



THE BANK OF NEW YORK MELLON SA/NV

# ANNUAL ACCOUNTS

December 31, 2025



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# KEY FINANCIAL FIGURES & LETTER FROM THE CEO

This is a summary of the key figures extracted from the consolidated financial statements disclosed from page 132 onwards.

	2025	2024
	In € '000	In € '000
<b>STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME</b>		
Net interest income	496,426	289,059
Net fee and commission income	595,608	552,903
<b>Profit before taxes from continuing operations</b>	<b>766,313</b>	<b>496,170</b>
<b>NET PROFIT FOR THE YEAR</b>	<b>604,084</b>	<b>397,556</b>
	2025	2024
	In € '000	In € '000
<b>ASSETS</b>		
Cash and cash balances with central banks	11,184,581	11,807,477
Derivative financial instruments	453,543	824,156
Loans and advances to customers	15,603,142	12,566,749
Investment securities	20,816,552	18,119,923
Other assets	728,530	520,825
Property, plant and equipment	28,140	30,331
Goodwill and other intangible assets	57,320	62,936
Tax assets	45,813	49,306
<b>TOTAL ASSETS</b>	<b>48,917,620</b>	<b>43,981,703</b>
<b>LIABILITIES</b>		
Derivative financial instruments	473,565	841,322
Financial liabilities measured at amortized cost	42,600,608	38,095,958
Other liabilities	423,575	311,222
Provisions	17,134	70,365
Tax liabilities	138,980	106,900
<b>TOTAL LIABILITIES</b>	<b>43,653,863</b>	<b>39,425,767</b>
<b>TOTAL EQUITY</b>	<b>5,263,757</b>	<b>4,555,936</b>
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>48,917,620</b>	<b>43,981,703</b>
<b>CLIENT ASSETS</b>		
Assets under custody (€ milliards)	4.190	3.860
<b>TOTAL</b>	<b>4.190</b>	<b>3.860</b>
<b>PERSONNEL</b>		
Number of employees (full time employee equivalent)		
<i>In Belgium</i>	279	306
<i>Abroad</i>	1,153	1,298
<b>TOTAL</b>	<b>1,432</b>	<b>1,604</b>

## Letter from the CEO

We are an AA- rated<sup>1</sup> European banking entity, regulated for prudential matters by the European Central Bank and the National Bank of Belgium as a significant credit institution under the Single Supervisory Mechanism, at the heart of the continent's market infrastructure.

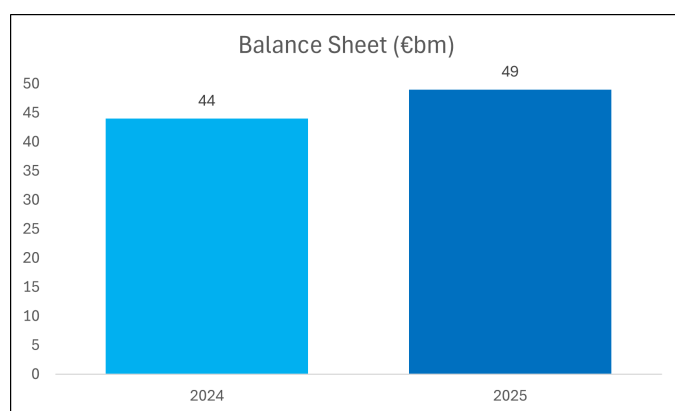
We are providing Securities Services (Asset Servicing and Issuer Services) and Market and Wealth Services (Clearance, Collateral Management and Markets) to banks, broker-dealers, insurers, asset owners, investment managers and large corporates across EU and EFTA jurisdictions.

From our headquarters in Belgium and branches in Denmark, France, Germany, Ireland, Italy, Luxembourg, Poland, the Netherlands and Spain, we deliver trusted scale, technology-enabled precision and end-to-end solutions tailored to institutional needs.

### Built for Opportunity in Europe

Our strategy is anchored in BNY's pillars: Be More for our Clients, Run our Company Better and Power our Culture. Operating as one BNY, we are streamlining client engagement, standardizing workflows and accelerating cycle times—bringing the breadth of our capabilities together via a platforms operating model. In Europe, we operate as a contracting entity for Asset Servicing, Markets, Issuer Services, International Clearance and Global Collateral Management, and act as sub-custodian with direct access to TARGET2-Securities (T2S).

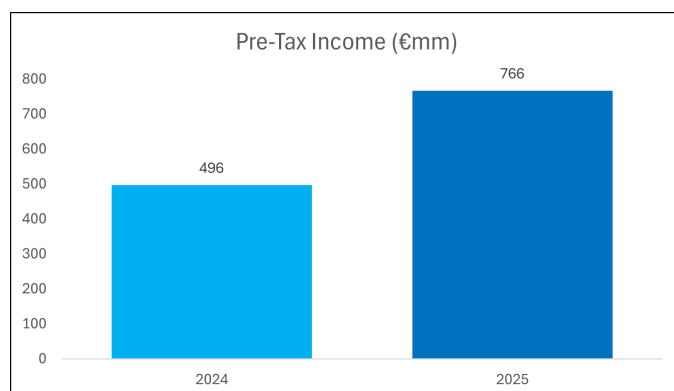
### 2025 Performance at a Glance



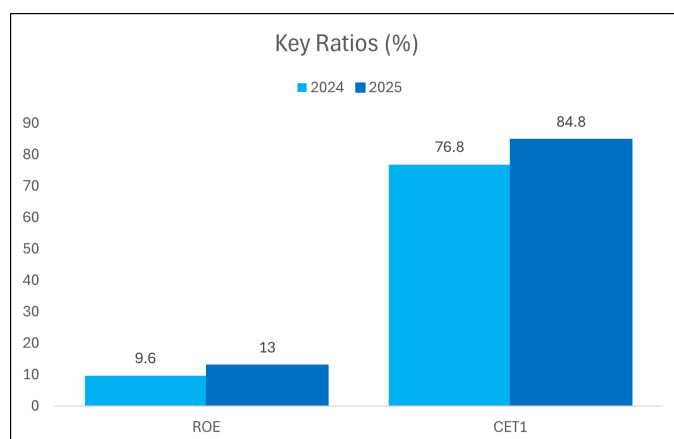
Balance sheet grew from €44bn (2024) to €49bn (2025).

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<sup>1</sup> <https://www.bny.com/corporate/global/en/investor-relations/fixed-income.html>



PTI increased from €496mm (2024) to €766mm (2025).



Key ratios: ROE 13% (+3.4%); CET1 84.8% (+6%).

### Financial Highlights – 2025 (as reported)

- Total revenue: €1.2 billion; balance sheet: €49 billion (vs €44 billion in 2024).
- Pre-Tax Income (PTI): €766 million (vs €496 million in 2024).
- Return on Equity (ROE): 13.0% (vs 9.6% in 2024) before allocation of current year earnings.
- Earnings drivers: stronger net interest revenues (+€207.4mm), strong net fee and commission income (+€42.7mm), non-recurring recovery relating to a German withholding tax claim provision originally recorded in 2019 (+€51.9mm), alongside lower operating expenses (+€47.1mm). This is partially offset by lower gains from interest rate swap hedge accounting (-€34.9mm) and currency swap income (-€30.9mm).
- Fee dynamics: gross fee commission income +€59.1mm - strong business growth impacting AUC and new business across Asset Servicing, Clearing and Collateral Management, Corporate Trust, Markets and American Depositary Receipts (ADR).
- Operating expenses: lower personnel expense (incl. restructuring) -€34.4mm and lower intercompany service support charges -€7.2mm.
- Non-recurring impact: higher non-recurring recovery relating to a German withholding tax claim provision originally recorded in 2019 (+€51.9mm).
- Capital: total regulatory capital €5,164 mm (vs €4,460 mm in 2024); CET1 and total capital ratios increased to 84.8% (2025) from 76.8% (2024); total regulatory capital ratio increased by 8.0pp, driven by a +15.8% increase in own funds (mainly reflecting the inclusion of €604 mm of 2025 year-end profit in CET1), partly offset by a +4.9% increase in risk-weighted assets.

## European Client Momentum and Market Themes

Client trends across Europe mirror global patterns: consolidation with trusted providers, demand for interoperable platforms, clearer accountability, better data and faster cycle times. Our platform-like delivery—connecting custody and fund services, issuer services, payments and liquidity, clearance and collateral—helps clients simplify operations and reduce risk while accessing modern workflows across traditional and emerging rails.

## Advancing AI and the Platforms Operating Model

We continue to deploy AI responsibly via our enterprise platform, Eliza, pairing human expertise with intelligent systems to improve quality, speed and resilience. As adoption deepens, we are embedding AI into product development and delivery, striking NAVs and settling trades with more automation and fewer handoffs, and digitizing end-to-end workflows with embedded controls—improving velocity and client outcomes.

## Priorities for 2026

- Deepen commercial focus: broaden multi-product solutions, standardize pricing and accelerate onboarding.
- Scale platform-like delivery: convert bespoke integrations into repeatable solutions and reduce cycle times.
- Embed AI throughout: move from access to capacity creation, integrating AI into daily workflows and offerings.
- Maintain discipline: sustain positive operating leverage, invest in growth while improving revenue durability.
- Power our culture: strengthen ownership, curiosity and teamwork.

## Thank You

We are grateful for the trust of our clients and the dedication of our colleagues across Europe. Together with our Executive team and Board, we are committed to disciplined execution and sustained growth in 2026.

*Sincerely,*



Eric Pulinx,  
Chief Executive Officer, The Bank of New York Mellon SA/NV



# REPORT OF THE BOARD OF DIRECTORS<sup>2</sup>

## 1. Profile: The Bank of New York Mellon SA/NV

The Bank of New York Mellon SA/NV ("European Bank") is a wholly owned subsidiary of The Bank of New York Mellon. The Bank of New York Mellon is the main banking entity of The Bank of New York Mellon Corporation (BNY).

BNY is an NYSE listed financial holding company focusing its activities on Investment Management (Asset and Wealth Management) and Investment Services (Asset Servicing, Issuer Services, Clearance and Collateral Management and Global Markets).

### **History**

- 30/09/2008 The European Bank is incorporated as a Belgian public limited liability company.
- 10/03/2009 Banking license granted.
- 01/10/2009 Merger with BNY Mellon Asset Servicing BV leading to the creation of branches in Amsterdam, London, Frankfurt and Luxembourg and a representation office in Copenhagen.
- 01/10/2010 BNY Mellon acquired BHF Asset Servicing and FSKAG in Germany
- 01/06/2011 Merger with BNY Mellon Asset Servicing GmbH. FSKAG becomes fully an owned subsidiary.
- 01/12/2011 Creation of the Paris branch of the European Bank.
- 12/2012 Status of Assimilated Settlement Institution (Custodian Bank) granted.
- 01/02/2013 Merger with The Bank of New York Mellon (Ireland) Limited, creating the Dublin branch of the European Bank.
- 01/04/2017 Merger with The Bank of New York Mellon (Luxembourg) S.A. leading to the integration of the activities of The Bank of New York Mellon (Luxembourg) S.A into the existing Luxembourg branch of the European Bank and the creation of a branch of the European Bank in Milan.
- 29/11/2019 Merger with BNY Mellon Trust Company (Ireland) Limited.
- 01/12/2020 Conversion of the Copenhagen representation office into a branch of the European Bank.
- 01/02/2021 Conversion of the Madrid representation office of The Bank of New York Mellon into a branch of the European Bank
- 26/01/2023 Opening of the Wroclaw branch of the European Bank
- 04/07/2023 Closure of the London branch of the European Bank
- 01/02/2024 Merger between the European Bank and its German subsidiary KVG

Headquartered in Brussels, the European Bank distributes, through its branch network, products and services in the European Union (EU) countries (including the remaining European Economic Area (EEA) countries) and is BNY Mellon's largest banking subsidiary in the Europe, Middle-East and Africa (EMEA) region and focuses its activities on Asset Servicing, Issuer Services, Clearance & Collateral Management, Markets and Global Payments & Trade. Its main activity is Asset Servicing, which is provided both to third party and to internal clients within BNY Mellon.

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<sup>2</sup> This report was established according to the article 3:32 of the Belgian Code on Companies and Associations (BCCA).

The European Bank is strategically important for BNY Mellon as it is the primary contracting entity for Securities Services in Europe. The European Bank is the custody bank for the EU and the distribution channel for business lines servicing our target market of Collective Investment Schemes, Pensions, Banks and Corporates in the EU. The European Bank is providing global custodian services primarily to EEA based clients and the European Bank is the global custodian for BNY Mellon for the Target2 (direct) markets in the EU. The European Bank is also the servicing entity for Securities Services and Market & Wealth Services products for BNY Mellon. The European Bank operates through its headquarters in Brussels, a network of nine branches and one non-material subsidiary in Ireland. Any expansion across EU markets will be led through the expansion of the European Bank's branch network, and we are contemplating to open a branch in Switzerland in 2026. Resources and funding over the next years will be dedicated to execute on regulatory driven initiatives, major corporate change programs and infrastructure developments.

Based on its Operating Model, BNY Mellon is favorably positioned to support its clients with stability and optionality through the European Bank in the EU, BNY Mellon International Limited in the UK, as well as through branches of BNY Mellon's main banking entity, i.e. the US Institutional Bank.

The Securities Services' segment generates substantial operational cash balances that are managed by the Treasury of the European Bank that appropriately balances the risk/return rewards.

The client base of the European Bank consists of international institutional clients investing in or issuing financial assets. Main client segments are pension funds, insurance companies, financial institutions and asset managers.

As any bank incorporated in Belgium, the European Bank is subject to dual supervision: for conduct matters, this supervision is exercised by the Financial Services and Markets Authority (FSMA); for prudential matters, this supervision is exercised by the European Central Bank (ECB), together with the National Bank of Belgium (NBB), because the European Bank is a significant bank within the Single Supervision Mechanism (SSM). As custodian bank, the European Bank is also supervised by the NBB.

In the context of the regular review and audit, the regulators are formulating recommendations and the European Bank is following up on these recommendations and has detailed plans to address them.

## 1.1. Business Model

The European Bank's business model is consistent with the BNY Mellon's business model in providing investment services across the entire investment lifecycle and being largely fee-driven.

Around 65% of the revenue is provided by non-interest fee income, providing a more annuity-like revenue stream that is less sensitive to stress scenarios. This results in a stable deposit base and revenue streams, even during periods of market stress. In addition, the European Bank experiences a low level of non-performing assets as a majority of its clients are large corporations and financial institutions. Furthermore, the European Bank is not yet active in lending but only in operational loans performed in the context of contractual settlement. Those exposures are covered through a lien on the assets. The European Bank balance sheet is characterized by highly liquid assets and a robust capital structure. Furthermore, the balance sheet is liability driven and managed in a way that ensures access to external funding sources at competitive rates if it would be required in a stress condition. Overall European Bank's business model is structured in a way that benefits from periods of global growth.

## 1.2. Services and Products

### ***Asset Servicing***

Asset Servicing primarily comprises Custody services but also includes Trustee & Depositary Services, Institutional Accounting, Fund Accounting, Transfer Agency services, Middle Office Solutions, Alternative Investments Services, Global Risk Solutions and Retail Investment Solutions.

Custody is the main service provided by the European Bank. It provides custodial services for clients including services selected and utilized by owners of securities (or their advisors) to assist in providing instruction capture, settlement, corporate actions and income and tax services related to their securities. Custody collects all revenues on behalf of its clients and alerts clients to take all required actions as owners.

As of 31 December 2025, the European Bank had €4.2 trillion in Assets under Custody.

### ***Corporate Trust***

The European Bank offers Corporate Trust services, acting in a broad range of agency roles including, but not limited to registrar, issuing and paying agent, exchange agent, custodian and collateral/portfolio administration.

### ***Depositary Receipts***

The European Bank performs certain operational activities relating to Depositary Receipts, predominantly issuance and cancellation. Depositary Receipts facilitate cross-border investment solutions for companies and investors. They are negotiable financial securities issued by a bank to represent foreign companies' publicly traded securities, allowing them to have their stocks traded in foreign markets.

### ***International Clearance***

International Clearance provides services that enable customers to settle securities in markets around the world and if required provides custody and asset servicing post settlement.

### ***International Collateral Management***

The European Bank acts as tri-party agent to collateral providers and receivers for collateral management transactions including but not limited to tri-party repo, securities lending and pledge transactions.

### ***Markets***

#### ***Foreign Exchange***

The European Bank provides foreign exchange (FX) services, which enable clients to achieve their investment, financing and cross-border objectives.

#### ***Liquidity Services and Segregation***

The European Bank provides liquidity services (cash balances, reporting and, purchase and redemption of money market instruments), margin management services, segregation and valuation services, and collateral administration.

#### ***Securities Finance***

The European Bank provides standard agency lending including Third Party lending, cash collateral reinvestment and agency investment products.

### ***Global Payments & Trade***

The European Bank provides Relationship Management and Business Development, Global Client Support and Global Product Management Support.

European Bank provides these products to its international client base. European Bank clients contract with European Bank for all of the above services except Depositary Receipt Services and Treasury Services. For Depositary Receipt Services, European Bank only provides these to other legal entities within BNY Mellon. For Treasury Services, European Bank is providing relationship management services in its Brussels headquarters and Frankfurt, Madrid, Milan and Paris branches for clients contracting with The Bank of New York.

The drivers of various businesses within the European Bank are considered below.

- The drivers for financial results of the Asset Servicing business include:
  - a) Levels of client transaction activity;
  - b) Volatility of the securities markets; and
  - c) Market value of assets under administration and custody.
- Market interest rates affect the earnings on client deposit balances.
- For Clearance and Collateral Management:
  - a) *International Collateral Management fees depend on the level of activity in the fixed income and equity markets and on the financing needs of clients, which are typically higher when the equity and fixed income markets are volatile.*
  - b) *International Clearance follows the same drivers as Asset Servicing.*
- Foreign Exchange (FX) trading revenues are influenced by the volume of client transactions, the spread realized on these transactions, market volatility in major currencies, the level of cross-border assets held in custody for clients, the level and nature of underlying cross-border investments and other transactions undertaken by corporate and institutional clients.

Business expenses are driven by correspondent expenses, staffing levels and technology investments.

## 2. External Factors Influencing the European Bank

European Bank is exposed to geopolitical risks including the global trade war, conflicts, terrorism and cyber-attacks. BNY maintains controls, processes and policies that are designed to adhere to relevant sanctions, laws and regulations in countries in which BNY operates. BNY continues to monitor any subsequent developments associated with the conflicts whilst taking necessary actions where prompted.

Against a backdrop of moderating inflationary pressures, major central banks pivoted towards monetary easing during the year. The European Central Bank lowered its deposit facility rate from 3.00% to 2.00% over the course of 2025. Similarly, the U.S. Federal Reserve enacted a series of rate cuts, reducing the federal funds target range to 3.75% by year-end. The Bank of England and several other major central banks adopted comparable easing measures, reflecting a broad global transition towards a more accommodative monetary policy stance.

Within this environment, the European Bank continued to demonstrate strong financial resilience. The Bank maintained a robust balance sheet supported by high levels of capital and liquidity, prudent leverage, and a conservative risk profile. These characteristics underpin the Bank's capacity to absorb short- to medium-term financial shocks and reinforce its position as a low-risk counterparty for clients, market participants, and regulators.

Resilience remains both a core responsibility and a strategic differentiator for the European Bank. Through disciplined risk management and sustained balance sheet strength during a period of geopolitical and macroeconomic uncertainty, the Bank continues to support client confidence while meeting the expectations of supervisors and stakeholders across its markets.

## 3. Business Evolution in 2025

### 3.1. Main Events

The 2025 financial year represented an important milestone in the European Bank's operating model, with Assets under Custody exceeding EUR 4 trillion for the first time and an expansion of securities portfolio. During the year, Assets under Custody (AUC) increased to EUR 4.190 trillion as at year-end 2025, compared to EUR 3.860 trillion as at December 2024, reflecting continued organic growth driven by ongoing client activity and market developments.

In addition, starting from 2025 the European Bank expanded its investment operations to include Dublin Branch in addition to the Brussels Head Office, further aligning and diversifying portfolio activities within the European Bank Group's branch structure and deployment of funds.

### 3.2. Analysis of Financial Figures

For the year ended 31 December 2025, the European Bank delivered a strong financial performance, with profit before tax from continuing operations increasing to €766.3 million,

compared with €496.2 million in 2024, representing an improvement of €270.1 million (+54.4%). Net profit for the year amounted to €604.1 million, up €206.5 million (+51.9%) from €397.6 million in the prior year. This resulted in a return on equity of 13.0% (pre-allocation of current year earnings), compared with 9.6% in the prior year. The improvement in profitability (excluding notable one-off items), was primarily driven by higher operating income, supported by resilient net interest performance and strong growth in Securities Servicing fees, alongside lower Operating costs.

### **Operating Income**

Net interest income increased by €207.4 million to €496.4 million (2024: €289.1 million), reflecting a resilient performance despite a lower interest rate environment. This was supported by increased client deposits and strategic investments in fixed income products, including the securities portfolio and reverse repurchase agreements. This positive impact was partially offset by a €34.9 million decrease in gains from hedge accounting related to interest rate swaps, attributable to narrower swap yield spreads, a €30.9 million decline in FX swap income resulting from lower transaction volumes, and higher losses on the sale of debt instruments measured at fair value through other comprehensive income (FVOCI), €10.7 million.

Net fee and commission income increased to €595.6 million in 2025 (2024: €552.9 million), driven by strong business growth impacting AUC and new business across Asset Servicing, Markets, Clearance and Collateral Management, and Corporate Trust, and American Depositary Receipts (ADR). Fee and commission expenses increased in line with higher operational and custody volumes.

Other operating income increased by €50.6 million to €60.7 million (2024: €10.1 million), primarily reflecting a non-recurring income item (exceptional item) relating to a German withholding tax claim provision originally recorded in 2019.

In 2025, 29% of the non-interest income is coming from intercompany transactions (2024: 34%).

### **Operating Expenses**

Total operating expenses decreased by €47.1 million to €407.0 million (2024: €454.2 million). Provisions declined significantly by €27.2 million to €19.8 million (2024: €47.0 million), mainly reflecting restructuring costs incurred in the prior year. Other operating expenses decreased by €14.1 million to €178.4 million, largely due to lower intercompany service support charges following the completion of significant engineering projects within the BNY Group. Personnel expenses decreased by €7.2 million to €191.3 million, primarily as a result of lower average headcount.

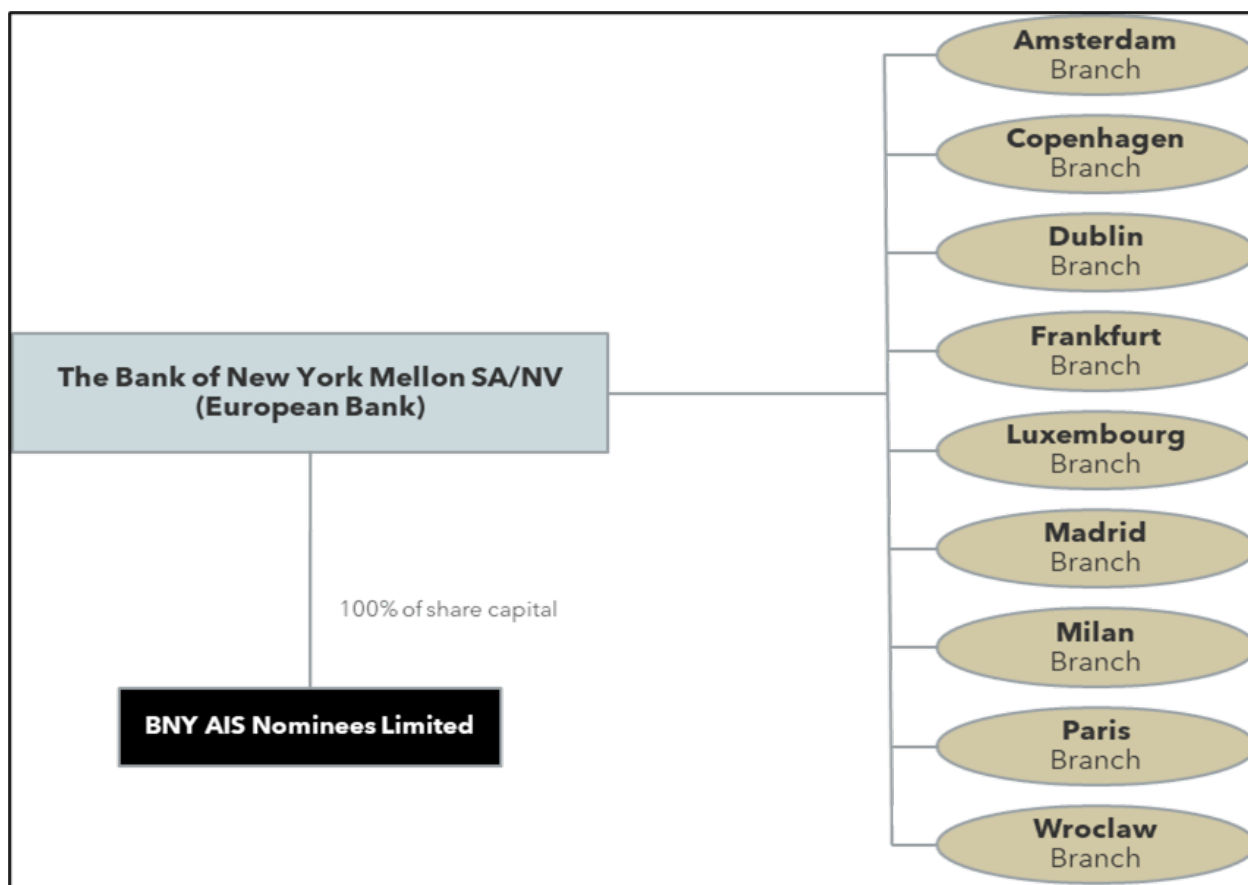
Total assets increased by 11% year on year to €48.9 billion as at 31 December 2025 (2024: €44.0 billion). The growth in the balance sheet was primarily driven by higher client deposit balances.

The strong net profit for the year resulted in a return on assets of 1.23% for 2025, compared with 0.9% in the prior year.

## 4. Structure and Corporate Governance

### 4.1. Structure of the European Bank

As at 31 December 2025 the European Bank has nine branches across Europe and one subsidiary based in Ireland, BNY Mellon AIS Nominees Limited which is a non-consolidated subsidiary. The structure of the European Bank as per 31 December 2025 is shown below.



#### *Shareholding Structure and the agenda of the General Meetings*

The shareholder structure of the European Bank is given in the table below.

<i>Shareholder Structure on 31 December 2025</i>	<i>Number of ordinary shares</i>	<i>%</i>
The Bank of New York Mellon (BNY Mellon)	1,689,387	100.0000%

The Bank of New York Mellon (Institutional Bank) is located at 240 Greenwich Street, New York, New York 10286, United States, is a subsidiary of The Bank of New York Mellon Corporation (the group's holding company) and holds all shares of the European Bank. The annual meeting of shareholder of the European Bank is held each year on the last Tuesday of the month of May. The items on the agenda of the annual meeting of shareholders typically include:

- approval of the annual accounts and allocation of profits;

- review of directors' report and statutory auditor's report;
- appointment and resignation of directors;
- discharge of liability of directors and statutory auditor.

## 4.2. Composition and Activities of the Board and its Committees

The table below shows the members of the Board and its committees on 31 December 2025:

<i>Name</i>	<i>Position</i>
<b>Non-Executive Directors</b>	
Marie-Hélène Crétu	Independent Chair of the Board of Directors, Independent Chair of the Nomination and Environmental Social Governance Committee, Independent Member of the Audit Committee, and Independent Member of the Remuneration Committee
Marcia Cantor-Grable	Independent Chair of the Risk Committee, Independent Member of the Audit Committee and Independent Member of the Remuneration Committee
Susana Gomez-Smith	Independent Chair of the Remuneration Committee, Independent Member of the Risk Committee and Independent Member of the Nomination and Environmental Social Governance Committee
Stephen Davies	Independent Chair of the Audit Committee and Independent Member of the Risk Committee
Richard Gordon	Member of the Remuneration Committee and Member of the Risk Committee
Tiffany Eng	Member of the Risk Committee
Helen Oldfield <sup>3</sup>	Member of the Nomination and Environmental Social Governance Committee
Thomas Degn-Petersen	Member of the Audit Committee
<b>Executive Directors</b>	
Eric Pulinx	Chief Executive Officer Chair of the Executive Committee
John Hennessy	Chief Risk Officer Member of the Executive Committee
Ashik Jagtiani <sup>4</sup>	Chief Financial Officer Member of the Executive Committee
Rachel Zahra	Chief Operating Officer Member of the Executive Committee

<sup>3</sup> Appointed on 28 January 2026.

<sup>4</sup> Appointed on 28 January 2026.

## **Changes in the composition of the Board and the Committees in 2025**

During the year 2025, the main changes to the composition of the Board and its Committees of the European Bank were:

- On 27 May 2025, Björn Storim stepped down as Executive Director, Chief Executive Officer and Chair of the Executive Committee of the European Bank.
- On 27 May 2025, Caroline Butler resigned as non-executive Director, member of the Audit Committee and member of the Nomination and Environmental Social Governance Committee.
- On 27 May 2025, Roderick Munsters resigned as Independent Board Director, Chair of the Remuneration Committee, member of the Risk Committee and member of the Nomination and Environmental Social Governance Committee.
- As of 27 May 2025, Santhanakrishnan Senthilkumar resigned as non-executive Board Director and member of the Risk Committee.
- On 2 September 2025, Eric Pulinx was appointed CEO and Chair of the Executive Committee.
- On 12 November 2025, Tiffany Eng was appointed Non-Executive Director and member of the Risk Committee.
- On 11 December 2025, Helen Oldfield was appointed Non-Executive Director and member of the Nomination and Environmental Social Governance Committee.
- On 17 December 2025, Susana Gomez-Smith was appointed Independent Non-Executive Director, Chair of the Remuneration Committee, member of the Risk Committee and member of the Nomination and Environmental Social Governance Committee.

## **Report on the activities of the Board**

The primary responsibilities of the Board of Directors are to define the strategy and risk policy of the European Bank and to supervise the European Bank's management.

The main duties and responsibilities of the Board of Directors of the European Bank include, but are not limited to:

- defining the general business strategy, objectives and values of Company in line with these of The Bank of New York Mellon;
- plan and monitor the implementation of the general business strategy, objectives and values within Company;
- fixing Company's risk tolerance level and regularly reviewing and approving the strategies and policies relating to the taking, management, follow-up and mitigation of risks;
- supervising the management of Company's significant risks and ensuring adequate resources are allocated to it;
- approving the capital adequacy position and ensuring changes in Company consider capital impacts;
- approving the recovery plan;
- approving the liquidity recovery plan;
- supervising effectively the Executive Committee and the decisions taken by the Executive Committee;
- drawing up annual and interim reports and accounts;
- assessing regularly (at least once per year) the efficiency of the internal organization and system of internal control of Company and its compliance with applicable laws and regulations;

- assessing the proper functioning of Company's independent control functions (risk, internal audit and compliance); ensuring the integrity of the accounting and financial reporting systems and assessing regularly (at least once per year) the efficiency of the internal control structure, in particular regarding the financial reporting process;
- ensuring that Company's internal governance - as translated into its Internal Governance Memorandum - is appropriate to its business, size and organization;
- approving the Internal Governance Memorandum and ensuring it is kept up-to-date and submitted to the supervisory authority;
- approving and reviewing regularly (at least once per year) Company's remuneration policy, and supervising its implementation;
- selecting and evaluating the members of the Executive Committee and reviewing the process for the selection, evaluation, and development of other key managers (in particular the Chief Compliance Officer, Chief Internal Auditor);
- ensuring the succession planning for key managers;
- reviewing the Company's processes for protecting the Company's assets and reputation;
- approving policies and procedures as may be required by law or otherwise appropriate;
- reviewing the Company's processes for compliance with applicable laws, regulations and the internal policies including the Code of Conduct;
- overseeing the process of external disclosure and communications.

### **The structure of the Board's Committees and report on its activities**

The Board has set up an Executive Committee exclusively composed of Board members entrusted with the general management of the Company with the exception of (i) the determination of the strategy and general policy of the Company and (ii) the powers reserved to the Board by Law or by the Articles of Association. The members of the Executive Committee are executive directors.

The Board may create advisory committees within the Board and under its responsibility in view of performing its responsibilities more efficiently. As at 31 December 2025, the Board had four advisory committees: the Audit Committee, the Risk Committee, the Nomination and Environmental Social Governance Committee and the Remuneration Committee. Those committees are established by the Board in accordance with the requirements of the Belgian Banking Law.

The Audit Committee assists the Board in fulfilling its oversight responsibilities in respect of: (i) the integrity of the European Bank's financial reporting process and financial statements; (ii) the efficiency of the European Bank's internal control and risk management systems, (iii) the performance of the European Bank's internal audit function, and (iv) the statutory auditor's qualifications, independence, provision of additional services and performance.

The Risk Committee advises the Board on the Company's overall current and future risk appetite and strategy and assists the Board in overseeing the implementation of that risk strategy by the Executive Committee. The Risk Committee also assists the Board in fulfilling its oversight responsibilities with regard to the risk management of the European Bank, as well as the compliance with legal and regulatory requirements and the controls to prevent, deter and detect fraud.

The Nomination and Environmental Social Governance ('ESG') Committee (i) makes recommendations to the Board with respect to the nominations of Company's directors and the composition of the Board and its committees, (ii) oversees and assesses the overall governance of the Company and recommends any changes to the Board and (iii) oversees

and assesses the ESG developments and impact thereof on the Company's governance and strategy.

The Remuneration Committee assists the Board in fulfilling its responsibilities in respect of remuneration within the European Bank including its branches and subsidiary. The Remuneration Committee's main duty is to advise the Board in defining the Remuneration Policy of the European Bank. The Remuneration Committee is in charge of the preparation of Board's decisions relating to the remuneration, in particular where such remunerations have an impact on the European Bank's risks and risk management, including the remuneration of the heads of the independent control functions. The Remuneration Committee is also responsible for reviewing: (i) the European Bank's remuneration policy statement ("Remuneration Policy Statement") in light of applicable laws, regulations and Corporate policies; (ii) the compensation plans ("Compensation Plans") applicable within the European Bank against the Remuneration Policy; and (iii) practices, including awards paid, in light of the Remuneration Policy, applicable laws and regulations and Corporate policies.

The Executive Committee ("ExCo") of European Bank has been established by the Board of the Directors in accordance with Article 24 of the Act of 25 April 2014 on the status and oversight of credit institutions and Article 7:104 of the Belgian Companies and Associations Code. The ExCo has been entrusted with the general management of the European Bank with the exception of (i) the determination of the strategy and general policy of the European Bank and (ii) the powers reserved to the Board by Law or the Articles of Association. The ExCo is responsible for running the general management of the European Bank within the strategy and the general policy defined by the Board and for ensuring that the culture across the European Bank facilitates the performance of business activities with integrity, efficiency and effectiveness. The ExCo shall review corporate initiatives including strategic initiatives, financial performance, new business initiatives, policy changes, controls and organizational development. The ExCo has responsibility across all Lines of Business performed in or that impact the European Bank and its branches and subsidiaries.

In addition, the ExCo may create sub-committees under its responsibility and delegate them some of its responsibilities in view of performing its responsibilities more efficiently. Responsibilities were delegated by the ExCo to the following sub-committees:

- Risk Management Committee
- Asset and Liability Committee
- Capital and Stress Testing Committee
- Business Acceptance Committees

### 4.3. External Functions Performed Outside of the Group

The following provides an overview of the external functions performed outside of the BNY Mellon group by the directors (as at 31 December 2025):

Board member	Function at the European Bank	Name of the other company in which an external function is exercised	Registered address	Type of activities	Listed company (Y/N)	External mandate (title)	Capital connection with SA/NV (Y/N)
<b>Independent Non-Executive Directors</b>							
Marie-Hélène Crétu	Chair of the Board Chair of the Nomination and Environmental and Social Governance Committee, Independent member of the Remuneration and member of the Audit Committees	CoDiese	102 bis, Rue de Miromesnil, 75008 Paris, France	Management company	N	President	N
		Global Reporting Company	31 Hove Park Way, Hove, England, BN3 6PW, United Kingdom	Finance consultancy	N	Director	N
Marcia Cantor-Grable	Chair of the Risk Committee, member of the Audit and member of the Remuneration Committee	AXA XL Insurance Company UK Limited and AXA XL Underwriting Agencies Limited	20 Gracechurch Street, London EC3V 0BG, United Kingdom	General Insurance	N	Independent Director	N
		Brown Shipley & Co. Ltd.	2 Moorgate, London, England, EC2R 6AG, United Kingdom	Wealth planning and Investment Management	N	Independent Director	N
Susana Gomez-Smith <sup>5</sup>	Chair of the Remuneration Committee, member of the Nomination and ESG Committee, member of the Risk Committee	Leonteq AG	Europaallee 39 8004, Zurich, Switzerland	Fintech	Y	Independent Director	Y
		Leonteq Securities AG	Europaallee 39 8004, Zurich, Switzerland	Fintech	N	Independent Director	Y
		NovoBanco AS	Avenida Dr Mário Soares, Tagus Park, Ed 1, Piso 2, Ala B, 2740-119, Porto, Salvo, Portugal	Banking	N	Independent Director	N

<sup>5</sup> Appointed 17 December 2025.

