million	a ²	c	d	e	f	g
	Carrying values as reported in published financial statements	Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework ¹	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
Breakdown by asset classes according to the balance sheet in the published financial statements						
1	Cash and cash equivalents	47,589	47,589			
2	Trading assets	12,823			12,823	
3	Derivative financial instruments	37,414		37,414	37,414	
4	Hedging derivatives	13		13	13	
5	Investment securities	19,746	19,746			
6	Reverse repurchase agreement	17,416		17,416		
7	Loans and advances to banks	1,901	1,892	9		
8	Loans and advances to customers	25,466	25,407	60	60	
9	Other assets	8,531	2,514	4,728	1,289	
10	Current tax assets	84				84
11	Goodwill and Intangible assets	346	256			90
12	Property and equipment	400	400			
13	Deferred tax assets	205	185			20
14	Total assets	171,934	97,989	59,640	1,289	50,310
Breakdown by liability classes according to the balance sheet in the published financial statements						
1	Deposits by banks	14,384				14,384
2	Customer accounts	64,857				64,857
3	Derivative financial instruments	36,637		36,637	36,637	
4	Hedging derivatives	17		17	17	
5	Repurchase agreements	2,481		2,481		
6	Subordinated liabilities	9,307				9,307
7	Current tax liability	84				84
8	Provisions	203				203
9	Deferred tax liabilities	5				5
10	Other liabilities	24,873		7,949	14,700	24,873
11	Total liabilities	152,849	0	47,084	0	113,713

¹ Items subject to securitisation framework: Carrying value included in this column show the banking book securitisation positions.

² As the scope of accounting consolidation and the scope of prudential consolidation are exactly the same, columns (a) and (b) of this template were merged.

Assets and liabilities subject to capital requirements for more than one risk framework listed in Part Three of the CRR:

- Certain loans and advances to customers are subject to both credit risk and CCR framework
- Trading assets are subject to either credit risk (if non-trading book) or the market risk framework (if trading book)
- Certain derivative financial instruments are subject to the CCR and market risk framework

Table 4: EU LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements

This table provides a reconciliation between assets carrying values in the published financial statements in accordance with IFRS and the exposures used for regulatory purposes, split as per the regulatory risk framework.

€ million	Total	Items subject to			
		Credit risk framework	Securitisation framework	CCR framework	Market risk framework
1 Assets carrying value amount under the scope of prudential consolidation (as per template LI1)	171,739	97,989	1,289	59,640	50,310
2 Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)	39,136	—	—	47,084	51,354
3 Total net amount under the scope of prudential consolidation	132,603	97,989	1,289	12,555	(1,044)
4 Off-balance-sheet amounts	63,383	63,383			
5 Differences in valuations	(113)			(113)	
6 Differences due to different netting rules, other than those already included in row 2 ¹	7,633			7,633	
7 Differences due to consideration of provisions	(271)	(271)		—	
8 Differences due to the use of credit risk mitigation techniques (CRMs) ²	(6,947)	(6,947)			
9 Differences due to credit conversion factors ³	(23,063)	(23,063)			
10 Differences due to Securitisation with risk transfer	—	—	—	—	—
11 Other differences ⁴	(2,074)	(2,074)			
12 Exposure amounts considered for regulatory purposes	149,336	129,016	1,289	20,076	(1,044)

¹ Differences primarily attributable to carrying value for assets under IFRS differ from exposure for regulatory reporting purposes, such as credit conversion factor for credit risk and credit risk mitigation techniques related exposures. Carrying value does not take into account Credit Risk Mitigation (CRM) or regulatory volatility adjustments such as currency and maturity mismatch.

² Credit Risk exposure value under the standardised approach is calculated after deducting credit risk mitigation, while accounting value is before such deductions.

³ Regulatory exposure value for off-balance sheet items are calculated after the application of credit conversion factors in accordance with CRR.

⁴ Other differences primarily include short term open trade receivables which are excluded from regulatory credit risk exposure calculation

Own Funds

Capital Resources

Under CRD V, CEP is required to comply with minimum capital standards and maintain a prescribed excess of total capital resources over Pillar I capital 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;

- Deductions from capital include:
 - Intangible assets, including goodwill;
 - Prudent valuation;
 - Deferred tax relying on future profitability; and,
 - Significant investments.

Table 2 shows the regulatory capital resources of CEP as at 31 December 2024 and 31 December 2023.

Table 5: EU CC1 - Composition of regulatory own funds

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

	31 December 2024	Reference to EU CC2 table	31 December 2023
	€ million		€ million
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts		1,786
2	Retained earnings	(a)	9,157
3	Accumulated other comprehensive income (and other reserves)	(c)	4,611
5	Minority interests (amount allowed in consolidated CET1)	(b)	277
EU-5a	Independently reviewed interim profits net of any foreseeable charge of dividend		1,597
6	Common Equity Tier 1 (CET1) capital before regulatory adjustments	(c)	17,428
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)		(54)
8	Intangible assets (net of related tax liability) (negative amount)	(f)	(335)
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)	(e)	(43)
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)		(11)
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)		—
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	(i)	—
EU-25a	Losses for the current financial year (negative amount)		(143)
27a	Other regulatory adjustments	(h)	(39)
28	Total regulatory adjustments to Common Equity Tier 1 (CET1)		(654)
29	Common Equity Tier 1 (CET1) capital		16,519
Additional Tier 1 (AT1) capital: instruments			
36	Additional Tier 1 (AT1) capital before regulatory adjustments		—
Additional Tier 1 (AT1) capital: regulatory adjustments			
43	Total Regulatory Adjustments to Additional Tier 1 (AT1) Capital		—
44	Additional Tier 1 (AT1) capital		—
45	Tier 1 capital (T1 = CET1 + AT1)		16,519
Tier 2 (T2) capital: instruments			
51	Tier 2 (T2) capital before regulatory adjustments		—
Tier 2 (T2) capital: regulatory adjustments			
57	Total regulatory adjustments to Tier 2 (T2) capital		—
58	Tier 2 (T2) capital		—
59	Total capital (TC = T1 + T2)		16,519
60	Total Risk exposure amount		81,084
Capital ratios and requirements including buffers			
61	Common Equity Tier 1		25.32%
62	Tier 1		25.32%
63	Total capital		25.32%
64	Institution CET1 overall capital requirements		10.12%
65	of which: capital conservation buffer requirement		2.50%
66	of which: countercyclical capital buffer requirement		0.71%

	31 December 2024	Reference to EU CC2 table	31 December 2023
	€ million		€ million
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	1.41%		1.41%
68 Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	9.87%		14.82%
Amounts below the thresholds for deduction (before risk weighting)			
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)	163	(g)	176
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)	—		—

CEP's Own Funds increase was driven by the overall strengthening of USD vs EUR during 2024. For 2024, foreseeable dividends of US\$1.8 billion have been subtracted from the annual audited profits (EU-5a), and the net amount is reflected on line EU-25a. The main features and terms and conditions of CEP's capital instruments are outlined in Appendix 3.

There are no material, current or foreseen, practical, or legal impediments to the prompt transfer of Capital Resources or repayment of liabilities, subject to applicable regulatory requirements. Bank Handlowy is the only subsidiary of CEP, which is a wholly owned subsidiary of Citigroup Inc.

Table 6: EU CC2 - Reconciliation of regulatory own funds to balance sheet in the audited financial statements

This table provides a reconciliation of CEP's audited shareholders' equity to regulatory capital. The financial statements are prepared in USD and the balance sheet amounts are converted to EUR for the purpose of the disclosure tables.

€ million	Balance sheet as in published financial statements As at period end	References (see EU CC1 table)
Assets - Breakdown by asset classes according to the balance sheet in the published financial statements		
1 Cash and cash equivalents	47,589	
2 Trading assets	12,823	
3 Derivative financial instruments	37,414	
3a Hedging derivatives	13	
4 Investment securities	19,746	
4a Reverse repurchase agreements	17,416	
5 Loans and advances to banks	1,901	
6 Loans and advances to customers	25,466	
6a Of which Other regulatory adjustments	11	(h)
7 Other assets	8,531	
8 Current tax asset	84	
9 Goodwill and Intangible assets	346	
9a Of which Intangible assets (net of related tax liability) (negative amount)	(307)	(f)
10 Property and equipment	400	
11 Deferred tax assets	205	(e) + (g)
11a Of which Deferred tax assets that rely on future profitability excluding those arising from temporary differences	(42)	(e)
11b Of which Deferred tax assets arising from temporary differences	163	(g)
12 Total assets as at 31 December 2024	171,934	
Liabilities - Breakdown by liability classes according to the balance sheet in the published financial statements		
1 Deposits by banks	14,384	
2 Customer accounts	64,857	
3 Derivative financial instruments	36,637	
3a Of which Other regulatory adjustments	26	(h)
3b Hedging derivatives	17	
3c Repurchase agreements	2,481	
4 Subordinated liabilities	9,307	
5 Current tax liability	84	
6 Provisions	203	
7 Deferred tax liabilities	5	
8 Other liabilities	24,873	
9 Total liabilities as at 31 December 2024	152,849	
Shareholders' Equity		
1 Share capital	11	(a)
2 Share premium account	1,889	(a)
3 Other reserves (net) ¹	4,990	
3a of which Accumulated other comprehensive income (and other reserves)	5,066	(b)

€ million	Balance sheet as in published financial statements	References (see EU CC1 table)
4 Retained earnings	11,619	
4a of which Retained earnings	9,903	(c)
4b of which Independently reviewed interim profits net of any foreseeable charge or dividend	—	(c)
4c Non-controlling interest	577	
5 Total shareholders' equity as at 31 December 2024	19,086	(d)

¹ Regulatory own funds AOCI includes life-to-date pensions liabilities, however this is included in retained earnings in the accounting balance sheet.

Capital Requirements and Buffers

CEP complies with the minimum Pillar 1 capital requirements in accordance with Article 92 of the CRR. The capital requirements consist primarily of credit risk, counterparty credit risk, credit valuation adjustment, securitisation, market risk and operational risk. CEP uses a combination of standardised and internal model approaches, in line with its regulatory permissions, to calculate such capital requirements. The table below provides information by risk category, the approaches used to calculate Exposure at Default (EAD) and Risk Weighted Exposure Amounts (RWEA).

CEP is also required to hold capital in addition to the Minimum Capital Requirements to meet CBI and ECB obligations and capital buffers.

The table below provides information on the exposures and calculation approaches by risk type.

Risk Type	Definitions	Regulatory Exposure Calculation Methods	RWEA Approach
Credit Risk	Credit Risk is 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.	Credit Risk exposures are captured as accounting value, net of general and specific credit risk adjustments.	
Counterparty Credit Risk	Counterparty Credit 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.	CEP adopts three methods for the calculation of CCR exposures: <ul style="list-style-type: none"> Internal model method (IMM) applies to OTC derivatives as approved by the regulator; SA-CCR applies to exchange traded derivatives and non-IMM approved OTCs and BHW derivatives Financial collateral comprehensive method applies to SFT. 	CEP uses the standardised approach to determine credit and counterparty credit risk capital requirements, based on External Credit Assessment Institution (ECAI) ratings for calculating RWEAs
Credit Valuation Adjustment	Credit Valuation Adjustment (CVA) represents a portfolio-level adjustment to reflect the risk premium associated with the counterparty's non-performance risk.	For CVA, CEP uses a combination of Advanced and Standardised calculations.	Standardised Approach: computation includes factors based on ECAI ratings and effective maturity Advanced Approach: the computation of expected exposure is based on our IMM model and the calculation of the CVA requirement is then generated utilizing Value at Risk (VaR).
Securitisation	A securitisation is a transaction or scheme where the associated credit risk of the exposure or pool of exposures is tranching, where key features include: <ul style="list-style-type: none"> the tranching reflects subordination of the distribution of losses on the transaction or scheme; the payments in the transaction or scheme rely on the exposure or pool of exposures' performance. 	Securitized exposures from traditional securitizations are captured as the accounting value after relevant specific credit risk adjustments for on-balance sheet securitization position for both trading and non-trading book exposures.	Under the revised securitization framework, CEP risk weights relevant positions using the Standardised Approach (SEC-SA) and External Ratings Based Approach (SEC-ERBA).
Market Risk	Market Risk in the trading portfolio 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, equity and commodity prices, FX rates or credit spreads.	Market Risk positions are based on accounting values and notionals in both trading and non-trading books.	CEP uses a VaR model to calculate market risk capital requirements for the majority of its trading portfolio under IMA permission granted by the JST. The permission covers VaR, Stressed VaR (SVaR) and the Incremental Risk Charge (IRC) for positions on a Permitted Product List. Residual positions in CEP and any BHW positions are calculated under the standardised Approach.
Operational Risk	The risk of loss resulting from inadequate or failed internal processes, people and systems, or from external events. This definition of operational risk includes legal risk - which is the risk of loss (including litigation costs, settlements and regulatory fines) resulting from the failure of CEP to comply with laws, regulations, prudent ethical standards and contractual obligations in any aspect of CEP's business - but excludes strategic and reputation risks.	CEP uses a standardised approach, under which, activities are divided into individual business lines for calculation of operational risk	CEP's operational risk is calculated under the standardised approach.

Pillar 2

Pillar 2 Requirement ("P2R") is an additional amount of capital that CEP is required to hold to cover risks not captured by the Minimum Capital Requirements. The Joint Supervisory Team (JST) reviews the Internal Capital Adequacy Assessment Process (ICAAP) as part of the Supervisory Review and Evaluation Process (SREP) and sets a Total Supervisory Capital Requirement (TSCR). The TSCR is the sum of the Minimum Capital Requirement (8% of RWEA) and the P2R. CEP's P2R was 2.5% as at 31 December 2024.

Overview of Risk Weighted Exposure Amounts

Table 7: EU OV1 - Overview of total risk exposure amounts

		31 December 2024	31 December 2023	31 December 2024
		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		€ million	€ million	€ million
1	Credit risk (excluding CCR)	53,382	43,386	4,271
2	Of which the standardised approach	53,379	43,386	4,270
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	7,957	7,843	637
7	Of which the standardised approach	1,025	1,401	82
8	Of which internal model method (IMM)	4,065	3,821	325
EU 8a	Of which exposures to a CCP	168	120	13
EU 8b	Of which credit valuation adjustment - CVA	979	2,071	78
9	Of which other CCR	1,721	429	138
15	Settlement risk	—	—	—
16	Securitisation exposures in the non-trading book (after the cap)	364	129	29
17	Of which SEC-IRBA approach	—	—	—
18	Of which SEC-ERBA (including IAA)	1	1	—
19	Of which SEC-SA approach	363	128	29
EU 19a	Of which 1250%	—	—	—
20	Position, foreign exchange and commodities risk (Market risk)	10,699	9,416	856
21	Of which the standardised approach	1,323	3,576	106
22	Of which IMA	9,376	5,840	750
EU 22a	Large exposures ¹	—	—	—
23	Operational risk	8,681	6,203	695
EU 23a	Of which basic indicator approach	—	—	—
EU 23b	Of which standardised approach	8,681	6,203	695
EU 23c	Of which advanced measurement approach	—	—	—
24	Amounts below the thresholds for deduction (subject to 250% risk weight)	407	441	33
29	Total	81,084	66,977	6,487

¹ Large Exposure (LEX) capital requirements are calculated on the trading book excess. As at 31 December 2024 CEP had no LEX related RWEA.

Credit Risk

RWEA increased by €10.0 billion, mainly driven by €4.1 billion on Unused Commitments, €2.8 billion on Letters of Credit, €1.1 billion on Commercial Loans, €1.0 billion on Consumer Loans, and €0.7 billion on Nostro Accounts.

Counterparty Credit Risk

RWEA increased by €0.1 billion, mainly driven by a €1.5 billion increase on the SFT portfolio and a €0.3 billion increase on FX derivatives, materially offset by a €0.5 billion decrease on equity derivatives and a €1.1 billion decrease on credit valuation adjustment.

Operational risk

RWEA increased by €2.5 billion due to a steady increase in revenue for the Company, and this also being the first full year when CEP's share of BHW's revenues were included in the Operational Risk calculation.

Market Risk

RWEA increased by €1.3 billion, mainly driven by an increase in internal model approach on IRC due to increased long Spanish sovereign exposure and on SVaR due to increased level of risk taken by the European Government Bonds (EGB) and Swap desks which were partially offset by a decrease in FX risk due to the exclusion of PLN denominated investment in subsidiary.

Table 8: EU CCR7 – RWEA flow statements of CCR exposures under the IMM

This table presents a flow statement explaining changes in the CCR RWEAs 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 permission.

	RWA
	€ million
1 RWA as at 30 September 2024	2,870
2 Asset size	1,189
3 Credit quality of counterparties	2
4 Model updates (IMM only)	—
5 Methodology and policy (IMM only)	3
6 Acquisitions and disposals	—
7 Foreign exchange movements	—
8 Other	—
9 RWA as at 31 December 2024	4,065

CEP's CCR RWEAs under IMM increased by €1.2 billion, mainly driven by €0.9 billion increase on FX derivatives and €0.2 billion increase on interest rate derivatives.

Table 9: 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 RWEA. This table is disclosed at CEP Individual level as BHW calculates market risk under the standardised approach.

	VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWEAs	Total own funds requirements
	€ million	€ million	€ million	€ million	€ million	€ million	€ million
1 RWEAs at 30 September 2024	1,004	3,690	1,923	—	—	6,617	529
1a Regulatory adjustment	(732)	(2,725)	—	—	—	(3,457)	(277)
1b RWEAs at 30 September 2024 (end of the day)	272	965	1,923	—	—	3,160	253
2 Movement in risk levels	83	1,122	(85)	—	—	1,120	90
3 Model updates/changes	8	—	169	—	—	177	14
4 Methodology and policy	—	—	—	—	—	—	—
5 Acquisitions and disposals	—	—	—	—	—	—	—
6 Foreign exchange movements	20	70	139	—	—	229	18
7 Other	—	—	—	—	—	—	—
8a RWEAs at 31 December 2024 (end of the day)	383	2,157	2,146	—	—	4,685	375
8b Regulatory adjustment	1,203	3,488	—	—	—	4,691	375
8 RWEAs as at 31 December 2024	1,586	5,645	2,146	—	—	9,376	750

CEP calculated market risk exposure under the IMA increased by €0.1 billion due to increased level of risk taking on the EGB desk, also IRC increased by €0.1 billion due to increased long Spanish sovereign exposures.

Capital Buffers

As at 31 December 2024, CEP's combined buffer requirement includes a capital conservation buffer of 2.5%, a countercyclical buffer requirement of 0.87% and an O-SII capital buffer of 1.0%.

- Capital Conservation Buffer (CCB) was introduced to ensure that banks have an additional layer of usable capital. Its primary objective is to protect the banking sector from periods of excess aggregate credit growth.
- Countercyclical Capital Buffer (CCyB) is activated and increased by authorities when aggregate credit growth is judged to be excessive and associated with a build-up of system-wide risk. The buffer can be reduced during a downturn to help ensure that banks maintain the flow of credit in the economy. Thus jurisdictions will be required to monitor credit growth in relation to measures such as Gross Domestic Product (GDP) and assess whether growth is excessive and leading to the build-up of system-wide risk. Based on this assessment a CCyB, ranging from 0% to 2.5% of risk-weighted assets, may be put in place for specified jurisdictions.
- Other Systemically Important Institution Buffer set by the CBI represents a capital buffer requirement reflecting CEP's domestic systemic importance.

Capital Management

CEP's Capital Management Framework supports the Board in measuring, managing, monitoring and controlling CEP's Capital position (both for the Company and the Group). It includes a Dividend Policy section, which outlines a framework for determining and paying dividends to shareholders. The aim of capital management is ensuring that a firm maintains its capital adequacy at all times. By doing this, it helps to secure its own continued outlook. This framework is a key subset of the overall Risk Management Framework. It is linked to every aspect of how CEP operates. The business (and its risks) influence and drive capital but capital can also influence the other way by prescribing limits to keep CEP compliant with regulation or by encouraging greater capital return on product lines. The CEP Capital Management Framework formally articulates the principles of good governance in relation to capital planning and management. The framework also outlines how CEP meets these principles, the roles and responsibilities of the Board and other committees and stakeholders across CEP's lines of defense for Capital Risk Management on both solo and consolidated level, along with the core processes which underpin robust capital management and reporting. The Capital Management Framework defines ICAAP architecture including the approach for internal review and challenge of the ICAAP. The framework further supports capital contingency planning in the unlikely event of capital ratio deterioration below predetermined levels. The Capital Management Framework requires management to establish an appropriate set of limits and triggers designed to be aligned with specific internal and external regulatory requirements on both the Company and CEP levels. CEP ensures capital is available to meet minimum regulatory

requirement on both a solo and consolidated basis.

The purpose of the Internal Capital Adequacy Assessment Process ("ICAAP") document is to inform Citibank Europe plc's ("CEP") Board of the outcome of the capital adequacy assessment of CEP, prepared on a consolidated basis and inclusive of CEP's 75% ownership of Bank Handlowy ("BHW").

The ICAAP includes an assessment of CEP's capital adequacy, which is based on two views: the normative perspective and the economic perspective. The normative perspective assesses CEP's ability to fulfil its capital related regulatory and supervisory requirements under a base case scenario and stress scenarios. The economic perspective assesses the extent to which material risks are covered by internal capital resources in base and stressed scenarios. The 2025 ICAAP considers three adverse macro-economic stress scenarios, namely

- Global Geopolitical Pressure
- European Crisis and
- Climate Risk.

The foundation for the base-case forecast used in the ICAAP is the Board approved 2025 Update of the Strategic and Operating Plan 2024 - 2026. There is no change to CEP's business model as outlined in the Operating plan. The Plan incorporates the implementation of the Capital Requirements Regulation III ("CRR3") prudential requirements, which is effective from 1 January 2025.

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% is effective since 28 June 2021.

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

CEP's leverage ratio is calculated based on the current CRR exposure measure and during the period was in excess of the minimum requirements; CEP had a leverage ratio of 9.19% as at 31 December 2024.

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

Table 10: 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.

		31 December 2024
		€ million
1	Total assets as per published financial statements	171,935
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory prudential consolidation	(4,062)
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	(22,641)
9	Adjustment for securities financing transactions (SFTs)	600
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	35,453
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	(1,586)
13	Total exposure measure	179,698

Table 11: EU LR2 - LRCom: Leverage ratio common disclosure

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

		31 December 2024	31 December 2023
		€ million	€ million
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	116,412	98,157
2	Gross-up for derivatives collateral provided where deducted from the balance sheet assets pursuant to the applicable accounting framework	—	—
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	(3,575)	(3,687)
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)	(366)	(379)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	112,470	94,091
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	4,393	3,415
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	9,810	9,577
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	—	—
11	Adjusted effective notional amount of written credit derivatives	5,323	5,560
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(4,643)	(4,444)
13	Total derivatives exposures	14,882	14,107
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	29,006	20,576
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(11,199)	(5,596)
16	Counterparty credit risk exposure for SFT assets	600	270
17	Agent transaction exposures	—	—
18	Total securities financing transaction exposures	18,407	15,250
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	64,037	51,476
20	(Adjustments for conversion to credit equivalent amounts)	(28,585)	(20,781)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	—	—
22	Off-balance sheet exposures	35,453	30,695
Excluded exposures			
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	(1,514)	(764)
EU-22k	(Total exempted exposures)	(1,514)	(764)
Capital and total exposure measure			
23	Tier 1 capital	16,519	16,957
24	Total exposure measure	179,698	153,380
Leverage ratio			
25	Leverage ratio	9.19%	11.06%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	9.19%	11.06%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	9.19%	11.06%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%
EU-26b	of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%
27	Leverage ratio buffer requirement(%)	0.00%	0.00%
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%
Choice on transitional arrangements 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	23,197	15,187
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	17,807	14,980
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)	185,088	153,587
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)	185,088	153,587
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)	8.92%	11.04%
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)	8.92%	11.04%

CEP's leverage ratio decreased to 9.19% as at 31 December 2024, mainly driven by an overall €26 billion increase on total leverage exposure due to increases of €15.5 billion on Other Assets, €4.8 billion on Off-balance sheet items and €3.2 billion on SFTs.

Table 12: EU LR3 - LRSpl: Split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		31 December 2024
		CRR leverage ratio exposures
		€ million
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	111,698
EU-2	Trading book exposures	12,823
EU-3	Banking book exposures, of which:	98,875
EU-4	Covered bonds	—
EU-5	Exposures treated as sovereigns	52,681
EU-6	Exposures to regional governments, MDB, international organizations and PSE not treated as sovereigns	3
EU-7	Institutions	16,910
EU-8	Secured by mortgages of immovable properties	2,462
EU-9	Retail exposures	874
EU-10	Corporates	22,899
EU-11	Exposures in default	34
EU-12	Other exposures (e.g. equity, securitizations, and other non-credit obligation assets)	3,012

Minimum Requirement for Own Funds and Eligible Liabilities

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

CEP is deemed a Relevant Legal Entity as per the Single Resolution Board (SRB) MREL policy published in June 2022; and is subject to an internal MREL requirement. Since 1 January 2024, CEP has been required to comply with a binding requirement of 24.29% (plus its combined buffer requirement "CBR," which was 4.37% as at 31 December 2024) 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 (iTLC). CEP continues to meet the definition of material subsidiary as per Art 4(135) of CRR, hence is also subject to the iTLC requirements in addition to the MREL requirements under BRRD II.

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

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

Table 13: 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)	16,519	16,519	
EU 4	Eligible Additional Tier 1 instruments	—	—	
EU 5	Eligible Tier 2 instruments	—	—	
EU 6	Eligible own funds	16,519	16,519	
EU 7	Eligible liabilities	9,279	9,279	
EU 8	Of which permitted guarantees	—		
EU 9a	(Adjustments)	—		
EU 9b	Own funds and eligible liabilities items after adjustments	25,797	25,797	
Total risk exposure amount and total exposure measure				
EU 10	Total risk exposure amount	81,084	81,084	
EU 11	Total exposure measure	179,698	179,698	
Ratio of own funds and eligible liabilities				
EU 12	Own funds and eligible liabilities (as a percentage of TREA)	31.82%	31.82%	
EU 13	>>> of which permitted guarantees	0.00%		
EU 14	Own funds and eligible liabilities (as a percentage of leverage exposure)	14.36%	14.36%	
EU 15	>>> of which permitted guarantees	0.00%		
EU 16	CET1 (as a percentage of TREA) available after meeting the entity's requirements	7.53%	7.53%	
EU 17	Institution-specific combined buffer requirement*		4.37%	
Requirements				
EU 18	Requirement expressed as a percentage of the total risk exposure amount**	24.29%	16.20%	
EU 19	>>> of which may be met with guarantees	0.00%		
EU 20	Internal MREL expressed as percentage of the total exposure measure	6.00%	6.08%	
EU 21	>>> of which may be met with guarantees	0.00%		
Memorandum items				
EU 22	Total amount of excluded liabilities referred to in Article 72a(2) CRR***		120,101	

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

** Row EU 18 The MREL requirement presented is the base requirement only and does not include the additional Combined Buffer Requirement (CBR) of 4.37%.

*** Row EU 22 requires reporting Total amount of excluded liabilities referred to in Article 72a(2) CRR, but EBA template mapping refers to cell M 03.00, r0590, c0020 (Other bailinable liabilities with residual maturity of >= 1 year and < 2 years). CEP is reporting Total amount of excluded liabilities in this row.

Table 14: 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									Sum of 1 to 5
	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		
2 Description of insolvency rank (free text)	—	Equity	—	Subordinated claims	—	Unsecured claims	—	Certain deposit claims		
3 Liabilities and own funds including derivative liabilities	—	16,349	—	9,279	—	68,543	—	2,020	96,192	
4 of which excluded liabilities	—	—	—	—	—	—	—	—	—	
5 Liabilities and own funds less excluded liabilities	—	16,349	—	9,279	—	68,543	—	2,020	96,192	
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.	—	16,349	—	9,279	—	—	—	—	25,628	
7 of which residual maturity ≥ 1 year < 2 years	—	—	—	916	—	—	—	—	916	
8 of which residual maturity ≥ 2 year < 5 years	—	—	—	3,500	—	—	—	—	3,500	
9 of which residual maturity ≥ 5 years < 10 years	—	—	—	4,863	—	—	—	—	4,863	
10 of which residual maturity ≥ 10 years, but excluding perpetual securities	—	—	—	—	—	—	—	—	—	
11 of which perpetual securities	—	16,349	—	—	—	—	—	—	16,349	

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) 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 credit exposure concentrated within a specific client, industry, region or other category.

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

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

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

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

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

Counterparty Risk

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

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

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

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

Credit Risk Governance and Reporting

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

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

The second line of defence comes through the responsibility for oversight and challenge of these risks by Independent Risk Management led by the CEP CRO. CEP's Head of Credit Risk reports to the CRO. The Credit Risk Management function reports to the Head of Credit Risk and is responsible for approving credit limits in line with delegated approval authority limits set out in the CEP Credit Management Standard, and for ongoing monitoring and reporting on credit risk exposures and trends including portfolio and delinquency based monitoring and management.

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

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

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

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

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

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

Credit and Counterparty Risk Management

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

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

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

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

- Extensions of Credit;
- Collateral Management; and,

- Exposure Monitoring.

Methodology Used to Assign Credit Limits

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

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

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

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

Stress Testing

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

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

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

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

Credit and Counterparty Risk Measurement

Credit Risk Regulatory Capital Requirement

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

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

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

For OTC Derivatives, CEP uses the Internal Model Method (IMM) where eligible as per model permission, and the Standardised Approach (SA-CCR) for the rest of the population, to measure the exposure of a derivative contract in the case of a counterparty default. Exchange Traded Derivatives (ETDs) are not eligible for

IMM, they are measured under Standardised Approach – Counterparty Credit Risk (SA-CCR). With IMM, exposure values are calculated using an internal risk model that assesses the distribution of future positive market values of derivatives based on modelled market price movements. SA-CCR assigns to each transaction a regulatory stipulated exposure based on the mark-to-market value and a measure of potential future exposure which is mainly dependent on notional, maturity, and the type of contract (i.e. interest rate, equities etc.).

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

Where appropriate for SFT and OTC derivatives, netting and collateral may be recognised as credit risk mitigants provided that they meet certain eligibility criteria.

For clarity, sovereign bond holdings in AFS are risk-weighted per CRR, Article 114.

Internal Credit Risk Capital Assessment

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

Credit and Counterparty Risk Mitigation

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

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

CEP's core principles of collateral management are:

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

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

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

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

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

Collateral

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

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

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

Valuation

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

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

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

Collateral Concentrations

Apart from a concentration of cash and high-grade liquid securities such as OECD Governments, Supranational, U.S. Treasury or U.S. Agency bonds, there were no other material concentrations of collateral as at 31 December 2024.

Securitisation Exposure

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

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

Counterparty Risk

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

Credit Reserve

Prior to quoting a price to a client for a derivatives transaction, CEP checks with the relevant CVA desk for a credit reserve charge which 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 binds both parties to apply close-out netting across all outstanding transactions covered by an agreement if either party defaults or other predetermined events occur.

CEP considers the level of legal certainty regarding enforceability of its offsetting rights under master netting agreements and credit support annexes to be an important factor in its risk management process.

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

Primary Types of Collateral

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

Valuation

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

Wrong Way Risk and Rating Downgrades

Wrong Way Risk

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

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

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

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

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

Credit Risk Adjustments

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

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

The ECL model is a 3 Stage model under which financial assets are classified in 3 stages depending on the extent of credit deterioration. Stage 1 includes assets with no Significant Increase in Credit Risk (SICR) since initial recognition. ECL is estimated over the

next 12 months of the asset; Stage 2 includes assets that have experienced SICR since initial recognition, but the exposure is not yet defaulted/credit impaired. ECL is estimated over the lifetime; and Stage 3 includes assets deemed to be credit-impaired and lifetime ECL is estimated.

Definitions of Past Due and Impairment

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

For overdrafts, days past due commence once an obligor has breached an advised limit, has been advised a limit smaller than current outstandings, or has drawn credit without authorisation and the underlying amount is material. An advised limit comprises any credit limit determined by CEP and about which the obligor has been informed.

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.

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 31 December 2024, for these exposures the gross carrying amount of CEP's total on-balance sheet and off-balance sheet exposures were €157.59 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 15: 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	121	55	55	55	(6)	(15)	58	7
20	Central banks	—	—	—	—	—	—	—	—
30	General governments	—	—	—	—	—	—	—	—
40	Credit institutions	—	—	—	—	—	—	—	—
50	Other financial corporations	—	—	—	—	—	—	—	—
60	Non-financial corporations	118	45	45	45	(5)	(13)	54	5
70	Households	3	10	10	10	(1)	(2)	4	2
80	Debt Securities	—	—	—	—	—	—	—	—
90	Loan commitments given	74	—	—	—	2	—	—	—
100	Total as at 31 December 2024	195	55	55	55	(8)	(15)	58	7

Table 16: 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	107	82	82	82	(7)	(28)	66	15
20	Central banks	—	—	—	—	—	—	—	—
30	General governments	—	—	—	—	—	—	—	—
40	Credit institutions	—	—	—	—	—	—	—	—
50	Other financial corporations	—	—	—	—	—	—	—	—
60	Non-financial corporations	104	72	72	72	(6)	(25)	63	14
70	Households	3	10	10	10	(1)	(3)	2	—
80	Debt Securities	—	—	—	—	—	—	—	—
90	Loan commitments given	157	16	16	16	2	—	—	—
100	Total as at 31 December 2023	264	98	98	98	(9)	(28)	66	15

There was a total of €112 million decrease across performing and non-performing forborne exposures, with the majority of the decrease being attributed to Loan commitments given.

