Citibank Europe Plc.

Pillar 3 Disclosures

31 December 2025

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Forward-Looking Statements

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

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

For a more detailed discussion of potential risk factors, the reader is directed to Citigroup's 2025 Annual Report. Except as required by any competent regulator or applicable law, Citigroup expressly disclaims any obligation or undertaking to release publicly any updates or revisions to any forward-looking statements contained in this document to reflect any change in Citigroup's expectations with regard thereto or any change in events, conditions or circumstances on which any such statement is based. The reader should, however, consult any additional disclosures that Citigroup has made or may make in documents it has filed or may file with the SEC, including Citigroup's 2025 Annual Report and CEP's 2025 financial statement.

Introduction

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

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

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

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

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

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

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

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

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

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

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

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

Bank Handlowy w Warszawie S.A. (BHW)

BHW is a majority owned subsidiary of CEP since 2023.

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

Regulatory framework for disclosure

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

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

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

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

Scope

In accordance with Pillar 3 requirements, the scope covered by CEP's Pillar 3 Disclosures include CRD V capital requirements and resources, capital ratios, credit risk, market risk, 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 required to make a disclosure of Environmental, Social and Governance ("ESG") risks as laid down in CRR Article 449a as it meets the criteria of a "large institution which has issued securities that are admitted to trading on a regulated market of any Member State"

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

The annual Pillar 3 Disclosures are published following the publication of the CEP financial statements for the year ended 31 December 2025.

Frequency of disclosure

CEP, as a large listed institution on a consolidated level, is subject to the disclosure requirements set out in Article 433a(1). On the basis that CEP is a material subsidiary of a non-EU G-SII and is not a resolution entity, CEP must also disclose its own funds and eligible liabilities in accordance with Article 433a(3). CEP publishes Pillar 3 Disclosures quarterly, with a more comprehensive disclosure on an annual basis. All disclosures are made in EUR, unless otherwise stated. CEP publishes its Pillar 3 Disclosures at: https://www.citigroup.com/citi/investor/reg.htm Further to the requirements in CRD Article 106, CEP also submits Pillar 3 Disclosures to the EBA's Pillar 3 Data Hub.

Quantitative Disclosure

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

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

Attestation by the Chief Financial Officer (CFO)

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

Natalia Bozek
CEP Chief Financial Officer

Regulatory Outlook

Basel Reforms

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

The implementation date for CRR III was 1 January 2025, with the exception of market risk. The application of the binding capital requirements for market risk has been postponed twice, until 1 January 2027, due to delays in implementation in other major jurisdictions. In November 2025, the European Commission launched a consultation, seeking feedback by January 2026, on a potential policy option to introduce targeted amendments to the FRTB market risk framework to neutralise, at each recalibration date, the increase stemming from market risk capital requirements for a period of three years. The outcome of this consultation will be published as part of the 3rd delegated act, expected in Q2, 2026.

Key Metrics

CEP's capital resources consist of Common Equity Tier 1 (CET1) capital. As at December 2025, CEP's total capital ratio was 19.44%, which significantly exceeds the regulatory overall capital requirement of 14.99%, and the leverage ratio of 8.10% is significantly in excess of the 3.2% regulatory requirement.

Table 1: EU KM1 - Key Metrics template

		31 December 2025	30 September 2025	30 June 2025	31 March 2025	31 December 2024
	Available own funds	**€ million**	**€ million**	€ million	€ million	€ million
1	Common Equity Tier 1 (CET1) capital	**15,053**	14,392	14,450	15,779	16,519
2	Tier 1 capital	**15,053**	14,392	14,450	15,779	16,519
3	Total capital	**15,053**	14,392	14,450	15,779	16,519
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	**77,430**	78,081	78,462	79,253	81,084
4a	Total risk exposure pre-floor	**77,430**	78,081	78,462	79,253	N/A
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	**19.44%**	18.43%	18.42%	19.91%	20.37%
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	**19.44%**	18.43%	18.42%	19.91%	N/A
6	Tier 1 ratio (%)	**19.44%**	18.43%	18.42%	19.91%	20.37%
6b	Tier 1 ratio considering unfloored TREA (%)	**19.44%**	18.43%	18.42%	19.91%	N/A
7	Total capital ratio (%)	**19.44%**	18.43%	18.42%	19.91%	20.37%
7b	Total capital ratio considering unfloored TREA (%)	**19.44%**	18.43%	18.42%	19.91%	N/A
	Additional own funds requirements to address risks other than the risk excessive leverage					
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	**2.40%**	2.40%	2.40%	2.40%	2.50%
EU 7e	of which: to be made up of CET1 capital (percentage points)	**1.35%**	1.35%	1.35%	1.35%	1.41%
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	**1.80%**	1.80%	1.80%	1.80%	1.88%
EU 7g	Total SREP own funds requirements (%)	**10.40%**	10.40%	10.40%	10.40%	10.50%
	Combined buffer requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	**2.50%**	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	**0.00%**	0.00%	0.00%	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	**1.06%**	0.99%	0.86%	0.87%	0.87%
EU 9a	Systemic risk buffer (%)	**0.03%**	0.03%	0.03%	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 (%)	**4.59%**	4.52%	4.39%	4.37%	4.37%
EU 11a	Overall capital requirements (%)	**14.99%**	14.92%	14.79%	14.77%	14.87%
12	CET1 available after meeting the total SREP own funds requirements (%)	**9.04%**	8.03%	8.02%	9.51%	9.87%
	Leverage ratio					
13	Total exposure measure	**185,838**	205,799	205,093	213,410	179,698
14	Leverage ratio (%)	**8.10%**	6.99%	7.05%	7.39%	9.19%
	Additional own funds requirements to address the risk of excessive leverage					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	**0.20%**	0.20%	0.20%	0.20%	0.00%
EU 14b	of which: to be made up of CET1 capital (percentage points)	**0.00%**	0.00%	0.00%	0.00%	0.00%
EU 14c	Total SREP leverage ratio requirement (%)	**3.20%**	3.20%	3.20%	3.20%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	**0.00%**	0.00%	0.00%	0.00%	0.00%
EU 14e	Overall leverage ratio requirements (%)	**3.20%**	3.20%	3.20%	3.20%	3.00%
	Liquidity Coverage Ratio[1]					
15	Total high-quality liquid assets (HQLA) (Weighted value-average)	**60,001**	59,022	56,934	55,030	52,058
EU 16a	Cash outflows - Total weighted value	**56,556**	55,710	53,470	50,753	47,497
EU 16b	Cash inflows - Total weighted value	**9,565**	9,932	10,071	9,231	8,852
16	Total net cash outflows (adjustment value)	**46,991**	45,778	43,399	41,521	38,645
17	Liquidity coverage ratio (%)	**128.38%**	129.82%	132.48%	133.46%	135.11%

		31 December 2025	30 September 2025	30 June 2025	31 March 2025	31 December 2024
	Net Stable Funding Ratio					
18	Total available stable funding	**61,568**	61,632	60,408	58,128	58,853
19	Total required stable funding	**41,280**	40,117	38,683	38,809	38,813
20	NSFR ratio (%)[2]	**149.15%**	153.63%	156.16%	149.78%	151.63%

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

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

As at 31 December 2025, CEP's total capital ratio is at 19.44%, an increase of 1.01% compared to 30 September 2025. This is mainly driven by a €0.7 billion increase in Own funds with the impact of 0.85% increase on CEP's Total Capital Ratio, mainly due to €0.4 billion increase in AOCI after inclusion of the 2025 Financial Statements. Supplementing this, the €0.7 billion decrease in RWEA has the impact of 0.16% increase in CEP's Total Capital Ratio, mainly due to a €2.5 billion decrease in IMA driven by reduction of the multiplication factor from 4 to 3 . This was partially offset by a €1.8 billion increase in Operational Risk, mainly driven by the inclusion for the first time of the three full years of BHW's revenues, and a increase in net interest income and fee commission.

CEP's leverage ratio increased to 8.10% as at 31 December 2025 compared to 6.99% as at 30 September 2025, mainly driven by a €20 billion decrease in Total Exposure. This decrease is due to a €13 billion decrease in unsettled securities transactions and a €6 billion decrease in Other Assets.

Movements in liquidity coverage ratio and net stable funding ratio are explained below tables 48 and 49.

Risk Management

Risk Overview

To achieve its business strategy, CEP selectively takes risks. The objective of CEP's risk management framework 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[1], 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.

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 framework 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 proactively 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 CEP Strategy, the Risk Strategy, 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 2025 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 Executive management set the tone from the top and cascade accountability and responsibility for risk management throughout CEP. This ensures comprehensive risk dialogue among Executive management and provides crucial leadership and guidance which enables Executive 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, bringing together risk-taking, risk oversight, and risk assurance.

- First Line of Defence: The business lines (including CSC, Operations, Technology, and Finance) own the risks and associated controls arising from their activities. They are responsible for identifying, measuring, monitoring, controlling, and reporting these risks consistently with the Group's risk appetite.

- Second Line of Defence: This line consists of independent control functions, primarily Independent Risk Management (IRM) and Independent Compliance Risk Management (ICRM). It establishes risk and control policies and is responsible for overseeing and providing effective challenge to the First Line of Defence. It also actively manages and oversees aggregate risk categories.

- Third Line of Defence: The Internal Audit function constitutes the third line. It is an independent function that supports business objectives by evaluating the

[1] The UK branch is CEP's only non-European Economic Area ("non-EEA") branch, it allows CEP to provide services to non-EEA clients. The primary focus of CEP UK Branch is to serve UK as well as non-EEA clients and the Branch does not undertake any activity with EEA clients that relies on EU passporting. CEP UK existed under the PRA/FCA's Temporary Permissions Regime ("TPR") in March 2022 when CEP UK was fully authorized in the UK as a Third Country Branch. Given this condition of third-country branch, CEP UK is subject to the supervision of 2 regulators.

effectiveness of risk management, control, and governance processes, providing assurance to the Board of Directors.

Additionally, Enterprise support functions (e.g., Human Resources, Legal) are in place to support the risk management process, and any activities they perform as a first line of defence are subject to challenge by the second line.

BHW also uses the Lines of Defence model as a key component to manage its risks. In BHW, the Second Line of Defence (2LoD) also includes functions such as Finance, Human Resources and Legal.

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 Legal Entity Risk Head. The CEP CRO has frequent, direct and independent access to the Board and the BRC 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 and establishes an integrated and consistent approach to risk management. Its main components include:

- Culture and values drive a strong risk and control environment and underpin the way CEP conducts business.

- The framework integrates risk management processes with the appropriate governance to support CEP's commitment to maintaining strong and consistent risk management practices.

- CEP's risk management approach is based on the end-to-end risk management lifecycle, which is comprised of processes that are used to identify, measure, monitor, control and report all its material risks on a timely basis. The framework includes key risk management programmes that interact with each other and support the end-to-end risk management lifecycle.

- The framework is complemented with supporting capabilities - infrastructure, people, technology and data, and modelling and analytical capabilities – that enable the execution of the framework.

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:

- Participate from a 2LoD review and challenge perspective in the 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.
- Monitoring CEP's branch network to ensure all branches are operating in line with the Risk Management Framework.

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;
- During crisis or elevated risk situations, critical issues are promptly communicated to the BRC and Board outside of scheduled sittings;
- 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.
- 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 2025:

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 capitalisation, 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 behaviour, 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 2025:

- Conduct Risk is defined as the risk that our people fail to act in a manner consistent with our Code of Conduct and related policies or principles, or applicable laws or regulations, that could lead to unfair client or customer outcomes or impact the firm or the integrity of the markets in which the Firm operates.
- Inter-affiliate Risk is the risk that CEP's financial position may be affected by its relationship with other entities within Citigroup.
- Environmental, Social & Governance (ESG) Risks include the following:
    - Climate and Environmental Risk is defined as the risk stemming from climate change and environmental degradation either through physical risk or through transition risk.
    - Social Risk refers to the 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.
    - Governance Risk refers to the risk arising from the current or prospective impact of governance factors (e.g. bribery, corruption, counterparties' board oversight on strategy or risk management) on counterparties or invested assets, which could materialise through transmission channels in traditional risk categories and lead to financial or non-financial risks to CEP.
- 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 2025 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

	€ million	Carrying values as reported in published financial statements[2]	Carrying values of items				
			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	**43,056**	43,056				
2	Trading assets	**23,591**				23,591	
3	Derivative financial instruments Assets	**33,024**		33,024		33,024	
4	Hedging derivatives	**—**		—		—	
5	Investment securities	**19,797**	19,797				
6	Reverse repurchase agreement	**19,177**		19,177			
7	Loans and advances to banks	**2,992**	2,985	7			
8	Loans and advances to customers	**25,684**	25,638	46			
9	Shares in subsidiary undertakings	**—**					—
10	Other assets	**8,559**	3,741	3,732	1,086		
11	Assets classified as held for sale	**1,431**	1,431				
12	Current tax assets	**69**					69
13	Goodwill and Intangible assets	**346**	258				87
14	Property and equipment	**393**	393				
15	Deferred tax assets	**217**	199				18
16	Total assets	**178,335**	97,498	55,986	1,086	56,615	174
Breakdown by liability classes according to the balance sheet in the published financial statements							
1	Deposits by banks	17,629					17,629
2	Customer accounts	63,437					63,437
3	Derivative financial instruments	31,011		31,011		31,011	
4	Hedging derivatives	85		85		85	
5	Repurchase agreements	2,552		2,552			
6	Subordinated liabilities	11,144					11,144
7	Current tax liability	69					69
8	Provisions	132					132
9	Deferred tax liabilities	2					2
10	Other liabilities*	29,588		7,719		17,550	29,588
11	**Liabilities classified as held for sale**	5,312	5,312				—
12	**Total liabilities**	160,961	5,312	41,367	0	48,646	122,001

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, these columns were merged.

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

- Trading assets are subject to either credit risk (if non-trading book) or the market risk framework (if trading book)
- In general, derivative financial instruments are subject to the CCR and market risk framework

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 risk framework columns may not equal the amounts disclosed in the carrying values under scope of regulatory consolidation amounts column, 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.

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)**	178,161	97,498	1,086	55,986	56,615
2	**Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)**	38,960	5,312	—	41,367	48,646
3	**Total net amount under the scope of prudential consolidation**	139,201	92,186	1,086	14,620	7,969
4	**Off-balance-sheet amounts**	56,713	56,713			
5	*Differences in valuations*	(82)			(82)	
6	*Differences due to different netting rules, other than those already included in row 2*[1]	6,264			6,264	
7	*Differences due to consideration of provisions*	(339)	(339)		—	
8	*Differences due to the use of credit risk mitigation techniques (CRMs)*[2]	(5,844)	(5,844)			
9	*Differences due to credit conversion factors*[3]	(25,858)	(25,858)			
10	*Differences due to Securitisation with risk transfer*	—	—	—	—	—
11	*Other differences*[4]	1,828	1,828			
12	**Exposure amounts considered for regulatory purposes**	140,573	118,685	1,086	20,802	

[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 1 capital requirements. Capital resources are measured and reported in accordance with the CRD.
CEP's regulatory capital resources are comprised of the following distinct elements:

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

Transferability of capital within the Group

There are no material, current or foreseen, practical, or legal impediments to the prompt transfer of Capital Resources or repayment of liabilities within the group, subject to applicable regulatory requirements. Repayment of intra-group MREL and/or AT1 resources as applicable from time to time would require regulatory approval from the ECB/SRB as set out in the terms of the relevant instruments.

Table 5: EU CC1 - Composition of regulatory own funds

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

		31 December 2025	Reference to EU CC2 table	30 June 2025
		€ million		€ million
Common Equity Tier 1 (CET1) capital: instruments and reserves				
1	Capital instruments and the related share premium accounts	1,679	(a)	1,684
2	Retained earnings	8,630	(c)	8,652
3	Accumulated other comprehensive income (and other reserves)	5,038	(b)	4,490
5	**Minority interests (amount allowed in consolidated CET1)**	324		195
EU-5a	**Independently reviewed interim profits net of any foreseeable charge of dividend**	—	(c)	—
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	15,671	(d)	15,021
Common Equity Tier 1 (CET1) capital: regulatory adjustments				
7	Additional value adjustments (negative amount)	(82)		(90)
8	Intangible assets (net of related tax liability) (negative amount)	(306)	(f)	(290)
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)	(52)	(e)	(38)
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	—		—
15	Defined-benefit pension fund assets (negative amount)	(12)		(10)
16	Direct and indirect holdings by an institution of own CET1 instruments (negative amount)	—		—
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	—	(i)	—
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	(4)		(3)
EU-20d	of which: free deliveries (negative amount)	(4)		(3)
EU-25a	Losses for the current financial year (negative amount)	(115)		—
27a	Other regulatory adjustments	(47)	(h)	(140)
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	(618)		(571)
29	**Common Equity Tier 1 (CET1) capital**	15,053		14,450
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)**	15,053		14,450
Tier 2 (T2) capital: instruments				
51	**Tier 2 (T2) capital before regulatory adjustments**	—		—
Tier 2 (T2) capital: regulatory adjustments				
57	**Total regulatory adjustments to Tier 2 (T2) capital**	—		—
58	**Tier 2 (T2) capital**	—		—
59	**Total capital (TC = T1 + T2)**	15,053		14,450
60	**Total Risk exposure amount**	77,430		78,462
Capital ratios and requirements including buffers				
61	Common Equity Tier 1	19.44%		18.42%
62	Tier 1	19.44%		18.42%
63	Total capital	19.44%		18.42%

		31 December 2025	Reference to EU CC2 table	30 June 2025
		€ million		€ million
64	Institution CET1 overall capital requirements	10.44%		10.24%
65	of which: capital conservation buffer requirement	2.50%		2.50%
66	of which: countercyclical capital buffer requirement	1.06%		0.86%
67	of which: systemic risk buffer requirement	0.03%		0.03%
EU-67a	**of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement**	1.00%		1.00%
EU-67b	**of which: additional own funds requirements to address the risks other than the risk of excessive leverage**	1.35%		1.35%
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	9.04%		8.02%
Amounts below the thresholds for deduction (before risk weighting)				
72	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	20		18
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) are met)	165	(g)	156
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)		—		—

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	43,056	
2	Trading assets	23,591	
3	Derivative financial instruments	33,024	
4	Hedging derivatives	—	
5	Investment securities	19,797	
6	Reverse repurchase agreements	19,177	
7	Loans and advances to banks	2,992	
8	Loans and advances to customers	25,684	
8a	*Of which Other regualtory adjustments*	13	(h)
9	Shares in subsidiary undertakings	—	
10	Other assets	8,559	
11	Assets classified as held for sale	1,431	
12	*Current tax asset*	69	
13	Goodwill and Intangible assets	346	
13a	Of which Intangible assets (net of related tax liability) (negative amount)	(306)	(f)
14	*Property and equipment*	393	
15	*Deferred tax assets*	217	(e) + (g)
15a	*Of which Deferred tax assets that rely on future profitability excluding those arising from temporary differences*	(52)	(e)
15b	*Of which Deferred tax assets arising from temporary differences*	165	(g)
16	**Total assets as at current period**	178,335	
Liabilities - *Breakdown by liability clases according to the balance sheet in the published financial statements*			
1	Deposits by banks	17,629	
2	Customer accounts	63,437	
3	Derivative financial instruments	31,011	
3a	*Of which Other regualtory adjustments*	34	(h)
4	Hedging derivatives	85	
5	Repurchase agreements	2,552	
6	Subordinated liabilities	11,144	
7	Current tax liability	69	
8	Provisions	132	
9	Deferred tax liabilities	2	
10	Other liabilities	29,588	
11	Liabilities classified as held for sale	5,312	
12	**Total liabilities as at current period**	160,961	

	€ million	Balance sheet as in published financial statements	References (see EU CC1 table)
Shareholders' Equity			
1	Share capital	9,361,702	(a)
2	Share premium account	1,670	(a)
3	Other reserves (net)[1]	5,072	
3a	of which Accumulated other comprehensive income (and other reserves)	5,038	(b)
4	Retained earnings	10,026	
4a	of which Retained earnings	8,630	(c)
4b	of which Independently reviewed interim profits net of any foreseeable charge or dividend	—	(c)
4c	**Non-controlling interest**	595	
5	**Total shareholders' equity as at current period**	17,373	(d)

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

Table 7: EU CVA1: Credit valuation adjustment risk under the Reduced Basic Approach (R-BA)

		Components of Own Funds Requirements	Own Funds Requirements
		€ million	€ million
1	Aggregation of systematic components of CVA risk	491	
2	Aggregation of idiosyncratic components of CVA risk	153	
3	Total		181

CEP exceeds the threshold set out in article 273a of the CRR and therefore not eligible for the simplified approach, and have not submitted application for SA methodology. Therefore it currently calculates CVA requirements as per article 384 of the CRR. Since the number of hedges related to clients within the CVA scope is limited, the reduced approach as per article 384/1/b was deemed the most adequate methodology.

As of Q4 2025, CEP is calculating its CVA capital requirements as per article 384/1/b (reduced basic approach). It is monitored on a daily basis, analysing material changes in both the underlying transactions and the resulting CVA charge. The results are shared with all stakeholders in the form of the daily capital adequacy and bydesk reports. Capital charge/RWA figures for CVA are shared with the regulators each quarter end, as part of the own funds requirement submission.

Management of Credit Valuation Adjustment

Management of Credit Valuation Adjustment (CVA) in CEP is explained in detail in CEP Booking Model Standard. CVA risk is managed through a dedicated and centrally governed XVA risk management function (Counterparty Trading and Risk (CTR)) embedded within the Markets business. CVA exposures generated from client activity are held at legal-entity level and are managed by XVA trading desks that are responsible for the pricing, risk management and hedging of counterparty credit risk. CVA risk is identified at trade inception through inclusion of an XVA component in client pricing and is subsequently measured and monitored on a portfolio basis. The XVA desk assumes ownership of the CVA exposure arising from eligible trades and manages this exposure within defined risk limits in line with the CEP's market and credit risk management frameworks. CVA risk is mitigated through active hedging strategies using approved instruments, including but not limited to single-name credit default swaps, bonds, repo transactions, credit indices and other appropriate credit proxies where direct hedges are unavailable. Hedging strategies aim to reduce both default risk and credit mitigation risk and are conducted in accordance with the desk's permitted product list and risk appetite. CVA exposures and hedge effectiveness are monitored on an ongoing basis through established market-risk controls, including limit monitoring, management triggers and management reporting. The effectiveness of hedges is assessed continuously, and hedging positions are rebalanced as required to ensure alignment with risk limits and portfolio risk profiles. CVA management activities are subject to the same governance, control standards and oversight as other derivative trading desks, including pre-trade controls, trade-date controls, independent risk oversight and periodic management control assessments.

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.

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 2.4% as at 31 December 2025.