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Stephen Davies	Chair of the Audit Committee and Member of the Risk Committee	Goldman Sachs UK Retirement Plan	Plumtree Court, 25 Shoe Lane, London, United Kingdom, EC4A 4AU United Kingdom	Pension Plan	N	Chair of Trustees	N
		Goldman Sachs UK Retirement Plan Pension Trustee Limited	Dormant Company	N.A	N	Chair of the entity	N
<b>Non-Executive Directors</b>							
Richard Gordon	Member of the Remuneration Committee and Member of the Risk Committee						
Tiffany Eng <sup>6</sup>	Member of the Risk Committee						
Helen Oldfield <sup>7</sup>	Member of the Nomination and ESG Committee	GB Snowsport	101 New Cavendish Street, London, W1W 6XH, United Kingdom	Non-Profit	N	Non-Executive Director	N
		MindForward Alliance	60 Alington Grove, Wallington, Surrey, SM6 9NG	Non-Profit	N	Non-Executive Director	N
Thomas Degn-Petersen <sup>8</sup>	Member of the Audit Committee	Loxwood Management Company Ltd	Huxley House, Headley Road, Grayshott, Surrey, GU26 6EJ, United Kingdom	Property Management	N	Director	N

<sup>6</sup> Appointed 12 November 2025.

<sup>7</sup> Appointed 11 December 2025. Holds one internal mandate in BNY London Branch.

<sup>8</sup> Participated in management body activities as at 31 December 2025 following selection by the Board on 6 August 2025. Formal appointment to the Board was effective 28 January 2026 following regulatory approval. Holds one internal mandate in BNY Mellon Securities (UK) Limited, a dormant company.

Board member	Function at European Bank	Name of the other company in which an external function is exercised	Location (country)	Type of activities	Listed company (Y/N)	External mandate (title)	Capital connection with SA/NV (Y/N)
<b>Executive Directors</b>							
Eric Pulinx <sup>9</sup>	Chief Executive Officer and Chair of the Executive Committee	Delen Private Bank	Jan Van Rijswijcklaan 184, 2020 Antwerp, Belgium	Credit Institution	N	Independent Director	N
		Finax	Begijnenvest 113, 2000 Antwerp, Belgium	Financial Holding	N	Independent Director	N
Rachel Zahra	Chief Operations Officer and Member of the Executive Committee						
John Hennessy	Chief Risk Officer and Member of the Executive Committee						
Ashik Jagtiani <sup>10</sup>	Chief Finance Officer and member of the Executive Committee						

No director has declared personal conflicts of interest that would have given rise to the application of article 7:96 of the Belgian Companies and Associations Code.

#### 4.4. Individual and Collective Competency/Skills

The European Bank has established in 2022 a Board Diversity policy confirming it has an unwavering commitment to diversity, equity and inclusion in all its forms, including diversity of thought, experience, and background. This commitment to Strength in Diversity is not only one of our core values, but it is also important to the European Bank's culture, the European Bank's directors as individuals, and critical to its ability to serve its clients and grow its business. The European Bank recognizes the importance of having diversity, including gender diversity, on the Board. Aligned with its engagement in and signature of the 'Gender Diversity Charter'<sup>11</sup> supported by Women in Finance (Belgium), at least one third of each gender shall be represented on the Board. As new Board appointments are made, the Nomination and Environmental Social Governance Committee shall aim to include candidates which will enable the Company to remain compliant with this target. As at 31 December 2025 this gender diversity objective is achieved.

Having a combination of diverse relevant personal attributes on the Board provides a range of perspectives, insights and challenge needed to support good decision making. Board

<sup>9</sup> On 2 September 2025, Eric Pulinx became CEO of the European Bank.

<sup>10</sup> Participated in management body activities as at 31 December 2025 following selection by the Board on 26 May 2025. Formal appointment to the Board was effective on 28 January 2026 following regulatory approval. Departures during 2025: On 21 February, 2025, Roderick Munsters stepped down as Independent Non-Executive Director, and Senthilkumar Santhanakrishnan stepped down as Non-Executive director. On 25 April 2025, Björn Storim stepped down as CEO and Executive Director. On 16 May 2025, Caroline Butler stepped down as Non-Executive director.

<sup>11</sup> Gender Diversity in Finance' Charter, a pledge for gender balance across the Belgian financial services sector.

appointments are based on an individual and collective assessment taking into account these criteria.

The Nomination and Environmental Social Governance Committee is responsible for reviewing the structure, size, and composition of the Board (including its skills, knowledge, experience and diversity) and making recommendations to the Board with respect to any appointment. In identifying suitable candidates for a particular appointment, the Committee objectively considers candidates on merit and with due regard for the collective competency and diversity of the Board.

In order to ensure that the members of the Board Committees have individually and collectively the adequate skills in order for each Board Committee to properly fulfill its role and duties, the Nomination and Environmental Social Governance Committee reviewed the composition of the Board Committees and has based its assessment on a competencies table and has considered in its review the Board skills matrix including (i) the Board collective skills, (ii) the personal attributes that all Board members should have and (iii) the Board's diversity profile.

The Nomination and Environmental Social Governance Committee confirmed that the respective membership of the following Board Committees is adequate in order for such Board Committees to be collectively competent to fulfill the following respective responsibilities and for each of its respective members to have the necessary skills, knowledge and experience to understand and assess the following respective aspects:

- the **Audit Committee** for the review of Company's financial reporting activities, accounting and audit;
- the **Risk Committee** for the review of the Company's risks and system of internal controls;
- the **Nomination and Environmental Social Governance Committee** for the exercise of relevant and independent judgment on the composition and functioning of the Board and its Committees and the suitability of the committees' members and the oversight and assessment of the overall governance of the Company and recommendation of any changes to the Board and the oversight and assessment of the ESG developments and impact thereof on the Company's governance and strategy; and
- the **Remuneration Committee** for the exercise relevant and independent judgment on the Company's remuneration policy and on the incentives.

The membership of each director in Board committees is available in section 4.2. of this report.

## 5. Subsequent Events

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There have been no events subsequent to the reporting date that require adjustment to, or disclosure in, these financial statements.

## 6. Proposal of Allocation of Net Income

The net profit for the year amounts to €604 million. Retained earnings as of the end of 2025 amount to €3,425 million.

No dividend is distributed on the profit of 2025.

<i>Allocation of Profit</i>	<i>In € million</i>
Profit of the current year	604
Dividend of the current year	—
Profit brought-forward	604

The Board has formally adopted a (non-)dividend policy by which all profits are systematically carried forward and recommended the same for approval to the shareholders' meeting. On 17 May 2011, the shareholders unanimously ratified this Board resolution. During 2025, the Board continued to apply the (non-)dividend distribution policy.

## 7. Contingent Liability

### *Claims – Legal actions*

German authorities are investigating past “cum/ex” trading, which involved the purchase of equity securities on or shortly before the dividend date, but settled after that date, potentially resulting in an unwarranted refund of withholding tax. German authorities have taken the view that past cum/ex trading may have resulted in tax avoidance or evasion. The European Bank and its German subsidiary have been informed by German authorities about investigations into potential cum/ex trading by certain third-party investment funds, where the European Bank had acquired entities that served as depositary and/or fund manager for those third-party investment funds. We have received information requests from the authorities relating to pre-acquisition activity and are cooperating fully with those requests. In August 2019, the District Court of Bonn ordered that the German subsidiary be joined as a secondary party in connection with the prosecution of unrelated individual defendants. The trial commenced in September 2019. In March 2020, the court stated that it would refrain from taking action against the subsidiary in order to expedite the conclusion of the trial. The court convicted the unrelated individual defendants, and determined that the cum/ex trading activities of the relevant third-party investment funds were unlawful. In November and December 2020, we received secondary liability notices from the German tax authorities related to pre-acquisition activity in various funds for which the entities we acquired were depositary and/or fund manager. We appealed the notices. In connection with the acquisition of the subject entities, the European Bank obtained an indemnity for liabilities from the sellers that the European Bank has pursued as necessary. The provision booked with respect to this legal matter has been determined based on management judgment of the most likely liability that will be owed to German authorities. There is estimation uncertainty in the final outcome of this legal matter. Postings to reflect the current situation as of 31 Dec 2025 were performed and impacted mainly Note 5 Other Operating income and Note 20 Provisions.

As at 31 December 2025, based on the facts and circumstances currently known, the European Bank reassessed this case and concluded that it is unlikely that any additional penalty interest will be due. Accordingly, a provision previously recognised for penalty interest was reversed for an amount of EUR 36.1 million. In addition, a further EUR 4.0 million was released following an update of the allocation reflecting a cost-sharing agreement between

BNP and Deutsche Bank, bringing the total reversal to approximately EUR 40.0 million in 2025 (recognised under 'other movements' in Note 20 Provisions). The remaining provision recognised as at 31 December 2025 in respect of this case amounts to EUR 0.96 million. This provision continues to represent management's best estimate of the most probable amount that may be due; however, the outcome remains subject to estimation uncertainty.

## **8. Research & Development**

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There are no research & development activities performed by European Bank.

## **9. Risk Management**

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The European Bank acknowledges risk taking as a fundamental characteristic of providing financial services. It is inherent to the business of banking and arises in every transaction the European Bank undertakes. The capacity to take risk and pursue profits is constrained by the balance sheet and the reputation of the BNY brand in the marketplace as well as by regulatory requirements.

The European Bank's risk management framework maintains a capable, effective, adequately resourced and forward looking organization that is well placed to identify and manage emerging risks in a timely manner for the European Bank.

The Risk Management Function reports to the Chief Risk Officer of the European Bank, and monitors and identifies emerging risks with a forward looking approach. It provides risk management information reporting to the European Bank's Board and governance committees, and contributes to a "no-surprise" risk culture. It works closely with Compliance (second line of defense, also reporting to the Chief risk Officer of the European Bank) and Internal Audit (third line of defense) plus Finance and Treasury (as first line of defense control functions).

Detailed information on the risks faced by the European Bank, as well as our risk management strategies, policies and processes can be found in the European Bank Pillar 3 report on [www.bnymellon.com/us/en/investor-relations/regulatory-filings.html](http://www.bnymellon.com/us/en/investor-relations/regulatory-filings.html) and in Note 28 to the consolidated financial statements.

## **10. Sustainability Statement**

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## Introduction

The Bank of New York Mellon SA/NV ("the European Bank", "EB", "BNY SA/NV," "our," "we," "the bank") is a wholly owned subsidiary of The Bank of New York Mellon ("BNY"). The Bank of New York Mellon is the main banking entity of The Bank of New York Mellon Corporation. The European Bank, as part of BNY, operates in alignment with BNY's business interests while at the same time maintaining its independence, particularly with respect to operating within a governance framework that protects the interests of the entity's clients<sup>12</sup>.

This Sustainability Statement is the European Bank's second report prepared in accordance with the Corporate Sustainability Reporting Directive ("CSRD")<sup>13</sup>, as transposed into Belgian law by the law of 2 December 2024<sup>14</sup>, and the European Sustainability Reporting Standards ("ESRS")<sup>15</sup>. Any reference to CSRD in this Sustainability Statement should be read as a reference to CSRD, as transposed in Belgium.

In 2024, EB conducted its first double materiality assessment ("DMA") to identify the Environmental, Social and Governance ("ESG") factors that are the most relevant to our business and our stakeholders. For the 2025 reporting period, EB carried out a relevancy analysis and determined that the 2024 DMA outcomes remain relevant and continue to reflect our most relevant ESG topics.

This Sustainability Statement reflects our commitment to transparency and accountability in our sustainability efforts in line with our legal obligations. Where information regarding a DMA identified material topic is unavailable and the ESRS enables undertakings to explain the reasons, we have provided such explanations. Similarly, where conditional data points do not apply to our business model, for example, in high-climate impact sectors and controversial weapons, we have not disclosed this information.<sup>16</sup>

All data points in the Sustainability Statement have been subjected to limited assurance. We have provided a list of disclosed metrics and the underlying methodologies within the document and in the [Appendix](#).

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<sup>12</sup> Please refer to Section 1 of the Report of the Board of Directors for additional information on the EB's profile.

<sup>13</sup> Directive (EU) 2022/2464 of the European Parliament and of the Council of 14 December 2022 amending Regulation (EU) No 537/2014, Directive 2004/109/EC, Directive 2006/43/EC and Directive 2013/34/EU, as regards corporate sustainability reporting.

<sup>14</sup> Law of 2 December 2024 relating to the publication of sustainability information by certain companies and groups and the assurance of sustainability information and other provisions (*Wet betreffende de openbaarmaking van duurzaamheidsinformatie door bepaalde vennootschappen en groepen en de assurance van duurzaamheidsinformatie en houdende diverse bepalingen / Loi relatif à la publication, par certaines sociétés et groupes, d'informations en matière de durabilité et à l'assurance de l'information en matière de durabilité et portant dispositions diverses*)

<sup>15</sup> Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council as regards sustainability reporting standards.

<sup>16</sup> In these cases, the EB does not offer financing and does not engage in this sector.

# General Disclosures

## Basis for preparation

In accordance with Article 19a of CSRD (as transposed into Belgian law in article 3:32/2 of the Belgian Companies and Associations Code), this sustainability statement is prepared on the same basis of consolidation as the financial statements, covering EB and its branches as of 31 December 2025. Further information on the scope of consolidation is set out in [Section 1.2, Significant Accounting Policies, of the Annual Accounts](#).

There are no subsidiary undertakings included in consolidation that are exempted from individual or consolidated sustainability reporting.

The EB has duly considered Impact, Risks and Opportunities (“IRO”) across the value chain. The outcome of the DMA is reflective of this assessment. The material IROs identified by the EB are listed within the [Material Impacts, Risks and Opportunities Addressed](#) section of the Sustainability Statement.

The EB has not exercised the option to omit any material information under ESRS 2 as permitted by Article 3:6/4, §4 of the Belgian Companies and Associations Code.

The Sustainability Statement for 2025 covers the period 1 January 2025 to 31 December 2025.

*ESRS 2-BP-1-5-(a),(b)-(i), (b)-(ii),(c),(d),(e)*

## Disclosures in Relation to Specific Circumstances

In this section, we provide disclosure on how specific circumstances are integrated into our disclosures throughout the statement. Areas such as time horizons, estimates, value chain estimation, disclosures from other reporting standards, and incorporation by reference underpin our disclosures and are key to both the transparency and consistency of the information provided.

### Time Horizons

The time horizons designations used within the EB DMA process are largely aligned with guidance in ESRS 1, paragraph 77, but also consider BNY's climate-related risk time horizons.

Within the E1 section, it is noted that climate-related risks are currently considered across multiple time horizons that best reflect our risk profile. These time horizons are defined as:

- Short term (0-3 years) risks that are observed to be present now and within the immediate planning horizon
- Medium term (4-10 years)
- Long term (11+ years)

The approach taken reflects the EB's business model and commercial strategy; however, risk impacts are assessed across all time horizons.

ESRS 2-BP-2-9-(a),(b)

**Estimates**

The EB seeks to disclose accurate and reliable data. In certain circumstances where source data is unavailable, estimates and assumptions are applied for calculation purposes; further details are provided in the table below.

The Sustainability Statement does not include any metrics based on value-chain data estimated using indirect sources. In addition, no quantitative metrics or monetary amounts disclosed are subject to a high level of measurement uncertainty.

Topic	Assumption	ESRS References
Climate strategy	The EB, as a subsidiary of BNY, represents a share of the emissions footprint and corresponding strategy to achieve this target, and no formal EB-level target has been set.	ESRS E1-4
For the calculation of energy consumption and GHG emissions	<p>On our locations:</p> <ul style="list-style-type: none"> <li>The real estate footprint includes occupied, owned or leased offices, disaster recovery facilities, data centres, and leased colocation data centres, but excludes colocation data facilities under service contract, tenanted facilities, and subleased spaces (subleases included in scope 3), serviced offices and land parcels.</li> <li>Facility emissions and energy consumption are allocated as proportionate shares based on rentable area in BNY facilities</li> <li>The EB is assumed to drive central data centre emissions in proportion to EB's revenue as a proportion of BNY's total revenue for the reporting year 2025. Emissions and energy consumption related to data centre usage shall be those total emissions of BNY's central data centre emissions multiplied by the share of revenue generated by the EB, relative to BNY.</li> </ul> <p>On our energy:</p> <ul style="list-style-type: none"> <li>Electricity emissions are either directly tracked via utility billing, or more commonly in leased areas, estimated. In some cases we receive indirect submeter billing via landlords which is our preference; in others that information is not available.</li> <li>When energy use data is unavailable either directly or indirectly, we estimate it using the following procedure: where energy is not separately metered or reported by the landlord, based on typical energy use per square foot for similar facilities within our portfolio, 1.75 W/sq. ft. electricity is assumed. No estimation is made for natural gas or other utilities. This methodology yields a more realistic accounting of Scope 2 emissions than would be achieved by excluding those locations.</li> <li>Where metered energy data is known to only cover a portion of the total BNY usage (i.e. where a landlord central plant provides cooling, ventilation, and/or heating), we estimate additional non-metered usage using data from the 2018 CBECS electricity consumption intensities.</li> </ul>	E1-5 and E1-6

ESRS 2-BP-2-10-(a),(b),(c),(d), 11 (a), (b)-(i)(ii)

**Disclosures Stemming from Other Legislation or Reporting Standards**

In accordance with the requirements set forth in CSRD ESRS 2- BP-2-15, no additional information stemming from other legislation, standards, or frameworks has been included in the Sustainability Statement.

ESRS 2-BP-2-15  
 ESRS 2-IRO-2-56

### Cross Reference Data Points and Disclosure Requirements from Sustainability Statement to Management Report

As detailed within ESRS 1, Section 9.1, this Sustainability Statement does cross-refer to other sections of the EB Annual Accounts.

The following disclosure requirements have been incorporated by reference:

Disclosure Requirement	Reference
ESRS 2 BP-1-5	<a href="#">Section 1.2 of the Annual Accounts - Significant Accounting Policies</a>
ESRS 2 SBM-1-40	<a href="#">Section 1.1 and 1.2 of the Annual Accounts - Report of the Board of Directors</a>
ESRS 2 SBM-1-42	<a href="#">Section 1.1 of the Annual Accounts - Report of the Board of Directors</a>
G1-ESRS 2-GOV-1	<a href="#">Section 4.2, 4.4 of the Board of Directors Report</a> and <a href="#">Section 28.1.2 of the Notes to the Consolidated Financial Statements.</a>
ESRS 2 GOV-1-23	<a href="#">Section 4 of the Annual Accounts - Report of the Board of Directors</a>
ESRS E1-6-55	<a href="#">Annual Accounts - (IFRS) Section Consolidated Statement of Profit and Loss and Other Comprehensive Income</a>

ESRS 2-BP-2-16

## Governance

### Role of Administrative, Management, and Supervisory Bodies including Management of IROs

In [Section 4 of the Board of Directors Report](#) and [28.1.2 of the Notes to the Consolidated Financial Statements](#) we provide a comprehensive presentation of the roles and responsibilities of the Board and of the Executive Committee ("ExCo").

#### Gender split on administrative, management and supervisory bodies

Gender	2025	2024
Male	50%	64 %
Female	50%	36 %
Other	0%	0 %
Not Disclosed	0%	0 %

	2025	2024
Percentage of independent board members in administrative, management and supervisory bodies	33 %	36 %
Number of Executive Members	4	4
Number of Non-Executive Members	8	7
The Board's gender diversity ratio	50 %	36 %

*ESRS 2-GOV-1-21-(a),(c),(d),(e)*

There are no employees and/or other workers represented in the EB ExCo and/or Board.

The oversight structure of material Impacts, Risks and Opportunities ("IROs") for the EB consists of the Board, advisory committees of the Board, the ExCo and the ESG Council. The EB has developed a Terms of Reference for both the Board and the ExCo, and the ExCo has established an ESG Council to advise it.

#### The Board

The Board's Terms of Reference set out its primary responsibilities, including defining the company's strategy and risk policy, supervising management, and overseeing compliance with applicable laws and regulations. In respect of this Sustainability Statement, the Audit Committee ("AC") of the Board reviewed and approved the material IROs that emerged from the DMA.

#### The Executive Committee

The ExCo plays a critical role in governance processes, controls, and procedures, facilitating effective monitoring, management, and oversight of IROs as detailed throughout this disclosure. EB's ExCo governance structure addresses ESG-related matters, as detailed below:

- The ESG Council advises the ExCo on ESG matters, specifically identifying and managing ESG risks for the EB, and assists the ExCo in its oversight of the EB's

adherence to regulatory expectations, including ESG-related disclosures. The ESG Council derives its authority and mandate from the EB ExCo. Its membership is based on seniority in the coverage area and on the ability of the members to advise the EB's ExCo on the implications of ESG matters in their coverage areas. This brings together a broad cross-section of the 1st, 2nd, and 3rd Line of Defence ("LoD"). This Council interacts with the BNY group-level Sustainability Strategy Integration Council ("SSIC"), which meets monthly, so activities are coordinated across the enterprise.

- The Risk Management Committee assists the ExCo in fulfilling its responsibilities which include specific consideration of ESG risks; the Terms of Reference of the committee formally reflect this.
- The Asset and Liability Committee oversees liquidity management, including liquidity crisis management and liquidity stress testing (which encompasses climate and environmental related risks, to the extent applicable) as set out in the Terms of Reference.
- The Capital and Stress Testing Oversight Group ("CSTOG") is a working group covering Internal Capital Adequacy Assessment Process ("ICAAP") and within that remit it also covers ESG stress tests to the extent they are included in ICAAP.

The EB has adopted a range of policy updates cascaded from the BNY group-level that embed climate and/or ESG considerations into business-as-usual risk management. Each policy establishes a requirement for ESG-related risks to be specifically and explicitly considered within all applicable risk management processes, including those relating to risk identification, risk assessment and quantification (including stress testing), and business-as-usual management to meet our regulatory obligations.

Dedicated 1st (business function), 2nd (Risk and Compliance), and 3rd (Internal Audit) LoD responsibilities are in place to provide support in developing the EB's ESG strategy, assessing and managing ESG risks, and identifying opportunities where relevant.

*ESRS 2-GOV-1-22-(a), (b), (c)-(i) (ii) (iii), (d)*  
*ESRS 2-GOV-1-21-(b)*

## **Board-level Expertise**

The Board members possess expertise in governance, risk and compliance oversight, finance, people management, strategy, industry skills (banking, financial services, etc.), government/regulatory affairs, digitalisation and technology, business administration, operational experience, innovation, client focus, and ESG experience, enabling effective oversight of the EB's material IROs.

Experience in climate-related initiatives and broader ESG experience is captured in the Collective Board Skills matrix. It is reviewed by the EB Nomination and ESG Committee ("NoESGCo") and presented to the Board. Additionally, there is a periodically updated training plan for board members on different areas that includes ESG topics. This allows the Board to stay informed about the latest developments and best practices in ESG and other relevant areas.

For more information, please refer to [Section 4.4 of the Board of Directors Report](#).

*ESRS 2-GOV-1-23(a)(b)*  
*ESRS 2-GOV-1-21-(c)*

## Information Provided and Sustainability Matters Addressed by the Undertaking's Administrative, Management and Supervisory Bodies

The Board meets at least quarterly and receives updates from the ExCo and the above mentioned committees with respect to sustainability risks, providing effective oversight from the Board. The Board approved the following activities/reports where climate impacts are considered:

- Annual Strategy refresh;
- Annual Risk Appetite Statement ("RAS") refresh;
- ICAAP;
- The EB Annual Accounts which includes the Sustainability Statement; and
- Pillar III Report.

The EB has defined key risk indicators ("KRIs") that are used as part of monitoring and management of climate and environmental-related risks. A sustainability risk report is produced quarterly and provided to the ESG Council, ExCo and the NoESGCo for use in periodic review, monitoring and management of these risks. By incorporating ESG considerations into our regular reporting processes, our governance bodies are well-informed and able to make decisions that consider ESG relevant factors.

In addition to identifying specific sustainability risk-related vulnerabilities and ongoing monitoring of exposures in these categories, several processes have been developed that apply enhanced due diligence and governance to activities that may have climate and environmental risk implications. For further information please refer to [Identifying Impacts, Risks, and Opportunities for Environment, Social and Governance Risks](#)

To support the consideration of climate and environmental sustainability risks and opportunities across business operations and decision-making, the ExCo is assigned a Climate and Environmental Sustainability goal, which is evaluated using measurable metrics, as approved by the Remuneration Committee ("RemCo"). The assessment of these metrics for the EB ExCo and potential impact on their remuneration is embedded in the performance management process ("PMP") and subsequent incentive differentiation guidance. For more information, please refer to the [Incentive schemes section](#).

*ESRS 2-GOV-2-26-(a)(b) ESRS 2-GOV-5-36-(e)*

## Material Impacts, Risks and Opportunities Addressed

As mentioned above, the EB Board recognises the importance of sustainability related IROs and receives regular reporting that supports the management of the EB's risk profile.

Below includes the IROs identified as part of the DMA in 2024, which were assessed for relevancy in 2025. Minor language updates were made to align with group messaging.

	Environmental
	Non-ESRS
	Social
	Governance

Material Topic	IRO Description	Classification	Actual or Potential Impact <sup>17</sup>	Value Chain <sup>18</sup>	Time Horizon
Climate Change Adaptation	Potential non-compliance: Failure to meet rapidly emerging requirements for classification and disclosure of climate related risks in multiple jurisdictions could lead to regulator fines or sanctions.	Risk	—	UOD	Short
GHG Emissions (Scope 1 & 2)	Negative Environmental Impact: Emissions produced, either directly or indirectly, by BNY contribute to increased concentrations of greenhouse gases which contributes to climate change and associated consequences, leading to more frequent and severe weather events.	Negative Impact	Actual	O	Medium
GHG Emissions (Scope 1 & 2)	Negative Social Impact: Emissions produced, either directly or indirectly, by BNY contribute to increased concentrations of greenhouse gases in the atmosphere posing threats to human health and safety by way of reduced air quality, rising temperatures, severe weather events, and more.	Negative Impact	Actual	O	Short
	Emission reduction through consortiums: investment in and involvement with energy consortiums (a group or association of organisations for energy conservation) can provide access to industry expertise and synergies and aid in reduction of emissions efficiently and also increase market presence.	Opportunity	—	O	Medium
Energy Consumption	The consumption and extraction of non-renewable energy contributes to GHG-emissions. Increased concentrations of GHG in the atmosphere contribute to rising temperatures which can impact the climatic stability of global ecosystems through changing weather patterns, frequency of natural disasters, etc.	Negative Impact	Actual	O	Short
	Non-renewable energy consumption depletes natural resources, compromising availability for future generations.	Negative Impact	Actual	UO	Short

<sup>17</sup> No material potential impacts were identified

<sup>18</sup> U — Upstream, O — Own Operations, D — Downstream

Material Topic	IRO Description	Classification	Actual or Potential Impact <sup>17</sup>	Value Chain <sup>18</sup>	Time Horizon
Innovation & Technology	Advanced technology may enhance the security of financial transactions, offering greater protection to clients from fraud and cyber threats.	Positive Impact	Actual	OD	Short
	Personalised products and services: technological developments present opportunities related to financial services to develop products and services with advanced personalisation options to better support clients' needs and better manage risk.	Opportunity	—	O	Medium
	Automation and efficiency: By investing capital in artificial intelligence ("AI"), automation and efficient processes, the bank can save on operating costs, while ensuring consistent productivity which could lead to better quality of services.	Opportunity	—	OD	Short
Thrive Together	A workplace culture that is focused on belonging enables people to feel included and valued for who they are. Fostering belonging continues to be an important element of powering our culture. Creating an environment where everyone belongs is essential – that's how we succeed.	Positive Impact	Actual	O	Short
	Increased innovation and creativity: The workforce can bring broader perspectives and ideas, boosting innovation, problem-solving and the development of new products and services.	Opportunity	—	O	Medium
	Greater customer reach: By integrating a strategic approach to belonging into the business, the Bank can create marketing strategies, etc. that can tap into a wider market, which can result in greater revenues.	Opportunity	—	OD	Short

Material Topic	IRO Description	Classification	Actual or Potential Impact <sup>17</sup>	Value Chain <sup>18</sup>	Time Horizon
Thrive Together	Improved employee experience and culture: Having an environment where all people can fully contribute, can be themselves and can share their different perspectives, makes good business sense. It's the best way to think through issues, bring together different points of view and quickly solve problems.	Opportunity	—	O	Short
	Improved workplace decision-making: Workplaces and teams that consider different viewpoints can lead to more thoughtful decision-making and more thorough problem-solving.	Opportunity	—	O	Short
Workers' Rights	Maintaining employee workers' rights, including respecting working hours, allowing for freedom of association and collective bargaining, as well as secure employment, contributes to employee mental health, wellbeing and economic stability.	Positive Impact	Actual	O	Short
	Increased labour and operating costs: Secured employment/collective bargaining, including social protection, may lead to higher labour costs due to increased full-time employees with higher wages, overtime pay, benefits, and additional payroll tax/workers' compensation premiums, which can impact the profitability of the business.	Risk	—	O	Medium
Training & Skills Development	The investment in training and development in our own workforce leads to advanced skill sets, efficiencies, professional development, increased employability and innovation.	Positive Impact	Actual	O	Short
	Without training BNY employees may fall behind from a skills and knowledge standpoint. Consequently, BNY could miss out on appropriately skilled and experienced talent which helps to achieve our strategic priorities.	Risk	—	O	Medium
Supply Chain Management	By including environmental considerations in supplier selection, BNY can encourage its suppliers to consider practices such as reducing greenhouse gas emissions and mitigating climate change risk.	Positive Impact	Actual	U	Medium

Material Topic	IRO Description	Classification	Actual or Potential Impact <sup>17</sup>	Value Chain <sup>18</sup>	Time Horizon
Supply Chain Management	The implementation of effective supply chain management practices can influence suppliers to adopt fair labour practices. A commitment to fair labour standards, compliance with human rights, and modern slavery standards.	Positive Impact	Actual	UOD	Medium
	Operational resiliency: Prioritising supply chain coordination and encouraging suppliers to use industry questionnaires and third-party management frameworks to assess and monitor vendor's physical risk can aid in improving BNY's operational resiliency posture.	Opportunity	—	UOD	Short
Corporate Culture	Robust Corporate Structure: Creating a strong corporate culture helps in better decision-making and reduces bias, thereby resulting in strategic alignment with BNY's principles.	Opportunity	—	O	Short
Privacy & Data Security	Loss of trust: As business-to-business transactions require robust data privacy policies and practices, the lack of policies and infrastructure could lead to a loss of business leading to operational disruptions and loss of profitability.	Risk	—	UOD	Short

ESRS 2-GOV-2-26-(c)

### Incentive schemes

	2025	2024
Percentage of remuneration recognised that is linked to climate related considerations	Up to 100% of variable remuneration for the members of the ExCo.	Up to 100% of variable remuneration for the members of the ExCo.
Percentage of variable remuneration dependent on sustainability-related targets and (or) impacts	Up to 100% of variable remuneration for the members of the ExCo.	Up to 100% of variable remuneration for the members of the ExCo.

The BNY Corporation Discretionary Incentive Compensation Plan applies to BNY globally, including the EB and all other subsidiaries. Whilst the plan is discretionary, its key attribute is to recognise and incentivise those who consistently excel in their roles and contribute to the success of the organisation as well as motivate future performance and retain key people. This is achieved through consistent and strong incentive differentiation guidelines, based on an assessment of the individual's performance, as measured against the PMP.

The EB is operating with one remuneration policy which sets out the remuneration principles that are applied within the organisation to contribute to sound and effective risk management.

In addition, for the members of the EB ExCo, their performance assessment includes a qualitative environmental/climate goal to foster the EB's ESG-strategy. Members of the EB ExCo are collectively assigned a combination of sustainability-related metrics, focusing on emission thresholds, emission reduction/energy consumption goals and climate adaptation risk management.

The sustainability metrics are assessed through the PMP, where executive directors are evaluated against the Climate/Environmental goal.

On a yearly basis, the Board's NoESGCo and the RemCo jointly review the assessment metrics and determine whether the executive directors' collective performance meets the established criteria, resulting in a "pass" or "not pass" outcome. While the Climate and Environmental goal forms part of the performance review, it does not carry a numerical weighting and is assessed on a binary scale only.

The outcome of this assessment directly influences variable compensation. A "not pass" rating triggers a negative adjustment to the executive director's prospective award for the performance year, meaning the ESG evaluation operates as a gatekeeper mechanism with a direct impact on compensation results.

*ESRS 2-GOV-3-29,(a),(b),(c),(d),(e)*  
*E1-ESRS 2 GOV-3-13*

## 7 Statement on Due Diligence

See table below for details on mapping of information provided in the Sustainability Statement about due diligence processes.

Core Elements of Due Diligence	Paragraphs in the Sustainability Statement
a) Embedding due diligence in governance, strategy and business model	ESRS 2-IRO-1-53-(b)-(i), (ii)
b) Engaging with affected stakeholders in all key steps of the due diligence	ESRS 2-IRO-1-53-(b)-(iii), (iv)
c) Identifying and assessing adverse impacts	ESRS 2-IRO-1-53-(b)
d) Taking actions to address those adverse impacts	ESRS G1-2-15-(a)
e) Tracking the effectiveness of these efforts and communicating	ESRS 2-GOV-2-26-(a)

*ESRS 2-GOV-4-30*  
*ESRS 2-GOV-4-32*  
*ESRS 2-GOV-4-AR 10-(a),(b),(c),(d),(e)*

## Risk Management and Internal Controls

The EB has instituted risk management and internal control processes over sustainability reporting to support the accuracy, completeness and reliability of the Sustainability Statement. The key risk identified in relation to sustainability reporting is the risk of misstatement of data, and mitigation strategies have been implemented through an internal control procedure designed to address this risk. These processes operate across the sustainability reporting lifecycle and are supported by defined governance arrangements and clear accountability for sustainability data.

Accountability for sustainability information is embedded through defined roles and structured review mechanisms, including independent review and attestation over reported information. Sustainability reporting risks are identified using a risk assessment to inform the focus and extent of review and control activities, supporting the quality and reliability of both quantitative and qualitative disclosures.

The results of internal controls procedures are reported to the EB Executive Committee and the EB Audit Committee, which provide formal governance oversight and review of the Sustainability Statement prior to publication. In addition, the Sustainability Statement is externally assured.

Please see [section 4.2. Composition and Activities of the Board and its Committees](#) for additional information around oversight of ESG matters.

*ESRS 2-GOV-5-36-(a),(b),(c),(d),(e)*

## Strategy

### Strategy, Business Model and Value Chain

Below outlines the key elements of the EB's general strategy that relate to or affect sustainability matters and how our business model and value chain are considered.

Through our sustainability strategy we manage our company with a focus on resilience; we operate to enable an inclusive, sustainable and trusted financial system. We empower our clients and partners with solutions that help meet their own sustainability objectives. To do this, we consider where we have the greatest opportunity to create value for our clients and where we can proactively and appropriately manage the effects of our business on the environment and communities where we operate, as well as the effects these factors can have on our business.

Within our own operations, we prioritise understanding and managing our environmental footprint, from our emissions to our building standards and our efficient use of natural resources. We look to promote a workplace where people can thrive and in turn spark progress in their communities. Given the increase in regulatory requirements and severe weather events globally, environmental and community considerations are increasingly important for us and for our financial sector clients. Finally, we remain focused on responsible business practices to remain a trusted partner to our clients and other stakeholders.