Table 17: EU CQ3 - Credit quality of performing and non-performing exposures by past due days (current period)

This table provides a breakdown of performing and non-performing exposures further categorized into past due date buckets.

€ million	Gross carrying amount/nominal amount												
	Performing exposures			Non-performing exposures									
	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted		
5	Cash balances at central banks and other demand deposits	47,468	47,468	—	—	—	—	—	—	—	—	—	—
10	Loans and advances	44,828	44,824	4	165	71	15	13	14	29	15	8	165
20	Central banks	1,659	1,659	—	—	—	—	—	—	—	—	—	—
30	General governments	407	407	—	—	—	—	—	—	—	—	—	—
40	Credit institutions	13,313	13,313	—	—	—	—	—	—	—	—	—	—
50	Other financial corporations	7,266	7,266	—	—	—	—	—	—	—	—	—	—
60	Non-financial corporations	19,516	19,516	—	77	45	—	—	3	17	11	—	77
70	Of which SMEs	351	351	—	13	8	—	—	3	1	—	—	13
80	Households	2,668	2,664	4	88	26	15	13	11	12	4	7	88
90	Debt securities	19,679	19,679	—	—	—	—	—	—	—	—	—	—
100	Central banks	235	235	—	—	—	—	—	—	—	—	—	—
110	General governments	15,371	15,371	—	—	—	—	—	—	—	—	—	—
120	Credit institutions	3,836	3,836	—	—	—	—	—	—	—	—	—	—
130	Other financial corporations	235	235	—	—	—	—	—	—	—	—	—	—
140	Non-financial corporations	2	2	—	—	—	—	—	—	—	—	—	—
150	Off-balance-sheet exposures	64,046	—	—	50	—	—	—	—	—	—	—	50
160	Central banks	—	—	—	—	—	—	—	—	—	—	—	—
170	General governments	418	—	—	—	—	—	—	—	—	—	—	—
180	Credit institutions	2,626	—	—	20	—	—	—	—	—	—	—	20
190	Other financial corporations	13,018	—	—	—	—	—	—	—	—	—	—	—
200	Non-financial corporations	46,669	—	—	29	—	—	—	—	—	—	—	29
210	Households	1,314	—	—	1	—	—	—	—	—	—	—	1
220	Total as at 31 December 2024	176,020	111,971	4	216	72	15	13	14	29	15	8	216

Table 18: EU CQ3 - Credit quality of performing and non-performing exposures by past due days (previous period)

€ million	Gross carrying amount/nominal amount												
	Performing exposures			Non-performing exposures									
	Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted		
5	Cash balances at central banks and other demand deposits	41,051	41,051	—	—	—	—	—	—	—	—	—	—
10	Loans and advances	39,328	39,323	5	252	159	16	26	22	17	3	9	252
20	Central banks	2,585	2,585	—	—	—	—	—	—	—	—	—	—
30	General governments	344	344	—	—	—	—	—	—	—	—	—	—
40	Credit institutions	12,383	12,383	—	—	—	—	—	—	—	—	—	—
50	Other financial corporations	1,669	1,669	—	—	—	—	—	—	—	—	—	—
60	Non-financial corporations	19,498	19,498	—	152	131	1	5	10	5	1	—	152
70	Of which SMEs	348	348	—	31	22	1	5	—	2	1	—	31
80	Households	2,850	2,845	5	100	28	15	21	12	12	2	9	100
90	Debt securities	15,623	15,623	—	—	—	—	—	—	—	—	—	—
100	Central banks	1,149	1,149	—	—	—	—	—	—	—	—	—	—
110	General governments	11,010	11,010	—	—	—	—	—	—	—	—	—	—
120	Credit institutions	3,232	3,232	—	—	—	—	—	—	—	—	—	—
130	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—
140	Non-financial corporations	232	232	—	—	—	—	—	—	—	—	—	—
150	Off-balance-sheet exposures	51,672			78								78
160	Central banks	—			—								—
170	General governments	152			—								—
180	Credit institutions	2,163			11								11
190	Other financial corporations	11,710			—								—
200	Non-financial corporations	36,336			65								65
210	Households	1,311			1								1
220	Total as at 31 December 2023	147,675	95,997	5	331	159	16	26	22	17	3	9	331

As per the EBA/GL/2018/10, gross non-performing loan ratio is calculated as follows: the total amount of non-performing exposures on 'Loans and advances' divided by the sum of performing and non-performing exposure on 'Loans and advances'. CEP's gross non-performing ratio is 0.64% as at 31 December 2023.

Gross carrying amount of on and off-balance sheet exposures for loans and debt securities increased €21.8 billion year on year. The increase attributed to higher exposures to non-financial corporations, other financial corporations and general governments.

Table 19: 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	47,468	47,467	1	—	—	(2)	(2)	—	—	—	—	—	—
10	Loans and advances	44,828	41,938	2,891	165	165	(99)	(42)	(57)	(88)	(88)	—	32,037	46
20	Central banks	1,659	1,659	—	—	—	—	—	—	—	—	—	1,368	—
30	General governments	407	407	—	—	—	—	—	—	—	—	—	206	—
40	Credit institutions	13,313	13,249	64	—	—	(3)	(2)	(1)	—	—	—	13,023	—
50	Other financial corporations	7,266	6,973	293	—	—	(14)	(7)	(7)	—	—	—	6,389	—
60	Non-financial corporations	19,516	17,447	2,070	77	77	(57)	(25)	(32)	(25)	(25)	—	9,996	42
70	Of which SMEs	351	284	67	13	13	(6)	(2)	(4)	(6)	(6)	—	337	5
80	Households	2,668	2,203	465	88	88	(24)	(8)	(17)	(63)	(63)	—	1,056	4
90	Debt securities	19,679	19,679	—	—	—	(6)	(6)	—	—	—	—	—	—
100	Central banks	235	235	—	—	—	—	—	—	—	—	—	—	—
110	General governments	15,371	15,371	—	—	—	(5)	(5)	—	—	—	—	—	—
120	Credit institutions	3,836	3,836	—	—	—	—	—	—	—	—	—	—	—
130	Other financial corporations	235	235	—	—	—	(1)	(1)	—	—	—	—	—	—
140	Non-financial corporations	2	2	—	—	—	—	—	—	—	—	—	—	—
150	Off-balance-sheet exposures	64,046	60,782	3,264	50	50	75	34	41	5	5	—	—	—
160	Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—
170	General governments	418	413	5	—	—	—	—	—	—	—	—	—	—
180	Credit institutions	2,626	2,368	258	20	20	3	1	2	—	—	—	—	—
190	Other financial corporations	13,018	12,976	42	—	—	4	3	1	—	—	—	—	—
200	Non-financial corporations	46,669	44,107	2,562	29	29	65	30	36	4	4	—	—	—
210	Households	1,314	918	397	1	1	2	—	2	1	1	—	—	—
220	Total as at 31 December 2024	176,020	169,865	6,155	216	216	(182)	(84)	(98)	(94)	(94)	—	32,037	46

Table 20: 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	41,051	41,051	—	—	—	(2)	(2)	—	—	—	—	—	—
10	Loans and advances	39,328	36,795	2,534	252	252	(107)	(35)	(71)	(127)	(127)	—	19,340	15
20	Central banks	2,585	2,585	—	—	—	—	—	—	—	—	—	2,240	—
30	General governments	344	344	—	—	—	—	—	—	—	—	—	247	—
40	Credit institutions	12,383	11,977	406	—	—	(7)	(4)	(4)	—	—	—	9,658	—
50	Other financial corporations	1,669	1,567	101	—	—	(1)	(1)	(1)	—	—	—	1,667	—
60	Non-financial corporations	19,498	17,829	1,668	152	152	(64)	(21)	(43)	(52)	(52)	—	4,510	14
70	Of which SMEs	348	275	73	31	31	(6)	(2)	(4)	(14)	(14)	—	238	10
80	Households	2,850	2,493	358	100	100	(34)	(10)	(24)	(75)	(75)	—	1,108	1
90	Debt securities	15,623	15,623	—	—	—	(4)	(4)	—	—	—	—	—	—
100	Central banks	1,149	1,149	—	—	—	—	—	—	—	—	—	—	—
110	General governments	11,010	11,010	—	—	—	(4)	(4)	—	—	—	—	—	—
120	Credit institutions	3,232	3,232	—	—	—	—	—	—	—	—	—	—	—
130	Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—
140	Non-financial corporations	232	232	—	—	—	—	—	—	—	—	—	—	—
150	Off-balance-sheet exposures	51,672	48,420	3,252	78	78	75	27	48	6	6	—	—	—
160	Central banks	—	—	—	—	—	—	—	—	—	—	—	—	—
170	General governments	152	152	—	—	—	—	—	—	—	—	—	—	—
180	Credit institutions	2,163	1,514	649	11	11	4	1	4	1	1	—	—	—
190	Other financial corporations	11,710	11,626	84	—	—	4	2	2	—	—	—	—	—
200	Non-financial corporations	36,336	34,156	2,180	65	65	63	24	39	4	4	—	—	—
210	Households	1,311	972	339	1	1	4	1	3	787	1	—	—	—
220	Total as at 31 December 2023	147,675	141,889	5,786	331	331	(187)	(68)	(119)	(133)	(133)	—	19,340	15

Table 21: 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 defaulted	Of which subject to impairment			
10	On-balance-sheet exposures	64,672	—	—	(193)	—	—
20	POLAND	10,887	—	—	(96)	—	—
30	UNITED KINGDOM	10,666	—	—	(9)	—	—
40	FRANCE	6,969	—	—	(5)	—	—
50	UNITED STATES	6,399	—	—	(2)	—	—
60	CZECH REPUBLIC	3,595	—	—	(7)	—	—
70	SWITZERLAND	2,786	—	—	(9)	—	—
80	GERMANY	2,702	—	—	(10)	—	—
90	NETHERLANDS	2,648	—	—	(5)	—	—
100	ROMANIA	2,591	—	—	(10)	—	—
110	SPAIN	2,199	—	—	(3)	—	—
120	Other countries	13,231	—	—	(38)	—	—
130	Off-balance-sheet exposures	64,096	—	—	—	80	—
140	FRANCE	17,780	—	—	—	19	—
150	GERMANY	8,704	—	—	—	9	—
160	NETHERLANDS	6,228	—	—	—	9	—
170	POLAND	4,432	—	—	—	6	—
180	BERMUDA	4,120	—	—	—	2	—
190	UNITED KINGDOM	2,819	—	—	—	2	—
200	SPAIN	2,644	—	—	—	6	—
210	UNITED STATES	2,549	—	—	—	2	—
220	SWEDEN	1,952	—	—	—	3	—
230	SWITZERLAND	1,913	—	—	—	1	—
240	Other countries	10,954	—	—	—	22	—
250	Total	128,769	—	—	(193)	80	—

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

Table 22: 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.

€ million		a	b	c	d	e	f
		Gross carrying amount			Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures	
		Of which non-performing	Of which defaulted	Of which loans and advances subject to impairment			
10	Agriculture, forestry and fishing	36	—	—	36	—	—
20	Mining and quarrying	424	—	—	424	—	—
30	Manufacturing	7,393	30	30	7,391	(28)	—
40	Electricity, gas, steam and air conditioning supply	978	—	—	978	(1)	—
50	Water supply	30	20	20	30	(7)	—
60	Construction	169	4	4	169	(2)	—
70	Wholesale and retail trade	3,379	21	21	2,966	(19)	—
80	Transport and storage	425	—	—	425	(3)	—
90	Accommodation and food service activities	250	—	—	250	—	—
100	Information and communication	2,291	—	—	2,291	(4)	—
110	Financial and insurance activities	731	2	2	617	(6)	—
120	Real estate activities	1,491	—	—	1,299	(5)	—
130	Professional, scientific and technical activities	1,034	1	1	966	(3)	—
140	Administrative and support service activities	746	—	—	746	(2)	—

€ million	a	b	c	d	e	f
		Gross carrying amount			Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
		Of which non-performing	Of which defaulted	Of which loans and advances subject to impairment		
150 Public administration and defense, compulsory social security	—	—	—	—	—	—
160 Education	3	—	—	3	—	—
170 Human health services and social work activities	61	—	—	59	—	—
180 Arts, entertainment and recreation	106	—	—	106	(1)	—
190 Other services	47	—	—	47	—	—
200	19,594	77	77	18,802	(82)	—

Table 23: 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					Total
	On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	
1 Loans and advances ¹	—	32,746	8,994	3,044	—	44,784
2 Debt securities	—	4,479	12,399	2,868	—	19,746
3 Total	—	37,226	21,393	5,912	—	64,530

¹Loans and advances category includes Reverse repurchase agreement amounts.

Table 24: 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	331
020	Inflows to non-performing portfolios	99
030	Outflows from non-performing portfolios	(11)
040	Outflows due to write-offs	(82)
050	Outflow due to other situations	(121)
060	Final stock of non-performing loans and advances	216

Credit Risk Mitigation (CRM)

Table 25: EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

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

€ million	Unsecured carrying amount	Secured carrying amount		
		Of which secured by collateral	Of which secured by financial guarantees	Of which secured by credit derivatives
1 Loans and advances	60,189	32,084	23,902	8,182
2 Debt securities	19,673	—	—	—
3 Total as at 31 December 2024	79,862	32,084	23,902	8,182
4 <i>Of which non-performing exposures</i>	67	46	10	37
5 <i>Of which defaulted</i>	67	46	—	—

Table 26: 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.

	Exposure classes	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	
1	Central governments or central banks	49,963	262	54,416	1,062	457	0.82%
2	Regional government or local authorities	—	124	—	63	13	20.00%
3	Public sector entities	527	583	527	291	121	14.80%
4	Multilateral development banks	1,122	6	1,122	3	2	0.19%
5	International organisations	1,145	—	1,145	—	—	0.00%
6	Institutions	16,719	2,283	13,404	5,497	6,285	33.25%
7	Corporates	21,289	58,729	19,337	27,445	42,205	90.22%
8	Retail	874	1,223	874	6	660	75.00%
9	Secured by mortgages on immovable property	2,462	257	2,462	112	2,241	87.06%
10	Exposures in default	34	28	34	19	64	118.68%
11	Exposures associated with particularly high risk	253	459	253	259	768	150.00%
12	Covered bonds	—	—	—	—	—	0.00%
13	Institutions and corporates with a short-term credit assessment	—	—	—	—	—	0.00%
15	Equity	56	—	56	—	56	100.00%
16	Other items	628	—	628	—	507	80.70%
17	Total as at 31 December 2024	95,072	63,954	94,258	34,758	53,379	41.37%

Table 27: EU CR4 - Standardised approach – Credit risk exposure and CRM effects (previous period)

	Exposure classes	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	
1	Central governments or central banks	45,031	15	47,754	800	559	1.15 %
2	Regional government or local authorities	—	122	—	62	14	22.78 %
3	Public sector entities	134	189	134	94	27	11.93 %
4	Multilateral development banks	830	6	830	3	95	11.40 %
5	International organisations	621	—	621	—	—	0.00 %
6	Institutions	9,219	1,658	6,855	1,110	2,911	36.54 %
7	Corporates	17,622	46,367	16,644	20,697	34,530	92.47 %
8	Retail	862	1,201	862	6	651	75.00 %
9	Secured by mortgages on immovable property	1,767	346	1,767	144	1,608	84.17 %
10	Exposures in default	44	23	44	13	70	121.73 %
11	Exposures associated with particularly high risk	517	567	513	313	1,239	150.00 %
12	Covered bonds	—	—	—	—	—	—
13	Institutions and corporates with a short-term credit assessment	4,047	902	3,973	718	1,246	26.57 %
15	Equity	53	—	53	—	53	100.00 %
16	Other items	435	—	435	—	384	88.16 %
17	Total as at 31 December 2023	81,182	51,396	80,484	23,960	43,386	41.54 %

RWEA density decreased by 0.17% compared to the previous year-end due to the improvement in the credit quality of Corporate and Institution Exposures.

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 28 below.

Risk weightings are assigned to each exposure depending on its credit quality step and other factors, including exposure class and maturity. Exposures for which no rating is available receive the rating of the central government where the entity is incorporated or 100% if the central government is unrated. Additionally Table 28 below sets out a simplified summary of how credit quality is linked to risk weighting.

Table 28: Credit Quality Assessment Scale

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

Table 29: EU CR5 - Standardised approach (current period)

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

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

Table 30: EU CR5 - Standardised approach (previous period)

Exposure classes	Risk weight											Total € million	Of which: unrated € million
	0%	4%	10%	20%	35%	50%	75%	100%	150%	250%			
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million			
1 Central governments or central banks	47,342	540	116	368	—	1	—	11	—	176	48,554	—	
2 Regional government or local authorities	—	—	—	56	—	6	—	—	—	—	62	9	
3 Public sector entities	133	—	—	69	—	26	—	—	—	—	228	1	
4 Multilateral development banks	738	—	—	—	—	—	—	95	—	—	833	95	
5 International organisations	621	—	—	—	—	—	—	—	—	—	621	215	
6 Institutions	—	—	—	4,249	—	3,311	—	406	—	—	7,965	—	
7 Corporates	—	—	—	1,726	—	3,508	—	31,459	648	—	37,341	22,698	
8 Retail	—	—	—	—	—	—	868	—	—	—	868	868	
9 Secured by mortgages on immovable property	—	—	—	—	471	—	—	1,431	8	—	1,910	1,910	
10 Exposures in default	—	—	—	—	—	—	—	32	25	—	57	54	
11 Exposures associated with particularly high risk	—	—	—	—	—	—	—	—	826	—	826	476	
13 Institutions and corporates with a short-term credit assessment	—	—	—	3,956	—	640	—	12	82	—	4,691	695	
15 Equity	—	—	—	—	—	—	—	53	—	—	53	—	
16 Other items	50	—	—	2	—	—	—	383	—	—	435	62	
17 Total as at 31 December 2023	48,885	540	116	10,426	471	7,491	868	33,882	1,588	176	104,444	27,083	

Credit risk exposures under the standardised approach increased by €24.6 billion mainly driven by €4.1 billion on Unused Commitments, €2.8 billion on Letters of Credit, €1.1 billion on Commercial Loans, €1.0 billion on Consumer Loans, and €0.7 billion Nostro Accounts.

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 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 31: 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)	544	674		1.4	2,729	1,712	1,711	1,025
2	IMM (for derivatives and SFTs)			4,739	1.5	19,108	7,108	7,091	4,065
2b	Of which derivatives and long settlement transactions netting sets			4,739		19,108	7,108	7,091	4,065
3	Financial collateral simple method (for SFTs)					—	—	—	—
4	Financial collateral comprehensive method (for SFTs)					16,674	4,691	4,691	1,721
5	VaR for SFTs					—	—	—	—
6	Total as at 31 December 2024					38,511	13,511	13,493	6,811

Table 32: 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)	316	1,134		1.4	3,901	2,030	2,030	1,401
2	IMM (for derivatives and SFTs)			4,232	1.5	15,988	6,348	6,329	3,821
2b	Of which derivatives and long settlement transactions netting sets			4,232		15,988	6,348	6,329	3,821
3	Financial collateral simple method (for SFTs)					—	—	—	—
4	Financial collateral comprehensive method (for SFTs)					14,208	3,330	3,330	453
5	VaR for SFTs					—	—	—	—
6	Total as at 31 December 2023					34,098	11,708	11,689	5,676

CCR RWEA excluding exposures to CCPs increased by €1.1 billion compared to year-end primarily driven by an increase in SFTs.

Table 33: EU CCR2 – Transactions subject to own funds requirements for CVA risk

This table provides the regulatory calculations for CVA.

		31 December 2024		31 December 2023	
		Exposure value	RWEA	Exposure value	RWEA
		€ million	€ million	€ million	€ million
1	Total transactions subject to the Advanced method	4,626	572	3,898	920
2	(i) VaR component (including the 3.3× multiplier)		173		229
3	(ii) stressed VaR component (including the 3.3× multiplier)		399		692
4	Transactions subject to the Standardised method	1,403	406	1,834	1151
EU4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	—	—	—	—
5	Total transactions subject to own funds requirements for CVA risk	6,030	979	5,733	2071

Increase in standardised CVA is driven by €0.7 billion increase due to advanced CVA movements and €0.1 billion increase on standardised DRT movements which is offset by €0.5 billion decrease on standard CVA movements because SFT's are out of scope from this year.

Table 34: 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%	4%	20%	50%	100%	150%	Others	Total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Central governments or central banks	1,912	—	—	340	40	11	—	—	2,303
Regional government or local authorities	—	—	—	—	—	—	—	—	—
Public sector entities	129	—	—	260	114	—	—	—	502
Multilateral development banks	206	—	—	97	—	—	—	—	303
International organizations	13	—	—	—	—	—	—	—	13
Institutions	—	6,582	—	830	4,637	75	—	—	12,124
Corporates	—	—	—	106	1,520	3,125	13	—	4,765
Retail	—	—	—	—	—	—	—	—	—
Institutions and corporates with a short-term credit assessment	—	—	—	—	—	—	—	—	—
Other items	—	—	—	—	—	—	66	—	66
Total as at 31 December 2024	2,260	6,582	—	1,633	6,310	3,211	78	—	20,076

Table 35: EU CCR3 - Standardised approach – CCR exposures by regulatory exposure class and risk weights (previous period)

	Risk weight								
	0%	2%	4%	20%	50%	100%	150%	Others	Total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Central governments or central banks	2,915	—	—	123	55	34	—	—	3,128
Regional government or local authorities	—	—	—	—	—	—	—	—	—
Public sector entities	49	—	—	204	—	—	—	—	253
Multilateral development banks	200	—	—	31	—	—	—	—	231
International organizations	2	—	—	—	—	—	—	—	2
Institutions	—	4,527	—	946	3,040	107	—	—	8,620
Corporates	—	—	—	46	539	3,272	12	—	3,869
Retail	—	—	—	—	—	—	—	—	—
Institutions and corporates with a short-term credit assessment	—	—	—	—	—	—	—	—	—
Other items	—	—	—	—	—	—	89	—	89
Claims in the form of CIU	—	—	—	—	—	—	—	—	—
Total as at 31 December 2023	3,167	4,527	—	1,350	3,634	3,413	101	—	16,192

Counterparty credit risk exposures increased by €3.9 billion compared to prior year-end due to higher derivatives exposures mainly traded with central clearing houses and an increase in volume of the SFT portfolio.

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

Table 37: EU CCR5 - Composition of collateral for CCR exposures (previous period)

Collateral type	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
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
1 Cash – domestic currency	—	3,400	2	3,343	—	5,931	—	15,303
2 Cash – other currency	—	1,179	8	1,805	—	711	—	5,974
3 Domestic sovereign debt	—	—	—	—	—	244	—	27
4 Other sovereign debt	344	86	299	86	—	12,726	—	6,217
5 Government agency debt	—	—	—	—	—	1,051	—	390
6 Corporate bonds	122	—	159	—	—	3,023	—	—
7 Equity securities	34	511	—	—	—	1,186	—	—
8 Other collateral	—	—	—	—	—	—	—	—
9 Total as at 31 December 2023	500	5,175	469	5,234	—	24,872	—	27,911

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

Table 38: EU CCR6 - Credit derivatives exposures

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

		Protection bought DEC 2024	Protection sold DEC 2024	Protection bought DEC 2023	Protection sold DEC 2023
		€ million	€ million	€ million	€ million
Notionals					
1	Single-name credit default swaps	3,083	1,054	2,026	1,800
2	Index credit default swaps	3,723	3,706	3,829	3,772
3	Total return swaps	32	—	69	—
4	Credit options	—	—	—	—
5	Other credit derivatives	186	563	—	—
6	Total notionals	7,024	5,323	5,923	5,572
Fair values					
7	Positive fair value (asset)	16	168	38	226
8	Negative fair value (liability)	(194)	(12)	(226)	(29)

The total notional values of Credit Derivatives has increased year on year driven by an increase in trading volumes.

Table 39: EU CCR8 - Exposures to CCPs

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

	As at 31 December 2024		As at 31 December 2023	
	Exposure value	RWEA	Exposure value	RWEA
	€ million	€ million	€ million	€ million
1 Exposures to QCCPs (total)		168		120
2 Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	5,443	109	3,718	74
3 (i) OTC derivatives	4,694	94	3,155	63
4 (ii) Exchange-traded derivatives	—	—	—	—
5 (iii) SFTs	749	15	564	11
6 (iv) Netting sets where cross-product netting has been approved	—	—	—	—
7 Segregated initial margin	—	—	—	—
8 Non-segregated initial margin	1,139	23	808	16
9 Prefunded default fund contributions	85	36	89	29
10 Unfunded default fund contributions	185	—	153	—
11 Exposures to non-QCCPs (total)		—		—
12 Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	—	—	—	—

	As at 31 December 2024		As at 31 December 2023	
	Exposure value	RWEA	Exposure value	RWEA
	€ million	€ million	€ million	€ million
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 increased year on year with the main increase attributed to OTC derivatives as cleared activity has increased 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 Citi's assets and liabilities resulting from changes in market variables such as interest rates, FX rates or credit spreads.

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

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

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

Trading Book Governance and Organisation

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

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

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

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

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

Table 40: 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.

	31 December 2024	31 December 2023
	RWEAs € million	RWEAs € million
Outright products		
1 Interest rate risk (general and specific)	722	730
2 Equity risk (general and specific)	4	4
3 Foreign exchange risk	597	2,842
4 Commodity risk	—	—
5 Simplified approach	—	—
6 Delta-plus method	—	—

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 the internal model approach in line with its regulatory permissions, to calculate market risk capital requirements.

The majority of market risk in the trading book is captured under IMA with the remaining exposure captured under the standardised approach. CEP applies the advanced approach to calculate the majority of credit valuation adjustment capital requirements.

The main risks captured in the IMA VaR and SVaR models are credit spread risk and interest rate risk arising for G10 sovereign bonds, interest rate derivatives, and STIRT and CVA hedges. The main exposures contributing to IRC are G10 sovereign bonds and CVA hedges.

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.

	31 December 2024	31 December 2023
	RWEAs	RWEAs
	€ million	€ million
7 Scenario approach	—	—
8 Securitisation (specific risk)	—	—
9 Total	1,323	3,576

Market risk RWEA under standardised approach decreased by €2.3 billion mainly driven by FX Risk due to the exclusion of PLN denominated investment in subsidiary.

Internal Model Approach

Scope of VaR & SVaR Model Permission

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

Model Characteristics

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

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

Management's Regulatory Differences

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

VaR Models

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

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

Risk exposure feeds, comprising factor sensitivities, are fed from the front office systems at the end of the day and stored. The risk factor covariance matrix used in the VaR calculation is updated on a

monthly basis. Additionally, to reflect current market conditions, volatilities of major market factors are updated on an intra-month basis through scaling factors. The covariance matrix for SVaR is reviewed on a quarterly basis to ascertain whether the underlying stress period requires updating.

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

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

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

SVaR Models

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

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

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

Stress Testing

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

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

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

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

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

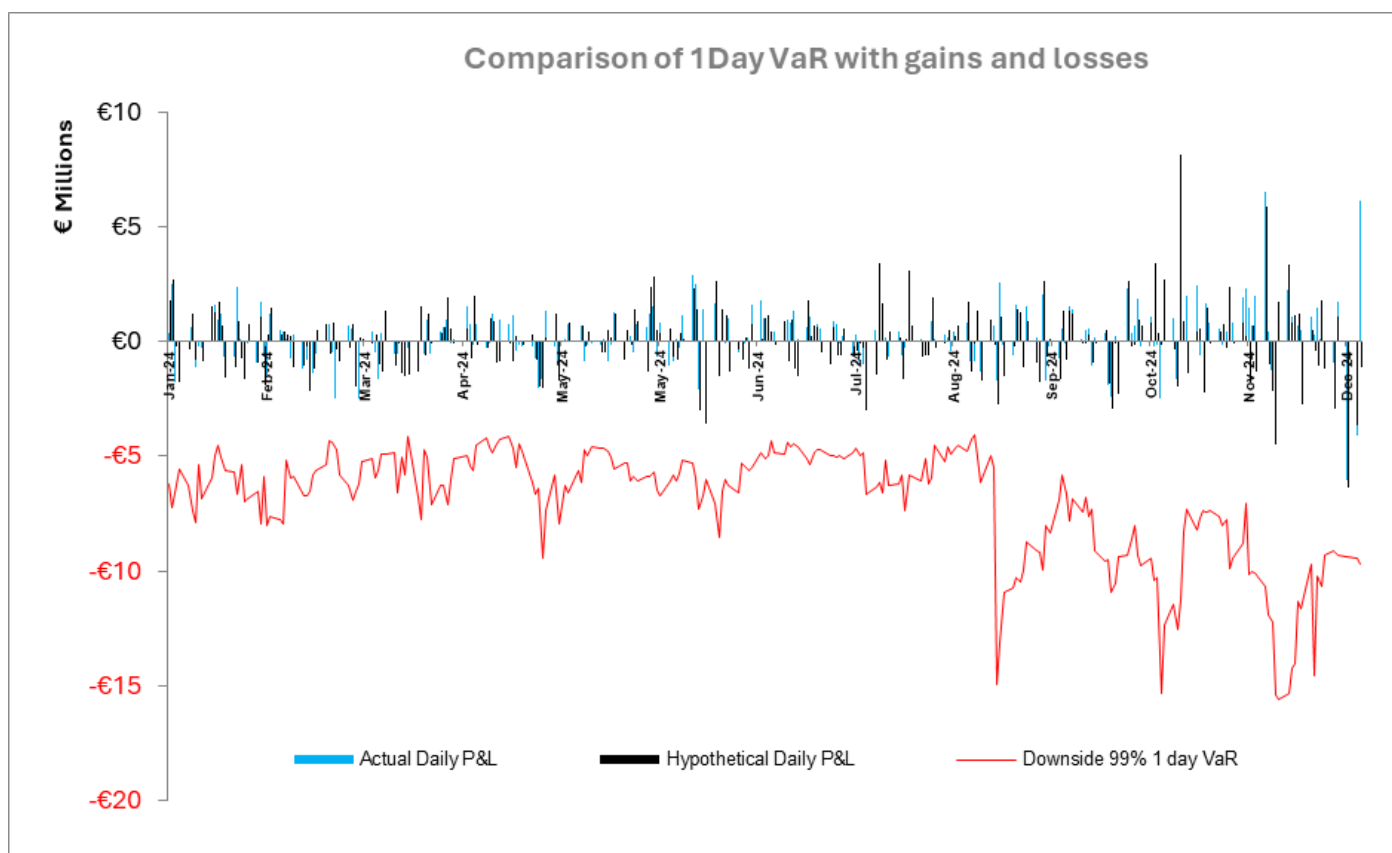
Additionally, VaR/SVaR models are subject to periodic independent validation to ensure technical and functional soundness of the model.

Overshootings during the reporting period

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

CEP experienced no overshootings during the reporting period.

Table 41: EU MR4 - Comparison of VaR estimates with gains/losses



Scope of IRC Model Permission

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

Incremental Risk Charge Methodology

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

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

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

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

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

Stress Testing

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

IRC Model Validation Approach

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

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

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

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

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

Table 42: EU MR2-A: Market risk under the Internal Model Approach

	As at 31 December 2024		As at 31 December 2023	
	RWEAs	Own funds requirements	RWEAs	Own funds requirements
	€ million	€ million	€ million	€ million
1 VaR (higher of values a and b)	1,586	127	1,447	116
(a) Previous day's VaR (VaR _{t-1})		31		15
(b) Multiplication factor (mc) x average of previous 60 working days (VaR _{avg})		127		116
2 SVaR (higher of values a and b)	5,645	452	3,525	282
(a) Latest available SVaR (SVaR _{t-1})		173		35
(b) Multiplication factor (ms) x average of previous 60 working days (sVaR _{avg})		452		282
3 IRC (higher of values a and b)	2,146	172	867	69
(a) Most recent IRC measure		172		56
(b) 12 weeks average IRC measure		158		69
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	9,376	750	5,840	467

CEP's Market Risk's RWEA's calculated under IMA increased by €3.5 billion mostly on sVar and IRC. On sVar the increase was largely attributable to increased level of risk taken on the EGB and Swap desks, and IRC was driven by increased Spanish net long sovereign exposures.

Table 43: 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.

		31 December 2024	31 December 2023
		€ million	€ million
VaR (10 day 99%)			
1	Maximum value	50	73
2	Average value	22	39
3	Minimum value	13	15
4	Period end	31	15
SVar (10 day 99%)			
5	Maximum value	179	256
6	Average value	74	98
7	Minimum value	29	31
8	Period end	173	35
IRC (99.9%)			
9	Maximum value	418	256
10	Average value	107	79
11	Minimum value	19	13
12	Period end	172	56
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 loan underwritings, followed by rates derivatives, and securities. CEP calculates AVAs and deducts them from CET1 Capital in line with the requirements of Article 105(14) of the CRR.