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.	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
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: • Internal model method (IMM) applies to OTC derivatives as approved by the competent authority; • SA-CCR applies to exchange traded derivatives and non-IMM approved OTC and BHW derivatives; • Financial collateral comprehensive method applies to SFT.	
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.	CEP uses the Reduced Basic Approach for CVA.	Reduced Basic Approach: computation includes factors based on ECAI ratings and effective maturity.
Securitisation	A securitisation is a transaction or scheme where the associated credit risk of the exposure or pool of exposures is tranched, where key features include: • 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 securitisations 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 securitisation 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.	The own funds requirement for operational risk is the business indicator component calculated based on income, expense and balance sheet averages from the preceding 3 financial years.	The own funds requirement for operational risk is the business indicator component calculated based on income, expense and balance sheet averages from the preceding 3 financial years.

Overview of Risk Weighted Exposure Amounts

Table 8: EU OV1 - Overview of total risk exposure amounts

		31 December 2025	30 September 2025	31 December 2025
		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		€ million	€ million	€ million
1	**Credit risk (excluding CCR)**	46,131	45,555	3,690
2	Of which the standardised approach	46,131	45,555	3,690
3	Of which the Foundation IRB (F-IRB) approach	—	—	—
4	Of which: slotting approach	—	—	—
EU 4a	Of which: equities under the simple risk weighted approach	—	—	—
5	Of which the Advanced IRB (A-IRB) approach	—	—	—
6	**Counterparty credit risk - CCR**	6,691	6,655	535
7	Of which the standardised approach	1,369	1,172	109
8	Of which internal model method (IMM)	3,313	3,792	265
EU 8a	Of which exposures to a CCP	173	168	14
9	Of which other CCR	1,837	1,523	147
10	**Credit valuation adjustments risk - CVA risk**	2,268	2,169	181
10a	Of which the standardised approach (SA)	—	—	—
10b	Of which the basic approach (F-BA and R-BA)	2,268	2,169	181
10c	Of which the simplified approach	—	—	—
15	**Settlement risk**	6	—	—
16	**Securitisation exposures in the non-trading book (after the cap)**	359	352	29
17	Of which SEC-IRBA approach	—	—	—
18	Of which SEC-ERBA (including IAA)	8	1	1
19	Of which SEC-SA approach	352	351	28
EU 19a	Of which 1250% / deduction	—	—	—
20	**Position, foreign exchange and commodities risk (Market risk)**	13,321	16,460	1,066
21	Of which the standardised approach	—	—	—
EU 21a	Of which the Simplified standardised approach (S-SA)	1,789	1,837	143
22	Of which the Alternative Internal Models Approach (A-IMA)	—	—	—
EU 22a	**Large exposures**[1]	—	—	—
23	**Reclassifications between trading and non-trading books**	—	—	—
24	Operational risk	8,654	6,890	692
EU 24a	Exposures to crypto-assets	—	—	—
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	413	360	33
26	Output floor applied (%)	50.00%	50.00%	—
27	**Floor adjustment (before application of transitional cap)**	—	—	—
28	**Floor adjustment (after application of transitional cap)**	—	—	—
29	**Total**	77,430	78,081	6,194

[1] Large Exposure (LEX) capital requirements are calculated on the trading book excess. As at 31 December 2025 CEP had no LEX related RWEA.

Credit Risk

RWEA increased by €0.5 billion primarily due to an increase in Commercial Loans by €1.0 billion and Nostro Accounts by €0.7 billion, which was partially offset by a decrease in Unused Commitments by €1.1 billion.

Counterparty Credit Risk (CCR)

RWEA increased by €0.04 billion mainly due to an increase on SFTs by €0.3 billion and increase in equity derivatives by €0.14 billion, offset by a decrease of €0.3 billion in FX derivatives and €0.1 billion in interest rate derivatives.

Operational risk

RWEA increased by €1.8 billion due to the inclusion of the audited 2025 CEP Financial Statement numbers, and this also being the first full quarter end when CEP's share of BHW's revenues was included for each of the 3 years in the Operational Risk calculation.

Market Risk

RWEA decreased by €3.1 billion, driven by €3.1 billion decrease in the internal model approach. This was mostly driven by a €2.5 billion decrease in VaR and SVaR due to the reduction of the multiplication factor from 4 to 3 and a €0.7 billion decrease in IRC mainly due to Spain's credit rating improvement. The reduction of the multiplication factor by the ECB was the confirmation of CEP's completion of the related remediation programme.

Table 9: EU CCR7 - RWEA flow statements of CCR exposures under the IMM

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

		RWA
		€ million
1	**RWA as at 30 September 2025**	3,792
2	Asset size	(146)
3	Credit quality of counterparties	(5)
4	Model updates (IMM only)	(328)
5	Methodology and policy (IMM only)	—
6	Acquisitions and disposals	—
7	Foreign exchange movements	—
8	Other	—
9	**RWA as at 31 December 2025**	3,313

CEP’s CCR RWEA under IMM decreased mainly due to a decrease in FX derivatives by €0.3 billion and decrease in interest rate derivatives by €0.1 billion.

Table 10: EU MR2-B: RWEA flow statements of market risk exposure under the IMA

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

		VaR	SVaR	IRC	Comprehensive risk measure	Other	Total RWAs	Total own funds requirements
		€ million	€ million	€ million	€ million	€ million	€ million	€ million
1	**RWEAs as at 30 September 2025**	2,036	8,873	3,714	—	—	14,623	1,170
1a	*Regulatory adjustment*	(1,535)	(6,895)	(78)	—	—	(8,509)	(681)
1b	*RWEAs at 30 September 2025 (end of the day)*	500	1,978	3,636	—	—	6,114	489
2	Movement in risk levels	48	434	(1,622)	—	—	(1,140)	(91)
3	Model updates/changes	(26)	—	44	—	—	18	1
4	Methodology and policy	—	—	—	—	—	—	—
5	Acquisitions and disposals	—	—	—	—	—	—	—
6	Foreign exchange movements	—	(2)	(3)	—	—	(5)	—
7	Other	—	—	—	—	—	—	—
8a	*RWEAs at 31 December 2025 (end of the day)*	522	2,410	2,055	—	—	4,987	399
8b	*Regulatory adjustment*	1,235	4,294	1,016	—	—	6,545	524
8	**RWAs as at 31 December 2025**	1,757	6,704	3,071	—	—	11,532	923

CEP's Market Risk RWEA calculated under the IMA decreased by €3.1 billion compared to the previous quarter-end largely as a result of the reduction of the multiplication factor from 4 to 3 and due to Spain's credit rating improvement.

Capital Buffers

As at 31 December 2025, CEP‘s combined buffer requirement includes a capital conservation buffer of 2.5%, a countercyclical buffer requirement of 1.06% and an O-SII capital buffer of 1.0%.

- The 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.
- The Countercyclical Capital Buffer (CCyB) is activated and increased by authorities when the 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.
- The Other Systemically Important Institution Buffer set by the CBI represents a capital buffer requirement reflecting CEP’s domestic systemic importance.

Capital Management

The Capital Management Guide (“CMG”) supports the Board in, measuring, managing, monitoring, and controlling CEP’s capital position (both solo and consolidated). 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 guide is a key subset of the overall Risk Management Approach. It is linked to every aspect of how CEP operates. The business (and its risks) influences 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 Capital Management Guide formally articulates the principles of good governance in relation to capital planning and management. The guide 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 Guide defines ICAAP architecture including the approach for internal review and challenge of the ICAAP. This further supports capital contingency planning in the unlikely event of capital ratio deterioration below predetermined levels.

The Capital Management Guide requires management to establish an appropriate set of limits and triggers designed to be aligned with specific internal and external regulatory requirements on both a solo and consolidated 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 2026 ICAAP considers three adverse macro-economic stress scenarios, namely

- Geo Economic Fragmentation
- Euro Area Banking Crisis
- Climate Scenario

The foundation for the base-case forecast used in the ICAAP is the Board approved update of the Strategic and Operating Plan 2026 - 2028. There is no change to CEP's business model as outlined in the Operating plan, with the sale of the BHW consumer business reflected FY 2026 and the impact of CRD VI Article 21c reflected across the 3-year horizon.

Table 11: EU CMS1: Comparison of modelled and standardised risk weighted exposure amounts at risk level

		Risk weighted exposure amounts (RWEAs)				
		RWEAs for modelled approaches that banks have supervisory approval to use	RWEAs for portfolios where standardised approaches are used	Total actual RWEAs	RWEAs calculated using full standardised approach	RWEAs that is the base of the output floor
		€ million	€ million	€ million	€ million	€ million
1	**Credit risk (excluding counterparty credit risk)**	—	46,131	46,131	46,131	46,131
2	*Counterparty credit risk*	3,313	3,379	6,691	6,685	6,685
3	*Credit valuation adjustment*		2,268	2,268	4,271	4,271
4	Securitisation exposures in the banking book	—	359	359	394	394
5	Market risk	11,532	1,789	13,321	8,111	8,111
6	Operational risk		8,654	8,654	8,654	8,654
7	Other risk weighted exposure amounts		6	6	6	6
8	Total	14,845	62,585	77,430	74,252	74,252

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

Leverage Ratio

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

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

The leverage ratio is a measure of Tier 1 capital as a percentage of exposure as defined under CRR rules. A binding minimum requirement of 3.2% became effective from 1 January 2025.

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

CEP's leverage ratio is calculated based on the current CRR exposure measure and during the period was in excess of the minimum requirements; CEP has a leverage ratio of 8.10% as at 31 December 2025.

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

Table 12: 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 2025
		€ million
1	Total assets as per published financial statements	178,336
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of regulatory prudential consolidation	71
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	(17,627)
9	Adjustment for securities financing transactions (SFTs)	291
10	Adjustment for off-balance sheet items (i.e. conversion to credit equivalent amounts of off-balance sheet exposures)	31,046
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	—
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) of Article 429a(1) CRR)	—
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) of the CRR)	—
12	Other adjustments	(6,278)
13	**Total exposure measure**	**185,838**

Table 13: 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 2025	30 June 2025
		€ million	€ million
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	125,374	146,062
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)	(3,097)	(3,485)
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)	(370)	(344)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	121,907	142,234
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (i.e. net of eligible cash variation margin)	3,507	3,752
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	11,463	10,733
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	—	—
11	Adjusted effective notional amount of written credit derivatives	6,227	7,440
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	(5,647)	(6,961)
13	**Total derivatives exposures**	15,551	14,964
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	39,065	43,334
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	(19,281)	(24,291)
16	Counterparty credit risk exposure for SFT assets	291	566
17	Agent transaction exposures	—	—
18	**Total securities financing transaction exposures**	20,075	19,608
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	57,752	56,955
20	(Adjustments for conversion to credit equivalent amounts)	(26,707)	(26,425)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	—	—
22	**Off-balance sheet exposures**	31,046	30,530
Excluded exposures			
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	(2,740)	(2,242)
EU-22m	**(Total exempted exposures)**	(2,740)	(2,242)
Capital and total exposure measure			
23	Tier 1 capital	15,053	14,450
24	**Total exposure measure**	185,838	205,093
Leverage ratio			
25	Leverage ratio	8.10%	7.05%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) %)	8.10%	7.05%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	8.10%	7.05%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.20%	0.20%
EU-26b	of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%
27	Leverage ratio buffer requirement(%)	0.00%	0.00%
EU-27a	Overall leverage ratio requirement (%)	3.20%	3.20%
Choice on transitional arrengements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	Fully phased in	Fully phased in
Disclosure of mean values			
28	Mean value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	22,060	25,914
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	19,784	19,042
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)	188,114	211,965
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)	188,114	211,965

		31 December 2025	30 June 2025
		€ million	€ million
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	8.00%	6.82%
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)	8.00%	6.82%

CEP's leverage ratio increased to 8.10% as at 31 December 2025 compared to 7.05% at 30 June 2025. This 1.1% increase over the semi-annual period was primarily driven by a net decrease in Total Exposures of €20 billion mainly due to a €11 billion decrease in unsettled securities transactions, €5 billion decrease in Credit Risk exposures and €4 billion decrease in Trading book exposures.

Table 14: EU LR3 - LRSpl: Split-up of on-balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		31 December 2025
		CRR leverage ratio exposures
		€ million
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	120,181
EU-2	Trading book exposures	23,591
EU-3	Banking book exposures, of which:	96,590
EU-4	Covered bonds	—
EU-5	Exposures treated as sovereigns	49,077
EU-6	Exposures to regional governments, MDB, international organizations and PSE not treated as sovereigns	37
EU-7	Institutions	20,009
EU-8	Secured by mortgages of immovable properties	2,600
EU-9	Retail exposures	879
EU-10	Corporates	21,363
EU-11	Exposures in default	112
EU-12	Other exposures (e.g. equity, securitizations, and other non-credit obligation assets)	2,514

Minimum Requirement for Own Funds and Eligible Liabilities

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

CEP is deemed a Relevant Legal Entity as per the Single Resolution Board (SRB) MREL policy published in June 2022; and is subject to an internal MREL requirement. Since 16 July 2025, CEP has been required to comply with a binding requirement of 24.50% (plus its combined buffer requirement "CBR," which was 4.59% as at 31 Dec 2025) of Total Risk Exposure Amount (TREA) and 6% of Leverage Ratio Exposure (LRE), as communicated by the SRB.

TLAC

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

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

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

Table 15: EU iLAC – Internal loss absorbing capacity

	€ million	Minimum requirement for own funds and eligible liabilities (internal MREL)	Non-EU G-SII Requirement for own funds and eligible liabilities (internal TLAC)	Qualitative information
Applicable requirement and level of application				
EU 1	Is the entity subject to a Non-EU G-SII Requirement for own funds and eligible liabilities? (Y/N)			Y
EU 2	If EU 1 is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			C
EU 2a	Is the entity subject to an internal MREL requirement? (Y/N)			Y
EU 2b	If EU 2a is answered by 'Yes', is the requirement applicable on a consolidated or individual basis? (C/I)			C
Own funds and eligible liabilities				
EU 3	Common Equity Tier 1 capital (CET1)	15,053	15,053	
EU 4	Eligible Additional Tier 1 instruments	—	—	
EU 5	Eligible Tier 2 instruments	—	—	
EU 6	Eligible own funds	15,053	15,053	
EU 7	Eligible liabilities	11,109	11,109	
EU 8	Of which permitted guarantees	—		
EU 9a	(Adjustments)	—		
EU 9b	Own funds and eligible liabilities items after adjustments	26,162	26,162	
Total risk exposure amount and total exposure measure				
EU 10	Total risk exposure amount	77,430	77,430	
EU 11	Total exposure measure	185,838	185,838	
Ratio of own funds and eligible liabilities				
EU 12	Own funds and eligible liabilities (as a percentage of TREA)	33.79%	33.79%	
EU 13	>>> of which permitted guarantees	0.00%		
EU 14	Own funds and eligible liabilities (as a percentage of leverage exposure)	14.08%	14.08%	
EU 15	>>> of which permitted guarantees	0.00%		
EU 16	CET1 (as a percentage of TREA) available after meeting the entity's requirements	8.94%	8.94%	
EU 17	Institution-specific combined buffer requirement*		4.59%	
Requirements				
EU 18	Requirement expressed as a percentage of the total risk exposure amount***	24.50%	16.20%	
EU 19	>>> of which may be met with guarantees	-		
EU 20	Internal MREL expressed as percentage of the total exposure measure	6.00%	6.08%	
EU 21	>>> of which may be met with guarantees	-		
Memorandum items				
EU 22	Total amount of excluded liabilities referred to in Article 72a(2) CRR**		134,098	

*** Row EU 18 The MREL requirement presented is the base SRB requirement only and does not include the additional Combined Buffer Requirement (CBR) of 4.59%.

Table 16: EU TLAC2a - Creditor ranking - Entity that is not a resolution entity

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

	€ million	Insolvency ranking								
		1 (most junior) resolution entity	1 (most junior) other	2 (most junior) resolution entity	2 (most junior) other	3 (most junior) resolution entity	3 (most junior) other	5 (most junior) resolution entity	5 (most junior) other	Sum of 1 to 5
2	Description of insolvency rank (free text)		Equity		Subordinated claims		Unsecured claims		Certain deposit claims	
3	Liabilities and own funds including derivative liabilities	—	14,657	—	11,109	—	69,034	—	1,601	96,401
4	of which excluded liabilities	—	—	—	—	—	—	—	—	—
5	Liabilities and own funds less excluded liabilities	—	14,657	—	11,109	—	69,034	—	1,601	96,401
6	Subset of liabilities and own funds less excluded liabilities that are own funds and eligible liabilities for the purpose of internal TLAC & internal MREL.	—	14,657	—	11,109	—	—	—	—	25,766
7	of which residual maturity ≥ 1 year < 2 years	—	—	—	—	—	—	—	—	—
8	of which residual maturity ≥ 2 year < 5 years	—	—	—	8,109	—	—	—	—	8,109
9	of which residual maturity ≥ 5 years < 10 years	—	—	—	3,000	—	—	—	—	3,000
10	of which residual maturity ≥ 10 years, but excluding perpetual securities	—	—	—	—	—	—	—	—	—
11	of which perpetual securities	—	14,657	—	—	—	—	—	—	14,657

Credit Risk

Credit and Counterparty Risk Overview

Credit Risk

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

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

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

AFS assets are those financial assets that are not classified as loans and receivables, held-to-maturity investments or financial assets at fair value through profit or loss.

BHW's retail portfolio is primarily comprised of Credit Cards, Personal Instalment Loans and Mortgage lending.

Wealth Business exposure is primarily comprised of secured and unsecured loans provided to individuals – secured or unsecured, and term/instalment or revolving.

Counterparty Risk

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

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

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

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

Credit Risk Governance and Reporting

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

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

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

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

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

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

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

CEP Risk Management monitors the Credit Risk profile on an ongoing basis and ensures detailed reports are sent to the Risk Management Committee, Executive Committee, Board Risk Committee and Board on the Credit Risk portfolio, which also outline adherence to agreed limits. CEP Risk Management also escalates matters of concern to senior management as required.

Credit and Counterparty Risk Management

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

- CEP has an appropriate credit risk management environment;
- CEP operates sound credit 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;

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

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

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

Methodology Used to Assign Credit Limits

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

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

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

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

Stress Testing

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

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

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

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

Credit and Counterparty Risk Measurement

Credit Risk Regulatory Capital Requirement

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

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

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

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

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

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

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

Internal Credit Risk Capital Assessment

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

Credit and Counterparty Risk Mitigation

Credit risk mitigation is important to CEP in the effective management of its counterparty and credit risk exposures where such techniques are employed. CEP uses various approaches to help mitigate risks relating to individual credits, including transaction structure, collateral and guarantees. CEP's credit risk mitigation processes are governed by relevant CEP policies and procedures.

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

Collateral

The main types of collateral which are recognized within CEP are cash, securities, financial assets, real estate and physical assets.

CEP's core principles of collateral management are:

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

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

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

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

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

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

In addition, CEP may benefit from legal guarantee(s) provided by an affiliate of the obligor that will cover commercial risk and be legally enforceable. It constitutes one of the primary sources of repayment, or can be one of the principal considerations in the decision to extend credit.

Quantitative collateral related disclosures in line with the CRR requirements and the EBA Guidelines are provided in the Credit Risk Mitigation (Page 34) and Counterparty Credit Risk (Page 42) section.

Valuation

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

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

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

Collateral Concentrations

Apart from a concentration of cash and high-grade liquid securities such as OECD Governments Supranational, U.S. Treasury or U.S. Agency bonds, there were no other material concentrations of collateral as at 31 December 2025.

Securitisation Exposure

CEP's Securitisation activities are subject to CEP review and challenge for both transactions, quarterly reviews and annual reviews. CEP's exposure to securitisations is subject to relevant policies and procedures. Note that CEP exposure to securitisations is primarily credit exposure to third party securitisations and, to date does not include CEP's own securitisations, and does not involve transferring CEP's credit risk of the securitized exposures to third parties. CEP doesn't currently have any exposure to simple, transparent and standardised securitisation (STS) as defined in point (10) of Article 242 STS Securitisation exposures.

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

Counterparty Risk

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

Credit Reserve

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

Derivative Master Netting Agreements

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

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

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

Primary Types of Collateral

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

Valuation

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

Wrong Way Risk 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 Financial Instruments Standard applies to any debt instruments measured at amortised cost or at fair value through other comprehensive income and also to off-balance sheet loan commitments and financial guarantees.

The amount of expected credit losses (ECLs) recognised as a loss allowance or provision depends on the extent of credit deterioration since initial recognition of the asset. The measurement of an ECL is primarily determined by an assessment of the financial asset's probability of default (PD), loss given default (LGD) and exposure at default (EAD) where the cash shortfalls are discounted to the reporting date. ECLs are defined as the weighted average of credit losses across multiple macroeconomic scenarios, with weights assigned based on the probability of each scenario occurring and are an estimate of credit losses over the life of a financial instrument.

The ECL is measured as either a 12-month or Lifetime ECL based on whether an exposure is classified as either Stage 1, 2, 3 or POCI (Purchased or Originated Credit Impaired). Stage 1 includes assets with no Significant Increase in Credit Risk (SICR) since initial recognition and ECL is estimated using a 12 month time horizon. Stage 2 includes assets that have experienced SICR since initial recognition, but the exposure is not yet defaulted/credit impaired and ECL for Stage 2 assets is estimated over the lifetime of the asset. Stage 3 and POCI are those assets which are credit-impaired and lifetime ECL is estimated.

Definitions of Past Due and Impairment

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

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

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

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

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

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

Credit Risk Profile

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

These tables detail CEP's credit risk profile focusing on the on-balance sheet and off-balance sheet exposures that are not held for sale. As of 31 December 2025, for these exposures the gross carrying amount of CEP's total on-balance sheet and off-balance sheet exposures were €167.45 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 17: 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**	225	60	60	60	(23)	(15)	94	7
20	*Central banks*	—	—	—	—	—	—	—	—
30	*General governments*	—	—	—	—	—	—	—	—
40	*Credit institutions*	—	—	—	—	—	—	—	—
50	*Other financial corporations*	—	—	—	—	—	—	—	—
60	*Non-financial corporations*	222	58	58	58	(23)	(15)	90	6
70	*Households*	3	2	2	2	(1)	—	3	1
80	**Debt Securities**	—	—	—	—	—	—	—	—
90	**Loan commitments given**	73	33	33	33	4	2	—	—
100	**Total as at 31 December 2025**	298	92	92	92	(28)	(17)	94	7

Table 18: 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	150	48	48	48	(9)	(16)	52	8
20	*Central banks*	—	—	—	—	—	—	—	—
30	*General governments*	—	—	—	—	—	—	—	—
40	*Credit institutions*	—	—	—	—	—	—	—	—
50	*Other financial corporations*	—	—	—	—	—	—	—	—
60	*Non-financial corporations*	147	47	47	47	(8)	(15)	48	7
70	*Households*	3	2	2	2	(1)	—	3	1
80	Debt Securities	—	—	—	—	—	—	—	—
90	Loan commitments given	52	9	9	9	1	—	—	—
100	Total as at 30 June 2025	202	57	57	57	(10)	(16)	52	8

There was a total of €131 million increase across performing and non-performing forborne exposures, due to the increased amount exposure in Non-Financial corporations by €86 and in Loan commitments given by €45.