We consider where we have the greatest opportunity to create value, how we appropriately manage the impacts the business may have on the environment and communities where we operate, as well as the impacts that sustainability factors can have on our business, considering risks as well as business opportunities.

The EB aligns its strategy with guidance from the group level while contributing insights and driving initiatives that contribute to shape the overall strategic direction.

Guided by the BNY group-level approach, the EB applies a sustainability approach which leverages our people, driving responsible business practices and supporting communities directly supports our missions and our clients.

We are working to reduce the GHG emissions footprint of our operations, identifying and managing ESG-related IROs, increasing transparency to our stakeholders and working closely with our clients to support them in their own activities.

With respect to amendments to our strategy and/or business model, the EB's strategy broadly aligns with views from stakeholders gathered through the DMA (please refer to [Outcome of Materiality Assessment](#)). We will continue to embed the treatment of identified impacts, risk and opportunities across our operating model and governance processes.

Please refer to the [Services and Products section of the Report of the Board of Directors](#) for a description of the groups of products and services offered by the EB. There were no significant changes from prior year. No single product or service which is connected with a material impact or risk identified through the DMA and we do not offer products that have been subject to a ban in certain markets.

The EB does not currently have any sustainability-related goals for significant groups of products and services, customer categories, geographical areas and relationships with stakeholders. The EB Board adopted a sustainability strategy which sets forth the direction of the EB in relation to environmental sustainability with a focus on climate and environmental topics.

As the ESRS Sector Specific Standards have not been published, the EB is unable to disclose significant ESRS sectors.

*ESRS 2-SBM-1-40-(a)-(i)(ii)(iv),(e),(f),(g)*

*ESRS 2-SBM-1-41*

*ESRS 2-SBM-1-45-(c)*

## **Business Model**

Please refer to [Section 1.1 Business Model of the Report of the Board of Directors](#).

*ESRS 2-SBM-1-42*

## **Value Chain**

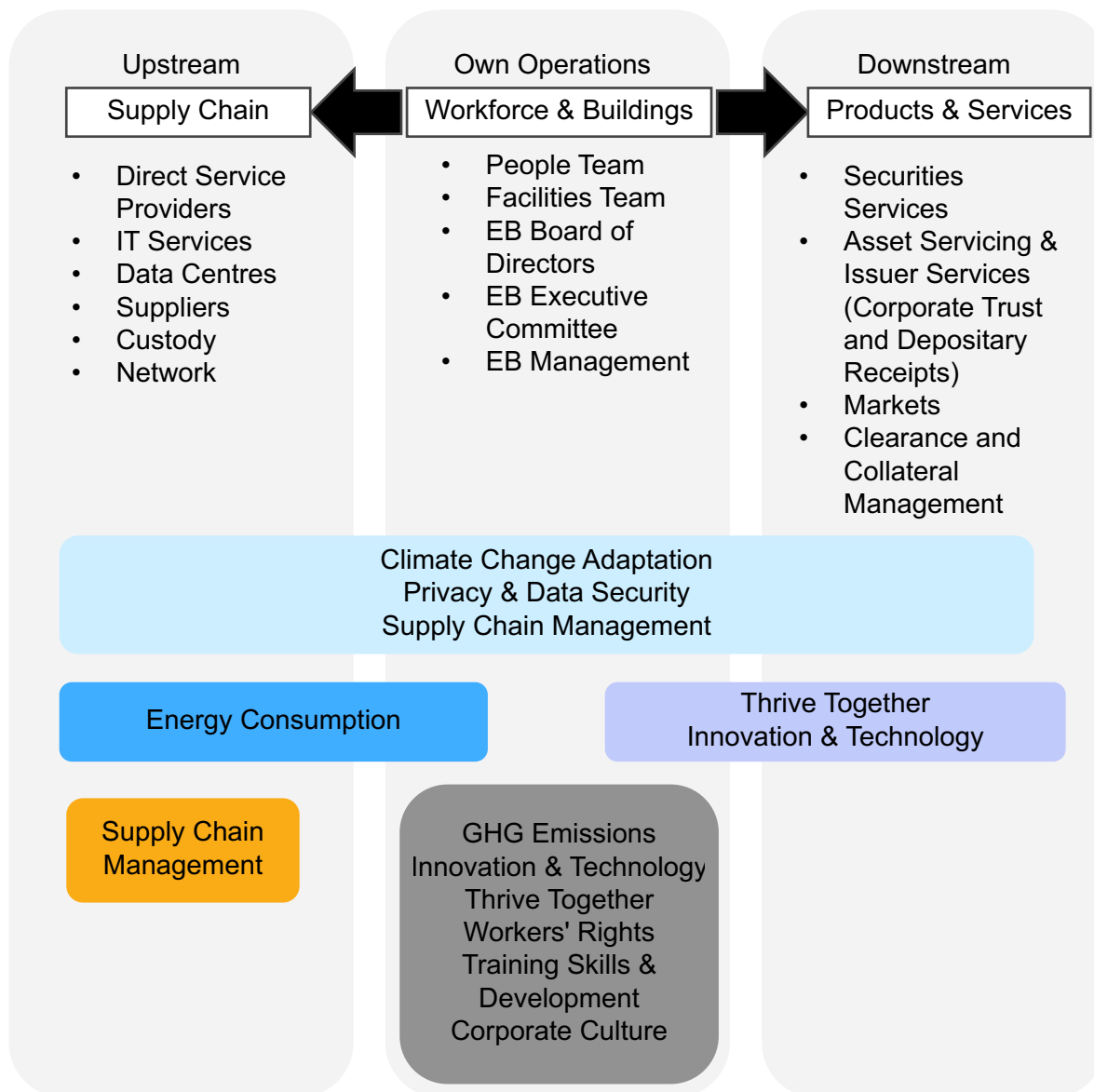
EB performed a value chain mapping exercise to understand relevant upstream, own operations, and downstream considerations, including key business activities, dependencies, and potential impacts. The results were informed by publicly available information, internal documentation and discussions with internal stakeholders.

In conducting the review, the EB considered the following:

- EB's business model is largely consistent with BNY's group-level strategy, while acknowledging differences between the BNY and EB's business models;
- The nature of the EB's business related to the financial services industry and its regional operations;
- The majority of the EB's clients are large corporations and financial institutions;
- EB is not active in lending, and BNY is the largest supplier to the EB.

As the EB does not engage in lending or investment activities, the value chain analysis centres on tier-one relationships, both upstream (key suppliers) and downstream (clients and service delivery), where the potential material IROs are most likely to arise.

In order to ascertain the potential material IROs across the value chain, the EB incorporates stakeholder perspectives and integrates relevant information accordingly.



ESRS 2-SBM-1-42-(a),(b),(c)  
 ESRS-2-E1-IRO-1-20-(b)(c)

### Stakeholder Engagement

Our DMA approach engaged a set of stakeholders across the EB and BNY. The following section summarises our stakeholder engagement approach.

## Overview of Internal and External Stakeholders

- Internal stakeholders: Board of Directors, Legal, Strategy department, People Team, Investor Relations, BNY Sustainability Hub, Real Estate, Enterprise Sourcing Office, ESG Risk, Corporate Finance and other relevant employees.
- External stakeholders: Proxies for Investors, Customers and Clients, Independent EB's Board members and Governments/Regulators. Desktop research was performed for suppliers and sub-custodians.

## Selection and Engagement Process

- Internal stakeholder selection: internal stakeholders were identified for their expertise and responsibility for managing, monitoring, and mitigating risks and actioning opportunities.
- Engagement plan: Identified stakeholders were mapped to potential material topics, an educational session was hosted for those stakeholders. Pre-read materials and scoring decks were developed and distributed to stakeholders.
- Workshop and Scoring: In 2024, over 20 internal stakeholder workshops were held to score the IROs related to the potentially material topics. Each session began with an overview of the double materiality concept and the IRO scoring process, including a review of the topic(s) and definition(s) related to the IROs being scored in each session. Participants were provided with an opportunity to offer input on IROs and raise any additional topics they believed may be missing. IROs were then scored individually, leveraging the applicable rubric, and internal stakeholders were also asked to provide insights on whether the IRO was actual or potential, value chain implications, and time horizon considerations when applicable.
- Validation meetings were hosted to engage leadership and align on draft results that included the EB Board and EC members. Throughout the stakeholder engagement process, insights were received from SMEs of the EB, both for the global group perspective as well as from the European perspective.
- For external stakeholders, credible proxies were identified who could appropriately represent key stakeholders, both affected stakeholders and/or users of Sustainability Statements that could weigh in on the relevancy of the potentially material topics and their initial materiality determination. Each proxy group provided insights on the potentially material topic from the perspectives of the groups they represented, and each group suggested topic scoring changes accordingly. Proxy interviews were held for the following stakeholder groups:
  - Investors;
  - Customers and clients; and
  - Governments/regulators

Desktop research was conducted for:

- Suppliers; and
- Sub-custodians.

The EB plans to continue to incorporate the outcomes of the stakeholder engagement as part of the DMA process into related processes and policies.

*ESRS 2-SBM-2-45-(a)-(iv), (v)*  
*ESRS 2-SBM-2-45-(a), (i), (ii), (iii)*

## Interests and Views of Stakeholders

Our strategy and business model undergo a periodic reassessment to reflect evolving market conditions, including new technologies, customer needs, competitive pressures, and emerging opportunities.

The stakeholder-informed approach identified potential material topics that provide a useful framework for IRO considerations and assessment.

The EB found that many of the IROs identified are within the scope of the current business model and strategy and will continue to monitor and assess ways to further incorporate them. The outcome of the DMA, and ongoing stakeholder engagement will continue to inform the EB strategy going forward.

Identified material topics were considered from all aspects, including from the perspective of existing Enterprise Risk Management ("ERM") processes, strategy and Lines of Business ("LoB")/Platforms and will inform the development of our own organisational goals.

Potential changes in relationships and stakeholder expectations are monitored through existing engagement channels, informing the ongoing evolution of EB's business model and our understanding of related IROs.

The administrative, management and supervisory bodies that are informed about views and interests of stakeholders within the EB include the EB ESG Council that considers and recommends issues related to sustainability to the EB ExCo. Please refer to the [Governance section](#) for additional details.

At the group level, BNY has convened the SSIC that has high level participation from stakeholders across the group, including the EB. These councils escalate to the EB Board and, separately, to the Sustainability Steering Council.

*ESRS 2-SBM-2-45-(b), (i)-(iii), (d)*

## Material impacts, risks and opportunities and interaction with strategy and business model

The EB's identified IROs are largely aligned with its current business strategy and actions. Please refer to [ESRS 2-GOV-2-26-\(c\)](#) for a complete list of IROs identified through the DMA process that are covered by ESRS Disclosure Requirements and those identified as entity-specific disclosures.

The methodology for the 2024 DMA was developed in accordance with ESRS 1 requirements for identifying and assessing material IROs.

As a subsidiary, EB's business strategy and value chain are substantially aligned with the BNY group-level approach, with disaggregation approach used only to capture subsidiary-specific context, nuances and any differences.

In performing the DMA we engaged subject-matter experts across business units and geographical locations and affected stakeholders (through proxies). [Please refer to the Stakeholder engagement section](#).

The EB's primary business activities and value creation methods were categorised as either upstream operations, own operations or downstream operations. In categorising, considerations were made to the nature of the EB's business related to the financial services industry and its regional operations. Consideration was also made for the fact that the client base of EB consists of international institutional clients investing in or issuing financial assets.

The IRO's materiality assessment covered EB's own operations, upstream and down-stream value chain, focusing on tier-one relationships (upstream and downstream) as described above.

There were no material changes to the IROs compared to the 2024 reporting period. We will evaluate and consider if any amendments to the business model are required from the DMA results in 2026. GHG emissions are a primary factor in climate change and were identified as a material impact for the EB. Climate events will impact people and the environment negatively over time. Please refer to [E1](#) where we disclose our Scope 1 and 2 emissions.

There is no significant risk of a material adjustment within the next annual reporting period to the carrying amounts of assets and liabilities reported in the related financial statements.

*ESRS 2-SBM-3-48-(a),(b)(c)-(i),(g),(e),(h)*

### How impacts are connected to the EB's strategy and business model

Material Topic	Impact	Connection to Business Model
GHG Emissions (Scope 1 & 2) and Energy Consumption	Negative Environmental Impact	Energy consumption is necessary for the EB's operations, and reducing emissions is a key aspect of the transition to a low-carbon economy.
GHG Emissions (Scope 1 & 2) and Energy Consumption	Negative Social Impact	The EB aims to support the well-being of its employees, customers and the communities it serves.
Innovation and Technology	Positive Social Impact	Providing secure financial services is a fundamental aspect of the EB's operations.
Thrive Together	Positive Social Impact	The EB recognises the importance of a thriving workforce in driving innovation, improving decision-making and enhancing employee engagement.
Workers' Rights	Positive Social Impact	Skilled and motivated workforce is essential for the EB's success.
Training and Skills Development	Positive Social Impact	The EB recognises the importance of a skilled workforce in driving growth and innovation.
Supply Chain Management	Positive Environmental Impact	The EB recognises the importance of sustainability in its operations and supply chain.
Supply Chain Management	Positive Social Impact	The EB aims to contribute to the well-being of the communities it serves.

Please refer to [ESRS 2-GOV-2-26-\(c\)](#) for a complete list of IROs.

As described above, EB's strategy and business model demonstrates resiliency. This capacity is reflected in the integration of material IROs into our strategic priorities, supporting adaptability and long-term value creation.

*ESRS 2-SBM-3-48-(f)*

## Negative Impacts

The EB predominately provides clients with services that facilitate their financial activities but does not directly provide committed or term funding to those activities. As such, the EB's profile is significantly different in comparison to other banks with long-term lending portfolios or those that engage in extensive traditional corporate or retail banking, or trading activities.

Through our DMA, we identified negative impacts along with their corresponding time horizon; please refer to [ESRS 2-GOV-2-26-\(c\)](#) for these.

*ESRS 2-SBM-3-48-(c)-(ii), (iii), (iv)*

## Impact, Risk and Opportunity Management

### Materiality Assessment Process

To complete this disclosure, we have adhered to the requirements ESRS 1 chapter 3 to complete the DMA. These requirements have been addressed across various sections of this document and have provided a comprehensive view of our sustainability initiatives and efforts.

### Process to identify and assess material IROs

In 2024, the EB conducted its first DMA, aligned with CSRD and the ESRS reporting standards. In 2025, the EB performed a relevancy analysis to assess whether the 2024 DMA outcomes remained appropriate for the current reporting period. In doing so, the EB took into account the criteria set out in ESRS 1 for the identification of material IROs, and considered, among other factors, changes in its organisational and operational structure, business model, relevant external developments, and input from subject matter experts, supported by existing internal control and monitoring processes.

Based on the procedures performed, the EB did not identify any changes it considered material to the conclusions of the 2024 DMA for the purposes of 2025 reporting. The outcome of the relevancy analysis was reviewed and approved through the EB's formal governance process, including ExCo, the Audit Committee and, ultimately, the Board.

Accordingly, the DMA process described below reflects the 2024 assessment, which the EB has determined remains appropriate to rely upon following the 2025 relevancy analysis.

The EB utilised a DMA to identify and evaluate sustainability IROs in accordance with the CSRD, ESRS and EFRAG's IG 1 guidance. The DMA process was carried out at BNY group level, taking into account specific considerations for the EB. We used several methodologies as outlined in the DMA guidance; these included peer benchmarking, the list provided in the ESRS, industry and government reports, global standards, government regulation and internal reports identified by management. This list is not exhaustive, and the ESRS standards encourage companies to consider additional entity-specific topics. No assumptions were applied within the process to identify IROs.

The DMA encompassed two dimensions: impact materiality and financial materiality. A sustainability matter was deemed materially significant if it was relevant from the impact perspective, the financial perspective or both.

Impact materiality referred to the EB’s actual or potential positive or negative impacts on people or the environment over the short, medium, and long term. This included impacts stemming from own operations, the upstream and downstream value chain, products and services, as well as business relationships. Negative impacts were evaluated based on severity and likelihood, while positive impacts assessed based on severity and scope.

Financial materiality involved sustainability matters that generated risks or opportunities affecting the EB’s financial position, performance, cash flows, access to finance, or cost of capital over the short, medium, or long term. The materiality of risks and opportunities were assessed based on likelihood and potential magnitude of financial effects.

The outcome of the DMA guided the topics disclosed in this Sustainability Statement, aligned with the ESRS reporting standards.

### DMA Approach

- Step A: Understand the context — Topic Identification and Value Chain Analysis
- Step B: Identify actual and potential IROs — Identification of IRO and Stakeholders
- Step C: Assess and Determine IROs — Stakeholder Engagement, Impact Materiality Assessment, Financial Materiality Assessment
- Step D: Report on Process and Outcome — Document double materiality results and approach in line with ESRS requirements.

A total of 10 topics were deemed material from the EB perspective at the conclusion of the DMA, including financially material topics, impact material topics and those that are both financially and impact material, as shown below:

Current Material Topics (10)	Impact		Financial	
	+	-	R <sup>1</sup>	O <sup>2</sup>
<b>Environmental (3)</b>				
Climate Change Adaptation			R	
GHG Emissions (Scope 1 & 2)		-		O
Energy Consumption		-		
<b>Social (3)</b>				
Training and Skills Development	+		R	
Thrive Together	+			O
Workers' Rights	+		R	
<b>Governance (3)</b>				
Corporate Culture				O
Privacy and Data Security			R	
Supply Chain Management	+			O
<b>Non-ESRS (1)</b>				
Innovation and Technology	+			O

<sup>1</sup> Risk

<sup>2</sup> Opportunity

As described above, for 2024 the decision-making process of material IROs involved several stages, including identification, assessment and prioritisation of IROs. A cross-departmental team including ESG Risk, Compliance and Legal collaborated to identify IRO’s related to climate, environmental, governance and social matters — which were then scored by

relevant stakeholders. The EB ESG Council, ExCo and Audit Committee reviewed and approved the DMA process. The final outcome of the DMA was ultimately approved by the EB Board. In 2025, the DMA relevancy analysis underwent the same governance process.

The EB established internal controls so that ESG risks are properly identified, assessed and managed. These controls include an ESG risk management framework that outlines the steps involved in identifying, assessing and managing ESG risks, as well as ESG reporting which tracks quarterly ESG performance indicators, including ESG due diligence's issues, as relevant.

The process to identify, assess and manage IROs has not changed compared to prior reporting period.

*ESRS 2-IRO-1-53- (a)(d),(h)*

### **Step A**

Targets intended to support the achievement of strategic objectives are set at the group level by BNY's Sustainability Hub and approved by the BNY Executive Committee.

*ESRS 2-IRO-1-53-(g)*

The EB's value chain considers the breadth of the EB's business model, including its supply chain, direct operations, and products and services. The first step in conducting the DMA was understanding the scope of the EB's activities to be analysed for IROs. Boundary considerations included considering operational control, tier 1 suppliers upstream and direct relationships downstream. For the upstream value chain, industry and geography is considered based on the supplier's sourcing location and sector. For the downstream value chain, industry is considered based on the bank's client and/or the beneficiary of the product or service. Geography is considered only when relevant based on the products the bank is offering. The current approach taken by the EB was to focus on first-tier relationships given that EB's business model is mainly a custody bank, and it is unlikely that activities lower down the value chain would have a material impact/influence on the activities of EB or that the EB could have a material impact/influence on them.

Actual and potential risks and opportunities relevant to each of the short-listed topics were surveyed using various sources from the EB and the identified peers including Financial Statements, Management reports, Climate Disclosure Project ("CDP") reports, ESG reports, and annual reports. Other industry sources, such as the Sustainability Accounting Standards Board ("SASB") Asset Management & Custody Activities standard, were also consulted. The EB's value chain was leveraged in the identification of relevant sustainability matters (topics) and IROs.

*ESRS 2-IRO-1-53-(b)-(i), (c)*

*ESRS E1-ESRS 2 IRO-1-20-(c)*

### **Step B**

The EB has assessed its impacts on people and the environment during the 2024 DMA process and subsequently validated during the 2025 relevancy analysis. We will continue to consider key areas identified during our organisational goal setting exercises. The due diligence processes used during the DMA were primarily the ERM, Business Appetite

Framework ("BAF") and Third-Party Risk Management Framework ("TPRMF") processes cited below.

As described in [SBM-2](#), we utilised proxies for our external stakeholders, including for investors, customers and clients, and governments/regulators. In addition, desktop research was performed for suppliers and sub-custodians. These proxies included EB Board Independent non-executive directors, investor relations, and government relations. Key stakeholders who were able to provide their understanding of collective viewpoints.

*ESRS 2-IRO-1-53-(b)(ii)*

## **Step C**

### **Scoring Determination**

The scoring method for impact and financial materiality is as follows:

For financial materiality, each risk or opportunity's magnitude was scored by averaging its applicable financial, operational, client, reputation and compliance/regulatory magnitude and multiplying by the likelihood score. The highest of all the individual risk and opportunity scores for a given topic were taken to determine the final topic-level financial materiality score.

Each impact's severity was scored by averaging its scale, scope and irremediability (as applicable). For potential impacts, the severity was then multiplied by the likelihood score. For actual impacts, the severity was multiplied by the highest likelihood score (3). The highest of all the individual impact scores for a given topic was taken to determine the final topic-level impact score.

To align with the ESRS's guidance that "in the case of potential negative human rights impact, the severity of the impact takes precedence over its likelihood," where relevant, the impact materiality scoring formula described above would be manually overridden so that the topic's likelihood score was replaced with its severity score, resulting in a higher placement on the matrix.

The scoring scale for the assessment was 1-3, with 1 being the least impactful and 3 being the most impactful.

### **Threshold Determination**

The ESRS does not prescribe specific quantitative thresholds for determining impact materiality or financial materiality. Accordingly, separate thresholds were established for each dimension, reflecting the different risk tolerances applied to external impacts and to enterprise-level risks and opportunities within the EB.

Impact materiality and financial materiality were assessed using defined scoring rubrics designed to support a structured and consistent evaluation. For each dimension, thresholds were applied to identify impacts, risks, and opportunities considered material, based on the relative severity, likelihood, and relevance to the EB.

To support consistent visualisation and comparison within the materiality matrix, assessment outcomes were normalised to a common scale. The resulting thresholds are aligned with the

EB's ERM framework and represent levels considered indicative of material impacts or material risks and opportunities for the organisation.

EB determined its impacts in consideration of the associated dependencies, risks, and opportunities through a rigorous scoring process. For example, an impact materiality scoring rubric was created for use in the engagement. The impact scoring rubric incorporated the elements of scale, scope, and irremediable character (for negative impacts). A scale of 1-3 (low-high) with half-point increments for further differentiation was used, in alignment with BNY's existing ERM and financial materiality scoring criteria.

To assess financial materiality, the EB leveraged the scoring from the BNY ERM process. In addition, financial thresholds were used based on our ERM process which is focused on risk. For opportunity, thresholds were developed in consultation with senior stakeholders, that were proportional to the EB's relative size as compared to the group. The risks and opportunities were scored in workshops and validated through internal processes.

*ESRS 2-IRO-1-53-(b)-(i)(ii)(iii)*

*ESRS 2-IRO-2-59*

## **Sustainability-related Risks**

To meet regulatory expectations, the EB considers climate, environmental, and other social and governance risks, as potential drivers that impact both financial risks (such as Credit, Market and Liquidity risks) and non-financial risks (such as Operational and Strategic risks). ESG risks are assessed through the dedicated ESG Risk Driver Materiality Assessment ("RDMA") process (detailed below) and their potential impact on all risk categories is an input to other key processes of the EB such as the Risk Identification Process.

Prioritisation and considerations of sustainability-related risks can be observed and evidenced through the ESG RDMA, providing extensive details on the EB's ESG risks and their potential impact on any of the risk categories included in BNY's Enterprise Risk Management Framework. The EB's approach to ESG risk management, consistent with BNY's Enterprise Risk Management Framework, includes making enhancements to, embedding within existing, or developing new processes and tools to consider and manage ESG risks. For social and governance-related risk considerations, BNY may leverage business-as-usual ("BAU") practices across the firm such as the People's team, Legal, Risk, and Compliance, including processes for identifying, assessing, and managing these risks. Since the management of climate and environmental risks requires considerations outside of our BAU risk management (e.g., longer time horizons, different concepts for forward looking assessments, etc.), additional processes and tools have been developed in parallel to our risk management processes to identify, assess and manage these risks.

Management of ESG-related risks is implemented in line with our organisational structure and follows the Three LoD model of our Risk Management Framework. The first line of defence is the business. Each of our businesses owns the risk associated with its activities and manages the related control processes and procedures. The first line of defence is responsible for identifying and mitigating all risks, including ESG risks. As the second line of defence, the Risk & Compliance function is responsible for supporting, reviewing and challenging the first line and has responsibility for the design and implementation of the global risk framework. The third line of defence is our Internal Audit function, which provides an independent review of any aspect of implementation. Various first- line-of-defence

governance committees and structures are in place to manage ESG-related risks, and quarterly reporting is provided to senior management to support the governance process.

## **Impact of Climate and Environmental-related Risks and Opportunities on the European Bank's Businesses, Strategy and Financial planning**

The EB has considered ESG-related impacts across all risk categories and processes to support ongoing monitoring and decision making, including decisions relating to ongoing strategy. While the last iteration of the ESG RDMA found no material risk drivers impacting EB's taxonomy risks, the EB recognises that materiality of these risks may change, and the absence of historical evidence does not necessarily imply that "tail events" may not occur or that future risks may not be material. Several processes have been developed that apply enhanced due diligence and governance to activities that may have ESG-risk implications (for more details, see the Risk Management section below).

Furthermore, to assess the financial and capital impact of climate-related risks, the EB has considered several stress tests, utilising scenarios from the Network for Greening the Financial System ("NGFS") as enriched by an external reputed data provider. These scenarios were used in the ICAAP. Climate and environmental risks are also included in the liquidity stress testing as part of the Internal Liquidity Assessment Process ("ILAAP"). In addition to direct impacts on losses from climate-related physical risks, both ICAAP and ILAAP assessments consider the potential indirect impacts on the overall viability and profitability of the business model. ICAAP also includes the transition risk from systemic changes in either markets, competitiveness or client preferences.

As part of the 2024 ICAAP, the EB updated its analysis by using industry-defined 26-year scenarios, credit impact assumptions, securities portfolio revaluations and other idiosyncratic stresses. The analysis of climate change scenarios on a longer horizon demonstrated that the EB is resilient on the longer term based on the scenarios characteristics and implying different level of transition policies to reduce physical risk. This is due to our low exposure to CO2 higher and moderate risk sectors which has been further reduced by the disposal of the corporate securities portfolio in November 2022.

The EB will continue to enhance the climate stress testing approach and run periodic assessments to inform strategic decision-making and consider appropriate opportunities to pursue, e.g., by using shorter-term scenarios. Further details about climate and environmental-related risks and opportunities identified and associated decisions and actions will be disclosed as we further mature our approach. Targets intended to support achievement of strategic objectives are set at the group level and approved at the BNY executive committee level.

*ESRS 2-IRO-1-53-(c)-(iii)*

## **Identifying Impacts, Risks, and Opportunities for Environment, Social and Governance Risks**

To support regulatory expectations and maintain operational resilience, the EB considers climate, environmental, and other social and governance risk transmission channels throughout its risk framework.

Our approach to managing Sustainability risks is implemented in line with BNY's Risk Management Framework, and follows the three LoD model. This approach incorporates risks

arising from two primary sources, physical risk and transition risk, as defined above. The transmission channels through which these risk drivers manifest and potentially impact the EB are influenced by multiple factors including EB's business model and commercial offerings, footprint locations, clients, sectors, geographies, supply chain and other constituents. Time horizons for ESG-related risks, as detailed above, are currently considered across multiple time horizons (short, medium, and long term) that best reflect our risk profile. We have developed a suite of ESG-specific risk tools, processes, and controls to enable the identification, assessment and management of ESG-related risks that incorporate a longer-term view of risk, consistent with and embedded throughout our Risk Management Framework.

The EB has defined KRIs that are used as part of monitoring and management of ESG-related risks. A Sustainability risk report highlighting our ESG risk profile is produced quarterly and provided to senior management for use in periodic review, monitoring, and management of ESG risks. Additionally, ESG considerations are included in credit, vendor, and client due diligence risk assessment processes, as well as various operational risk management policies and procedures that form part of business-as-usual risk management processes to support risk management at the point of decision making. As a result, the process to identify, assess and manage impacts and risks is fully integrated into BNY's overall risk management process and either integrated into existing processes or supported through dedicated ESG related processes that then feed into business-as-usual risk management.

The ICAAP document includes longer term climate change scenario analysis (up to 2050), by considering the financial impacts of different climate transitions pathways (as defined by NGFS published scenarios). The analysis covers an extended horizon for the purposes of the specific climate change-related scenario and assumptions, taking a static balance sheet assumption over the longer term. The climate stress tests performed in 2024 Q1 included the following scenarios:

- “Current Policies” assumes that only currently implemented policies are preserved, leading to high physical risks.
- “Delayed transition” assumes annual emissions do not decrease until 2030. Strong policies are then needed to limit warming to below 2°C. Negative emissions are limited.
- “Net Zero 2050” limits global warming to 1.5°C through stringent climate policies and innovation, reaching global net zero CO<sub>2</sub> emissions around 2050. In that scenario, some jurisdictions such as the US, EU, UK, Canada, Australia and Japan reach net zero for all GHGs.

Given the low exposure of the balance sheet to CO<sub>2</sub> higher and moderate risk sectors, assumptions were applied on top of the macroeconomic impacts in order to increase the physical risk and transition risk impacts.

Additional climate change impacts were considered, depending on the scenarios, to include:

- Costs related to damages in the EB's offices due to natural disaster.
- The impact on client fees based on macroeconomic projections which were assessed as sufficiently severe. A fine by the regulators was also considered for the Delayed transition scenario.

The EB's credit risk assessment covers a long-term outlook for underlying positions. The approach relies on credit migration and stressed loss given default linked to the three scenarios described above. The accumulation of yearly profits in retained earnings more than counterbalances the increase of capital requirements, even with the stress assumptions.

Other capital ratios are also supported by this increase in available capital. Scenarios have been considered in the EB's ILAAP from a liquidity perspective. Current liquidity stress testing has a time horizon of one year and conservatively considers a significant amount of the haircuts in securities.

Additional scenario is run in this year:

- “Reverse scenario” severe expert assumptions were calibrated to intentionally trigger a breach of the Management Buffer (Early Warning threshold) of the ICA ratio, which is the most constraining capital ratio of the EB. Scenario assumes operational losses, compounded by a financial market downturn (transition risk) and multiple downgrades of countries affected by physical risk events, such as natural disasters.

## **Processes for Managing Climate and Environmental-related Risks**

Key processes and tools for climate and environmental-related risks include:

### **Risk Appetite**

Climate and environmental-related risks are defined as risk drivers impacting the majority of enterprise risk categories outlined in the RAS. The RAS incorporates a dedicated section requiring all staff to consider climate and environmental-related risk impacts as part of ongoing risk assessment and management across all risk types.

In general, the current approach to setting of risk appetite does not involve the setting of separate limits and associated thresholds against any risk drivers, including climate risk. As a potential cause of adverse impacts, a climate-related event could increase the chance of a limit breach across any risk category, whether financial or non-financial. On that basis, minimising risk concentrations and assessing, monitoring and managing risk is key. As a result, risk appetite limits in place at the risk category level will capture the impacts of all risk drivers, including climate.

### **Policies**

BNY has embedded ESG-related risk considerations into relevant 2LoD corporate policies. Each of these policies establishes a requirement for ESG risk to be considered within all applicable risk management processes, which may include those relating to risk identification, risk assessment and quantification. These include policies related to due diligence of clients, counterparties, third-party providers and partners, products, services and businesses, as well as policies related to risk mitigation and risk reporting.

### **Reporting and Monitoring**

As mentioned above, the EB has defined key risk indicators that are used as part of monitoring and management of climate and environmental-related risks. A climate and environmental-related risk report is produced quarterly and provided to senior management for use in periodic review, monitoring, and management of climate and environmental-related risks.

### **Due Diligence**

In addition to identifying specific climate and environmental risk-related vulnerabilities and ongoing monitoring of exposures in these categories, several processes have been developed that apply enhanced due diligence and governance to activities that may have

climate and environmental-risk implications. These include, as mentioned above, enhanced due diligence and governance for risks related to third parties, clients, and new products.

### **Integrating Climate-related Risk Processes into Overall Risk Management**

To support the implementation of climate and environmental-related risk framework and enhance governance oversight responsibilities, ongoing education is targeted to various groups across all three lines of defence in the enterprise. Climate and environmental risk education also continues to be provided to relevant governance forums. The training encourages participants to lead by example and set the tone to support a culture that institutionalises appropriate climate risk management behaviour. Ongoing training is performed as part of the rollout of new tools and processes to applicable first and second line of defence teams.

In 2023, to raise awareness of climate and environmental-related risks on new business, a broad educational training module was distributed through mandatory learning and development channels to in-scope EB staff. In addition, to reinforce the embeddedness of climate and environmental-related considerations across the EB's businesses and to lead the implementation of ESG activities, the RemCo approved a Climate and Environmental Sustainability goal for the ExCo and key individuals within the EB. The evaluation of this goal is part of the annual performance review of those individuals (please refer to section "[Governance](#)").

While certain aspects are already embedded within existing strategic planning, risk-management and decision-making processes, further alignment is underway to facilitate a consistent approach to identifying, assessing and managing opportunities into our overall framework across all the business lines. Specifically, the ESG Council is responsible for considering the impact of ESG on the EB's business environment, products and services in the short, medium and long term and to provide input on the EB's ESG strategy formulation and implementation. At the group level, the Sustainability Steering Council (SSC) provides strategic guidance and recommendations on the articulation and implementation of BNY's sustainability strategy, in line with commercial objectives. The SSC reports into the Business Management and Client Committee (BMCC) which is mandated to consider broader business and client-related topics that may include sustainability considerations and approves key tools and processes used to assess, understand and manage risks and opportunities across the company. This integration is facilitated by the ESG Council (please refer to the [Governance section](#)), which includes representatives from all the business lines and advises the EB ExCo on strategy.

*ESRS 2-IRO-1-53-(e),(f)*

*ESRS E1-ESRS 2 IRO-1-AR 11-(d)*

### **Disclosure Requirements in ESRS covered by the Sustainability Statement**

The following section to disclose "Disclosure Requirements in ESRS covered by the undertaking's sustainability statement" as determined in DR "ESRS 2-IRO-2" from ESRS regulation.

## Minimum Disclosure Requirement on Policies and Actions

### Policies Adopted to Manage Material Sustainability Matters

The following section discloses the policies adopted to manage material sustainability matters as outlined in DR "ESRS 2-MDR-P" from ESRS regulation.

### Policies to Manage Material IROs for Climate Change Adaptation

BNY has developed a global climate strategy that the EB and BNY's other legal entities are expected to follow and contribute to. The "Sustainable Operations" pillar of BNY's global climate strategy addresses climate change mitigation by setting targets and investing in energy efficiency projects to reduce the company's global consolidated Scope 1 and 2 (location-based) emissions, however no formal corporate policy has been developed to address climate change mitigation.

The "Climate Risk Management" pillar of BNY's global climate strategy addresses climate change adaptation by integrating climate risk considerations into the business across the Three Lines of Defence and supporting the continuity of business operations by identifying and adapting to potential physical climate risk impacts. BNY does not maintain a formal corporate policy for climate change adaptation. However, ESG risk considerations, including climate, are incorporated throughout BNY's risk policies where relevant, detailing how these considerations are factored into business-as-usual risk management. As a driver of risk, distinct climate risk-related policies do not exist, but are embedded within other risk policies and frameworks.

BNY's legal entities, including the EB, fall within the group-level approach and do not have separate corporate policies to manage material IROs related to climate change mitigation or adaptation. While not a formal corporate policy, BNY's global climate strategy supports efforts to manage IROs related to climate change adaptation efforts across the company.

*ESRS 2-MDR-P*  
*ESRS E1-2-24*

### Policies to Manage Material IROs Related to its Own Workforce

The EB and its employees are covered by the Board Inclusion Framework Policy, Global Talent Policy, Anti-Money Laundering ("AML") and Sanctions Training Policy, Global Workplace Safety policy and the Mandatory Training Policy listed below.