Table 44: EU PV1 - Prudent valuation adjustments (PVA) (current period)

Category level AVA	Risk category					Category level AVA-Valuation uncertainty		Total category level post-diversification ¹		
	Equity	Interest rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA	Of which: Total core approach in the trading book	Of which: Total core approach in the banking book	
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
1 Market price uncertainty	10	46	—	64	—	19	2	70	67	3
3 Close-out cost	—	25	—	—	—	—	—	13	9	4
4 Concentrated positions	—	3	—	15	—	[Not applicable]	[Not applicable]	18	18	—
5 Early termination	—	—	—	—	—	[Not applicable]	[Not applicable]	—	—	—
6 Model risk	—	4	—	—	—	3	—	4	4	—
7 Operational risk	—	4	1	3	—	[Not applicable]	[Not applicable]	8	8	1
10 Future administrative costs	—	—	—	—	—	[Not applicable]	[Not applicable]	—	—	—
12 Total AVAs as at 31 December 2024								113	106	7

Table 45: EU PV1 - Prudent valuation adjustments (PVA) (previous period)

Category level AVA	Risk category					Category level AVA Valuation uncertainty		Total category level post-diversification ¹		
	Equity	Interest rates	Foreign exchange	Credit	Commodities	Unearned credit spreads AVA	Investment and funding costs AVA	Of which: Total core approach in the trading book	Of which: Total core approach in the banking book	
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
1 Market price uncertainty	28	34	—	5	—	8	3	40	37	3
3 Close-out cost	—	10	—	—	—	—	—	5	4	1
4 Concentrated positions	—	1	—	—	—	[Not applicable]	[Not applicable]	1	1	—
5 Early termination	—	—	—	—	—	[Not applicable]	[Not applicable]	—	—	—
6 Model risk	—	4	—	—	—	2	—	3	3	—
7 Operational risk	1	3	—	—	—	[Not applicable]	[Not applicable]	4	4	—
10 Future administrative costs	—	—	—	—	—	[Not applicable]	[Not applicable]	—	—	—
12 Total AVAs as at 31 December 2023								54	50	4

¹ For "Market price uncertainty", "Close-out cost" and "Model risk" a diversification benefit of 50% is applied as permitted by CRR.

Non-Trading Market Risk Governance and Organisation

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

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

The ALCO is the primary committee tasked with governing market risk in the NTMR portfolio in CEP. The Executive Committee ensures

that appropriate risk considerations are incorporated in the strategic planning process. The Board Risk Committee oversees the implementation of CEP's NTMR strategy and management function.

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

Non-Trading Market Risk Management and Measurement

Positions in the NTMR Book arise primarily from customer flows. The main products include loans held at amortised cost, non-

maturing deposits (NMD), and available-for-sale (AFS) securities. Throughout the natural course of business, these positions generate IRRBB (Interest Rate Risk in the Banking Book).

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

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

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

For internal IRRBB management, CEP uses four shocks to assess interest rate risk, namely +/-100bps & +/-200bps scenarios, all of which incorporate a -200bps shock rate floor, commercial margins and are aggregated without adjustment. These are supplemented by additional non-parallel currency specific scenarios, other comprehensive income (OCI) stress scenarios and the regulatory prescribed supervisory outlier test (SOT) shocks, the results of which are presented in table 46 below.

The year-over-year changes to the SOT scenarios noted in table 46 are primarily driven by CEP's balance sheet evolution and strategy. Changes in the interest rate environment and benchmark rates impacts CEP's interest rate pass-through, and consequently the IRRBB metrics. Additionally, CEP's EVE model components have been enhanced in 2024, including, deposit stability and runoffs. These changes impact all internal and regulatory IRRBB metrics.

Moreover, for IRRBB modelling purposes, CEP's NMDs are bifurcated into stable & non-stable and core & non-core. Behavioural assumptions are applied to stable & core portion of the NMDs to assign specific maturity profiles and runoffs, including a

maximum truncation period of 60 months. These components are determined and supported by, inter alia, statistical analysis of historical customer and market information. The average effective duration of CEP's stable & core NMD is approximately 3 years.

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

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

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

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

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

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

Table 46: EU IRRBB1 - Interest Rate Risks of Non-trading Market Risk Activities

Supervisory shock scenarios	31 December 2024	31 December 2023	31 December 2024	31 December 2023
	Changes of the economic value of equity		Changes of the net interest income	
1 Parallel up	23,504	202,462	474,261	505,357
2 Parallel down	(496,892)	(513,490)	(569,739)	(525,371)
3 Steepener	74,236	132,809	—	—
4 Flattener	(193,261)	(156,975)	—	—
5 Short rates up	(158,432)	(16,462)	—	—
6 Short rates down	(59,867)	(28,773)	—	—

Liquidity Risk

Liquidity Risk Overview

CEP defines liquidity risk as the risk that it will not be able to meet efficiently both expected and unexpected current and future cash flow and collateral needs without adversely affecting either daily operations or its financial condition.

CEP is required to comply with all liquidity regulations issued by the European Commission, including the LCR Delegated Regulation (EU) 2015/61 and (EU) 2018/1620 and NSFR which came into force on 29 June 2021 as part of the CRR II framework. In November 2023, CEP acquired 100% of Citi's 75% stake in Bank Handlowy (BHW) resulting in BHW becoming a subsidiary of CEP. The IPU structure triggered consolidated liquidity risk management and reporting obligations with CEP responsible for both solo and consolidated obligations. BHW remains a separate Polish-based legal entity and a bank with its own license subject to the continuing supervision of the KNF on a solo basis.

CEP's liquidity adequacy is determined based on both its adherence to internal liquidity risk appetite as well as compliance with regulatory requirements on a CEP solo basis and CEP consolidated basis. As of 31 December 2024 all of CEP's liquidity metrics were in surplus to their respective risk appetite and regulatory requirements on both a solo and consolidated basis.

CEP has a robust liquidity risk management framework which ensures that it maintains sufficient liquidity, including a buffer of unencumbered, high quality liquid assets to withstand a range of stress events. CEP also has a comprehensive monitoring framework which includes daily monitoring of liquidity metrics, both internal and regulatory, against their risk appetite.

Liquidity Risk Governance

The Board has the ultimate responsibility for ensuring that liquidity risk is appropriately managed on a CEP solo basis and CEP consolidated basis. The Board's responsibilities in relation to liquidity risk include approving the Treasury Risk Management Framework, ILAAP, Liquidity Adequacy Statement (LAS) and Contingency Funding Plan (CFP). The Board is also responsible for establishing and approving the liquidity risk appetite which defines the levels and types of liquidity risk CEP is willing to assume within its risk capacity and in line with its business model.

Liquidity risk governance is also provided by the BRC, ExCo, ALCO and ALCO Technical Review Forum. The ALCO is the primary committee for liquidity management and reports to the ExCo. ALCO responsibilities include monitoring CEP's liquidity positions and ensuring that acceptable levels are maintained; reviewing the assumptions used in the calculation of CEP's liquidity metrics; reviewing the effectiveness of the liquidity management process; and reviewing the Treasury Risk Management Framework, ILAAP, CFP and limit framework.

In line with all CEP and Citi frameworks and policies, the framework for management of liquidity risk is implemented through a three lines of defence model. CEP Treasury forms the First Line of Defence and has responsibility for managing CEP's liquidity on a day-to-day basis and ensuring liquidity management strategies and processes adhere to regulatory requirements and CEP's Treasury Risk Management Framework. Finance CRO act as the Second Line of Defence and are responsible for developing, enhancing and maintaining the Treasury Risk Management Framework; providing credible and independent review and challenge; and monitoring the First Line's liquidity risk practices, processes, systems, controls and reporting.

Internal Audit act as the Third Line of Defence and independently review the activities of the first two lines of defence.

Liquidity Risk Management and Measurement

The Treasury Risk Management Framework (the Framework) supports the Board in measuring, managing, monitoring and controlling liquidity risk. The Framework formally articulates the principles of good governance, the roles and responsibilities of the Board and other committees and CEP's lines of defence for liquidity risk management. The CEP Framework applies to all subsidiaries, businesses, functions and geographies that give rise to risk exposure in CEP. As set out in the 'Rules of the Road', BHW analyse Frameworks, Policies, Standards and Procedures for applicability and with appropriate approval implement the approaches outlined if not contradictory to local laws and regulations.

CEP undertakes a comprehensive Internal Liquidity Adequacy Assessment Process (ILAAP) which articulates the type of the liquidity risk that CEP is exposed to, assesses liquidity adequacy under business as usual and stress scenarios and outlines the governance processes and controls employed to measure, limit and manage these risks. As part of the ILAAP, a Liquidity Adequacy Statement is signed by the Board, certifying CEP's liquidity adequacy on both a solo and consolidated basis.

The ILAAP incorporates a 3-Year funding and liquidity plan and Contingency Funding Plan (CFP).

The funding and liquidity plan articulates CEP's plan to fund its activities in line with its strategic plan and sets out the main considerations in structuring the balance sheet over a 3-year horizon. It also demonstrates that the plan is feasible and appropriate in relation to the nature, scale and operating model of the institution.

The CFP governs the identification, management, and escalation of a liquidity stress event. It sets out the roles and responsibilities of the individuals or groups responsible for managing, monitoring and executing the CFP; the communication framework outlining both internal and external communication guidelines; a playbook of potential funding actions to generate liquidity or preserve existing liquidity; and the Liquidity Market Triggers (LMT) which are used to indicate changes to funding and liquidity conditions and to prompt appropriate and timely action.

In addition to these annual processes, CEP carries out the daily monitoring of liquidity metrics to ensure continuous liquidity adequacy. Regulatory metrics (LCR and NSFR) are monitored on a consolidated basis and are reviewed by Treasury and Finance CRO daily and reported to senior management. They are reported to ALCO on a monthly basis. Stress testing is an important tool used to assess CEP's liquidity adequacy in both baseline and adverse environments. It quantifies the likely impact of a hypothetical and plausible event on the balance sheet and liquidity positions and identifies viable contingent actions that can be utilised if such events occur. Stress testing is embedded in CEP's ongoing monitoring and measurement of liquidity risk as well as the ILAAP process. In addition to the regulatory metrics, CEP performs two additional internal daily stress tests: Term Liquidity Stress Test (TLST) and the Resolution Liquidity Adequacy and Positioning (RLAP). These stress tests are carried out daily on a consolidated, CEP solo and BHW solo basis.

As part of the ILAAP process, the regulatory metrics (LCR and NSFR) and internal stress metrics (RLAP and TLST) are forecast throughout the strategic plan horizon. Further, on an annual basis, CEP undertakes a formal process to identify material risks across the organisation. This process is comprised of both a top-down and bottom-up assessment of risks to CEP and is designed to review the risk profile against current and emerging internal and external developments. This process identifies the key drivers of liquidity risk and ensures that they are well understood and prudently assessed to ensure that CEP always remains liquid and well-funded. CEP's most material liquidity risk drivers are subject to a range of

idiosyncratic stress scenarios including a reverse stress scenario which demonstrate liquidity resilience and adequacy of management actions should severe stresses materialise.

Liquidity Coverage Ratio (LCR)

The LCR measures the amount of High Quality Liquid Assets (HQLA) against Net Liquidity Outflows over a 30 calendar-day stress period.

Table 47: EU LIQ1 - Quantitative information of LCR

Values and figures disclosed for March 2024, June 2024, September 2024 and December 2024, for the Group, are calculated as the simple averages of month-end observations over the four

months, seven months, ten months and 12 months respectively, preceding each quarter-end.

	Total unweighted value				Total weighted value				
	December 2024	September 2024	June 2024	March 2024	December 2024	September 2024	June 2024	March 2024	
Number of data points used in the calculation of averages	12	10	7	4	12	10	7	4	
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)				52,058	50,229	49,743	47,775	
CASH-OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	6,801	6,758	6,744	6,638	1,543	1,734	1,728	1,654
3	Stable deposits	1,551	1,529	1,515	1,506	78	76	76	75
4	Less stable deposits	4,455	4,187	4,193	4,156	671	615	615	603
5	Unsecured wholesale funding	65,924	63,178	62,932	61,172	34,823	32,932	32,932	32,179
6	Operational deposits (all counterparties) and deposits in networks of cooperative banks	22,409	22,403	22,963	23,159	5,578	5,577	5,717	5,771
7	Non-operational deposits (all counterparties)	43,514	40,775	39,969	38,013	29,245	27,355	27,216	26,407
8	Unsecured debt	—	—	—	—	—	—	—	—
9	Secured wholesale funding					51	40	31	20
10	Additional requirements	39,709	38,288	37,804	37,770	7,458	7,272	7,251	7,272
11	Outflows related to derivative exposures and other collateral requirements	2,303	2,323	2,410	2,554	2,303	2,323	2,410	2,554
12	Outflows related to loss of funding on debt products	—	—	—	—	—	—	—	—
13	Credit and liquidity facilities	37,405	35,965	35,394	35,216	5,155	4,949	4,841	4,718
14	Other contractual funding obligations	9,174	7,522	7,710	7,957	3,179	2,779	2,840	2,734
15	Other contingent funding obligations	16,233	16,148	16,181	16,139	442	431	425	421
16	TOTAL CASH OUTFLOWS					47,497	45,188	45,207	44,281
CASH-INFLOWS									
17	Secured lending (e.g. reverse repos)	17,639	15,769	14,773	14,230	372	461	547	835
18	Inflows from fully performing exposures	6,445	6,049	5,927	5,529	5,310	4,908	4,816	4,417
19	Other cash inflows	4,788	4,633	4,614	4,382	3,169	3,029	3,077	2,932
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	28,872	26,451	25,314	24,141	8,852	8,398	8,440	8,184
EU-20a	Fully exempt inflows	—	—	—	—	—	—	—	—
EU-20b	Inflows Subject to 90% Cap	—	—	—	—	—	—	—	—
EU-20c	Inflows Subject to 75% Cap	28,872	26,451	25,314	24,141	8,852	8,398	8,440	8,184

	Total unweighted value				Total weighted value			
	December 2024	September 2024	June 2024	March 2024	December 2024	September 2024	June 2024	March 2024
Number of data points used in the calculation of averages	12	10	7	4	12	10	7	4
TOTAL ADJUSTMENT VALUE								
21 LIQUIDITY BUFFER					52,058	50,229	49,743	47,775
22 TOTAL NET CASH OUTFLOWS					38,645	36,790	36,767	36,097
23 LIQUIDITY COVERAGE RATIO (%)					135.11 %	136.54 %	135.31 %	132.51 %

LCR Evolution and Drivers

Throughout 2024, the LCR remained well in excess of regulatory and internal limits. CEP customer deposits remained at elevated levels in 2024, contributing to a highly liquid position.

The liquidity buffer is the primary mechanism for ensuring that CEP can withstand the prescribed stresses under LCR. In line with the criteria set out in the LCR Delegated Regulation, the assets held in the buffer are unencumbered, well diversified, under the control of CEP Treasury and monetisable in a stress scenario. CEP also ensures that the currency denomination of its buffer is consistent with the distribution by significant currency of its net liquidity outflows. The buffer is comprised of cash placed with European central banks and high quality, unencumbered securities. The composition of the liquidity buffer remained largely unchanged throughout 2024.

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 31 December 2024 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 2024, 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.

Net Stable Funding Ratio (NSFR)

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

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

Table 48: EU LIQ2 - Net Stable Funding Ratio

This table is prepared in accordance with Article 451a(3) CRR and shows CEP consolidated numbers.

31 December 2024

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

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

€ million		Unweighted value by residual maturity				Weighted value
		Available stable funding (ASF) Items	No maturity	< 6 months	6 months to < 1yr	
1	Capital items and instruments	17,827	—	—	—	17,827
2	Own funds	17,827	—	—	—	17,827
3	Other capital instruments		—	—	—	—
4	Retail deposits		6,813	22	—	6,275
5	Stable deposits		2,468	—	—	2,344
6	Less stable deposits		4,346	22	—	3,931
7	Wholesale funding:		70,712	253	8,509	32,526
8	Operational deposits		22,724	—	—	11,362
9	Other wholesale funding		47,988	253	8,509	21,164
10	Interdependent liabilities		—	—	—	—
11	Other liabilities:	—	24,750	—	—	—
12	NSFR derivative liabilities	—				
13	All other liabilities and capital instruments not included in the above categories		24,750	—	—	—
14	Total available stable funding (ASF)					56,628
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					1,597
EU-15a	Assets encumbered for more than 12m in cover pool		—	—	—	—
16	Deposits held at other financial institutions for operational purposes		59	—	—	29
17	Performing loans and securities:		26,875	3,261	18,487	27,302
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		10,772	20	489	5,097
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		7,276	2,036	4,886	6,599
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		7,481	1,063	11,008	13,611
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		17	—	89	67
22	Performing residential mortgages, of which:		—	—	1,408	1,197
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		1,346	141	696	797
25	Interdependent assets		—	—	—	—
26	Other assets:	0	20,297	5	3,005	5,063
27	Physical traded commodities					
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		870	—	417	1,094
29	NSFR derivative assets		913	—	—	913
30	NSFR derivative liabilities before deduction of variation margin posted		5,565	—	—	278
31	All other assets not included in the above categories		12,949	5	2,587	2,778
32	Off-balance sheet items		8,764	10,307	32,363	2,488
33	Total RSF					36,479
34	Net Stable Funding Ratio (%)					155.23 %

31 March 2024

€ million		Unweighted value by residual maturity				Weighted value
		Available stable funding (ASF) Items	No maturity	< 6 months	6 months to < 1yr	
1	Capital items and instruments	17,742	—	—	—	17,742
2	Own funds	17,742	—	—	—	17,742
3	Other capital instruments		—	—	—	—
4	Retail deposits		6,654	32	—	6,095
5	Stable deposits		1,543	—	—	1,466
6	Less stable deposits		5,111	32	—	4,629
7	Wholesale funding:		68,057	155	7,968	30,941
8	Operational deposits		22,903	—	—	11,452
9	Other wholesale funding		45,154	155	7,968	19,489
10	Interdependent liabilities		—	—	—	—
11	Other liabilities:	—	23,843	—	—	—
12	NSFR derivative liabilities	—				
13	All other liabilities and capital instruments not included in the above categories		23,843	—	—	—
14	Total available stable funding (ASF)					54,778
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					1,806
EU-15a	Assets encumbered for more than 12m in cover pool		—	—	—	—
16	Deposits held at other financial institutions for operational purposes		126	—	—	63
17	Performing loans and securities:		29,968	1,023	15,741	24,566
18	Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut		11,960	—	455	5,884
19	Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions		9,173	56	3,337	4,263
20	Performing loans to non-financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:		7,250	939	10,469	12,987
21	With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk		54	—	31	48
22	Performing residential mortgages, of which:		—	—	849	722
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		1,585	28	632	710
25	Interdependent assets		—	—	—	—
26	Other assets:	0	21,000	2	2,828	5,166
27	Physical traded commodities					
28	Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs		1,055	—	424	1,258
29	NSFR derivative assets		1,057	—	—	1,057
30	NSFR derivative liabilities before deduction of variation margin posted		4,741	—	—	237
31	All other assets not included in the above categories		14,147	2	2,403	2,614
32	Off-balance sheet items		9,573	10,241	30,645	2,429
33	Total RSF					34,030
34	Net Stable Funding Ratio (%)					160.97 %

Asset Encumbrance

Assets or collateral are considered encumbered when they have been pledged or used to secure, collateralize or credit enhance a transaction which impacts their transferability and free use.

As at 31 December 2024, for CEP, €22 billion of assets were reported as encumbered; in addition, €22.1 billion collateral received (debt securities) were encumbered. The assets available on the CEP IFRS balance sheet were €145.8 billion with a further €12.5 billion of collateral received. The asset encumbrance ratio for the December 2024 was 21.8%. The increase compared to 2023 year-end level of encumbrance is primarily explained by the ramp-up of

European Government Bonds related secured finance trading activity.

Items which have been reported as encumbered are listed below:

- Pledges for intraday liquidity requirements;
- Collateral posted as variation margin and initial margin for derivatives transactions;
- Amounts placed with the Central Bank, which are part of the minimum or required reserves has been assigned as encumbered;
- Cash placed with clearing houses; and,
- Collateral pledged in repurchase agreements.

Table 49: EU AE1 - Encumbered and unencumbered assets

The values shown in this table represent the values as of 2024 year-end for CEP consolidated.

€ million	Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
		of which notionally eligible EHQLA and HQLA		of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA		of which EHQLA and HQLA
10 Assets of the reporting institution	17,081	12,098			140,009	43,503		
30 Equity instruments	—	—	—	—	217	—	217	—
40 Debt securities	10,429	10,418	10,429	10,418	17,315	11,887	17,315	11,887
50 Of which: covered bonds	—	—	—	—	—	—	—	—
60 Of which: securitisations	—	—	—	—	15	—	15	—
70 Of which: issued by general governments	10,387	10,387	10,387	10,387	11,764	7,747	11,764	7,747
80 Of which: issued by financial corporations	68	68	68	68	3,816	1,215	3,816	1,215
90 Of which: issued by non-financial corporations	1	—	1	—	22	—	22	—
120 Other assets	7,109	1,846			123,138	32,848		

Table 50: EU AE2 - Collateral received and own debt securities issued

€ million	Fair value of encumbered collateral received or own debt securities issued	Unencumbered	
		Fair value of collateral received or own debt securities issued available for encumbrance	of which EHQLA and HQLA
130 Collateral received by the reporting institution	16,139	13,989	5,853
140 Loans on demand	—	—	—
150 Equity instruments	—	—	—
160 Debt securities	16,139	13,989	5,853
170 of which: covered bonds	2,173	—	—
180 of which: securitisations	—	—	—
190 of which: issued by general governments	12,965	12,930	5,171
200 of which: issued by financial corporations	3,167	1,035	376
210 of which: issued by non-financial corporations	10	—	—
220 Loans and advances other than loans on demand	—	—	—
230 Other collateral received	—	—	—
240 Own debt securities issued other than own covered bonds or securitisations	—	—	—
241 Own covered bonds and asset-backed securities issued and not yet pledged	—	—	—
250 TOTAL ASSETS, COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	33,008	26,088	

Table 51: EU AE3 - Sources of encumbrance

€ million	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
10 Carrying amount of selected financial liabilities	7,340	7,909

Operational Risk

Operational Risk Overview

Operational risk is defined as the risk of loss resulting from inadequate or failed internal processes, people, and systems or from external events. This definition of operational risk includes legal risk - which is the risk of loss (including litigation costs, settlements, and regulatory fines) resulting from the failure of the bank to comply with laws, regulations, prudent ethical standards, and contractual obligations in any aspect of the bank's business - but excludes strategic and reputation risks. CEP also recognises the impact of Operational Risk on the reputation risk associated with CEP's business activities.

Operational Risk Management (ORM), operating within the second line of defence, proactively assists the businesses, operations, technology and other functions in enhancing the effectiveness of controls and managing operational risks across products, business lines and regions. Furthermore, operational risks are considered as new products and business activities are developed and processes are designed, modified or sourced through alternative means. The objective is to keep operational risk at appropriate levels relative to the characteristics of CEP businesses, the markets in which it operates, its capital and liquidity, and the competitive, economic and regulatory environment.

Operational Risk Governance and Reporting

CEP manages operational risk on a day-to-day basis through the lines of defence approach. Business and functions form the first line of defence in CEP and own the responsibility for managing operational risks and controls in their area.

Responsibility for oversight and challenge of these risks sits with Independent Risk Management (second line of defence) led by the CRO. CEP's Head of Operational Risk reports to the CEP CRO. The Operational Risk Management function reports to the Head of Operational Risk and is responsible for overseeing and challenging the effectiveness of controls and management of operational risk in CEP.

CEP's Internal Audit function (third line of defence) independently reviews the activities of the first two lines of defence.

Additionally, CEP has units tasked with maintaining a strong control environment (support functions).

The CEP Board has the ultimate responsibility for ensuring that there is an appropriate operational risk management framework in place. Operational risk governance is provided by the Board, BRC, BAC, ExCo, RMC and the BRCC.

The Board is also responsible for articulating CEP's risk appetite for operational risk.

CEP's operational risk governance is supported by CEP specific governance structures, operational risk frameworks, resources and processes. The Board approves the strategy and the outcome of the Risk Inventory Identification and Assessment and sets the overall level of operational risk appetite in pursuit of the strategy. The Board reviews and approves the overall approach to operational risk governance as set out in the CEP's Operational Risk Management Framework.

The CEP BRCC monitors operational risks and trends. Enhancements in good governance are monitored on an ongoing basis via interaction with peer institutions, reviewing emerging guidance from regulators and supervisory bodies and reviewing CEP developments. Management also remediates gaps in desired risk management standards, identified either internally or externally.

Operational risk limits for CEP are governed by CEP's Risk Appetite Framework. The CEP BRCC is responsible for reviewing and monitoring CEP's operational risk profile, material operational risks, significant events and new and emerging risks while promoting a culture of risk awareness and high standards of culture and conduct across CEP.

CEP Risk Management monitors the Operational risk profile on an ongoing basis and ensures detailed reports are sent to the BRCC and the BRC/Board on the Operational risk profile which also outline adherence to agreed limits.

Operational Risk Management

Citi maintains a system of policies to anticipate, mitigate and control operational risk. Furthermore, CEP has established an Operational Risk Management Framework to monitor, assess and communicate operational risk and the overall effectiveness of the internal control environment. This framework is consistent with Citi's Lines of Defence approach to risk management.

The CEP ORM Framework establishes minimum standards for consistent identification, measurement, monitoring, reporting, and management of operational risk across CEP. Operational risk management proactively assists the businesses, operations, technology and other functions in enhancing the effectiveness of controls and managing operational risks. This is achieved through the application of various components of the Operational Risk Management Framework:

- Annual Risk Assessment in respect of internal controls within the entity;
- Capture of Operational Risk Event Data to support stress loss and capital modelling and management;
- Formal Assurance Programme in respect of the design and operating effectiveness of CEP's key internal controls and systems deployed across the business;
- Issue/Corrective Action Plans in respect of control effectiveness;
- CEP Manager's Control Assessment (MCA), a key component of the Business Environment and Internal Control Factors (BEICFs) required under Basel Capital Standards; and,
- Operational Risk Scenario Analysis to identify and quantify tail and emerging operational risks.

The process established by the ORM Framework is expected to lead to effective anticipation and mitigation of operational risk and improved operational risk loss experience and includes the following steps:

- Identify and assess Key Operational Risks;
- Design controls to mitigate identified risks;
- Establish Key Risk Indicators (KRIs);
- Implement a process for early problem recognition and timely escalation; and,
- Produce comprehensive operational risk reporting.

Operational Risk Measurement

Operational Risk Regulatory Capital Requirement

Operational risk is measured and assessed through the ICAAP process to determine whether any additional capital is required over and above the levels resulting from the Standardised Approach to calculating regulatory operational risk capital.

Table 52: EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

Banking activities	Relevant indicator			Own funds requirements € million	Risk exposure amount € million
	Year -3	Year -2	Last year		
	€ million	€ million	€ million		
1 Banking activities subject to basic indicator approach (BIA)	—	—	—	—	—
2 Banking activities subject to standardised (TSA) / alternative standardised (ASA) approaches	2,885	4,146	5,247	695	8,681
3 Subject to TSA:	2,885	4,146	5,247		
4 Subject to ASA:	—	—	—		
5 Banking activities subject to advanced measurement approaches AMA	—	—	—	—	—

Operational Risk RWEA increased by €2.5 billion due to steady increase in revenue for the Company, and this also being the first full year when CEP's share of BHW's revenues were included in the Operational Risk capital requirements calculation.

Operational Risk Mitigation

In addition to the robust suite of operational risk frameworks, policies and processes as outlined above, CEP also mitigates exposure to some potential operational risk losses through appropriate insurance arrangements e.g. building insurance for physical damage events.

Environmental, Social and Governance Risk (ESG)

Environmental risk

Business strategy and processes

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

For CEP, sustainability includes integrating relevant commitments and priorities into its business strategy consistent with Citi's policies. CEP is contributing to Citi's commitment to achieve net zero emissions associated with financing activities by 2050, net zero emissions for our operations by 2030, and is also contributing to Citi's goal to reach \$1 trillion in sustainable finance by 2030.

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

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

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

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

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

CEP measures and monitors a range of key performance indicators (KPIs) and metrics and continues to evolve the process in line with its ESG strategy, data availability, industry practice and regulatory developments. CEP reports these metrics at legal entity and business line levels where appropriate. CEP's management KPIs are currently focussed on climate and environmental risk in line with the risk materiality assessment. Management is expected to monitor the development of these metrics and report on the progress of trends periodically and take action where required. Bank Handlowy (or BHW) identifies environmental, social and governance matters as important from the point of view of both risk management and developing its client business. At the same time,

Bank Handlowy is taking steps to further integrate ESG topics within its operations.

Bank Handlowy identifies and manages environmental and social matters in its business model through the implementation of its Sustainable Strategy, which forms an integral part of BHW's 2022-2024 business strategy. Its principal objective in the area of sustainable development is to provide clients with financial services that facilitate their economic development while taking into account environmental and social factors. BHW supports its customers, sustainable business transformation, and incorporates environmental and social factors in the decision-making processes. To that end, Bank Handlowy identifies climate risk (including physical and transition risk) as material, and has mapped associated risk factors to specific industries and credit exposures, creating an industry heatmap. The industry heatmap is reviewed on a regular basis (at least annually) to reflect changes in, for example, the regulatory environment, macroeconomic or societal trends. Moreover, an individual assessment is performed with respect to social and governance risk. The governance risk assessment entails management practices, including the quality of governance structures, employee relations, employee compensation policies and tax compliance.

In addition, Bank Handlowy's strategic objective is to reduce its Scope 1 and 2 emissions (2019 base year). Bank Handlowy aims to increase the share of electricity generated from renewable energy.

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

CEP contributes towards Citi's sustainability targets. This includes Citi's commitment to achieve net zero emissions associated with financing activities by 2050, net zero emissions for own operations by 2030, and Citi's goal to reach \$1 trillion in sustainable finance by 2030. CEP does not have any sustainability targets at a legal entity level.

With respect to Citi's goal of achieving net zero emissions associated with its financing by 2050, Citi has set sector-specific interim targets for each of the in-scope lending portfolios include Aluminium, Auto Manufacturing, Aviation, Cement, Commercial Real Estate (in North America), Energy, Power, Shipping, Steel and Thermal Coal Mining.

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

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

These levers support Citi's net zero operational emissions commitment. While CEP has not set a GHG emissions reduction target for its own operations at a legal entity level, it contributes to Citi's goals.

CEP's sustainable finance products and services such as Sustainability-Linked Loans and Sustainable Supply Chain Finance are available to clients. These products can contribute to Citi's \$1 Trillion Sustainable Finance Goal, and through these CEP supports Citi's target through its actions around sustainable finance products and services. CEP has not set a sustainable finance target for its own portfolio.

As described in [section j](#)), Environmental risk is considered within the Risk Identification process. The Risk Identification process

informs the Risk Management process as a part of Risk Management Framework and feeds into CEP's strategic planning. As part of this, CEP sets business limits, which include limits with respect to Environmental risk. CEP's strategy is also monitored through KPIs, which includes an Environmental risk related KPI that is reported at business level where appropriate. Furthermore, as described in [section m](#), CEP includes Environmental risk as a part of its ESG Credit Assessment Procedure which informs its lending decision making.

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

In its Sustainable Strategy, Bank Handlowy has defined quantitative goals:

- PLN 1 billion of financing to support low emission customer transformation based on its own sustainable finance framework;
- Reduction of own greenhouse gas emissions (Scope 1 and Scope 2) by at least 50% (base year 2019);
- Electricity consumption reduction by at least 40% (base year 2012).

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, a goal which CEP contributes to. The goal includes environmental and/or social use of proceeds finance, general corporate finance for sustainable activities and sustainability-linked financing as set out in [section b](#)). As noted previously, CEP as a subsidiary of Citi, has not set any separate targets, including any specific target in relation to EU Taxonomy alignment.

Bank Handlowy is part of the above sustainable finance goal. Additionally, in order to identify, classify and monitor sustainable financing including Taxonomy – aligned assets, Bank Handlowy adopted a sustainable finance framework (Sustainable Products Classification Framework in the Capital Group of Bank Handlowy w Warszawie S.A.) which is aligned with Citi's approach (i.e. based on common environmental criteria).

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

For this Pillar 3 disclosure, these disclosures are only required for the first two environmental objectives (climate change mitigation and climate change adaptation).

The KPI for CEP as a credit institution for on-balance sheet exposures is the green asset ratio (GAR). The GAR shows the proportion of credit institutions' assets financing and investments in Taxonomy-aligned economic activities as a proportion of total covered assets. Total covered assets (the GAR denominator) exclude exposures to central governments, central banks and supranational issuers and the trading book. The scope of assets included in the numerator of the GAR is: loans and advances, debt securities, equity instruments associated with NFRD/CSRD counterparties, and exposures to households, and repossessed real estate collateral.