Table 19: 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**	42,983	42,983	—	1	1	—	—	—	—	—	—	1
10	**Loans and advances**	47,909	47,909	—	114	88	3	—	—	8	15	—	114
20	*Central banks*	2,972	2,972	—	—	—	—	—	—	—	—	—	—
30	*General governments*	913	913	—	—	—	—	—	—	—	—	—	—
40	*Credit institutions*	18,797	18,797	—	—	—	—	—	—	—	—	—	—
50	*Other financial corporations*	4,172	4,172	—	—	—	—	—	—	—	—	—	—
60	*Non-financial corporations*	19,847	19,847	—	110	84	3	—	—	8	15	—	110
70	*Of which SMEs*	277	277	—	2	1	—	—	—	2	—	—	2
80	*Households*	1,208	1,208	—	4	4	—	—	—	—	—	—	4
90	**Debt securities**	19,733	19,717	16	—	—	—	—	—	—	—	—	—
100	*Central banks*	—	—	—	—	—	—	—	—	—	—	—	—
110	*General governments*	16,970	16,954	16	—	—	—	—	—	—	—	—	—
120	*Credit institutions*	2,527	2,527	—	—	—	—	—	—	—	—	—	—
130	*Other financial corporations*	237	237	—	—	—	—	—	—	—	—	—	—
140	*Non-financial corporations*	—	—	—	—	—	—	—	—	—	—	—	—
150	**Off-balance-sheet exposures**	56,657	—	—	56	—	—	—	—	—	—	—	56
160	*Central banks*	—	—	—	—	—	—	—	—	—	—	—	—
170	*General governments*	579	—	—	—	—	—	—	—	—	—	—	—
180	*Credit institutions*	2,431	—	—	5	—	—	—	—	—	—	—	5
190	*Other financial corporations*	11,090	—	—	—	—	—	—	—	—	—	—	—
200	*Non-financial corporations*	42,500	—	—	50	—	—	—	—	—	—	—	50
210	*Households*	57	—	—	—	—	—	—	—	—	—	—	—
220	**Total as at 31 December 2025**	167,283	110,610	16	171	89	3	—	—	8	15	—	171

Table 20: 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	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

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 0.37% as at 31 December 2024.

Gross carrying amount of on and off-balance sheet exposures for loans and debt securities decreased by €4.3 billion year on year. The decrease is due to lower exposures in off Balance sheet exposures by €7.4 billion and other financial corporations by €3.1 billion which is partially offset the higher exposures in credit institutions by €5.5 billion.

Table 21: 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**	42,983	42,981	2	1	1	(1)	(1)	—	—	—	—	—	—
10	**Loans and advances**	47,909	42,382	2,356	114	114	(138)	(58)	(80)	(32)	(32)	(1)	31,240	55
20	*Central banks*	2,972	2,972	—	—	—	—	—	—	—	—	—	—	—
30	*General governments*	913	909	4	—	—	—	—	—	—	—	—	46	—
40	*Credit institutions*	18,797	16,198	2	—	—	(2)	(2)	—	—	—	—	17,656	—
50	*Other financial corporations*	4,172	3,765	74	—	—	(17)	(16)	(1)	—	—	—	2,548	—
60	*Non-financial corporations*	19,847	17,373	2,233	110	110	(110)	(34)	(76)	(30)	(30)	(1)	10,590	54
70	*Of which SMEs*	277	204	74	2	2	(7)	(1)	(6)	—	—	(1)	259	2
80	*Households*	1,208	1,164	44	4	4	(10)	(7)	(3)	(3)	(3)	—	400	1
90	**Debt securities**	19,733	19,717	16	—	—	(11)	(10)	—	—	—	—	—	—
100	*Central banks*	—	—	—	—	—	—	—	—	—	—	—	—	—
110	*General governments*	16,970	16,954	16	—	—	(10)	(9)	—	—	—	—	—	—
120	*Credit institutions*	2,527	2,527	—	—	—	—	—	—	—	—	—	—	—
130	*Other financial corporations*	237	237	—	—	—	(1)	(1)	—	—	—	—	—	—
140	*Non-financial corporations*	—	—	—	—	—	—	—	—	—	—	—	—	—
150	**Off-balance-sheet exposures**	56,657	53,862	2,795	56	50	81	40	41	4	3		—	—
160	*Central banks*	—	—	—	—	—	—	—	—	—	—		—	—
170	*General governments*	579	579	—	—	—	—	—	—	—	—		—	—
180	*Credit institutions*	2,431	2,391	39	5	5	2	1	—	1	1		—	—
190	*Other financial corporations*	11,090	11,022	68	—	—	3	2	1	—	—		—	—
200	*Non-financial corporations*	42,500	39,813	2,687	50	44	75	36	39	3	3		—	—
210	*Households*	57	56	—	—	—	—	—	—	—	—		—	—
220	**Total as at 30 June 2025**	167,283	158,942	5,169	171	164	(231)	(110)	(121)	(36)	(36)	(1)	31,240	55

Table 22: 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	43,490	43,488	2	1	1	(1)	(1)	—	—	—	—	—	—
10	Loans and advances	50,242	43,727	2,725	85	85	(137)	(59)	(78)	(28)	(28)	—	33,039	35
20	*Central banks*	2,350	2,350	—	—	—	—	—	—	—	—	—	2,284	—
30	*General governments*	793	793	—	—	—	—	—	—	—	—	—	34	—
40	*Credit institutions*	20,288	18,689	41	—	—	(5)	(5)	—	—	—	—	16,445	—
50	*Other financial corporations*	4,482	3,344	30	—	—	(11)	(10)	(1)	—	—	—	3,300	—
60	*Non-financial corporations*	21,121	17,416	2,581	82	82	(109)	(37)	(72)	(26)	(26)	—	10,550	34
70	*Of which SMEs*	319	248	71	5	5	(8)	(2)	(6)	(2)	(2)	—	311	4
80	*Households*	1,208	1,136	73	3	3	(12)	(6)	(6)	(1)	(1)	—	427	1
90	Debt securities	21,108	21,108	—	—	—	(9)	(9)	—	—	—	—	—	—
100	*Central banks*	353	353	—	—	—	—	—	—	—	—	—	—	—
110	*General governments*	17,145	17,145	—	—	—	(8)	(8)	—	—	—	—	—	—
120	*Credit institutions*	3,368	3,368	—	—	—	—	—	—	—	—	—	—	—
130	*Other financial corporations*	237	237	—	—	—	(1)	(1)	—	—	—	—	—	—
140	*Non-financial corporations*	5	5	—	—	—	—	—	—	—	—	—	—	—
150	Off-balance-sheet exposures	55,894	52,908	2,986	60	54	97	42	55	5	5	—	—	—
160	*Central banks*	—	—	—	—	—	—	—	—	—	—	—	—	—
170	*General governments*	741	737	5	—	—	—	—	—	—	—	—	—	—
180	*Credit institutions*	2,548	2,489	58	19	19	2	2	1	1	1	—	—	—
190	*Other financial corporations*	11,648	11,613	34	—	—	4	2	1	—	—	—	—	—
200	*Non-financial corporations*	40,893	38,006	2,888	41	34	90	37	53	4	4	—	—	—
210	*Households*	64	64	—	—	—	—	—	—	—	—	—	—	—
220	Total as at 30 June 2025	170,735	161,232	5,713	146	139	(244)	(111)	(133)	(33)	(33)	—	33,039	35

Table 23: EU CQ4 - Quality of non-performing exposures by geography

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

	€ million	Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which subject to impairment			
				Of which defaulted				
10	**On-balance-sheet exposures**	110,741	115	115	107,570	(183)		—
20	UNITED STATES	18,199	—	—	18,199	(4)		—
30	UNITED KINGDOM	13,699	5	5	13,646	(11)		—
40	NETHERLANDS	13,047	11	11	13,035	(21)		—
50	POLAND	12,172	30	30	12,173	(29)		—
60	GERMANY	8,696	11	11	8,368	(6)		—
70	FRANCE	8,595	—	—	8,181	(4)		—
80	CZECH REPUBLIC	5,942	11	11	5,843	(6)		—
90	IRELAND	5,360	—	—	5,304	(15)		—
100	LUXEMBOURG	3,765	—	—	3,655	(14)		—
110	SWITZERLAND	3,674	6	6	1,953	(9)		—
120	Other countries	17,592	39	39	17,213	(63)		—
130	**Off-balance-sheet exposures**	56,713	56	56			84	
140	FRANCE	10,212	—	—			16	
150	GERMANY	8,469	8	8			15	
160	NETHERLANDS	6,087	23	23			8	
170	UNITED KINGDOM	3,716	2	2			5	
180	BERMUDA	3,589	—	—			1	
190	POLAND	2,995	8	8			3	
200	SPAIN	2,679	—	—			5	
210	UNITED STATES	2,366	1	1			1	
220	SWEDEN	2,002	—	—			4	
230	IRELAND	1,766	—	—			5	
240	Other countries	12,833	14	14			22	
250	**Total**	167,453	171	171	107,570	(183)	84	—

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

Table 24: EU CQ5 - Credit quality of loans and advances to non-financial corporations by industry

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

		a	b	c	d	e	f
	€ million	Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which loans and advances subject to impairment		
				Of which defaulted			
10	Agriculture, forestry and fishing	48	—	—	48	—	—
20	Mining and quarrying	309	—	—	309	—	—
30	Manufacturing	7,033	46	46	7,033	(45)	—
40	Electricity, gas, steam and air conditioning supply	1,403	—	—	1,403	(1)	—
50	Water supply	26	—	—	26	(3)	—
60	Construction	98	7	7	75	(3)	—
70	Wholesale and retail trade	2,748	24	24	2,744	(28)	—
80	Transport and storage	814	—	—	814	(5)	—
90	Accommodation and food service activities	107	—	—	107	—	—
100	Information and communication	2,320	20	20	2,320	(13)	—
110	Financial and insurance actvities	1,494	11	11	1,286	(18)	—
120	Real estate activities	1,616	1	1	1,616	(17)	—
130	Professional, scientific and technical activities	1,069	2	2	1,069	(3)	—
140	Administrative and support service activities	696	—	—	690	(2)	—

		a	b	c	d	e	f
		Gross carrying amount					Accumulated
150	Public administration and defense, compulsory social security	—	—	—	—	—	—
160	Education	2	—	—	2	—	—
170	Human health services and social work activities	52	—	—	52	—	—
180	Arts, entertainment and recreation	5	—	—	5	—	—
190	Other services	117	—	—	117	—	—
200	***Total***	19,957	110	110	19,716	(139)	—

Table 25: EU CR1-A: Maturity of exposures

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

	€ million	Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances[1]	2,118	31,662	11,185	2,889	—	47,854
2	Debt securities	—	3,667	14,010	2,120	—	19,797
3	**Total**	2,118	35,329	25,195	5,009	—	67,651

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

Table 26: 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	165
020	Inflows to non-performing portfolios	68
030	Outflows from non-performing portfolios	(119)
040	Outflows due to write-offs	(2)
050	Outflow due to other situations	(117)
060	Final stock of non-performing loans and advances	114

Credit Risk Mitigation (CRM)

Table 27: 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**	59,540	31,295	21,995	9,300	—
2	**Debt securities**	19,723	—	—	—	
3	**Total as at 31 December 2025**	79,263	31,295	21,995	9,300	—
4	*Of which non-performing exposures*	27	55	13	42	—
5	*Of which defaulted*	27	55			

Table 28: EU CR4 - Standardised approach – Credit risk exposure and CRM effects (current period)

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

		Exposures before CCF and CRM		Exposures post CCF and CRM		RWEAs and RWEA density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWEA	RWEA density (%)
		€ million	€ million	€ million	€ million	€ million	
	Exposure classes						
1	Central governments or central banks	46,966	526	51,000	1,289	521	1.00%
2	Non-central government public sector entities	444	640	561	321	120	13.65%
EU 2a	Regional government or local authorities	—	24	—	11	2	20.00%
EU 2b	Public sector entities	444	616	561	310	118	13.57%
3	Multilateral development banks	1,592	6	1,592	3	2	0.12%
EU 3a	International organisations	217	—	217	—	—	0.00%
4	Institutions	17,139	1,860	14,939	1,257	4,102	25.33%
5	Covered bonds	—	—	—	—	—	0.00%
6	Corporates	22,325	52,672	19,705	23,060	37,835	88.47%
7	Subordinated debt exposures and equity	52	1	52	—	53	100.00%
EU 7b	Equity	52	1	52	—	53	100.00%
8	Retail	879	1,244	879	13	638	71.49%
9	Secured by mortgages on immovable property and ADC exposures	2,600	434	2,600	434	2,189	72.14%
10	Exposures in default	112	52	110	24	170	126.76%
EU 10c	Other items	628	—	628	—	502	79.86%
12	**Total as at 31 December 2025**	**92,953**	**57,434**	**92,283**	**26,402**	**46,131**	**38.87%**

Table 29: EU CR4 - Standardised approach – Credit risk exposure and CRM effects (previous period)

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

RWEA density increased by 1.95% compared to 30 June 2025. This was driven by a more significant decrease in Central Bank deposit exposure, which typically has a lower RWEA impact on the overall portfolio.

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

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

The credit quality assessment scale assigns a credit quality step to each rating provided by the ECAIs, as set out in the Table 30 below.

Risk weightings are assigned to each exposure depending on its credit quality step and other factors, including exposure class and maturity. Additionally Table 30 below sets out a simplified summary of how credit quality is linked to risk weighting.

Table 30: Credit Quality Assessment Scale

Credit Quality Step	Standard & Poor's	Moody's	Fitch	DBRS	Corporates	Governments and Central Banks	Institution (Includes Banks)	
							Maturity > 3 months	Maturity ≤ 3 months
1	AAA to AA-	Aaa to Aa3	AAA to AA-	AAA to AAL	20%	0%	20 %	20%
2	A+ to A-	A1 to A3	A+ to A-	AH to AL	50%	20%	30 %	20%
3	BBB+ to BBB-	Baa1 to Baa3	BBB+ to BBB-	BBBH to BBBL	75 %	50%	50 %	20%
4	BB+ to BB-	Ba1 to Ba3	BB+ to BB-	BBH to BBL	100%	100%	100 %	50%
5	B+ to B-	B1 to B3	B+ to B-	BH to BL	150%	100%	100 %	50%
6	CCC+ and below	Caa1 and below	CCC+ and below	CCCH and below	150%	150%	150 %	150%

Table 31: 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 0%	4 %	10 %	20%	30 %	50%	75%	100%	150%	250 %	Total	Of which: unrated
		€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
1	Central governments or central banks	51,570	36	325	134	—	34	—	16	10	165	52,289	52,172
2	Non-central government public sector entities	589	—	—	145	—	114	—	34	—	—	882	687
EU 2a	Regional government or local authorities	—	—	—	11	—	—	—	—	—	—	11	11
EU 2b	Public sector entities	589	—	—	134	—	114	—	34	—	—	871	676
3	Multilateral development banks	1,593	—	—	—	—	—	—	2	—	—	1,595	1,595
EU 3a	International organisations	217	—	—	—	—	—	—	—	—	—	217	217
4	Institutions	1	—	—	9,318	6,158	570	88	26	—	—	16,197	10,767
6	Corporates	—	—	—	1,665	—	4,041	8,191	27,861	965	—	42,765	32,307
7	Subordinated debt exposures and equity	—	—	—	—	—	—	—	53	—	—	53	53
EU 7b	Equity	—	—	—	—	—	—	—	53	—	—	53	53
8	Retail exposures	—	—	—	—	—	—	788	—	—	—	892	892
9	Secured by mortgages on immovable property and ADC exposures	—	—	—	565	—	—	143	930	2	—	3,034	3,034
10	Exposures in default	—	—	—	—	—	—	—	62	72	—	134	134
EU 10c	Other items	126	—	—	1	—	—	—	501	—	—	628	628
EU 11c	**Total as at 31 December 2025**	54,096	36	325	11,827	6,158	4,759	9,209	29,486	1,048	165	118,685	102,486

Table 32: EU CR5 – Standardised approach (previous period)

	Exposure classes	Risk weight										Total	Of which: unrated
		0%	4 %	10 %	20%	30 %	50%	75%	100%	150%	250 %		
		€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
1	Central governments or central banks	57,425	221	288	159	—	88	—	20	17	144	58,363	58,230
2	Non-central government public sector entities	570	—	—	169	—	154	—	17	—	—	910	772
EU 2a	Regional government or local authorities	—	—	—	58	—	—	—	—	—	—	58	58
EU 2b	Public sector entities	570	—	—	111	—	154	—	17	—	—	852	714
3	Multilateral development banks	1,417	—	—	—	—	—	—	2	—	—	1,419	1,419
EU 3a	International organisations	1,165	—	—	—	—	—	—	—	—	—	1,165	1,165
4	Institutions	—	—	—	5,263	8,917	461	172	351	13	—	15,411	11,366
5	Covered bonds	—	—	—	—	—	—	—	—	—	—	—	—
6	Corporates	—	—	—	1,587	—	4,088	7,299	27,840	714	—	41,528	32,186
EU 7b	Equity	—	—	—	—	—	—	—	22	—	—	22	22
8	Retail exposures	—	—	—	—	—	—	774	—	—	—	878	878
9	Secured by mortgages on immovable property	—	—	—	572	—	—	144	1,035	2	—	3,233	3,233
10	Exposures in default	—	—	—	—	—	—	—	64	53	—	116	116
EU 10a	Claims on institutions and corporates with a short-term credit assessment	—	—	—	—	—	—	—	—	—	—	—	—
EU 10b	Collective investment undertakings (CIU)	—	—	—	—	—	—	—	—	—	—	—	—
EU 10c	Other items	97	—	—	1	—	—	—	537	—	—	635	635
EU 11c	Total as at 30 June 2025	60,674	221	288	7,750	8,917	4,791	8,389	29,888	799	144	123,681	110,023

Credit risk exposures under the standardised approach decreased by €4.8 billion primarily due to a decrease in Central Bank Deposits of €5.4 billion, Commercial Loans of €1.5 billion, Fair Valued Securities of €1.0 billion, Vostro Accounts of €0.6 billion, Letters of Credit of €0.6 billion, and Unused Commitments of €0.5 billion, partially offset by an increase in Nostro Accounts of €5.0 billion.

Counterparty Credit Risk ("CCR")

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

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

Table 33: 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)	419	961		1.4	3,310	1,932	1,972	1,369
2	IMM (for derivatives and SFTs)			3,821	1.4	20,395	5,349	5,291	3,313
2b	Of which derivatives and long settlement transactions netting sets			3,821		20,395	5,349	5,291	3,313
3	Financial collateral simple method (for SFTs)					—	—	—	—
4	Financial collateral comprehensive method (for SFTs)					26,798	6,957	6,957	1,851
5	VaR for SFTs					—	—	—	—
6	**Total as at 31 December 2025**					**50,504**	**14,239**	**14,220**	**6,532**

Table 34: 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)	346	860		1.4	3,328	1,689	1,689	1,072
2	IMM (for derivatives and SFTs)			4,548	1.5	21,187	6,821	6,797	4,043
2b	Of which derivatives and long settlement transactions netting sets			4,548		21,187	6,821	6,797	4,043
3	Financial collateral simple method (for SFTs)					—	—	—	—
4	Financial collateral comprehensive method (for SFTs)					23,402	5,165	5,165	1,207
5	VaR for SFTs					—	—	—	—
6	Total as at 30 June 2025					47,917	13,676	13,652	6,322

CCR RWEA excluding exposures to CCPs increased by €0.2 billion mainly due to an increase in SFT portfolio by €0.6 billion, an increase in equity derivatives by €0.2 billion, which was partially offset by a decrease in FX derivatives by €0.5 billion and interest rate derivatives by €0.2 billion.

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

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

	Risk weight								
	0%	2%	20%	50%	75 %	100%	150%	Others	Total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Central governments or central banks	3,051	—	170	134	—	39	—	—	3,394
Regional government or local authorities	—	—	—	—	—	—	—	—	—
Public sector entities	77	—	86	225	—	—	—	—	388
Multilateral development banks	155	—	—	—	—	—	—	54	209
International organizations	12	—	—	—	—	—	—	—	12
Institutions	—	6,626	35	757	95	196	—	4,290	11,999
Corporates	—	—	146	409	810	3,415	19	—	4,800
Retail	—	—	—	—	—	—	—	—	—
Institutions and corporates with a short-term credit assessment	—	—	—	—	—	—	—	—	—
Other items	—	—	—	—	—	—	—	—	—
Total as at 31 December 2025	**3,295**	**6,626**	**437**	**1,525**	**905**	**3,651**	**19**	**4,344**	**20,802**

Table 36: EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights (previous period)

	Risk weight								
	0%	2%	20%	50%	75 %	100%	150%	Others	Total
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
Central governments or central banks	2,706	—	243	117	—	42	—	—	3,108
Regional government or local authorities	—	—	—	—	—	—	—	—	—
Public sector entities	74	—	226	91	—	—	—	—	391
Multilateral development banks	136	—	—	—	—	—	—	60	196
International organizations	18	—	—	—	—	—	—	—	18
Institutions	—	5,281	69	732	70	190	—	4,102	10,443
Corporates	—	—	95	640	787	3,217	19	—	4,758
Retail	—	—	—	—	—	—	—	—	—
Institutions and corporates with a short-term credit assessment	—	—	—	—	—	—	—	—	—
Other items	—	—	—	—	—	—	18	—	18
Total as at 30 June 2025	2,934	5,281	633	1,580	856	3,449	38	4,162	18,933

Counterparty credit risk exposures increased by €1.9 billion compared to 30 June 2025, due to an increase in volume of the SFT portfolio.

Table 37: EU CCR5 – Composition of collateral for CCR exposures (current period)

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

		Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
	Collateral type	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
1	Cash – domestic currency	—	2,814	21	3,565	—	20,331	—	25,816
2	Cash – other currency	—	1,887	—	669	—	2,189	—	13,574
3	Domestic sovereign debt	—	—	—	—	—	965	—	299
4	Other sovereign debt	143	484	—	—	—	28,145	—	17,961
5	Government agency debt	13	4	1,177	301	—	3,991	—	582
6	Corporate bonds	141	12	175	—	—	7,363	—	3,139
7	Equity securities	17	—	—	—	—	1,636	—	—
8	Other collateral	—	38	—	430	—	375	—	—
9	**Total as at 31 December 2025**	315	5,238	1,373	4,966	—	64,995	—	61,370

Table 38: EU CCR5 – Composition of collateral for CCR exposures (previous period)

		Collateral used in derivative transactions				Collateral used in SFTs			
		Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
	Collateral type	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
1	Cash – domestic currency	—	3,428	—	3,012	—	29,038	—	33,022
2	Cash – other currency	—	1,138	—	775	—	1,359	—	11,087
3	Domestic sovereign debt	—	—	—	—	—	748	—	379
4	Other sovereign debt	518	393	—	—	—	34,260	—	26,539
5	Government agency debt	14	—	660	90	—	3,282	—	1,292
6	Corporate bonds	210	14	830	—	—	6,832	—	3,961
7	Equity securities	47	—	—	—	—	1,265	—	—
8	Other collateral	—	38	—	357	—	—	—	—
9	Total as at 30 June 2025	788	5,012	1,490	4,234	—	76,785	—	76,278

The decrease in collateral used in SFTs is driven by the reduction in the SFT portfolio volume.