**Board Inclusion Framework Policy:** Board appointments are based on an individual's skill, ability, experience, training, performance, and other role-related requirements. The Board Inclusion Policy sets out the approach to recommending diversity of thought, experience and background on significant, legal entity boards. The policy is owned by a senior director in the People Team and is applicable to relevant BNY Legal Entity Boards. The most senior level is the committee and board's responsibility to adhere to this policy.

**Global Talent Policy:** At BNY the People Team provides the framework for attracting, developing and retaining employees through a wide array of services that include talent management, compensation and well-being. Talent Development offers varied opportunities for continuous learning and professional development at all levels. It supports a high-performing culture through continued implementation of a talent strategy, a focus on

performance management and driving a work culture where everyone thrives. This policy is applicable to all employees. The Firm expects that all employees involved in the recruitment and development of talent comply with the requirements set forth in this policy and any subordinate or related policies as specified. Scope and applicability are clearly delineated by these subordinate policies. This policy is owned by the global head of Talent Management.

**Anti-Money Laundering and Sanctions Training Policy:** BNY is committed to complying with anti-money laundering, countering the financing of terrorism, and upholding sanctions compliance laws and regulations around the globe. Part of this commitment is the maintenance of a regular training programme to educate and heighten awareness so that all applicable persons will be knowledgeable and vigilant in their efforts to recognise and report activity that may constitute financial crime. This document sets forth the anti-money laundering and sanctions training requirements of BNY and addresses the following: Information and requirements related to the AML and Sanctions training courses, including the Global Anti-Money Laundering and Suspicious Activity Reporting ("SAR") Online Training Course and the Global Economic Sanctions Online Training Course; training for newly on-boarded "Covered Individuals"; refresher training requirements; business-specific training and Approval requirements for content and material. This policy is applicable to all employees as well as certain temporary and/or contract workers and vendor employees of the Bank of New York Mellon Corporation and its majority-owned subsidiaries, including, but not limited to, BNY and its domestic and foreign branches and offices. This policy is owned by the group manager, Enterprise Mandatory Learning.

**Mandatory Training Policy:** This policy is applicable to all employees. This policy defines mandatory training, authority to mandate, establish audience identification, completion requirements, escalation, requests for exemptions and recordkeeping standards for all mandatory training. Compliance with applicable laws, regulations, policies and ethical practices is the responsibility of all employees, as well as certain temporary and/or contract workers and vendor employees of the Bank of New York Mellon Corporation and its majority-owned subsidiaries, including but not limited to, BNY and its domestic and foreign branches and offices. This policy is owned by the group manager, Enterprise Mandatory Learning. Policies are available to all BNY employees, including those in the EB and are accessible in the policy management tool and subject to the Policy Governance Framework.

**Global Workplace Safety & Security Policy:** The policy provides a high-level commitment to the management of safety and security at the Firm and outlines the arrangements aimed at ensuring the safety of employees, on-site vendor staff, contractors, and visitors across all BNY locations globally.

*ESRS 2-MDR-P*  
*ESRS S1-1-19*

## **Policies in Place to Manage its Material IROs Related to Business Conduct and Corporate Culture**

As a subsidiary of BNY, EB and its employees are covered by the BNY Code of Conduct. The BNY Code of Conduct is supplemented by other policies, that apply to the EB, as described here below. The BNY Employee Code of Conduct is owned by Compliance and the BNY Supplier Code of Conduct is owned by the Enterprise Sourcing Office (ESO).

### **BNY's Code of Conduct**

The Code is a unifying document that sets out the key guidelines and common expectations with regard to: Respecting Others, Avoiding Conflicts, Conducting Business, Working with Governments, Protecting Company Assets and Supporting Our Communities. Topics range from protecting client and employee records and meeting our privacy obligations to responsibly growing our company with our own environmental, social and responsible business practices and conduct, which are further explained in our Sustainability Report. BNY's Code of Conduct applies to all employees and is intended to guide their behaviours in all business activities and help shape our overall conduct and risk culture.

### **BNY's Supplier Code of Conduct**

The disruptions caused by global and regional conflicts, as well as natural disasters and other systemic shocks, emphasise the importance of a robust and resilient ecosystem of external vendors and BNY internal service provider entities. To help facilitate business continuity, we monitor and manage our ecosystem through a Third-Party Governance Framework. The Third-Party Framework applies to each third-party engagement and regular reviews are completed dependent on the risk. For more information please see the policies listed below and the section on [management of relationships with suppliers](#) below.

BNY also strives to cultivate a resilient network of suppliers who adhere to the highest ethical standards, manage social and environmental issues responsibly, and safeguard human rights. This cultivates trust and helps us manage risks more effectively.

BNY respects human dignity and expects employees to preserve human rights throughout the company. Forced labour, slavery and human trafficking is not tolerated. Employees of all levels are expected to not knowingly work with any supplier, contractor or client who deals in such practices.

### **Enterprise Resiliency**

The BNY Code of Conduct and the Supplier Code of Conduct are supplemented by:

#### **BNY's Business Continuity & Incident and Crisis Management Policy**

- This policy applies globally to BNY, across all regions and legal entities, including the EB, where and through which BNY operates, and to all employees. The Policy also applies to BNY businesses with external third-party dependencies (Third Parties, Outsourced Services Providers). The policy includes Critical Business Services and Other Business Services as defined by the Business Service Framework and registered within the Common Taxonomy.
- This policy leverages industry guidelines — notably, the Federal Financial Institutions Examination Council IT Examination Handbook on Business Continuity Management and the International Organization for Standardization ISO 22301. This policy is owned by the Enterprise Resiliency Office.

#### **BNY's Disaster Recovery Resiliency Testing Policy**

- This policy applies globally to BNY and each of its consolidated subsidiaries, including the EB and to all BNY business services and/or functions, enterprise-wide (including technology and operations), and external parties (including, but not limited to, clients and vendors). This policy is owned by the Enterprise Resiliency Office.
- BNY has a comprehensive approach to third-party resiliency, which includes:

- Client and Third-Party Testing: Evaluating the ability to recover and reconnect following a material disruption.
- Enhanced Validation for Critical Vendor Hosted Technology: Validating vendor's recovery capabilities to operate from contingency.
- Participation in Global Forums and Sector Exercises: Supporting integration with industry and market partners.

*ESRS 2-MDR-P*

*ESRS G1-1-7*

## **Actions and Resources in Relation to Material Sustainability Matters**

The following section discloses the actions and resources in places to manage material sustainability matters as outlined in DR "ESRS 2-MDR-A" from ESRS regulation.

### **Actions and Resources related to Climate Change Mitigation and Adaptation**

The EB adopts and locally implements BNY's group-level approach to risk management, enterprise resiliency and sustainable operations. As part of efforts to mitigate BNY's global consolidated Scope 1 and Scope 2 emissions and adapt to the potential physical impacts of climate change, energy efficiency projects and enhancements to technology or infrastructure are targeted to the specific needs and profiles of buildings across BNY's global corporate real estate portfolio. Energy efficiency projects and enhancements to technology or infrastructure to support climate change mitigation and adaptation may be implemented over short, medium, or long-term time horizons depending on the complexity and nature of the project.

Beyond efforts to mitigate emissions, neither BNY or the EB have developed or disclosed a formal climate change mitigation and adaptation action plan and as a result, resources have not been allocated to such a plan. However, energy efficiency projects and enhancements to technology or infrastructure to support BNY's climate change mitigation and adaptation efforts are centrally identified, managed and funded at the group level.

BNY does not make separate legal entity CapEx or OpEx allocations to the EB as part of the financial planning process to implement climate change mitigation and adaptation efforts, nor does BNY plan to make such allocations at this time. Any CapEx or OpEx resources that are allocated during the year to energy efficiency projects and enhancements to technology or infrastructure to support BNY's climate change mitigation and adaptation efforts are not currently presented as separate line items in BNY's financial statements.

*ESRS 2-MDR-A*

*ESRS E1-3-28*

### **Action Plans and Resources to Manage Material IROs Related to Own Workforce**

The EB has identified several IROs in relation to our own workforce. The actions summarised below highlight the ongoing initiatives that support our workforce and our culture.

1,455 staff members have completed a total of 37,359 hours of both mandatory and elective training, equating to an average of 26 hours per employee.

- Through our Mandatory Learning, we follow an annual plan and assign learning throughout the year. Role and skill-based training is offered as needed and as defined

by internal stakeholders. Our comprehensive learning content through the learning platform is available at all times for all employees. These learning plans are applicable in the short, middle and long term.

- Cultural education and awareness programmes that facilitate learning and development are delivered via multiple learning methods, including classroom-based workshops. Training resources to build awareness and a culture where we Thrive Together are available in BNY's learning platform which is used by all employees (full and part-time) and contractors, to foster an exceptional learning environment that promotes continuous growth.
- We are also providing learning and programming opportunities to facilitate the business's transition to a platform operating model. In addition, we are prioritising AI-enablement across all levels and roles by offering self-paced learning pathways, in-person and live AI bootcamps, promptathons, and a dedicated leadership series. These are ongoing programmes and unless explicitly stated, apply to all employees.

BNY's Employee & Business Resource Groups ("E/BRGs") are valuable networks that create the conditions for our people to succeed and deliver more — for clients, investors, stakeholders and each other. The E/BRGs connect our people around the world, help them express their unique value, provide leadership development and skill-building opportunities and offer a chance to shine on a global stage. They complement an already rich learning and development environment by providing members with the opportunity to build new skills, flex their capabilities and gain leadership experiences outside their formal roles and daily responsibilities. BNY's E/BRGs support our workforce and enable a wide range of perspectives and rich experience to contribute to our performance and ultimately our clients' success. E/BRGs are open to all permanent employees.

BNY has an active PMP in place. A section of the process focuses on creating a personal development plan. This is discussed between employee and manager, and actions agreed. There is also succession planning performed for the senior positions in the branches of the undertaking. These activities on one hand reduce the risk of staff leaving BNY and on the other hand provides insight on future needs.

- BNY launched the International Sponsorship and Mentoring Programme in October 2024 which concluded in July 2025. BNY also participates in the global 30% Club Mission Gender Equity Cross Company Mentoring Programme.
- Additional programmes to support the retention and development of employees include BNY's 6-month-long global cross-E/BRG Mentoring Programme and global Reverse Mentoring Programme, which ran from March to September 2025. The global cross E/BRG Mentoring programme is open to all permanent employees. The global Reverse Mentoring programme is open to Senior Directors and Managing Directors (mentees) and Directors and below (mentors).
- The EB also has a Board Inclusion Policy which is reviewed annually and referenced throughout this Sustainability Statement.

Monthly calls were held to gather feedback from participants in the International Sponsorship Programme. Feedback forms will be used to gather feedback for the E/BRG Mentoring and Reverse Mentoring Programmes which are provided to programme organisers.

The IROs identified in the EB's DMA largely align with the existing priorities for the EB and BNY at the group-level. As such, no action plans were specifically developed in relation to workers' rights because these actions are instead captured in existing activities.

## **Funding**

- Current and future financial and other resources are allocated to the action plan (CapEx and OpEx).
- The People Team has an allocated budget to fund relevant initiatives and the work of the Employee/Business Resource Groups.

*ESRS 2-MDR-A*

*ESRS S1-4-37*

## Action Plans and Resources to Manage Material IROs Related to Business Conduct

Please refer to [Management of Relationships with Suppliers](#) for details.

*ESRS 2-MDR-A*

## Metrics and Targets

### Metrics and Targets in Relation to Material Sustainability Matters

The EB is guided by group level targets set by BNY, and where applicable, contributes towards achieving them. Material IRO's are managed through our governance approach as described in the Governance Section above.

There is no external body other than the assurance provider that provides validation on the data included in the Sustainability Statement.

*ESRS 2 GOV-1-22d*

*ESRS 2-MDR-M-77-(b)*

### Metrics in Relation to Material Sustainability Matters

The corresponding Data Point name from the EFRAG List of ESRS Data Points has been included for each metric.<sup>19</sup> For each metric disclosed, please refer to the [Appendix - Metric specific assumptions and methodologies](#).

*ESRS 2-MDR-M-75*

*ESRS 2-MDR-M-77-(a)*

### Targets to Manage Material IROs for Climate Change Adaptation

BNY's climate-related targets, including the company's Scope 1 and Scope 2 emissions reduction target, are set at the group level. BNY's legal entities, including the EB, are expected to follow and contribute to the group-level approach and will adopt outcome-oriented targets when required to do so under applicable regulation in the jurisdictions in which they operate. Due to this approach, there is no specific EB timeframe or plan to set entity-level targets. In terms of the management of risks associated with sustainability, due to the currently low materiality of sustainability risks for the EB's business, the EB has not set risk based targets, however we remain attentive to the increasing concerns among policymakers regarding the potential for more drastic interventions should economies continue to underperform against interim climate targets.

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<sup>19</sup> EFRAG Implementation Guidance 3 — List of ESRS Data Points

Transitional risks associated with sustainability-related legislation, regulation or other structural changes to the markets in which we operate are monitored through the use of various quantitative metrics, in particular relating to financial risks. These quantitative measures include metrics that enable BNY to identify sectors of its business that may be more exposed to transitional risks and/or support assessment of potential future losses or impacts to revenue through the use of stress testing and sensitivity analysis. Should BNY's risk profile or exposure change in future, these quantitative metrics could be used as a foundation to set targets. For other risk types, in particular non-financial risks including those relating to resiliency, specific processes are in place to enable the identification of sustainability-related risks and take appropriate mitigating actions.

Targets intended to support achievement of strategic objectives are identified by the BNY Sustainability Hub and set at the group level. To support consistency of action across BNY, actions that may be taken by EB management have been identified and will be monitored to support overall group-level objectives. The EB is generally a contributor to BNY's global climate strategy, which includes the following emissions reduction targets:

1. Reduce Scope 1 and 2 emissions by 50% by 2030 from a 2018 baseline, in line with a 1.5°C trajectory by 2030, and
2. Reduce Scope 3, Category 15 emissions (i.e., Oil and Gas, Power sectors) by 2030 in line with a 1.5°C trajectory by 2030.

The EB's operations are in scope of the Group's 2030 Scope 1 and Scope 2 emissions reduction target, but the EB's business activities are not currently in scope of the Group's Scope 3, Category 15 emissions reduction targets. BNY's 2030 Scope 1 and Scope 2 reduction target does not correspond to a formal corporate policy. However, the "Sustainable Operations" pillar of BNY's global climate strategy addresses climate change mitigation by setting targets and investing in energy efficiency projects to reduce the company's global consolidated Scope 1 and Scope 2 emissions.

Regarding monitoring, escalation and corrective action, BNY will measure the company's global consolidated Scope 1 and Scope 2 emissions and calculate the EB's allocation on a quarterly basis. EB's allocated Scope 1 and Scope 2 emissions will be reported to the EB ExCo on a quarterly basis. The EB ExCo will periodically seek operational and market information on opportunities to improve efficiency. Any material changes to the Scope 1 and 2 emissions trajectory will be escalated by the EB ExCo to the EB's NoESGCo Committee. The EB ExCo are accountable for cascading and working with the relevant BNY, EB, and local building management teams to take corrective action as needed.

*ESRS 2-MDR-T*  
*ESRS E1-4-32*

### **Targets to Manage Material IROs for Own Workforce**

In accordance with Article 7:86 of the Belgian Code of Companies and Associations, which applies to public interest entities such as the EB, at least one-third of the underrepresented gender should be represented on the Board.

The Board Inclusion Policy sets out the approach to promoting BNY's Principle Thrive Together on the Board and highlights the criteria considered in the selecting and governance surrounding the appointment of Members of the Board of Directors of the EB, as well as

consideration for the leadership team including the ExCo, Extended Executive Committee, Branch and Deputy Branch Managers.

BNY set a 5-year aspiration with the objective of moving one percentage point forward per year from 28% women in EMEA senior management in 2020 to 33% by the end of 2025. The EB is aligned to this aspiration. As of December 31, 2023, 33% of EMEA senior management were women and we met our objective ahead of time. As of December 31, 2025, senior women's representation in EMEA decreased slightly to 31.5%. Although BNY's Women in Finance Charter aspiration was not a formal target, BNY recognises the importance of shaping a responsible, representative and resilient financial sector and aims to be a destination for top talent. For related metrics please see Role of Administrative, Management, and Supervisory Bodies including Management of IROs.

To enhance employee experience and a sense of belonging, BNY has launched a market-leading well-being and healthcare provision, a flexible work environment and global, family-friendly policies supporting new parents and caregivers.

BNY does not currently have any public targets related to employee relations or talent development.

*ESRS 2-MDR-T*  
*ESRS S1-5-46*

### **Targets to Manage Material IROs for Business Conduct**

Please refer to [Management of Relationships with Suppliers](#) for details.

*ESRS 2-MDR-T*

# Climate Change

## **Governance**

### **Incentives Schemes**

For disclosure on the integration of sustainability-related performance in incentive schemes, please refer to [ESRS 2-GOV-3](#).

## **Strategy**

### **Transition Plan for Climate Change Mitigation**

BNY does not currently have a climate transition plan, or a target date of adoption, at the group level. BNY legal entities, including the EB, are expected to adopt the BNY group-level strategy and will adopt a climate transition plan when required to do so under applicable regulation in the jurisdictions in which they operate.

*ESRS E1-1-17*

### **Material IROs and their Interaction with Strategy and Business Model**

Please refer to the IROs identified as part of the DMA in [ESRS 2-GOV-2-26-\(c\)](#).

### **Climate-Related Risks Identification**

The DMA was conducted in 2024 on an inherent risk basis, and as stated above, a DMA relevancy analysis was conducted in 2025 to confirm the material IROs identified in 2024 remain. The DMA identified climate change adaptation as a material risk, specifically concerning potential non-compliance with climate risk drivers that may lead to increased regulatory requirements. There is a risk of failing to meet rapidly emerging classification and disclosure requirements across multiple jurisdictions, which could result in regulatory fines or sanctions. This is considered a climate-related transition risk.

*ESRS E1-ESRS 2 SBM-3-18*

### **Resilience Analysis Scope**

The EB performs resilience analysis relevant to its business strategy and ongoing operating model through various means, including stress testing, risk-specific scenario analysis, idiosyncratic scenarios intended to measure one-off events and a strategic business model risk assessment that considers the potential impacts of changes in the markets in which the EB operates across a variety of dimensions.

Physical and transition risks impacting own operations and those of its vendors are used to develop idiosyncratic scenarios, which capture potential impacts of these risks on operational resilience, considered as part of the following:

- Sensitivity analysis is used to evaluate the impact of transition and physical climate risks on both the trading book and banking book portfolios;
- Macroeconomic stress testing exercises are used to inform the ICAAP;
- Scenario analysis uses the results from the Risk Identification process and provides forward-looking quantification of risk by exploring vulnerabilities in operations, reputation, and strategy;

- Stress testing is used within the ILAAP to evaluate the impact of climate-related risks, including natural disasters and environmental disruptions on liquidity;
- Strategic business model and reputational impacts of failures in operational resilience driven by both physical and transitional risks that may impact financial resilience.

*ESRS E1-ESRS 2 SBM-3-19-(a)*

## Resilience Analysis Methodology

The EB leverages the following resiliency analysis methodologies:

### Sensitivity Analysis

Although market risks have not been identified as material, for monitoring purposes, sensitivities are currently used for the measurement of banking book and trading book fair value assets. To support the assessment of these variables, a modified version of NGFS longer term scenarios is used. This approach considers the increased volatility that may arise from the instantaneous impact of market risk, enabling a more realistic assessment of potential market dynamics under these scenarios. These scenarios are generated through a stylised version of these scenarios that takes market movements over a short period of time and applies these shocks as a “point in time” scenario.

### Stress Testing

The annual stress testing exercise used as part of the EB’s Pillar 2 exercise is used to perform an assessment of the impact of a transition to a lower carbon economy to the institution’s balance sheet, capital position and profitability. A climate risk-related stress, based on NGFS transition and physical risk scenarios, is performed alongside other severe but plausible macroeconomic stress test exercises as part of ICAAP.

In order to enhance the scenarios’ applicability to EB’s business model and strategy, the stress test team may include idiosyncratic assumptions befitting the scenario narrative.

Noted previously, the EB conducted climate change stress tests in Q1 2025 based on the NGFS (Phase III) as enriched by Moody’s. The time horizon of the shocks was 27 years (until 2050), with the assumption that the balance sheet and strategy of the EB remains constant on this longer horizon (at constant prices).

### Scenario Analysis

The EB’s scenario analysis approach enables assessment of the potential financial impact across a range of ESG risk drivers. Scenario analyses for ESG factors are typically used to quantify and otherwise identify potential implications on the EB’s financials, business model or resilience. These analyses typically consist of qualitative assessments to identify the impact of specific scenarios, derived from relevant risk considerations identified through the Risk Identification process. Such analyses are incorporated into three processes:

- Operational risk scenarios where ESG factors may impact any of the Level 1 Operational risk categories as defined through the BNY risk taxonomy;
- Liquidity risk scenario analyses consider potential scenarios based on historical natural events that may impact on deposit outflows;
- Strategic business model risk analysis where ESG related risk driver impacts on potential strategic risks are considered, such as loss of business opportunities or strategic partnerships by considering a range of ESG scenarios that reflect potential

impacts of environmental and social changes and associated public policies on the long-term business environment.

*ESRS E1-ESRS 2 SBM-3-AR 7-(b)*

*ESRS E1-ESRS 2 SBM-3-19-(b)*

*ESRS E1-ESRS 2 IRO-1-AR 12-(d)*

## Results of Resilience Analysis

### Sensitivity Analysis

Although market risks have not been identified as material, results of these sensitivities are used to monitor potential impacts of such short-term scenarios and are aligned with methodologies in place used for business-as-usual monitoring and measurement of market-related risk drivers on banking book and trading book portfolios.

### Stress Testing

In general, the EB is not exposed to material financial resilience risks due to failures of own operations or failures of its service providers, including vendors, due to extensive controls put in place to limit the impact of failures to its clients, especially for climate-related physical events. Transitional risks are not identified as being a material driver of risks to own operations or to its value chain. The EB, as primarily a custodian bank, operates a liability-driven balance sheet and sources revenue primarily from fee business rather than through generating a return on capital on its assets. Most assets on the balance sheet are low-risk securities and cash at Central Banks used in support of the liabilities of the bank. Financial resilience of the EB is dependent on multiple factors including the health of the macroeconomic environment, demand for its products and various other commercial considerations. Various risk management and commercial analyses are used to determine whether climate-related risks may impact any of the drivers of the EB's strategy and are described below. The EB's investment decisions, which largely relate to support portfolios used to hedge risk and manage liquidity, are therefore strategically driven by the management of other risks and are not generally impacted by climate-related risks in a strategic sense. As a result, the EB holds a substantive excess of capital, and its business model is not driven by the use of capital nor optimisation of capital through optimisation of the asset side of its balance sheet.

### Scenario Analysis

Scenario analysis shows limited financial materiality of climate risk, especially when compared to stress tests based on severe but plausible market events. Climate stress testing, performed on the basis of the most recent NGFS scenario, is largely a macroeconomic scenario that does not generate material financial impact results and as such does not suggest specific vulnerabilities for consideration. As a generalised macroeconomic scenario, results are generally difficult to interpret in terms of the impact of any specific driver of the scenario, hence the results are generally difficult to translate into tangible and actionable outcomes for the EB.

As referenced above, the EB runs a strategic business model risk assessment ("SBMR") every two years. This analysis considers potential sustainability-related scenarios that may impact BNY's strategic viability including changes in client behaviour, changes to markets in which we operate, reputational risks, people risks and implications of climate-driven resilience failures. At the current time, based on observed market, regulatory and client

demands, no material trends or risk considerations have been identified that indicate the presence of a material risk. While the outcome of such scenarios may be uncertain, as prediction of future market conditions are difficult to anticipate, the outcome of the SBMR includes consideration of controls in place and potential actions that could be undertaken should any such hypothetical changes to these strategic drivers be observed.

While climate considerations are likely to impact certain client demands in future (such as through impacting composition of collateral pools), given the nature of BNY EB's activities these are not anticipated to generate risk to EB as these changes do not fundamentally change existing product offerings. Future changes in client demands may lead to potential business opportunities which are considered in the development of sustainability-related service offerings. Other events that may generate risk remain assessed as low materiality.

## Conclusion

Based on the results of our sustainability-related resiliency analysis exercises, which did not demonstrate any material risks, we do not currently assess there to be a need to adjust our strategy and business model to adapt to climate change.

*ESRS E1-ESRS 2 SBM-3-19-(c)*

*ESRS E1-ESRS 2 SBM-3-AR 8-(b)*

## Description of the Processes to Identify and Assess Material Climate-related IROs

The EB's business model, primarily focused on custody services, differs significantly from traditional banking business activities. Unlike retail and wholesale banks, we do not engage in lending activities (i.e., business loans, project finance, motor vehicle loans, mortgage loans, or commercial real estate financing) or investment activities (i.e., corporate bonds, listed and unlisted equity), which are typically associated with financed emissions (Scope 3, Category 15).

Our sovereign exposure is limited to debt securities held as part of our high-quality liquid asset portfolio, which the EB is required to maintain to support liquidity management, with limited ability to control for associated emissions. While the emissions associated with this sovereign portfolio have been assessed as relevant in terms of size (compared to our other sources of emissions), our materiality assessment methodology, in accordance with ESRS 1 DMA provisions, is based on several factors including size, significance, and decision usefulness. Our DMA concluded that these emissions are not material.

Accordingly, our focus remains on managing our direct environmental footprint (Scopes 1 and 2). The results of our 2025 DMA indicate that the following environmental impacts are material to the EB:

1. Scope 1 & 2 GHG Emissions — impact: GHG emissions produced, either directly or indirectly, by the EB contribute to increased concentrations of GHG emissions in the atmosphere which contribute to climate change, leading to more frequent and severe weather events (environmental impact) and posing threats to human health and safety by way of reduced air quality, rising temperatures and severe weather events (social impact).
2. Energy Consumption — impact: the consumption and extraction of non-renewable energy contributes to increased concentrations of GHG emissions in the atmosphere,

which contribute to rising temperatures, impact the climatic stability of global ecosystems through changing weather patterns and frequency of natural disasters (environmental impact), deplete natural resources and compromise their availability for future generations (social impact).

These material environmental and social impacts identified by the DMA, as well as other climate-related matters are addressed by BNY's global climate strategy. As it relates to the Scope 1 & 2 GHG Emissions and Energy Consumption impacts, the "Sustainable Operations" pillar of BNY's global climate strategy includes two relevant focus areas: "Green Buildings" and "Renewable Energy". As part of our "Green Buildings" focus area, we work to operate our buildings in a way that increases energy efficiency and reduces the emissions associated with our energy consumption.

To support this effort, we measure and report BNY's global consolidated Scope 1 and Scope 2 emissions. Scope 1 emissions primarily include those generated on-site from sources that are owned or controlled by our company, such as central boilers used for heating. Scope 2 emissions include those generated off-site in the production of purchased energy consumed on-site, such as electricity and steam. Our Scope 1 and Scope 2 emissions levels are impacted by energy efficiency, changes in our real estate footprint and improvements in electricity grid emissions intensity. At the group level, we set a target to reduce our global consolidated Scope 1 and Scope 2 (location-based) emissions by 50% by 2030, relative to a 2018 base year and in line with a 1.5°C reduction pathway.

As part of our "Renewable Energy" focus area, we invest in on-site renewable energy generation and procure energy from renewable and non-emitting sources off-site to meet the remainder of our energy needs. In 2025, we continued to back 100% of the electricity used to power our global locations, including our data centres, by renewable sources. We purchase Renewable Energy Certificates ("RECs"), which are widely accepted, market-based legal instruments conveying the environmental benefits of renewable energy. We are also actively working to diversify our energy sources through the development of on-site renewable power generation.

As part of the DMA process, the EB assessed potential physical risks from climate change. This assessment included whether or not assets and business activities may be exposed to physical climate-related hazards. Two potential risks were identified as relevant to the EB for the purpose of this assessment:

1. Extreme weather events can lead to outages/supply chain issues and cause relocation/restoration costs; and
2. Extreme weather events could jeopardise clients' operations which might result in deferred loan repayments and/or increased withdrawals, ultimately impacting the solvency of the bank.

Both potential risks were assessed across financial, operational, client, reputational and compliance/regulatory dimensions. Time-horizon, likelihood and magnitude, and where in the value chain the risk may occur were also assessed. The results of the assessment found that both potential physical risks were immaterial to the EB.

Please refer to [ESRS 2-BP-2-9-\(a\),\(b\)](#) for disclosure on Time Horizons.

*ESRS E1-ESRS 2 IRO-1-20-(a),(AR 9), (AR 11-(a),(b))*  
*ESRS 2 E1 IRO 1 20 c*  
*ESRS 2 SBM 3-48 (c)(ii)*

## Climate-related Risk Assessments for Business Activities

Given the impacts of climate change, the EB may be exposed to unpredictable and uncontrollable climate events that could cause varying degrees of disruption to normal business operations. The EB Risk RDMA assesses for potential risks related to Climate (physical acute, transition technology) and Environmental (energy consumption, waste, water consumption) drivers in the short, medium and long term, which in 2025 were assessed as low for both resiliency and third-party risk given the robust controls we have in place to manage the risk as detailed below.

In addition to the RDMA, BNY conducts risk and scenario-based resiliency assessments of the company's operational real estate to identify potential emerging climate risks related to our physical infrastructure. Resiliency risk is assessed through use of a dedicated scorecard that provides assessment ratings across a range of relevant risk criteria. As part of this assessment the risk of the location, considering climate related risks such as natural hazards, is incorporated.

BNY follows an all-hazards approach to Business Continuity and Incident and Crisis Management, while ensuring appropriate scenario-specific preparedness through its Incident Management Playbooks for a range of higher-risk scenarios. The scenarios include, but are not limited to, unavailability of key processing facility, multiple processing applications in distress, and third-party provider distress and/or unavailability of service.

Given BNY's reliance on external vendors and affiliates, BNY also maintains a robust third-party risk management programme, in conjunction with the ESO, that assesses risks in line with applicable regulatory requirements and industry best practices, including in the EB. BNY leverages independent sustainability scoring tools from an external vendor that provides comprehensive reports on a vendor's sustainability risk and performance, which are then incorporated into ESO's existing processes for vendor due diligence. These risk assessments and scenario analysis efforts aim to proactively understand potential risk exposures, which enables us to better protect our physical infrastructure, keep our employees safe, maintain business continuity, and mitigate potential third-party risks. Despite the low risk, resiliency and third-party risk KRIs have been developed to facilitate the monitoring, mitigation, and management of these risks.

From an asset perspective, our portfolio largely consists of assets that are held in support of custody activities or our largely sovereign investment portfolio held and used predominantly to support liquidity management. Given the generally low risk profile and the absence of direct assets held as part of lending or underwriting activities, the assessment of risks on the balance sheet identified no material risks. While we are exposed naturally to general asset price fluctuations, outside of the HTM elements of the portfolio, and/or potential default, there are extensive credit due diligence processes in place to identify and monitor risk and this process incorporates consideration of sustainability risks where appropriate.

### *ESRS E1-ESRS 2 IRO-1-AR 11-(c)*

We define transition risk as risks associated with the transition to a low-carbon economy. These include fiscal policy, legislation, technological development, and investor and consumer sentiment changes that may impact the strategic, financial, legal, operational, and reputational risks of the bank.

During the DMA, transition risk was integrated as a risk driver across each category of risk consistent with our Enterprise Risk Management ("ERM") Framework and the group-level approach. The IROs review for climate change looked at the possibility of a shift in consumer preference and whether the EB would then experience a decrease in business due to client's perceptions of the bank's strategy for transitioning to a low-carbon economy. Based on the feedback received from stakeholders, this risk driver was assessed as not materially impactful across the time horizons. Time horizons for the DMA were addressed in previous sections herein. This details the EB risk profile at the current time, while recognising that this may change in future.

*ESRS E1-ESRS 2 IRO-1-AR 12-(a)*

Given our business model, transition risk was assessed to be immaterial compared to internal thresholds. The EB's exposure to sector and geography more likely to be impacted by climate change is less than 1 percent of its balance sheet (for both credit and investment portfolio).

EB's business model is mainly to provide custodial services to the global finance community, and our balance sheet reflects no lending, limited trading activity and an investment portfolio consisting largely of strongly rated government bonds and cash services. From a financial perspective, loss of clients due to ESG-related matters was assessed to be low probability, given a number of considerations, including the complexity of existing global custody relationship and lack of historical evidence. As stated herein, transition risk was found to be immaterial for EB, assets and business activities were not further identified.

*ESRS E1-ESRS 2 IRO-1-AR 12-(b), (c)*

BNY EB undertakes a regular assessment process to identify any material risks across short-, medium- and long-term horizons. Assessment of materiality uses the same quantitative thresholds of loss potential and utilises both qualitative judgement and quantitative data where available. Quantitative data uses a combination of internal metrics, stress tests or scenario analysis and external metrics as may be relevant to understand changes in the risk profile.

Risk specific scenario analysis is used to support the identification and assessment of:

- Transition risk driven market-related risks impacting the trading and banking books through use of the NGFS long-term economic scenario, parameterised as a one-day market shock. Scenario outcomes are used as part of business-as-usual management of these risks, although they consider hypothetical market movements rather than the impact of climate risk directly. The outcome of the scenarios is used to support assessment of materiality of climate risk driven market risk. Currently this risk is not material.
- Operational risks relating to physical risks as may impact resilience of own operations are incorporated into the scenario selection for quantifying operational risk capital requirements. The outcome of these bespoke scenarios which consider potential loss relating to physical risk events is used to support assessment of materiality of climate risk driven operational risk relating to premises. Currently this risk is not material.
- Liquidity risk outflow scenarios are developed through assessment of a range of scenarios, including assessment of outflow scenarios derived through comparison against historical outflows following natural catastrophe events. The outcomes of these scenarios are not material and are not used as part of ongoing liquidity stress testing.

- As stated above, strategic business model risk bespoke scenarios are performed every two years to consider the effects of changes to market or client demands on financial resilience of the EB.

Additionally, portfolio level stress testing is used to understand macroeconomic effects on the overall financial resilience of the group. Given the low materiality of the outcomes of these stress tests to date, however, these results are not used to inform risk identification.

Overall, given the low-risk, liability-driven nature of the EB's balance sheet broader scenarios are not used in support of identification or assessment of climate-related risks. The EB does not facilitate lending or other commercial banking activities and therefore is less impacted by broader, externally driven market scenarios such as policy changes, energy usage or technological change driven from climate risk such as those that would be relevant for banks with lending or market driven balance sheets. Where used, scenarios provide an additional data point used to validate that these risks are not material.

The EB does not currently include climate-related assumptions in our financial statements. Therefore, the applicability of the climate scenarios used by the EB is not relevant in this context.

*ESRS E1-ESRS 2 IRO-1-21*

*ESRS E1-ESRS 2 IRO-AR 13*

*ESRS E1-ESRS 2 IRO-1-AR 15*

## **Impacts, Risks and Opportunities**

### **Policies and Plans relating to Climate Change**

BNY does not maintain a formal corporate policy for climate change mitigation. BNY's legal entities, including the EB, are participants in the group-level approach and therefore do not have separate corporate policies for climate change mitigation. However, BNY does maintain a global climate strategy that the EB and BNY's other legal entities contribute to.

The "Sustainable Operations" pillar of BNY's global climate strategy focuses on climate change mitigation by setting greenhouse gas ("GHG") emissions reduction targets and taking steps to reduce the company's global consolidated Scope 1 and Scope 2 (location-based) emissions. BNY set a 2030 target to reduce the company's global consolidated Scope 1 and Scope 2 (location-based) GHG emissions by 50% relative to a 2018 base year and consistent with a 1.5°C pathway. In an effort to mitigate BNY's global consolidated Scope 1 and 2 (location-based) emissions, we are making targeted investments in energy efficiency, investing in on-site renewable power development, implementing planned reduction initiatives across our real estate footprint, and improving data centre efficiency.

As a subsidiary of BNY, the EB contributes to BNY's global climate strategy and emissions reduction approach. The EB represents a small share of BNY's global consolidated Scope 1 and Scope 2 emissions footprint but supports local mitigation efforts to reduce these emissions from operations. On at least an annual basis, the EB monitors its contribution to BNY's global consolidated Scope 1 and Scope 2 footprint. Additionally, the EB also provides feedback on BNY's broader decarbonisation efforts including factors such as: investments in site location strategy, office renovations, and employee-led efficiency initiatives. BNY's global climate strategy supports climate change mitigation efforts across the company. The EB is

fully subject to BNY group-level policy and has adopted and implemented all policies cascaded by the BNY.