For CEP, the GAR calculated based on turnover is 0.8% for the financial year ended 31 December 2024. Please refer to quantitative templates 6-8 for detailed disclosures under the EU Taxonomy, as required in this Pillar 3 disclosure.

CEP has presented these EU Taxonomy disclosures based on its understanding of the EU Taxonomy and its implementing acts. We also note that the EU Commission is due to review Delegated Regulation 2021/2178, including the methodology of the GAR. As the EU Taxonomy reporting requirements and guidance evolve, CEP will continue to review this disclosure in future periods.

The EU Taxonomy disclosures have been prepared on a 'best efforts' basis using the latest available information from third-party data providers at the end of December 2024, supplemented with corporate disclosures and published financial reports of counterparties, where relevant.

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 and Bank Handlowy have implemented both the relevant exclusion criteria and counterparty level assessment as a part of the underwriting process. Any new transaction (that meets or exceeds certain financing thresholds) with a known use of proceeds directed to a specific physical project, asset, or activity that may have real or perceived environmental or social risks, requires assessment of the client's ability to manage the relevant risks. Under the ESRM Policy, Citi has outlined sector specific requirements for a number of sectors, including Thermal Coal Mining, Coal-Fired Power, Mining, Oil & Gas, and certain Agribusiness industries. The policy is updated periodically and a summary is publicly available.

In addition, to help with understanding of the climate-related risk profiles of the individual corporate clients in certain sectors, Citi created a tool called the Climate Risk Assessment & Scorecard (CRAS). Further details have been outlined in the Risk Management section, refer to [section j](#)).

Governance

- e) Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of environmental risk management covering relevant transmission channels.**
- f) Management body's integration of short-, medium- and long-term effects of environmental factors and risks, organisational structure both within business lines and internal control functions.**
- g) Integration of measures to manage environmental factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body covering relevant transmission channels.**
- h) Lines of reporting and frequency of reporting relating to environmental risk.**
- i) Alignment of the remuneration policy with institution's environmental risk-related objectives.**

Roles and Responsibilities of Management Body

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

In order to meet regulatory, client and other stakeholder requirements as well as to mitigate and manage C&E risks, CEP continues to integrate environmental risk considerations into its relevant products and operations as needed. In addition, to progress its broader ESG priorities and contribute to Citi's sustainability commitments, while appropriately mitigating and managing identified risks and their impact, CEP aims to monitor KPIs per ESG risk categories: Environmental, Social, and Governance. This will facilitate CEP's effective monitoring and progress towards Citi's sustainability goals and its contribution to commitments made.

Board of Directors (the Board)

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

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

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

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

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

Executive Committee

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

Risk Management Committee

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

ESG Steering Group

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

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

Although CEP contributes to Citi's sustainability goals, CEP's Board of Directors and ExCo do not oversee the setting or progress of Citi's targets.

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

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

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

Bank Handlowy's Chief Executive Officer (CEO) is directly responsible for overseeing the definition and implementation of BHW's sustainability strategy, while the Vice President in charge of the Risk Management Sector (Chief Risk Officer, CRO) is responsible for managing ESG risks and implementing regulatory requirements related to the management of these risks.

In addition, Bank Handlowy launched an entity-wide ESG key project with the goal to meet the requirements of EBA regarding

ESG risk management (“EBA Report on Management and Supervision of ESG risks for credit institutions and investment firms”) and prepare for CSRD reporting. The project is divided into 4 pillars: strategy, governance, risk management and non-financial disclosure, with each pillar having its own project manager. The project is supervised directly by Bank Handlowy’s CEO, with the Steering Committee consisting of representatives of Bank Handlowy’s Management Board.

To oversee the classification of financing as sustainable, Bank Handlowy has established a dedicated Sustainable Development Product Commission. It is supervised by the Risk and Capital Management Committee.

The risk management system used in Bank Handlowy, which is based on the shared responsibility concept, is arranged on three independent levels (called “three lines of defense”):

- Line 1, i.e. organisational units responsible for the activity which results in taking risks and responsible for risk management in Bank Handlowy’s operational activity, as well as for risk identification and reporting to the second-line units,
- Line 2, i.e. risk management at organizational units, regardless of the first-line risk management, and the activity of the compliance unit – units or persons responsible for setting risk management standards in identifying, measuring or assessing, limiting, controlling, monitoring and reporting and for supervising control mechanisms applied by other organizational units of Bank Handlowy to mitigate risk – organizational units of the Risk Management Sector, Compliance Department, Finance Management Sector, Legal Division, Human Resources Division;
- Line 3, i.e. Internal Audit units which ensure independent assessment of both risk management processes and internal control system.

Bank Handlowy’s approach to risk management is set out by the Principles of Prudent and Stable Risk Management in the Capital Group of Bank Handlowy w Warszawie S.A., which consists of 4 pillars. One of the pillar relates to Governance, that is the risk management structure, the division of roles and responsibilities to ensure effective risk management at Bank Handlowy, and the relevant policies and procedures that detail the Principles, taking into account the roles and responsibilities of employees in the three lines of defense with respect to each risk category.

In 2024, Bank Handlowy developed the document “ESG Risk Management Framework”, which: i) describes the key elements of the organizational structure and processes used by Bank Handlowy to identify, measure, monitor, control and report ESG risk; ii) clarifies the roles and responsibilities in the area of ESG risk management across the three Lines of Defense.

Alignment to Remuneration Policy

Environmental, Social, and Governance (ESG) considerations are an essential part of Citi’s firm-wide strategy and integrated into business and long-term priorities. ESG metrics are reflected in certain goals across Citi globally, and these are cascaded to selected individuals.

At Bank Handlowy, the remuneration policy is carefully formulated so that it is in line with Bank Handlowy’s risk management strategy and reflects its risk appetite – according to which the risk of ESG is or becoming an important risk factor. The risk of ESG is integrated with Bank Handlowy’s approach to risk management in the same way as other types of risk. Pools for variable remuneration are determined on the basis of financial results of Bank Handlowy corrected by financial and non-financial risk to reduce the potential incentives of employees to take excessive risk.

Risk management

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

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

They may present a combined effect and both risks may reinforce each other. It is important to underline that not all environmental degradation originates from climate change, therefore a proper definitions distinction is required. Both risks shall be assessed separately, and the combined effect evaluated individually.

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

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

CEP considers C&E risk as a crosscutting risk which can manifest through or amplify existing risks within CEP’s risk taxonomy. These impacts may be from either physical- or transition-related climate and environmental drivers and may vary depending on the time horizon. CEP defines transmission channels that are the causal chains that explain how C&E risk drivers may materialise directly or indirectly as sources of financial or non-financial risk to CEP. For details on the transmission channels for C&E risk refer to [section r](#).

CEP continues to consider and integrate C&E matters into CEP’s overarching risk management framework and processes in line with Citi’s approach. Over the past year, Citi continued to develop tools to assess climate risk and other environmental risks and engage Citi clients with respect to climate risk and transition plans. Citi has also continued building risk identification, management, and scenario analysis capabilities.

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

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

Strategic Plan, CEP Risk Appetite Statement and ICAAP/ILAAP processes.

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

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

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

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

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

Table 53: RIAP Q4 2024 Result for the materiality assessment across all time horizons.

LO Risk	Climate/ Environmental risk type	Climate Risk			Environmental Risk		
		Short Term (0 - 3 Years)	Medium Term (3 - 5 Years)	Long Term (>5 Years)	Short Term (0 - 3 Years)	Medium Term (3 - 5 Years)	Long Term (>5 Years)
Credit Risk	Transition	Material	Material	Material	Non-material	Material ^{1, 2}	Material
	Physical	Non-material	Material	Material	Non-material	Material ^{1, 2}	Material
Market Risk	Transition	Non-material	Non-material	Non-material	Non-material	Non-material	Non-material
	Physical	Non-material	Non-material	Non-material	Non-material	Non-material	Non-material
Liquidity Risk	Transition	Material	Material	Material	Non-material	Non-material	Non-material
	Physical	Non-material	Non-material	Non-material	Non-material	Non-material	Non-material
Operational Risk	Transition	Non-material	Non-material	Non-material	Non-material	Non-material	Non-material
	Physical	Non-material	Material	Material	Non-material	Non-material	Non-material
Reputational Risk	Transition	Material	Material	Material	Non-material	Material ^{1, 3}	Material
	Physical	Material	Material	Material	Non-material	Material ^{1, 3}	Material
Strategic Risk	Transition	Material	Material	Material	Non-material	Material ^{1, 4}	Material
	Physical	Non-material	Non-material	Non-material	Non-material	Non-material	Non-material
Compliance Risk	Transition	Material	Material	Material	Material	Material	Material
	Physical	Non-material	Non-material	Non-material	Non-material	Non-material	Non-material

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

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

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

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

CEP's Board approved Risk Appetite Statement (RAS) contains statements and levels across all material risks, and a suite of supporting metrics to support the Board in monitoring adherence to its risk appetite. Climate-related and environmental risks were

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

The materiality assessment is based on the results of qualitative and quantitative metrics as applicable in case of a particular risk stripe. The latest RIAP was completed in Q4 2024 and the results are given under Table 53.

'Moderate' climate vulnerable industries as a % of CEP's total Credit risk exposure. Furthermore, a number of key risk indicators (KRI's) are measured quarterly as part of the Non-Financial Risk Appetite process. A RAS limit of 50% was approved with the escalation trigger of 45% to allow monitoring of the exposure while the climate risk related tools for credit risk are being rolled out.

In addition, several existing indicators for operational risk, strategic risk, reputational risk, and compliance risk have been linked to climate risk transmission channels in line with the Risk ID results. 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.

Citi also has a proactive approach towards capability enhancements including to risk identification to inform more tailored scenario narratives, accelerating internal modelling efforts which aim to decrease vendor dependency and establishes a centralized data architecture to support overlapping climate data needs across Citi.

Bank Handlowy developed tools in order to manage environment risks e.g. including conducting stress tests for credit exposures (sensitivity analysis) and compliance risk (operational risk scenario analysis) or creating an industry climate risk heatmap. The climate risk rating heatmap table includes the assessment of physical and transition risks for each industry. For physical risk, the risk heatmap was based on an assessment of the impact of extreme weather events or permanent changes in climate conditions on companies operating in a particular industry. For transition risk, the assessment was based on an evaluation of the extent to which industries are exposed to regulatory, technological and/or market changes in the short to medium time horizon. The Climate Risk Rating is assigned to a client based on a combination of Transition and Physical ratings. The Industry Climate Risk Ratings are reviewed on a regular basis (at least annually) to reflect changes in, for example, the regulatory environment, macroeconomic trends or social expectations.

As part of the Internal Capital Adequacy Assessment Process (ICAAP), Bank Handlowy performs annually a detailed analysis and assessment of the industry structure of Bank Handlowy's portfolio, including the degree of utilization of concentration limits. As part of the ICAAP, Bank Handlowy performed a dedicated analysis of climate risk. The analysis is based on an assessment of the impact of this risk on the potential deterioration of clients' ratings in industries with heightened climate risk. The results of these stress tests showed the resilience of Bank Handlowy's portfolio to climate factors. Bank Handlowy assessed the materiality of climate risk and included it in Bank Handlowy's risk taxonomy and risk appetite. As a complementary measure to its risk appetite, Bank Handlowy has set a limit for exposures with negative environmental and social impacts.

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

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

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

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

- Green Bond Principles
- Partnership for Carbon Accounting Financials (PCAF)
- Principles for Responsible Banking
- Poseidon Principles

- United Nations Environment Programme Finance Initiative (UNEP FI)
- United Nations Global Compact

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

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

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

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

Currently, Citi has committed not to finance any new coal-fired power plants or expansions of existing plants globally. The ESRM Policy sector specific requirements on thermal coal mining also includes a commitment to eliminate our credit exposure to clients with greater than 25% revenues from thermal coal mining by 2030

and restrict financing for clients with coal-fired power generation by 2030 for clients in OECD countries and 2040 for clients in non-OECD countries in alignment with the goals of the Paris Agreement.

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

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

Bank Handlowy aims to facilitate transactions which consider the impacts of environmental and social risk. Based on the assessment of the impact of the client's activities on the environment and of the type of financing, collateral used by the client, standards and compliance with industry or legal and regulatory requirements, an appropriate risk category is assigned. For BHW, the Credit Assessment is regulated in the Commercial Banking and Corporate Banking Credit Procedures.

Citi has a goal of achieving net zero emissions associated with financing activities by 2050, and net zero emissions for operations by 2030. Citi's climate risk and net zero work relate to and reinforce one another, relying on common data elements to help drive our understanding and progress in both. Citi's climate risk work focuses on the identification, measurement and management of key risks arising from climate change, while our net zero work focuses on Citi's impacts on the climate, striving toward our 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 and BHW have a range of tools for the purposes of identification and management of environmental risks which are further detailed in sections [h\) & 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, the impact of which on capital and liquidity is included in CEP's ICAAP and ILAAP. Particularly as they pertain to risk identification, scenario design, data access and quality, modeling, reporting, use of results and overall governance. Assumptions regarding reference scenario selection, time horizons, geographical granularity, sectoral differentiation, scenario plausibility and severity are also included.

CEP uses climate risk scenario analysis, including stress testing, to assess the potential impact of climate-related risk drivers on CEP's risk profile across plausible climate-related pathways. Considering the limitations of historical benchmarks, climate scenario analysis requires the adoption of emergent methodologies that may be extended through prudent application of expert judgment and qualitative approaches.

CEP's climate risk scenario was developed to stress its exposure to a rapid change in climate policy and transition to a net zero economy. The scenario is based on the NGFS global climate scenarios. The NGFS scenarios evaluate climate-related transition risks, focusing on pathways consistent with limiting global warming to 1.5 degrees Celsius. In line with other risk types, scenario analyses are conducted to capture the specific vulnerabilities of the institution informed by the climate-related and environmental risk materiality assessment. For credit exposures, CEP uses a climate specific model to stress the impact of the transition to a low carbon economy and to understand the impact of physical climate risk scenarios, such as heat and water stress, and flooding in various obligors within CEP's portfolio.

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

Operational Risk plays a key role in the data, execution, and aggregation components in the development of CEP's climate stress testing abilities. CEP has incorporated a climate physical scenario in its operational risk stress testing in the ICAAP exercise. This results in incremental stress scenario losses included in the overall ICAAP results

The impact of the single climate risk scenario on capital adequacy manifests in increased capital depletion from the aggregated impact of climate risks on Credit Risk, Market Risk (Price Risk & CVA) and Counterparty Credit Risk and Net Income. The scenario is supplemented by an idiosyncratic physical risk scenario. The results of both scenarios are incorporated into the quantitative assessment of the CEP's capital adequacy under the ICAAP Normative Perspective.

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

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

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

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

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

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

Taxonomy. CEP has outlined specific data limitations in respect of Tables 54 -61 prior to each disclosure.

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

Data scarcity is also a challenge for Bank Handlowy to conduct an effective assessment of environmental risk of our clients. Bank Handlowy improves the ESG data availability through participation in cross banking initiatives e.g. ESG Platform prepared by Credit Information Bureau.

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

For details on the risk limits in place to manage C&E risk refer to [section j\).](#)

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

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

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

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

For CEP the identification and assessment of C&E risk is a part of day-to-day risk management and incorporates current and forward-looking views. BHW aims to further integrate the management of C&E risk into their standard risk management processes and programs.

Social risk

Business strategy and processes

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

Social risk as defined by Art 449a guidance relates to those social risk approaches undertaken by the institution's counterparties which the remainder of this section of the document articulates. In addition, CEP has a number of processes related to the management of its own social risks including in relation to employees which can be found in the Sustainability Statement included as part of the Directors' Report within CEP's Annual Report and Financial Statements for the year ended 31 December 2024. For

CEP and Bank Handlowy, social risks such as labour relations may create financial or reputational risks for counterparties, which may then become a credit or reputational risk for banks. Social factors such as security, social inequity, health, education and migration can be a driver of macroeconomic factors which may affect the business environment of our counterparties.

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

Social responsibility is also considered in Citi's goal of achieving net zero emissions by 2050, since the transition to a low carbon economy may have social impacts such as the need to ensure energy access, changes to job and skills needs and changes in consumer preferences. We recognize that while there is an imperative for a transition to a low-carbon economy, we must be mindful that countries are at different stages of development with different energy and social needs.

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

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

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

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

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

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

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

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

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

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

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

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

The Citi Requirements for Suppliers document detail some of the obligations that Suppliers must meet while doing business with Citi.

Governance

- d) Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of social risk management covering counterparties' approaches to:**
- i) Activities towards the community and society**
 - ii) Employee relationships and labour standards**
 - iii) Customer protection and product responsibility**
 - iv) Human rights**
- e) Integration of measures to manage social factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body**
- f) Lines of reporting and frequency of reporting relating to social risk**
- g) Alignment of the remuneration policy in line with institution's social risk-related objectives**

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

Implementation of the ESRM Policy is a shared responsibility across Citi. The first line of defence, including bankers and/or risk managers are responsible for identifying transactions and clients subject to the ESRM Policy, and when required, contacting the ESRM team for review. Citi has a specialized team of subject matter

experts responsible for reviewing transactions and client relationships subject to the ESRM Policy when referred by the 1st line of defence business units. In the course of their credit review, the relevant ESRM team member independently determines whether the ESRM process requirements have been fulfilled in consultation with bankers and the ESRM unit. Citi's ESRM team may further escalate human rights risks identified to relevant reputation risk forums.

The Citi Board of Directors has ultimate oversight of our work to identify, assess and integrate environmental and social-related risks and opportunities throughout Citi, including our climate-related work Talent Management efforts. The Nomination, Governance and Public Affairs Committee receives reports from management on our activities pertaining to environmental sustainability, climate change, human rights and other environmental and social issues, as well as our strategy for engagement with external stakeholders. The Audit Committee has oversight over the controls and procedures related to Citi group-level ESG and climate-related reporting. The Risk Management Committee of the Board provides oversight of the Citi Risk Management Framework and risk culture and reviews our key risk policies and frameworks, including updates on climate-related topics. Bank Handlowy's approach to risk management is set out by the Principles of prudent and stable risk management in the Capital Group of Bank Handlowy w Warszawie S.A., which consists of 4 pillars: culture, governance structure, risk management and risk management programs.

Citi's commitments to human rights are disclosed in the [Statement on Human Rights](#). Bank Handlowy supports the defense and observance of human rights worldwide by adhering to the fundamental principles enshrined in the Universal Declaration of Human Rights of the United Nations, the Declaration on Fundamental Principles and Rights at Work of the International Labour Organization and the United Nations Guiding Principles on Business and Human Rights.

In addition, the ESG Key Project has been launched with clear priorities in the Risk Management Sector. Bank Handlowy is planning to enhance the management of social risks.

Alignment to Remuneration Policy

Environmental, Social, and Governance (ESG) considerations are an essential part of Citi's firm-wide strategy and integrated into business and long-term priorities. ESG metrics are reflected in certain goals across Citi globally, and these are cascaded to selected individuals.

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

BHW's remuneration approach is described in [section i\)](#) of the Environmental Risk section.

Risk management

- h) Definitions, methodologies and international standards on which the social risk management framework is based**
- i) Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to social risk, covering relevant transmission channels**

- j) **Activities, commitments and assets contributing to mitigate social risk**
- k) **Implementation of tools for identification and management of social risk**

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

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

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

Please refer to [Environmental and Social Policy Framework, section- Environmental and Social Risk Management \(ESRM\)](#) and Bank Handlowy's 2024 Sustainability Statement, included within its [Consolidated annual report](#), section 2.3.1 - Environmental and Social Risk Management Regulations for Corporate Banking Clients for additional details.

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

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

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

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

Areas of High Caution

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

Project-Induced Conflict Risk

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

Elevated Human Rights Risks

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

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

Indigenous Peoples

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

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

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

Large-scale Resettlement

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

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

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

Governance risk

Governance & Risk Management

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

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

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

- The Global Sanctions Program monitors and fosters awareness of applicable sanctions laws and regulations, assesses sanctions risk exposure, oversees the quality of sanctions control processes, and sets global policies/standards/processes to identify, measure, monitor, and manage sanctions risk. CEP also has an EU Trade Restrictive Measures ("TRM") ICRM function that monitors and fosters awareness of applicable EU TRM laws and regulations, assesses CEP's businesses exposure to EU TRM risk, and oversees the quality of TRM controls.
- CEP's AML Program is designed to protect both our clients and our franchise from the risks of money laundering, terrorist financing and other financial crimes.

- The Complex Investigation Unit (CIU) is uniquely positioned within Citi's Compliance function to tackle financial crime and provide a globally consistent approach to the prevention and detection of risk.
- The globally applicable Anti-Bribery and Corruption Policy provides guiding principles and requirements to identify and mitigate bribery risks. Given Citi's global presence, Citi regularly verifies that the AB&C Policy, standards, and procedures are consistent with relevant laws, rules, and regulations and reviews and updates the policy at least annually. The policy is designed to be in compliance with applicable laws and covers key aspects of bribery risk. For more information, see the [Citi Anti-Bribery & Corruption Program Statement](#), which is updated at least annually.

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

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

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

- Set, reinforce, and enhance Citi's risk culture;
- Integrate its values and conduct expectations into the organization; 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 is managed within the entity

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

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

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

The Group has a governance process for managing escalations. Citi's Escalation Policy, and the related Escalation Standard and

Procedure, define principles and criteria on matters for escalation (i.e., potential or actual matters or any other situations that may result in negative impacts to the Group such as business impairment, reputation damage, loss, or harm), including escalation of significant matters to the CEP BRCC (Business Risk and Control Committee), the CEP Audit Committee and the CEP Board of Directors, as applicable.

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

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

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

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

In connection to Bank Handlowy, the Polish Financial Supervision Authority (KNF) in a resolution 218/2014 of 22 July 2014 issued a document entitled "Principles of Corporate Governance for Supervised Institutions" ("Principles"), which came in force on 1 January 2015. The principles are a set of rules governing internal and external relations of institutions supervised by the KNF, including their relationships with shareholders and clients, their organization, the operation of internal oversight as well as of key internal systems and functions, and of corporate bodies and their cooperation. The purpose of the Principles is to enhance corporate governance in financial institutions and transparency of their operations, which is designed to promote public confidence in the Polish financial market. The text of the Principles is available on KNF website at: https://www.knf.gov.pl/knf/en/komponenty/img/principles_of_corporate_governance_39736.pdf

Bank Handlowy has adopted the Principles of Corporate Governance for Supervised Institutions by resolutions of the Management Board and the Supervisory Board. Bank Handlowy's Supervisory Board performs a cyclical annual independent assessment of the application of the Principles at Bank Handlowy.

The Code of Conduct for Employees of Bank Handlowy ("Ethics Code") was adopted by the Management Board of Bank Handlowy and approved by Bank Handlowy's Supervisory Board. It constitutes a set of best practices guaranteeing actions toward clients and co-workers that are ethical, compliant with the law and social coexistence principles, as well as Bank Handlowy values. Bank Handlowy requires all its employees to abide by the standards and values set out in the Code of Conduct. All BHW employees regardless of their position are obliged to follow ethics in their conduct, which means, among other things:

- seeing actual or potential problems of an ethical nature,
- being aware of the duty to report such problems and respond to them,
- elimination of factors which may discourage us from reporting problems of an ethical nature.

Each employee of Bank Handlowy is obliged to report immediately any unethical behaviour. The rules specifying methods of reporting violations of law, ethical standards and procedures applicable in Bank Handlowy, and also the procedure for their consideration are set out in the "Procedures in the event of violation of law, ethical standards and procedures in effect at Bank Handlowy w Warszawie S.A.". While the rules specifying how cases involving discrimination, mobbing, (sexual) harassment or any unequal treatment during employment other than discrimination are to be reported by employees of Bank Handlowy, candidates for work and former employees and the procedure for their examination are set out in the "Procedure for dealing with complaints filed by employees of Bank Handlowy (Employee Complaints)". Bank employees may anonymously notify any breaches of law, ethical standards as well as procedures in force in Bank Handlowy via the Board Member's Ethical Helpline. This is a special, independent and autonomous communication channel in the form of a separate, dedicated telephone line to a Member of the Management Board and postal address for correspondence. Anonymous reports are passed to the appropriate Member of the Management Board supervising the Risk Management Sector or Financial Markets and Corporate Banking Sector of (in the case of employees of the Brokerage Department of Bank Handlowy), by phone or mail via the Ethics Helpline: If a report concerns a Member of the Management Board, the report may be passed to the Supervisory Board by mail or via electronic channels.

Confidential Reports may be delivered directly to the following persons or business units:

- the direct superior or a higher-level superior,
- a Director of the Brokerage Department of Bank Handlowy or employees of the Supervision and Internal Control Unit – in the case of employees of the Brokerage Department of Bank Handlowy,
- an employee of the Compliance Division,
- a representative of the Human Resources Division,
- an employee of the Audit Department,
- an employee of the Legal Division if legal provisions have been infringed,
- a Member of the Management Board of Bank Handlowy supervising the Risk Management Sector or Financial Markets and Corporate Banking Sector of (in the case of employees of the Brokerage Department of Bank Handlowy).

Bank Handlowy also conducts an annual anonymous employee satisfaction survey called Voice of Employee (VoE). The results of the VoE survey are thoroughly analyzed and discussed among senior managers and top management. The analysis of the VoE results is used to design actions aimed at creating a work environment conducive to building employee engagement and satisfaction. The employee satisfaction results in the various categories reached in 2023 levels higher than a year ago. The key metrics such employee commitment and manager effectiveness indicators went up.

Development offerings for employees are delivered through multiple modalities. Its goal is to ensure that each employee can benefit from knowledge in a way that is most convenient for them. For this reason, a Bank Handlowy employee can take part in processes such as learning labs, training courses, sessions oriented on changing roles or places in the organization, internal knowledge sharing and networking conferences, coaching, mentoring or reverse mentoring processes. In addition, each employee has access to platforms such as Leadership Development Catalogue and Degreed.

- b) *Institution's accounting of the counterparty's highest governance body's role in non-financial reporting*
- c)- d) *Institution's integration in governance and risk management arrangements of the governance performance of their counterparties including:*
 - a) *Ethical considerations*
 - b) *Strategy and risk management*
 - c) *Inclusiveness*

- d) *Transparency*
- e) *Management of conflict of interest*
- f) *Internal communication on critical concerns*

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

Bank Handlowy's Sustainability Statement has been prepared for the purposes of CSRD, in line with the ESRs, by the Strategy and Investor Relations Department which is separate organizational unit of the Finance Management Sector and reports directly to the Chief Financial Officer of the Bank, who is also a Vice President of the Bank's Management Board. The process of preparation of report is covered by an internal control system and attested by the independent second party company. BHW's Sustainability Statement is accepted by the Management Board and the Supervisory Board.

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

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

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

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

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

At Bank Handlowy, the President of Management Board supervises the risk of non-compliance of Bank Handlowy with the respect to the law, internal regulations and market standards, supervises the HR Policy, is responsible for shaping Bank Handlowy's image, supervises legal services, the area of security at Bank Handlowy with respect to protection of persons and property and supervises the formulation and implementation of the strategy of Bank Handlowy.

In addition, Bank Handlowy has implemented a number of regulations that define binding ethical standards and operating procedures in case of violations. The most important regulations are:

- "Code of Conduct for Employees of Bank Handlowy w Warszawie S.A." (Code of Ethics),
- "Procedure for dealing with violations of law, ethical standards and procedures in effect at Bank Handlowy w Warszawie S.A.",
- "Diversity policy for employees of Bank Handlowy w Warszawie S.A.",
- "Policy of managing conflicts of interest at Bank Handlowy w Warszawie S.A.,
- "Ethical Business Practices of Bank Handlowy w Warszawie S.A."

Quantitative disclosures

Climate change transition risk

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

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

Template 1 provides information on the exposures that are more prone to the risks that institutions may face from the transition to a low-carbon and climate resilient economy. Information disclosed shows the gross carrying amount of the Group's loans and advances, debt securities and equity instruments to non-financial corporations, other than those held for trading towards non-financial corporates operating in carbon-related sectors, and on the quality of those exposures, including non-performing status, stage 2 classification, and related provisions as well as maturity buckets. Identification of companies excluded from EU Paris-aligned Benchmarks as specified in Article 12(1), points (d) to (g) and Article 12(2) of Delegated Regulation (EU) 2020/1818 was done on a best effort basis using available reported counterparty data.

The Group started disclosing information on scope 1, 2 and 3 emissions of their counterparties with first disclosure reference date as of 30 June 2024. Target setting for financed emissions will be evaluated in the next CEP strategic planning cycle in 2025.

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

Accounting Methodologies

Citi joined the Partnership for Carbon Accounting Financials (PCAF) in 2020 and, leveraging Citi resources and expertise, the Group calculates financed emissions using outstanding funds (the funds actually drawn down by a client on available credit), per the PCAF standard. Consistent with PCAF methodology, where financial information is available but the client does not disclose emissions, the Group uses a revenue emissions factor to estimate client emissions and attribute emissions as stated above. Where financial information is not available for clients, the Group has applied an industry average emissions intensity factor (as available through the PCAF emissions factor database) based on the client's primary industry classification, to the available financial information for the client. Currently, there is no single, global, cross-sector data provider that adequately and consistently covers the needed scope for data to analyse emissions and assess physical and transition risks across the Group's operations and portfolios. Instead, the Group 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.

Sector Scoping

PCAF asset classes and sectors for financed emissions calculations are prioritised based on a variety of factors, including carbon intensity, magnitude of financing, data availability, applicability to Citi's business model, and industry practices. The Group reports financed emissions from high-emitting sectors where Citi has set interim targets. High-emitting sectors have been defined with

reference to United Nations Environment Program Finance Initiative's Guidelines for Climate Target Setting for Banks. For other activities where Citi has not set targets, Citi has not included these sectors in financed emissions calculations. The calculations performed have been produced considering the guidelines outlined in PCAF. Citi's financed emissions calculations encompass the loan portfolio for the following carbon intensive sectors: Aluminium, Auto Manufacturing, Aviation, Cement, Commercial Real Estate (in North America), Energy, Power, Shipping, Steel, and Thermal Coal Mining. The Group does not have exposure to Commercial Real Estate (in North America) or Thermal Coal Mining, and accordingly does not have emissions calculated associated to these sectors. These sectors are based on Citi's internal definitions, and may not directly align with the sectors as disclosed below.

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

Emissions Data Lag

The quality and availability of climate-related data continues to be a significant challenge. At the time of the analysis disclosed in this report, the data available for calculating financed emissions and emissions intensity, as well as measuring progress was nearly two years old, given the availability of the data at the time. The Group data team is working with leading aggregation vendors of corporate disclosure on environmental metrics; however, the lag on reporting and collection remains difficult to address. Therefore, the Group currently faces a data mismatch — the Group is using 2023 financial data to represent its clients' financials, but is pairing that with 2022 emissions, to calculate emissions from the Group's 2024 Banking Book. The Group hopes that emissions data will continue to improve, and that the data lag will diminish as disclosure regimes evolve.

Estimation

PCAF has established a data quality hierarchy that Citi uses to score emissions estimates for all of the Group'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 the Group reports in its annual disclosures. Emissions data with a Score of 1 or 2 is considered to be primary data from suppliers, data with a Score 3 -5 is considered to not be primary data.

In the table below, gross carrying amount percentage of the portfolio derived from company-specific reporting (column k) represents portion of calculated financed emission derived from verified emissions from company reporting.

For further details on the Citi's Baseline Emissions and Sector Intensity Methodology please reference to the [2023 Citi Climate Report](#) and [2023 Citi Climate Report Supplement](#).