Table 39: EU CCR6 – Credit derivatives exposures

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

		Protection bought DEC 2025	Protection sold DEC 2025	Protection bought JUN 2025	Protection sold JUN 2025
		€ million	€ million	€ million	€ million
Notionals					
1	Single-name credit default swaps	4,858	1,816	5,086	1,814
2	Index credit default swaps	3,917	3,890	5,330	5,295
3	Total return swaps	36	78	57	36
4	Credit options	—	—	—	—
5	Other credit derivatives	215	443	146	295
6	**Total notionals**	9,026	6,227	10,619	7,440
Fair values					
7	Positive fair value (asset)	31	154	18	180
8	Negative fair value (liability)	(177)	(29)	(215)	(16)

The total notional values of Credit Derivatives have increased compared to mid-year which was driven by an increase in trading volumes.

Table 40: EU CCR8 – Exposures to CCPs

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

		As at 31 December 2025		As at 30 June 2025	
		Exposure value	RWEA	Exposure value	RWEA
		€ million	€ million	€ million	€ million
1	**Exposures to QCCPs (total)**		173		157
2	Exposures for trades at QCCPs (excluding initial margin and default fund contributions); of which	5,302	106	4,822	98
3	(i) OTC derivatives	5,150	103	4,466	89
4	(ii) Exchange-traded derivatives	—	—	—	—
5	(iii) SFTs	152	3	356	9
6	(iv) Netting sets where cross-product netting has been approved	—	—	—	—
7	Segregated initial margin	—		—	
8	Non-segregated initial margin	1,324	26	469	9
9	Prefunded default fund contributions	85	41	115	49
10	Unfunded default fund contributions	190	—	267	—
11	**Exposures to non-QCCPs (total)**		—		—
12	Exposures for trades at non-QCCPs (excluding initial margin and default fund contributions); of which	—	—	—	—
13	(i) OTC derivatives	—	—	—	—
14	(ii) Exchange-traded derivatives	—	—	—	—
15	(iii) SFTs	—	—	—	—
16	(iv) Netting sets where cross-product netting has been approved	—	—	—	—
17	Segregated initial margin	—		—	
18	Non-segregated initial margin	—	—	—	—
19	Prefunded default fund contributions	—	—	—	—
20	Unfunded default fund contributions	—	—	—	—

Exposures to QCCPs increased compared to 30 June 2025 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 CEP's assets and liabilities resulting from changes in market variables such as interest rates, FX or credit spreads.

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

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

Trading Book Governance and Organisation

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

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

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

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

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

Trading Book Risk Management and Measurement

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

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

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

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

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

Trading Book Regulatory Capital

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

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

Internal Trading Book Risk Capital Assessment

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

Table 41: 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 2025	30 June 2025
		RWEAs	RWEAs
		€ million	€ million
	Outright products		
1	Interest rate risk (general and specific)	1,374	1,046
2	Equity risk (general and specific)	11	18
3	Foreign exchange risk	403	508
4	Commodity risk	—	—
5	Simplified approach	—	—
6	Delta-plus method	—	—
7	Scenario approach	—	—
8	Securitisation (specific risk)	—	—
9	**Total**	1,789	1,572

Market risk RWEA under standardised approach increased by €0.2 billion. It was mainly driven by TDI increase on solo general market risk due to repos on CHF and USD and TDI increase on BHW in directional risk on PLN, which was partially offset by TDI decrease on solo specific market risk mainly driven by the transfer of CVA hedges from the STD to the IMA on EUR and FX Risk decrease due to a decrease in net long EUR positions.

Internal Model Approach

Scope of VaR & SVaR Model Permission

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

Model Characteristics

The VaR model is designed to capture potential market losses at a 99% confidence level over a one day holding period. The capital requirement is based on the VaR measure over a 10-day holding period. CEP uses one-day VaR for internal risk management purposes.

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

Management's Regulatory Differences

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

VaR Models

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

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

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

Ten-day VaR/SVaR numbers are calculated directly from 10-day volatility estimates. Production and reporting take place on a daily basis and for any requested sub-portfolio or market factor.

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

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

SVaR Models

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

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

CEP bases the stress period selection on a broad set of market factors that represent all assets held by CEP. The market factor selection is based on the materiality of risk. A 12-month stress period is selected as the covariance matrix calibrated from this period maximises VaR for CEP's portfolio, in accordance with regulatory requirements. The stressed period selection is reviewed by Market Risk Management, Market Risk Analytics and the IMA Control Committee at least on a quarterly basis. In 2025, the stress period was moved to the 12-month period ending June 2012, from the 12-month period ending July 2012, driven by increased exposure to European Sovereigns located in the Eurozone.

Stress Testing

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

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

The accuracy of the VaR model is assessed through daily back-testing performed by VaR Operations with oversight from Market Risk Management. 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.

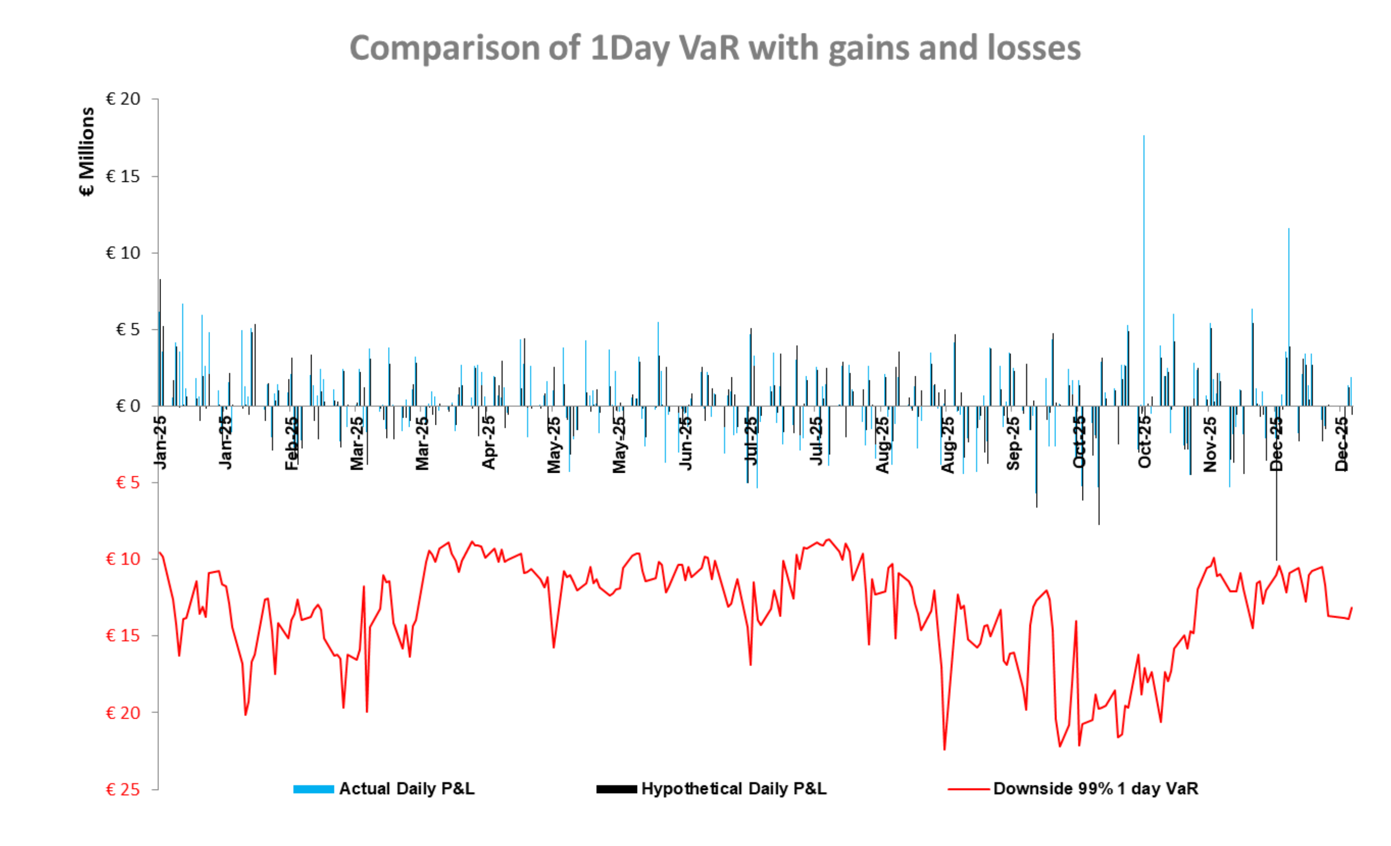
Additionally, VaR/SVaR models are subject to periodic independent validation to ensure technical and functional soundness of the model.

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



Scope of IRC Model Permission

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

Incremental Risk Charge Methodology

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

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

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

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

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

confidence level, is consistent with regulatory requirements and meets the required soundness standard.

Stress Testing

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

IRC Model Validation Approach

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

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

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

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

Table 43: EU MR2-A: Market risk under the Internal Model Approach

		As at 31 December 2025		As at 30 June 2025	
		RWEAs	Own funds requirements	RWEAs	Own funds requirements
		€ million	€ million	€ million	€ million
1	**VaR** (higher of values a and b)	1,757	141	1,728	138
(a)	Previous day's VaR (VaR_{t-1})		42		45
(b)	Multiplication factor (mc) x average of previous 60 working days (VaRavg)		141		138
2	**SVaR** (higher of values a and b)	6,704	536	9,236	739
(a)	Latest available SVaR ($SVaR_{t-1}$)		193		160
(b)	Multiplication factor (ms) x average of previous 60 working days (sVaRavg)		536		739
3	**IRC** (higher of values a and b)	3,071	246	4,434	355
(a)	Most recent IRC measure		164		355
(b)	12 weeks average IRC measure		246		306
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**	11,532	923	15,397	1,232

CEP's Market Risk's RWEA's calculated under IMA decreased by €3.9 billion compared to Q2, largely as a result of the reduction of multiplication factor from 4 to 3 and due to Spain's rating improvement.

Table 44: 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.

		31/12/2025	30 June 2025
		€ million	€ million
VaR (10 day 99%)			
1	Maximum value	**71**	63
2	Average value	**42**	39
3	Minimum value	**27**	28
4	Period end	**42**	45
SVar (10 day 99%)			
5	Maximum value	**244**	244
6	Average value	**178**	179
7	Minimum value	**137**	137
8	Period end	**193**	160
IRC (99.9%)			
9	Maximum value	**583**	583
10	Average value	**279**	283
11	Minimum value	**117**	117
12	Period end	**164**	355
Comprehensive risk measure (99.9%)			
13	Maximum value	—	—
14	Average value	—	—
15	Minimum value	—	—
16	Period end	—	—

Valuation Methodology

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

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

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

Table 45: 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 exchan-ge	Credit	Commo-dities	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	8	54	—	2	—	20	13	49	43	5
3	Close-out cost	—	21	—	—	—	—	—	11	7	4
4	Concentrated positions	—	9	—	5	—	[Not applicable]	[Not applicable]	14	13	1
5	Early termination	—	—	—	—	—	[Not applicable]	[Not applicable]	—	—	—
6	Model risk	—	—	—	—	—	2	2	2	2	—
7	Operational risk	—	5	—	—	—	[Not applicable]	[Not applicable]	6	5	1
10	Future administrative costs	—	—	—	—	—	[Not applicable]	[Not applicable]	—	—	—
12	**Total AVAs as at 31 December 2025**								82	71	11

Table 46: 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 exchan-ge	Credit	Commo-dities	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

[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

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

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

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

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

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

Non-Trading Market Risk Management and Measurement

Positions in the NTMR Book arise primarily from customer flows. The main products include loans held at amortised cost, non-maturing deposits (NMD), and Fair Value through Other Comprehensive Income (FVtOCI) securities. Throughout the natural course of business, these positions generate Interest Rate Risk in the Banking Book (IRRBB).

IRRBB refers to the current and prospective risk of a negative impact to CEP's economic value of equity, or to CEP's net interest income, taking market value changes into account as appropriate, which arise from adverse movements in interest rates affecting interest rate sensitive instruments, including the IRRBB sub-risks gap risk, basis risk and option risk. The risk is estimated using a cashflow-based approach, computed in a dedicated balance sheet management system, and a common set of standards that define, measure, limit and report the exposures to ALCO on a monthly basis. All three sub-types of IRRBB are deemed material risks as per the annual Risk ID process.

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

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

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

Hedgeable IRRBB is transferred from the business to Markets Treasury (MT) through an Internal Transfer Pricing (ITP) process. For all accrual business, ITP charges costs to asset businesses and provides credits to deposit businesses at terms that match the maturity or rate sensitivity of the underlying business. MT mitigates the transferred IRRBB through the purchase of FVtOCI securities. The capital at risk arising from these securities is measured and monitored against approved limits and risk appetite. CEP's subsidiary BHW maintains an active Interest Rate Swap (IRS) hedge program to mitigate FVtOCI impacts.

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

For IRRBB modelling purposes, CEP's NMDs are bifurcated into stable & non-stable and core & non-core. Behavioural assumptions are applied to the stable & core portion of the NMDs to assign specific maturity profiles and run-offs, including a maximum truncation period of 60 months. These components are determined and supported by, inter alia, statistical analysis of historical customer and market information. The average effective duration of CEP's stable & core NMD is approximately 2.7 years.

The key modelling and parametric assumptions that are different in internal monitoring from those used for regulatory disclosure relate to three areas: Firstly, when discounting positions for EVE and EVS, the internal approach uses product-specific curves rather than just the risk-free rate curve. Secondly, when combining gains and losses from different currencies, 100% of gains and losses are taken rather than 50% of gains and 100% of losses. Thirdly, the post-shock rate floor in internal scenarios is set at -200bps rather than ramping up linearly from -150bps to 0bps of 50 years.

All IRRBB models are subject to periodic review and back-testing by internal model risk management, the frequency of which is determined by the model rating. Assumptions are reviewed at least annually, with deposit pass-through rate matrices (betas) reviewed quarterly to ensure changing market conditions are captured in a timely manner. IRRBB is in scope of the periodic independent audit of CEP Treasury that takes place at least every 18 months.

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

The period-over-period changes to the SOT scenarios noted in table 44 are primarily driven by CEP's balance sheet evolution and strategy. Changes to the EVE SOT scenario results were marginal. The decrease in NII SOT scenario sensitivity was primarily driven by changes in cash management as part of liquidity management.

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

Table 47: EU IRRBB1 - Interest Rate Risks of Non-trading Market Risk Activities

	Supervisory shock scenarios	31 December 2025	30 June 2025	31 December 2025	30 June 2025
		Changes of the economic value of equity		Changes of the net interest income	
1	Parallel up	(113)	(122)	121	223
2	Parallel down	(297)	(298)	(431)	(540)
3	Steepener	85	82		
4	Flattener	(259)	(247)		
5	Short rates up	(281)	(267)		
6	Short rates down	24	29		

*The NII SOT parallel up result for June 2025 was revised vs the previous publication due to updated interpretation of the currency combination rules. There was no impact to the binding NII SOT scenario (parallel down).

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 2025 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.

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

Table 48: EU LIQ1 - Quantitative information of LCR[1]

		Total unweighted value				Total weighted value			
		December 2025	September 2025	June 2025	March 2025	December 2025	September 2025	June 2025	March 2025
Number of data points used in the calculation of averages		**12**	12	12	12	**12**	12	12	12
		€ million	€ million	€ million	€ million	**€ million**	€ million	€ million	€ million
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					60,001	59,022	56,934	55,030
CASH-OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	6,729	6,791	6,807	6,855	867	882	1,103	1,346
3	*Stable deposits*	1,637	1,622	1,589	1,558	82	81	79	78
4	*Less stable deposits*	5,086	5,167	4,954	4,753	780	799	760	724
5	Unsecured wholesale funding	78,855	76,938	73,594	70,231	43,010	42,138	40,291	37,938
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	24,538	23,737	22,542	22,394	6,110	5,910	5,611	5,572
7	*Non-operational deposits (all counterparties)*	54,317	53,201	51,052	47,837	36,900	36,228	34,679	32,366
8	*Unsecured debt*	—	—	—	—	—	—	—	—
9	Secured wholesale funding					440	207	98	70
10	Additional requirements	46,719	45,885	43,811	41,763	9,121	8,850	8,302	7,794
11	*Outflows related to derivative exposures and other collateral requirements*	2,954	2,837	2,724	2,367	2,954	2,837	2,724	2,367
12	*Outflows related to loss of funding on debt products*	—	—	—	—	—	—	—	—
13	*Credit and liquidity facilities*	43,765	43,048	41,087	39,395	6,167	6,013	5,578	5,426
14	Other contractual funding obligations	18,693	18,029	15,050	11,878	2,680	3,185	3,222	3,153
15	Other contingent funding obligations	15,261	15,724	16,073	16,324	437	449	454	452
16	**TOTAL CASH OUTFLOWS**					56,556	55,710	53,470	50,753
CASH-INFLOWS									
17	Secured lending (e.g. reverse repos)	30,508	28,786	25,353	21,745	170	194	209	211
18	Inflows from fully performing exposures	6,875	7,270	7,455	6,800	5,549	5,984	6,213	5,638
19	Other cash inflows	5,396	5,367	5,283	5,042	3,847	3,754	3,648	3,382
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**	42,779	41,423	38,091	33,587	9,565	9,932	10,071	9,231
EU-20a	***Fully exempt inflows***	—	—	—	—	—	—	—	—
EU-20b	***Inflows Subject to 90% Cap***	—	—	—	—	—	—	—	—
EU-20c	***Inflows Subject to 75% Cap***	42,779	41,423	38,091	33,587	9,565	9,932	10,071	9,231

		Total unweighted value	Total weighted value			
TOTAL ADJUSTMENT VALUE						
21	LIQUIDITY BUFFER		60,001	59,022	56,934	55,030
22	TOTAL NET CASH OUTFLOWS		46,991	45,778	43,399	41,521
23	LIQUIDITY COVERAGE RATIO (%)		128.38 %	129.82 %	132.48 %	133.46 %

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

LCR Evolution and Drivers

In Q4 2025, the LCR has remained well in excess of regulatory and internal limits. CEP customer deposits remain at elevated levels in 2025, contributing to a highly liquid position.

The liquidity buffer is the primary mechanism for ensuring that CEP can withstand the prescribed stresses under LCR. In line with the criteria set out in the LCR Delegated Regulation, the assets held in the buffer are unencumbered, well diversified, under the control of CEP Treasury and monetisable in a stress scenario. CEP also ensures that the currency denomination of its buffer is consistent with the distribution by significant currency of its net liquidity outflows. The buffer is comprised of cash placed with European central banks and high quality, unencumbered securities. The composition of the liquidity buffer remained largely unchanged in Q4 2025.

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

Currency mismatch in the LCR

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

CEP reports and monitors LCR on a consolidated basis in the reporting currency (EUR) and on an individual currency basis for significant currencies. Significant currencies are defined as currencies in which aggregate liabilities are greater than 5% of total liabilities.
As of 31st December 2025 significant currencies in CEP were EUR, USD and PLN. To monitor significant currencies, CEP has a currency limits framework comprised of economic and normative limits.

Derivative exposures and potential collateral calls

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

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

Other items relevant for the LCR calculation

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

NSFR Disclosure

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

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

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

Table 49: EU LIQ2 - Net Stable Funding Ratio

31 December 2025

	€ million	Unweighted value by residual maturity				
	Available stable funding (ASF) Items	**No maturity**	**< 6 months**	**6 months to < 1yr**	**≥ 1yr**	**Weighted value**
1	Capital items and instruments	15,506	—	—	—	15,506
2	*Own funds*	15,506	—	—	—	15,506
3	*Other capital instruments*		—	—	—	—
4	Retail deposits		6,616	10	—	6,046
5	*Stable deposits*		1,648	—	—	1,565
6	*Less stable deposits*		4,968	10	—	4,481
7	Wholesale funding:		82,047	68	11,531	40,016
8	*Operational deposits*		26,930	—	—	13,465
9	*Other wholesale funding*		55,117	68	11,531	26,551
10	Interdependent liabilities		—	—	—	—
11	Other liabilities:	—	26,999	—	—	—
12	*NSFR derivative liabilities*	—				
13	*All other liabilities and capital instruments not included in the above categories*		26,999	—	—	—
14	**Total available stable funding (ASF)**					61,568
	Required stable funding (RSF) Items					
15	Total high-quality liquid assets (HQLA)					4,043
EU-15a	Assets encumbered for more than 12m in cover pool		—	—	—	—
16	Deposits held at other financial institutions for operational purposes		69	—	—	35
17	Performing loans and securities:		33,137	3,446	23,332	29,843
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		7,833	1,681	1,463	3,744
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		16,092	1,147	6,693	8,996
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		7,367	385	13,129	14,969
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		77	1	335	257
22	*Performing residential mortgages, of which:*		2	2	784	669
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		—	—	—	—
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		1,843	231	1,263	1,465
25	Interdependent assets		—	—	—	—
26	Other assets:	0	12,254	20	3,078	4,582
27	*Physical traded commodities*				—	—
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		981	—	344	1,126
29	*NSFR derivative assets*		344			344
30	*NSFR derivative liabilities before deduction of variation margin posted*		4,856			243
31	*All other assets not included in the above categories*		6,073	20	2,734	2,868
32	Off-balance sheet items		9,007	5,382	42,325	2,777
33	**Total RSF**					41,280
34	**Net Stable Funding Ratio (%)**					149.15 %

30 September 2025

	€ million	Unweighted value by residual maturity				
	Available stable funding (ASF) Items	**No maturity**	**< 6 months**	**6 months to < 1yr**	**≥ 1yr**	**Weighted value**
1	Capital items and instruments	14,822	—	—	—	14,822
2	*Own funds*	14,822	—	—	—	14,822
3	*Other capital instruments*		—	—	—	—
4	Retail deposits		6,554	17	—	5,998
5	*Stable deposits*		1,686	—	—	1,601
6	*Less stable deposits*		4,868	17	—	4,397
7	Wholesale funding:		88,443	54	11,870	40,812
8	*Operational deposits*		26,730	—	—	13,365
9	*Other wholesale funding*		61,713	54	11,870	27,447
10	Interdependent liabilities		—	—	—	—
11	Other liabilities:	—	40,965	—	—	—
12	*NSFR derivative liabilities*	—				
13	*All other liabilities and capital instruments not included in the above categories*		40,965	—	—	—
14	**Total available stable funding (ASF)**					61,632
	Required stable funding (RSF) Items					
15	Total high-quality liquid assets (HQLA)					2,509
EU-15a	Assets encumbered for more than 12m in cover pool		—	—	—	—
16	Deposits held at other financial institutions for operational purposes		341	—	—	170
17	Performing loans and securities:		28,538	3,407	23,299	29,529
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		8,031	1,639	1,603	4,374
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		12,049	509	6,151	7,620
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		6,790	799	13,008	14,785
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		115	2	333	275
22	*Performing residential mortgages, of which:*		—	—	814	692
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		—	—	—	—
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		1,668	459	1,724	2,058
25	Interdependent assets		—	—	—	—
26	Other assets:	0	24,940	—	3,107	4,986
27	*Physical traded commodities*				—	—
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		1,411	—	180	1,353
29	*NSFR derivative assets*		421			421
30	*NSFR derivative liabilities before deduction of variation margin posted*		4,368			218
31	*All other assets not included in the above categories*		18,740	—	2,927	2,994
32	Off-balance sheet items		12,281	7,851	39,591	2,923
33	**Total RSF**					40,117
34	**Net Stable Funding Ratio (%)**					153.63 %

30 June 2025

	€ million	Unweighted value by residual maturity				
	Available stable funding (ASF) Items	**No maturity**	**< 6 months**	**6 months to < 1yr**	**≥ 1yr**	**Weighted value**
1	Capital items and instruments	14,878	—	—	—	14,878
2	*Own funds*	14,878	—	—	—	14,878
3	*Other capital instruments*		—	—	—	—
4	Retail deposits		6,911	22	—	6,322
5	*Stable deposits*		1,646	—	—	1,564
6	*Less stable deposits*		5,265	22	—	4,758
7	Wholesale funding:		80,082	72	11,535	39,208
8	*Operational deposits*		24,438	—	—	12,219
9	*Other wholesale funding*		55,644	72	11,535	26,989
10	Interdependent liabilities		—	—	—	—
11	Other liabilities:	—	48,435	—	—	—
12	*NSFR derivative liabilities*	—				
13	*All other liabilities and capital instruments not included in the above categories*		48,435	—	—	—
14	**Total available stable funding (ASF)**					60,408
	Required stable funding (RSF) Items					
15	Total high-quality liquid assets (HQLA)					2,576
EU-15a	Assets encumbered for more than 12m in cover pool		—	—	—	—
16	Deposits held at other financial institutions for operational purposes		128	—	—	64
17	Performing loans and securities:		33,038	2,705	21,935	28,478
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*		10,518	1,717	1,006	4,272
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		13,384	161	5,077	6,493
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		7,306	644	13,768	15,630
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		75	2	240	194
22	*Performing residential mortgages, of which:*		—	—	821	698
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		—	—	—	—
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		1,830	183	1,263	1,386
25	Interdependent assets		—	—	—	—
26	Other assets:	0	24,163	—	3,103	4,827
27	*Physical traded commodities*				—	—
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		1,494	—	225	1,461
29	*NSFR derivative assets*		132			132
30	*NSFR derivative liabilities before deduction of variation margin posted*		5,827			291
31	*All other assets not included in the above categories*		16,710	—	2,878	2,943
32	Off-balance sheet items		6,839	11,155	37,960	2,738
33	**Total RSF**					38,683
34	**Net Stable Funding Ratio (%)**					156.16 %

31 March 2025

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

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.