*ESRS E1-2-25 (a)*

### **Policies for Climate Change Adaptation**

As detailed above, BNY maintains a global climate strategy that the EB and BNY's other legal entities are expected to follow and contribute to, but BNY does not maintain a formal corporate policy for climate change mitigation and adaptation. Climate risk considerations are incorporated into BNY's risk policy framework across all risk types which provides a foundation for how climate-related considerations are factored into business-as-usual risk assessment practices. As a driver of risk, distinct climate risk related policies do not exist, but rather are embedded within those policies that guide risk-based decision-making. BNY considers climate and environmental risks as potential drivers of financial risks (such as Credit, Market and Liquidity Risks), and nonfinancial risks (such as Operational and Strategic Risks). BNY's climate risk driver assessment incorporates risks arising from physical risk and transition risk.

*ESRS E1-2-25 (b)*

### **Sustainability Matters Addressed by Policy for Climate Change: Energy Efficiency and Renewable Energy**

The 'Sustainable Operations' pillar of BNY's global climate strategy focuses in part on green buildings and energy efficiency. As part of this work, BNY aims to increase the energy efficiency of the company's buildings globally, including those occupied by the EB, and reduce the emissions associated with the company's global energy consumption.

BNY continues to invest in energy-related upgrades such as building controls and high-efficiency heating and air conditioning systems.

In 2025, BNY continued to back 100% of the electricity used to power our global locations, including data centres, by renewable sources. We purchase RECs, which are widely accepted, market-based legal instruments conveying the environmental benefits of renewable energy. We are also actively working to diversify our energy sources through the development of on-site renewable power generation. Finally, we continue efforts to reduce the energy footprint of our data centres by enhancing facility performance. We closely monitor power usage effectiveness ("PUE"), a measure of cooling efficiency, and implement strategies such as cooling system upgrades and airflow management to improve operational efficiency.

While not a formal corporate policy, BNY's global climate strategy supports energy efficiency efforts across the company. The EB is a component of and supports the broader BNY group-level approach to energy efficiency and supporting initiatives.

*ESRS E1-2-25 (c),(d)*

## Actions

### Decarbonisation lever type

Our Scope 1 and Scope 2 emissions levels are impacted primarily by energy efficiency, changes in our real estate footprint and improvements in electricity grid emissions intensity. We utilise several decarbonisation levers to operate more sustainably and achieve progress against our 2030 Scope 1 and Scope 2 (location-based) GHG reduction target. Noted above, these efforts include making targeted investments in energy efficiency, investing in on-site renewable power development,<sup>20</sup> implementing green building practices across our real estate footprint, and improving data centre efficiency. As part of our carbon neutrality programme, we also procure 100% of electricity through the purchase of RECs or related instruments and carbon offsets to compensate for any residual emissions not mitigated through other efforts.

*ESRS E1-3-29-(a)*

### Allocation of Resources

EB is a contributor to BNY's global climate strategy and global emissions reduction efforts. Resources are required to achieve progress against BNY's 2030 Scope 1 and Scope 2 (location-based) GHG emissions reduction target. Specifically, financing is required to invest in energy efficiency, on-site renewable power development, planned reduction initiatives across our real estate footprint, data centre efficiency, and the procurement of RECs and carbon offsets. BNY's capital planning process includes allocations for sustainability and energy saving initiatives. BNY discusses and manages operational efficiency strategies internally through regularly scheduled bi-weekly meetings with key staff that may include Finance, Corporate Real Estate, and Operational Sustainability.

*ESRS E1-3-AR 21*

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<sup>20</sup> Investments to date include those in engineering and pre-construction planning. Resulting reductions in emissions from these projects are anticipated in 2026 and beyond.

## Metrics and Targets

### Energy Consumption and Mix for the EB<sup>21</sup>

Energy consumption and mix	2025	2024
(6) Total fossil energy consumption (MWh)	418	5,607
Share of fossil sources in total energy consumption (%)	4 %	55 %
(7) Consumption from nuclear sources (MWh)	0	1,597
Share of consumption from nuclear sources in total energy consumption (%)	0 %	16 %
(8) Fuel consumption for renewable sources, including biomass (also comprising industrial and municipal waste of biologic origin, biogas, renewable hydrogen, etc.) (MWh)	0	0
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (MWh)	11,484	2,906
(10) The consumption of self-generated non-fuel renewable energy (MWh)	0	0
(11) Total renewable energy consumption (MWh) (calculated as the sum of lines 8 to 10)	11,484	2,906
Share of renewable sources in total energy consumption (%)	96 %	29 %
Total energy consumption (MWh) (calculated as the sum of lines 6, 7 and 11)	11,902	10,110

ESRS E1-5-37-(a),(b),(c)-(i)(ii)(iii)  
E1-5-AR 34

### Gross Scopes 1 and 2 and Total GHG emissions for the EB<sup>22</sup>

	2025	2024
<b>Scope 1 GHG Emissions</b>		
Gross Scope 1 GHG emissions (tCO <sub>2</sub> eq)	40	29
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0 %	0 %
<b>Scope 2 GHG Emissions</b>		
Gross location-based Scope 2 GHG emissions (tCO <sub>2</sub> eq)	3,856	3,268
Gross market-based Scope 2 GHG emissions (tCO <sub>2</sub> eq)	52	22
<b>Total GHG emissions</b>		
Total GHG emissions (location based) (tCO <sub>2</sub> eq)	3,896	3,297
Total GHG emissions (market based) (tCO <sub>2</sub> eq)	92	51

ESRS E1-6-44-(a),(b),(c),(d)  
E1-6-48-(a),(b)  
E1-6-49-(a),(b)  
E1-6-52-(a),(b)

<sup>21</sup> In 2025, the methodology used to determine energy source mix was enhanced to apply a market-based basis, reflecting our energy procurement arrangements. This enhancement does not affect total energy consumption reported in 2024. For comparability, applying this enhanced methodology to 2024 would result in the following energy source mix: 3% fossil, 0% nuclear, 97% renewable.

<sup>22</sup> Methodology enhancements are reflected in the 2025 emissions data. These enhancements have an immaterial quantitative impact on the emissions data reported for 2024.

**Scope 1 & 2 Emissions have been further disaggregated for the EB**

Gross Scope 1 & 2 GHG Emissions	2025	2024
Consolidated Accounting Group (tCO <sub>2</sub> eq)	0	0
Other Investees (tCO <sub>2</sub> eq)	0	0

ESRS E1-6-50-(a),(b)

**GHG Intensity per net revenue for the EB**

GHG intensity per net revenue (tCO <sub>2</sub> eq/EUR)	2025	2024
Total GHG emissions (location-based) per net revenue	0.00000332	0.00000347
Total GHG emissions (market-based) per net revenue	0.00000008	0.00000005

Disclosure of reconciliation to financial statements of net revenue used for calculation of GHG emissions intensity: The figure is reconciled to the [Annual account \(IFRS\) section CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME](#)

ESRS E1-6-53

ESRS E1-6-55

**GHG Emissions by Source Type for the EB**

GHG emissions by Source Type (tCO <sub>2</sub> eq)	2025	2024
<b>Scope 1</b>	<b>40</b>	<b>29</b>
Stationary Combustion (Fuel Oil)	38	24
Stationary Combustion (Natural Gas)	1	0
Fugitive Emissions (Refrigerants)	1	5
<b>Scope 2 (Location-Based)</b>	<b>3,856</b>	<b>3,268</b>
Purchased Electricity	3,804	3,246
Purchased Steam	52	22
<b>Scope 2 (Market-Based)</b>	<b>52</b>	<b>22</b>
Purchased Electricity	0	0
Purchased Steam	52	22

ESRS E1-6-AR 41

**Effects of Significant Events and Changes**

There have been no significant events and changes to the circumstances relevant to GHG emissions that occurred between the reporting dates of the entities in BNY's value chain and the date of the undertaking's general purpose financial statements.

ESRS E1-6-AR 42-(c)

	2025	2024
Biogenic emissions of CO <sub>2</sub> from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions (tCO <sub>2</sub> eq)	0	0
Biogenic emissions of CO <sub>2</sub> from combustion or bio-degradation of biomass not included in Scope 2 GHG emissions (tCO <sub>2</sub> eq)	0	0

ESRS E1-6-AR 43-(c)

### Disclosure of Types of Contractual Instruments — Scope 2 GHG emissions

The percentage of unbundled contractual instruments reflects electricity consumption in 2025 from buildings occupied by the EB in which BNY purchased GOs (Guarantee of Origin) to apply to Scope 2 emissions from purchased electricity allocated to the EB not already covered by direct contract with utility for buildings occupied by the EB. For 2025 electricity consumption from BNY central data centres based in the United States allocated to the EB, BNY purchased Green-e RECs.

The percentage of bundled contractual instruments reflects electricity from locations occupied by the EB that hold a direct contract with the utility company which states electricity is sourced from renewables.

Unbundled energy attribute claims reflect 2025 electricity consumption from buildings occupied by the EB not already covered by bundled contractual instruments. BNY purchased GOs (Guarantee of Origin) to apply to Scope 2 emissions from purchased electricity allocated to the EB locations within the EU. BNY purchased Green-e RECs to apply to Scope 2 emissions from electricity consumption allocated to the EB from central data centres based in the United States.

Bundled contractual instruments reflects 2025 electricity consumption from locations occupied by the EB that hold a direct contract with the utility company which states electricity is sourced from renewables.

	2025	2024
Percentage of contractual instruments used for sale and purchase of energy bundled with attributes about energy generation in relation to Scope 2 GHG emissions	6 %	3 %
Percentage of contractual instruments used for sale and purchase of unbundled energy attribute claims in relation to Scope 2 GHG emissions	93 %	96 %
Percentage of contractual instruments, Scope 2 GHG emissions	99 %	99 %

ESRS E1-6-AR 45-(d)

ESRS E1-6-AR 45-(e)

### Disclosure of Methodologies, Significant Assumptions and Emissions Factors used to Calculate or Measure GHG emissions

BNY allocates emissions and energy consumption to the EB from real estate operations and United States-based core data centres. Real estate allocations reflect the EB's occupied square footage in BNY facilities, and core data centre allocations reflect the EB's share of BNY's total revenue in reporting year 2025. Therefore, the EB is assumed to drive core data centre emissions and energy in proportion to EB's 2025 revenue, relative to BNY's total 2025 revenue.

When energy use data is unavailable either directly or indirectly, BNY calculates an estimate using the following procedure: Where energy is not separately metered or reported and available by the landlord, based on typical energy use per square foot for similar facilities within our portfolio, 1.75 W/sq.ft. electricity is assumed.

Where metered energy data is known to only cover a portion of the total BNY usage (i.e. where a landlord central plant provides cooling, ventilation, and/or heating), we estimate additional non-metered usage using data from the 2018 CBECS electricity consumption intensities.

BNY applies the following standards, protocols, and methodologies to collect activity data and calculate emissions reported in the EB's GHG inventory: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition); The Greenhouse Gas Protocol: Scope 2 Guidance; IEA Emission Factors Package 2025, IPCC AR6; Local steam factors sourced from District de Luxembourg, and Lower Silesian Voivodeship (Poland); US EPA Centre for Corporate Climate Leadership: Direct Emissions from Stationary Combustion Sources; US EPA Emissions & Generation Resource Integrated Database ("eGRID"); US EPA Centre for Corporate Climate Leadership: Indirect Emissions From Purchased Electricity; US EPA Centre for Corporate Climate Leadership: Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases.

*ESRS E1-6-AR 39-(b)*

### **GHG Removals and GHG Mitigation Projects Financed Through Carbon Credits**

BNY and the EB have not developed projects in its own operations that result in GHG removals and storage.

*ESRS E1-7-56-(a)*

### **GHG Emission Reductions or Removals from Climate Change Mitigation Projects**

For reporting year 2025, BNY at the group-level purchased carbon credits from multiple projects. For the EB, BNY allocates carbon credits by applying each project's proportional share of the group-level carbon credit portfolio to the EB's share of 2025 Scope 1 and Scope 2 (market-based) emissions, resulting in an allocation comprised of proportional credits from the relevant projects. Carbon credits applied to the 2025 inventory were purchased in February 2026 and will be fully retired by 30 June 2026.

*ESRS E1-7-56-(b)*

### **Removals and Carbon Credits**

	2025	2024
Total GHG removals and storage (tCO <sub>2</sub> eq)	0	0
Total GHG removals from own operations (tCO <sub>2</sub> eq)	0	0
Reversals (tCO <sub>2</sub> eq)	0	0

*ESRS E1-7-58-(a)*

*ESRS E1-7-AR 58-(f)*

*ESRS E1-7-AR 60*

	2025	2024
Total amount of carbon credits outside value chain that are verified against recognised quality standards (tCO <sub>2</sub> eq)	92	51
Total amount of carbon credits outside value chain planned to be cancelled in future (tCO <sub>2</sub> eq)	92	51

**Disclosure of Calculation Assumptions, Methodologies and Frameworks applied (GHG removals and storage)**

BNY and the EB have not developed projects in its own operations that result in GHG removals and storage.

BNY does not sell carbon credits on the voluntary market.

*ESRS E1-7-59-(a)*

*ESRS E1-7-59-(b)*

*ESRS E1-7-AR 58-(e)*

*ESRS E1-7-58-(b)*

**GHG Emissions Associated with Removal Activity**

This is not applicable as the EB is not reporting GHG removals and storage from its own operations or value chain.

*ESRS E1-7-AR 60*

**Disclosure of Carbon Credits Use**

The use of carbon credits neither directly reduces BNY's nor the EB's gross GHG emissions. Rather, BNY's purchase of carbon credits are from projects that result in reductions or removals outside BNY's value chain.

For reporting year 2025, BNY at the group-level purchased carbon credits from multiple projects. For the EB, BNY allocates carbon credits by applying each project's proportional share of the group-level carbon credit portfolio to the EB's share of 2025 Scope 1 and Scope 2 (market-based) emissions, resulting in an allocation comprised of proportional credits from the relevant projects. Carbon credits applied to the 2025 inventory were purchased in February 2026 and will be fully retired by 30 June 2026.

All carbon projects from the seller reflect quality standards that are International Carbon Reduction and Offset Alliance ("ICROA") approved. Projects go through 10-step due diligence across parameters like technical carbon assessment, social impact assessment, KYC checks, etc. to ensure quality. Only projects that pass the sellers' due diligence are then made available to companies for purchase of credits. Credits purchased from the Verified Carbon Standard ("VCS") registry are from a carbon crediting programme that has been assessed by the Integrity Council for the Voluntary Carbon Market ("ICVCM") as Core Carbon Principles ("CCP") eligible.

*ESRS E1-7-AR 61*

## Share of Reduction and Removal Projects

	2025	2024
Percentage of reduction projects	75 %	80 %
Percentage of removal projects	25 %	20 %
Percentage for recognised quality standard	100 %	100 %
Percentage issued from projects in European Union	0 %	0 %
Percentage that qualifies as corresponding adjustment	0 %	0 %

ESRS E1-7-AR 62-(a)

ESRS E1-7-AR 62-(c)

ESRS E1-7-AR 62-(d)

ESRS E1-7-AR 62-(e)

## Nature of Carbon Credits from Removal Projects

Carbon credits from the removal project are from biogenic sinks.

ESRS E1-7-AR 62-(b)

## Carbon Credits Outside the Value Chain

Carbon credits applied to 2025 GHG emissions were purchased in February 2026. All credits will be fully retired by 30 June 2026.

Carbon credits to be cancelled for the reporting year	2025	2024
Total (tCO <sub>2</sub> eq)	92	51
Share from removal projects (%)	25 %	20 %
Share from reduction projects (%)	75 %	80 %
Recognised quality standard: VCS (%)	90 %	50 %
Recognised quality standard: Gold Standard-VER (%)	0 %	25 %
Recognised quality standard: ACR (%)	10 %	25 %
Share from projects within the EU (%)	0 %	0 %
Share of carbon credits that qualify as corresponding adjustments (%)	0 %	0 %

Carbon credits planned to be cancelled in the future	Amount until 30 June 2026	Amount until 30 June 2025
Total (tCO <sub>2</sub> eq)	92	51

ESRS E1-7-59-(a)

ESRS E1-7-59-(b)

Changes in the total amount of carbon credits cancelled outside the value chain during the reporting period are primarily attributable to changes in the underlying emissions profile in 2025. Variations in the breakdown of carbon credits cancelled during the year are driven by the composition of the carbon credit portfolio purchased.

## **EU Taxonomy**

No activities are claimed as being associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852 (Taxonomy Regulation).

# Own Workforce

## Strategy

### Material IROs and their Interaction with Strategy and Business model

The EB aligns with BNY's approach to managing impacts on our own workforce. BNY aims to build an open, welcoming, and respectful workplace for all employees including contractors and part-time and full-time employees.

As outlined in this report, social-related risk considerations are factored into business-as-usual practices led by the People Team, Legal, Risk, and Compliance, including processes for identifying, assessing, and managing these risks consistent with the ERM framework. Where specific social risk drivers are not fully captured by standard practices, then additional considerations have been built into existing processes.

*ESRS S1-4 AR 47*

### Types of Employees Subject to Material Impacts

The EB is an employer to 1,455 employees. All EB employees have a contract of employment. There are 3 types of employees: (1) full-time, (2) part-time, both with a contract for an indefinite period of time, and (3) a contract for a definite period of time. All full-time and part-time employees and BNY contractors have learning content and programming available to them.

BNY maintains internal workforce representation data, conducts analyses and facilitates workforce planning activities.

### Activities that Result in Positive Impacts and Types of Employees in its Own Workforce that are Positively Affected

Aligned with BNY's Thrive Together Principle, we provide our employees with resources to develop core competencies that value and appreciate the differences that enable each of us to make unique contributions. By delivering enhanced learning programmes we aim to create awareness of how to broaden perspectives and cultivate a sense of belonging.

From a learning perspective, BNY consistently reviews learning and development trends, collaborating with industry leading vendors and internal subject matter experts to ensure our offerings are competitive and meet employee and organisation needs for professional growth. Employees have access to a wide range of learning resources and training programmes through our BNY Learning Experience Platform, Learn at BNY. With access to tens of thousands of courses from top providers along with internally developed content, employees have an opportunity to upskill and expand their knowledge base. Learn at BNY serves as a comprehensive hub where employees can explore different topics, ranging from technical and AI to soft skills, leadership development, financial markets, industry trends, and personal growth, all available on demand, in virtual classrooms, and through on-site experiences. The extensive library of courses caters to various learning styles and preferences, so every employee can find relevant and engaging content to support their professional journey. There is also a comprehensive risk, compliance and regulatory training

infrastructure in place to help all employees understand how to identify, mitigate and manage risks, and to comply with relevant laws and regulations.

Our 6 Employee & Business Resource Groups, ("E/BRGs") are valuable culture carriers, creating opportunities for personal and professional development, skill building and a workspace where everyone thrives.

## **Material Risks and Opportunities Arising from Impacts and Dependencies on Own Workforce**

BNY's performance may be strengthened by effective attraction, development, and retention of talent. Elevated attrition, skills gaps, or reduced engagement — may be driven in part by external labour market conditions, regulatory developments, or changing workforce expectations — which may affect operational stability and erode our competitive advantage.

### **Mitigation and Management Actions**

- Multi-pronged workforce approach: We attract top talent from a broad pool and provide tools and pathways to grow at BNY, from early careers through to leadership roles.
- Continuous development: We build skills and capabilities through training and development programmes to ensure readiness for current and future roles.
- Culture and engagement: We embed BNY's Thrive Together principle in our operating and governance models and across the talent lifecycle, fostering belonging and supporting wellbeing.

### **Opportunities**

- Enhanced client outcomes: By connecting the dots across teams, we collaborate, share good practices, and accelerate progress advancing our Strategic Pillar to Be More for our Clients.
- Innovation through inclusion: By enabling individuals with different backgrounds, experience, and expertise to thrive, we generate better ideas and business outcomes.

There are no identified risks or opportunities that are dependant on specific groups of people within the EB's workforce.

*ESRS S1-ESRS 2 SBM-3-14, (a)(c)(d)*

*ESRS S1-ESRS 2 SBM-3-16*

## **Impacts, Risks and Opportunities**

### **Policies Related to Own Workforce**

At BNY and within our subsidiaries, we consider human dignity paramount and work to preserve human rights throughout our company and our supply chain. Our approach to human rights is embedded in the culture and values that define our company and is reflected in our policies and actions toward our employees, suppliers, clients and the communities and countries where we do business and throughout our value chain. Our actions are guided by our Human Rights statement.

We apply these principles to all the entities with which we do business, including our employees, suppliers, clients, communities and other stakeholders.

Further, BNY is committed to a safe and ethical workplace as demonstrated by the Code of Conduct, and a range of People Team policies. These policies comply with local laws concerning employment and individuals' rights in every country in which we operate. We do not tolerate corruption, discrimination, harassment, child labour, prison labour, forced labour or slavery in any form. We are committed to providing equal pay for equal work, and we periodically review our pay practices and processes to comply.

As part of our commitment to supporting wellbeing and the success of our employees, we offer a competitive, comprehensive range of benefits from mental health resources and financial protection to healthcare coverage and paid time off tailored to meet the evolving needs of our employees and their families. Programme enhancements are informed by employee feedback and regional market insights. We also recognise the importance of time away from work to care for oneself and others, offering global leave options such as Caregiver, Bereavement and New Parent Leave to support employees through life's key moments.

We strive to create an environment of respect for all individuals. Engaged, healthy employees are critical to our success; we support employees' total wellbeing through programmes that enable our employees to thrive.

We are guided by international standards such as the United Nations Universal Declaration of Human Rights and International Labour Organization Core Conventions, United Nations Guiding Principles on Business and Human Rights and by BNY's participation as a signatory to the United Nations Global Compact.

*ESRS S1-1-20(a)(b)*

*ESRS S1-1-21*

### **Specific Policies Aimed at Elimination of Discrimination are in place**

BNY has in place a Global Sexual and Other Discriminatory Harassment Policy. It is the policy of BNY that sexual or other discriminatory harassment or bullying in any form is employee misconduct and will not be tolerated. The prohibition against harassment applies in all work-related settings and activities, whether on or off BNY premises. The policy applies to all BNY employees, contractors, temporary workers, trainees, apprentices, students, applicants, customers, clients, vendors, and volunteers. Applicability of some of its parts may differ depending on the individual, subject to applicable law.

The Global Talent Policy specifically outlines that the Firm and its subsidiaries, affiliates and related companies must ensure that there is no type of discrimination regarding gender, colour, marital or family status, sexual orientation, religious belief, social status, age, disability, race or any other circumstances during all stages of the recruitment process of new employees, or in any terms and/or conditions offered to recently hired workers, or employees benefiting from promotions.

In addition, the EB has in place The Bank of New York Mellon SA/NV Board Inclusion Policy. This policy sets out the approach to highlight the criteria taken into account in the selection and governance surrounding the appointment of members of the Board of Directors of the EB, as well as consideration for the inclusion of the leadership team including the ExCo, Extended Executive Committee, Branch and Deputy Branch Managers. Having a combination of skills, experience, educational and professional background, and other relevant personal attributes on the board provides a range of perspectives, insights and

challenges needed to support good decision making. Board appointments are based on an individual and collective assessment taking into account these criteria.

The BNY Code of Conduct guides our actions and decisions as individuals and as a global financial services company. The Code aligns with our strategic pillars: Be More for Our Clients, Run Our Company Better and Power Our Culture. Our guidelines for ethical behaviour in our day-to-day work are guided by our culture of integrity, which means we aim to do what is right, always, regardless of the impact on a specific transaction or short-term working relationship. Guidance on expectations of employees to treat each other with fairness, dignity and respect is provided within the sections on "Respecting Others," "Mutual Respect and Professional Treatment", "Harassment-free Environment" and "Manager's Responsibilities."

BNY's New Parent Leave ("NPL") policy provides eligible employees across several countries with up to 16 weeks of paid leave within 12 months of becoming a new parent, regardless of the route — birth, adoption, surrogacy, or fostering. It covers maternity, paternity, and adoption leave as relevant in each location, is inclusive of statutory requirements, and ensures job protection, wellbeing support, notification procedures, and fair application. This policy also includes a paragraph on non-retaliation, stating employees are protected from retaliatory action or from being subject to any adverse personnel action for exercising or attempting to exercise their rights under this policy. Any employee who believes they have been subjected to retaliatory action in violation of this policy should report such action immediately to the People Team. The Firm will investigate any claims of retaliatory action and take any necessary corrective action where appropriate.

The EB operates in multiple countries, and in several key locations specific workforce policies are in place to support employees who may be at greater risk of vulnerability.

For example, BNY has a New Parent Leave Policy, for employees in Italy, which references "the fair and equal treatment of employees when a new child arrives, supporting parental responsibilities."

In Ireland, colleagues are subject to Dignity & Respect at Work Policy, the purpose of which is to protect the dignity of employees and to encourage respect for others at work. The policy prohibits any discrimination, harassment, sexual harassment or bullying and outlines a procedure to address any incidents of such behaviour.

Finally, Leave & Absence Policy for colleagues in Italy, where the policy outlines leave and absence for different circumstances, including but not limited to, options to support life balance, fair and equal treatment of all employees for family care situations, acknowledging different life circumstances and adherence to all statutory requirements of leave.

*ESRS S1-1-24-(a)(b)(c)*

## **Policies to Ensure Discrimination is Prevented**

Employee Relations has a process to review and address any concerns related to discrimination, this is covered by the Disciplinary Principles in EMEA policy and other local policies. In the Global Sexual and Other Discriminatory Harassment Policy it states that if harassment is found to have occurred, prompt and appropriate corrective action, including the issuance of a disciplinary sanction (up to and including termination of employment), will be taken to eliminate the harassment. It is also unlawful and expressly against BNY policy to

retaliate against or in any way victimise an employee or applicant for complaining of sexual or other discriminatory harassment or bullying or for cooperating in a review of a complaint of harassment. In Luxembourg, the Harassment and/or Violence Policy calls out specifically preventative measures to be implemented in order to ensure that the Employees and persons who provide their services for the Firm receive the necessary training and information to be aware of these issues, and that individuals doing specific work related to harassment/violence are adequately trained to successfully fulfil their tasks. This approach reinforces the commitment of the Firm to the well-being and protection of employees and ensures commitment to preventing unacceptable practices within the Firm. In Belgium, the Internal Work Regulations specifically include an annex related to the Prevention of Psychosocial risks at work. This annex introduces measures to prevent psychosocial risks at work and the damage resulting from these risks, and where appropriate to limit these risks and damages. In Germany, the shop agreement for cooperative behaviour in the workplace is a result of BNY's and the Germany works council's commitment to foster mutual respect and understanding with all employees, contractors, temporary workers, clients and vendors.

*ESRS S1-1-24-(d)*

### **Process for Engaging with Own Workforce**

Depending on the relevant EB location, where there are employee representatives, the employees typically elect their representatives every 3-4 years, based on national legislation. The elected candidates have a seat on the employee representation body and represent the workforce for the applicable period. Note that senior management is not in scope. Where there is a body of employee representatives, time is provided during office hours for the employee representatives to meet and prepare for the meeting with the employer's representatives. Meeting facilities and information are provided as required to the employee representatives. Meetings between EB management and the elected employee representatives take place regularly. The meeting frequency is driven by location and is based on the agreement with the employee representation body. Meetings are held at branch / Head Office level. The elected employee representatives and senior representatives of the location management attend the aforementioned joint meeting.

Employment law and rules/guidelines are applicable and followed. All other agreements made with workers representatives related to the respect of human rights of own workforce and include an explanation of how each agreement enables BNY to gain insight into the perspectives of its own workforce, and outcomes resulted from assessing the effectiveness of the engagement with our workforce.

*ESRS S1-2-27-(a)(b)(c)(d)*

### **How the Own workforce Inform Decisions Aimed at Managing Impacts**

Feedback from the meetings between the Company and the elected employee representatives is recorded in minutes as appropriate and where relevant, integrated into decision making processes by branch management. These decisions are cascaded to the workforce through employee communication and all-staff town halls, allowing for employees to understand how their feedback was incorporated. The decision framework on which actions are taken is the approval of the ExCo/Branch Management.

BNY engages with workforce and workers' representatives on the workforce impacts that may arise from reducing carbon emissions and transitioning to greener and climate-neutral operations through BNY's Environmental Sustainability Ambassadors.

BNY's Environmental Sustainability Ambassadors act as local champions and change agents, employees organise events and learning opportunities to amplify the topic of sustainability within the company and discuss ways to embed sustainability throughout their daily lives and help reduce our operational footprint, including carbon emissions. They also coordinate volunteer opportunities with local environmental nonprofit organisations through events such as tree plantings, litter clean-ups and park conservancy.

BNY has limited the option to physically print documents. Measures have been taken and training provided to encourage and prepare staff to digitally store documents. Also limiting printer availability and physical document storage has contributed to establishing the 'digital office.'

Given the EB's value chain and business model described above, no specific formal engagement has taken place with its own workforce in regard to impacts that may arise from reducing carbon emissions and transitioning to greener and climate-neutral operations, in particular restructuring, employment loss or creation, training and up/reskilling, gender and social equity, and health and safety. There have been no significant changes during the reporting year.

*ESRS S1-2-27*

### **Effectiveness of Engagement with Own workforce**

At the group level, BNY engages with our own workforce in a number of ways, including through a quarterly employee engagement survey. The survey covers different subjects and topics related to working at BNY, with the goal of understanding employee sentiment on these subjects. The relevant survey results can be analysed and used to validate the effectiveness of existing initiatives and identify areas of opportunity for future initiatives. Employee engagement can also be measured through the response rate of the surveys.

Financial resources are allocated to engaging with our own workforce on a number of areas including training, wellness, and overall engagement. Existing initiatives used to engage our workforce include resources that support the wellbeing of our employees, for example mental health champions; engagement activities through employee volunteering and E/BRG activities in their specific areas.

*ESRS S1-2-27-(e)*

*ESRS S1-2-AR 24*

*ESRS S1-4-43*

### **Engaging with Vulnerable Workforce Groups**

As mentioned above, BNY performs a quarterly survey, to which all staff are invited to participate. We continuously collect and measure employee feedback to provide managers with ongoing information on employee sentiment to identify areas of opportunity. Based on survey feedback, enhancements have been made to employee benefits, for example, to the wellbeing programme.

ESRS S1-2-28

### **Actions for Addressing Material Impacts on Workforce**

Our broad suite of offerings, including benefits and trainings, are beneficial to our employee population.

Permanent employees and their household dependents can access 1:1 support for their mental wellbeing through an external provider. The programme is a free benefit, offering easy access to convenient, personalised mental health support. This programme supports a number of free therapy and free coaching sessions per year for each member and for their families. It also provides unlimited care navigator appointments, self-guided moments exercises, 24/7 crisis support and work-life services.

Effectiveness of these programmes will be measured through ongoing monitoring of utilisation data, feedback and our employee engagement survey.

ESRS S1-4-38-(c)(d)

### **Actions Planned to Mitigate and Track Risks for Own Workforce**

For Workers' Rights, to support adherence to evolving labour laws and regulatory requirements, the EB's Advisors (Compliance, internal counsel and external legal experts) partner with the People Team to proactively identify, monitor and manage relevant legislative changes, thereby mitigating the risk of non-compliance with EB labour laws.

For Training and Skills Development, in line with internal and external requirements, employees are required to complete mandatory learning, which is tracked to verify completion. Compliance with Mandatory Learning is reported to Chief Administration Officers ("CAOs")/Chief Operating Officers ("COOs") on a quarterly basis. Additionally, elective training is available through the Learn at BNY portal. On-the-job training is provided at the manager's discretion.

ESRS S1-4-40-(a) (AR45)

### **Actions to Pursue Opportunities for Own Workforce**

Actions conducted in the EB are informed by BNY's approach to engaging with our workforce. BNY looks to promote a sense of belonging across the organisation and support the wellbeing of our people so that they can do their best work, build great careers, and lead fulfilling lives. Learning and performance reviews are tracked and included in [Section S1-6 Employee Characteristics](#) below. However, while these inputs are measured, there are no formal metrics in place to assess actual employee outcomes.

BNY looks to attract the best talent from across the industry and takes a multipronged approach by leaning into early career talent recruiting, internships, training, and a broad campus strategy. This approach is adopted by the EB.

Programmes are delivered and policies are created that are designed to embed belonging in operating and governance models and throughout the talent life cycle. Belonging is closely aligned with one of our strategic principles - Thrive Together. Helping people realise their full potential starts with having the best talent with the right experience and expertise. Through a

continuum of integrated performance and development processes, each working together to reinforce culture change, BNY is attracting, retaining and developing talent. In turn, employees are equipped with the tools to take ownership of their careers while driving business outcomes for the company. Programmes have been developed to foster an environment where everyone Thrives Together, feels comfortable and contributes towards achieving the company's business goals. BNY has a global office within the Talent function, who provide resources, programmes, tools, and initiatives designed to fuel employee engagement.

Through the learning platform, employees can access curated, self-paced courses and a library of micro-learnings to support skill-building, broaden their perspectives and strengthen a culture where everyone can thrive. On a continuing basis, employees, teams, business areas, and the work and programming led by Thrive Together Councils and E/BRGs are promoted and featured through internal and external communication channels.

*ESRS S1-4-40-(b)*

## Metrics and Targets

### Targets around Workforce

In order to meet expectations, BNY had an aim to improve senior women representation across EMEA by 31 December 2025. Please refer to the section [Targets to Manage Material IROs for Own Workforce](#) for more information on the 5-year aspiration. As of December 31, 2023, 33% of EMEA senior management were women and we met our objective ahead of time. As of 31 December, 2025, representation decreased slightly to 31.5%. Employees and employee representatives were not engaged in the setting of this goal. EMEA senior management, which included representation from the EB approved the objective in 2020.

In the Performance Management Process targets are agreed and set at individual level. The targets are cascaded down through the bank, and set and agreed at the start of the calendar year. At mid-year, these are reviewed and measured on performance among other targets. At year-end, the performance is based on what has been achieved on the goals set at the start of the year.

We continuously monitor various metrics across the bank and then take action as needed in conjunction with our policies and overall strategy.

Ongoing monitoring and recommended actions are presented to the EB ExCo.

*ESRS S1-5-47-(a)(b)(c)*

### Employee Characteristics

Please see data below on EB's efforts to invest in its own workforce and the metrics associated our results.

### Own Workforce

The tables below present the breakdown of EB employees by gender as well as type of employment contract (ESRS S1-6-50-(a), (b), ESRS 2-SBM-1-40-(a)-(iii)).

**Table 1: Employee Head Count by Gender (Head count as of year-end)**

Gender	Number of employees (headcount)*	
	2025	2024
Male	732	811
Female	681	793
Other*	0	0
Not Disclosed	42	59
<b>Total Employees</b>	<b>1,455</b>	<b>1,663</b>

\*Gender as specified by Employees themselves.

ESRS 2-SBM-1-40-(a)-(iii)

**Table 2: Employee Head Count in Countries with at Least 50 Employees representing at least 10% of its total number of employees (Head count as of year-end)**

Country	Number of employees (headcount)*	
	2025	2024
Poland	316	344
Ireland	305	328
Luxembourg	241	280
Belgium	286	336
Germany	182	204

**Table 3: Information on Employees by Contract Type, Broken Down by Gender (Head count as of year-end)**

	Female		Male		Other*		Not Disclosed		Total	
	2025	2024	2025	2024	2025	2024	2025	2024	2025	2024
Number of employees	681	793	732	811	0	0	42	59	1,455	1,663
Number of permanent employees	681	793	732	811	0	0	42	59	1,455	1,663
Number of temporary employees	0	0	0	0	0	0	0	0	0	0
Number of non-guaranteed hours employees	0	0	0	0	0	0	0	0	0	0

\*Gender as specified by Employees themselves.

	2025	2024
Number of employees who have left the undertaking	338	263
Percentage of employee turnover	22 %	15 %

The EB's headcount continued to decline during the reporting period, driven by its approved location strategy and enterprise-wide efficiency initiatives. Roles vacated through employee turnover are assessed for migration to strategic hubs, primarily the EB Poland branch, with

additional transitions to Manchester and India, and some positions have been discontinued where efficiencies have been realised. These shifts reflect an ongoing rebalancing of the EB's geographic footprint.