Table 54: ESG Template 1: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

December 31, 2024

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

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

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

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

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

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 CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
	Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures	Of which Scope 3 financed emissions									
1 Exposures towards sectors that highly contribute to climate change*	15,525	354	172	1,220	60	-62	-31	-20	2,616,323	1,190,838	8.82 %	14,736	263	527	—	1.0
2 A - Agriculture, forestry and fishing	37	—	—	3	—	—	—	—	—	—	— %	37	—	—	—	2.0
3 B - Mining and quarrying	338	—	—	3	—	—	—	—	329,914	312,081	33.14 %	338	—	—	—	—
4 B.05 - Mining of coal and lignite	—	—	—	—	—	—	—	—	—	—	— %	—	—	—	—	—
5 B.06 - Extraction of crude petroleum and natural gas	227	—	—	1	—	—	—	—	268,475	256,464	42.90 %	227	—	—	—	1.0
6 B.07 - Mining of metal ores	2	—	—	—	—	—	—	—	—	—	— %	2	—	—	—	—
7 B.08 - Other mining and quarrying	2	—	—	—	—	—	—	—	15	—	— %	2	—	—	—	—
8 B.09 - Mining support service activities	107	—	—	2	—	—	—	—	61,424	55,617	13.77 %	107	—	—	—	—
9 C - Manufacturing	8,364	207	129	592	27	-23	-12	-4	802,976	629,080	4.36 %	8,176	144	44	—	1.0
10 C.10 - Manufacture of food products	1,012	—	—	13	13	-2	—	-1	222	—	— %	998	14	—	—	1.0
11 C.11 - Manufacture of beverages	548	—	—	23	—	-1	-1	—	—	—	— %	548	—	—	—	—
12 C.12 - Manufacture of tobacco products	36	—	—	—	—	—	—	—	—	—	— %	36	—	—	—	—
13 C.13 - Manufacture of textiles	78	—	—	27	1	-1	—	—	—	—	— %	78	—	—	—	1.0
14 C.14 - Manufacture of wearing apparel	7	—	—	1	—	—	—	—	—	—	— %	7	—	—	—	1.0
15 C.15 - Manufacture of leather and related products	3	—	—	—	—	—	—	—	—	—	— %	3	—	—	—	—

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 CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting		Average weighted maturity			
	Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures			Of which Scope 3 financed emissions		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years			
16	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	48	—	—	6	—	—	—	—	2,991	1,034	0.56 %		22	26	—	—	4.0
17	C.17 - Manufacture of pulp, paper and paperboard	529	—	—	23	—	—	—	—	8	—	— %	528	1	—	—	—	
18	C.18 - Printing and service activities related to printing	60	—	—	—	—	—	—	—	—	—	— %	58	2	—	—	—	
19	C.19 - Manufacture of coke oven products	215	207	37	3	—	—	—	—	518,742	465,047	61.79 %	215	—	—	—	2.0	
20	C.20 - Production of chemicals	780	—	—	285	—	-5	-5	—	169	153	— %	751	29	—	—	1.0	
21	C.21 - Manufacture of pharmaceutical preparations	455	—	—	5	1	-1	—	—	—	—	— %	455	—	—	—	1.0	
22	C.22 - Manufacture of rubber products	137	—	1	42	2	—	—	—	976	—	— %	135	1	—	—	1.0	
23	C.23 - Manufacture of other non-metallic mineral products	288	—	—	—	—	—	—	—	81	1	— %	288	—	—	—	—	
24	C.24 - Manufacture of basic metals	257	—	37	12	—	—	—	—	76,776	14,349	41.86 %	249	8	—	—	1.0	
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	470	—	—	24	1	-2	-1	—	49,302	—	— %	457	13	—	—	2.0	
26	C.26 - Manufacture of computer, electronic and optical products	716	—	—	1	—	-1	—	—	2	—	0.01 %	716	—	—	—	1.0	
27	C.27 - Manufacture of electrical equipment	536	—	45	5	3	-2	—	-1	—	—	— %	536	—	—	—	1.0	

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 CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
	Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures	Of which Scope 3 financed emissions										
28	C.28 - Manufacture of machinery and equipment n.e.c.	896	—	1	52	7	-5	-2	-2	191	—	— %	869	28	—	—	1.0
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	706	—	8	7	—	-1	—	—	151,649	148,319	17.56 %	689	18	—	—	1.0
30	C.30 - Manufacture of other transport equipment	398	—	—	58	—	-1	-1	—	1,867	177	0.02 %	353	1	44	—	2.0
31	C.31 - Manufacture of furniture	18	—	—	3	—	—	—	—	—	—	— %	18	—	—	—	2.0
32	C.32 - Other manufacturing	140	—	—	2	—	—	—	—	—	—	— %	140	—	—	—	—
33	C.33 - Repair and installation of machinery and equipment	31	—	—	2	—	—	—	—	—	—	— %	29	2	—	—	1.0
34	D - Electricity, gas, steam and air conditioning supply	791	147	14	—	—	—	—	—	231,422	3,462	72.23 %	391	40	360	—	8.0
35	D35.1 - Electric power generation, transmission and distribution	701	147	—	—	—	—	—	—	175,317	5	69.06 %	301	40	360	—	9.0
36	D35.11 - Production of electricity	112	—	14	—	—	—	—	—	9,048	—	2.08 %	112	—	—	—	1.0
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	1	—	—	—	—	—	—	—	3,772	3,457	98.94 %	1	—	—	—	—
38	D35.3 - Steam and air conditioning supply	89	—	—	—	—	—	—	—	52,333	—	97.05 %	89	—	—	—	2.0
39	E - Water supply; sewerage, waste management and remediation activities	39	—	—	23	—	-3	-3	—	5,522	—	23.37 %	39	—	—	—	2.0
40	F - Construction	185	—	20	4	5	-2	—	-1	145,704	53,176	1.43 %	185	—	—	—	1.0
41	F.41 - Construction of buildings	11	—	1	—	—	—	—	—	2,438	—	— %	11	—	—	—	—

Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	
	Gross carrying amount (Mln EUR)								Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)	GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
	Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures	Of which Stage 2 exposures	Of which non-performing exposures	Of which Scope 3 financed emissions										
42	F.42 - Civil engineering	120	—	18	4	4	-2	—	-1	141,661	53,176	— %	120	—	—	—	1.0
43	F.43 - Specialised construction activities	54	—	1	—	1	—	—	—	1,605	—	4.93 %	54	—	—	—	1.0
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	3,259	—	3	175	25	-22	-5	-14	969,317	193,039	5.53 %	3,214	45	—	—	1.0
45	H - Transportation and storage	429	—	6	45	3	-2	-1	-1	129,865	—	28.85 %	276	31	123	—	5.0
46	H.49 - Land transport and transport via pipelines	46	—	—	5	1	—	—	—	94,930	—	— %	46	—	—	—	2.0
47	H.50 - Water transport	82	—	—	38	2	-1	—	-1	27,862	—	37.09 %	45	—	37	—	6.0
48	H.51 - Air transport	50	—	—	1	—	—	—	—	—	—	— %	50	—	—	—	4.0
49	H.52 - Warehousing and support activities for transportation	216	—	—	1	—	—	—	—	7,073	—	43.13 %	100	31	86	—	6.0
50	H.53 - Postal and courier activities	35	—	6	—	—	—	—	—	—	—	— %	35	—	—	—	2.0
51	I - Accommodation and food service activities	464	—	—	—	—	—	—	—	—	—	— %	464	—	—	—	—
52	L - Real estate activities	1,619	—	—	375	—	-10	-10	—	1,603	—	0.16 %	1,616	3	—	—	1.0
53	Exposures towards sectors other than those that highly contribute to climate change*	4,972	—	4	325	6	-12	-4	-2	—	—	—	4,826	145	—	1	1.0
54	K - Financial and insurance activities	1,125	—	—	68	—	-2	-1	—	—	—	—	1,101	23	—	1	1.0
55	Exposures to other sectors (NACE codes J, M - U)	3,847	—	4	257	6	-10	-3	-2	—	—	—	3,725	122	—	—	1.0
56	TOTAL	20,497	354	176	1,545	66	-74	-35	-22	2,616,323	1,190,838	8.82 %	19,562	408	527	1	1.0

* 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 (*16) 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 the 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 and in terms of the label of the energy performance certificate (EPC) of the collateral where a mapping to the 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, the Group leaves the EPC label columns blank. For those exposures linked to more than one collateral, the Group calculates the share of each collateral in the gross carrying amount of exposure based on the value of the collateral and disclose under the energy efficiency bucket linked to each collateral.

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

Table 55: ESG Template 2: Banking book - Climate change transition risk: Loans collateralised by immovable property - Energy efficiency of the collateral

December 31, 2024

Counterparty sector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Total gross carrying amount 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	2,085	109	158	24	13	11	2	55	91	84	100	72	18	19	1,646	—
2 Of which Loans collateralised by commercial immovable property	1,526	68	134	22	12	11	2	55	91	84	100	72	18	19	1,087	—
3 Of which Loans collateralised by residential immovable property	559	41	24	2	1	—	—	—	—	—	—	—	—	—	559	—
4 Of which Collateral obtained by taking possession: residential and commercial immovable properties	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5 Of which Level of energy efficiency (EP score in kWh/m ² of collateral) estimated	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6 Total non-EU area	487	—	—	—	—	—	—	—	11	10	—	—	—	—	466	—
7 Of which Loans collateralised by commercial immovable property	189	—	—	—	—	—	—	—	11	10	—	—	—	—	168	—
8 Of which Loans collateralised by residential immovable property	298	—	—	—	—	—	—	—	—	—	—	—	—	—	298	—
9 Of which Collateral obtained by taking possession: residential and commercial immovable properties	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10 Of which Level of energy efficiency (EP score in kWh/m ² of collateral) estimated	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Counterparty sector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Total gross carrying amount 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	1,835	54	98	7	14	7	2	69	18	22	49	49	1	4	1,624	—
2 Of which Loans collateralised by commercial immovable property	1,288	13	74	5	13	7	2	69	18	22	49	49	1	4	1,077	—
3 Of which Loans collateralised by residential immovable property	547	41	24	2	1	—	—	—	—	—	—	—	—	—	547	—
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	416	—	—	—	—	—	—	9	19	33	6	3	14	—	332	—
7 Of which Loans collateralised by commercial immovable property	115	—	—	—	—	—	—	9	19	33	6	3	14	—	31	—
8 Of which Loans collateralised by residential immovable property	301	—	—	—	—	—	—	—	—	—	—	—	—	—	301	—
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	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Banking book - Climate change transition risk: Alignment metrics

In 2021, Citi announced the commitment to net zero greenhouse gas (GHG emissions) by 2050 in alignment with the objectives of the Paris Agreement and prevailing climate science. The Group's ESG strategy is aligned to Citi's policies and initiatives, including the Net Zero commitment and Operational Footprint Goals outlined in the [2023 Citi Climate Report](#) and [2023 Citi Climate Report Supplement](#). The calculation of alignment metrics have been relied on calculations performed by Citi, and subject to the same inherent limitations as those outlined with respect to financed emissions

referred to in [Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity](#).

While the Group has not set a financed emissions target at an entity level, it is contributing to Citi's commitment to achieve net zero emissions associated with financing activities by 2050. The below table shows the sectors in Scope for monitoring progress towards Citi's goal of achieving net zero emissions by 2050.

Table 56: ESG Template 3: Banking book - Climate change transition risk: Alignment metrics

							December 31, 2024
	a	c	d	e	f	g	
	Sector	Portfolio gross carrying amount (Mn EUR)	Alignment metric*	Year of reference	Distance to IEA NZE2050 in %**	Target (year of reference + 3 years)	
1	Power	1,029	294.0 gCO2/kWh	2023	58.01 %	—	
2	Fossil fuel combustion	760	81.1 gCO2/MJ	2023	48.52 %	—	
3	Automotive	698	124.0 gCO2/km	2023	13.93 %	—	
4	Aviation	382	835.0 gCO2e / RTK	2023	(1.60)%	—	
5	Maritime transport	327	—	—	— %	—	
6	Cement, clinker and lime production	58	0.645 tCO2e / t cement produced	2023	43.10 %	—	
7	Iron and steel, coke, and metal ore production	472	—	—	— %	—	

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	a	c	d	e	f	g
	Sector	Portfolio gross carrying amount (Mn EUR)	Alignment metric*	Year of reference	Distance to IEA NZE2050 in %**	Target (year of reference + 3 years)
1	Power	742	86.6 gCO2/kWh	2022	(53.44)%	—
2	Fossil fuel combustion	753	88.4 gCO2/MJ	2022	68.19 %	—
3	Automotive	701	133.7 gCO2/km	2022	45.55 %	—
4	Aviation	304	—	—	— %	—
5	Maritime transport	325	—	—	— %	—
6	Cement, clinker and lime production	55	—	—	— %	—
7	Iron and steel, coke, and metal ore production	512	—	—	— %	—

Alignment metrics (column D) reflect metrics set by Citi group level which are also applicable to the Group. Not all exposures disclosed in carrying value (column C) are in scope for the 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. 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 and quality is expected to improve in the future.

** PiT distance to 2030 NZE2050 scenario in % (for each metric)

***Sectoral targets are set at a Citigroup, Inc level and disclosed in the 2023 Citi Climate Report.

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 the Group that are among the top 20 most carbon-intensive corporates worldwide. The Group utilised the Carbon Majors Database referenced by the EBA Guidelines to identify the top 20 carbon-intensive firms. The Group totalled the reported carbon emissions of all firms listed on the Carbon Majors Database for the period 2015-2023, to identify the current top emitting firms.

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

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

Table 57: ESG Template 4: Banking book - Climate change transition risk: Exposures to top 20 carbon-intensive firms

					December 31, 2024
a	b	c	d	e	
Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included	
1	292	1.49 %	—	3.3	7
					June 30, 2024
a	b	c	d	e	
Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included	
1	91	0.44 %	—	1.6	8

*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

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

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

The values disclosed show the concentration of exposures and collateral in countries and geographies highly exposed to physical risks. To perform this analysis, CEP uses reference data of Thinkhazard's physical risk dashboard. This dashboard provides a mapping that defines geographical areas exposed to physical risks. It provides a general view of hazards for a given location including climate-related (floods, water scarcity, wildfire, extreme heat, cyclone, landslide) and geophysical (volcano, tsunami, earthquake). The tool estimates the likelihood of these hazards affecting the selected area (very low, low, medium or high). CEP uses this dashboard to determine an average physical risk rating for climate change acute and chronic events.

caused by climate change (e.g., average precipitation changes which may drive long-term shifts in agriculture and water availability).

In the absence of further guidance in the area, the approach taken with regard to this disclosure relied on assumptions, such as the selection of acute and chronic risks, and the threshold for determining if a location is subject to high physical risk.

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

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

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

Table 58: ESG Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk

December 31, 2024

a		b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount (Mln EUR)													
		of which exposures sensitive to impact from climate change physical events													
Variable: Geographical area subject to climate change physical risk - acute and chronic events		Breakdown by maturity bucket					Average weighted maturity	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								of which Stage 2 exposures	Of which non-performing exposures	
1	A - Agriculture, forestry and fishing	36	36	—	—	—	1.5	—	—	36	1	—	—	—	—
2	B - Mining and quarrying	424	424	—	—	—	0.6	2	262	160	2	—	—	—	—
3	C - Manufacturing	7,393	7,224	166	—	—	0.9	192	1,159	6,039	1,392	30	(28)	(18)	(4)
4	D - Electricity, gas, steam and air conditioning supply	978	576	—	402	—	6.0	—	101	877	—	—	(1)	—	—
5	E - Water supply; sewerage, waste management and remediation activities	30	30	—	—	—	1.8	—	—	30	—	20	(7)	—	(7)
6	F - Construction	169	169	—	—	—	1.4	—	13	156	25	4	(2)	—	(1)
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	3,379	2,981	398	—	—	1.6	33	628	2,718	238	21	(19)	(4)	(11)
8	H - Transportation and storage	425	282	15	128	—	4.6	—	9	416	75	—	(3)	(3)	—
9	L - Real estate activities	1,491	1,460	—	—	—	2.5	—	92	1,368	185	—	(5)	(4)	—
10	Loans collateralised by residential immovable property	857	173	185	354	145	12.0	3	703	151	130	4	(4)	(2)	(2)
11	Loans collateralised by commercial immovable property	1,715	1,579	102	—	—	2.9	—	107	1,574	252	10	(18)	(12)	(3)
12	Repossessed colaterals	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Other relevant sectors (breakdown below where relevant)	250	250	—	—	—	2.0	—	27	223	23	—	—	—	—

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	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	37	37	—	—	—	2.0	—	—	37	3	—	—	—	—
2	B - Mining and quarrying	338	338	—	—	—	—	2	122	214	3	—	—	—	—
3	C - Manufacturing	8,364	8,007	303	51	—	1.0	185	1,430	6,746	592	27	(23)	(11)	(4)
4	D - Electricity, gas, steam and air conditioning supply	791	791	—	—	—	8.0	—	111	680	—	—	—	—	—
5	E - Water supply; sewerage, waste management and remediation activities	39	39	—	—	—	2.0	—	—	39	23	—	(3)	(3)	—
6	F - Construction	185	185	—	—	—	1.0	—	1	184	4	5	(2)	—	(1)
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	3,259	3,220	39	—	—	1.0	69	595	2,595	172	25	(22)	(5)	(14)
8	H - Transportation and storage	429	365	26	38	—	5.0	—	7	422	45	3	(2)	(1)	(1)
9	L - Real estate activities	1,619	1,618	1	—	—	1.0	—	141	1,478	259	—	(6)	(5)	—
10	Loans collateralised by residential immovable property	848	847	1	—	—	—	3	167	678	74	3	(4)	(2)	(2)
11	Loans collateralised by commercial immovable property	1,403	1,403	—	—	—	—	—	140	1,263	398	10	(18)	(13)	(3)
12	Reposessed colaterals	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Other relevant sectors (breakdown below where relevant)	464	464	—	—	—	—	—	68	396	—	—	—	—	—

Mitigating actions

Information regarding EU Taxonomy is set out on [section c\)](#) of the Environmental Risk disclosures.

The KPI for credit institutions for on balance sheet exposures is the GAR that shows the proportion of the of credit institution's assets financing and invested in Taxonomy-aligned economic activities as a proportion of total covered assets.

The definition of the GAR is based on the following components:

- a) the numerator, which shall cover the loans and advances, debt securities, equities and repossessed collaterals, financing Taxonomy-aligned economic activities based on the turnover KPI of underlying assets;
- b) the denominator, which shall cover the total loans and advances, total debt securities, total equities and total repossessed collaterals and all other covered on-balance sheet assets.

For determining the proportion of financed taxonomy-eligible and -aligned assets there are certain rules set out by article 7 paragraphs 1-3 of the Delegated Regulation (EU) 2021/2178 which the Group follows:

- The exposures to central governments, central banks and supranational issuers shall be excluded from the calculation of the numerator and denominator of KPIs of financial undertakings.
- Derivatives shall be excluded from the numerator of KPIs of financial undertakings.

- Exposures to undertakings that are not obliged to publish non-financial information pursuant to Article 19a or 29a of Directive 2013/34/EU shall be excluded from the numerator of KPIs of financial undertakings.

Alongside the assets falling under the definition of Article 7 (1) Delegated Regulation (EU) 2021/2178 the trading book was excluded from the GAR calculation. Besides the above-mentioned categories on demand interbank loans, cash and cash-related assets and other categories of assets are excluded from the numerator for GAR calculation. These requirements lead to the exclusion of a substantial part of the Group's portfolio, especially due to excluding exposures to non-NFRD undertakings. As the EU Taxonomy continues to develop and data becomes available, the Group may be in a position to further refine the completeness of the reporting and can consider utilising the taxonomy in areas beyond reporting. For the EU Taxonomy Reporting, the baseline for the categories of assets is the Group's Banking Book.

The Group KPIs are calculated based on the most recently available reported information of its counterparties by using data acquired from a third party data provider. Due to the structure of the Group's portfolio as well as data limitations the driver for the alignment comes from general purpose financing of non-financial undertakings. In these cases, the KPIs published by the counterparties were used to calculate the GAR.

Table 59: ESG Template 6. Summary of GAR KPIs

					December 31, 2024
	KPI			Total (Climate change mitigation + Climate change adaptation)	% coverage (over total assets)*
	Climate change mitigation	Climate change adaptation			
GAR stock	0.8 %	— %	0.8 %	42.2 %	
GAR flow	1.0 %	0.1 %	1.1 %	46.7 %	

					June 30, 2024
	KPI			Total (Climate change mitigation + Climate change adaptation)	% coverage (over total assets)*
	Climate change mitigation	Climate change adaptation			
GAR stock	0.3 %	— %	0.3 %	8.0 %	
GAR flow	0.1 %	— %	0.1 %	— %	

* % of assets covered by the KPI over banks' total assets

Table 60: ESG Template 7 - Mitigating actions: Assets for the calculation of GAR

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		December 31, 2024															
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
€ million			Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which adaptation	Of which enabling	Of which specialised lending	Of which transitional/adaptation	Of which enabling						
GAR – Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	13,781	1,927	565	—	70	323	98	13	—	—	7	2,025	578	—	70	330
2	Financial corporations	4,544	610	36	—	8	8	4	1	—	—	—	614	37	—	8	8
3	Credit institutions	285	4	2	—	—	—	—	—	—	—	—	4	2	—	—	—
4	Loans and advances	285	4	2	—	—	—	—	—	—	—	—	4	2	—	—	—
5	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
7	Other financial corporations	4,259	606	34	—	8	8	4	1	—	—	—	610	35	—	8	8
8	of which investment firms	4,177	582	30	—	8	6	1	1	—	—	—	583	31	—	8	6
9	Loans and advances	4,177	582	30	—	8	6	1	1	—	—	—	583	31	—	8	6
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12	of which management companies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Loans and advances	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
16	of which insurance undertakings	3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Loans and advances	3	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
19	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
20	Non-financial corporations (subject to NFRD disclosure obligations)	6,483	1,317	529	—	62	315	94	12	—	—	7	1,411	541	—	62	322
21	Loans and advances	6,430	1,317	529	—	62	315	94	12	—	—	7	1,411	541	—	62	322
22	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
23	Equity instruments	53	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
24	Households	2,754	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		December 31, 2024															
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
€ million			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)			Of which environmentally sustainable (Taxonomy-aligned)					
			Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which adaptation	Of which enabling	Of which specialised lending	Of which transitional/adaptation	Of which enabling						
25	of which loans collateralised by residential immovable property	857	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
26	of which building renovation loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
27	of which motor vehicle loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
28	Local governments financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
29	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
30	Other local governments financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
31	Collateral obtained by taking possession: residential and commercial immovable properties	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
32	TOTAL GAR ASSETS	13,781	1,927	565	—	70	323	98	13	—	—	7	2,025	578	—	70	330
Assets excluded from the numerator for GAR calculation (covered in the denominator)																	
33	EU Non-financial corporations (not subject to NFRD disclosure obligations)	13,417															
34	Loans and advances	13,127															
35	Debt securities	282															
36	Equity instruments	8															
37	Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)	1,775															
38	Loans and advances	1,769															
39	Debt securities	6															
40	Equity instruments	—															
41	Derivatives	4,147															
42	On demand interbank loans	11,708															
43	Cash and cash-related assets	123															
44	Other assets (e.g. Goodwill, commodities etc.)	27,627															
45	TOTAL ASSETS IN THE DENOMINATOR (GAR)	72,578															
Other assets excluded from both the numerator and denominator for GAR calculation																	
46	Sovereigns	30,022															

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		December 31, 2024															
€ million		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
			Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which adaptation	Of which enabling	Of which specialised lending	Of which transitional/adaptation	Of which enabling						
47	Central banks exposure	37,817															
48	Trading book	31,714															
49	TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR	99,553															
50	TOTAL ASSETS	172,131															

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		June 30, 2024															
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
€ million			Of which specialised lending	Of which transitional	Of which enabling	Of which specialised lending	Of which adaptation	Of which enabling	Of which specialised lending	Of which transitional/adaptation	Of which enabling						
GAR – Covered assets in both numerator and denominator																	
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	12,419	521	194	—	43	90	62	8	—	—	5	583	202	—	43	95
2	Financial corporations	7,863	251	18	—	2	3	26	—	—	—	—	277	18	—	2	3
3	Credit institutions	2,439	238	17	—	2	3	14	—	—	—	—	252	17	—	2	3
4	Loans and advances	2,014	229	17	—	2	3	14	—	—	—	—	243	17	—	2	3
5	Debt securities, including UoP	371	9	—	—	—	—	—	—	—	—	—	9	—	—	—	—
6	Equity instruments	54	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
7	Other financial corporations	5,424	13	1	—	—	—	12	—	—	—	—	25	1	—	—	—
8	of which investment firms	2,559	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9	Loans and advances	2,510	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
11	Equity instruments	49	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12	of which management companies	2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Loans and advances	2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
16	of which insurance undertakings	68	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Loans and advances	68	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
18	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
19	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
20	Non-financial corporations (subject to NFRD disclosure obligations)	1,863	270	176	—	41	87	36	8	—	—	5	306	184	—	41	92
21	Loans and advances	1,863	270	176	—	41	87	36	8	—	—	5	306	184	—	41	92
22	Debt securities, including UoP	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
23	Equity instruments	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
24	Households	2,693	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	
		June 30, 2024																
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
€ million			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					
			Of which specialised lending	Of which transitional	Of which enabling		Of which specialised lending	Of which adaptation	Of which enabling		Of which specialised lending	Of which transitional/adaptation	Of which enabling					
25	of which loans collateralised by residential immovable property	1,454												—	—	—	—	—
26	of which building renovation loans	—												—	—	—	—	—
27	of which motor vehicle loans	—												—	—	—	—	—
28	Local governments financing	—												—	—	—	—	—
29	Housing financing	—												—	—	—	—	—
30	Other local governments financing	—												—	—	—	—	—
31	Collateral obtained by taking possession: residential and commercial immovable properties	—												—	—	—	—	—
32	TOTAL GAR ASSETS	12,419	521	194	—	43	90	62	8	—	—	5	583	202	—	43	95	
Assets excluded from the numerator for GAR calculation (covered in the denominator)																		
33	EU Non-financial corporations (not subject to NFRD disclosure obligations)	13,277																
34	Loans and advances	13,258																
35	Debt securities	—																
36	Equity instruments	19																
37	Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)	5,376																
38	Loans and advances	5,376																
39	Debt securities	—																
40	Equity instruments	—																
41	Derivatives	16																
42	On demand interbank loans	7,643																
43	Cash and cash-related assets	97																
44	Other assets (e.g. Goodwill, commodities etc.)	29,878																
45	TOTAL ASSETS IN THE DENOMINATOR (GAR)	68,706																
Other assets excluded from both the numerator and denominator for GAR calculation																		
46	Sovereigns	23,570																

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		June 30, 2024															
		Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
€ million			Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)				
			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/adaptation	Of which enabling		
47	Central banks exposure	42,423															
48	Trading book	21,429															
49	TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR	87,422															
50	TOTAL ASSETS	156,128															

Table 61: ESG Template 8 - GAR (%)

	December 31, 2024: KPIs on stock															December 31, 2024: KPIs on flows																
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total assets covered	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total new assets covered
	Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors						Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					
	Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable						
	Of which special listed lending			Of which transitional		Of which enabling		Of which special listed lending			Of which transitional/adaptation		Of which enabling		Of which special listed lending			Of which transitional		Of which enabling		Of which special listed lending			Of which transitional/adaptation		Of which enabling					
% (compared to total covered assets in the denominator)	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
1 GAR	2.7	0.8	—	0.1	0.4	0.1	—	—	—	—	2.8	0.8	—	0.1	0.4	42.2	2.8	1.0	—	0.4	0.3	0.7	0.1	—	—	0.1	3.5	1.1	—	0.4	0.3	46.7
2 Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	2.7	0.8	—	0.1	0.4	0.1	—	—	—	—	2.8	0.8	—	0.1	0.4	8.0	2.8	1.0	—	0.4	0.3	0.7	0.1	—	—	0.1	3.5	1.1	—	0.4	0.3	14.1
3 Financial corporations	0.8	0.1	—	—	—	—	—	—	—	—	0.9	0.1	—	—	—	2.6	1.1	0.1	—	—	—	—	—	—	—	—	1.1	0.1	—	—	—	1.9
4 Credit institutions	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.2	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5 Other financial corporations	0.8	0.1	—	—	—	—	—	—	—	—	0.8	0.1	—	—	—	2.5	1.1	0.1	—	—	—	—	—	—	—	—	1.1	0.1	—	—	—	1.9
6 of which investment firms	0.8	—	—	—	—	—	—	—	—	—	0.8	—	—	—	—	2.4	0.8	0.1	—	—	—	—	—	—	—	—	0.8	0.1	—	—	—	1.8
7 of which management companies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
8 of which insurance undertakings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
9 Non-financial corporations subject to NFRD disclosure obligations	1.8	0.7	—	0.1	0.4	0.1	—	—	—	—	1.9	0.7	—	0.1	0.4	3.8	1.7	0.9	—	0.4	0.2	0.7	0.1	—	—	0.1	2.4	1.0	—	0.4	0.3	9.6
10 Households	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1.6	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2.6
11 of which loans collateralised by residential immovable property	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	0.5	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
12 of which building renovation loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
		December 31, 2024: KPIs on stock															December 31, 2024: KPIs on flows																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total assets covered	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total new assets covered
% (compared to total covered assets in the denominator)		Proportion of eligible assets funding taxonomy relevant sectors			Proportion of eligible assets funding taxonomy relevant sectors			Proportion of eligible assets funding taxonomy relevant sectors			Proportion of new eligible assets funding taxonomy relevant sectors			Proportion of new eligible assets funding taxonomy relevant sectors				Proportion of new eligible assets funding taxonomy relevant sectors			Proportion of new eligible assets funding taxonomy relevant sectors												
		Of which environmentally sustainable			Of which environmentally sustainable			Of which environmentally sustainable			Of which environmentally sustainable			Of which environmentally sustainable				Of which environmentally sustainable			Of which environmentally sustainable												
		Of which special lending	Of which transitional	Of which enabling	Of which special lending	Of which adaptation	Of which enabling	Of which special lending	Of which transitional/ adaptation	Of which enabling	Of which special lending	Of which transitional/ adaptation	Of which enabling	Of which special lending	Of which transitional	Of which enabling	Of which special lending	Of which adaptation	Of which enabling	Of which special lending	Of which transitional/ adaptation	Of which enabling	Of which special lending	Of which adaptation	Of which enabling	Of which special lending	Of which transitional/ adaptation	Of which enabling	Of which special lending	Of which transitional/ adaptation	Of which enabling		
13	of which motor vehicle loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14	Local government financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
16	Other local governments financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Collateral obtained by taking possession: residential and commercial immovable properties	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af	
	June 30, 2024: KPIs on stock															June 30, 2024: KPIs on flows																	
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total assets covered	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				TOTAL (CCM + CCA)								
% (compared to total covered assets in the denominator)	Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors						Proportion of new eligible assets funding taxonomy relevant sectors				Proportion of new eligible assets funding taxonomy relevant sectors				Proportion of new eligible assets funding taxonomy relevant sectors								
	Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable						Of which environmentally sustainable				Of which environmentally sustainable				Of which environmentally sustainable								
	Of which special ised lending	Of which transitional	Of which enabling			Of which special ised lending	Of which adaptation	Of which enabling			Of which special ised lending	Of which transitional/adaptation	Of which enabling				Of which special ised lending	Of which transitional	Of which enabling			Of which special ised lending	Of which adaptation	Of which enabling			Of which special ised lending	Of which transitional/adaptation	Of which enabling				
1 GAR	0.8	0.3	—	0.1	0.1	0.1	—	—	—	—	0.9	0.3	—	0.1	0.1	8.0	0.4	0.1	—	—	—	—	—	—	—	—	—	0.4	0.1	—	—	—	—
2 Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	0.8	0.3	—	0.1	0.1	0.1	—	—	—	—	0.9	0.3	—	0.1	0.1	8.0	0.4	0.1	—	—	—	—	—	—	—	—	—	0.4	0.1	—	—	—	—
3 Financial corporations	0.4	—	—	—	—	—	—	—	—	—	0.4	—	—	—	—	5.0	0.3	—	—	—	—	—	—	—	—	—	0.3	—	—	—	—	—	
4 Credit institutions	0.4	—	—	—	—	—	—	—	—	—	0.4	—	—	—	—	2.0	0.3	—	—	—	—	—	—	—	—	—	0.3	—	—	—	—	—	
5 Other financial corporations	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	3.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
6 of which investment firms	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1.6	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
7 of which management companies	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
8 of which insurance undertakings	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		
9 Non-financial corporations subject to NFRD disclosure obligations	0.4	0.3	—	0.1	0.1	0.1	—	—	—	—	0.5	0.3	—	0.1	0.1	1.0	0.1	0.1	—	—	—	—	—	—	—	—	0.1	0.1	—	—	—	—	
10 Households	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	2.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
11 of which loans collateralised by residential immovable property	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	1.0	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	
12 of which building renovation loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—		

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
		June 30, 2024: KPIs on stock															June 30, 2024: KPIs on flows																
		Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					Proportion of total assets covered	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
		Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors						Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					
		Of which environmentally sustainable					Of which environmentally sustainable					Of which environmentally sustainable						Of which environmentally sustainable					Of which environmentally sustainable										
% (compared to total covered assets in the denominator)		Of which special ised lending	Of which transitional	Of which enabling	Of which special ised lending	Of which transitional	Of which enabling	Of which special ised lending	Of which transitional/adaptation	Of which enabling	Of which special ised lending	Of which transitional/adaptation	Of which enabling	Of which special ised lending	Of which transitional	Of which enabling		Of which special ised lending	Of which transitional	Of which enabling	Of which special ised lending	Of which transitional	Of which enabling	Of which special ised lending	Of which transitional	Of which enabling	Of which special ised lending	Of which transitional	Of which enabling	Of which special ised lending	Of which transitional/adaptation	Of which enabling	
13	of which motor vehicle loans	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
14	Local government financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
15	Housing financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
16	Other local government's financing	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
17	Collateral obtained by taking possession: residential and commercial immovable properties	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

Mitigating Actions - BTAR

The EBA's suite of Pillar 3 disclosures for ESG Risks includes the Banking book Taxonomy Alignment Ratio (BTAR). This builds on the reported GAR ratio by including in the numerator those exposures to EU and non-EU non-financial corporates that are not subject to the NFRD and the EU taxonomy disclosure obligations.