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

The increase in encumbrance compared to 2024 level 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 50: EU AE1 - Encumbered and unencumbered assets

	€ 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**	31,933	26,524			163,413	47,830		
30	Equity instruments	17	—	17	—	73	—	73	—
40	Debt securities	24,838	24,382	24,838	24,382	21,150	13,485	21,150	13,485
50	Of which: covered bonds	302	208	302	208	295	96	295	96
60	Of which: securitisations	85	—	85	—	250	—	250	—
70	Of which: issued by general governments	23,453	23,385	23,453	23,385	17,577	11,562	17,577	11,562
80	Of which: issued by financial corporations	1,137	908	1,137	908	3,352	1,747	3,352	1,747
90	Of which: issued by non-financial corporations	44	—	44	—	48	—	48	—
120	Other assets	7,310	2,202			142,189	35,263		

Table 51: 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 notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
130	**Collateral received by the reporting institution**	31,330	28,712	17,202	9,973
140	Loans on demand	—	—	—	—
150	Equity instruments	—	—	—	—
160	Debt securities	31,330	28,712	11,786	9,973
170	of which: covered bonds	2,820	720	126	3
180	of which: securitisations	91	—	—	—
190	of which: issued by general governments	27,064	26,940	7,207	6,200
200	of which: issued by financial corporations	3,697	391	1,690	1,441
210	of which: issued by non-financial corporations	416	—	56	—
220	Loans and advances other than loans on demand	—	—	—	—
230	Other collateral received	—	—	5,309	—
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**	63,263	55,236		

Table 52: 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	38,606	12,061

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 is inherent in CEP's business activities, as well as related support functions, and can result in losses.

The objective of Operational Risk Management (ORM) activities is to keep Operational Risk at appropriate levels relative to the characteristics of the businesses, the markets in which it operates, its capital and liquidity, and the competitive, economic and regulatory environment.

ORM, operating within the second line of defence, is responsible for setting requirements around operational risk management, challenging the implementation of the overall ORM framework, and challenging the quality and outcomes of the first line of defence operational risk management activities. ORM 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.

The Head of Operational Risk reports directly to the CEP CRO and is responsible for second line of defence oversight and management of operational risk.

Independent ORM actively participates in various governance forums to ensure the Operational Risk Management Framework (ORMF) is fully embedded in CEP's day-to-day management activities and provides independent risk review and challenge.

Operational Risk Governance and Reporting

CEP manages operational risk on a day-to-day basis through the lines of defence approach. The first line of defence owns and manages the risks arising from the execution of their business activities and is comprised of the Front-Line Units and Front-Line Unit Activities.

The first line of defence identify the Operational Risks they are exposed to, including existing and emerging risks. The first line of defence also identify Operational Risks that may result from new or amended products, or because of significant changes in organizational structures, systems, processes, and personnel.

Responsibility for oversight and challenge of the first line of defence risk management activities sits with Independent Risk Management (second line of defence) led by the CRO with support from the Operational Risk Management function responsible for overseeing and challenging the management of Operational Risk in CEP.

CEP's Internal Audit function makes up the third line of defence who provide independent and objective assurance that risk management, governance, and internal controls are functioning properly to help CEP achieve its objectives.

CEP's operational risk governance is supported by CEP specific governance structures, operational risk frameworks, resources and processes.

As documented in the CEP's Operational Risk Management Framework, the following committees perform an oversight role for operational risk related items:

- Board of Directors
- BRC
- Audit Committee
- Business Risk and Control Committee (BRCC)

The Board approves the operational risk appetite and the Operational Risk Management Framework.

The Board Risk Committee has oversight of the prospective aspects of operational risk, including reviewing materiality of operational risks (including emerging operational risks), reviewing Operational Risk Management Framework and evaluating the adequacy of operational risk resourcing and capabilities.

The Audit Committee has oversight of operational risk, including reviewing historic operational risk events and approving the annual Formal Assurance Plan and reviewing its progress.

The BRCC is the principal forum responsible for reviewing and monitoring the CEP's operational and compliance risk profiles, including the results of risk assessments; for monitoring the CEP's operational and compliance risk appetite; for reviewing significant operational risk events and new and emerging risks while promoting a culture of risk awareness and high standards of culture and conduct across CEP.

Operational Risk Management

CEP has an established Operational Risk Management Framework which provides a holistic outline on how operational risk is managed and the accountabilities and responsibilities across all lines of defence in terms of identifying, measuring, monitoring, controlling and reporting on operational risks.

CEP manages operational risk exposures through a suite of programs designed to manage granular and aggregated risk exposures.

Aggregated Operational Risk Assessment programs provide insight into operational risk exposures:

- Operational Risk Identification
- Operational Risk Appetite

Granular risk exposures are specific instances of risk inherent to a process. These risks are identified, measured, monitored and/or mitigated through granular Risk and Control Assessment mechanisms and related programs:

- Risk and Control Assessment (RCA)
- Loss Capture
- Issue Management
- Lessons Learned
- Scenario Analysis
- New Activity Approval

ORM performs credible challenge of the first line risk management activities as follows:

- Non-discretionary (Responsive Challenge)
- Discretionary (Independent Assurance)
- The Group's ORM Formal Assurance Programme
- Approval / Non-Object Challenge

Quality Assurance (QA) is the review of ORM's execution of ORM's own routines, including periodic reviews of overall program effectiveness.

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 CRR (Business Indicator Approach) to calculating regulatory operational risk capital.

Table 53: EU OR1 – Operational risk losses

€ million		a	b	c	d	e	f	g	h	i	j	k
		2025	2024	2023	2022	2021	2020	2019	2018	2017	2016	Ten-year average
Using €20,000 threshold												
1	Total amount of operational risk losses net of recoveries (no exclusions)	12	67	11	12	10	3	4	2	5	5	13
2	Total number of operational risk losses	76	56	55	50	37	34	21	34	28	39	43
3	Total amount of excluded operational risk losses	0	0	0	0	0	0	0	0	0	0	0
4	Total number of excluded operational risk events	0	0	0	0	0	0	0	0	0	0	0
5	Total amount of operational risk losses net of recoveries and net of excluded losses	12	67	11	12	10	3	4	2	5	5	13
Using €100,000 threshold												
6	Total amount of operational risk losses net of recoveries (no exclusions)	10	66	10	11	9	2	3	1	4	4	12
7	Total number of operational risk losses	31	24	25	22	16	8	8	10	12	9	17
8	Total amount of excluded operational risk losses	0	0	0	0	0	0	0	0	0	0	0
9	Total number of excluded operational risk events	0	0	0	0	0	0	0	0	0	0	0
10	Total amount of operational risk losses net of recoveries and net of excluded losses	10	66	10	11	9	2	3	1	4	4	12
Details of operational risk capital calculation												
11	not applicable											
12	not applicable											
13	not applicable											

- There were no exceptional operational risk events excluded from the calculation of annual operational risk losses during the reporting period. This applies consistently across both the €20k and €100k reporting thresholds.
- Total amount of operational risk losses net of recoveries (using €20k threshold) decreased from €67m in 2024 to €12m in 2025 (-€55m year on year). The 2024 loss profile was dominated by a legacy legal case of €53m. The same trend is observed under the €100k threshold.
- While total loss amount declined, the number of operational risk losses increased year on year under both threshold categories. This reflects a higher frequency of lower-severity losses, with no material deterioration in the overall risk profile.

Table 54: EU OR2: Business Indicator, components and subcomponents

	€ million	2025	2024	2023	Average value
1	Interest, lease and dividend component (ILDC)				1,810
EU 1	ILDC related to the individual institution/ consolidated Group (excluding entities considered by Article 314(3)				1,810
1a	Interest and lease income	5,092	4,863	3,893	4,616
1b	Interest and lease expense	3,150	2,886	2,403	2,813
1c	Total assets/Asset component	167,247	143,473	121,926	144,216
1d	Dividend income/dividend component	5	10	5	7
2	Services component (SC)				2,527
2a	Fee and commission income	2,074	1,463	1,351	1,629
2b	Fee and commission expense	672	298	259	410
2c	Other operating income	1,097	824	773	898
2d	Other operating expense	8	57	19	28
3	Financial component (FC)				478
3a	Net profit or loss applicable to trading book (TB)	487	411	373	424
3b	Net profit or loss applicable to banking book (BB)	54	70	38	54
EU 3c	Approach followed to determine the TB/BB boundary (PBA or accounting approach)				Accounting approach
4	Business Indicator (BI)				4,815
5	Business indicator component (BIC)				692

	€ million	2025
6a	BI gross of excluded divested activities	4,815
6b	Reduction in BI due to excluded divested activities	—
EU 6c	Impact in BI of mergers/acquisitions	—

Table 55: EU OR3 – Operational Risk own funds requirements and risk exposure amounts

	€ million	RWA
1	**Business Indicator Component (BIC)**	692
EU 1	Alternative Standardised Approach (ASA) Own Funds Requirements (OROF) under Article 314(4)	—
2	Not applicable	
3	Minimum Required Operational Risk Own Funds Requirements (OROF)	692
4	Operational Risk Exposure Amounts (REA)	8,654

Operational Risk Mitigation

In addition to the robust suite of processes as outlined above, CEP also transfers limited exposure to some potential Operational Risk losses through appropriate insurance (e.g. building insurance for physical damage events). This insurance is not considered in capital adequacy assessments.

Environmental, Social and Governance Risk (ESG)

Environmental risk

Business strategy and processes

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

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

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

CEP's priorities are determined within the context of CEP's business profile, Citi's strategy, policies and frameworks (inclusive of sustainability considerations) as well as EU laws and regulations. Work is undertaken in the context of the material risks and timeframes identified through CEP's Climate & Environment (C&E) Risk Materiality Assessment.

CEP's key ESG risk related objectives are:

- To build enabling resources and capacity to enable both business opportunities and risk management, leveraging Citi capabilities where possible.
- To address client needs and expectations and to support financing for clients, including supporting their transition goals.
- To manage material ESG risks appropriately in the short, medium and long term, in line with the Risk Management Framework.

CEP performs ongoing Business Environment Scanning (BES) to monitor ESG related 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 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 ESG risks over the short, medium and long term and determines an appropriate action when an impact is identified. The outcome of this assessment is reported to CEP's management body to consider in the strategy where significant. The key developments and trends observed are considered in CEP's strategy and in the Climate and Environmental Risk Identification and Assessment Process (RIAP).

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

CEP has a range of ESG related KPIs, some of which have targets, whereas others are used for monitoring purposes only. The KPIs link to the overarching ESG Objectives that are included in CEP's broader Strategic Plan.

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

Details of CEP's ESG risk related objectives are included in section a). CEP does not set sustainability targets or make commitments at a legal entity level. Citi has committed to achieving net zero operational emissions by 2030 and CEP's in-scope operational emissions are included within Citi's global commitment. Operational emissions in this context refers to Scopes 1 and 2 (market-based) emissions for owned and leased facilities and corporate vehicles. Citi has also committed to achieving net zero greenhouse gas (GHG) emissions associated with its financing by 2050 and has set 2030 interim emission reduction targets for clients operating within Citi's in-scope lending portfolios (Aluminium, Auto Manufacturing, Aviation, Cement, Commercial Real Estate (in North America), Energy, Power, Shipping, Steel and Thermal Coal Mining). 2030 targets for Auto Manufacturing, Energy and Power also include facilitation activity from capital markets activities. CEP may have eligible financed emissions which are covered by Citi's targets. Furthermore, Citi has set a goal to finance and facilitate $1 trillion in sustainable finance by 2030, starting in 2020. CEP's eligible financing activities that meet Citi's sustainable finance criteria are counted towards this goal.

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.

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

As part of CEP's governance processes, and the monitoring of the business model and strategic direction of CEP, the executive committee (and other relevant governance forums) monitors certain

C&E risk KPIs on an on-going basis, which are tracked at relevant business lines as applicable.

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

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

In 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 2025, CEP has included disclosures required by Article 8 of the EU Taxonomy. This requires entities to disclose how their activities are associated with economic activities that qualify as "environmentally sustainable" under the EU Taxonomy. This disclosure requires reporting of both taxonomy-eligible and taxonomy-aligned economic activities under the six environmental objectives defined in Article 9 of the EU Taxonomy.

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

Pursuant to this no-action letter, CEP is making use of the transitional provisions, and has not produced EU Taxonomy reporting within this reporting as at 31 December 2025, including the key performance indicators included under the EU Taxonomy.

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

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

In addition, to help with understanding of the climate-related risk profiles of the individual corporate clients in certain sectors, Citi created a tool called the Climate Risk Assessment & Scorecard (CRAS). Further details have been outlined in the Risk Management section, refer to section j). CEP does not have a policy or procedure specific to engagement with counterparties, but direct or indirect engagement may take place as part of these processes.

Governance

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

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

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

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

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

Roles and Responsibilities of CEP's Management Body

Roles and responsibilities for the management of 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 management framework.

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

CEP's Board of Directors (the Board)

The Board is the governance body with the highest decision-making authority within the legal entity. The Board is responsible for ensuring that prudential and conduct risk management requirements are adhered to for CEP and its subsidiaries, on a consolidated basis where required by regulation.

The Board oversees the CEP Executive Committee's (ExCo) process of the identification and assessment of sustainability-related impacts, risks and opportunities, including regular reporting on ESG-related KPIs within the CEO Report, as presented at the relevant Board meetings. In the course of such reporting and through management escalations, matters relevant to CEP's sustainability-related risks requiring Board attention or approval would be raised to the Board as necessary and, if appropriate, considered together with other relevant risks when overseeing strategy, material transactions, and risk processes. The 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 risks, are delegated to, and driven and executed by, management with input, strategic guidance, and senior-level review by specialised management-level committees, forums, and teams throughout the Company. In line with the Board's responsibilities for oversight of its subsidiary, 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.

CEP's management plays an essential role in its sustainability governance through forums, councils, 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 which has attendance from CEP's three lines of defence, as required.

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

ExCo
The 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

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

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

With respect to building enabling resources and capacity, Citi is continuously evaluating and developing the employee training program on climate change and sustainability. Please refer to the 2024 Citi Climate report, section- Capacity Building and Expertise for more information.

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

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

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

Risk management

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

C&E risks present short-term, medium-term and long-term risks to CEP and to its clients with the risks expected to increase over time. C&E risks are two interconnected and to some degree overlapping risks originating from climate and environmental aspects.

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

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

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

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

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

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

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

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

To support the risk identification process, CEP uses climate vulnerability heatmaps to assess the vulnerability of corporate sectors. The climate risk heatmap categorizes sectors under one of four vulnerability scores, raging from "low" to "high". 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. This(includes determining whether a sector is likely to experience demand destruction, demand substitution or limited impact on demand), and an assessment of the underlying drivers to date from a technology, policy and stakeholder perspective.
- Vulnerability to physical risk drivers and transmission channels includes an assessment of the dependency of the sector's business model on its fixed assets base, the geographic concentration of fixed assets and/or its supply chain. Physical risk vulnerability assessment is performed at a macro level and is not reflective of the vulnerability of our clients' or collateral geospatial footprint.

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

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

- Identification of risk drivers and transmission channels relevant for CEP's current business model and in line with the risk categories defined in CEP's Risk Taxonomy.
- Mapping of the potential C&E drivers and transmission channels to CEP's existing financial and non-financial risks on an expert judgment-based approach.
- Analysis of the C&E risks and their potential impact on the risk categories through the defined transmission channels, including quantitative assessment of concentrations of climate risks, based on internal exposures/revenues as well as Citi developed tools (including the climate and environmental risk heatmaps), 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 RIAP for use in the 2025 financial year was approved in Q4 2024, and the results are given under Table 56.

Table 56: CEP's RIAP results for the materiality assessment across all time horizons

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

[2] Changes in materiality assessment comparing to the results of the RIAP for use in the 2024 financial year.
[3] 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.
[4] 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.
[5] 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) outlines statements and levels for all material risks, supported by a suite of metrics. These metrics enable the Board to effectively monitor adherence to its defined risk appetite. During the 2025-2027 RAS process, CEP's risk appetite statements were updated to reflect materiality of C&E risks and underlying heatmap methodology .

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

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

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

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

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

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

CEP has adopted a set of rules for effective C&E risk management that has been informed by reference to the following non-exhaustive list of regulatory guidance[6]:

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

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

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

CEP, in line with Citi, manages and mitigates the credit and reputation risks from climate and environmental change through numerous internal processes and policies, including Citi's ESRM Policy. The ESRM Policy provides the framework for how Citi identifies, mitigates, and manages the potential environmental and social risks associated with clients' activities that could lead to credit or reputation risks to Citi. Citi's ESRM Policy covers lending and underwriting with identified use of proceeds directed to physical assets and activities, as well as sector-specific requirements for corporate relationships in higher-risk sectors, including carbon-intensive sectors.

Activities and exposures that may be exposed to environmental risk are identified prior to execution of a transaction. As set out in the ESRM Policy, clients in certain sectors that have particularly sensitive environmental and social risks require ESRM screening. These include Agribusiness, Mining, Coal-Fired Power and Oil and Gas. In addition, where a banker or risk manager identifies a concern relating to an Area of High Caution which 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 clients' management of environmental and social risks.

Citi has committed not to finance any new or expanding coal-fired power plants or thermal coal mines globally. The ESRM Policy sector specific requirements on thermal coal mining also includes a commitment to eliminate our credit exposure to clients with greater than 25% revenues from thermal coal mining by 2030. In addition, as part of our net zero approach, Citi has set an interim target to reduce the carbon intensity of our Power portfolio by 63% by 2030 from a 2020 baseline. As part of this commitment, Citi calculates the financed emissions and physical intensity of the portfolio, engages with and assesses clients' low-carbon transition plans, and partners with our clients on transition opportunities.

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. The 2024 Citi Climate Report provides more details regarding components, usage, and development of CRAS.

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

Citi has a goal of achieving net zero emissions associated with financing activities by 2050, and net zero emissions for operations by 2030. Citi's climate risk work focuses on the identification, measurement and management of key risks arising from climate change, while its net zero work focuses on Citi's impacts on the climate, striving toward its net zero emissions reduction targets and supporting clients in the clean energy transition.

[6] Future Pillar 3 disclosures of CEP may be updated in relation to ESG risk management as a result of the EBA's guidelines for the management of ESG risks, applicable from 11 January 2026.

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

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

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

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

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

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

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

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

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

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

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

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

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

Given the nature of the maturity and availability of data (counterparty and otherwise) for environmental topics, there are assumptions made due to the limitations of data utilised in CEP's reporting. The key gaps relate to the coverage of counterparties included within greenhouse gas financed emissions, counterparty attributes in respect of energy efficiency and physical risk and data in respect of alignment of counterparty revenue to the EU Taxonomy. CEP has outlined specific data limitations in respect of Tables 57 - # prior to each disclosure.

CEP will continue to monitor regulatory developments, including the increasing number of mandatory corporate sustainability reporting regimes globally, to strengthen data sourcing. These regimes are enhancing the volume and completeness of sustainability data from counterparties, thereby improving data availability for CEP's ESG risk management capabilities and disclosure requirements.

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

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

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

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

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

The 2024 Citi Climate Report provides examples of potential transition and physical risks associated with Citi's risk categories and the impacts that climate risk drivers can have on these same categories.

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

Social risk

Business strategy and processes

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

Social risk as defined by Art 449a guidance relates to those social risk approaches undertaken by the institution's counterparties which the remainder of this section of the document articulates. In addition, CEP has a number of processes related to the management of its own social risks including in relation to employees which can be found in the Sustainability Statement included as part of the Directors' Report within CEP's Annual Report and Financial Statements for the year ended 31 December 2025. For CEP, social risks such as labour relations may create financial or reputational risks for counterparties, which may then become a credit or reputational risk for banks. Social factors such as security, social inequity, health, education and migration can be a driver of macroeconomic factors which may affect the business environment of our counterparties.

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

Banks have a role to play in enabling flow of capital to economic activities that enable society to progress. Citi has an on-the-ground presence in more than 90 countries and serves clients in 180 countries. Social finance, such as financing of basic infrastructure, education and healthcare for underserved populations, is integrated into Citi's $1 trillion by 2030 sustainable finance goal and is supported by a specialist Social Finance team.