ESRS S1-6-50-(c)

## Description of Methodologies and Assumptions used to Compile Employee Data

This data is presented for the EB legal entity, for financial year 2025.

We have used the actual headcount, pulled out of our systems, based on the definition that's prevailing within our internal people data reporting. The definitions of permanent, temporary, non-guaranteed hours, full-time, and part-time employees differ between countries. There is no inherent difference between BNY definitions and national definitions. BNY employees can either be full-time, part-time, both with a contract for an indefinite period of time, or a contract for a definite period of time. Please refer to the employees broken-down by contract type in Table 3 above. The number of employees is reported in Headcount. The headcount is reported as of the end of 2025. No other estimates were used. Headcount information disclosed in this Sustainability Statement has been cross-referenced to the [EB's Annual Accounts - Consolidated Subsidiaries and Branches and Key Financial Performance Figures by Geographical Location](#).

ESRS S1-6-50-(d)-(i)(ii)

ESRS S1-6-50-(e)

ESRS S1-6-50-(f)

## Collective Bargaining Coverage and Social Dialogue

	2025	2024
Percentage of total employees covered by collective bargaining agreements	43 %	35 %

### 2025

Coverage Rate	Collective Bargaining Coverage		Social Dialogue
	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Employees – Non- EEA (estimate for regions with >50 empl. representing >10% total empl.)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl.)
0-19%	Ireland, Poland	NA	Ireland
20-39%	None	NA	None
40-59%	Luxembourg	NA	None
60-79%	None	NA	None
80-100%	Belgium, Germany.	NA	Belgium, Germany, Luxembourg, Poland

**2024**

Coverage Rate	Collective Bargaining Coverage		Social Dialogue
	Employees – EEA (for countries with >50 empl. representing >10% total empl.)	Employees – Non- EEA (estimate for regions with >50 empl. representing >10% total empl.)	Workplace representation (EEA only) (for countries with >50 empl. representing >10% total empl.)
0-19%	Germany, Ireland, Poland	NA	Ireland
20-39%	None	NA	None
40-59%	Luxembourg	NA	None
60-79%	None	NA	Belgium
80-100%	Belgium	NA	Germany, Luxembourg, Poland, The Netherlands

In those countries where CBA/Social dialogue applies, reference to the CBA is included within the employee contract of employment.

*ESRS S1-8-58*

*ESRS S1-8-60-(a)(b)(c)*

*ESRS S1-8-63-(a)*

*ESRS S1-8-AR 70*

**European Works Councils**

The EB does not have a European works council.

*ESRS S1-8-63-(b)*

**Employee Distribution**

**Gender Distribution of Employees at Top Management**

**Definition of Top Management for Gender Distribution**

For the relevant disclosures, we have used the BNY standard definition of Top-Management which is consistent across all our internal and external reporting. Top Management definition includes Managing Director, Senior Director & Directors under EB entities.

Gender	Headcount of Top Management		Headcount % of Top Management	
	2025	2024	2025	2024
Male	81	88	60 %	63 %
Female	52	51	39 %	36 %
Other*	0	0	0 %	0 %
Not Disclosed	1	1	1 %	1 %
<b>Total</b>	<b>134</b>	<b>140</b>	<b>100 %</b>	<b>100 %</b>

\*Gender as specified by Employees themselves.

*ESRS S1-9-66-(a)*

*ESRS S1-9-AR 71*

## Age Distribution across Our Workforce

Age Group	2025	2024
Under 30 years old	12%	15 %
30-50 years old	62%	61 %
Over 50 years old	26%	24 %

ESRS S1-9-66-(b)

## Adequate Wages

In relation to adequate minimum wages, article 1 of Directive (EU) 2022/2041<sup>23</sup> establishes a framework for:

1. Adequacy of statutory minimum wages with the aim of achieving decent living and working conditions — where minimum wages and/or collective agreements are not provided in national law, the bank conducts a market review for the lowest earners;
2. Promoting collective bargaining on wage-setting — the bank has a transparent and fair wage structure and in case of disputes peer and market reviews are conducted; and
3. Enhancing effective access of workers to rights to minimum wage protection where provided for in national law and/or collective agreements — for locations where minimum wages are set by law, the bank monitors the changes and adjusts compensation of its employees in line with the requirements; where collective agreements are applicable, the firm conducts a review of collective bargaining agreements categories so that employees are assigned with the appropriate category and are paid accordingly.

The EB does not have any countries where employees earn below the applicable adequate wage benchmark.

ESRS S1-10-69

ESRS S1-10-70

## Persons with Disabilities

The EB does not report workforce disability data.<sup>24</sup>

ESRS S1-12-79

ESRS S1-12-AR 76

## Training and Skills Development

BNY has a strong training programme with a focus on enabling the workforce to meet its annual training with options for specialising in many more areas. Please see below for metrics related to workforce training.

<sup>23</sup> DIRECTIVE (EU) 2022/2041 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 19 October 2022 on adequate minimum wages in the European Union

<sup>24</sup> Disability data, in compliance with GDPR and local employment regulation in force, is not uniformly captured for EB employees. The EB does have a process for employees with disabilities, visible or invisible, to request accommodation and programmes to—access to resources, practices, and policies to support their wellbeing. EB also makes accommodations available during the hiring process.

## Performance and Career Development Reviews<sup>25</sup>

	2025	2024
<b>Performance &amp; Development Review Complete</b>		
Male	43 %	39 %
Female	36 %	37 %
Other	0 %	0 %
Not Disclosed	2 %	3 %
<b>Total</b>	<b>81 %</b>	<b>79 %</b>
<b>Performance &amp; Development Review Incomplete</b>		
Male	8 %	10 %
Female	11 %	11 %
Other	0 %	0 %
Not Disclosed	1 %	1 %
<b>Total</b>	<b>19 %</b>	<b>21 %</b>

## Average Mandatory and Elective Learning Hours per Employee

	Content Hours		Employees		Average Learning Hrs per Employee	
	2025	2024	2025	2024	2025	2024
Male	18,991	14,862	732	811	26	18
Female	17,365	12,836	681	793	25	16
Other	0	0	0	0	0	0
Not Disclosed	1,004	750	42	59	24	13
<b>Total</b>	<b>37,359</b>	<b>28,447</b>	<b>1,455</b>	<b>1,663</b>	<b>26</b>	<b>17</b>

## Average Elective Learning Hours per Employee

	Content Hours		Employees		Average Learning Hrs per Employee	
	2025	2024	2025	2024	2025	2024
Male	11,519	7,934	732	811	16	10
Female	10,739	6,074	681	793	16	8
Other	0	0	0	0	0	0
Not Disclosed	635	258	42	59	15	4
<b>Total</b>	<b>22,893</b>	<b>14,266</b>	<b>1,455</b>	<b>1,663</b>	<b>16</b>	<b>9</b>

ESRS S1-13-83-(a)(b)

The increase in average learning hours reflects continued investment in enterprise learning and employee capability building. This was primarily driven by the expansion of elective learning offerings. The increase also reflects enhancements to mandatory compliance training requirements.

<sup>25</sup> Numbers are rounded to the nearest whole number

## Remuneration

	2025	2024
Gender Pay gap	14 %	19 %
Annual total remuneration ratio	16.67	18.06

*ESRS S1-16-97-(a)*

*ESRS S1-16-97-(b)*

### Contextual Information and Methodology

For the purpose of gender pay gap ratio, the following calculation is applied: Obtain the total annual remuneration of all EB employees during reporting year 2025. Obtain the self-identified gender information for each employee, in order to only retain the male and female employees. Calculate the average of the total annual remuneration for male employees (data point A) and calculate the average of the total annual remuneration for female employees (data point B). Apply calculation:  $((A-B)/A)*100$ .

For the purpose of annual total remuneration ratio, the following calculation is applied: Obtain the total annual remuneration of all EB employees during reporting year 2025. Sort from highest to lowest total annual remuneration to find out the highest earning individual (data point A). Remove A from the full list and calculate the median total annual remuneration for the remaining population (data point B). Apply calculation:  $(A/B)$ .

The gender pay gap outcome is influenced by workforce composition changes during the reporting period, including shifts in headcount across job levels and changes in representation within the highest paid grades, which can have a disproportionate effect on the reported metric.

*ESRS S1-16-97-(c)*

# Business Conduct

## Governance

### Role of the Administrative, Management and Supervisory Bodies

Please refer to [Section 4.2, 4.4 of the Board of Directors Report](#) and [Section 28.1.2 of the Notes to the Consolidated Financial Statements](#).

*ESRS G1-ESRS 2 GOV-1-5-(a)*

### Business Conduct Expertise

The Board collectively possesses a balanced set of skills and experience relevant to EB's activities and sustainability-related matters, enabling effective oversight of strategy, risk and compliance, financial reporting, and people-related topics.

Directors bring deep financial, audit, and tax expertise that supports rigorous oversight of financial controls and performance analysis, alongside executive and people management experience to oversee leadership and change. Business administration and operational leadership are well represented, with practical experience that supports disciplined supervision of operating plans and operational risk.

Industry knowledge is comprehensive and well aligned to the Company's business model and strategic priorities. The Board maintains a strong understanding of the applicable regulatory environment with ESG considerations embedded within governance practices and continuing to evolve in line with regulatory developments and stakeholder expectations. Digitalisation and technology capabilities are represented, with ongoing efforts to deepen expertise and address current variability to ensure consistency as emerging technologies and business models advance. Innovation experience varies across the Board; targeted deepening is underway to strengthen oversight of new products, services, and delivery channels. A strong client and stakeholder focus is consistently reflected in Board oversight and decision-making, reinforcing fair value, transparency, and durable relationships.

*ESRS G1-ESRS 2 GOV-1-5-(b)*

## Impacts, Risks and Opportunities

As stated herein, governance-related risk considerations are factored into BAU practices across the firm run by the People's team, Legal, Risk, and Compliance, including processes for identifying, assessing, and managing these risks. Where specific governance risk drivers are not captured in BAU practices, then additional considerations have been built into existing processes.

### Business Conduct Policies and Corporate Culture

The Employee Code of Conduct is in place to promote our culture of integrity, which means that we aim to do what is right no matter the impact on a specific transaction or short-term working relationship. The key guidelines for our Code of Conduct are: Respecting others, Avoiding Conflicts, Conducting Business, Working with Governments, Protecting Company Assets and Supporting our Communities. These, along with the Strategic Pillars and

Principles of: Be Client Obsessed, Spark Progress, Own It, Stay Curious and Thrive Together, are promoted to colleagues on a regular basis, including at quarterly town halls. The goals set at the start of the year are based on these pillars and feedback is received from other colleagues and through the Performance Management Process, which leads to an end of year evaluation.

For more details on the policies that support the Code of Conduct, refer to [section Policies in place to manage its material IROs related to business conduct and corporate culture](#) above.

#### *ESRS G1-1-9*

BNY, including the EB, has several mechanisms in place for identifying, reporting and investigating concerns about unlawful behaviour or otherwise against its Code of Conduct. All concerns can be raised by speaking to a relevant manager; however, if this is not possible, several options exist, some of which are anonymous that also apply to whistleblowing. The anonymous options include the Ethics Help Line, which is operated by members of the company's Ethics office; the Ethics Hot Line, an independent hotline administrator; or ethicpoint.com, hosted on Ethics Point's secure servers and is not part of the company's website or intranet. A further option is the Ethics mailbox for the company's Ethics team, which is not anonymous.

If a concern involves potential crime or unusual client activity, then employees must raise an Incident Report within 72 hours. There is a link provided to this on the landing page of the company's intranet site for reporting purposes. As noted above there is also the Ethics mailbox which is the company's Ethics team and is not anonymous.

This process for reporting is laid out in the Suspicious Activity Reporting Policy for Non-U.S.-Based Employees. Suspicious Activity includes all actual or suspected incidents of fraud, money laundering, terrorist financing, sanctions evasion and other illegal, suspicious, or unusual activities. Issues reported via these Reporting Channels are assessed and investigated, as appropriate. Investigations are conducted using centralised resources within BNY, with involvement at a local legal entity level, where required. For the purposes of this policy whistleblowing has been defined within the EU in accordance with Directive (EU) 2019/1937 of the European Parliament and of the Council of 23 October 2019 on the protection of persons who report breaches of EU law ("The EU Whistleblower Protection Directive") as implemented into the national laws of EU member states.

#### *ESRS G1-1-10-(a)*

### **Reporting Safeguards and Whistleblower Protections**

In addition to the whistleblowing channels laid out above, there is also the People Solutions Centre which is an internal, non-anonymous system administered by the People Team. There is a link provided to this on the landing page of the company's intranet site. This is also promoted through mandatory annual training. Through the whistleblowing policy and on the company's intranet there is also information regarding how to report externally of the company through various regions.

A section of the Whistleblowing Policy refers to The EU Whistleblower Protection Directive regarding the protection against retaliation towards its own workers who are whistleblowers.

#### *ESRS G1-1-10-(a)(c)(d)*

Annual training is provided for the following policies: Code of Conduct; Escalation, Speaking Up, Reporting and Non-retaliation; Policy on Identifying, Investigating and Reporting Suspicious Activity for US- Based Employees and Contractors; and SAR Policy for Non-US Based Employees. This is targeted at all BNY employees. In addition to any bank-sponsored online or in-person training, including focused refresher training based on the policies above, any additional training provided will be applicable to all in-scope BNY employees. Training will also be provided to managers who have direct reports based in the EMEA region, regardless of whether they themselves are based in EMEA, as it is critical that they also understand and adhere to the EMEA Whistleblowing arrangements.

*ESRS G1-1-10-(g)*

## **Management of Relationships with Suppliers**

### **Supply Chain Risks and Impacts**

ESO Onboarding and Monitoring teams manage third-party risk through due diligence during onboarding and ongoing oversight. In May 2025, ESO integrated ESG risk assessments into its framework using EcoVadis, a third-party vendor tool and enterprise sustainability SMEs. Starting May 2025, the ESG risk assessment scope expanded to include all new vendor engagements and those rated critical or high as part of our reassessment cadence. The EcoVadis platform is used to perform ESG due diligence, generating scorecards, Vitals reports, and IQ reports, which sustainability SMEs review against a defined issue/gap matrix. Before May 2025, ESG data was collected for informational purposes only, except for critical/high-risk vendors, which were reviewed by SMEs. Any ESG gaps identified during onboarding or ongoing monitoring are logged in ServiceNow ("SNOW") with severity ratings (Low, Moderate, High), tracked for remediation, and escalated for business acceptance if unresolved. Ongoing monitoring also includes ESG-related news alerts for applicable vendors. The vendor ESG Risk Dashboard reports the gaps/ issues identified during the due diligence assessments and is utilised for enterprise risk governance and management reporting.

*ESRS G1-2-15-(a)*

### **Supplier Reviews for Social and Environmental Factors**

BNY has established a Supplier Code of Conduct that sets standards for vendors in areas related to worker health and safety, labour and human rights, modern slavery, environmental sustainability, ethics, community commitment, conflicts of interest and other responsible business practices.

The third-party risk assessment lifecycle starts with the planning phase that includes the vendor selection. As a part of vendor selection, request for information/request for proposal ("RFI/RFP") templates include questions on topics such as human rights, along with other business requirements. The business team that outsources the services to the third-party vendor confirms the key selection criteria factors, based on the relevant regulatory or policy related requirements from the initial questionnaire recommendation provided by ESO, finalised into the package that is included in an RFI/RFP event. Further contractual provisions are being reviewed for updates to include additional considerations within the legal framework that will be binding in all third-party vendor contracts.

*ESRS G1-2-15-(b)*

## Prevention and detection of corruption and bribery

The EB assesses anti-bribery and corruption ("ABC") risk as immaterial. This view reflects our client profile—predominantly regulated financial institutions and large corporates with established compliance programmes—alongside a limited, low-risk product set.

*ESRS G1-1-10-(h)*

*ESRS G1-3*

*ESRS G1-4*

## Privacy and Data Protection

Privacy and data protection strategy and implementation are led by BNY at the group level and are embedded within and complied with by the EB.

### Strategy

Technological developments, including the use of AI-enabled applications, present opportunities for financial services institutions such as BNY to use personal information to develop improved products and services, support clients more effectively and efficiently, and better manage risk. BNY, and other organisations, are subject to laws and regulations that make us accountable for collecting and using personal information in a fair and lawful manner. We view the protection of privacy as an opportunity to earn and safeguard client trust. We commit to acting ethically and lawfully when handling the personal information of our clients, employees and other stakeholders.

### Governance

BNY's data privacy programme is led by our Global Privacy Office, which is responsible for the development and implementation of the BNY Privacy Framework and supporting policies, procedures and controls. Our data privacy framework and operating model are aligned to leading international privacy standards and follow the Three LoD model utilised across the financial services industry. Specific roles and responsibilities are shared across the Global Privacy Office, Lines of Business/Corporate Functions/Platforms and the Legal, Compliance and Audit functions. The data privacy programme is governed by the Enterprise Data and Privacy Council, with escalation routes into Executive Oversight committees, if needed.

### Data Privacy Policies and Individual Rights

BNY has implemented data privacy policies and procedures that apply to BNY processes utilising personal information. The policies and procedures include:

- Providing individuals with privacy notices to inform them that we are collecting their personal information, how we will use it and what rights they have in relation to it;
- Identifying an appropriate legal basis to process personal information and, when required, seeking consent;
- Minimising the volume of personal information we process by limiting collection to what is necessary for processing purposes and not retaining it for longer than required for these purposes unless required to do so for legal, regulatory, tax, accounting or technical requirements;
- Operating a process to respond to individuals who exercise their privacy rights;

- Carrying out data protection impact assessments to identify and mitigate privacy risks for new or updated personal information processing;
- Protecting personal information by operating an information security framework aligned to global standards;
- Implementing appropriate protections when we transfer personal information across international borders;
- Implementing third-party governance designed to ensure that our data privacy standards are met by suppliers when they process personal information on our behalf; and
- Maintaining an inventory of the personal information we process to support the activities listed above.

### **Regulatory Readiness**

BNY actively tracks data privacy developments facing our industry and proactively adjusts our data privacy strategy and controls in response. We maintain a privacy regulatory implementation programme to make the necessary updates to our data privacy framework to support us in demonstrating compliance with the applicable new and updated data privacy laws and regulations to which we are subject.

### **Data Privacy Incident Management**

We maintain a personal information incident management process that directs the reporting, assessment, handling and escalation/ notification of data privacy incidents.

### **Data Privacy Training**

We believe that our employees play a critical role in protecting personal information. The Global Privacy Office provides regular employee data privacy training, including mandatory training on key data privacy principles and requirements that is completed annually by employees and new joiners as part of their onboarding. In addition, we conduct regular awareness-raising activities to educate employees on the data privacy framework and remind them that respecting individual privacy rights and handling personal information with care demonstrates that BNY operates with integrity.

### **Risk Management**

BNY conducts regular review and assurance activity relating to compliance with our data privacy policies. This includes producing and monitoring data privacy metrics and undertaking assessments across BNY to identify privacy risks and control improvement opportunities.

## **Metrics and Targets**

### **Payment Practices**

Payment practices strategy and implementation are led by BNY at the group level and are embedded within and complied with by the EB.

The Enterprise Sourcing Accounts Payable policy outlines the guiding principles for timely invoice handling and payment execution. Businesses must ensure suppliers submit compliant invoices promptly, while the ESO AP team validates details, secures approvals and

processes payments, preferably via electronic transfer as per due date. Non-compliant invoices or exceptions are flagged for correction and all transactions follow governance, audit trails and regulatory requirements to prevent delays and maintain supplier trust.

*ESRS G1-2-14*

	2025	2024
Average number of days to pay invoice from date when contractual or statutory term of payment starts to be calculated	20	21
Percentage of payments aligned with standard payment terms	95 %	81 %
Number of outstanding legal proceedings for late payments	0	0

*ESRS G1-6-33-(a)*

*ESRS G1-6-33-(c)*

**Standard Payment Terms**

Payment terms are determined by the contract agreed upon between the vendor and the Enterprise Sourcing team. These terms typically allow flexibility and may extend up to 60 days from the date of invoice creation, depending on the contractual agreement.

*ESRS G1-6-33-(b)*

**Contextual Information**

The definition of paid on time: payment on time to suppliers means that the invoice was paid on or before the due date.

Payment due date is determined by combining two key factors:

- Invoice received date: when the invoice is received at BNY; and
- Suppliers pay terms: set up as per contract or standard.

Average days to pay is determined by combining two key factors:

- Invoice creation date: when the invoice is created in BNY system; and
- Payment date: when the payment is made to the vendor.

*ESRS G1-6-33-(d)*

# Entity specific disclosures

## Innovation and Technology

Through the EB DMA impacts and opportunities related to innovation and technology, were identified as material. As these IROs are not related to ESRS topics, we have reported the governance, strategy, risk management and, where applicable, metrics and targets.

Innovation and technology strategy and implementation are led by BNY at the group level and are embedded within, and complied with by the EB.

## Cyber Security

### Governance

Cybersecurity monitors for potential threats and communicates relevant risks to the Chief Information Security Officer ("CISO") and other members of executive management. Additionally, Cybersecurity manages an incident response and reporting process pursuant to which cybersecurity incidents are classified according to their severity based upon an assessment of multiple factors. Certain cybersecurity incidents may activate enterprise-wide resiliency processes, which include, among other things, escalation through the management and Board committee structures described above. The preparedness programme includes mandatory training for all employees, contractors and consultants, enhanced training for those in roles presenting higher risk, calibrated phishing email simulations, distribution of information security awareness materials and cybersecurity event simulation exercises

### Strategy

BNY maintains a broad range of defences aimed at remaining abreast of and responding to evolving cybersecurity threats impacting the company, its operations, its clients, its third-party service providers, and the broader financial services sector. Whether evaluating and designing services centred on artificial intelligence, digital assets, advanced encryption, or other emerging technologies, cybersecurity risk management is a priority for the company that is embedded as a core component of our strategy to protect our clients and their data. Protecting data across operations and communications remains a priority, with investments in advanced technologies to secure communications between clients and internal systems. Our techniques are based on industry best practices and standards incorporated into internal policies.

### Risk Management

As part of its first line of defence, the company maintains a dedicated cybersecurity function ("Cybersecurity"), led by the CISO, that is responsible for the day-to-day management of risks from cybersecurity threats. Cybersecurity's responsibilities include cybersecurity threat intelligence, incident response and other cybersecurity operations aimed at enabling the company to identify, assess and manage existing and emerging cybersecurity threats. BNY's cybersecurity risk management programme is embedded in the company's Three Lines of Defence model. Cybersecurity is subject to ongoing review and challenge from Technology Risk Management, which is a part of the independent second line of defence risk function. Internal Audit serves as the third line of defence and provides an independent view on how effectively the organisation manages cybersecurity risk.

At the group level, the Risk Committee of the Board has primary responsibility for oversight of the overall operation of the company's risk management framework, including policies and practices addressing cybersecurity risk, and is responsible for the oversight of the second line of defence with respect to its cybersecurity risk management responsibilities. The Technology Committee of the Board and the full Board regularly receive reports and briefings from management concerning cybersecurity matters, including any significant changes to the company's cybersecurity programme. BNY also has protocols for escalating cybersecurity threats and incidents to the Technology Committee of the Board and the full Board.

### **Metrics and Targets**

There are no other key metrics reported for innovation and technology.

## **AI**

### **Governance**

As AI adoption has rapidly shifted throughout financial services from an innovative investment to returning tangible impacts across enterprises, good governance is vital to continued sustained adoption. BNY has evolved its risk programme alongside its technology. The firm not only informs its internal policies based on external standards and regulations such as the NIST AI RMF and the EU AI Act but has made an effort to publish guidance for safe democratisation of AI in Banking within the Institute of Electrical and Electronics Engineers ("IEEE's") Magazine on Internet Computing.

BNY has also created a Responsible AI Office ("RAIO") whose sole task is to properly facilitate and interdependently identify potential risks in AI applications. Within BNY, AI Risk is an interdisciplinary effort engaging teams from Tech Risk to Employee Relations to best guide AI, with a specifically human touch to best evolve the assessment of risk. This independence, combined with the domain experts in the RAIO, provides BNY with a deeper understanding of emergent risks before proceeding forward with a novel use case. In addition to assessing risk, RAIO also operates multiple independent interdisciplinary reviews within a broader AI lifecycle, tasked with the review of validation testing, security standards, and general ethical permissibility.

BNY's AI lifecycle mandates an audit of each use case to better align with and protect the privacy of clients and employees in order to preserve their trust and faith in doing business with us. The Firm employs a methodology wherein developers are expected to use the minimal amount of approved Personally Identifiable Information ("PII") in building their systems. Additionally, after a use case is developed these same forums are responsible for checking validation results to discover any form of bias or unfairness within the workflow, and to propose mitigants. Accuracy testing is completed for each use case and additionally assessed interdependently.

### **Strategy**

#### **Transforming Business Through AI**

At BNY, AI is enabling us to tackle problems at speed and scale while unlocking opportunities that were previously impossible. Our strategy is straightforward: AI for everyone, everywhere, and everything. Supporting this aspirational strategy is a keen focus on at-scale enablement through education on responsible AI and enterprise-wide access to our AI platform. This is empowering our employees to increase productivity through AI-powered solutions while

learning new ways to bring innovative ideas to fruition. As we scale up the practical application of AI, we are realising efficiency gains while also building the "brain of the bank" that will better enable us to harness our expertise and unique data assets to generate actionable intelligence.

By deliberately choosing to purpose build AI as a platform (Eliza) within BNY, we are:

- Optimising flexibility to integrate best-in-class models without vendor lock-in.
- Protecting our enterprise ROI by reusing a single platform across businesses, which helps to eliminate redundant investments in similar tools and simplifies collaborative innovation between teams.
- Maintaining governance and control through the platform's singular oversight framework to deliver full transparency, auditability, and accountability of AI agents.
- Better enabling strategic value and differentiation through this core bank asset, purpose-built in line with our data, risk, and compliance standards.

Examples of our AI efforts include:

- Drafting documents
- Streamlining question-and-answer workflows.
- Automating content summarisation and classification.
- Proactively detecting and reconciling potential vulnerabilities in technical code.

### **Enhancing Client Experience**

AI creates value wherever there is a need to process and synthesise large volume of data in order to make better decisions. From discovery and decision-making to exception handling and controls, AI meaningfully enhances how we work and how we serve our clients.

### **Driving Innovation in Products and Solutions**

Our activities around AI extend to creating transformative products and services. By embedding AI into our offerings, we empower clients to modernise their operations while enhancing the scalability of our own infrastructure.

### **Unlocking Productivity Gains**

BNY employs diverse AI methodologies — including advanced algorithms, scalable infrastructure, and intelligent data processing — to deliver transformative solutions. These technologies help us operate more efficiently and provide innovative capabilities to our clients.

### **Improving Employee Experience**

We are enhancing employee productivity and decision-making capabilities through AI-driven processes. By reducing manual tasks and increasing access to actionable insights, we are fostering a culture of informed decision-making.

### **The AI Infrastructure Sustainability Trade-off**

Deploying advanced computing infrastructure, such as data centres with graphics processing units ("GPUs"), could increase the energy intensity of our technology infrastructure. However, we strategically invested in state-of-the-art AI infrastructure that helps us execute cutting-edge solutions more efficiently. These investments reinforce our commitment to technological leadership and environmental responsibility.

## **Risk Management**

Throughout 2025, our primary goal has remained to drive AI adoption and innovation at scale, while maintaining a strong risk management framework in parallel. To do this effectively and efficiently, we continue to build our core risk principles around the responsible, ethical, and compliant use of AI. In 2025, we prioritised a consistent, multi-disciplinary, risk methodology which has strengthened our ability to centralise and streamline AI risk assessments. By integrating the existing tools and systems at our disposal, with the more innovative AI systems that we build, we have become increasingly more confident in our ability to adapt to the AI risk environment without having to compromise the integrity of our risk and control frameworks.

As the AI risk and regulatory landscape in financial services continues to mature around us, we have invested significant resources to ensure we approach the impacts and benefits of AI systems with a risk-first mindset to develop and mature our AI strategy. This has also introduced a key priority to provide multi-layered training and education on the risks of AI systems to promote literacy and responsible AI practices. We value leveraging an equal representation of internal assets, external partnerships, and industry best practices to remain an AI risk leader for the development, deployment, and use of AI. As we scale, our goal is to provide the assurance to our clients, peers, and partners that our investment in AI adoption is also an equal investment in managing the current and emerging landscape of the risks and threats this technology can expose.

## **Metrics and Targets**

With our focus on at-scale employee enablement and adoption of AI, we have a framework of monitoring metrics in place to provide a holistic, enterprise-wide view into AI adoption, usage, commercial impact and compliance. From a user perspective, we have reliable insights into who at BNY is using AI, when, and for what. From a solutions perspective, we monitor development in accordance with defined and prescribed processes and controls before being released, as well as solution users and performance post-release. Throughout 2025 there were no high-severity reported incidents resulting in material loss, operational disruption or client impact.

## **Technology Developments**

### **Governance**

All new technology development follows BNY's Permit to Build ("PtB") process, which includes review by an Architecture Review Board ("ARB") to ensure alignment with published policies and non-functional requirements including system design, data usage and security controls. Client requirements remain traceable throughout delivery via the Agile Delivery Framework.

### **Strategy**

Our Innovation Team scans emerging technologies to identify capabilities that support product development. Engineering regularly engages strategic vendors to understand technological developments that should be implemented within BNY to enable improved client-facing products. BNY integrates product and client requirements into our product-planning process as part of our Agile Delivery Framework.

### **Risk Management**

As BNY embraces new technologies and launches new products, BNY has a technology change framework, including the firm's software delivery lifecycle that serves as a governance framework for how we evaluate, execute, and monitor all changes introduced into our technology environment.

### **Metrics and Targets**

BNY does not currently have metrics or targets to report on the opportunity identified as material under CSRD.

## Appendix

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	E1-3	<a href="#">Actions and resources in relation to climate change policies</a>	Page 72
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ESRS	DR	Description	Page Number
S1	S1-ESRS 2 SBM 2	<a href="#">Interests and views of stakeholders</a>	Page 41
	S1-ESRS 2 SBM 3	<a href="#">Material impacts, risks and opportunities and their interaction with strategy and business model</a>	Page 80
	S1-1	<a href="#">Policies related to own workforce</a>	Page 81
	S1-2	<a href="#">Processes for engaging with own workforce and workers' representatives about impacts</a>	Page 84
	S1-4	<a href="#">Taking action on material impacts on own workforce, and approaches to managing material risks and pursuing material opportunities related to own workforce, and effectiveness of those actions</a>	Page 86
	S1-5	<a href="#">Targets related to managing material negative impacts, advancing positive impacts, and managing material risks and opportunities</a>	Page 87
	S1-6	<a href="#">Characteristics of the undertaking's employees</a>	Page 87
	S1-8	<a href="#">Collective bargaining coverage and social dialogue</a>	Page 89
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G1	G1-ESRS 2 GOV-1	<a href="#">The role of the administrative, supervisory and management bodies</a>	Page 94
	G1-ESRS 2 IRO-1	<a href="#">Description of the processes to identify and assess material impacts, risks and opportunities</a>	Page 94
	G1-1	<a href="#">Business conduct policies and corporate culture</a>	Page 94
	G1-2	<a href="#">Management of relationships with suppliers</a>	Page 96
	G1-6	<a href="#">Payment practices</a>	Page 98

## Disclosure of Methodologies and Significant Assumptions Behind Each Metric

ESRS Reference	Metric	Methodology and significant assumptions associated with the metric
2-GOV-1-21-(a)	Number of executive members	Count the number of executive members of the EB's administrative, management, and supervisory bodies.
2-GOV-1-21-(a)	Number of non-executive members	Count the number of non-executive members of the EB's administrative, management, and supervisory bodies.
2-GOV-1-21-(d)	Board's gender diversity ratio	Count the total members of the EB Board, then count the female members of the EB Board. Finally, calculate the board's gender diversity ratio (or percentage of female members) by dividing the latter by the former, and multiplying by 100.
2-GOV-1-21-(d)	Percentage of members of administrative, management and supervisory bodies	Count the total individual members of the EB's administrative, management, and supervisory bodies. Then, count the total number of either male, female, other or not disclosed members within EB's administrative, management, and supervisory bodies. Finally, calculate the percentage of either the Male, Female, Not Disclosed or Other members by dividing the latter by the former, and multiplying by 100.
2-GOV-1-21-(e)	Percentage of independent board members	Count the total members of the EB Board (A), then count the independent members of the EB Board (B). Finally, calculate the percentage of independent members by dividing (B) by (A) and multiplying by 100.
2-GOV-3-29-(d)	Percentage of variable remuneration dependent on sustainability-related targets and (or) impacts	The incentive differentiation guidelines apply to the whole incentive value, hence a negative assessment rating against the What and/or the How (which includes an environmental/climate goal for selected staff members) may result in a negative impact on the whole value (even potentially leading up to a 0 incentive).
E1-ESRS 2 GOV-3-13	Percentage of remuneration recognised that is linked to climate related considerations	The incentive differentiation guidelines apply to the whole incentive value, hence a negative assessment rating against the What and/or the How (which includes an environmental/climate goal for selected staff members) may result in a negative impact on the whole value (even potentially leading up to a 0 incentive).

ESRS Reference	Metric	Methodology and significant assumptions associated with the metric
E1-5-37	Energy consumption and mix	<p>Emissions and energy consumption are allocated from real estate operations of BNY in a proportionate share to the EB based on square footage occupied by the EB in BNY facilities in the reporting year 2025.</p> <p>When energy use data is unavailable either directly or indirectly, BNY calculates an estimate using the following procedure: Where energy is not separately metered or reported and available by the landlord, based on typical energy use per square foot for similar facilities within our portfolio, 1.75 W/sq.ft. electricity is assumed. Where metered energy data is known to only covers a portion of the total BNY usage (i.e. where a landlord central plant provides cooling, ventilation, and/or heating), we estimate additional non-metered usage using data from the 2018 CBECS electricity consumption intensities.</p> <p>The EB is assumed to drive central data centre emissions in proportion to EB's revenue as a proportion of BNY's total revenue for the reporting year 2025. Emissions and energy consumption related to data centre usage shall be those total emissions of BNY's central data centre emissions multiplied by the share of revenue generated by the EB, relative to BNY.</p> <p>Energy consumption from fossil fuel sources includes fuel oil, natural gas, and steam. There is no energy consumption from nuclear sources, and no biofuels are used at EB sites or at U.S. data centres.</p> <p>Energy Consumption from renewable sources: No biofuels used at EB sites or at US Data Centres.</p> <p>Consumption of purchased or acquired electricity, heat, steam and cooling from renewable sources includes electricity consumption allocated to EB operations and U.S. data centre sites. All electricity within the global portfolio is covered by Renewable Energy Certificates (RECs). On a market-based basis, and in line with ESRS guidance, electricity consumption is therefore reported as 100% renewable.</p> <p>Consumption of self-generated non-fuel renewable energy: The undertaking does not operate any sites with on-site renewable energy generation.</p>
E1-6-AR 43-(c) E1-6-AR 45-(e)	<p>Biogenic emissions of CO2 from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions</p> <p>Biogenic emissions of CO2 from combustion or bio-degradation of biomass not included in Scope 2 GHG emissions</p>	No biogenic emissions in EB's inventory.