Disclosure of the BTAR is considered voluntary from 1 January 2025 and any reporting is on a "reasonable efforts" basis as the computation is dependent on information from counterparties which is currently not available. Given the limited coverage under the current disclosure rules, the BTAR cannot currently fully reflect the financing of all taxonomy-aligned economic activities. Nevertheless, in the absence of sufficient data, the Group has considered options available for the collection of

Other climate change mitigating actions that are not covered in the EU Taxonomy

The template below covers other climate change mitigating actions and includes exposures of the institutions that are not taxonomy-aligned as referred to in Regulation (EU) 2020/852 according to templates 7 and 8 but that still support counterparties in the transition and adaptation process for the objectives of climate change mitigation and climate change adaptation. The mitigating actions and activities include bonds and loans issued under standards other than the Union standards, including green bonds; sustainable bonds that are linked to aspects on climate change; sustainability-linked

information on its counterparties and the use of estimates, based on proportionality, management of risks and availability of relevant sustainability information. This information can only be collected from counterparties (either on a bilateral basis or via third party data vendors). Counterparties are not required to provide this data directly to CEP.

CEP has analysed available information from third party data vendors, which depends on the availability of reported information. Given the limited information available on its current population of non-NFRD counterparties, CEP has chosen not to publish a BTAR.

CEP will continue to monitor progress and review the scope of its reporting.

bonds that are linked to aspects on climate change; green loans; sustainability-linked loans that are linked to aspects on climate change; sustainability-linked loans that are linked to aspects on climate change. Green loans are any loan instrument made available exclusively to finance or refinance, in whole or in part, new and/or existing eligible green projects. Sustainability linked loans are any loan instrument which incentivize the borrower's achievement of predetermined sustainability performance objectives.

Table 62: ESG Template 10 - Other climate change mitigating actions that are not covered in the EU Taxonomy

December 31, 2024

a		b	c	d	e	f
Type of financial instrument	Type of counterparty	Gross carrying amount (million EUR)	Type of risk mitigated (Climate change transition risk)	Type of risk mitigated (Climate change physical risk)	Qualitative information on the nature of the mitigating actions	
1	Financial corporations	—				
2	Non-financial corporations	—				
3	Bonds (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Of which Loans collateralised by commercial immovable property	—			
4		Households	—			
5		Of which Loans collateralised by residential immovable property	—			
6		Of which building renovation loans	—			
7		Other counterparties	—			
8		Financial corporations	—			
9	Loans (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Non-financial corporations	98	Transition Risk	This includes sustainability-linked loans that have at least one sustainability performance target (SPT) pertaining to climate change.	
10	Loans (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Of which Loans collateralised by commercial immovable property	—			
11		Households	—			
12		Of which Loans collateralised by residential immovable property	—			
13		Of which building renovation loans	—			
14		Other counterparties	—			

a		b	c	d	e	f
Type of financial instrument	Type of counterparty	Gross carrying amount (million EUR)	Type of risk mitigated (Climate change transition risk)	Type of risk mitigated (Climate change physical risk)	Qualitative information on the nature of the mitigating actions	
1	Financial corporations	—				
2	Non-financial corporations	—				
3	Bonds (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Of which Loans collateralised by commercial immovable property	—			
4		Households	—			
5		Of which Loans collateralised by residential immovable property	—			
6		Of which building renovation loans	—			
7		Other counterparties	—			
8	Financial corporations		—			
9	Loans (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Non-financial corporations	301	Transition Risk		This includes sustainability-linked loans that have at least one sustainability performance target (SPT) pertaining to climate change.
10		Of which Loans collateralised by commercial immovable property	110	Transition Risk		
11		Households	—			
12		Of which Loans collateralised by residential immovable property	—			
13		Of which building renovation loans	—			
14		Other counterparties	—			

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 ones that arise in relation to complex structures or products.

Securitisation activity

CEP acted as arranger and lead manager on securitisation positions held at 31 December 2024, with CBNA London Branch acting as sponsor. CEP invested into these positions or as a means of compensation for the role, received the positions in the form of S-class certificates. These positions are deemed traditional securitisations in the banking book which are subject to the securitisation framework for capital requirements as outlined in the CRR.

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

Table 63: EU SEC1 - Securitisation exposures in the non-trading book

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

	31 December 2024			31 December 2023		
	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	1,289	—	1,289	704	—	704
2 Retail (total)	247	—	247	241	—	241
3 Residential mortgage	13	—	13	10	—	10
4 Credit card	—	—	—	—	—	—
5 Other retail exposures	234	—	234	231	—	231
6 Re-securitisation	—	—	—	—	—	—
7 Wholesale (total)	1,042	—	1,042	463	—	463
8 Loans to corporates	113	—	113	113	—	113
9 Commercial mortgage	—	—	—	—	—	—
10 Lease and receivables	929	—	929	350	—	350
11 Other wholesale	—	—	—	—	—	—
12 Re-securitisation	—	—	—	—	—	—

Table 64: 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 (incl uding IAA)	SEC-SA	1250%/ deductions
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
1 Total as at 31 December 2024	704	585	—	—	—	—	4	1,284	—
2 Traditional securitisation	704	585	—	—	—	—	4	1,284	—
3 Of which securitisation	704	585	—	—	—	—	4	1,284	—
4 Of which retail underlying	246	1	—	—	—	—	4	243	—
5 Of which STS	—	—	—	—	—	—	—	—	—
6 Of which wholesale	458	584	—	—	—	—	—	1,042	—
7 Of which STS	—	—	—	—	—	—	—	—	—
8 Of which re-securitisation	—	—	—	—	—	—	—	—	—
9 Synthetic securitisation	—	—	—	—	—	—	—	—	—

	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 2023	703	1	—	—	—	—	3	701	—
2 Traditional securitisation	703	1	—	—	—	—	3	701	—
3 Of which securitisation	703	1	—	—	—	—	3	701	—
4 Of which retail underlying	240	1	—	—	—	—	3	238	—
5 Of which STS	—	—	—	—	—	—	—	—	—
6 Of which wholesale	463	—	—	—	—	—	—	463	—
7 Of which STS	—	—	—	—	—	—	—	—	—
8 Of which re-securitisation	—	—	—	—	—	—	—	—	—
9 Synthetic securitisation	—	—	—	—	—	—	—	—	—

Table 65: 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 31 December 2024	—	1	363	—	—	—	29	—
2 Traditional securitisation	—	1	363	—	—	—	29	—
3 Of which securitisation	—	1	363	—	—	—	29	—
4 Of which retail underlying	—	1	37	—	—	—	3	—
5 Of which STS	—	—	—	—	—	—	—	—
6 Of which wholesale	—	—	327	—	—	—	26	—
7 Of which STS	—	—	—	—	—	—	—	—
8 Of which re-securitisation	—	—	—	—	—	—	—	—
9 Synthetic securitisation	—	—	—	—	—	—	—	—

	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 2023	—	1	128	—	—	—	10	—
2 Traditional securitisation	—	1	128	—	—	—	10	—
3 Of which securitisation	—	1	128	—	—	—	10	—
4 Of which retail underlying	—	1	36	—	—	—	3	—
5 Of which STS	—	—	—	—	—	—	—	—
6 Of which wholesale	—	—	93	—	—	—	7	—
7 Of which STS	—	—	—	—	—	—	—	—
8 Of which re-securitisation	—	—	—	—	—	—	—	—
9 Synthetic securitisation	—	—	—	—	—	—	—	—

Enterprise Resilience

Citi's global, Enterprise Resilience (ER) Program provides a framework for Citi's business and technology organizations to recover their processes in the event of a business interruption or technology service disruption. Business Continuity governance across CEP is aligned with Citi's Enterprise Resilience Policy & Standard, which are designed to ensure compliance with banking regulations, as well as industry best practices, while encouraging the continuous development and implementation of innovative solutions. Consistent with the Citi Enterprise Resilience Policy, all CEP Businesses and functions are required to implement a Business Continuity Plan (BCP) which includes Assessment, Planning, Testing, Crisis management, Maintenance, Quality Review, Monitoring and Reporting, Training, Awareness, and Communications.

All businesses and functions under CEP are regularly monitored and reported to ensure successful compliance of all ER requirements.

Operational Resilience is the ability to prevent, respond and adapt to, recover and learn from operational disruption. It focuses on the

availability of business services to clients/consumers, other market participants and the wider financial system in the event of operational disruption, which is assumed to be inevitable.

Citi's Operational Resilience Framework takes a risk-based approach, aiming to ensure that those business services identified as critical in terms of their operational importance (Critical Business Services), can remain within a CEP Senior Management and CEP Board-approved threshold (Impact Tolerance), in a variety of severe but plausible operational disruption scenarios.

Delivery of this approach is achieved by ongoing CEP Senior management and CEP Board oversight of the vulnerabilities to each CEP Ireland Critical Business Service identified from its processes and resources, an evolving programme of scenario testing and any lessons learned from actual events, along with the actions being taken to mitigate them.

Remuneration Statement

This remuneration disclosure is prepared at the Citibank Europe plc (CEP or the Company) level. The remuneration policy disclosed herein applies on a solo basis to all business lines within CEP and across all branches of the Company, including those located in third countries. The remuneration disclosure is applicable on a consolidated basis to CEP, including subsidiaries, where also permissible under relevant local laws, regulatory requirements, and guidelines.

Supplementary to this remuneration disclosure, additional internal remuneration policies, procedures and guidelines are prepared at the solo subsidiary level, in line with local laws and requirements. These additional documents should be referenced when considering the appropriate remuneration rules applicable for employees of CEP subsidiaries and local remuneration policies, procedures and guidelines will prevail. In particular, remuneration disclosure for CEP subsidiary Bank Handlowy w Warszawie S.A. (the Bank), is prepared at the solo basis and it is available at the Bank's website, under the Investor Relations section.

Remuneration Governance

CEP Remuneration Committee

The CEP Remuneration Committee (RemCo) is a standing committee of the CEP Board of Directors (Board), from which it derives its authority.

The RemCo's role is to assist the Board in discharging its responsibilities on a solo, and where applicable, on a consolidated basis, in accordance with all relevant laws, regulations and guidelines applicable to Group. Subsidiaries may also form their own Remuneration Committee or oversight group, which review implementation of remuneration policies and practices at the local level.

The RemCo met 6 times in 2024 and for the 2024 performance year the RemCo comprised the following members:

Member Name	Role	Additional information
Desmond Crowley	Former Chair	Independent Non-Executive Director (Chair effective up to 5th April 2024 and resigned the Committee on 24th June 2024)
Gill Lungley	Chair	Independent Non-Executive Director (member effective from 22nd November 2023 and Chair effective from 5th April 2024)
Jeanne Short	Member	Independent Non-Executive Director
Susan Dean	Member	Independent Non-Executive Director (appointed on 24th June 2024)

The detailed roles and responsibilities of the RemCo are set out in its Terms of Reference as delegated and approved by the Board.

The RemCo has responsibility for the oversight of the design and implementation of the Company's Remuneration Policy (Remuneration Policy) to ensure that the remuneration practices do not promote excessive risk taking, evaluate compliance with this policy and assess whether these remuneration practices are creating the desired incentives for managing risk, capital and liquidity, and that the remuneration policy is gender neutral.

The RemCo has delegated responsibility from the Board for the review and, where appropriate, approval of proposed decisions regarding remuneration of employees and in particular Material Risk Takers (MRTs). When reviewing such decisions, the RemCo shall take into account relevant guidance on the long-term interests of shareholders, investors and other stakeholders in the Company and the public interest.

When considering the key principles in the Remuneration Policy, the RemCo shall give consideration to compliance by the Company with its regulatory obligations, including those under the Capital Requirements Directive 2013/36/EU (CRD V), the European Banking Authority Guidelines on Sound Remuneration Policies (EBA Guidelines), national regulations and Regulation 83(1) of SI 158/2014 – European Union (Capital Requirements) Regulations 2014 (SI 158) amended by Statutory Instrument 710 of 2020, European Union (Capital Requirements) (Amendment) Regulations 2020 (SI 710).

The RemCo operates with on-going support and guidance from multiple stakeholders including Human Resources, Finance, Risk Management, Independent Compliance Risk Management (ICRM), Legal and Internal Audit who all perform necessary roles in various aspects of remuneration processes and policy. This includes identifying, collating and measuring conduct and risk information for inclusion in the performance and accountability processes.

All members of the RemCo are also members of both the Risk Committee and the Audit Committee. There is also additional cross-committee membership between the RemCo and the Nomination (NomCo) and Related Party Lending (RPL) Committees.

The RemCo is empowered to draw upon internal and external expertise and advice as it determines appropriate. It has the ability to review the appointment of external remuneration consultants that the Board and/or the RemCo may decide to engage for advice or support. The RemCo did not engage independent consultants in 2024, but external consultants have advised on various remuneration matters for 2024, where required.

Global Remuneration Committee

The RemCo acts as the remuneration committee of the Company, whereas the Compensation, Performance Management and Culture Committee (the CPC Committee) fulfils the RemCo role at the Group level, with additional responsibility for culture, ethics and performance management.

The CPC Committee is a duly constituted committee of the Board of Directors of Citigroup Inc. (Citi or the firm) which oversees Citi's global remuneration policies and practices.

The CPC Committee's terms of reference are documented in the CPC Committee Charter, which establishes the scope and mandate of the CPC Committee's responsibilities and the general principles governing Citi remuneration policy globally. The latest Charter is available online: <https://www.citigroup.com/rcs/citigpa/storage/public/1compensation-performance-management-culture-committee-charter-february-13-2025.pdf>.

The CPC Committee members are all Independent Non-Executive Directors of Citi who are selected and appointed based on their background in business generally, and in remuneration, corporate governance and/or regulatory matters specifically. They are also chosen for their capability to fulfil their responsibilities as CPC Committee members. The CPC Committee includes cross-membership with the Citi Board of Directors' Risk Management Committee, the Audit Committee, the Executive Committee, the Technology Committee as well as the Nomination, Governance & Public Affairs Committee. The CPC Committee draws on the considerable experience of the Non-Executive Directors of the Board of Citigroup Inc. and is empowered to draw upon internal and external expertise and advice as it determines appropriate.

The CPC Committee annually reviews the compensation structures for senior executives of Citi and a number of highly compensated and/or regulated individuals, in accordance with guidelines established by the CPC Committee and provides oversight of the design and structure of incentive programs globally in the context of risk management.

Material Risk Takers

CEP annually identifies its MRTs and maintains a record of those identified. This process captures the categories of individuals whose professional activities are determined as having a material impact on the Company's risk profile.

CEP identifies MRTs principally using its understanding of the criteria for identification as set out in CRD V, the Commission Delegated Regulation (EU) No 2021/923 and the EBA RTS for MRT identification. Appropriate judgement will be exercised when considering who should be captured as an MRT.

Those captured include, but are not limited to:

- Members of the Management Body or Senior Management;
- Those with managerial responsibility over Control Functions or Material Business Units (MBU) and certain direct / matrix reports;
- Individuals in receipt of significant remuneration in the preceding financial year; and
- Staff members or categories of staff having an impact on an institution's risk profile that is comparably as material as that of the staff members referred to above.

When applying quantitative criteria based on staff members' remuneration, the fixed and variable remuneration awarded for the preceding financial year is taken into account.

Citi's Compensation Philosophy

Employee compensation is a critical tool for Citi to attract and retain top talent and successfully execute our corporate goals. Citi's compensation programs are designed to appropriately balance the incentives offered to employees who take risks to achieve financial and competitive performance objectives and the need to prudently manage those risks along with other imperatives.

The Citi Compensation Philosophy was developed and approved by the CPC Committee in consultation with management, independent consultants and Citi's senior risk officers, HR and the relevant functions.

The Company's Compensation Philosophy is consistent with Citi's Compensation Philosophy which is available online at: <https://www.citigroup.com/rcs/citigpa/storage/public/comp-phil-policy.pdf>.

Citi's (and therefore the Company's) Compensation Philosophy is closely linked to the ongoing work on embedding appropriate culture, including through the Citi Mission and Value Proposition

and the Citi Leadership Principles. The Compensation Philosophy sets out Citi's commitment to properly balance risk-taking and risk-mitigating incentives, and the oversight from the CPC Committee on the design and operation of Citi's compensation programs. Citi's Compensation Philosophy applies to all of its foreign subsidiaries and branches, save where exceptions are required by local law.

The Compensation Philosophy describes Citi's approach to balancing six primary objectives that Citi's compensation programs are designed to achieve. These compensation objectives, as outlined below, have been developed and approved by the CPC Committee. Citi's Principal Compensation Objectives are:

- a) Incentivise conduct that aligns with shareholder and other stakeholder interest;
- b) Reinforce a business culture based on accountability, achieving excellence and maintaining the highest ethical and control standards through Citi's Leadership Principles;
- c) Encourage prudent individual and group decision-making in regard to risk consistent with applicable regulatory guidance and Citi's Mission and Value Proposition Statement;
- d) Function as a tool to attract and retain the best talent and to reward talent for engaging in appropriate behaviours that support Citi's corporate goals;
- e) Encourage behaviours that are in the best interest of our customers, shareholders and the goals of the organization; and
- f) Align realised pay with achievement of important risk and control, regulatory, strategic and financial-based objectives.

Citi's Mission, Value Proposition and Leadership Principles

Citi's Mission, Value Proposition and Leadership Principles are reflective of Citi's business strategy and objectives, and feed into Citi's reward programs and performance assessment approach.

Citi's Mission and Value Proposition states that Citi serves as a trusted partner to its clients by responsibly providing financial services that enable growth and economic progress, and that everything undertaken by its employees:

- Is in clients' interests;
- Creates economic value; and,
- Is always systemically responsible.

Citi incorporates the reinforcement of positive behaviours in line with the Mission and Value Proposition into Global employee reward programs.

MIFID II and Consumer Duty

In line with the requirements of MiFID II Delegated Regulation of 25 April 2016 (MiFID II) and in the context of CEP UK specifically SYSC19 and FCA 2022/31 - Consumer Duty Instrument 2022, Citi considers and seeks to ensure that its remuneration practices, performance assessment of its staff and resulting remuneration is consistent with its duty to treat clients fairly.

Design and Structure of Remuneration

Citi aims to implement a broadly consistent global philosophy and framework in relation to its remuneration policies and practices. Remuneration Policy is non-discriminatory and gender neutral, and Citi seeks to operate all remuneration policies and practices in a non-discriminatory way.

The Remuneration Policy is subject to review at least annually, as Citi refines its remuneration programs at global, regional and entity levels or as required by law or regulation. In 2024 the Remuneration Policy was reviewed from the perspective of

alignment to regulatory requirements, Citi's Compensation Philosophy and market practices.

The Remuneration Policy is also subject to annual control function review which focuses on the design and operation of Citi's policies, processes, controls, and compliance with regulatory requirements.

Fixed Remuneration

Fixed remuneration is set appropriately to attract, retain and motivate employees in line with market practices. Fixed remuneration primarily reflects an employee's professional experience and organisational responsibilities as set out in the employee's job description and terms of employment, and includes the following elements:

- Salary;
- Pension and other non-cash benefits that are offered to employees as part of their overall reward package; and,
- Role Based Allowances (RBAs).

In line with regulatory requirements, RBAs are granted to a limited number of roles. The rationale for granting an RBA is clearly articulated by reference to the eligibility criteria, including details on the responsibilities and scope of the role. RBAs are subject to additional approvals.

All of these elements are classified as fixed remuneration on the basis of the EBA Guidelines (including that they do not depend on performance).

Variable Remuneration

Citi operates a flexible remuneration policy, in which variable remuneration is discretionary, subject to individual, business and firm performance, and can be reduced to zero where permitted by law.

Citi's Discretionary Incentive and Retention Award Plan (DIRAP) is the scheme under which employees globally are awarded annual bonuses. It is designed to incentivise, reward and retain employees based on their performance and contribution.

All MRTs are eligible to participate in the DIRAP, with the exception of external Independent Non-Executive Directors and Non-Executive Directors who were not employed by Citi in any other capacity.

The Transformation Program Award (TPA) was introduced for senior leaders whose roles were identified as critical to the remediation program linked to the long-term success of Citi's transformation. The scheme focused on driving excellence in its risk and control environment, its operations and Citi's service to clients. The TPA concluded in December 2024.

Deferrals and Retention Periods

At Citi, variable remuneration is typically awarded in cash and Citi shares (Citi equity) and is subject to mandatory deferral periods where the individual's total annual variable compensation exceeds globally set thresholds. Citi believes that awarding equity and deferred awards is an effective means of aligning employee interests with those of shareholders and other stakeholders.

For MRTs, who do not meet the de-minimis threshold under CRD V, at least 50% of the upfront and deferred components of variable remuneration are delivered in Citi equity. Variable remuneration of those MRTs is subject to deferral rates of between 40% and 80% of total variable remuneration, with a minimum 60% deferral being employed when total variable remuneration is a particularly high amount in line with regulatory requirements.

Deferred awards to MRTs, who do not meet the de-minimis threshold under CRD V, vest over at least four years, depending on the MRT category as outlined below. Those awards to CEP Senior Management MRTs are subject to a further retention period post-vesting.

MRT Category	Deferral Period	Retention Period
Standard MRT	4 years	12 months
Senior Management MRT ¹	5 years	12 months
MRTs identified as FCA designated Senior Managers	5 years	6 months*
MRTs identified as PRA designated Senior Managers	7 years	6 months*

¹ Senior Management as defined under article 3(9) of directive 2013/36/EU

*Awards to MRTs who are members of the management body and /or senior management are subject to retention for 12 months.

All immediate Citi equity awards to MRTs, who do not meet the de-minimis threshold under CRD V, are subject to a further twelve-month retention period.

Variable remuneration is not paid through vehicles or methods that might facilitate non-compliance with relevant regulatory requirements, including CRD V or Capital Requirements Regulation (CRR) II.

Citi does not pay dividends on deferred equity or interest on deferred cash to MRTs.

Ratio of Variable to Fixed Remuneration

Citi seeks to balance the components of reward between fixed and variable, and short and long-term components. An annual review of the balance between fixed and variable remuneration takes place and, where required, adjustments are made to the fixed element of pay to ensure that an appropriate balance continues to be maintained on an on-going basis.

Citi has obtained formal shareholder approval for a maximum fixed to variable ratio of 1:2 for MRTs and applies this in the Company and all relevant business areas, where relevant member state regulations allow.

De-minimis

In line with point b of Article 94(3) of CRD V, the Company avails itself of the opportunity of derogation from the requirements set out in Article 94(1) (l) and (m) and in the second paragraph (o) for MRTs whose annual variable remuneration does not exceed EUR 50,000 and does not represent more than one third of their total annual remuneration.

For 2024 performance year, 13 individuals who were MRTs for the entity as at 31st December, benefited from this derogation with their remuneration totalling €2.72 million in fixed and €0.36 million in variable.

MRTs who fall within de-minimis thresholds, may still be subject to deferrals under other applicable regulations or under Citi's standard mandatory deferral structure.

Performance and Malus Adjustments

Material Adverse Outcome

Deferred awards have ex-post adjustment mechanisms that may result in the cancellation of all or part of unpaid amounts. These conditions ensure an appropriate balance for risk and aligns the actual pay-out to employees with business performance.

The full deferral can be cancelled if it is determined that the participant has had significant responsibility for a Material Adverse Outcome (MAO) or Violation of any Material Risk Limits (MVRL). A MAO means any Incident that results in Material Harm to Citi. A MVRL means that the participant violated any material risk limit established or revised by senior management and/or risk management. Significant responsibility means that the participant engaged in conduct, or was responsible for conduct, which resulted in an incident which was determined to be a MAO or is accountable for the event under the Global Disciplinary Review Policy.

A portion of the deferred equity award will be cancelled if it is determined that the participant has had as significant responsibility for a significant loss to Citi.

Malus and Clawback

All deferred remuneration awarded to MRTs is also subject to adjustment and clawback for misconduct.

Clawback is possible for up to seven years from the date of the award for impacted MRTs, or potentially up to ten years for UK-designated Senior Managers.

If the Company determines that it is appropriate to recover some or all of an amount that was paid pursuant to an award, then it may offset and/or make deductions from an individual's salary or from any other sums due to them from the Company or any associated company.

Malus and Clawback provisions can apply in circumstances envisaged in regulations such as when there is reasonable evidence that an MRT was responsible for, or participated in, misconduct that resulted in significant losses in connection with their employment, or conduct that resulted in Citi or their business unit suffering a material failure of risk management, or if the MRT failed to meet appropriate standards of fitness and probity.

Link between Pay and Performance

Remuneration is determined by a combination of factors which include firm, business and individual performance / contribution. Individual performance ratings reflect both 'What' outcomes have been achieved and 'How' they were achieved. Performance ratings then guide bonus decision-making.

Capital and Liquidity Planning

To ensure that awards, pay out and vesting of variable remuneration is not detrimental to maintaining a sound capital base, the financial soundness and liquidity of the Entity is considered in advance of the year end remuneration cycle.

Determination of Bonus Pools

Bonus pools are determined at a global level. The process for determining incentive compensation pools includes the consideration of risk-balanced performance metrics, thereby limiting incentives for employees to take imprudent risks.

Citi's incentive compensation program is a discretionary program. The level of any bonus pool is based on various quantitative and qualitative factors and discretionary considerations, including:

- Year over year business performance;
- Performance compared with plan for the current year;
- Performance against key risks (including conduct risk, operational risk, etc.) and control objectives;
- Compensation pay out ratios and amounts accrued for incentives;
- Performance relative to peers;

- Market compensation relative to peers;
- Events that occurred during the year; this includes positive and negative events;
- Specific goals or objectives noted in the executive scorecards;
- Stakeholder feedback;
- Socio-political environment;
- Headcount and other indicative data changes; and
- Other risk-based adjustments and/or investment relative to market position, regulatory obligations, control, or the economic environment.

Allocations of pools among individual employees also take into account risk, based on performance ratings in the Risk and Control Pillar of our performance management framework. The Risk & Control Pillar measures employees on a 4-point scale for performance against their Risk & Control goals. When making a compensation decision, managers are expected to account for risk and control performance and incentivizing good behaviours and are provided guidance to this effect.

Individual Performance

Citi's various performance and accountability processes align Citi's remuneration practices with overall strategy, objectives, values and long-term interests. They reinforce achievement of goals and expected behaviour to ensure appropriate accountability, performance and compensation outcomes.

One of Citi's compensation principles is to "compensate employees based on the achievement of goals, embodiment of Citi's Leadership Principles, and risk-adjusted performance demonstrated over time, balanced with appropriate recognition for short-term results and contributions".

The Performance Management Framework (PM Framework) is applicable to all Citi employees globally and the structure leverages four overarching pillars (Leadership, Risk & Control, Financial Performance¹, and Client & Franchise Outcomes) against which all employees set their performance goals for the performance year.

The PM Framework is designed to hold all employees accountable for their risk and controls performance and behaviour by establishing a Risk & Control pillar across the organisation. The Leadership pillar aligns an employee's individual performance with Citi's culture via Citi Leadership Principles and strategic objectives.

Employee performance is evaluated on a four-point scale at year end by a manager assessment. Evaluation ratings generated through this PM Framework will be used for employee compensation determinations.

Pillar ratings are converted to two performance ratings: a "How" rating (composed solely by the Leadership performance pillar evaluation) and a "What" rating (auto-calculated based on the combined ratings of the applicable sub-pillars). The two performance ratings ("How", "What") carry equal weight, however there is no overall combined rating.

Citi Leadership Principles, against which employee performance is assessed, represent the qualities, behaviours and expectations that Citi employees must exhibit to deliver on Citi's mission of enabling growth and economic progress, and they will contribute to creating a culture that drives client excellence, controls excellence and operational excellence.

The Leadership Principles are outlined below:

¹ The financial performance pillar is not applicable for employees in Risk Management, Internal Audit, and ICRM.

Leadership Principles

	We challenge one another to a higher standard in everything we do.	
We Take Ownership	1.	Greets change with optimism, curiosity and resilience.
	2.	Speaks up with candour and welcomes challenge from others.
	3.	Learns from experiences, adapts and improves.
	4.	Prioritizes the greater good when contributing to honouring group decisions.
	We strive for client excellence, controls excellence and operational excellence.	
We Deliver with Pride	1.	Simplifies, standardizes and clarifies work.
	2.	Holds self and others accountable for managing risk with appropriate controls.
	3.	Creates long-term value by fixing root causes.
	4.	Takes pride in always doing the right thing.
	We value and learn from difference perspectives to surpass stakeholder expectations.	
We Succeed Together	1.	Breaks down barriers to deliver the best of Citi.
	2.	Measures performance through the lens of our stakeholders.
	3.	Invests in colleagues from all backgrounds.
	4.	Shows empathy for colleagues, clients and communities.

Goal setting is an opportunity to ensure employees understand how their work aligns with the priorities of their team, business or group, and Citi. Goals reflect these priorities as well as the Citi Leadership Principles required to achieve them. As business priorities evolve, goals are reviewed and revised, and Citi asks managers to review goals to ensure they appropriately reflect the individual employee's role and responsibilities and are aligned to the strategic priorities of the team and business as a whole. Employees are further asked to align their goals to Citi's Performance Management pillars.

Employees and managers are encouraged to solicit feedback from a variety of key stakeholders to inform self and manager assessments. Managers should provide coaching and feedback throughout the year on progress relative to goals and how they are being accomplished as defined by the Leadership Principles.

To ensure Goal setting is consistent and goals are properly aligned to the strategy of the organisation, Citi operates a top-down goal setting approach. First the organisational strategic goals are set, followed by the objective of each business, followed by individual teams and finally rolling down to the Individual employee.

The goal setting process is not designed to be a one-time process but rather an ongoing process whereby goals can be adjusted to reflect changing priorities and relies on manager supervision and intervention. Where a Manager determines that goals are not aligned to an individual's roles and responsibilities, or to the strategic objectives of the organisation, the goals of the individual can be amended, or new/additional goals can be cascaded by the Manager.

Certain employees are also subject to a range of enhanced performance assessment and accountability processes. Citi's conduct, risk performance and accountability processes and framework continue to be refined, with further enhancements implemented for 2024, including new scope category: Cluster of Breaches, which will place managers with multiple direct reports in-scope of the Accountability Framework Procedure for misconduct in the current annual performance cycle into the Framework themselves.

Other Key Remuneration Policies

Guarantees

Citi has guidelines in place with respect to guarantees which provide that guaranteed incentive awards for employees can only be made in exceptional circumstances, in the context of recruitment, and with reference to the first year of service and provided the Company has a sound and strong capital base.

As part of the governance framework, the award of guarantees require review and approval by the RemCo.

Buyouts

Depending on the terms of the award(s) at the previous employer, a buyout can be provided where outstanding deferred remuneration is actually reduced or revoked by the previous employer, as a consequence of the individual joining the Company, and where the Company (or if permissible the immediate parent) has a sound and strong capital base. Among other criteria, the value of the buyout must be less than or equal to the variable remuneration which has been forfeited, and any buyout must comply with requirements for variable pay, including being subject to appropriate deferral, retention, pay out in instruments and malus / clawback arrangements.

Retention Payments

Retention awards can be made only in exceptional circumstances, for example: during a major restructuring, during a merger process, or where a business is winding down or being sold and particular key staff need to be retained on business grounds. In addition, retention payments can only be made where the employing Company (or if permissible the immediate parent) has a sound and strong capital base. Any retention payments for MRTs are subject to additional review and approval.

Severance

Severance payments are subject to appropriate governance and approvals. Citi's severance payment guidelines are in line with EBA Guidelines and provide that severance:

- Should not provide for a disproportionate reward, but should represent appropriate compensation for early termination of employment;
- Should not reward failure, or misconduct;
- Should comply with relevant collective working agreements or local labour law or other regulatory requirements that apply in country.

The Group generally does not provide guaranteed levels of severance upon early termination of employment. Under the Severance Guidelines, severance pay is discretionary unless otherwise required by local law. Severance pay is based on a number of factors including labour law requirements, statutory rights, and the terms of any collective or workplace agreements which vary country by country.

Remuneration of Control Function Employees

Whilst remuneration levels are influenced by Citi's overall performance, individual compensation for employees in Functions is determined by reference to performance against objectives relevant to their function and assessed within their respective Functions.

Citi maintains the independence of the compensation process for key Functions (e.g. ICRM and Risk Management) to minimise

any scope for potential conflicts of interest. No business has the potential to influence individual awards in the Functions.

Employees engaged in Functions have direct reporting lines into the Function managers that are separate from the business. The Function managers are responsible for the reward of those employees both in terms of year-end compensation, salary increases and promotion. Citi ensures performance management and compensation decisions for independent Function personnel are directed by Function management, and not the business unit. The Financial Performance Pillar is not applicable for employees in Risk Management, Internal Audit and ICRM.

Functions are allocated a bonus pool separate from the revenue generating businesses, and decisions about allocations of those pools are made within the Functions themselves.

Dual Regulated MRTs

For MRTs who are subject to MRT rules for multiple legal entities in different jurisdictions, the most relevant regime will apply. This includes rules related to deferral length, post vesting retention periods and malus / clawback arrangements. The remuneration policy for the relevant jurisdiction should be referenced for full details on award structures and regulatory requirements.