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

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

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

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

Citi has a goal 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.

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

With regard to social risks, CEP's priorities are determined within the context of CEP's business profile, Citi's strategy, policies and frameworks (inclusive of sustainability considerations) as well as EU laws and regulations. CEP is bound by Citi policies in this area, as approved by CEP's Board. Any references to Citi in the narrative below, operates at a global level, and is inclusive of 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. CEP does not have a policy or procedure specific to engagement with counterparties, but direct or indirect engagement may take place as part of this process.

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

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

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

Governance

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

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

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

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

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

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

At parent company level, the Citi Board of Directors has ultimate oversight of our work to identify, assess and integrate sustainability-related risks and opportunities throughout Citi, including our climate-related work and human capital management efforts. The Nomination, Governance and Public Affairs Committee of the Board is responsible for overseeing and reviewing Citi's policies and programmes for environmental sustainability, climate change, human rights and community investment. The Citi Audit Committee has oversight over the controls and procedures related to Citi level sustainability and climate-related reporting. The Risk Management Committee of the Citi Board of Directors reviews key risk policies, including those related to sustainability.

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

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

Risk management

- ***h) Definitions, methodologies and international standards on which the social risk management framework is based***
- ***i) Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to social risk, covering relevant transmission channels***
- ***j) Activities, commitments and assets contributing to mitigate social risk***
- ***k) Implementation of tools for identification and management of social risk***

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

Citi's sustainability commitments and goals are disclosed in the global Sustainability Report. This includes Citi's goal to finance and facilitate $1trillion of sustainable finance by 2030. CEP's Banking and Services businesses may undertake transactions that are included in the sustainable finance goal, in line with Citi's Sustainable Finance Goal guidance.

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

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

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

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

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

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

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

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

- Projects in countries or regions with both the presence of significant vulnerable populations and with a history of known human rights abuses relevant to the sector. Vulnerable groups may have increased difficulty in adapting to changes brought by projects and may not have access to adequate protection, respect and remedy for their human rights, and thus significant presence of these groups in the project area of influence increases the social risks;

- Projects in countries or regions with a history of known human rights abuses related to the sector and weak enforcement of labour laws, especially occupational health and safety and freedom of association;
- Projects involving in-migration of large labour forces, which can lead to a higher risk of human trafficking or forced labour.
- Projects with environmental justice concerns due to disproportionate or adverse environmental and health impacts on racial or ethnic minority communities.
- Projects related to constructing or operating private prisons.

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

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

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

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

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

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

Governance risk

Governance & Risk Management

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

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

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

- The Global Sanctions Program monitors and fosters awareness of applicable sanctions laws and regulations, assesses sanctions risk exposure, oversees the quality of sanctions control processes, and sets global policies/ standards/processes to identify, measure, monitor, and manage sanctions risk.
- CEP is supported by the Independent Compliance Risk Management (ICRM) UK & EU Trade Restrictive Measures (TRM) team. The TRM team's responsibilities are governed by the regional TRM ICRM standard and include managing regulatory developments, conducting the annual TRM risk assessment and conducting TRM training. The TRM ICRM team also provides advisory support and credible challenge, ensuring the quality and robustness of the TRM control framework. This ensures that CEP and the broader Citi organisation maintain a consistent and effective control environment that is responsive to the evolving TRM landscape.
- CEP's AML Program is designed to protect both our clients and our franchise from the risks of money laundering, terrorist financing and other financial crimes.
- The Complex Investigation Unit (CIU) is uniquely positioned within Citi's Compliance function to tackle financial crime and provide a globally consistent approach to the prevention and detection of risk.
- The globally applicable Anti-Bribery and Corruption Policy provides guiding principles and requirements to identify and mitigate bribery risks. Given Citi's global presence, Citi regularly verifies that the AB&C Policy, standards, and procedures are consistent with relevant laws, rules, and regulations and reviews and updates the policy at least annually. The policy is designed to be in compliance with applicable laws and covers key aspects of bribery risk. For more information, see the Citi Anti-Bribery & Corruption Program Statement, which is updated at least annually.

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

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

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

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

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

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

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

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

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 clients' non-financial reporting for a number of purposes including Environmental and Social Risk Management, Climate Risk Assessment scorecard and Net Zero review. Citi (and CEP) expect that the quality of non-financial reporting will evolve in the EU as the implementation the Corporate Sustainability Reporting Directive, and related initiatives matures.

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

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

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

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

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

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

Quantitative disclosures

Climate change transition risk
Climate change presents short-term, medium-term and long-term risks to CEP 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 CEP's loans and advances, debt securities and equity instruments to non-financial corporations, other than those held for trading towards non-financial corporates operating in carbon-related sectors, and on the quality of those exposures, including non-performing status, stage 2 classification, and related provisions as well as maturity buckets.

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

CEP does not set sustainability targets or make commitments at a legal entity level. As subsidiaries of Citigroup Inc ("Citi"), the ultimate parent group, CEP is subject to the strategy, policies and targets of Citi relating to sustainability matters, including climate, and follows Citi's Baseline Emissions and Sector Intensity Methodology. Outlined below, specific details on the accounting methodologies, sector scoping, emissions data lag, and estimations have been included. For further details on the Citi's Baseline Emissions and Sector Intensity Methodology please refer to the 2024 Citi Climate Report.

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

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

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

Accounting Methodologies

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

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

Sector Scoping

PCAF asset classes and sectors for financed emissions calculations are prioritised based on a variety of factors, including carbon intensity, magnitude of financing, data availability, applicability to Citi's business model, and industry practices. CEP 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 Auto Manufacturing. Scope 1 and 2 emissions have been included in all of the sectors and Scope 3 categories have been included where appropriate. These calculations have only been completed for the Banking Book, and structured products (e.g. derivatives, hedging, or trading) are excluded from this scope of analysis.

Emissions Data Lag

The quality and availability of climate-related data continues to be a significant challenge. At the time of the analysis disclosed in this report, the data available for calculating financed emissions and emissions intensity, as well as measuring progress was nearly two years old, given the availability of the data at the time. Citi is working with leading aggregation vendors of corporate disclosure on environmental metrics; however, the lag on reporting and collection remains difficult to address. Therefore, CEP currently faces a data mismatch — CEP is using 2024 financial data to represent its clients' financials, but is pairing that with 2023 emissions, to calculate emissions from CEP's Banking Book as at 31 December 2025. CEP hopes that emissions data will continue to improve, and that the data lag will diminish as disclosure regimes evolve.

For the purpose of this disclosure under Article 449a of the CRR, CEP then refines the financed emissions calculations by including only counterparties that operate in sectors identified as highly contributing to climate change, in accordance with the Commission Delegated Regulation (EU) 2020/1818, which supplements Regulation (EU) 2016/1011 (the EU Climate Benchmark Standards Regulation – Recital 6), specifically referring to sectors listed in Sections A to H and Section L of Annex I to Regulation (EC) No 1893/2006. Additionally, the disclosure adjusts the Group's credit exposure to counterparties to reflect the position as of 31 December 2025, while retaining client financial data from 2024 and utilising emission data from 2023, as detailed above.

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

Estimation

PCAF has established a data quality hierarchy that Citi uses to score emissions estimates for all of CEP's clients. Data scores range from 1 to 5, with a score of 1 signifying disclosed and third-party verified emissions — the highest quality data — and a score of 5 signifying the greatest level of estimation based on sectoral economic activity emissions factors — the lowest quality data. Without client specific data, the sector level estimations can result in a lower accuracy estimation of client emissions. Citi is working to improve the data that it uses, which will in turn refine the calculation results that CEP reports in its regulatory disclosures. Emissions data with a Score of 1 or 2 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 2024 Citi Climate Report.

Table 57: ESG Template 1: Banking book- Climate Change transition risk: Credit quality of exposures by sector, emissions and residual maturity

December 31, 2025

	Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
1	**Exposures towards sectors that highly contribute to climate change***	14,201	287		2,038	78	-102	-64	-22	4,409,319	1,746,147	12.32 %	12,772	527	752	148	2.7
2	A - Agriculture, forestry and fishing	48			—	—	—	—	—	—	—	— %	48	—	—	—	1.9
3	B - Mining and quarrying	309	—		2	—	—	—	—	904,878	785,634	98.54 %	309	—	—	—	0.3
4	*B.05 - Mining of coal and lignite*	—			—	—	—	—	—	—	—	— %	—	—	—	—	—
5	*B.06 - Extraction of crude petroleum and natural gas*	234			1	—	—	—	—	833,125	733,148	99.98 %	234	—	—	—	0.3
6	*B.07 - Mining of metal ores*	1			—	—	—	—	—	—	—	— %	1	—	—	—	0.6
7	*B.08 - Other mining and quarrying*	2			—	—	—	—	—	3,848	1	76.38 %	2	—	—	—	0.2
8	*B.09 - Mining support service activities*	72			1	—	—	—	—	67,905	52,485	95.90 %	72	—	—	—	0.2
9	C - Manufacturing	7,032	15		1,316	46	-45	-27	-11	817,805	597,220	2.75 %	6,809	223	—	—	0.9
10	*C.10 - Manufacture of food products*	934			8	11	-1	—	—	—	—	— %	906	28	—	—	0.8
11	*C.11 - Manufacture of beverages*	499			21	—	-1	—	—	—	—	— %	499	—	—	—	0.5
12	*C.12 - Manufacture of tobacco products*	86			—	—	—	—	—	—	—	— %	86	—	—	—	0.4
13	*C.13 - Manufacture of textiles*	85			13	2	-1	-1	—	—	—	— %	85	—	—	—	0.5
14	*C.14 - Manufacture of wearing apparel*	8			—	—	—	—	—	—	—	— %	8	—	—	—	2.5
15	*C.15 - Manufacture of leather and related products*	2			—	—	—	—	—	—	—	— %	2	—	—	—	—

	Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
16	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	36			5	—	—	—	—	1,025	961	0.70 %	33	3	—	—	3.6
17	C.17 - Manufacture of pulp, paper and paperboard	554			7	—	-1	-1	—	1	—	— %	553	1	—	—	0.6
18	C.18 - Printing and service activities related to printing	53			—	—	—	—	—	—	—	— %	53	—	—	—	0.2
19	C.19 - Manufacture of coke oven products	31	15		—	—	—	—	—	104,475	93,815	32.19 %	31	—	—	—	2.7
20	C.20 - Production of chemicals	967			305	16	-12	-5	-7	77	74	— %	913	54	—	—	1.0
21	C.21 - Manufacture of pharmaceutical preparations	399			2	—	-1	—	—	—	—	— %	399	—	—	—	1.2
22	C.22 - Manufacture of rubber products	244			50	5	-1	—	—	13,089	6,603	— %	243	—	—	—	0.4
23	C.23 - Manufacture of other non-metallic mineral products	275			89	—	-2	-1	—	115,186	—	20.12 %	275	—	—	—	0.7
24	C.24 - Manufacture of basic metals	209			4	—	-1	-1	—	249,685	172,657	29.62 %	202	7	—	—	1.3
25		396			169	—	-9	-8	—	4,858	1	1.14 %	396	—	—	—	1.0
26	C.26 - Manufacture of computer, electronic and optical products	208			19	—	-1	-1	—	1	—	0.01 %	207	1	—	—	0.9

	Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 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						
27	C.27 - Manufacture of electrical equipment	477			91	—	-3	-3	—	14	12	— %	460	17	—	—	1.1
28	C.28 - Manufacture of machinery and equipment n.e.c.	636			216	12	-7	-3	-4	144	—	1.41 %	625	11	—	—	0.7
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	334			264	—	-3	-2	—	324,734	323,096	15.71 %	302	32	—	—	1.1
30	C.30 - Manufacture of other transport equipment	467			51	—	-1	-1	—	4,514	—	— %	417	50	—	—	1.5
31	C.31 - Manufacture of furniture	32			2	—	—	—	—	—	—	— %	17	16	—	—	2.8
32	C.32 - Other manufacturing	69			—	—	—	—	—	—	—	— %	69	—	—	—	0.4
33	C.33 - Repair and installation of machinery and equipment	31			—	—	—	—	—	2	1	0.01 %	28	3	—	—	1.0
34	D - Electricity, gas, steam and air conditioning supply	1,403	272		—	—	-1	—	—	1,231,693	3,255	72.18 %	520	188	632	63	15.4
35	D35.1 - Electric power generation, transmission and distribution	1,025	272		—	—	-1	—	—	1,132,343	10	62.62 %	329	—	632	63	7.9
36	D35.11 - Production of electricity	231	79		—	—	—	—	—	92,385	1	54.00 %	168	—	—	63	9.0
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	189			—	—	—	—	—	60,801	3,245	99.75 %	2	188	—	—	7.9
38	D35.3 - Steam and air conditioning supply	189			—	—	—	—	—	38,549	—	96.37 %	189	—	—	—	0.2

	Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 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						
39	E - Water supply; sewerage, waste management and remediation activities	26			13	—	-3	-3	—	671	—	10.55 %	12	13	—	—	4.0
40	F - Construction	98			21	7	-3	—	-3	4,064	—	19.98 %	98	—	—	—	2.0
41	*F.41 - Construction of buildings*	16			—	—	—	—	—	2,379	—	99.40 %	16	—	—	—	0.6
42	*F.42 - Civil engineering*	31			4	4	-1	—	-1	—	—	— %	31	—	—	—	3.0
43	*F.43 - Specialised construction activities*	51			17	3	-2	—	-2	1,685	—	7.08 %	51	—	—	—	1.9
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	2,748			351	24	-28	-17	-8	1,347,422	357,489	4.16 %	2,722	25	—	—	0.8
45	H - Transportation and storage	814	—		63	—	-5	-2	—	101,616	2,549	11.76 %	631	56	120	8	3.5
46	*H.49 - Land transport and transport via pipelines*	231			—	—	-1	—	—	67,475	242	3.15 %	231	—	—	—	1.4
47	*H.50 - Water transport*	220			37	—	-1	—	—	13,285	—	0.55 %	139	33	48	—	4.5
48	*H.51 - Air transport*	17			5	—	—	—	—	14,499	2,151	78.27 %	17	—	—	—	2.4
49	*H.52 - Warehousing and support activities for transportation*	330			21	—	-3	-2	—	5,872	54	21.84 %	240	11	72	8	4.4
50	*H.53 - Postal and courier activities*	16			—	—	—	—	—	485	102	11.36 %	4	12	—	—	4.7
51	I - Accommodation and food service activities	107			17	—	—	—	—	—	—	— %	107	—	—	—	0.3
52	L - Real estate activities	1,616			255	1	-17	-15	—	1,170	—	0.34 %	1,516	22	—	77	2.9
53	Exposures towards sectors other than those that highly contribute to climate change*	5,778	—		217	32	-38	-11	-7				5,382	201	188	7	1.9

	Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 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						
54	K - Financial and insurance activities	*1,495*			*43*	*11*	*-18*	*-8*	*-1*				1,441	55	—	—	2.1
55	Exposures to other sectors (NACE codes J, M - U)	*4,283*			*174*	*21*	*-20*	*-3*	*-6*				3,941	146	188	7	1.9
56	TOTAL	*19,979*	*287*		*2,255*	*110*	*-140*	*-75*	*-29*	4,409,319	1,746,147	8.76 %	18,154	728	940	155	2.5

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

June 30, 2025

	Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions						
1	Exposures towards sectors that highly contribute to climate change*	14,878	310		2,278	66	-94	-57	-19	3,917,297	1,385,902	8.64 %	14,069	308	451	50	1.4
2	A - Agriculture, forestry and fishing	56			1	—	—	—	—	—	—	— %	56	—	—	—	2.1
3	B - Mining and quarrying	473	—		5	—	—	—	—	455,257	423,215	34.37 %	473	—	—	—	0.2
4	*B.05 - Mining of coal and lignite*	—			—	—	—	—	—	—	—	— %	—	—	—	—	0.8

	Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 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						
5	B.06 - Extraction of crude petroleum and natural gas	399			4	—	—	—	—	395,137	373,427	36.46 %	399	—	—	—	0.2
6	B.07 - Mining of metal ores	—			—	—	—	—	—	—	—	— %	—	—	—	—	—
7	B.08 - Other mining and quarrying	3			—	—	—	—	—	5,599	—	59.53 %	3	—	—	—	0.3
8	B.09 - Mining support service activities	71			1	—	—	—	—	54,521	49,788	21.59 %	71	—	—	—	0.2
9	C - Manufacturing	7,972	24		1,530	34	-43	-29	-7	732,932	429,127	3.12 %	7,821	151	—	—	0.7
10	C.10 - Manufacture of food products	920			20	11	-2	-1	-1	4,202	—	— %	906	14	—	—	0.6
11	C.11 - Manufacture of beverages	590			27	—	-2	-1	—	—	—	— %	590	—	—	—	0.5
12	C.12 - Manufacture of tobacco products	61			—	—	—	—	—	—	—	— %	61	—	—	—	0.2
13	C.13 - Manufacture of textiles	68			5	3	-1	—	-1	—	—	— %	68	—	—	—	0.3
14	C.14 - Manufacture of wearing apparel	5			—	—	—	—	—	—	—	— %	5	—	—	—	0.7
15	C.15 - Manufacture of leather and related products	3			—	—	—	—	—	—	—	— %	3	—	—	—	0.2
16	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	39			6	—	—	—	—	883	831	0.58 %	35	3	—	—	2.6
17	C.17 - Manufacture of pulp, paper and paperboard	595			—	—	-1	—	—	5	—	— %	593	2	—	—	0.5
18	C.18 - Printing and service activities related to printing	55			—	—	—	—	—	—	—	— %	55	—	—	—	0.4

	Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 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						
19	C.19 - Manufacture of coke oven products	31	24		—	—	—	—	—	133,031	123,813	25.56 %	31	—	—	—	1.1
20	C.20 - Production of chemicals	1,020			340	—	-6	-5	—	2,951	527	— %	990	31	—	—	1.0
21	C.21 - Manufacture of pharmaceutical preparations	1,359			3	—	-1	—	—	—	—	— %	1,359	—	—	—	0.2
22	C.22 - Manufacture of rubber products	148			86	2	-1	-1	—	21,079	11,105	— %	148	—	—	—	0.6
23	C.23 - Manufacture of other non-metallic mineral products	249			93	—	-2	-2	—	154,299	—	23.84 %	249	—	—	—	0.4
24	C.24 - Manufacture of basic metals	214			24	—	-1	—	—	303,254	195,726	40.37 %	214	—	—	—	1.2
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	427			139	—	-7	-6	—	12,527	—	0.21 %	427	—	—	—	1.7
26	C.26 - Manufacture of computer, electronic and optical products	223			13	—	-2	-1	—	1	—	0.01 %	223	—	—	—	0.6
27	C.27 - Manufacture of electrical equipment	344			87	6	-4	-3	-1	—	—	— %	326	17	—	—	0.6
28	C.28 - Manufacture of machinery and equipment n.e.c.	591			209	12	-8	-4	-4	190	—	— %	580	12	—	—	0.5
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	513			422	—	-4	-5	—	99,056	97,125	18.34 %	481	32	—	—	0.9
30	C.30 - Manufacture of other transport equipment	376			53	—	-1	—	—	1,453	—	— %	336	40	—	—	1.8
31	C.31 - Manufacture of furniture	33			3	—	—	—	—	—	—	— %	33	—	—	—	2.8
32	C.32 - Other manufacturing	74			—	—	—	—	—	—	—	— %	74	—	—	—	0.2

	Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 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						
33	*C.33 - Repair and installation of machinery and equipment*	34			—	—	—	—	—	1	—	0.02 %	34	—	—	—	0.5
34	D - Electricity, gas, steam and air conditioning supply	1,173	286		—	—	-2	—	—	1,253,229	3,277	82.21 %	771	—	401	—	7.0
35	*D35.1 - Electric power generation, transmission and distribution*	817	224		—	—	-1	—	—	1,149,739	210	75.35 %	415	—	401	—	6.9
36	*D35.11 - Production of electricity*	234	100		—	—	—	—	—	76,459	—	38.54 %	234	—	—	—	0.5
37	*D35.2 - Manufacture of gas; distribution of gaseous fuels through mains*	251	62		—	—	—	—	—	83,967	3,067	99.78 %	251	—	—	—	1.8
38	*D35.3 - Steam and air conditioning supply*	105			—	—	-1	—	—	19,523	—	93.57 %	105	—	—	—	0.4
39	E - Water supply; sewerage, waste management and remediation activities	14			4	—	—	—	—	4,041	—	52.90 %	14	—	—	—	0.7
40	F - Construction	103			40	7	-3	—	-3	103,815	88,880	27.25 %	103	—	—	—	0.6
41	*F.41 - Construction of buildings*	26			—	—	—	—	—	103,275	88,880	98.89 %	26	—	—	—	0.1
42	*F.42 - Civil engineering*	17			4	3	-1	—	-1	—	—	— %	17	—	—	—	0.9
43	*F.43 - Specialised construction activities*	60			36	4	-2	—	-2	540	—	4.54 %	60	—	—	—	0.7
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	2,728			280	24	-31	-16	-9	1,250,966	439,305	11.81 %	2,704	25	—	—	0.7
45	H - Transportation and storage	510	—		67	—	-4	-3	—	112,866	2,098	19.20 %	344	113	50	3	3.7
46	*H.49 - Land transport and transport via pipelines*	32			4	—	—	—	—	52,864	184	22.13 %	32	—	—	—	1.2

	Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO_2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting	<= 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						
47	*H.50 - Water transport*	*131*			*39*	—	*-1*	*-1*	—	41,134	—	0.08 %	45	35	50	—	7.2
48	*H.51 - Air transport*	*16*			*1*	—	—	—	—	9,318	1,812	59.53 %	16	—	—	—	0.6
49	*H.52 - Warehousing and support activities for transportation*	*316*			*23*	—	*-3*	*-2*	—	8,993	27	24.63 %	237	77	—	3	2.7
50	*H.53 - Postal and courier activities*	*15*			—	—	—	—	—	557	75	22.80 %	14	1	—	—	3.1
51	I - Accommodation and food service activities	*107*			*22*	—	—	—	—	—	—	— %	107	—	—	—	0.3
52	L - Real estate activities	*1,742*			*329*	*1*	*-11*	*-9*	—	4,191	—	0.14 %	1,676	19	—	47	2.0
53	Exposures towards sectors other than those that highly contribute to climate change*	*6,352*	—		*321*	*16*	*-41*	*-15*	*-7*				6,228	116	—	8	1.1
54	K - Financial and insurance activities	*1,492*			*16*	*13*	*-15*	—	*-6*				1,476	8	—	8	1.7
55	Exposures to other sectors (NACE codes J, M - U)	*4,860*			*305*	*3*	*-26*	*-15*	*-1*				4,752	108	—	—	1.0
56	TOTAL	21,230	310		2,599	82	-135	-72	-26	3,917,297	1,385,902	8.64 %	20,297	424	451	58	1.4

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

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

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

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

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

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

Table 58: ESG Template 2: Banking book – Climate change transition risk: Loans collateralised by immovable property – Energy efficiency of the collateral