ESRS Reference	Metric	Methodology and significant assumptions associated with the metric
E1-6-AR 45-(d)	<p>Percentage of contractual instruments, Scope 2 GHG emissions</p> <p>Percentage of contractual instruments used for sale and purchase of unbundled energy attribute claims in relation to Scope 2 GHG emissions</p> <p>Percentage of contractual instruments used for sale and purchase of energy bundled with attributes about energy generation in relation to Scope 2 GHG emissions</p>	<p>Unbundled energy attribute claims reflect 2025 electricity consumption from buildings occupied by the EB not already covered by bundled contractual instruments. BNY purchased GOs (Guarantee of Origin) to apply to Scope 2 emissions from purchased electricity allocated to the EB locations within the EU. BNY purchased Green-e RECs to apply to Scope 2 emissions from electricity consumption allocated to the EB from central data centres based in the United States.</p> <p>Bundled contractual instruments reflects 2025 electricity consumption from locations occupied by the EB that hold a direct contract with the utility company which states electricity is sourced from renewables</p> <p>Total percentage of contractual instruments applied to Scope 2 emissions (sum of bundled &amp; unbundled)</p>
<p>E1-6-48-(a)</p> <p>E1-6-49-(a)</p> <p>E1-6-49-(b)</p> <p>E1-6-52-(a)</p> <p>E1-6-44</p> <p>E1-6-AR 41</p> <p>E1-6-48-(b)</p>	<p>Gross Scope 1 greenhouse gas emissions</p> <p>Gross location-based Scope 2 greenhouse gas emissions</p> <p>Gross market-based Scope 2 greenhouse gas emissions</p> <p>Total GHG emissions location based</p> <p>Total GHG emissions market based</p> <p>GHG emissions by Source Type</p> <p>Percentage of Scope 1 GHG emissions from regulated emission trading schemes</p>	<p>BNY allocates emissions and energy consumption to the EB from real estate operations and United States-based core data centres. Real estate allocations reflect the EB's occupied square footage in BNY facilities, and core data centre allocations reflect the EB's share of BNY's total revenue in reporting year 2025. Therefore, the EB is assumed to drive core data centre emissions and energy in proportion to EB's 2025 revenue, relative to BNY's total 2025 revenue.</p> <p>When energy use data is unavailable either directly or indirectly, BNY calculates an estimate using the following procedure: Where energy is not separately metered or reported and available by the landlord, based on typical energy use per square foot for similar facilities within our portfolio, 1.75 W/sq.ft. electricity is assumed.</p> <p>Where metered energy data is known to only cover a portion of the total BNY usage (i.e. where a landlord central plant provides cooling, ventilation, and/or heating), we estimate additional non-metered usage using data from the 2018 CBECS electricity consumption intensities.</p> <p>The EB does not participate in regulated emission trading schemes.</p> <p>BNY applies the following standards, protocols, and methodologies to collect activity data and calculate emissions reported in the EB's GHG inventory: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition); The Greenhouse Gas Protocol: Scope 2 Guidance; IEA Emission Factors Package 2025, IPCC AR6; Local steam factors sourced from District de Luxembourg, and Lower Silesian Voivodeship (Poland); US EPA Centre for Corporate Climate Leadership: Direct Emissions from Stationary Combustion Sources; US EPA Emissions &amp; Generation Resource Integrated Database ("eGRID"); US EPA Centre for Corporate Climate Leadership: Indirect Emissions From Purchased Electricity; US EPA Centre for Corporate Climate Leadership: Direct Fugitive Emissions from Refrigeration, Air Conditioning, Fire Suppression, and Industrial Gases.</p>

ESRS Reference	Metric	Methodology and significant assumptions associated with the metric
E1-6-53	GHG emissions intensity, location-based (total GHG emissions per net revenue)	Total GHG emissions per net revenue = Scope 1 + Scope 2 (location-based)/Net Operating Income
E1-6-53	GHG emissions intensity, market-based (total GHG emissions per net revenue)	Total GHG emissions per net revenue = Scope 1 + Scope 2 (market-based)/Net Operating Income
E1-6-50	Consolidated Accounting Group	Disaggregation of Scope 1 and Scope 2 GHG emissions by consolidated accounting group is not applicable because the EB does not publish consolidated accounts.
E1-6-50	Other Investees	The EB has one unconsolidated subsidiary, BNY AIS Nominees Limited, which is assessed as non-material for the purposes of this disclosure. The entity operates solely in a nominee capacity and does not conduct operational activities or occupy dedicated office space. As a result, real estate-based energy and emissions allocation methodologies do not apply. In addition, the entity does not contribute to the EB revenue base used to allocate central data centre emissions. Accordingly, it does not affect the reported energy consumption or emissions metrics.
E1-7-AR 62-(a) E1-7-AR 62-(a) E1-7-AR 62-(c) E1-7-AR 62-(d) E1-7-AR 62-(e)	Percentage of reduction projects Percentage of removal projects Percentage for recognised quality standard Percentage issued from projects in European Union Percentage that qualifies as corresponding adjustment	BNY's proportional allocation method ensures that credits purchased from each project are distributed to the EB in line with the EB's share of Scope 1 and Scope 2 (market-based) 2025 emissions, while preserving the project-level composition of BNY's group-level carbon credit portfolio.  BNY did not purchase carbon credits from projects located in the EU.
E1-7-59-(a)	Carbon credits to be cancelled for the reporting year	BNY's proportional allocation method ensures that credits purchased from each project are distributed to the EB in line with the EB's share of Scope 1 and Scope 2 (market-based) 2025 emissions, while preserving the project-level composition of BNY's group-level carbon credit portfolio.  Value reported here reflects total carbon credits allocated to EB.
E1-7-59-(b)	Total amount of carbon credits outside value chain planned to be cancelled in future	BNY's proportional allocation method ensures that credits purchased from each project are distributed to the EB in line with the EB's share of Scope 1 and Scope 2 (market-based) 2025 emissions, while preserving the project-level composition of BNY's group-level carbon credit portfolio.  Carbon credits applied to 2025 GHG emissions were purchased in February 2026. All credits will be fully retired by 30 June 2026.
E1-7-58	Total GHG removals from own operations (tCO <sub>2</sub> eq)	BNY has not developed projects in its own operations that result in GHG removals and storage, therefore the EB has not developed projects in its own operations that result in GHG removals and storage.

ESRS Reference	Metric	Methodology and significant assumptions associated with the metric
E1-7-AR 60	Reversals (tCO2eq)	There have been no reversal events which impact the validity of carbon credits purchased.
S1-6-50-(b)	Information on employees by contract type, broken down by gender (head count as of year-end)  Number of employees (head count or full-time equivalent)	Headcount reflects full-time active employees as of 31 December 2025. Interns are excluded. Employees who transferred outside of EB during the year are excluded, while employees who transferred within EB and were active as of 31 December 2025 are included. Employees who both joined and exited during the 2025 reporting year are excluded from headcount.  Headcount represents individuals in an employment relationship with EB, including permanent, temporary, and non-guaranteed hours employees. The headcount population was subsequently disaggregated by self-identified gender and contract type.  Definitions of permanent, temporary, non-guaranteed hours, full-time, and part-time employees vary by country. There is no inherent difference between BNY definitions and applicable national definitions.  The EB did not employ any temporary or non-guaranteed hours employees as of the end of the reporting period.
S1-6-50-(a)	Characteristics of undertaking's employees - number of employees by gender (headcount)	Headcount of the individuals who are in an employment relationship with the EB, at end of financial year 2025 was considered. This headcount was subsequently split per self-identified gender.  There is no inherent difference between BNY definitions and national definitions.
S1-6-50-(a)	Characteristics of undertaking's employees - number of employees in countries with 50 or more employees representing at least 10% of total number of employees (headcount) [table]	Consideration was made of the EB locations that have 50 or more employees representing at least 10% of the total number of employees. For each of those location the headcount of the individuals, who are in an employment relationship (permanent or temporary) with the EB, at end of financial year 2025, was considered, and presented per contracted location.  The definitions of permanent and temporary, differ between countries. There is no inherent difference between BNY definitions and national definitions.
S1-6-50-(c)	Number of employees who have left undertaking	Exits for the Year 2025 include full-time employees who exited the organisation between 31 December 2024 and 30 December 2025. Exits comprise both voluntary and involuntary departures, including resignations, retirements, deaths, and dismissals. Employees who joined and exited within the same reporting year are included. Company (entity) transfers within EB are also included, provided the exit date falls within the reporting period.  Interns and system terminations are excluded from the exits population. Employees who transferred outside of EB during the reporting period are excluded. Individuals identified as out of scope due to organisational transfers outside EB are not reflected in the exits figures.

ESRS Reference	Metric	Methodology and significant assumptions associated with the metric
S1-6-50-(c)	Percentage of employee turnover	<p>Count of exit employees in year 2025 divided by average headcount of last 13 months.</p> <p>Exits for the Year 2025 include full-time employees who exited the organisation between 31 December 2024 and 30 December 2025. Exits comprise both voluntary and involuntary departures, including resignations, retirements, deaths, and dismissals. Employees who joined and exited within the same reporting year are included. Company (entity) transfers within EB are also included, provided the exit date falls within the reporting period.</p> <p>Interns and system terminations are excluded from the exits population. Employees who transferred outside of EB during the reporting period are excluded. Individuals identified as out of scope due to organisational transfers outside EB are not reflected in the exits figures.</p>
S1-8-60-(a)	Percentage of total employees covered by collective bargaining agreements	<p>Total headcount of the EB at the end of financial year 2025 is considered. Additional consideration is made for the total in scope headcount of those locations where a collective bargaining agreement is applicable. The latter is divided by the former and multiplied by 100.</p>
S1-8-AR 70	Own workforce in region (EEA and non-EEA) covered by collective bargaining and social dialogue agreements by coverage rate and by region	<p>Total headcount of the EB at the end of is considered. Consideration was made of the EB locations that have 50 or more employees representing at least 10% of the total number of employees. For each of those locations it was defined if they have a collective bargaining coverage and/or social dialogue. To calculate the applicable coverage rate, the total in scope headcount (i.e. covered collective bargaining agreement and/or social dialogue) of the individual locations was divided by the total headcount of the respective location and multiplied by 100.</p> <p>In Germany, the year on year variance reflects a methodological update from reporting only employees in tariff positions in 2024 to reporting all employees contractually covered by the applicable Collective Bargaining Agreement in 2025, excluding branch management. Tariff refers to roles remunerated in accordance with the wage scales defined in the CBA.</p>
S1-9-66-(b)	Distribution of employees (head count) by age	<p>The total headcount of EB was considered for this analysis. Each employee was categorised into an age group based on their age at the reporting date: under 30 years old, 30 to 50 years old, and over 50 years old. The age distribution is presented on a percentage basis.</p> <p>Employees aged under 30 include those aged 29.99 years or younger; employees aged 30 to 50 include those aged 30 to 49.99 years; and employees aged 50 and above include those aged 50 years or older.</p>
S1-9-66-(a)	Gender distribution in percentage and headcount of employees at top management level	<p>From the total headcount of the EB at the end of financial year 2025, we isolated those individuals that are considered top management. This headcount was subsequently split per self-identified gender and presented in absolute numbers and percentage.</p>

ESRS Reference	Metric	Methodology and significant assumptions associated with the metric
S1-13-83-(a)	Performance & Development Review Complete	<p>Our annual performance management process is fundamental to fostering a high-performance culture so our people are aligned with our corporate strategy. The process combines ongoing feedback and coaching with two formal performance reviews each year. We encourage regular, meaningful conversations between managers and employees to create a continuous feedback loop that reinforces performance expectations and supports professional growth.</p> <p>Employees are assessed against results-based individual goals, as well as our enterprise-wide Principles goals. Individual performance ratings are used to inform compensation decisions so that rewards are closely aligned with performance and contribution.</p> <p>There are no agreed number of reviews. All active employees who joined the firm on or before September 30 are eligible for a year-end review. For performance management purposes, employees on paid leave, unpaid leave, and expat/seconded assignments are considered active employees. Early Career Analysts have a separate performance review process that aligns with their rotation schedule.</p> <p>This report is run against an internal report detailing the status of the Performance &amp; Development Review of employees of the EB. The numbers are presented in percentual value, split per gender and status of the performance &amp; development review.</p>
S1-13-83-(b)	Average Learning Hrs per Employee	<p>For learning hours reporting, the total headcount of the EB population, split by self identified gender, is used as the employee base. A standardised report is run using EB specific parameters to capture total learning hours, including mandatory and elective training. Average learning hours per employee are calculated by dividing the relevant learning content hours by the corresponding number of employees in scope.</p> <p>Learning hours data includes both self certified (non verified) and verified hours. Reported hours are subject to monthly review and validation procedures, including comparison to prior month and year to date trends to identify values that are materially higher or lower than expected, or inconsistent with established patterns. Variances are assessed in the context of learning activity promoted during the period (e.g., strategic learning initiatives). Records indicating unusually high or anomalous hours are reviewed, with outliers excluded where appropriate.</p>
S1-16-97-(a)	Gender pay gap	<p>The calculation uses headcount data for all EB employees for the 2025 reporting year, including fixed and variable remuneration. Benefits in Kind are sourced separately from Payroll and included in the total annual remuneration. Gender information was obtained for each employee, and the population was limited to employees identified as male or female. The average total annual remuneration was calculated separately for male employees (A) and female employees (B). The gender pay gap percentage was then calculated using the formula: <math>((A - B) / A) \times 100</math>.</p>

ESRS Reference	Metric	Methodology and significant assumptions associated with the metric
S1-16-97-(b)	Annual total remuneration ratio	Total annual remuneration of all EB employees from payroll. For the calculation of total annual remuneration, all elements mentioned in S1-16-AR101 bi-iii, applicable within BNY, were considered. Sort from highest to lowest total annual remuneration to find out the highest earning individual. (A). Remove A from the full list and calculate median total annual remuneration for the remaining population, using the MS Excel formula MEDIAN. (B) Apply calculation: (A/B)
G1-6-33-(a)	Average number of days to pay invoice from date when contractual or statutory term of payment starts to be calculated	All EB invoices that were paid during the financial year 2025 were included in the analysis. For each paid invoice, the following key data points were identified: Invoice creation date, Payment terms, Due Date and Payment Date. The Payment days for an individual invoice were calculated as the number of calendar days between invoice creation date and the payment date (Payment Date–Invoice Creation Date). The average payment days has been computed by summing the payment days calculated for all individual invoices paid during the financial year 2025 and dividing this total by the number of invoices paid during the same period.
G1-6-33-(b)	Percentage of payments aligned with standard payment terms	For the purpose of calculating percentage of payments aligned with standard payment term, all EB invoices paid during the financial year 2025 were selected for calculation. For each invoice, applicable payment terms, calculated due date, and actual payment date were obtained. Based on this information, invoices were assessed for compliance with the agreed payment terms and classified as “On-time” where payment was made on or before the due date and as “Late” where payment was made after the due date. The rate of compliance with payment terms was calculated by dividing the number of invoices classified as “On-time” by the total population of EB invoices paid during the financial year 2025 and multiplying the result by 100.
G1-6-33-(c)	Number of outstanding legal proceedings for late payments	Not applicable as no legal proceeding for late payments are outstanding.

## BOARD STATEMENT

The Board of Directors has the responsibility of establishing the annual accounts and consolidated financial statements of The Bank of New York Mellon SA/NV ("the European Bank") as of and for the year ended December 31, 2025 pursuant to Belgian law.

On 23 April 2026, the annual accounts and consolidated financial statements of the European Bank were discussed by the Board of Directors.

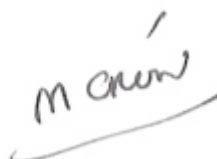
The Board states that, to the best of its knowledge and in good faith, the European Bank's annual accounts and consolidated financial statements, prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (IFRS), give a true and fair view of the financial position and of the results of the European Bank and that the information provided does not include any omission in kind, significantly affecting the true and fair view of the annual accounts and consolidated financial statements.

The annual accounts and consolidated financial statements as of December 31, 2025 will be submitted for approval to the ordinary shareholders meeting to be held on 26 May 2026.

In 2025, no decisions taken by the Board required the application of Art. 7:96 of the Belgian Companies and Associations Code. No decisions taken by the Executive Committee required the application of Art. 59/1 of the Act of 25 April 2014 on the status and oversight of credit institutions on conflicts of interest.

Brussels, 23 April 2026

For the Board of Directors

A handwritten signature in black ink, reading "M Créto", with a horizontal line underneath it.

Marie-Hélène Créto  
Chair

# **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF BNY MELLON SA/NV**



## Rapport du commissaire à l'assemblée générale de The Bank of New York Mellon SA sur les comptes consolidés pour l'exercice clos le 31 décembre 2025

Dans le cadre du contrôle légal des comptes consolidés de The Bank of New York Mellon SA (la « Société ») et de sa filiale (conjointement « le Groupe »), nous vous présentons notre rapport du commissaire. Celui-ci inclut notre rapport sur les comptes consolidés et les autres obligations légales et réglementaires. Le tout constitue un ensemble et est inséparable.

Nous avons été nommés en tant que commissaire par l'assemblée générale du 28 mai 2024, conformément à la proposition de l'organe d'administration émise sur recommandation du comité d'audit et sur présentation du conseil d'entreprise. Notre mandat de commissaire vient à échéance à la date de l'assemblée générale délibérant sur les comptes annuels clôturés au 31 décembre 2026. Nous avons exercé le contrôle légal des comptes consolidés du Groupe durant dix-sept exercices consécutifs.

### Rapport sur les comptes consolidés

#### *Opinion sans réserve*

Nous avons procédé au contrôle légal des comptes consolidés du Groupe pour l'exercice clos le 31 décembre 2025, établis conformément aux normes comptables IFRS émises par l'International Accounting Standards Board, telles qu'adoptées par l'Union Européenne et aux dispositions légales et réglementaires applicables en Belgique. Ces comptes consolidés comprennent l'état consolidé de la situation financière au 31 décembre 2025, ainsi que l'état consolidé du résultat et d'autres résultats globaux, l'état consolidé des variations de fonds propres et un tableau des flux de trésorerie consolidé de l'exercice clos à cette date, ainsi que des annexes contenant les principales méthodes comptables et d'autres informations explicatives. Le total de l'état consolidé de la situation financière s'élève à 48.917.620 (000) EUR et l'état consolidé du résultat et des autres résultats globaux se solde par un bénéfice de l'exercice de 604.084 (000) EUR.

À notre avis, ces comptes consolidés donnent une image fidèle du patrimoine et de la situation financière du Groupe au 31 décembre 2025, ainsi que de ses résultats consolidés et de ses flux de trésorerie consolidés pour l'exercice clos à cette date, conformément aux normes comptables IFRS émises par l'International Accounting Standards Board, telles qu'adoptées par l'Union Européenne et aux dispositions légales et réglementaires applicables en Belgique.



Rapport du commissaire à l'assemblée générale de The Bank of New York Mellon SA sur les comptes consolidés pour l'exercice clos le 31 décembre 2025

### ***Fondement de l'opinion sans réserve***

Nous avons effectué notre audit selon les Normes internationales d'audit (ISA) telles qu'applicables en Belgique. Par ailleurs, nous avons appliqué les normes internationales d'audit approuvées par l'IAASB et applicables à la présente clôture et non encore approuvées au niveau national. Les responsabilités qui nous incombent en vertu de ces normes sont plus amplement décrites dans la section « Responsabilités du commissaire relatives à l'audit des comptes consolidés » du présent rapport. Nous nous sommes conformés à toutes les exigences déontologiques qui s'appliquent à l'audit des comptes consolidés en Belgique, en ce compris celles concernant l'indépendance.

Nous avons obtenu de l'organe d'administration et des préposés de la Société, les explications et informations requises pour notre audit.

Nous estimons que les éléments probants que nous avons recueillis sont suffisants et appropriés pour fonder notre opinion.

### ***Points clés de l'audit***

Les points clés de l'audit sont les points qui, selon notre jugement professionnel, ont été les plus importants lors de l'audit des comptes consolidés de la période en cours. Ces points ont été traités dans le contexte de notre audit des comptes consolidés pris dans leur ensemble et lors de la formation de notre opinion sur ceux-ci. Nous n'exprimons pas une opinion distincte sur ces points.

### **Systemes informatiques et contrôles automatisés à l'égard de l'information financière**

#### ***Description***

Nous avons identifié les systèmes informatiques et les contrôles automatisés à l'égard de l'information financière comme point clé de l'audit du Groupe car les processus de production de l'information comptable et financière dépendent fondamentalement des systèmes informatiques et des contrôles liés à ceux-ci pour traiter des volumes significatifs de transactions. Les processus comptables automatisés et l'environnement de contrôle des systèmes informatiques, qui comprennent la gouvernance informatique ainsi que les contrôles généraux sur ces systèmes tels que les contrôles relatifs aux développements et changements, aux accès aux programmes et aux données, et aux opérations informatiques, doivent être conçus et opérés de façon effective afin d'assurer la fiabilité de l'information financière. Les calculs et autres contrôles automatisés des applications (y compris les contrôles d'accès logique) ainsi que les interfaces entre les systèmes informatiques sont particulièrement importants.

#### ***Nos procédures d'audit***

Assistés de nos spécialistes informatiques, nous avons effectué les procédures suivantes :

- Evaluation du cadre de gouvernance du Groupe en matière de gestion des systèmes informatiques.



- Evaluation de la conception et de l'efficacité opérationnelle des contrôles généraux sur les systèmes informatiques tels que les contrôles relatifs aux développements et changements, aux accès aux programmes et aux données, et aux opérations informatiques.
- Evaluation de la conception et de l'efficacité opérationnelle des contrôles automatisés des processus clés ayant un impact sur l'information financière produite par le Groupe, en prenant en considération les contrôles compensatoires qui ne sont pas impactés par des contrôles généraux et les procédures substantives additionnelles considérées comme nécessaires.
- Evaluation de l'intégrité des données transmises au travers des différents systèmes informatiques vers les systèmes concourant à la production de l'information financière.

#### Actifs détenus par le dépositaire

Nous référons à l'annexe n°26.2 « Hors bilan » des comptes consolidés, à laquelle est mentionné le montant d'actifs détenus par le dépositaire.

#### *Description*

Nous avons identifié que les actifs détenus par le dépositaire était un point clé de l'audit pour le Groupe parce qu'en raison de ses opérations (principalement l'administration d'actifs), l'information sur les actifs détenus par le dépositaire est considérée comme importante. C'est également un indicateur clé qui donne une indication sur la taille des activités du Groupe. De plus, en raison du régime belge applicable à la protection des actifs des clients ('Client Asset Protection' ou 'CAP') (cf. circulaire PPB-2007-7-CPB émise par le régulateur le 10 avril 2007), l'accent est mis sur le respect des exigences imposées par les parties prenantes du Groupe, y compris l'exhaustivité et l'exactitude des montants rapportés sous les actifs détenus par le dépositaire.

#### *Nos procédures d'audit*

Assistés de nos spécialistes en réglementation bancaire et en informatique, nous avons effectué les procédures suivantes :

- Nous avons évalué la mise en place et testé l'efficacité opérationnelle des contrôles manuels et automatisés relatifs au processus de rapportage des actifs détenus par le dépositaire, en ce compris les contrôles devant assurer la qualité des données sources, l'exhaustivité des actifs détenus par le dépositaire ainsi que leur tarification.
- Nous avons sélectionné un échantillon de contrats et avons corroboré les conclusions de la direction à propos du respect des exigences liées à la protection des actifs détenus par le dépositaire et au rapportage.
- Pour un échantillon, nous avons testé la répartition des actifs détenus par le dépositaire entre les différentes entités juridiques du groupe The Bank of New York Mellon en comparant les données du système opérationnel avec les confirmations reçues des préposés en question et/ou d'autres documents vérifiables.



Rapport du commissaire à l'assemblée générale de The Bank of New York Mellon SA sur les comptes consolidés pour l'exercice clos le 31 décembre 2025

- Nous avons évalué le processus de réconciliation entre les actifs détenus par le dépositaire extraits des systèmes opérationnels du Groupe et les actifs détenus par le dépositaire tels que repris dans l'annexe n°26.2 « Hors bilan » des comptes consolidés.

#### ***Responsabilités de l'organe d'administration relatives à l'établissement des comptes consolidés***

L'organe d'administration est responsable de l'établissement des comptes consolidés donnant une image fidèle conformément aux normes comptables IFRS émises par l'International Accounting Standards Board, telles qu'adoptées par l'Union Européenne et aux dispositions légales et réglementaires applicables en Belgique, ainsi que du contrôle interne qu'il estime nécessaire à l'établissement de comptes consolidés ne comportant pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs.

Lors de l'établissement des comptes consolidés, il incombe à l'organe d'administration d'évaluer la capacité du Groupe à poursuivre son exploitation, de fournir, le cas échéant, des informations relatives à la continuité d'exploitation et d'appliquer le principe comptable de continuité d'exploitation, sauf si l'organe d'administration a l'intention de mettre le Groupe en liquidation ou de cesser ses activités ou s'il ne peut envisager une autre solution alternative réaliste.

#### ***Responsabilités du commissaire relatives à l'audit des comptes consolidés***

Nos objectifs sont d'obtenir l'assurance raisonnable que les comptes consolidés pris dans leur ensemble ne comportent pas d'anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, et d'émettre un rapport du commissaire contenant notre opinion. L'assurance raisonnable correspond à un niveau élevé d'assurance, qui ne garantit toutefois pas qu'un audit réalisé conformément aux normes ISA permettra de toujours détecter toute anomalie significative existante. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsque l'on peut raisonnablement s'attendre à ce qu'elles puissent, prises individuellement ou en cumulé, influencer les décisions économiques que les utilisateurs des comptes consolidés prennent en se fondant sur ceux-ci.

Lors de l'exécution de notre contrôle, nous respectons le cadre légal, réglementaire et normatif qui s'applique à l'audit des comptes consolidés en Belgique. L'étendue du contrôle légal des comptes consolidés ne comprend pas d'assurance quant à la viabilité future du Groupe ni quant à l'efficacité ou l'efficacités avec laquelle l'organe d'administration a mené ou mènera les affaires du Groupe. Nos responsabilités relatives à l'application par l'organe d'administration du principe comptable de continuité d'exploitation sont décrites ci-après.



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Dans le cadre d'un audit réalisé conformément aux normes ISA et tout au long de celui-ci, nous exerçons notre jugement professionnel et faisons preuve d'esprit critique. En outre:

- nous identifions et évaluons les risques que les comptes consolidés comportent des anomalies significatives, que celles-ci proviennent de fraudes ou résultent d'erreurs, définissons et mettons en œuvre des procédures d'audit en réponse à ces risques, et recueillons des éléments probants suffisants et appropriés pour fonder notre opinion. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne;
- nous prenons connaissance du contrôle interne pertinent pour l'audit afin de définir des procédures d'audit appropriées en la circonstance, mais non dans le but d'exprimer une opinion sur l'efficacité du contrôle interne du Groupe;
- nous apprécions le caractère approprié des méthodes comptables retenues et le caractère raisonnable des estimations comptables faites par l'organe d'administration, de même que des informations les concernant fournies par ce dernier;
- nous concluons quant au caractère approprié de l'application par l'organe d'administration du principe comptable de continuité d'exploitation et, selon les éléments probants recueillis, quant à l'existence ou non d'une incertitude significative liée à des événements ou situations susceptibles de jeter un doute important sur la capacité du Groupe à poursuivre son exploitation. Si nous concluons à l'existence d'une incertitude significative, nous sommes tenus d'attirer l'attention des lecteurs de notre rapport du commissaire sur les informations fournies dans les comptes consolidés au sujet de cette incertitude ou, si ces informations ne sont pas adéquates, d'exprimer une opinion modifiée. Nos conclusions s'appuient sur les éléments probants recueillis jusqu'à la date de notre rapport du commissaire. Cependant, des situations ou événements futurs pourraient conduire le Groupe à cesser son exploitation;
- nous apprécions la présentation d'ensemble, la structure et le contenu des comptes consolidés et évaluons si les comptes consolidés reflètent les opérations et événements sous-jacents d'une manière telle qu'ils en donnent une image fidèle;
- nous recueillons des éléments probants suffisants et appropriés concernant les informations financières des entités ou activités du Groupe pour exprimer une opinion sur les comptes consolidés. Nous sommes responsables de la direction, de la supervision et de la réalisation de l'audit au niveau du groupe. Nous assumons l'entière responsabilité de l'opinion d'audit.

Nous communiquons au comité d'audit notamment l'étendue des travaux d'audit et le calendrier de réalisation prévus, ainsi que les constatations importantes relevées lors de notre audit, y compris toute faiblesse significative dans le contrôle interne.



Nous fournissons également au comité d'audit une déclaration précisant que nous nous sommes conformés aux règles déontologiques pertinentes concernant l'indépendance, et leur communiquons, le cas échéant, toutes les relations et les autres facteurs qui peuvent raisonnablement être considérés comme susceptibles d'avoir une incidence sur notre indépendance ainsi que les éventuelles mesures de sauvegarde y relatives.

Parmi les points communiqués au comité d'audit, nous déterminons les points qui ont été les plus importants lors de l'audit des comptes consolidés de la période en cours, qui sont de ce fait les points clés de l'audit. Nous décrivons ces points dans notre rapport du commissaire, sauf si la loi ou la réglementation en interdit la publication.

### **Autres obligations légales et réglementaires**

#### ***Responsabilités de l'organe d'administration***

L'organe d'administration est responsable de la préparation et du contenu du rapport de gestion sur les comptes consolidés, en ce compris l'information en matière de durabilité et des autres informations contenues dans le rapport annuel sur les comptes consolidés.

#### ***Responsabilités du commissaire***

Dans le cadre de notre mission et conformément à la norme belge complémentaire aux normes internationales d'audit (ISA) applicables en Belgique, notre responsabilité est de vérifier, dans leurs aspects significatifs, le rapport de gestion sur les comptes consolidés et les autres informations contenues dans le rapport annuel sur les comptes consolidés ainsi que de faire rapport sur ces éléments.

#### ***Aspects relatifs au rapport de gestion sur les comptes consolidés et aux autres informations contenues dans le rapport annuel sur les comptes consolidés***

Le rapport de gestion sur les comptes consolidés contient l'information consolidée en matière de durabilité qui fait l'objet de notre rapport distinct relatif à l'assurance limitée de cette information en matière de durabilité. Cette section ne concerne pas l'assurance de l'information consolidée en matière de durabilité incluse dans le rapport de gestion sur les comptes consolidés. Pour cette partie du rapport de gestion sur les comptes consolidés, nous faisons référence à notre rapport distinct y relatif.

A l'issue des vérifications spécifiques sur le rapport de gestion sur les comptes consolidés, nous sommes d'avis que celui-ci concorde avec les comptes consolidés pour le même exercice et a été établi conformément à l'article 3:32 du Code des sociétés et des associations.

Dans le cadre de notre audit des comptes consolidés, nous devons également apprécier, en particulier sur la base de notre connaissance acquise lors de l'audit, si le rapport de gestion sur les comptes consolidés et les autres informations contenues dans le rapport annuel sur les comptes consolidés, à savoir :

- Chiffres clés & lettre du CEO



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comportent une anomalie significative, à savoir une information incorrectement formulée ou autrement trompeuse. Sur la base de ces travaux, nous n'avons pas d'anomalie significative à vous communiquer.

***Mentions relatives à l'indépendance***

- Notre cabinet de révision et notre réseau n'ont pas effectué de missions incompatibles avec le contrôle légal des comptes consolidés et notre cabinet de révision est resté indépendant vis-à-vis du Groupe au cours de notre mandat.
- Les honoraires relatifs aux missions complémentaires compatibles avec le contrôle légal visées à l'article 3:65 du Code des sociétés et des associations ont correctement été valorisés et ventilés dans l'annexe des comptes consolidés.

***Autre mention***

Le présent rapport est conforme au contenu de notre rapport complémentaire destiné au comité d'audit visé à l'article 11 du règlement (UE) n° 537/2014.

Zaventem, le 22 mai 2026

KPMG Réviseurs d'Entreprises  
Commissaire  
représentée par

Stéphane Nolf  
Réviseur d'Entreprises



## Rapport du commissaire relatif à l'assurance limitée de l'information consolidée en matière de durabilité de The Bank of New York Mellon SA

### A l'assemblée générale

Dans le cadre de la mission légale d'assurance limitée de l'information consolidée en matière de durabilité de The Bank of New York Mellon SA (la « Société ») et de sa filiale (conjointement « le Groupe »), nous vous présentons notre rapport sur cette mission.

Nous avons été nommés par l'assemblée générale du 28 mai 2024, conformément à la proposition de l'organe d'administration émise sur recommandation du comité d'audit et sur présentation du conseil d'entreprise de la Société, pour réaliser une mission d'assurance limitée de l'information consolidée en matière de durabilité du Groupe, incluse dans section 'Déclaration relative à la durabilité' des Comptes Annuels au 31 décembre 2025 et pour l'année clôturée à cette date (ci-après l'« information en matière de durabilité »).

Notre mandat vient à échéance à la date de l'assemblée générale délibérant sur les comptes annuels clôturés au 31 décembre 2026. Nous avons effectué notre mission d'assurance sur l'information en matière de durabilité du Groupe durant deux exercices consécutifs.

### Conclusion d'assurance limitée

Nous avons réalisé une mission d'assurance limitée de l'information en matière de durabilité du Groupe.

Sur la base des procédures que nous avons mises en œuvre et des éléments probants que nous avons obtenus, nous n'avons rien relevé qui nous porte à croire que l'information en matière de durabilité du Groupe, dans tous ses aspects significatifs :

- n'a pas été établie conformément aux exigences visées à l'article 3:32/2 du Code des sociétés et des associations, y compris la conformité avec les normes européennes applicables pour l'information en matière de durabilité (*European Sustainability Reporting Standards (ESRS)*);
- n'est pas conforme avec le processus mis en œuvre par le Groupe (« le Processus ») pour déterminer l'information en matière de durabilité publiée conformément aux normes européennes repris dans la section 'Processus d'identification et d'évaluation des IRO importants' ; et
- ne respecte pas les obligations de l'article 8 du règlement (UE) 2020/852 (le « Règlement taxonomie »), relatives à la publication des informations reprises dans la section 'Taxinomie de l'UE'.

### Fondement de la conclusion

Nous avons réalisé notre mission d'assurance limitée conformément à la norme ISAE 3000 (Révisée), *Missions d'assurance autres que les audits et examens*



limités de l'information financière historique (« ISAE 3000 (Révisée) »), telle qu'applicable en Belgique.

Les responsabilités qui nous incombent en vertu de cette norme sont décrites plus en détail dans la section de notre rapport « Responsabilités du commissaire relatives à la mission d'assurance limitée de l'information en matière de durabilité ».

Nous nous sommes conformés à toutes les exigences déontologiques qui s'appliquent à la mission d'assurance de l'information en matière de durabilité en Belgique, en ce compris celles concernant l'indépendance.

Nous appliquons la norme internationale de gestion de la qualité 1 (ISQM 1), qui exige que le cabinet conçoive, mette en œuvre et assure le fonctionnement d'un système de gestion de la qualité comprenant des politiques ou des procédures relatives au respect des exigences éthiques, des normes professionnelles et des exigences légales et réglementaires applicables.

Nous avons obtenu de l'organe d'administration et des préposés de la Société, les explications et informations requises pour notre mission d'assurance limitée.

Nous estimons que les éléments probants que nous avons recueillis sont suffisants et appropriés pour fonder notre conclusion.

### **Responsabilités de l'organe d'administration relatives à l'établissement de l'information en matière de durabilité**

L'organe d'administration de la Société est responsable de l'élaboration et de la mise en œuvre d'un Processus et de la publication de ce Processus dans la note la section 'Processus d'identification et d'évaluation des IRO importants' de l'information en matière de durabilité. Cette responsabilité inclut :

- la compréhension du contexte dans lequel s'inscrivent les activités et les relations d'affaires du Groupe et le développement d'une compréhension des parties prenantes concernées ;
- l'identification des impacts réels et potentiels (négatifs et positifs) liés aux questions de durabilité, ainsi que des risques et des opportunités qui affectent, ou dont on peut raisonnablement penser qu'ils affecteront, la situation financière du Groupe, ses performances financières, ses flux de trésorerie, son accès au financement ou le coût de son capital à court, moyen ou long terme ;
- l'évaluation du caractère significatif des impacts, des risques et des opportunités identifiés en matière de durabilité, en sélectionnant et en appliquant des seuils appropriés ; et
- la formulation d'hypothèses et des estimations raisonnables au vu des circonstances.

L'organe d'administration de la Société est également responsable de l'établissement de l'information en matière de durabilité, qui comprend l'information identifiée par le Processus :

- conformément aux exigences visées à l'article 3:32/2 du Code des sociétés et des associations, y compris aux ESRS applicables ; et



- en respectant les obligations de l'article 8 du Règlement taxonomie relatives à la publication des informations reprises dans la section 'Taxinomie de l'UE'.

Cette responsabilité comprend :

- la conception, la mise en œuvre et le maintien des contrôles internes que l'organe d'administration juge nécessaires pour permettre l'établissement de l'information en matière de durabilité exempte d'anomalies significatives, qu'elles soient dues à une fraude ou à une erreur ; et
- la sélection et l'application de méthodes appropriées de publication de l'information en matière de durabilité et la formulation d'hypothèses et d'estimations raisonnables au vu des circonstances.

Le comité d'audit est responsable de la supervision du processus de publication de l'information en matière de durabilité de la Société.