Stockholding Requirements

Awards to certain senior executives are subject to stock ownership commitments, further aligning the executives' interests with those of shareholders. In addition, vesting of deferred awards does not accelerate upon termination of employment except in the case of death. This ensures executives' interests remain aligned with those of shareholders even after termination of employment.

Personal Hedging

Citi has trading policies that limit hedging strategies that might otherwise undermine the risk alignment effects of their remuneration arrangements. Citi's Code of Conduct applies to all Citi employees and states that, when considering personal investments in Citi securities, an individual must avoid any personal trade or investment in a security, derivative, futures contract, commodity, or other financial instrument if the trade or investment might affect or appear to affect the individual's ability to make unbiased business decisions for Citi.

Employees are prohibited from engaging in personal hedging strategies or taking out remuneration or liability related contracts of insurance that undermine or may undermine any risk alignment effects of their remuneration arrangements.

Citi's Personal Trading & Investment Policy (PTIP) prohibits "Covered Persons", which include MRTs as defined in the PTIP, and related persons from hedging in any manner (other than currency hedges) unvested restricted stock or deferred stock awarded under Citi's Capital Accumulation Program.

Disclosure Requirements

The remuneration statement and tables have been prepared with due consideration of, but not limited to, the remuneration reporting obligations set out in:

- Article 450, CRR II;
- Article 17, Commission Implementing Regulation (EU) 2021/637;
- CRD V;
- EBA implementing technical standards on public disclosures by institutions of the information referred to in titles ii and iii of part eight of regulation (EU) no 575/2013; and,
- EBA Guidelines on Sound Remuneration Policies.

Table 66: EU REM1 - Remuneration awarded for the financial year

	€ million ¹	MB Supervisory function ²	MB Management function ³	Other senior management ⁴	Other identified staff ⁵
1	Number of identified staff ⁶	5	4	13.0	145.0
2	Total fixed remuneration ⁷	1.1	6.3	5.5	61.0
3	Of which: cash-based	1.1	6.0	4.9	54.8
EU-4a	Fixed remuneration				
	Of which: shares or equivalent ownership interests	-	-	-	-
5	Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-5x	Of which: other instruments	-	-	-	-
7	Of which: other forms ⁸	-	0.3	0.7	6.2
9	Number of identified staff	-	4	13.0	137.0
10	Total variable remuneration ⁹	-	6.5	5.2	54.5
11	Of which: cash-based	-	1.9	1.4	13.7
12	Of which: deferred	-	1.2	-	1.10
EU-13a	Of which: shares or equivalent ownership interests ¹⁰	-	4.5	3.8	40.8
EU-14a	Variable remuneration				
	Of which: deferred	-	3.8	2.8	28.9
EU-13b	Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-14b	Of which: deferred	-	-	-	-
EU-14x	Of which: other instruments	-	-	-	-
EU-14y	Of which: deferred	-	-	-	-
15	Of which: other forms	-	-	-	-
16	Of which: deferred	-	-	-	-
17	Total remuneration (2 + 10)	1.1	12.8	10.7	115.4

Additional Notes

¹ All non-EUR awards are converted using the European Commission exchange rates for December 2024.

² The Management Body (MB) in its Supervisory Function, includes Non-Executive Directors (NEDs) and Independent Non-Executive Directors (INEDs) of the Board as at 31 December 2024, as the management body acting in its role of overseeing and monitoring management decision-making, as defined in point (8) of Article 3(1) CRD.

³ The MB in its Management Function reflects Executive Directors of the Board as at 31st December 2024, as members of the MB who are responsible for its Management functions.

⁴ Other Senior Management as defined in point (9) of Article 3(1) CRD, includes formal members of the CEP Executive Committee as at 31 December 2024.

⁵ Other identified staff includes those individuals deemed to be Material Risk Takers (MRTs), whose professional activities have a material impact on the institution's risk profile in accordance with the criteria set out in the Commission Delegated Regulation on identified staff implementing Article 94(2) CRD and where appropriate in addition based on institutions' criteria. The population includes any individuals identified as MRTs for CEP, including those within its branches and subsidiaries as at 31st December 2024. It excludes those individuals already captured under MB Supervisory function, MB Management function or other senior management.

⁶ Identified Staff is reported as headcount for the MB, with a full time equivalent approach applied for Other Senior Management and Other Identified Staff.

⁷ Fixed remuneration in cash includes salary and role based allowances where applicable.

⁸ Fixed remuneration in other forms includes the value of pension and benefits.

⁹ Variable remuneration awarded in respect of 2024 performance year. In accordance with the shareholder approval obtained, the variable component of remuneration of an MRT for any one year can be set up to a maximum of 200% of the fixed remuneration.

¹⁰ Share-based awards are made in Citi shares and represent value at grant.

¹¹ For all population groupings, with the exception of external NEDs / INEDs, data excludes individuals who are not employed by the CEP entity.

Table 67: EU REM2 - Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

	€ million ¹	MB Supervisory function	MB Management function	Other senior management	Other identified staff
Guaranteed variable remuneration awards					
1	Guaranteed variable remuneration awards - Number of identified staff ²	-	-	-	-
2	Guaranteed variable remuneration awards - Total amount	-	-	-	-
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap	-	-	-	-
Severance payments awarded in previous periods, that have been paid out during the financial year					
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff	-	-	-	-
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	-	-	-	-
Severance payments awarded during the financial year					

	€ million ¹	MB Supervisory function	MB Management function	Other senior management	Other identified staff
6	Severance payments awarded during the financial year - Number of identified staff ²	-	-	3	11
7	Severance payments awarded during the financial year - Total amount ³	-	-	1.2	6.6
8	Of which paid during the financial year	-	-	1.1	6.6
9	Of which deferred	-	-	0.1	0.0
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap ⁴	-	-	1.1	6.6
11	Of which highest payment that has been awarded to a single person	-	-	0.5	2.4

Additional Notes

¹ All non-EUR awards are converted using the European Commission exchange rates for December 2024.

² Identified Staff is reported as headcount for the MB, with a full time equivalent approach applied for Other Senior Management and Other Identified Staff.

³ Severance payments reflect final amounts paid out to MRTs who terminated during 2024, which include redundancy payments and statutory severance.

⁴ None of these severance payments were taken into account in the ratio of variable to fixed remuneration for 2024 performance year, in line with Article 172 of the EBA Guideline on Sound Remuneration Policies.

Table 68: EU REM3 - Deferred remuneration

	Deferred and retained remuneration € million ¹	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year ²	Of which vesting in subsequent financial years ³	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e. Changes of value of deferred remuneration due to the changes of prices of instruments) ⁴	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year ²	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods ⁵
1 MB Supervisory function		-	-	-	-	-	-	-	-
2 Cash-based		-	-	-	-	-	-	-	-
3 Shares or equivalent ownership interests		-	-	-	-	-	-	-	-
4 Share-linked instruments or equivalent non-cash instruments		-	-	-	-	-	-	-	-
5 Other instruments		-	-	-	-	-	-	-	-
6 Other forms		-	-	-	-	-	-	-	-
7 MB Management function		23.2	3.2	20.0	-	-	3.9	3.6	0.6
8 Cash-based		4.5	0.9	3.5	-	-	-	1.9	-
9 Shares or equivalent ownership interests		16.5	2.2	14.3	-	-	3.4	1.6	0.6
10 Share-linked instruments or equivalent non-cash instruments		2.3	0.1	2.2	-	-	0.5	0.0	0.0
11 Other instruments		-	-	-	-	-	-	-	-
12 Other forms		-	-	-	-	-	-	-	-
13 Other senior management		11.2	2.8	8.4	-	-	1.8	2.0	0.9
14 Cash-based		1.3	0.7	0.7	-	-	-	0.7	-
15 Shares or equivalent ownership interests		9.8	2.2	7.7	-	-	1.8	1.3	0.9
16 Share-linked instruments or equivalent non-cash instruments		0.0	0.0	-	-	-	0.0	0.0	-
17 Other instruments		-	-	-	-	-	-	-	-
18 Other forms		-	-	-	-	-	-	-	-
19 Other identified staff		142.3	35.1	107.2	-	-	22.3	25.3	11.8
20 Cash-based		18.1	7.1	11.0	-	-	-	8.5	-
21 Shares or equivalent ownership interests		109.8	25.4	84.4	-	-	19.4	15.3	11.4
22 Share-linked instruments or equivalent non-cash instruments		14.4	2.6	11.8	-	-	2.8	1.5	0.4
23 Other instruments		-	-	-	-	-	-	-	-
24 Other forms		-	-	-	-	-	-	-	-
25 Total amount		176.7	41.1	135.5	-	-	28.0	30.9	13.3

Additional Notes

¹ Value of all non-EUR cash and share awards are converted using the European Commission exchange rates for December 2024.

² Shares are considered paid when vested. The Fair Market Value (FMV) is determined by the closing New York Stock Exchange stock price for Citigroup common stock the trading day immediately prior to the award's vest date.

³ Value of outstanding share awards is calculated using Citi closing share price as at 31 December 2024.

⁴ Total amount of adjustment during the year due to ex post implicit adjustments has been calculated using:

a. the value at vesting minus the value at 1 January 2024 (or the value at award if awarded in 2024) in relation to amounts due to vest in the financial year; plus

b. the value at 31 December 2024 minus the value at 1 January 2024 (or value at award if awarded in 2024) in relation to amounts vesting in subsequent financial years.

⁵ Value of shares has been calculated as of the vest date for the total outstanding deferred remuneration awarded for previous performance period that has vested but is under restriction as at 31 December 2024.

Table 69: EU REM4 - Remuneration Banding for Annual Compensation of Individuals earning at least EUR 1 million

	EUR ¹	Identified staff that are high earners as set out in Article 450(i) CRR ^{2,3}
1	1,000,000 to below 1,500,000	20
2	1,500,000 to below 2,000,000	6
3	2,000,000 to below 2,500,000	2
4	2,500,000 to below 3,000,000	2
5	3,000,000 to below 3,500,000	–
6	3,500,000 to below 4,000,000	1
7	Greater than 4,000,000	4

Additional Notes

¹ All non-EUR awards are converted using the European Commission exchange rates for December 2024.

² The number of individuals reflects the headcount of those remunerated over EUR 1 Million and who are CEP employed, within the MRT population as at 31 December 2024.

³ Individuals included in above count are located across a number of countries i.e. Bulgaria, Czech Republic, France, Germany, Greece, Ireland, Italy, Luxembourg, Netherlands, Poland, Spain, Sweden and the United Kingdom.

Table 70: EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

	€ million ¹	Management body remuneration			Business areas ⁴					Total	
		MB Supervisory function ²	MB Management function ³	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions		All other ⁵
1	Total number of identified staff										167
2	Of which: members of the MB ⁶	5	4	9							
3	Of which: other senior management ⁷				5.0	–	–	3.0	2.0	3.0	
4	Of which: other identified staff				103.0	–	–	4.0	22.0	16.0	
5	Total remuneration of identified staff	1.1	12.8	13.9	90.4	–	–	4.8	8.8	22.1	
6	Of which: variable remuneration ^{8,9}	–	6.5	6.5	44.0	–	–	2.4	2.7	10.6	
7	Of which: fixed remuneration ¹⁰	1.1	6.3	7.4	46.5	–	–	2.4	6.0	11.6	

Additional Notes

¹ All non-EUR awards are converted using the European Commission exchange rates for December 2024.

² The Management Body (MB) in its Supervisory Function, includes Non-Executive Directors (NEDs) and Independent Non-Executive Directors (INEDs) of the Board as at 31st December 2024, as the management body acting in its role of overseeing and monitoring management decision-making as defined in point (8) of Article 3(1) CRD.

³ The MB in its Management Function reflects Executive Directors of the Board as at 31st December 2024, as members of the MB who are responsible for its Management functions.

⁴ The breakdown by business area includes any individuals identified as MRTs for CEP, including those within its branches and subsidiaries as at 31st December 2024. It excludes those individuals already captured under MB Supervisory function or MB Management function.

⁵ All Other category includes all other employees who cannot be mapped into one of the other categories e.g. Client.

⁶ Identified Staff is reported as headcount for the MB, with a full time equivalent approach applied for Other Senior Management and Other Identified Staff.

⁷ Senior Management as defined in point (9) of Article 3(1) CRD, includes formal members of the CEP Executive Committee, as at 31 December 2024.

⁸ Variable remuneration awarded in respect of 2024 performance year. In accordance with the shareholder approval obtained, the variable component of remuneration of an MRT for any one year can be set up to a maximum of 200% of the fixed remuneration.

⁹ Share-based awards are made in Citi shares and represent value at grant.

¹⁰ Fixed remuneration includes salary and role based allowances where applicable, and the value of pension and benefits.

¹¹ For all population groupings, with the exception of external NEDs / INEDs, data excludes individuals who are not employed by the CEP entity.

Business Conduct

Conflict of Interest Management

In line with EBA Guidelines on internal governance under Directive 2013/36/EU (EBA/GL/2021/05), the following section provides an overview of the conflict of interest policy applicable to CEP and to the management body.

As CEP is a significant European financial services provider and part of a global banking group, its Board of Directors seeks to operate to the highest ethical standards in compliance with all relevant laws, regulations, codes and guidance in each of the jurisdictions in which CEP conducts business.

The Board has responsibility for overseeing the implementation of the Citigroup Code of Conduct which covers the management of conflicts of interest for CEP and its staff. A copy of the Citigroup Code of Conduct is available on the Citigroup Investor Relations website.

The Board must also be in a position to identify actual or potential conflicts of interest affecting Board members and manage them fairly and appropriately so as to ensure objective decision-making, oversight and compliance with external and internal requirements.

Accordingly, the Board has established a separate CEP Board Conflicts of Interest Standard (Standard) relating solely to the Board.

The Standard sets out the principles and requirements applicable to the Directors who have or may have personal interests or duties that conflict with the interests of, or their duties to, CEP. The Standard, together with any applicable terms of a Director's letter of appointment, reflects and supplements the applicable requirements in that regard contained in:

- Irish Companies Act 2014;
- Central Bank of Ireland Corporate Governance Requirements for Credit Institutions 2015;
- European Union (Capital Requirements) Regulations 2014 (S.I. 158/2014) relating to EU Directive 2013/36/EU (CRD);
- Guidelines on internal governance under CRD issued by the European Banking Authority on 02 July 2021 (EBA/GL/2021/05); and,
- Basel Committee on Banking Supervision – Guidelines – Corporate Governance Principles for Banks July 2015.

CEP Board and Senior Management Disclosures

The following senior management disclosures are made in accordance with CRR Article 435 (2).

Board Composition

At 31 December 2024, the CEP Board of Directors (Board) was comprised of eleven directors as follows:

- Four Independent Non-Executive Directors, meaning that they are considered to meet the criteria for independence;
- Three Non-Executive Directors, two being directors without executive management responsibility in CEP but who have executive management responsibilities within the Group, and one being a director without executive management responsibilities within CEP or the Group; and,
- Four Executive Directors, being directors employed by CEP with executive day-to-day management responsibilities.

As required by law, the CEP Board Diversity Policy applies to the recruitment of all directors of the Board and sets out the approach to increasing the diversity of management at Board level, including specific targets for gender representation. The target outlined in the Board Diversity Policy is set at 30 percent. As of 31 December 2024, 36 percent of the Board were female.

The selection criteria for Non-Executive Directors of CEP are designed to ensure that they bring a viewpoint to the deliberations of the Board that is objective and independent of the activities of management and CEP. A key responsibility of the Nomination Committee is to lead the process for Board appointments and for identifying and nominating, for approval by the Board, candidates for appointment to the Board. The Board's breadth of expertise is outlined in further detail in the biographical summaries later in this appendix.

All newly appointed Directors receive induction training, which includes training on directors' duties under Irish law (Companies Act 2014, relevant governance provisions of Statutory Instrument No. 158 of 2014, and the Corporate Governance Requirements for Credit Institutions 2015).

The Board is responsible for the appointment of the Chief Executive Officer and Senior Management (i.e. Pre-Approval

Controlled Functions per the 2014 Fitness & Probity Standards issued by the Central Bank of Ireland (Standards)) with appropriate integrity and adequate knowledge, experience, skill and competence. Candidates are recruited and selected in accordance with Citi Human Resources standard recruitment policy and procedures and relevant CEP policies.

The Nomination Committee is mandated to consider the appointment of Senior Management on behalf of the Board. All Senior Management appointments are required to comply with the Standards.

Distinction between the Roles of Executive and Non-Executive Directors

A fundamental distinction is drawn between the roles of Executive and Non-Executive directors.

The Non-Executive Directors must have a knowledge and understanding of the business, risks and material activities of CEP to enable them to contribute effectively. The Independent Non-Executive Directors must comprise individuals with relevant skills, experience and knowledge (such as accounting, auditing and risk management knowledge) that provide independent challenge to the Executive Directors of the Board.

At 31 December 2024, CEP's Audit Committee comprised of three Independent Non-Executive Directors and CEP's Risk Committee comprised of five Non-Executive Directors, the majority being independent. The Chairperson of each committee sets the agenda for committee meetings. Dedicated support is available to Independent Non-Executive Directors on any matter requiring additional and/or separate advice to that available in the normal Board process, including:

- Full and unhindered access to the business, which involves the receipt of detailed presentations given by business or control functions; and,
- Technical training in the form of Board tutorials. These regular tutorials cover a wide range of subjects including: capital and liquidity requirements, anti-money laundering rules and recovery and resolution planning.

Table 71: Directorships held by Citibank Europe plc Board of Directors 31 December 2024 (counted in accordance with Article 91 of Directive 2013/36/EU and including Citi Directorships)

Name	Number of Directorships
Susan Dean	1
Natalia Bozek	1
Desmond Crowley	3
Ryan Davis	1
Patrick Dewilde	3
Ignacio Gutiérrez-Orrantia	1
Peter Jameson	1
Fabio Lisanti	1
Gillian Lungley	3
Peter McCarthy	1
Jeanne Short	1
Total	17

Please note that the full biographies of CEP's Board as at 31 December 2024 are available in Appendix 1.

Table 72: Memberships of the CEP Board of Directors 31 December 2024*

Membership 31 December 2024			
Name	Gender	Role	Duration of Board Membership
Susan Dean	Female	Chair - Independent Non-Executive Director	8 yrs 9 mths
Natalia Bozek	Female	Executive Director	0 yrs 8 mths
Desmond Crowley	Male	Independent Non-Executive Director	5 yrs 2 mths
Ryan Davis	Male	Non-Executive Director	1 yrs 7 mths
Patrick Dewilde	Male	Non-Executive Director	5 yrs 11 mths
Ignacio Gutiérrez-Orrantía	Male	Executive Director	0 yrs 6 mths
Peter Jameson	Male	Executive Director	1 yrs 11 mths
Fabio Lisanti	Male	Executive Director	1 yrs 4 mths
Gillian Lungley	Female	Independent Non-Executive Director	3 yrs 5 mths
Peter McCarthy	Male	Non-Executive Director	4 yrs 9 mths
Jeanne Short	Female	Independent Non-Executive Director	7 yrs 6 mths

*Since 31 December 2024, the following changes to the membership of the CEP Board of Directors have taken place as at the time of preparation of this disclosure: Patrick Dewilde resigned from the Board effective 31 December 2024 and Susan Dean resigned from the Board effective 23 May 2025. Darren Jarvis was appointed to the Board as a Non-Executive Director effective 01 January 2025, Rosemary Quinlan was appointed to the Board as an Independent Non-Executive Director effective 20 March 2025 and appointed Chair of the Board effective 23 May 2025, and Susan Skerritt was appointed to the Board as an Independent Non-Executive Director effective 23 May 2025.

CEP Committees

Following CEP's acquisition of BHW in 2023, CEP has certain responsibilities that arise at a consolidated level. The CEP solo and, where applicable, CEP consolidated responsibilities are articulated in the Terms of Reference of the Board, its Committees, and the CEP management committees.

Board Risk Committee

The Risk Committee (BRC) is a Committee of the Board and is governed by Terms of Reference approved by the Board. The BRC has responsibility for the oversight and advice to the Board on the current risk exposures of the Group and future risk strategy taking account of the overall risk appetite and the current and future financial position of the Group, whilst ensuring the development and on-going maintenance of an effective risk management system.

The BRC plays an active role in the development of the ICAAP and ILAAP along with reviewing and challenging the ICAAP and ILAAP in advance of these items being submitted for approval by the Board.

On an ongoing basis, the BRC is responsible for advising the Board on the effectiveness of the strategies and policies with respect to maintaining, on an ongoing basis, amounts, types and distribution of both internal capital and own funds adequate to cover the risks of CEP on a solo and consolidated basis.

The BRC must also advise the Board of its recommendations on

necessary adjustments of the risk strategy resulting from changes in the CEP business model or market developments, or from recommendations made by the risk function. The BRC is furthermore tasked with overseeing the implementation of strategies for capital and liquidity management as well as for all the remaining relevant risks applicable to the Group.

The BRC's annual review of the Recovery Plan prior to submission to the Board ensures that a comprehensive view of capital and liquidity risk is considered in this analysis.

To fulfil its risk monitoring responsibilities, the BRC relies on a number of management committees to ensure all material risks are being appropriately identified, measured, managed, and where possible, mitigated. The Executive Committee is the delegated committee of the Board with responsibility for overseeing the CEP management committees. In addition, the CRO reports to the BRC on material risks and how these are being managed at each scheduled meeting.

The composition of the BRC is set out below:

Table 73: CEP Board Risk Committee Composition

Membership 31 December 2024	
Jeanne Short	Chair – Independent Non-Executive Director
Desmond Crowley	Independent Non-Executive Director
Susan Dean	Independent Non-Executive Director
Patrick Dewilde	Non-Executive Director
Gillian Lungley	Independent Non-Executive Director

Audit Committee

The Audit Committee is a Committee of the Board and is governed by Terms of Reference approved by the Board. The purpose of the Audit Committee is to assist the Board in fulfilling its oversight responsibility for the integrity of CEP's consolidated financial statements, financial reporting process, systems of internal accounting and financial controls, and the performance of Internal Audit.

The Audit Committee has a responsibility to raise any concerns or recommendations regarding the audit of CEP's consolidated

financial statements or the effectiveness of the internal control over financial reporting to Citigroup's Audit Committee. The Audit Committee also assists the Board in fulfilling its oversight responsibility relating to compliance with policy standards, guidelines for risk assessment and compliance by CEP with local legal and regulatory requirements, including CEP's disclosure controls and procedures, where applicable.

The composition of the Board Audit Committee is set out below:

Table 74: CEP Audit Committee Composition

Membership 31 December 2024	
Desmond Crowley	Chair – Independent Non-Executive Director
Gillian Lungley	Independent Non-Executive Director
Jeanne Short	Independent Non-Executive Director

Remuneration Committee

The Remuneration Committee is a Committee of the Board and is governed by Terms of Reference approved by the Board. It has responsibility for decisions regarding remuneration on behalf of the Board, including those that have implications for risk and risk management, which are to be taken by the Board. When reviewing such decisions, the Remuneration Committee takes

into account the long-term interest of its shareholders, investors and other stakeholders and the public interest.

The Remuneration Committee assists with the design and implementation of the Remuneration Policy to ensure that remuneration practices do not promote excessive risk taking. The Remuneration Committee also evaluates CEP's compliance

with the Remuneration Policy and assesses whether CEP's remuneration practices are creating the desired incentives for managing risk, capital and liquidity, and that the remuneration policy is gender neutral.

The composition of the Remuneration Committee is set out below:

Table 75: CEP Remuneration Committee Composition

Membership 31 December 2024	
Gillian Lungley	Chair – Independent Non-Executive Director
Susan Dean	Independent Non-Executive Director
Jeanne Short	Independent Non-Executive Director

Nomination Committee

The Nomination Committee is a Committee of the Board and is governed by Terms of Reference approved by the Board. The Nomination Committee is responsible for leading the process for appointments to the Board and making recommendations to the Board on all new appointments of both Executive and Non-Executive Directors. It is also responsible for assessing the structure, size and composition of the Board, in particular as compared to relevant EBA Guidelines, and making recommendations to the Board with regard to any changes. The Nomination Committee is also involved in succession planning for the Board, taking into account the future demands on the business and the existing level of skills and expertise.

The Nomination Committee also ensures members of the Board receive comprehensive and tailored induction training to enable their effective contribution from their appointment, and that all members of the Board receive appropriate training in a timely manner on an ongoing basis.

The composition of the Nomination Committee is set out below:

Table 76: CEP Nomination Committee Composition

Membership 31 December 2024	
Susan Dean	Chair – Independent Non-Executive Director
Patrick Dewilde	Non-Executive Director
Jeanne Short	Independent Non-Executive Director

Related Party Lending Committee

The Related Party Lending (RPL) Committee is a Committee of the Board and is governed by Terms of Reference approved by the Board. The RPL Committee, under delegated authority from the Board, is responsible for ensuring policies and procedures are in place to identify individual loans to a related party as defined in, and per the requirements of, the Code of Practice on Lending to Related Parties 2013 as issued by the Central Bank of Ireland (RPL Code) and Article 88 of the Capital Requirements Directive (CRD), as expanded upon in the European Banking Association guidelines on internal governance under the CRD (the EBA Guidelines). Combined, the RPL Code and additional provisions under the EBA requirements are collectively known as the 'RPL Framework'.

The Committee ensures regulatory reporting requirements in respect of related party exposures are fulfilled, and reports to the Board on any and all material matters relating to the RPL Framework and otherwise as the RPL Committee considers necessary for the purpose of ensuring the proper discharge by the Board of its obligations under the RPL regulations.

The membership of the Related Party Lending Committee is set out below:

Table 77: CEP Related Party Lending Committee Composition

Membership 31 December 2024	
Natalia Bozek- Chair - Chief Financial Officer	
CEP Financial Controller	
Head of Human Resources	
Head of Compliance	
Head of Markets	
CEP Treasurer	
Head of Credit Risk	
Private Bank Representative	
Head of CEP Legal	
WorldLink Representative	
Banking Representative	
Independent Non-Executive Director - Desmond Crowley	

*Natalia Bozek assumed the role of chair of the committee effective May 2024.

Governance Committees (Management)

Executive Committee

The Executive Committee receives its authority from and reports to the Citibank Europe plc (CEP or Company) Board of Directors (Board), which maintains oversight of CEP.

The Executive Committee has overall responsibility for CEP's material risks applicable to each of its businesses, functions, branches and, to the extent applicable, subsidiaries. The Executive Committee has direct governance and oversight responsibility for Strategic and Reputation Risk.

The purpose of the Committee is to:

1. take key decisions regarding the management of, and set the direction for, the Company in line with the strategic plan for the Company and to implement the recommendations or decisions of the Company's Board;
2. be responsible for the day-to-day running of the Company and for the management of the Company's relationships with regulatory authorities;
3. manage and oversee the ongoing business activities of the Company, its branches, and, to the extent applicable, subsidiaries, in accordance with the business model, strategic plan, risk appetite, policies, instructions, and guidelines established by the Board, and applicable legislation and regulatory requirements;
4. report to the Board, in such manner and frequency as the Board may from time to time determine, on matters falling within the Committee's responsibilities together with such matters that the Board may require or may consider are relevant to the strategy of the Company or its implementation; and
5. act as the primary forum for ensuring that the Company's business goals and client service and leadership standards are embedded throughout the Company.

Key responsibilities of the Executive Committee with respect to finance, capital, liquidity and risk include:

- Monitoring CEP's overall financial and business performance against key objectives, including financial objectives;

- Before, or at the beginning of each financial year, the Committee shall review the Operating Plan for the forthcoming financial year including a profit and loss statement, balance sheet, capital structure, and liquidity on a solo basis for the Company and on a consolidated basis for the Company and its subsidiaries, to the extent applicable.
- Monitoring on a continuous basis the internal operations of CEP against the financial plan set for each financial year on a consolidated basis for CEP and its subsidiaries, to the extent applicable, including financial plans relating to operations, liquidity, capital resources and investments and report regularly to the Board the outcome of such monitoring;
- Either directly or in conjunction with the ALCO, reviewing and recommending to the Board proposals for the allocation of capital within CEP;
- Review and recommend to the Audit Committee the consolidated annual financial statements and statutory accounts;
- Taking decisions regarding material matters escalated to it for decision by the Management Committees (Risk Management Committee, Business Risk & Control Committee, Asset & Liability Committee) in the discharge of its responsibilities relating to the monitoring oversight and control of CEP's material risks;
- Receiving updates on the overall risk profile on both a solo and consolidated basis for CEP and its subsidiaries, to the extent applicable, along with key risk issues from the Chief Risk Officer and taking such action as may be required in response to those updates; and
- Ensuring that all appropriate risk considerations are incorporated within the strategic planning and budgeting process, risk appetite setting, recovery planning and capital and liquidity planning processes on an ongoing basis on a solo and consolidated basis for CEP and its subsidiaries to the extent applicable.

The Company Secretary, the CEP Chief Audit Executive, CEP Head of Communication and Committee Secretary are permanent attendees at Executive Committee meetings.

The current composition of the Executive Committee is set out in the table below:

Table 78: CEP Executive Committee Composition

Membership 31 December 2024
Chief Executive Officer - Chair
Chief Financial Officer
Chief Operating Officer
Chief Risk Officer
General Counsel
Head of Compliance
Head of Treasury and Trade Solutions
Head of Securities Services
Head of Markets
Head of Corporate Banking
Head of Commercial Banking
Head of Wealth
Head of Operations
Head of Technology
Head of Human Resources
Head of Institutional Credit Management

Risk Management Committee

The Risk Management Committee of CEP is the primary senior executive level committee responsible for:

- overseeing the execution of the CEP Risk Management Framework;
- monitoring CEP's risk profile at an aggregate level inclusive of individual risk categories;
- ensuring that CEP's risk profile remains consistent with its approved risk appetite on a consolidated basis for the Company and its subsidiaries, including for aggregate and concentration risks; and
- discussing material and emerging risk issues facing CEP and its subsidiaries.

The Risk Management Committee also provides comprehensive CEP-wide coverage of Credit Risk, Market Risk in the Trading Book and Inter-Affiliate Risk.

The Risk Management Committee serves as an escalation point for Senior Management in the first and second lines of defence as they design, implement, and maintain an effective risk program in their respective areas of responsibility.

It also serves as an escalation point for certain risk management activities for CEP.

The scope of the Risk Management Committee covers all branches, businesses and, to the extent applicable, subsidiaries of CEP.

The composition of the Risk Management Committee is set out below:

Table 79: CEP Risk Management Committee Composition

Membership 31 December 2024
Chief Operating Officer (Co-Chair)
Chief Risk Officer (Co-Chair)
Chief Financial Officer
Head of Corporate Banking
Head of Markets
Head of Treasury and Trade Solutions
Treasurer
Head of Market Risk
Head of Credit Risk
Head of Institutional Credit Management
Head of Enterprise & Governance Risk Management
Head of Operational Risk Management

Business Risk and Control Committee

The Business Risk and Control Committee (BRCC) for CEP provides governance and oversight for compliance and operational risks.

The mandate of the CEP BRCC is to govern and oversee that all compliance and operational risks material to its scope and mandate are adequately identified, monitored, reported, managed, and escalated, and appropriate action is taken in line

with CEP's strategic objectives, risk appetite thresholds, and regulatory expectations, while promoting the culture of risk awareness and high standards of culture and conduct.

The scope of the CEP BRCC covers all branches, businesses and, to the extent applicable, subsidiaries of CEP.

The composition of the BRCC is set out below:

Table 80: CEP Business Risk and Control Committee Composition

Membership 31 December 2024
Chief Operating Officer - Chair
Head of Banking
Head of Commercial Banking
Head of Wealth
Head of Markets
Head of Securities Services
Head of Treasury and Trade Solutions
Chief Risk Officer
Chief Financial Officer
Head of Compliance
General Counsel
Head of Anti Money Laundering
Head of Human Resources
Head of Operations
Head of Technology
Head of Operational Risk
Head of Client Asset and Depositor Protection

Asset and Liability Committee

The purpose of the Asset and Liability Committee (ALCO) is to monitor and manage the CEP balance sheet, including capital, funding, liquidity, and non-trading book market risk of CEP and to integrate the Balance Sheet into the overall business strategy and to prioritise and achieve business goals and returns given balance sheet, capital and liquidity resources on a solo and consolidated basis, to the extent applicable. The scope of the ALCO covers all businesses, branches and, to the extent applicable, subsidiaries of CEP.