December 31, 2025

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Counterparty sector	Total gross carrying amount (in MEUR)															
		Level of energy efficiency (EP score in kWh/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**	1,860	113	333	112	44	1	3	135	108	117	126	65	15	18	1,276	—
2	Of which Loans collateralised by commercial immovable property	1,799	113	333	112	44	1	3	135	108	117	126	65	15	18	1,215	—
3	Of which Loans collateralised by residential immovable property	61	—	—	—	—	—	—	—	—	—	—	—	—	—	61	—
4	Of which Collateral obtained by taking possession: residential and commercial immovable properties	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
5	Of which Level of energy efficiency (EP score in kWh/m^2 of collateral) estimated	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
6	**Total non-EU area**	185	—	—	—	—	—	—	—	12	12	—	—	—	—	161	—
7	Of which Loans collateralised by commercial immovable property	24	—	—	—	—	—	—	—	12	12	—	—	—	—	—	—
8	Of which Loans collateralised by residential immovable property	161	—	—	—	—	—	—	—	—	—	—	—	—	—	161	—
9	Of which Collateral obtained by taking possession: residential and commercial immovable properties	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
10	Of which Level of energy efficiency (EP score in kWh/m^2 of collateral) estimated	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—

June 30, 2025

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

Banking book - Climate change transition risk: Alignment metrics

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

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

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

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

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

Table 59: ESG Template 3: Banking book - Climate change transition risk: Alignment metrics

December 31, 2025

	a	c	d	e	f	g
	Sector	Portfolio gross carrying amount (Mn EUR)	Alignment metric[7]	Year of reference	Distance to IEA NZE2050 in %[8]	Target (year of reference + 3 years)[9]
1	Power	922	222.8 gCO_2e/kWh	2024	19.73 %	—
2	Fossil fuel combustion	763	72.2 gCO_2e/MJ	2024	32.17 %	—
3	Automotive	168	220.9 gCO_2e/km	2024	102.96 %	—
4	Aviation	76	755.9 gCO2e/RTK	2024	(10.93)%	—
5	Maritime transport	236	—	—		—
6	Cement, clinker and lime production	60	0.595 tCO2e/t cement produced	2024	31.92 %	—
7	Iron and steel, coke, and metal ore production	290	—	—		—

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

[7] Alignment metrics (column D) reflect metrics for CEP's client exposure calculated by Citi at group level. Not all exposures disclosed in carrying value (column C) are in scope for the calculation of alignment metrics, due to limited emissions data availability and the material emissions generating activity within each sector. For example, the alignment metric for power is a generation intensity metric which doesn’t capture transmission and distribution activities also included within the power sector absolute emissions; or maritime transport where CEP has exposure to clients in this sector, but are not included within the scope of Citi's 2030 interim targets. Financed emissions are subject to fluctuations year-to-year due to a number of contributing factors, for example, company value and credit exposure and emissions data availability. The quality of this underlying information is expected to mature in the future.
[8] PiT distance to 2030 NZE2050 scenario in % (for each metric)
[9] As outlined in section b) of Environmental Risk, CEP does not have any sustainability targets at a legal entity level, and as such, targets have not been populated in the above

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

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

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

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

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

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

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

Table 60: ESG Template 4: Banking book - Climate change transition risk: Exposures to top 20 carbon-intensive firms

December 31, 2025

	a	b	c	d	e
	Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
1	97	0.49 %	—	1.8	9

June 30, 2025

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

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

Climate change Physical risk

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

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

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

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

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

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

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

For reporting purposes, the geographical location where a loan is booked—typically the counterparty's registered address—serves as a proxy for the location of the underlying collateral or the counterparty's activity. This approach applies to all loans, including those collateralised by immovable property.

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

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

Table 61: ESG Template 5: Banking book - Climate change physical risk: Exposures subject to physical risk

December 31, 2025

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount (Mln EUR)													
		of which exposures sensitive to impact from climate change physical events													
	Variable: Geographical area subject to climate change physical risk - acute and chronic events		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
			<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
1	A - Agriculture, forestry and fishing	48	48	—	—	—	2	—	—	48	—	—	—	—	—
2	B - Mining and quarrying	309	309	—	—	—	—	2	83	224	2	—	—	—	—
3	C - Manufacturing	7,032	6,809	223	—	—	1	144	1,117	5,771	1,316	46	(45)	(27)	(11)
4	D - Electricity, gas, steam and air conditioning supply	1,403	520	188	632	63	15	—	32	1,371	—	—	(1)	—	—
5	E - Water supply; sewerage, waste management and remediation activities	26	12	13	—	—	4	—	—	25	13	—	(3)	(3)	—
6	F - Construction	98	98	—	—	—	2	—	17	81	21	7	(3)	—	(3)
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	2,748	2,722	25	—	—	1	53	597	2,097	351	24	(28)	(17)	(8)
8	H - Transportation and storage	814	631	56	120	7	4	—	102	712	63	—	(5)	(2)	—
9	L - Real estate activities	1,616	1,517	22	—	77	3	78	129	1,409	255	1	(17)	(15)	—
10	Loans collateralised by residential immovable property	222	80	18	103	21	11	—	111	111	3	2	(1)	(1)	—
11	Loans collateralised by commercial immovable property	1,823	1,737	85	—	—	1	77	81	1,664	408	10	(46)	(41)	(3)
12	Repossessed collaterals	—	—	—	—	—	—	—	—	—	—	—	—	—	—
13	Other relevant sectors (breakdown below where relevant)	107	107	—	—	—	—	—	76	31	17	—	—	—	—

June 30, 2025

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

Mitigating actions

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

Pursuant to this no-action letter, CEP is making use of the transitional provisions, and has not produced reporting for these templates as at 31 December 2025. BHW has not relied on these transitional provisions; please refer to BHW's own reporting for information in relation to BHW.

Securitisation

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

Securitisation activity

CEP acted as arranger and lead manager on securitisation positions held at 31 December 2025, with CBNA London Branch acting as sponsor. CEP invested into these positions or as a means of compensation for the role, received the positions in the form of S-class certificates. These positions are deemed traditional securitisations in the banking book which are subject to the securitisation framework for capital requirements as outlined in the CRR.

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

Regulatory Capital and Accounting Treatment

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

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

Table 62: 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 2025			30 June 2025		
		Institution acts as investor			Institution acts as investor		
		Traditional Non-STS	Synthetic	Sub-total	Traditional Non-STS	Synthetic	Sub-total
		€ million	€ million	€ million	€ million	€ million	€ million
1	**Total exposures**	1,086	—	1,086	1,316	—	1,316
2	**Retail (total)**	289	—	289	247	—	247
3	Residential mortgage	42	—	42	11	—	11
4	Credit card	—	—	—	—	—	—
5	Other retail exposures	247	—	247	235	—	235
6	Re-securitisation	—	—	—	—	—	—
7	**Wholesale (total)**	797	—	797	1,069	—	1,069
8	Loans to corporates	176	—	176	187	—	187
9	Commercial mortgage	—	—	—	—	—	—
10	Lease and receivables	620	—	620	882	—	882
11	Other wholesale	—	—	—	—	—	—
12	Re-securitisation	—	—	—	—	—	—

Table 63: EU SEC4 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as investor

		Exposure values (by risk weight bands)					Exposure values (by regulatory approach)			
		≤20% RW	>20% to 50% RW	>50% to 100% RW	>100% to <1250% RW	1250% RW	SEC-IRBA	SEC-ERBA (including IAA)	SEC-SA	1250%/ deductions
		€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million
1	**Total as at 31 December 2025**	609	—	477	—	—	—	39	1,047	—
2	**Traditional securitisation**	609	—	477	—	—	—	39	1,047	—
3	Of which securitisation	609	—	477	—	—	—	39	1,047	—
4	Of which retail underlying	283	—	6	—	—	—	39	250	—
5	Of which STS	—	—	—	—	—	—	—	—	—
6	Of which wholesale	326	—	470	—	—	—	—	797	—
7	Of which STS	—	—	—	—	—	—	—	—	—
8	Of which re-securitisation	—	—	—	—	—	—	—	—	—
9	**Synthetic securitisation**	—	—	—	—	—	—	—	—	—

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

Table 64: 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 2025**	—	8	352	—	—	1	28	—
2	Traditional securitisation	—	8	352	—	—	1	28	—
3	Of which securitisation	—	8	352	—	—	1	28	—
4	Of which retail underlying	—	8	43	—	—	1	3	—
5	Of which STS	—	—	—	—	—	—	—	—
6	Of which wholesale	—	—	309	—	—	—	25	—
7	Of which STS	—	—	—	—	—	—	—	—
8	Of which re-securitisation	—	—	—	—	—	—	—	—
9	Synthetic securitisation	—	—	—	—	—	—	—	—

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

Enterprise Resilience

Citi's approach to Resilience provides a framework for businesses and technology organizations to recover their processes in the event of a business interruption or technology service disruption

CEP pursues the following, globally aligned, Enterprise Resilience (ER) strategic business objectives:

- Integrate resilience practices across the enterprise: Promote and implement resilient leadership, culture and resiliency risk management practices across the enterprise to increase integration with key functions and capabilities.
- Communicate initiatives across legal entities: Develop communication plans for resilience initiatives and practices to ensure alignment across all jurisdictions and timely responses to disruption.
- Protect our customers from disruption: Identify and anticipate threats to business operations from conventional and non-conventional sources; respond to disruptive events to minimise the impact on the delivery of critical operations.

This is achieved through 3 Resilience Pillars: Digital Operational Resilience, Operational Resilience and Business Continuity

CEPs Digital Operational Resilience Strategy outlines the direction for ensuring a high level of digital operational resilience through strong ICT and Information Security management. CEP aims to create a strong digital infrastructure that provides customers with secure and reliable financial services. It is aligned with the overall operational resilience initiatives in delivering CEP's Critical or Important Functions (CIFs) (including Critical Business Services (CBSs) and foundational services.

The EU Digital Operational Resilience Act (DORA) 2022/2554 defines

- "Digital operational resilience" is the ability of a financial entity to build, assure and review its operational integrity and reliability by ensuring, either directly or indirectly through the use of services provided by ICT third-party service providers, the full range of ICT-related capabilities needed to address the security of the network and information systems which a financial entity uses, and which support the continued provision of financial services and their quality, including throughout disruptions.
- "ICT risk" is any reasonably identifiable circumstance in relation to the use of network and information systems which, if materialised, may compromise the security of the network and information systems, of any technology dependent tool or process, of operations and processes, or of the provision of services by producing adverse effects in the digital or physical environment.

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.

Business Continuity in CEP is aligned with Citi's Enterprise Resilience (ER) 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). The program consists of Governance, Assessment, Planning and Testing, Maintenance, Training & Awareness, Crisis Management Planning and Quality Review. All businesses and functions under CEP are regularly monitored and reported to ensure successful compliance of all ER requirements.

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 7 times in 2025 and for the 2025 performance year the RemCo comprised the following members:

Member Name	Role	Additional information
Gill Lungley	Former Chair	Independent Non-Executive Director (resigned on 30th September 2025)
Jeanne Short	Member and Chair-Temporary Officer	Independent Non-Executive Director; Chair - Temporary Officer from 1st October 2025 to 8th February 2026
Susan Dean	Former Member	Independent Non-Executive Director (resigned on 23rd May 2025)
Rosemary Quinlan	Member	Independent Non-Executive Director (appointed on 24th May 2025)
Susan Skerritt	Member	Independent Non-Executive Director (appointed on 30th September 2025)

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 oversight of the design and implementation of the Company's Remuneration Policy (Remuneration Policy). In doing so, the RemCo is required to ensure that the remuneration practices do not promote excessive risk taking, evaluate compliance with this policy, assess whether these remuneration practices create the desired incentives for managing risk, capital and liquidity, and ensure 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 reviewing 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.

There is cross-committee membership between the RemCo and the other Board Committees, with at least one member also a member of the Risk, Audit, Nomination and Related Party Lending 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 2025, but external consultants have advised management on various remuneration matters for 2025, 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 Citi global 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 at: https://www.citigroup.com/rcs/citigpa/storage/public/compensation-performance-management-and-culture-committee-charter.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_philo.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 outlines Citi's Principal Compensation Objectives, which 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 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 2025 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 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.

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 at least 40% 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 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

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

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

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 2025 performance year, 13 individuals who were MRTs for the entity as at 31st December, benefited from this derogation with their remuneration totalling €2.57 million in fixed and €0.42 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 materially violated any material risk limits 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 a 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 the 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.

Citigroup employs a comprehensive set of performance metrics to evaluate its bank-wide performance and that of its various business lines. Financial measures include but are not limited to Return on Tangible Common Equity (RoTCE), Tangible Book Value per Share, Net Income and earnings per share. Other measures include but are not limited to operating efficiency ratios, expense ratios, liquidity ratios, regulatory and strategic goals achievements.

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 investments 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 (PM 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 PM Framework is applicable to all Citi employees globally and the structure leverages four overarching pillars (Leadership, Risk & Control, Financial Performance[10], and Client & Franchise Outcomes). Employees set performance goals for the performance year against the three performance pillars of Risk & Control, Financial Performance and Client & Franchise Outcomes. The Leadership pillar aligns an employee's individual performance with Citi's culture and strategic objectives and is assessed via Citi Leadership Principles.

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:

Leadership Principles		
	We challenge one another to a higher standard in everything we do.	
	1.	Greets change with optimism, curiosity and resilience.
We Take Ownership	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.	
	1.	Simplifies, standardizes and clarifies work.
We Deliver with Pride	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.	
	1.	Breaks down barriers to deliver the best of Citi.
We Succeed Together	2.	Measures performance through the lens of our stakeholders.
	3.	Invests in colleagues from all backgrounds.
	4.	Shows empathy for colleagues, clients and communities.

[10] The financial performance pillar is not applicable for employees in Risk Management, Internal Audit, and ICRM.

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.

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.

Other Key Remuneration Policies

Guarantees

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 stringent regime will apply, except for where local regulatory requirements must prevail. 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 65: 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	Fixed remuneration	**Number of identified staff [6]**	5	4	12.0	147.5
2		**Total fixed remuneration [7]**	1.0	6.2	5.6	64.9
3		Of which: cash-based	1.0	6.0	5.0	59.5
EU-4a		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]	–	0.2	0.6	5.4
9	Variable remuneration	**Number of identified staff**	–	4	12.0	141.5
10		**Total variable remuneration [9]**	–	7.4	5.0	56.4
11		Of which: cash-based	–	1.5	1.3	13.8
12		*Of which: deferred*	–	–	–	0.00
EU-13a		Of which: shares or equivalent ownership interests [10]	–	5.9	3.7	42.6
EU-14a		*Of which: deferred*	–	4.4	2.5	29.4
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)**		1.0	13.6	10.6	121.3

Additional Notes

[1] All non-EUR awards are converted using the European Commission exchange rates for December 2025.
[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 2025, 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 2025, 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 2025.
[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 2025. 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 2025 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 66: 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[2]	–	–	1.0	1.0
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount	–	–	0.01	0.01
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - Number of identified staff [2]	–	–	–	6.0
7	Severance payments awarded during the financial year - Total amount [3]	–	–	–	3.1
8	Of which paid during the financial year	–	–	–	3.1
9	Of which deferred	–	–	–	0.0
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap [4]	–	–	–	3.1
11	Of which highest payment that has been awarded to a single person	–	–	–	1.3

Additional Notes

[1] All non-EUR awards are converted using the European Commission exchange rates for December 2025.
[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 2025, 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 2025 performance year, in line with Article 172 of the EBA Guideline on Sound Remuneration Policies.

Table 67: 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**	33.2	5.8	27.4	–	–	9.1	5.1	0.7
8	Cash-based	5.7	1.0	4.7	–	–	–	1.0	–
9	Shares or equivalent ownership interests	26.2	3.6	22.6	–	–	9.1	2.9	0.7
10	Share-linked instruments or equivalent non-cash instruments	1.3	1.2	0.1	–	–	–	1.2	0.0
11	Other instruments	–	–	–	–	–	–	–	–
12	Other forms	–	–	–	–	–	–	–	–
13	**Other senior management**	15.2	3.3	11.9	–	–	4.6	2.5	0.8
14	Cash-based	0.7	0.4	0.3	–	–	–	0.4	–
15	Shares or equivalent ownership interests	14.5	2.9	11.6	–	–	4.6	2.1	0.8
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**	187.5	46.8	140.7	–	–	52.6	35.5	10.7
20	Cash-based	13.8	5.6	8.2	–	–	–	5.1	–
21	Shares or equivalent ownership interests	154.3	37.0	117.2	–	–	47.0	27.3	9.6
22	Share-linked instruments or equivalent non-cash instruments	19.4	4.2	15.3	–	–	5.7	3.1	1.1
23	Other instruments	–	–	–	–	–	–	–	–
24	Other forms	–	–	–	–	–	–	–	–
25	**Total amount**	235.8	55.9	179.9	–	–	66.4	43.1	12.2

Additional Notes

1 Value of all non-EUR cash and share awards are converted using the European Commission exchange rates for December 2025.

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 2025.

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 2025 (or the value at award if awarded in 2025) in relation to amounts due to vest in the financial year; plus

b. the value at 31 December 2025 minus the value at 1 January 2025 (or value at award if awarded in 2025) 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 2025.

Table 68: 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	23
2	1,500,000 to below 2,000,000	9
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	4,000,000 to below 4,500,000	2
8	4,500,000 to below 5,000,000	0
9	Greater than 5,000,000	3

Additional Notes

[1] All non-EUR awards are converted using the European Commission exchange rates for December 2025.
[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 2025.
[3] Individuals included in above count are located across a number of countries i.e. Belgium, Bulgaria, Czech Republic, France, Germany, Greece, Hungary, Ireland, Italy, Luxembourg, Netherlands, Poland, Spain, Sweden and the United Kingdom.

Table 69: EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

		Management body remuneration			Business areas [4]						
	€ million [1]	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]	Total
1	**Total number of identified staff**										168.5
2	Of which: members of the MB [6]	5	4	9							
3	Of which: other senior management [7]				4.0	–	–	3.0	2.0	3.0	
4	Of which: other identified staff				104.5	–	–	4.0	25.0	14.0	
5	**Total remuneration of identified staff**	1.0	13.6	14.6	104.4	–	–	4.8	9.4	13.2	
6	Of which: variable remuneration [8,9]	–	7.4	7.4	50.4	–	–	2.2	2.9	6.0	
7	Of which: fixed remuneration [10]	1.0	6.2	7.2	54.0	–	–	2.6	6.6	7.3	

Additional Notes

[1] All non-EUR awards are converted using the European Commission exchange rates for December 2025.
[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 2025, 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 2025, 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 2025. 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 2025.
[8] Variable remuneration awarded in respect of 2025 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 2025, 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 Citibank Europe Plc Policy on Board Diversity (as required by the EU Capital Requirements Directive) applies to the recruitment of all directors of the Board, including a quantitative target of at least 30 percent representation of the underrepresented gender. As at 31 December 2025, women represented 36 percent of the Board.

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 2025, CEP's Audit Committee comprised of three Independent Non-Executive Directors and one Non-Executive Director and CEP's Risk Committee comprised of three Independent Non-Executive Directors and one Non-Executive Director, 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 70: Directorships held by Citibank Europe plc Board of Directors 31 December 2025

Name	Number of Directorships for the purposes of Article 91 (3) and (4) of Directive (EU) 2013/36 (CRD) as at 31 December 2025	Number of Directorships in accordance with Article 435 (2) (a) CRR as at 31 December 2025
Rosemary Quinlan	4	5
Natalia Bozek	1	2
Desmond Crowley	3	7
Ryan Davis	1	4
Ignacio Gutiérrez-Orrantia	1	3
Peter Jameson	1	1
Darren Jarvis	1	1
Fabio Lisanti	1	3
Peter McCarthy	1	1
Jeanne Short	1	2
Susan Skerritt	3	8
Total	**18**	**37**

Number of Directorships: the first column of figures is the total number of directorships held, in accordance with Article 435(2)(a) CRR and the second is the number of directorships as counted under Article 91(3) and (4) of Directive 2013/36/EU (for the purposes of calculating these directorships, multiple directorships within a consolidated group are counted as a single directorship and directorships in organisations which do not predominantly pursue commercial objectives or have been set up for the sole purpose of managing the private economic interests of the Board members are also not included).
Please note that the full biographies of CEP's Board as at 31 December 2025 are available in Appendix 1.

Table 71: Memberships of the CEP Board of Directors 31 December 2025*

Name	Gender	Role	Duration of Board Membership
Rosemary Quinlan	Female	Chair - Independent Non-Executive Director	0 yrs 9 mths
Natalia Bozek	Female	Executive Director	1 yr 8 mths
Desmond Crowley	Male	Independent Non-Executive Director	6 yrs 2 mths
Ryan Davis	Male	Non-Executive Director	2 yrs 7 mths
Ignacio Gutiérrez-Orrantia	Male	Executive Director	1 yr 6 mths
Peter Jameson	Male	Executive Director	2 yrs 11 mths
Darren Jarvis	Male	Executive Director	1 yr 0 mths
Fabio Lisanti	Male	Executive Director	2 yrs 4 mths
Peter McCarthy	Male	Non-Executive Director	5 yrs 9 mths
Jeanne Short	Female	Independent Non-Executive Director	8 yrs 6 mths
Susan Skerritt	Female	Independent Non-Executive Director	0 yrs 7 mths

*Since 31 December 2025, the following change to the membership of the CEP Board of Directors has taken place as at the time of preparation of this disclosure: David Suetens was appointed to the Board as an Independent Non-Executive Director effective 1 April 2026.

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 framework.

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 72: CEP Risk Committee Composition

Membership 31 December 2025	
Jeanne Short	Chair – Independent Non-Executive Director
Desmond Crowley	Independent Non-Executive Director
Ryan Davis	Non-Executive Director
Rosemary Quinlan	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 Audit Committee is set out below:

Table 73: CEP Audit Committee Composition

Membership 31 December 2025	
Desmond Crowley	Chair – Independent Non-Executive Director
Darren Jarvis	Non-Executive Director
Jeanne Short	Independent Non-Executive Director
Susan Skerritt	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 74: CEP Remuneration Committee Composition

Membership 31 December 2025	
Jeanne Short*	Chair – Independent Non-Executive Director
Rosemary Quinlan	Independent Non-Executive Director
Susan Skerritt	Independent Non-Executive Director

*Jeanne Short acted as interim Chair of the Remuneration Committee. Susan Skerritt has been appointed Chair of the Remuneration Committee, with effect from 09 February 2026.

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 75: CEP Nomination Committee Composition

Membership 31 December 2025	
Rosemary Quinlan	Chair – Independent Non-Executive Director
Peter McCarthy	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 76: CEP Related Party Lending Committee Composition

Membership 31 December 2025
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 - Susan Skerritt

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 it's Management Sub-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 77: CEP Executive Committee Composition

Voting Membership 31 December 2025
Chief Executive Officer - Chair
Chief Financial Officer
Chief Operating Officer
Chief Risk Officer
General Counsel
Head of Compliance
Head of 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 and Market Risk in the Trading Book . The Committee shall also consider CEP's cross cutting risk, including Inter-Affiliate Risk, Climate & Environmental Risk and Concentration 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 78: CEP Risk Management Committee Composition

Voting 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 Services
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, functions and, to the extent applicable, subsidiaries of CEP.