ALCO has a range of responsibilities that arise at a consolidated level. Where responsibilities cover a matter which is subject to consolidated prudential requirements, ALCO will carry out the dual functions of reviewing that matter on a solo and consolidated basis for CEP and its subsidiaries, to the extent applicable. The primary responsibilities of ALCO are to:

- provide oversight and governance of CEP's Balance Sheet including capital, funding, liquidity risk and market risk in the banking book (which includes the interest rate, credit spread and FX risks of CEP). In this regard, the ALCO is an integral part of the overall risk management framework and functions as a forum for senior management to ensure adherence to corporate-wide policies and procedures, regulatory requirements, rating agency commitments and, as necessary, to recommend and implement appropriate funding plans;
- monitor the CEP balance sheet and changes in the balance sheet under applicable Generally Accepted Accounting Principles, and other statutory methodologies as required under local regulations.
- review and recommend the ICAAP, capital plan and contingent capital plan for approval;
- ensure adherence to minimum capital standards consistent with regulatory requirements, rating agency parameters and Company policy;
- monitor the overall level of capital within the Company and ensure that the level of capital is satisfactory for both current and future business needs and regulatory requirements;
- monitor the liquidity of CEP, including significant funding sources, and ensure that acceptable liquidity levels are maintained in line with the Risk Appetite Statement limits, regulatory requirements and the internal liquidity limit framework;
- review and recommend the Annual and 3-year Funding and Liquidity Plans, ILAAP, Liquidity Risk Management Framework and Policy, Contingency Funding Plan, liquidity risk appetite limits and triggers for approval;
- monitor utilisation against limits and targets for structural liquidity ratios and market triggers. Establish and enforce plans to rectify breaches;
- review and recommend the Treasury Risk Management Framework, relevant market risk policies, and Risk Appetite limits for market risk in the non-trading portfolio;
- oversee adherence to the relevant market risk governance, principles, policies and procedures as well as applicable regulatory guidance documentation and monitor & review market risk exposure in the non-trading book;
- Review and approve the Funds Transfer Pricing Vectors, Interest Rate Betas and Single Benchmark Yield Curves Review risk indicators and recovery triggers as set out in the Company's Recovery Plan.
- Review key documents in order to recommend for approval, including the ILAAP and ICAAP, and Group policies applicable to CEP, insofar as they are relevant to the Committee's responsibilities.

The composition of the ALCO is set out below:

Table 81: CEP Asset and Liability Committee Composition

Membership 31 December 2023
Chief Financial Officer – Co -Chair
Chief Risk Officer – Co-Chair
Treasurer
Head of Treasury and Trade Solutions
Head of Markets
Head of Securities Services
Central Europe Sub- Cluster Head
Head of Treasury Risk Management
Head of Corporate Banking

Appendix 1: CEP Board Member Biographies

CEP Directors' Board Membership and Experience 31 December 2024

Executive Directors

Natalia Bozek

Natalia Bozek is Europe Cluster Chief Financial Officer (CFO) and CEP CFO. She was appointed to the CEP Board on 12 April 2024. Prior to this she was CFO and member of the Management Board in Citi Handlowy, a publicly listed subsidiary of Citigroup.

Natalia joined Citigroup Poland in 1999, first in the Consumer Business where she spent 8 years in various roles, moving to the Finance division of Citi Handlowy in 2007. She was appointed the Head of Financial Planning & Analysis for the Europe Cluster in 2014 before her appointment as CFO and Vice President of the Management Board of Bank Handlowy w Warszawie S.A. in March 2018.

Natalia graduated from the University of Business and Administration in Warsaw in 2000 with a Master's Degree in Finance and Accounting. She was appointed a Director on the Supervisory Board of Bank Handlowy w Warszawie S.A. from June 2024.

Ignacio Gutiérrez-Orrantia

Ignacio (Nacho) Gutiérrez-Orrantia is CEP Chief Executive Officer and Head of the Europe Cluster, responsible for leading all Citi's businesses across 24 countries on the Continent. He is also Head of Investment Banking for Europe, UK and the Middle East and Africa. Nacho has served as an Executive Director on the CEP Board since June 2024 and is Vice Chairman of the Supervisory Board of Bank Handlowy w Warszawie.

Nacho has been in the banking industry for 30 years. He joined Citi in 2004 and has held senior leadership roles including Head of Banking, Capital Markets and Advisory (BCMA) for Europe, Middle East and Africa. He has extensive investment banking experience, having served as Chairman for Continental Europe (2018 – 2021) and Chairman for Spain and Portugal (2009–2021). He started his career in Goldman Sachs' Mergers & Acquisitions division in 1995 in London.

Peter Jameson

Peter Jameson is an Executive Director and Head of Treasury and Trades Solutions (TTS), appointed to the Board on 4 January 2023.

Prior to joining Citi in 2022, Peter spent 12 years at Bank of America – firstly as Co-Head of EMEA Product Management, Global Transaction Services, based in London. Subsequently he relocated to Hong Kong for 4 years as the Head of Trade & Supply Chain Finance, Global Transaction Services for Asia Pacific. Prior to joining Bank of America in 2010, Peter spent 12 years at Citi, based in Paris and London. During that time, he was responsible for several areas within the TTS business.

Fabio Lisanti

Fabio Lisanti is an Executive Director and Head of Markets Europe, appointed to the Board on 6 September 2023. Prior to Citi, Fabio spent over 20 years at UBS in the Debt Capital Markets, Fixed Income Structuring and Solutions businesses. In his previous capacity at UBS, Fabio ran these businesses globally and reported to the IB CEO. He has been a Board Member of the International Capital Markets Association and currently represents Citi on the Board of the Association for Financial Markets in Europe. Fabio holds a BSc in Economics at the London School of Economics and Master's Degree at the SDA Bocconi in Milan.

Since June 2024, Fabio has also served as a Director on the Supervisory Board of Bank Handlowy w Warszawie.

Independent Non-Executive Directors

Desmond Crowley

Desmond (Des) Crowley is an Independent Non-Executive Director of CEP and Chair of the Audit Committee. Des graduated with a B.A. Mod. (Economics and Mathematical Economics) from Trinity College Dublin.

Des joined Andersen Consulting in 1980 and worked on a variety of consulting assignments in Financial Services, Government and Pharmaceutical in the UK, USA, Scandinavia and Ireland.

Des joined Bank of Ireland Group in 1988, where he had a varied career running business units and parts of the Retail Bank. In March 2000 he became a member of the Bank of Ireland Group's executive committee, on being appointed Chief Executive of Retail Banking. Des was appointed Chief Executive of UK Financial Services, Director of Bristol & West plc and Bank of Ireland UK Holdings plc in January 2006. He was appointed Chief Executive – Retail UK Division in March 2012.

Des is a former Chair of Post Office Financial Services and Director of First Rate Exchange Services, the foreign exchange joint venture with UK Post Office. He was a former board member of New Ireland Assurance Company plc and a current board member of AXA Insurance, Aldermore Bank and MotoNovo Finance Limited.

Susan Dean

Susan joined the Board of CEP as a Non-Executive Director in March 2016 and, in September 2016, she was appointed as Chair. Susan was appointed Chair of Nomination Committee in August 2021.

Before leaving Citigroup in 2011, Susan was the Chief Financial Officer of Citi's Institutional Clients (ICG) businesses globally. Susan joined Salomon Brothers in 1987. Previous roles included: Chief Financial Officer for the Citigroup franchise in EMEA; Head of ICG Operations and Technology; past sponsor of CitiWomen.

Susan qualified as an accountant with PwC.

Gillian Lungley

Gillian (Gill) Lungley is an Independent Non-Executive Director of CEP and Chair of the Remuneration Committee. Gill has over 25 years' of senior management experience in delivering business process and technology innovation resulting in business transformation.

Gill is an expert in Technology and Operations in Financial Services with an extensive track record in strategic line management roles and leadership of global teams spanning operational management, risk management, controls, programme management and technology functions.

Gill has extensive board experience across the public and private sectors, including Societe Generale International, CLS Group, UK Home Office and Bedfordshire Hospitals Foundation NHS Trust.

Gill previously held senior positions with UBS, Credit Suisse and Deutsche Bank.

Jeanne Short

Jeanne Short is an Independent Non-Executive Director of CEP and Chair of the Risk Committee.

Jeanne is the former CRO of UBS APAC region, a role she held from 2012 to 2016. Jeanne has over 40 years' experience in the banking industry and broad sector and geographical knowledge. In her role, Jeanne was part of the senior management team of Risk Control and of APAC at UBS, reporting to a UBS Group executive board member. Prior to UBS, Jeanne held a number of positions at Charterhouse Bank and Hambros Bank.

Jeanne was previously a director of Charterhouse Bank, UBS Limited and a member of the Board of Governors of the Bridge Academy.

Non-Executive Directors

Ryan Davis

Ryan Davis is a Non-Executive Director of CEP. Ryan is the Managing Director, Banking-Corporate Banking and Head of Business Senior Credit Officers for EMEA.

He joined Citi 27 years ago, of which 23 years have been in the Risk Management organisation both in London and New York. His current responsibilities include oversight of capital management across the Corporate Bank for the region, approving large/complex transactions for the region, and driving the strategic direction relating to the region's Industries and Country exposures. During his time at Citi he has worked in various roles including, Global Head for Public Sector Risk (Governments, SOE and Multinationals), Industrials, Automotive, Consumer & Healthcare, Leverage Finance.

In addition to his Non-Executive Director position on the CEP Board, Ryan is a Director of Citibank A.S., Citicorp North America, Inc and Citicorp USA, Inc.

Patrick Dewilde

Patrick Dewilde served as a Non-Executive Director of CEP until 31 December 2024. Patrick was appointed Head of Markets and Securities Services, Asia Pacific ex-Japan in April 2014 and retired after 41 years in Banking in March 2018.

Patrick began his career in KBC in Belgium before joining Citibank in Bahrain in 1983, in Treasury Marketing and Sales. He relocated to Turkey in 1984 and was later appointed Head of Investment Banking. Patrick then moved to Vienna in 1989 to run the Citi Austria Treasury and Investment Bank.

He became CCO of Austria from 1991 to 1994, then relocated to Philippines as Head of Investment Banking and Country Treasury from 1994 to 1998, before moving to Hong Kong in 1998. He relocated to London in late 2003 to run the Sales and Trading for Middle East, Turkey and Israel. From 2010 to 2014, Patrick was concurrently the Regional Markets Head for South and East Africa, Turkey and Israel.

Peter McCarthy

Peter McCarthy is a Non-Executive Director of CEP appointed to the Board in March 2020. He transitioned from a Group Non-Executive Director role to external Non-Executive Director with effect from 01 January 2025.

During his executive career in Citi, Peter was appointed Chief Administrative Officer for EMEA in 2012 and CBNA London Branch Head, including UK Head of Business Execution, in 2023. Peter was also a member of the UK Executive Committee and was responsible for executing global strategy, delivering against legal entity targets and developing and co-ordinating strategy and initiatives. He was formerly the Chief Administrative Officer for the Institutional Client Group Markets business in EMEA.

Peter has an active interest and involvement in people management and talent development.

He is a Chartered Accountant with over 40 years of experience in Banking.

Appendix 2: 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 31 December 2024.

Table 82: EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

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			Total	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				
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million		
Armenia	—	—	—	—	—	—	—	—	—	—	0.00%	1.50%
Australia	34	—	—	—	34	3	—	—	3	34	0.07%	1.00%
Belgium	563	—	—	—	563	45	—	—	45	563	1.10%	1.00%
Bulgaria	371	—	—	—	371	30	—	—	30	371	0.72%	2.00%
Switzerland	2,302	1	—	—	2,303	151	—	—	151	1,892	3.70%	0.00%
Chile	—	—	—	—	—	—	—	—	—	—	0.00%	0.50%
Cyprus	249	—	—	—	249	20	—	—	20	249	0.49%	1.00%
Czech Republic	1,016	—	—	—	1,016	82	—	—	82	1,029	2.01%	1.25%
Germany	5,990	24	3	—	6,016	405	3	—	408	5,095	9.95%	0.75%
Denmark	1,054	—	—	—	1,054	76	—	—	76	945	1.85%	2.50%
Estonia	15	—	—	—	15	1	—	—	1	15	0.03%	1.50%
Spain	2,480	2	1	—	2,483	200	—	—	200	2,499	4.88%	0.00%
France	10,047	35	44	—	10,127	660	7	—	667	8,343	16.30%	1.00%
United Kingdom	4,163	35	5	6	4,208	317	4	—	320	4,004	7.82%	2.00%
Hong Kong	95	—	—	—	95	8	—	—	8	95	0.19%	0.50%
Croatia	7	—	—	—	7	1	—	—	1	7	0.01%	1.50%
Hungary	977	—	—	—	977	78	—	—	78	975	1.90%	0.50%
Ireland	1,692	8	—	958	2,658	131	1	23	155	1,943	3.79%	1.50%

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			Total	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				
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million		
Iceland	—	—	—	—	—	—	—	—	—	—	0.00%	2.50%
Korea, Republic Of	28	—	—	—	28	2	—	—	2	28	0.05%	1.00%
Lithuania	47	—	—	—	47	4	—	—	4	47	0.09%	1.00%
Luxembourg	1,484	16	2	—	1,502	119	2	—	120	1,505	2.94%	0.50%
Latvia	—	—	—	—	—	—	—	—	—	—	0.00%	0.50%
Netherlands	4,706	21	3	90	4,821	350	3	3	356	4,452	8.69%	2.00%
Norway	484	—	—	—	484	30	—	—	30	380	0.74%	2.50%
Poland	6,652	2	—	235	6,889	487	—	3	490	6,122	11.96%	0.00%
Romania	758	—	—	—	758	61	—	—	61	764	1.49%	1.00%
Sweden	2,069	4	1	—	2,074	156	1	—	157	1,959	3.83%	2.00%
Slovenia	1	—	—	—	1	—	—	—	—	1	0.00%	0.50%
Slovakia	267	—	—	—	267	21	—	—	21	268	0.52%	1.50%
United States	2,340	19	—	—	2,359	142	2	—	144	1,806	3.53%	0.00%
All other countries ¹	6,424	27	3	—	6,454	462	2	—	465	5,811	11.35%	
Total as at 31 December 2024	56,316	196	60	1,289	57,861	4,042	25	29	4,096	51,201	100.00%	

¹ Countries that have a CCyB requirement or have an own funds requirement greater than 2% of total CEP's own funds requirement are disclosed separately, with remaining countries aggregated under "Other countries". List of "Other countries" is available upon request as it includes more than 50 countries.

Amount of Institution-specific countercyclical capital buffer			
1	Total risk exposure amount (€ million) as at 31 December 2024		81,084
2	Institution specific countercyclical capital buffer rate		0.87%
3	Institution specific countercyclical capital buffer requirement (EUR million)		707

Appendix 3: Capital Instruments Main Features

Table 83: EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments

Capital instruments' main features template		Citibank Europe Plc CET1
1	Issuer	Citibank Europe Plc
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
2a	Public or private placement	Private placement
3	Governing law(s) of the instrument	Governed by Irish Law
3a	Contractual recognition of write down and conversion powers of resolution authorities	N/A
Regulatory treatment		
4	Current treatment taking into account, where applicable, transitional CRR rules	CET1
5	Post-transitional CRR rules	CET1
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Solo and (Sub-)Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Ordinary issued shares with full voting rights
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	Currency of issuance / Currency of reporting; Nominal - USD 10,532 / EUR 10,138 thousand Share premium USD 1,962,747 / EUR 1,889,255 thousand Total of: USD 1,973,279 / EUR 1,899,393 thousand 9.741.290 ordinary shares of a pair value of €1.00 each
9	Nominal amount of instrument	Currency of issuance / Currency of reporting; Nominal - USD 10,532 / EUR 10,138 thousand Share premium USD 1,962,747 / EUR 1,889,255 thousand Total of: USD 1,973,279 / EUR 1,899,393 thousand 9.741.290 ordinary shares of a pair value of €1.00 each
EU-9a	Issue price	€22,192 15/03/2001 €6,348,689 17/04/2001 €180,703 28/09/2001 €908,846 01/01/2008 €1,857,824 31/12/2009 €423,036 01/01/2016
EU-9b	Redemption price	N/A
10	Accounting classification	Shareholders equity
11	Original date of issuance	€22,192 15/03/2001 €6,348,689 17/04/2001 €180,703 28/09/2001 €908,846 01/01/2008 €1,857,824 31/12/2009 €423,036 01/01/2016
12	Perpetual or dated	Perpetual
13	Original maturity date	No maturity
14	Issuer call subject to prior supervisory approval	No
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
Coupons / dividends		
17	Fixed or floating dividend/coupon	N/A
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	No
EU-20 a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
EU-20 b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step up or other incentive to redeem	No

Coupons / dividends		
22	Non cumulative or cumulative	Non cumulative
23	Convertible or non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
Coupons / dividends		
30	Write-down features	N/A
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	N/A
EU-34 b	Ranking of the instrument in normal insolvency proceedings	Rank 1
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	All subordinated liabilities
36	Non-compliant transitioned features	No
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A - Private Placement

Table 76: EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments (continued)

		CITIBANK EUROPE PLC					
Capital instruments' main features template		Eligible Liabilities	Eligible Liabilities	Eligible Liabilities	Eligible Liabilities	Eligible Liabilities	Eligible Liabilities
1	Issuer	CITIBANK EUROPE PLC	CITIBANK EUROPE PLC	CITIBANK EUROPE PLC	CITIBANK EUROPE PLC	CITIBANK EUROPE PLC	CITIBANK EUROPE PLC
2	Unique identifier (e.g. CUSIP, ISIN or Bloomberg identifier for private placement)	N/A	N/A	N/A	N/A	N/A	N/A
2a	Public or private placement	Private	Private	Private	Private	Private	Private
3	Governing law(s) of the instrument	Governed by Irish Law	Governed by Irish Law	Governed by Irish Law	Governed by Irish Law	Governed by Irish Law	Governed by Irish Law
3a	Contractual recognition of write down and conversion powers of resolution authorities	Yes	Yes	Yes	Yes	Yes	Yes
Regulatory treatment							
4	Current treatment taking into account, where applicable, transitional CRR rules	N/A	N/A	N/A	N/A	N/A	N/A
5	Post-transitional CRR rules	Eligible Liabilities	Eligible Liabilities	Eligible Liabilities	Eligible Liabilities	Eligible Liabilities	Eligible Liabilities
6	Eligible at solo/ (sub-)consolidated/solo & (sub-)consolidated	(Sub)-Consolidated	(Sub)-Consolidated	(Sub)-Consolidated	(Sub)-Consolidated	(Sub)-Consolidated	(Sub)-Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Subordinated Loan	Subordinated Loan	Subordinated Loan	Subordinated Loan	Subordinated Loan	Subordinated Loan
8	Amount recognised in regulatory capital or eligible liabilities (currency in million, as of most recent reporting date)	EUR 3,500m	GBP 600m / EUR 724m	EUR 2,400m	USD 1,000m / EUR 963m	USD 200m / EUR 193m	EUR 1,500m
Regulatory treatment							
9	Nominal amount of instrument	EUR 3,500m	GBP 600m / EUR 724m	EUR 2,400m	USD 1,000m / EUR 963m	USD 200m / EUR 193m	EUR 1,500m
EU-9a	Issue price	EUR 3,500m	GBP 600m / EUR 724m	EUR 2,400m	USD 1,000m / EUR 963m	USD 200m / EUR 193m	EUR 1,500m
EU-9b	Redemption price	EUR 3,500m	GBP 600m / EUR 724m	EUR 2,400m	USD 1,000m / EUR 963m	USD 200m / EUR 193m	EUR 1,500m
10	Accounting classification	Liability – Amortised cost	Liability – Amortised cost	Liability – Amortised cost	Liability – Amortised cost	Liability – Amortised cost	Liability – Amortised cost
11	Original date of issuance	7 December 2021	7 December 2021	14 December 2023	14 November 2023	15 November 2023	14 August 2024
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	7 December 2028	7 December 2026	6 December 2030	6 December 2030	7 December 2026	14 May 2032
14	Issuer call subject to prior supervisory approval	No	No	No	No	No	No
Regulatory treatment							
15	Optional call date, contingent call dates and redemption amount	N/A	N/A	N/A	N/A	N/A	N/A

		CITIBANK EUROPE PLC					
16	Subsequent call dates, if applicable	N/A	N/A	N/A	N/A	N/A	N/A
Coupons / dividends							
17	Fixed or floating dividend / coupon	Floating	Floating	Floating	Floating	Floating	Floating
18	Coupon rate and any related index	ESTR +99bps	SONIA +98bps	ESTR + 176.7bps	SOFR + 211bps	SOFR + 136bps	ESTR + 168bps
19	Existence of a dividend stopper	No	No	No	No	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No
22	Noncumulative or cumulative	N/A	N/A	N/A	N/A	N/A	N/A
23	Convertible or non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A
25	If convertible, fully or partially	N/A	N/A	N/A	N/A	N/A	N/A
26	If convertible, conversion rate	N/A	N/A	N/A	N/A	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	N/A	N/A	N/A	N/A
28	If convertible, specify instrument type convertible into	N/A	N/A	N/A	N/A	N/A	N/A
29	If convertible, specify issuer of instrument it converts into	N/A	N/A	N/A	N/A	N/A	N/A
30	Write-down features	Yes	Yes	Yes	Yes	Yes	Yes
Coupons / dividends							

		CITIBANK EUROPE PLC					
31	If write-down, write-down trigger(s)	(i) Determination by the EEA Resolution Authority that the issuer is failing or is likely to fail, and will continue to be so in the absence of any Write-Down or Conversion of any instruments and (ii) any relevant Third Country Resolution Authority having either consented to the write-down, or not having objected to the write-down within a period of 24 hours after the determination in (i) above, or upon any Resolution Entity which is a direct or indirect parent of the Borrower becoming subject to resolution proceedings in or outside the EEA	(i) Determination by the EEA Resolution Authority that the issuer is failing or is likely to fail, and will continue to be so in the absence of any Write-Down or Conversion of any instruments and (ii) any relevant Third Country Resolution Authority having either consented to the write-down, or not having objected to the write-down within a period of 24 hours after the determination in (i) above, or upon any Resolution Entity which is a direct or indirect parent of the Borrower becoming subject to resolution proceedings in or outside the EEA	(i) Determination by the EEA Resolution Authority that the issuer is failing or is likely to fail, and will continue to be so in the absence of any Write-Down or Conversion of any instruments and (ii) any relevant Third Country Resolution Authority having either consented to the write-down, or not having objected to the write-down within a period of 24 hours after the determination in (i) above, or upon any Resolution Entity which is a direct or indirect parent of the Borrower becoming subject to resolution proceedings in or outside the EEA	(i) Determination by the EEA Resolution Authority that the issuer is failing or is likely to fail, and will continue to be so in the absence of any Write-Down or Conversion of any instruments and (ii) any relevant Third Country Resolution Authority having either consented to the write-down, or not having objected to the write-down within a period of 24 hours after the determination in (i) above, or upon any Resolution Entity which is a direct or indirect parent of the Borrower becoming subject to resolution proceedings in or outside the EEA	(i) Determination by the EEA Resolution Authority that the issuer is failing or is likely to fail, and will continue to be so in the absence of any Write-Down or Conversion of any instruments and (ii) any relevant Third Country Resolution Authority having either consented to the write-down, or not having objected to the write-down within a period of 24 hours after the determination in (i) above, or upon any Resolution Entity which is a direct or indirect parent of the Borrower becoming subject to resolution proceedings in or outside the EEA	(i) Determination by the EEA Resolution Authority that the issuer is failing or is likely to fail, and will continue to be so in the absence of any Write-Down or Conversion of any instruments and (ii) any relevant Third Country Resolution Authority having either consented to the write-down, or not having objected to the write-down within a period of 24 hours after the determination in (i) above, or upon any Resolution Entity which is a direct or indirect parent of the Borrower becoming subject to resolution proceedings in or outside the EEA
32	If write-down, full or partial	Fully or Partially	Fully or Partially	Fully or Partially	Fully or Partially	Fully or Partially	Fully or Partially
33	If write-down, permanent or temporary	Permanent	Permanent	Permanent	Permanent	Permanent	Permanent
Coupons / dividends							
34	If temporary write-down, description of write-up mechanism	N/A	N/A	N/A	N/A	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	Statutory	Statutory	Statutory	Statutory	Statutory	Statutory
EU-34b	Ranking of the instrument in normal insolvency proceedings	Rank 2	Rank 2	Rank 2	Rank 2	Rank 2	Rank 2
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	General unsecured liabilities (ordinary non-preferential debts)	General unsecured liabilities (ordinary non-preferential debts)	General unsecured liabilities (ordinary non-preferential debts)	General unsecured liabilities (ordinary non-preferential debts)	General unsecured liabilities (ordinary non-preferential debts)	General unsecured liabilities (ordinary non-preferential debts)
36	Non-compliant transitioned features	No	No	No	No	No	No
37	If yes, specify non-compliant features	N/A	N/A	N/A	N/A	N/A	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A - Private Placement	N/A - Private Placement	N/A - Private Placement	N/A - Private Placement	N/A - Private Placement	N/A - Private Placement

Appendix 4: Omissions

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

Table 84: Non-disclosed tables

Table	Rationale
EU INS1 - Insurance participations	
EU INS2 - Financial conglomerates information on own funds and capital adequacy ratio	No insurance participation activity or financial conglomerates for CEP
EU CR2: Changes in the stock of non-performing loans and advances	
EU CQ7: Collateral obtained by taking possession and execution processes	
EU CR2a: Changes in the stock of non-performing loans and advances and related net accumulated recoveries	
EU CQ2: Quality of forbearance	CEP's gross NPL ratio is under the 5% threshold
EU CQ6: Collateral valuation - loans and advances	
EU CQ8: Collateral obtained by taking possession and execution processes - vintage breakdown	
KM2: Key metrics - MREL and, where applicable, G-SII requirement for own funds and eligible liabilities	
TLAC1: Composition - MREL and, where applicable, G-SII requirement for own funds and eligible liabilities	CEP is not a resolution entity
TLAC3 - Creditor ranking - resolution entity	
EU-SEC2 - Securitisation exposures in the trading book	
EU-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor	CEP acts only as investor in its Securitisation book and does not have trading book securitisation exposures as at 31 December 2024.
EU-SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments	
EU CR6-A - Scope of the use of IRB and SA approaches	
EU CR6 - IRB approach - Credit risk exposures by exposure class and PD rang	
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	CEP does not have an IRB permission.
EU CR8 - RWEA flow statements of credit risk exposures under the IRB approach	
EU CR9 - IRB approach - Back-testing of PD per exposure class (fixed PD scale)	
EU CR9.1 - IRB approach - Back-testing of PD per exposure class (only for PD estimates according to point (f) of Article 180(1) CRR)	
EU CCR4 - IRB approach - CCR exposures by exposure class and PD scale	
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

Abbreviations

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

3LOD	3 Lines Of Defense	EPC	Energy Performance Certificate
AFS	Available for Sale	ER	Enterprise Resilience
ALCO	Asset and Liability Committee	ESG	Environmental, Social and Governance
AOCI	Accumulated Other Comprehensive Income	ESRM	Environmental and Social Risk Management
ASF	Available Stable Funding	ETD	Exchange Traded Derivatives
A-TRF	ALCO Technical Review Forum	EU	European Union
AVA	Additional Valuation Adjustment	EVE	Economic value of equity
BAC	Board Audit Committee	EVS	Economic Value Sensitivity
BCBS	Basel Committee on Banking Supervision	EWMA	Exponentially Weighted Moving Average
BCP	Business Continuity Plan	ExCo	Executive Committee
BEICFs	Business Environment and Internal Control Factors	FBE	Forborne Exposure
BHW	Bank Handlowy w Warszawie S.A.	FCCM	Financial Collateral Comprehensive Method
Board	CEP Board of Directors	FMV	Fair Market Value
BRC	Board Risk Committee	FPIC	Free Prior and Informed Consent
BRCC	Business Risk and Controls Committee	FRTB	Fundamental Review of the Trading Book
BRRD	Bank Recovery and Resolution Directive	FX	Foreign exchange
C&E	Climate and Environmental	FXRBB	Foreign Exchange Risk In The Banking Book
CBNA	Citibank North America	GAR	Green Asset Ratio
CCB	Capital Conservation Buffer	GCM	General Clearing Member
CCF	Credit Conversion Factor	GDP	Gross Domestic Product
CCP	Central Counterparty Clearing House	GFCII	Global Financial Crimes Investigations and Intelligence
CCR	Counterparty Credit Risk	GHG	Greenhouse Gas
CCyB	Countercyclical Capital Buffer	G10	Group of Ten (refers to the countries that have agreed to participate in the General Arrangements to Borrow (GAB))
CDH	Climate Data Hub	G-SII	Global Systemically Important Institution
CEO	Chief Executive Officer	HQLA	High-Quality Liquid Assets
CEP	Citigroup Europe Plc	H-EWMA	Hybrid Exponentially Weighted Moving Average
CET1	Common Equity Tier 1	ICAAP	Internal Capital Adequacy Assessment Process
CFO	Chief Finance Officer	ICM	Institutional Credit Management
CFP	Contingency Funding Plan	ICRM	Independent Compliance Risk Management
CHIL	Citibank Holdings Ireland Ltd.	IFC	International Finance Corporation
COHBL	Citi Overseas Holdings Bahamas Limited	IFRS	International Financial Reporting Standards
COIC	Citibank Overseas Investment Corporation	ILAAP	Internal Liquidity Adequacy Assessment Process
CPB	Citi Private Bank	ILO	International Labour Organization
CPC	Compensation, Performance Management and Culture Committee	ILOC	Insurance Letters of Credit
CRAS	Climate Risk Assessment & Scorecard	IMA	Internal Model Approach
CRD	Capital Requirements Directive	IMM	Internal Models Method
CRM	Credit Risk Mitigation	INEDs	Independent Non-Executive Directors
CRO	Chief Risk Officer	IPU	Intermediate Parent Undertaking
CRR	Capital Requirements Regulation	IRC	Incremental Risk Charge
CSC	Citi Solution Center	IRE	Interest Rate Exposure
CSRBB	Credit Spread Risk In The Banking Book	IRS	Interest Rate Swap
CVA	Credit Valuation Adjustment	IRRBB	Interest Rate Risk in the Banking Book
DBRS	Dominion Bond Rating Service	ISDA	International Swaps and Derivatives Association
DIRAP	Discretionary Incentive and Retention Award Plan	ITS	Implementing Technical Standard
EAD	Exposure at Default	JST	Joint Supervisory Team
EBA	European Banking Authority	KNF	Polish Financial Supervision Authority
ECAI	External Credit Assessment Institution	KRIs	Key Risk Indicators
ECB	European Central Bank	LAS	Liquidity Adequacy Statement
ECL	Expected Credit Loss	LCR	Liquidity Coverage Ratio
EEA	European Economic Area	LEX	Large Exposure
EEPE	Effective Expected Positive Exposures	LGD	Loss Given Default
EMEA	Europe, Middle East and Africa		

LMT	Liquidity Market Triggers	RIAP	Risk Identification and Assessment Process
LOB	Lost Opportunity Bonus	RLAP	Resolution Liquidity Adequacy and Positioning
LRE	Leverage Ratio Exposure	RMC	Risk Management Committee
MAO	Material Adverse Outcome	RNIME	Risks Not In Model Engine
MBU	Material Business Unit	RPL	Related Party Lending
MCA	Manager's Control Assessment	RSF	Required Stable Funding
MDB	Multilateral Development Bank	RSPO	Roundtable on Sustainable Palm Oil
MRTs	Material Risk Takers	RWEA	Risk Weighted Exposure Amount
MREL	Minimum Requirement for Own Funds and Eligible Liabilities	SA	Standardised Approach
MVRL	Material Violation of Any Material Risk Limits	SA-CCR	Standardised Approach to Counterparty Credit Risk
NEDs	Non-Executive Directors	SA-CR	Standardised Approach to Credit Risk
NFRD	Non-Financial Reporting Directive	SEC-ERBA	Securitisation External Ratings Based Approach
NGFS	Network for Greening the Financial System	SEC-SA	Securitisation Standardised Approach
NIR	Net Interest Revenue	SFT	Securities Financing Transaction
NMD	Non-maturity Deposit	SICR	Significant Increase in Credit Risk
NomCo	Nomination Committee	SRB	Single Resolution Board
NPE	Non-performing Exposure	SREP	Supervisory Review and Evaluation Process
NPL	Non Performing Loan	SSM	Single Supervisory Mechanism
NSFR	Net Stable Funding Ratio	STS	Simple Transparent and Standardised Securitisation
NTMR	Non-Trading Market Risk	SVaR	Stressed Value at Risk
NZBA	Net Zero Banking Alliance	TCFD	Task Force on Climate-Related Financial Disclosures
OCC	Office of the Comptroller of the Currency	TLAC	Total Loss Absorbing Capacity
OCI	Other Comprehensive Income	TLST	Term Liquidity Stress Test
ORM	Operational Risk Management	TPA	Transformation Program Award
OSII	Other Systemically Important Institution	TREA	Total Risk Exposure Amount
OTC	Over The Counter	TRM	Trade Restrictive Measures
PCAF	Partnership for Carbon Accounting Financials	TSCR	Total Supervisory Capital Requirement
PD	Probability of Default	TTS	Trade and Transaction Services
PFE	Potential Future Exposure	UNEPMI	United Nations Environment Programme Finance Initiative
PRA	Prudential Regulation Authority	VA	Valuation Adjustment
PTIP	Personal Trading & Investment Policy	VaR	Value at Risk
P2R	Pillar 2 Requirement	VoE	Voice of the Employee
RAS	Risk Appetite Statement	WaW	Wealth at Work
RBA s	Role Based Allowances		
RemCo	Remuneration Committee		
RIA	Risk Identification & Assessment		