The composition of the BRCC is set out below:

Table 79: CEP Business Risk and Control Committee Composition

Voting Membership)31 December 2025
Chief Operating Officer - Chair
Head of Banking
Head of Commercial Banking
Head of Wealth
Head of Markets
Head of Services
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
Head of Institutional Credit Management*

*joined the BRCC in February 2026 as a voting member

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 to the CEP Board.
- 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 accrual (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 Board approved asset and liability policies in order to recommend for approval, including the ILAAP and ICAAP, insofar as they are relevant to the Committee's responsibilities.

The composition of the ALCO is set out below:

Table 80: CEP Asset and Liability Committee Composition

Voting Membership 31 December 2025
Chief Financial Officer – Co -Chair
Chief Risk Officer – Co-Chair
Treasurer
Head of Services
Head of Markets
Head of Capital Management*
Central Europe Sub- Cluster Head
Head of Treasury Risk Management
Head of Corporate Banking

*joined ALCO in January 2026 as voting member

Appendix 1: CEP Board Member Biographies

CEP Directors' Board Membership and Experience 31 December 2025

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. Since June 2024, Natalia has also served as a Director on the Supervisory Board of Bank Handlowy w Warszawie.

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 Services 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.

Rosemary Quinlan

Rosemary Quinlan is an Independent Non-Executive Director appointed to the CEP Board on 20 March 2025 and she assumed the role of Chair of the Board on 23 May 2025.

Rosemary is a Chartered Director, and Certified Bank and Investment Fund Director. Her executive career includes HSBC, ABN AMRO, Citi and NatWest in London, New York, Chicago, Amsterdam and Dublin.

Rosemary is currently Chair of BlackRock Asset Management Ireland Ltd, Chair of Risk AXA Ireland DAC, Board Director of Dodge and Cox Funds Worldwide plc, and AXA Ireland Limited. She was previously Chair of JP Morgan Money Markets Ltd and JP Morgan Dublin plc. She was also previously Chair of Risk with JP Morgan Bank (Ireland) Ltd, Ulster Bank Ireland DAC, Ulster Bank Limited, RSA Insurance DAC and Chair of Audit Prudential International Assurance plc.

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.

Susan Skerritt

Susan Skerritt is an Independent Non-Executive Director of CEP and the Chair of the Remuneration Committee. She was appointed to the Board in May 2025.

Susan is the former CEO and Chair of Deutsche Bank Trust Company Americas and Head of Deutsche Bank's Global Transaction Banking for the Americas. She has extensive commercial banking experience with premier banking organizations and consulting firms including Deutsche Bank, Bank of New York, Morgan Stanley, JP Morgan and Ernst&Young.

Susan currently serves as Chair of IG North America, the US subsidiary of IG Group, and Independent Non-Executive Director of IG Group, Chair of the Audit Committee and Independent Non-Executive Director of Tanger, Inc. (a U.S. REIT), Trustee for the Village of Saltaire, NY, and Life Trustee of Hamilton College. She previously served on the boards of Royal Bank of Canada US Holdings, Deutsche Bank USA, Community Financial Systems, Inc., VEREIT, Inc., and Bank of New York Mellon Trust Company.

Susan has an M.B.A. in Finance and International Business from New York University Stern School of Business and a B.A. in Economics from Kirkland (Hamilton) College.

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.

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.

Darren Jarvis

Darren Jarvis is Head of Controls for Banking and International at Citi. He was appointed to the CEP Board on 01 January 2025. His executive role is to work with Business and Legal Entity leadership, the firm's Second Line functions and Internal Audit partners, to support Citi's focus on improving operational risk management and control.

Darren has over 30 years' experience working in Controls functions across top tier wholesale banking institutions, with senior roles in all three lines of defence.

Darren sits on the Risk Advisory Committee of the Association of Foreign Banks and is a fellow of the Institute of Chartered Accountants (ICAEW) where he sits on the Members and Commercial Board.

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 and a Non-Executive Director on the Board of Citibank Nigeria.

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 2025.

Table 81: EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

	General credit exposures	Relevant credit exposures – Market risk				Own funds requirements						
Breakdown by country	Exposure value under the standardised approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure values	Relevant credit risk exposures – Credit risk	Relevant credit risk exposures – Market risk	Relevant credit risk exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million		
ARMENIA	8	—	—	—	8	1	—	—	1	8	0.02%	1.50%
AUSTRALIA	30	—	—	—	30	2	—	—	2	29	0.06%	1.00%
BELGIUM	535	—	2	—	537	41	—	—	42	519	1.12%	1.00%
BERMUDA	1,330	—	—	—	1,330	84	—	—	84	1,047	2.25%	0.00%
BULGARIA	463	—	—	—	463	37	—	—	37	463	1.00%	2.00%
CHILE	1	—	—	—	1	—	—	—	—	1	0.00%	0.50%
CROATIA	6	—	—	—	6	—	—	—	—	6	0.01%	1.50%
CYPRUS	586	—	—	—	586	47	—	—	47	586	1.26%	1.00%
CZECH REPUBLIC	1,152	—	—	—	1,152	89	—	—	89	1,110	2.39%	1.25%
DENMARK	1,095	—	—	—	1,095	69	—	—	69	861	1.85%	2.50%
ESTONIA	25	—	—	—	25	2	—	—	2	25	0.05%	1.50%
FRANCE	5,325	—	17	106	5,448	304	1	1	306	3,830	8.24%	1.00%
GERMANY	5,032	—	41	150	5,224	326	3	2	331	4,140	8.90%	0.75%
GREECE	375	—	—	—	375	30	—	—	30	373	0.80%	0.25%
HONG KONG	71	—	—	—	71	6	—	—	6	71	0.15%	0.50%
HUNGARY	590	—	—	—	590	47	—	—	47	588	1.26%	1.00%

	General credit exposures	Relevant credit exposures – Market risk				Own funds requirements						
Breakdown by country	Exposure value under the standardised approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models	Securitisation exposures Exposure value for non-trading book	Total exposure values	Relevant credit risk exposures – Credit risk	Relevant credit risk exposures – Market risk	Relevant credit risk exposures – Securitisation positions in the non-trading book	Total	Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million	€ million		
ICELAND	3	—	—	—	3	—	—	—	—	3	0.01%	2.50%
IRELAND	1,805	12	—	241	2,057	138	1	3	142	1,773	3.81%	1.50%
KOREA, REPUBLIC OF	5	—	5	—	10	—	—	—	1	10	0.02%	1.00%
LATVIA	—	—	—	—	—	—	—	—	—	—	0.00%	1.00%
LITHUANIA	38	—	—	—	38	3	—	—	3	38	0.08%	1.00%
LUXEMBOURG	2,087	45	—	—	2,132	163	5	—	168	2,100	4.51%	0.50%
NETHERLANDS	4,782	23	38	510	5,354	340	6	21	367	4,583	9.85%	2.00%
NORWAY	771	—	—	—	771	46	—	—	46	571	1.23%	2.50%
POLAND	6,957	—	—	—	6,957	490	—	—	490	6,129	13.18%	1.00%
ROMANIA	781	—	—	—	781	62	—	—	62	777	1.67%	1.00%
SLOVAKIA	237	—	2	—	239	18	—	—	19	232	0.50%	1.50%
SLOVENIA	1	—	—	—	1	—	—	—	—	1	0.00%	1.00%
SPAIN	2,356	—	2	70	2,428	168	—	1	169	2,108	4.53%	0.50%
SWEDEN	1,950	12	—	—	1,963	145	1	—	146	1,829	3.93%	2.00%
SWITZERLAND	1,920	—	—	—	1,920	136	—	—	136	1,694	3.64%	0.00%
UNITED KINGDOM	5,154	56	7	9	5,226	375	6	—	382	4,770	10.26%	2.00%
UNITED STATES	2,141	2	—	—	2,143	128	—	—	128	1,600	3.44%	0.00%
Other countries	4,700	48	105	—	4,852	358	12	—	371	4,632	(90.04)%	0.00%
All countries	52,311	198	221	1,086	53,815	3,654	38	29	3,721	46,507	0.00%	0.00%

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

Table 82: EU CCyB2- Amount of institution specific countercyclical capital buffer

	Amount of Institution-specific countercyclical capital buffer	
1	Total risk exposure amount (€ million) as at 31 December 2025	77,430
2	Institution specific countercyclical capital buffer rate	1.06%
3	Institution specific countercyclical capital buffer requirement (EUR million)	819

Appendix 3: Capital Instruments Main Features

Table 83: EU CCA - Main features of regulatory own funds instruments and eligible liabilities instruments

		Citibank Europe Plc
	Capital instruments' main features template	**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 8,963 thousand Share premium USD 1,962,747 / EUR 1,670,423 thousand Total of: USD 1,973,279 / EUR 1,679,386 thousand 9.741.291 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 8,963 thousand Share premium USD 1,962,747 / EUR 1,670,423 thousand Total of: USD 1,973,279 / EUR 1,679,386 thousand 9.741.291 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-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step up or other incentive to redeem	No

		Citibank Europe Plc
	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

Appendix 3: Capital Instruments Eligible Liabilities

Table 83: 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	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	N/A	N/A
2a	Public of private placement	Private	Private	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	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	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	N/A	N/A
5	Post-transitional CRR rules	Eligible Liabilities	Eligible Liabilities	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	(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	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 687m	EUR 2,400m	USD 1,000m / EUR 851m	USD 200m / EUR 170m	EUR 1,500m	EUR 1,500m	EUR 500m
	Regulatory treatment								
9	Nominal amount of instrument	EUR 3,500m	GBP 600m / EUR 687m	EUR 2,400m	USD 1,000m / EUR 851m	USD 200m / EUR 170m	EUR 1,500m	EUR 1,500m	EUR 500m
EU-9a	Issue price	EUR 3,500m	GBP 600m / EUR 687m	EUR 2,400m	USD 1,000m / EUR 851m	USD 200m / EUR 170m	EUR 1,500m	EUR 1,500m	EUR 500m
EU-9b	Redemption price	EUR 3,500m	GBP 600m / EUR 687m	EUR 2,400m	USD 1,000m / EUR 851m	USD 200m / EUR 170m	EUR 1,500m	EUR 1,500m	EUR 500m
10	Accounting classification	Liability – Amortised cost	Liability – Amortised cost	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	1 December 2025	14 August 2024	14 May 2025	14 May 2025
12	Perpetual or dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated	Dated
13	Original maturity date	7 December 2028	4 December 2028	6 December 2030	6 December 2030	1 December 2028	14 May 2032	30 April 2035	28 April 2028

		CITIBANK EUROPE PLC							
14	Issuer call subject to prior supervisory approval	No	No	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	N/A	N/A
16	Subsequent call dates, if applicable	N/A	N/A	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	Floating	Floating
18	Coupon rate and any related index	ESTR +99bps	SONIA +96bps	ESTR + 176.7bps	SOFR + 211bps	SOFR + 87bps	ESTR + 168bps	ESTR + 167.1bps	ESTR + 106.3bps
19	Existence of a dividend stopper	No	No	No	No	No	No	No	No
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory	Mandatory
21	Existence of step up or other incentive to redeem	No	No	No	No	No	No	No	No
22	Noncumulative or cumulative	N/A	N/A	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	Non-convertible	Non-convertible
24	If convertible, conversion trigger(s)	N/A	N/A	N/A	N/A	N/A	N/A	Non-convertible	Non-convertible
25	If convertible, fully or partially	N/A	N/A	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	N/A	N/A
27	If convertible, mandatory or optional conversion	N/A	N/A	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	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	N/A	N/A
30	Write-down features	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes

		CITIBANK EUROPE PLC							
	Coupons / dividends								
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	(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	Fully or Partially	Fully or Partially
33	If write-down, permanent or temporary	Permanent	Permanent	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	N/A	N/A
34a	Type of subordination (only for eligible liabilities)	Statutory	Statutory	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	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)	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	No	No
37	If yes, specify non-compliant features	N/A	N/A	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	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	No insurance participation activity or financial conglomerates for CEP
EU INS2 - Financial conglomerates information on own funds and capital adequacy ratio	
EU-SEC2 - Securitisation exposures in the trading book	CEP acts only as investor in its Securitisation book and does not have trading book securitisation exposures as at 31 December 2025.
EU-SEC3 - Securitisation exposures in the non-trading book and associated regulatory capital requirements - institution acting as originator or as sponsor	
EU-SEC5 - Exposures securitised by the institution - Exposures in default and specific credit risk adjustments	
EU CQ7 - Collateral obtained by taking possession and execution processes	CEP's gross NPL ratio is under the 5% threshold
EU CR2a - Changes in the stock of non-performing loans and advances and related net accumulated recoveries	
EU CQ2 - Quality of forbearance	
EU CQ6 - Collateral valuation - loans and advances	
EU CQ8 - Collateral obtained by taking possession and execution processes - vintage breakdown	
EU CR6 - IRB approach - Credit risk exposures by exposure class and PD range	CEP does not have an IRB permission
EU CR6-A - Scope of the use of IRB and SA approaches	
EU CR7 - IRB approach - Effect on the RWEAs of credit derivatives used as CRM techniques	
EU CR7-A - IRB approach - Disclosure of the extent of the use of CRM techniques	
EU CCR4 - IRB approach - CCR exposures by exposure class and PD scale	
EU CR8 - RWEA flow statements of credit risk exposures under the IRB approach	
EU 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 CMS2 - Comparison of modelled and standardised risk weighted exposure amount for credit risk at asset class level	
EU CVA 2 - Credit Valuation adjustment risk under the Full Basic Approach (F-BA)	CEP does not apply the F-BA approach for CVA calculation, it is using BA-CVA, but the EU CVA 2 table is for F-BA approach on CVA calculation only
EU CVA 3 - Credit valuation adjustment risk under the Standardised Approach (SA)	CEP does not apply the SA-CVA calculation, it is using BA-CVA, but the EU CVA 4 table is for SA-CVA only
EU CVA 4 - RWEA flow statements of credit valuation adjustment risk under the Standardised Approach (SA)	
EU CR10 - Specialised lending and equity exposures under the simple risk weighted approach	No special lending or equity exposures under the simple risk weighted approach for CEP
EU CAE1 - Exposures to crypto-assets	CEP does not have exposure to crypto-assets
EU SB1 - Aggregate exposure to shadow banking entities	CEP does not have exposure to shadow banking entities
EU KM2 - Key Metrics - MREL and, where applicable, G-SII requirement for own funds and eligible liabilities	CEP is not a resolution entity
EU TLAC1 Composition - MREL and where applicable, G-SII requirement for own funds and eligible liabilities	
EU TLAC3 - Creditor ranking - resolution entity	
ESG Template 6 - Summary of GAR KPIs	As outlined in section a) of the Environmental Risk disclosures, the EBA has issued a no-action letter on the application of ESG disclosure requirements, which included a recommendation that competent authorities do not prioritise the enforcement of the disclosure of ESG Templates 6 to 10. Pursuant to this no-action letter, CEP is making use of the transitional provisions, and has not produced reporting for these templates as at 31 December 2025.
ESG Template 7 - Mitigating actions: Assets for the calculation of GAR	
ESG Template 8 - GAR (%)	
ESG Template 9 - Mitigating actions: BTAR	
ESG Template 10 - Other climate change mitigating actions that are not covered in the EU Taxonomy	

Appendix 5: Compliance with CRD Article 96

Table 85: Compliance with CRD Article 96

Article	Article Title	Disclosure Reference
88	Governance arrangements	Pillar 3 Sections: "CEP Board and Senior Management Disclosures" and "CEP Committees"
89	Country-by-country reporting	CRD Article 89 Disclosure in Citi Investor relations page
90	Public disclosure of return on assets	Disclosed in Directors Report as part of Financial Statements
91	Management body	Pillar 3 Sections: "CEP Board and Senior Management Disclosures" and "CEP Committees"
92	Remuneration policies	Pillar 3 Section: "Remuneration Statement"
93	Institutions that benefit from government intervention	Not Applicable
94	Variable elements of remuneration	Pillar 3 Section: "Remuneration Statement"
95	Remuneration Committee	Pillar 3 Section: "Remuneration Statement"

Abbreviations

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

2LOD	Second Line of Defence
AFS	Available for Sale
ALCO	Asset and Liability Committee
AML	Anti-Money Laundering
AOCI	Accumulated Other Comprehensive Income
ASF	Available Stable Funding
A-TRF	ALCO Technical Review Forum
AVA	Additional Valuation Adjustment
BAC	Board Audit Committee
BCBS	Basel Committee on Banking Supervision
BCP	Business Continuity Plan
BES	Business Environment Scanning
BHW	Bank Handlowy w Warszawie S.A.
BRC	Board Risk Committee
BRCC	Business Risk and Controls Committee
BRRD	Bank Recovery and Resolution Directive
CB	Corporate Banking
CBI	Central Bank of Ireland
CBSs	Critical Business Services
CBR	Combined Buffer Requirement
CCB	Citi Commercial Banking
CCB	Capital Conservation Buffer
CCF	Credit Conversion Factor
CCP	Central Clearing Counterparty
CCR	Counterparty Credit Risk
CCyB	Countercyclical Capital Buffer
CEO	Chief Executive Officer
CEP	Citibank Europe Plc
CET1	Common Equity Tier 1
CFO	Chief Finance Officer
CFP	Contingency Funding Plan
CIFs	Critical or Important Functions
CIU	Collective Investment Undertaking
CIU	Complex Investigation Unit
CMG	Capital Management Guide
CPB	Citi Private Bank
CRAS	Climate Risk Assessment & Scorecard
CRD	Capital Requirements Directive
CRM	Credit Risk Mitigation
CRO	Chief Risk Officer
CRR	Capital Requirements Regulation
CSC	Citi Solutions Center
CSRBB	Credit Spread Risk in the Banking Book
CVA	Credit Valuation Adjustment
C&E	Climate and Environmental
DBRS	Dominion Bond Rating Service
DORA	Digital Operational Resilience Act
EAD	Exposure at Default
EBA	European Banking Authority
ECAI	External Credit Assessment Institution
ECB	European Central Bank
ECL	Expected Credit Loss
EEA	European Economic Area
EEPE	Effective Expected Positive Exposures
EMEA	Europe, Middle East and Africa
EPC	Energy Performance Certificate
ESG	Environmental, Social and Governance
ESRM	Environmental and Social Risk Management
EU	European Union
EVE	Economic Value of Equity
EVS	Economic Value Sensitivity
EWMA	Exponentially Weighted Moving Average
ExCo	Executive Committee
FBEs	Forborne Exposures
FCCM	Financial Collateral Comprehensive Method
FinCRO	Finance Chief Risk Office
FPIC	Free Prior and Informed Consent
FRTB	Fundamental Review of the Trading Book
FVtOCI	Fair Value through Other Comprehensive Income
FX	Foreign exchange
FXRBB	Foreign Exchange Risk in the Banking Book
G10	Group of Ten (refers to the countries that have agreed to participate in the General Arrangements to Borrow (GAB))
GCM	General Clearing Member
GDP	Gross Domestic Product
GHG	Greenhouse Gas
G-SII	Global Systemically Important Institution
HQLA	High-Quality Liquid Assets
H-EWMA	Hybrid Exponentially Weighted Moving Average
IB	Investment Banking
ICAAP	Internal Capital Adequacy Assessment Process
ICM	Institutional Credit Management
ICRM	Independent Compliance Risk Management
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
ILAAP	Internal Liquidity Adequacy Assessment Process
ILO	International Labour Organization
ILOC	Insurance Letters of Credit
IMA	Internal Model Approach
IMM	Internal Models Method
IPU	Intermediate Parent Undertaking
IRC	Incremental Risk Charge
IRE	Interest Rate Exposure
IRM	Independent Risk Management
IRRBB	Interest Rate Risk in the Banking Book
IRS	Interest Rate Swap
ISDA	International Swaps and Derivatives Association
ITP	Internal Transfer Pricing
ITS	Implementing Technical Standard
IVAST	Integrated VaR and Stress Testing
JST	Joint Supervisory Team
KPIs	Key Performance Indicators
LAS	Liquidity Adequacy Statement
LCR	Liquidity Coverage Ratio
LEX	Large Exposures
LGD	Loss Given Default

LMT	Liquidity Market Triggers
LRE	Leverage Ratio Exposure
MAO	Material AdverseOutcome
MBU	Material Business Unit
MDB	Multilateral Development Bank
MREL	Minimum Requirement for Own Funds and Eligible Liabilities
MRTs	Material Risk Takers
MT	Markets Treasury
MVRL	Violation of any Material Risk Limits
NGFS	Network for Greening the Financial System
NIR	Net Interest Revenue
NMD	Non-maturity Deposit
NPEs	Non-performing Exposure
NPL	Non-performing Loan
NSFR	Net Stable Funding Ratio
NTMR	Non-Trading Market Risk
OCI	Other Comprehensive Income
ORM	Operational Risk Management
ORMF	Operational Risk Management Framework
OTC	Over The Counter
OSUC	Outstanding and Unused Commitments
P2R	Pillar 2 Requirement
PCAF	Partnership for Carbon Accounting Financials
PD	Probability of Default
PFE	Potential Future Exposure
PTIP	Personal Trading & Investment Policy
RAS	Risk Appetite Statement
RBAs	Role Based Allowances
RCA	Risk and Control Assessment
RemCo	Remuneration Committee
RIAP	Risk Identification and Assessment Process
RLAP	Resolution Liquidity Adequacy and Positioning
RMC	Risk Management Committee
RNIME	Risk Not In Model Engine
RoTCE	Return on Tangible Common Equity
RPL	Related Party Lending
RSF	Required Stable Funding
RSPO	Roundtable on Sustainable Palm Oil
RWEA	Risk Weighted Exposure Amount
SA	Standardised Approach
SA-CCR	Standardised Approach for Counterparty Credit Risk
SA-CR	Standardised Approach for Credit Risk
SEC-ERBA	Securitisation External Ratings Based Approach
SEC-SA	Securitisation Standardised Approach
SFT	Securities Financing Transaction
SICR	Significant Increase in Credit Risk
SOT	Supervisory Outlier Test
SRB	Single Resolution Board
SREP	Supervisory Review and Evaluation Process
SSM	Single Supervisory Mechanism
STS	Simple, Transparent and Standardised Securitisation
SVaR	Stressed Value at Risk
TLAC	Total Loss Absorbing Capacity
TLST	Term Liquidity Stress Test
TREA	Total Risk Exposure Amount
TRM	Trade Restrictive Measures
TSCR	Total Supervisory Capital Requirement
TTS	Treasury and Trade Solutions
UNEP FI	United Nations Environment Programme Finance Initiative
VA	Valuation Adjustment
VaR	Value at Risk
WaW	Wealth at Work