### **Limites inhérentes à l'établissement de l'information en matière de durabilité**

En publiant des informations prospectives conformément aux ESRS, l'organe d'administration de la Société est tenu de préparer les informations prospectives sur la base d'hypothèses divulguées concernant des événements susceptibles de se produire à l'avenir et des actions futures possibles de la part du Groupe. Le résultat réel est susceptible d'être différent car les événements anticipés ne se produisent souvent pas comme prévu, et ces écarts pourraient être significatifs.

### **Responsabilités du commissaire relatives à la mission d'assurance limitée de l'information en matière de durabilité**

Notre responsabilité est de planifier et de réaliser la mission d'assurance afin d'obtenir une assurance limitée que l'information en matière de durabilité ne comporte pas d'anomalies significatives, que celles-ci résultent de fraudes ou d'erreurs, et d'émettre un rapport d'assurance limitée comprenant notre conclusion. Les anomalies peuvent provenir de fraudes ou résulter d'erreurs et sont considérées comme significatives lorsqu'il est raisonnable de s'attendre à ce que, prises individuellement ou en cumulé, elles puissent influencer les décisions que les utilisateurs de l'information en matière de durabilité prennent en se fondant sur celle-ci.

Dans le cadre d'une mission d'assurance limitée conforme à la norme ISAE 3000 (révisée), telle qu'applicable en Belgique, et tout au long de celle-ci, nous exerçons notre jugement professionnel et faisons preuve d'esprit critique. Ces procédures, auxquelles nous renvoyons à la section « Résumé des travaux effectués », sont moins approfondies que les procédures d'une mission d'assurance raisonnable. Nous n'exprimons donc pas une opinion d'assurance raisonnable dans le cadre de cette mission.

Étant donné que les informations prospectives incluses dans l'information en matière de durabilité, ainsi que les hypothèses sur lesquelles elles reposent, concernent l'avenir, elles peuvent être influencées par des événements qui pourraient se produire et/ou par d'éventuelles actions du Groupe. Les résultats réels différeront probablement des hypothèses, car les événements supposés



ne se produiront généralement pas comme prévu, et ces écarts pourraient être significatifs. Par conséquent, notre conclusion ne garantit pas que les résultats réels rapportés correspondront à ceux figurant dans les informations prospectives de l'information en matière de durabilité.

Nos responsabilités à l'égard de l'information en matière de durabilité, en ce qui concerne le Processus, sont les suivantes :

- l'acquisition d'une compréhension du Processus, mais pas dans le but de fournir une conclusion sur l'efficacité du Processus, y compris sur le résultat du Processus ; et
- concevoir et mettre en œuvre des procédures pour évaluer si le Processus est cohérent avec la description de ce Processus par le Groupe comme indiqué dans la section 'Processus d'identification et d'évaluation des IRO importants'.

Nos autres responsabilités à l'égard de l'information en matière de durabilité sont les suivantes :

- prendre connaissance de l'environnement de contrôle du Groupe, des processus et systèmes d'information pertinents pour l'établissement de l'information en matière de durabilité, mais sans évaluer la conception d'activités de contrôle spécifiques, acquérir des éléments probants sur leur mise en œuvre ou tester l'efficacité du fonctionnement des contrôles mis en place ;
- identifier les domaines où des anomalies significatives sont susceptibles de se produire dans l'information en matière de durabilité, que celles-ci résultent de fraudes ou d'erreurs ; et
- concevoir et mettre en œuvre des procédures adaptées aux domaines où des anomalies significatives sont susceptibles de se produire dans l'information en matière de durabilité. Le risque de non-détection d'une anomalie significative provenant d'une fraude est plus élevé que celui d'une anomalie significative résultant d'une erreur, car la fraude peut impliquer la collusion, la falsification, les omissions volontaires, les fausses déclarations ou le contournement du contrôle interne.

### Résumé des travaux effectués

Une mission d'assurance limitée implique la mise en œuvre de procédures visant à obtenir des éléments probants sur l'information en matière de durabilité. La nature et la forme des procédures effectuées dans une mission d'assurance limitée varient, et leur étendue est moindre que dans une mission d'assurance raisonnable. Par conséquent, le niveau d'assurance obtenu dans une mission d'assurance limitée est nettement plus faible que celui qui aurait été obtenu dans une mission d'assurance raisonnable.

La nature, le calendrier et l'étendue des procédures sélectionnées dépendent du jugement professionnel, y compris l'identification des cas où des anomalies significatives sont susceptibles de se produire dans l'information en matière de durabilité, que ce soit en raison d'une fraude ou d'une erreur.



*Rapport du commissaire relatif à l'assurance limitée de l'information consolidée en matière de durabilité de The Bank of New York Mellon SA*

Dans le cadre de notre mission d'assurance limitée, en ce qui concerne le Processus, nous avons :

- acquis une compréhension du Processus en :
  - effectuant des demandes de renseignement pour comprendre les sources d'information utilisées par la direction (par exemple, l'engagement des parties prenantes, les plans d'affaires et les documents de stratégie) ; et
  - examinant la documentation interne du Groupe relative à son Processus ; et
- évalué si les preuves obtenues à partir de nos procédures concernant le Processus mis en œuvre par le Groupe étaient cohérentes avec la description du Processus présentée dans la section 'Processus d'identification et d'évaluation des IRO importants'.

Dans le cadre de notre mission d'assurance limitée, en ce qui concerne l'information en matière de durabilité, nous avons entre autres :

- acquis une compréhension des processus de reporting du Groupe concernant l'établissement de son information en matière de durabilité sur la base de demandes de renseignement, en prenant connaissance de l'environnement de contrôle du Groupe, des processus et systèmes d'information pertinents pour l'établissement de l'information en matière de durabilité ;
- évalué si les informations matérielles identifiées par le Processus sont incluses dans l'information en matière de durabilité ;
- évalué si la structure et l'établissement de l'information en matière de durabilité est conforme aux ESRS ;
- effectué des demandes de renseignement auprès du personnel concerné et des procédures analytiques sur une sélection d'informations contenues dans l'information en matière de durabilité ;
- effectué des procédures d'assurance substantives sur la base d'un échantillon d'informations sélectionnées dans l'information en matière de durabilité ;
- obtenu des éléments probants sur les méthodes d'élaboration des estimations matérielles et des informations prospectives telles que décrites dans la section relative aux responsabilités du commissaire relatives à la mission d'assurance limitée de l'information de durabilité ; et
- évalué si les conditions de l'application de l'EU Taxonomy « no-claim » étaient rencontrées pour l'exercice 2025.



*Rapport du commissaire relatif à l'assurance limitée de l'information consolidée en matière de durabilité de The Bank of New York Mellon SA*

### **Mentions relatives à l'indépendance**

Notre cabinet de révision et notre réseau n'ont pas effectué de missions incompatibles avec la mission d'assurance limitée et sont restés indépendant vis-à-vis du Groupe au cours de notre mandat.

Zaventem, le 21 mai 2026

KPMG Réviseurs d'Entreprises  
Commissaire  
représentée par

A handwritten signature in black ink, reading 'Stéphane Nolf' in a cursive script.

Stéphane Nolf  
Réviseur d'Entreprise



# **CONSOLIDATED FINANCIAL STATEMENTS**

# **CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME**

For the year ended 31 December

		2025	2024
	Notes	In € '000	In € '000
Interest income	2	1,325,231	1,393,393
Interest expense	2	828,805	1,104,334
Net interest income		496,426	289,059
Fee and commission income	3	908,994	849,896
Fee and commission expense	3	313,386	296,993
Net fee and commission income		595,608	552,903
Net trading income and gains on non-qualifying economic hedges and other derivatives	4	43,005	109,923
Gains / (losses) on non trading assets (FVPL, FVOCI, non financial assets)	5	(22,394)	(11,660)
Other operating income	5	60,684	10,095
<b>Total operating income</b>		<b>1,173,330</b>	<b>950,319</b>
Personnel expenses	6	191,256	198,487
Depreciation of Property and Equipment	16	9,647	10,580
Amortization/impairment of Intangible assets (other than goodwill)	17	7,197	6,261
Impairment (reversal) of financial assets not measured at fair value through profit and loss		708	(658)
Provisions	20	19,825	47,009
Other operating expenses	7	178,385	192,471
<b>Total operating expenses</b>		<b>407,017</b>	<b>454,150</b>
<b>Profit before tax from operations</b>		<b>766,313</b>	<b>496,170</b>
Tax expense related to profit from operations	8	162,228	98,614
<b>Profit from operations</b>		<b>604,084</b>	<b>397,556</b>
<b>NET PROFIT FOR THE YEAR<sup>26</sup></b>		<b>604,084</b>	<b>397,556</b>
<b>Other comprehensive income</b>		<b>—</b>	<b>—</b>
<b>Items that will not be reclassified to profit or loss</b>			
Remeasurement gains /(losses) on defined benefit plans	22.2.	(1,735)	14,023
Related tax	8.2.	269	(2,516)
		<b>(1,466)</b>	<b>(7,418)</b>
<b>Items that are or may be reclassified subsequently to profit or loss</b>			
Movement in fair value reserve			
Net change in fair value		152,092	210,915
Net amount transferred to profit and loss		(23,004)	(11,687)
Related tax	8.2.	(32,259)	(49,799)
		<b>96,829</b>	<b>149,428</b>
<b>Other comprehensive income for the year, net of tax</b>		<b>95,363</b>	<b>142,010</b>
<b>Total comprehensive income for the year, net of tax</b>		<b>699,447</b>	<b>539,566</b>

<sup>26</sup> All net profit/loss is attributable to the equity holders of the parent. The accompanying notes are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF FINANCIAL POSITION

	Notes	31 December	
		2025	2024
		In € '000	In € '000
<b>ASSETS</b>			
Cash and cash balances with central banks	10	11,184,581	11,807,477
Derivative financial instruments	14	453,543	824,156
Loans and advances to customers	11	15,603,142	12,566,749
Investment securities	12	20,816,552	18,119,923
Current tax assets	8	45,738	30,249
Other assets	15	728,530	520,825
Property and equipment	16	28,140	30,331
Deferred tax assets	8	76	19,058
Goodwill and other intangible assets	17	57,320	62,936
<b>TOTAL ASSETS</b>		<b>48,917,620</b>	<b>43,981,703</b>
<b>LIABILITIES</b>			
Derivative financial instruments	14	473,565	841,322
Deposits from central banks	18	22,620	158,083
Deposits from financial institutions	18	41,361,496	36,601,036
Deposits from non-financial institutions	18	200,155	313,739
Subordinated liabilities	18	1,000,076	1,000,076
Other financial liabilities	18	16,261	23,024
Current tax liabilities	8	111,991	106,151
Other liabilities	19	423,575	311,222
Provisions	20	17,134	70,365
Deferred tax liabilities	8	26,990	749
<b>TOTAL LIABILITIES</b>		<b>43,653,863</b>	<b>39,425,767</b>
<b>EQUITY</b>			
Issued capital	23	1,754,386	1,754,386
Share premium	23	33,333	33,333
Retained earnings		3,424,793	2,820,710
Other reserves	23	51,245	(52,492)
<b>TOTAL EQUITY</b>		<b>5,263,757</b>	<b>4,555,936</b>
<b>TOTAL LIABILITIES AND EQUITY</b>		<b>48,917,620</b>	<b>43,981,703</b>

All equity is attributable to the equity holders of the parent.

The accompanying notes are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

	Attributable to equity holders of European Bank				
	Issued capital	Share premium	Retained earnings	Other reserves	Total equity
	In '000 €	In '000 €	In '000 €	In '000 €	In '000 €
<b>As at January 1, 2024</b>	1,754,385	33,333	2,423,851	(200,654)	4,010,915
<b>Total comprehensive income</b>					
Profit for the year	—	—	397,556	—	397,556
<b>Other comprehensive income, net of tax</b>					
Remeasurement gains/(losses) on defined benefit plans (Note 22)	—	—	—	14,023	14,023
Fair value reserve (FVOCI debt instruments)					
Net change in fair value	—	—	—	210,915	210,915
Net amount transferred to profit and loss	—	—	—	(11,687)	(11,687)
Other comprehensive income - Other				(18,925)	(18,925)
Tax on other comprehensive income (Note 8)	—	—	—	(52,315)	(52,315)
<b>Total other comprehensive income</b>	—	—	—	142,010	142,010
<b>Total comprehensive income</b>	—	—	397,556	142,010	539,566
Share-based payments (Note 25)	—	—	—	6,151	6,151
<b>Transactions with owners</b>	—	—	—	6,151	6,151
<b>At 31 December 2024</b>	1,754,385	33,333	2,820,710	(52,492)	4,555,935
<b>Total comprehensive income</b>					
Profit for the year	—	—	604,084	—	604,084
<b>Other comprehensive income, net of tax</b>					
Remeasurement gains/(losses) on defined benefit plans (Note 22)	—	—	—	(1,735)	(1,735)
Fair value reserve (FVOCI debt instruments)					
Net change in fair value	—	—	—	152,092	152,092
Net amount transferred to profit and loss	—	—	—	(23,004)	(23,004)
Other comprehensive income - Other	—	—	—	—	—
Tax on other comprehensive income (Note 8)	—	—	—	(31,991)	(31,991)
<b>Total other comprehensive income</b>	—	—	—	95,363	95,363
<b>Total comprehensive income</b>	—	—	604,084	95,363	699,447
Share-based payments (Note 25)	—	—	—	8,375	8,375
<b>Transactions with owners</b>	—	—	—	8,375	8,375
<b>At 31 December 2025</b>	1,754,385	33,333	3,424,793	51,245	5,263,757

The accompanying notes are an integral part of these consolidated financial statements.

# CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2025	2024
		In € '000	In € '000
<b>OPERATING ACTIVITIES</b>			
Net Profit for the year		604,084	397,556
<u>Adjustments for:</u>		<u>(261,481)</u>	<u>(143,837)</u>
Net interest income	2	(496,426)	(289,059)
Current and deferred tax expenses	8	162,228	98,614
Depreciation and amortization	16, 17	16,844	16,841
Provisions	20	19,825	47,009
(Gains)/losses from sales of FVOCI debt instruments	5	22,394	11,687
Gain on sale of discontinued operation, net of tax	27.6.	—	—
Other <sup>27</sup>		13,655	(28,929)
<u>Changes in:</u>			
Monetary reserves	10	(92,628)	(28,753)
Loans and advances	11	(3,036,392)	(7,198,814)
Investment securities	12	375,508	(391,392)
Derivative financial assets	14	370,613	(131,402)
Other assets	15	(207,705)	45,008
Deposits from central banks	18	(135,463)	22,431
Deposits from credit institutions	18	4,760,460	3,606,614
Deposits (other than credit institutions)	18	(113,585)	78,685
Derivative financial liabilities	14	(367,757)	103,056
Other financial liabilities	18,26.4	1,647	4,379
Other liabilities and provisions	19, 20	37,563	(117,506)
Interest received	2	1,325,231	1,393,393
Interest paid	2	(828,805)	(1,104,334)
Income taxes refunded		496	9,944
Income taxes paid		(162,464)	(61,617)
<b>Net cash from operating activities</b>		<b><u>2,269,323</u></b>	<b><u>(3,516,716)</u></b>
<b>INVESTING ACTIVITIES</b>			
Purchase of tangible assets	16	(7,600)	(4,286)
Disposal of tangible assets	16	144	323
Purchase of intangible assets	17	(2,124)	(10,217)

<sup>27</sup> Other mainly consists of non-cash transactions, including mainly share based payments reserves and sales tax and other.

THE BANK OF NEW YORK MELLON SA/NV ('the European Bank')

Proceeds from sales of debt securities		4,462,467	4,424,045
Purchase of debt securities		(7,429,326)	(10,200,737)
<b>Net cash used in investing activities</b>		<b>(2,976,439)</b>	<b>(5,790,872)</b>
<b>FINANCING ACTIVITIES</b>			
Subordinated liabilities	18	—	(153)
Long Term Debt	18	—	—
Payments of lease liabilities <sup>28</sup>	26.4	(8,409)	(9,734)
<b>Net cash used in financing activities</b>		<b>(8,409)</b>	<b>(9,886)</b>
<b>Net increase/decrease in cash and cash equivalents</b>		<b>(715,525)</b>	<b>(9,317,475)</b>
Cash and cash equivalents at beginning of the period		11,462,359	20,779,834
<b>Effect of exchange rate fluctuations on cash and cash equivalents<sup>29</sup></b>		—	—
<b>Cash and cash equivalents at the end of the period</b>	<b>10</b>	<b>10,746,835</b>	<b>11,462,359</b>
<b>Components of cash and cash equivalents:</b>			
Cash and cash balances with central banks <sup>30</sup>		10,746,835	11,462,359

The accompanying notes are an integral part of these consolidated financial statements.

<sup>28</sup> European Bank has classified cash payments for the principal portion of lease payments as financing activities and cash payments for interest portion as operating activities consistent with the presentation of other interest payments.

<sup>29</sup> Cash and Cash balances with central banks are mainly invested in Euro.

<sup>30</sup> Cash and cash balances with central banks does not contain monetary reserves amount as compared to Note 10.

# SIGNIFICANT ACCOUNTING POLICIES

## 1. Significant Accounting Policies

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### 1.1. Basis of Accounting

The consolidated financial statements are presented in Euro (€) and all values are rounded to the nearest € thousand, except where otherwise indicated.

The consolidated financial statements of The Bank of New York Mellon SA/NV, its branches and subsidiaries (hereinafter “European Bank”) have been prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (IFRS).

The consolidated financial statements provide comparative information in respect of the previous period. European Bank presents its consolidated statement of financial position broadly in order of liquidity.

### 1.2. Basis of Consolidation

The consolidated financial statements comprise the financial statements of European Bank and its branches/subsidiaries as at and for the year ended 31 December 2025. BNY Mellon AIS Nominees Limited being a non-consolidated subsidiary. There is no subsidiary to be consolidated anymore since BNY KVG was merged into the Frankfurt Branch as of 1 Feb 2024. The individual financial statements of European Bank’s consolidated financial statements are prepared for the same reporting year.

### 1.3. Use of Judgments and Estimates

In the process of applying European Bank’s accounting policies, management has made judgments, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to estimates are recognized prospectively.

#### **Estimates and assumptions**

The key areas in which changes to management’s assumptions concerning future economic and market conditions, and other key sources of estimation uncertainty at the reporting date, have a significant risk of affecting the carrying amounts of assets and liabilities within the next financial year, are described below. European Bank bases its assumptions and estimates on conditions existing and information available when the consolidated financial statements are prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances beyond the control of European Bank. Such changes are reflected in the assumptions when they occur.

### **Going concern**

European Bank's business activities, together with the factors likely to affect its future development, performance and position are set out in the Board of Directors' report. In addition, the explanatory notes, which includes European Bank's objectives, policies and processes for managing its capital, its financial risk management objectives and its exposures to credit and liquidity risk, are an integral part of the consolidated financial statements.

European Bank's management performs an annual going concern review that considers, under a stress test scenario, European Bank's ability to meet its financial obligations as they fall due, for a period of at least twelve months after the date that the consolidated financial statements are approved by the Board of Directors.

Based on the above assessment of European Bank's financial position, liquidity and capital, the management has concluded that European Bank has adequate resources to continue in operational existence for the foreseeable future defined as a period of at least twelve months after the date that the annual accounts are approved. Furthermore, the management is not aware of any material uncertainties that may cast significant doubt upon European Bank's ability to continue as a going concern. Accordingly, the consolidated financial statements are prepared using the going concern basis of accounting.

### **Pension obligation**

The cost of the defined benefit pension plan and the present value of the pension obligation or asset are determined using an actuarial valuation. The actuarial calculation involves making assumptions about factors, including the discount rate, future salary increases, inflation and mortality rates. Due to the long-term nature of these plans, such estimates are subject to significant uncertainty. All assumptions are reviewed at each reporting date. See explanatory note 22 for discussion of assumptions used.

## IFRS 9 Financial instruments

Classification of financial assets, including the assessment of business model and the contractual terms of financial assets are elaborated in note 1.6.3. Determining inputs into the ECL measurement model, including incorporation of forward looking information is included in note 28.

## Recognition and measurement of contingencies

Key assumptions about the likelihood and magnitude of an outflow of resources are included in note 26.1.

### 1.4. Changes in Accounting Policies

The following new and amended IFRS and IFRIC interpretations were considered by European Bank, these being endorsed by European Union and effective for annual periods beginning on or after 1 January 2025.

Following amended standard is effective and relevant on European Bank consolidated financial statements:

- **Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates**, with effective date as of 1 January 2025, clarifies when a currency is exchangeable into another currency and how a company estimates a spot rate when a currency lacks exchangeability.

### 1.5. New Standards and interpretations not yet effective

European Bank will apply the new or revised IFRS standards and related annual improvements detailed below as from their effective date following the endorsement process by the European Commission.

A number of new standards, amendments to standards and interpretations are not applicable and have not been applied in preparing these consolidated financial statements.

*Expected to have an impact on the European Bank consolidated financial statements*

- **IFRS 18 Presentation and Disclosure in Financial Statements**: with effective date as of 1 January 2027, aims to provide greater consistency in presentation of the income and cash flow statements, and more disaggregated information.
- **Amendments to IFRS 9 and IFRS 7 Classification and Measurement of Financial Instruments**, with effective date as of 1 January 2026, providing guidance and disclosure requirements related to the derecognition of a financial liability settled through an electronic transfer system and the classification of financial assets with ESG-linked and other contingent features.

*Not relevant for the European Bank consolidated statements*

- **IFRS 19 Subsidiaries without Public Accountability**: Subsidiaries of companies using IFRS Accounting Standards can apply a reduced disclosure framework if the eligibility criteria are met.

- Amendments to IFRS 9 and IFRS 7 - Contracts Referencing Nature-dependent Electricity.

## 1.6. Summary of Accounting Policies and Disclosures

### 1.6.1. Foreign Currency Translation

The consolidated financial statements are presented in Euro (€). Items included in the financial statements of each of European Bank's entities are measured using the currency of the primary economic environment in which the entity operates ("functional currency"), which is Euro for most of the European Bank's entities, except for BNYM Mellon SA/NV Dublin, Poland and Copenhagen branches, where USD, PLN and DKK are the functional currencies, respectively.

#### 1.6.1.1. Translations of transactions and balances

Foreign currency transactions are converted into the functional currency using the spot rate of the exchange rate prevailing at the date of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, as well as the gains and losses from the translation at year-end exchange rates of monetary assets and liabilities denominated in foreign currencies are recognized in "Other operating income/expenses" in the consolidated statement of profit and loss and other comprehensive income.

European Bank has no non-monetary items that are measured at historical cost in a currency other than Euro, with the exception of European Bank Dublin Branch which has goodwill and changed its functional currency to USD on 1 December 2019. The USD historic cost of this non-monetary asset is based on the exchange rate at the date of the change in functional currency.

### 1.6.2. Recognition of Revenue and Expense

Revenue is recognized to the extent that it is probable that the economic benefits will flow to European Bank and the revenue can be reliably measured, regardless of when the payment is being made. Income and expense are not offset in the consolidated statement of profit and loss and other comprehensive income unless required or permitted by any accounting standard or interpretation, as specifically disclosed in the accounting policies of European Bank. The following specific recognition criteria must also be met before revenue is recognized.

#### 1.6.2.1. Net Interest Income

The interest income and expense is recognized using the effective interest rate (EIR) method for all financial instruments measured at amortized cost and interest bearing financial assets classified as FVOCI. EIR is the rate that exactly discounts estimated future cash payments or receipts through the expected life of the financial instrument or a shorter period where appropriate, to the net carrying amount of the financial asset or financial liability. The calculation takes into account all contractual terms of the financial instrument (for example prepayment options) and includes any fees or incremental costs that are directly attributable to the instrument and are an integral part of the EIR, but not future credit losses.

Once the value of a financial asset or a group of similar financial assets has been reduced due to an impairment loss, interest income continues to be recognized using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

European Bank's loans to, and deposits from, banks and customers primarily relate to European Bank's clients' cash accounts operated in connection with their securities settlement activity, with balances generally changing on a daily basis. Time deposits and the re-deposits of surplus funds rarely have maturities of more than three months and, accordingly, the EIR method generally is not used for such transactions.

Interest income and expense on derivative instruments are recorded in profit and loss on an accrual basis.

#### *1.6.2.2. Fees and Commission Income*

Contract revenue (i.e. scope of IFRS 15 standard) is reported in the fee and commission line. European Bank earns fee and commission income mainly from the provision of: i) Asset Servicing products such as Global Custody, Depository Bank Services or Fund Accounting services, ii) Issuer Services products such as Depository Receipts and Corporate Trust, and iii) Markets, of which mainly Foreign exchange commission fees. Revenue is based on terms specified in a contract with a customer, and excludes any amounts collected on behalf of third parties. Revenue is recognized when, or as, a performance obligation is satisfied by transferring control of a good or service to a customer.

A performance obligation may be satisfied over time or at a point in time. Revenue from a performance obligation satisfied over time is recognized by measuring European Bank's progress in satisfying the performance obligation in a manner that reflects the transfer of goods and services to the customer. Revenue from a performance obligation satisfied at a point in time is recognized at the point in time the customer obtains control of the promised good or service.

The amount of revenue recognized reflects the consideration the European Bank expects to be entitled to in exchange for the promised goods and services. Taxes assessed by a governmental authority that are both imposed on, and concurrent with, a specific revenue producing transaction, are collected from a customer and are excluded from revenue.

##### *1.6.2.2.1. Nature of services and revenue recognition*

Investment Services fees (i.e. Asset Servicing, Issuer Services) are based primarily on the market value of assets under custody ("AUC"); client accounts, balances and the volume of transactions; securities lending volume and spreads; and fees for other services. Certain fees based on the market value of assets are calculated in arrears on a monthly or quarterly basis.

Substantially all services within the Investment Services business are provided over time. Revenue for these services is recognized using the time elapsed method, equal to the expected invoice amount, which typically represents the value provided to the customer for our performance completed to date.

Trade execution fees (i.e Foreign Exchange commissions), part of Markets, are delivered at a point-in-time, based on customer actions. Revenue for trade execution and clearing

services is recognized on trade date, which is consistent with the time that the service was provided. Customers are generally billed for services on a monthly or quarterly basis.

*Disaggregation of contract revenue*

Contract revenue is included in fee revenue on the consolidated Statement of profit and loss and other comprehensive income.

*1.6.2.2.2. Contract balances*

European Bank's customers are billed based on fee schedules that are agreed upon in each customer contract. An allowance is maintained for accounts receivable which is generally based on the number of days outstanding. Adjustments to the allowance are recorded in other expense in the Statement of profit and loss and other comprehensive income

Contract assets represent accrued revenues that have not yet been billed to the customers due to contingent factors other than the passage of time. Contract assets are usually billed on a monthly basis. There were no impairments recorded on contract assets in 2025.

Both receivables from customers and contract assets are included in other assets on balance sheet.

Contract liabilities represent payments received in advance of providing services under certain contracts. Contract liabilities are a component within other liabilities on the statement of financial position.

Changes in contract assets and liabilities primarily relate to either party's performance under the contracts.

Any changes in the balances of contract assets and contract liabilities would result in changes arising from business combinations, impairment of a contract asset and changes in the timeframe for a right to consideration becoming unconditional or a performance obligation to be satisfied. No such instances were noted.

*Unsatisfied performance obligations*

European Bank does not have any unsatisfied performance obligations other than those subject to a practical expedient election under IFRS 15. The practical expedient applies to (i) contracts with an original expected length of one year or less, and (ii) contracts for which the European Bank recognizes revenue at the amount to which the European Bank has the right to invoice for services performed.

*1.6.2.3. Dividend Income*

Dividend income is recognized when European Bank's right to receive payment is established.

*1.6.2.4. Gains and Losses on Non Qualifying Economic Hedges*

All gains and losses from changes in fair value of derivative financial assets and liabilities that act as economic hedges but that do not qualify for hedge accounting treatment are recognized in this caption.

#### 1.6.2.5 *Net trading income*

'Net trading income' comprises fair value changes in trading assets and liabilities, and includes the impact of foreign exchange rates.

### 1.6.3. **Financial Instruments – Initial Recognition and Subsequent Measurement**

All financial assets and liabilities initially are recognized on the trade date, i.e., the date that European Bank becomes a party to the contractual provisions of the instrument, and are measured initially at their fair value plus transaction costs. The classification of financial instruments at initial recognition depends on management's intent for which the financial instruments were acquired and the characteristics of the instruments, as explained below.

#### 1.6.3.1. *Non-derivative financial assets - Classification*

Non-derivative financial instruments comprise investments in debt instruments, cash and cash equivalents, loans and borrowings and trade and other creditors. IFRS 9 contains three principal classification categories for financial assets: measured at amortised cost, fair value through other comprehensive income ("FVOCI") and fair value through profit and loss ("FVTPL"). IFRS 9 classification is generally based on the business model in which a financial asset is managed and its contractual cash flows.

Financial assets are measured at amortised cost if they meet both of the following conditions and are not designated as at FVTPL:

- the asset is held within a business model whose objective is to hold assets to collect contractual cash flows; and
- the contractual terms of the financial asset give rise on specific dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

Financial assets are measured at FVOCI only if they meet both of the following conditions:

- the asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets; and
- the contractual terms of the financial asset give rise on specific dates to cash flows that are SPPI on the principal amount outstanding.

A financial asset is classified into one of these categories on initial recognition. However, for financial assets held at initial application, the business model assessment is based on facts and circumstances at that date. Also, IFRS 9 permits new elective designations at FVTPL or FVOCI to be made on the date of initial application depending on the facts and circumstances at that date.

#### Equity Securities

Investment in equity securities that do not result in consolidation are measured at fair value through profit and loss ("FVTPL"). Any subsequent changes in carrying value is recognised in the statement of profit and loss and other comprehensive income. The investment in equity securities is presented in the disclosure note "other assets".

#### 1.6.3.1.1 *Business model assessment*

Certain financial statement captions, for example, deposits with central banks and financial institutions, always will be held for collection of contractual cash flows as by the nature of the

asset means that it cannot be sold. For other financial assets, European Bank makes an assessment of the business model in which a financial asset is held at a portfolio level because this best reflects the way the business is managed and information is provided to management. Information that is considered includes:

- the stated policies and objectives for the portfolio;
- how the performance of the portfolio is evaluated and reported to management;
- how managers of the business are compensated; and
- the frequency and volume of historical and expected sales.

European Bank generally does not hold non-derivative financial assets for trading.

#### *1.6.3.1.2 Assessment of whether cash flows are solely payments of principal and interest*

'Principal' for these purposes is defined as the fair value of the financial asset at initial recognition. 'Interest' is defined as consideration for the time value of money and for the credit risk associated with the principal amount outstanding during a particular period of time and for other basic lending risks (e.g. liquidity risk and administrative costs), as well as profit margin.

In assessing whether the contractual cash flows are solely payments of principal and interest, European Bank considers the contractual terms of the instrument. This includes assessing whether the financial asset contains contractual terms that would change the timing or amount of contractual cash flows such that it would not meet this condition. In making this assessment, European Bank considers:

- contingent events that would change the amount or timing of cash flows;
- leverage features;
- prepayment and extension terms;
- terms that limit European Bank's claim to cash flows from specified assets; and
- features that modify consideration for the time value of money - e.g. periodic reset of interest rates.
- for tranching securities, such as asset backed securities, guidance related to contractually linked instruments is to be assessed and the underlying portfolio is to be considered under the SPPI requirements.

#### *1.6.3.1.3 Reclassification of Financial Assets*

European Bank does not reclassify financial assets subsequent to their initial recognition, except in the period after European Bank changes its business model for managing financial assets. In 2025 European Bank has not recorded any reclassifications of financial assets.

#### *1.6.3.2 Derivative Financial Instruments Held for Trading*

European Bank uses derivatives including FX swaps, forwards and interest rate swaps as part of its cash management activities. Derivatives are recognized in the statement of the financial position at fair value and carried as assets when their fair value is positive and as liabilities when their fair value is negative. Changes in the fair value of derivatives are recognized in the "Gains and losses on non-qualifying economic hedges" in the statement of profit and loss and other comprehensive income. On the other hand, gains and losses on derivatives designated in qualifying hedging relationships such as fair value hedges, are recorded in the statement of profit and loss and other comprehensive income, as well as any change in the value of related hedged item associated with the designated risks being

hedged, in the same income statement line where the earnings effect of the hedged item is presented, principally "Net interest income".

To qualify for hedge accounting, each hedge relationship is required to be highly effective at reducing the risk associated with the exposure being hedged, both prospectively and retrospectively. European Bank formally document all relationships, including hedging instruments and hedged items, as well as its risk management objectives and strategy for undertaking each hedging transaction. At inception, the potential cause of ineffectiveness related to each of its hedges is assessed to determine if it can expect the hedge to be highly effective over the life of the transaction. At hedge inception, European Bank document the methodology to be utilised for evaluating effectiveness on an ongoing basis, and monitor ongoing hedge effectiveness at least quarterly. European Bank discontinue hedge accounting prospectively when it has been determined that the hedge is no longer effective or the derivative expires, is sold, or management discontinues the derivative's hedge designation. Subsequent gains and loss on these derivatives are recognized in "Net trading income" line in the statement of profit and loss and other comprehensive income and the accumulated gain or loss on the hedged item is amortised on a yield basis over the remaining life of the hedged item.

European Bank Markets business offer its clients FX trade execution services including Swap, Options, Forward and Spot. These Derivatives are risk managed by the Trading desk. Changes in the fair value of these derivatives are recognized in "Net trading income" in the statement of profit and loss and other comprehensive income.

European Bank provides fund accounting and other fund administration services for tax-exempt retirement savings accounts to Postbank's retail clients. This arrangement is closed to new clients. Guarantee commitments are provided in connection with covering certain pension/minimum payment commitments (the initial investment made by the client). The requirement is to cover the potential risk arising from the discounted value of the client "Guarantee commitment" exceeding the normalised value of the client mutual fund units. The guarantee of cash flows on the underlying assets by the issuer meets the definition of a derivative. Changes in the fair value of this derivative is recognized in "Other operating income" in the statement of profit and loss and other comprehensive income.

European Bank does not hold derivatives embedded in other financial instruments.

#### *1.6.3.3. Financial Liabilities*

European Bank classifies its financial liabilities as measured at amortised cost. Financial liabilities are measured at FVPL if they meet one of the following conditions:

- a. Financial liabilities held for trading (including derivatives); and
- b. Financial liabilities that on initial recognition are designated at FVPL.

#### **1.6.4. Derecognition of Financial Assets and Financial Liabilities**

##### *1.6.4.1. Financial Assets*

European Bank derecognizes a financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) when:

- The rights to receive cash flows from the asset have expired; or

- European Bank has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement where either
  - European Bank has transferred substantially all the risks and rewards of the asset, or
  - European Bank has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

European Bank has derecognized financial assets in 2025 and 2024.

#### *1.6.4.2. Financial Liabilities*

European Bank derecognises a financial liability when its contractual obligations are discharged or cancelled, or expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as a derecognition of the original liability and the recognition of a new liability, and the difference in the respective carrying amounts is recognized in profit or loss.

European Bank has derecognized financial liabilities in 2025 and 2024.

#### **1.6.5. Repurchase and Reverse Repurchase Agreements**

Securities sold under agreements to repurchase at a specified future date are not derecognized from the consolidated statement of financial position as European Bank retains substantially all of the risks and rewards of ownership. The corresponding cash received is recognized in the consolidated statement of financial position as an asset with a corresponding obligation to return it, including accrued interest as a liability within 'Deposits', reflecting the transaction's economic substance as a loan to European Bank. The difference between the sale and repurchase prices is treated as interest expense and is accrued over the life of agreement using the EIR.

Conversely, securities purchased under agreements to resell at a specified future date are not recognized in the consolidated statement of financial position. The consideration paid, including accrued interest, is recognized in the consolidated statement of financial position, within 'Loans and advances to customers', reflecting the transaction's economic substance as a loan by European Bank. The difference between the purchase and resale prices is recognized in "Net interest income" and is accrued over the life of the agreement using the EIR.

European Bank receives collateral in reverse repurchase transactions, and if eligible for re-use, may post it as collateral in a further transaction.

#### **1.6.6. Commitments and financial guarantees given and received**

European Bank does not enter into irrevocable commitments and contingent liabilities for external customers. The off balance sheet items of European Bank contain mainly assets under custody, state guarantees on debt securities and guarantee to external customers.

Financial guarantees are contracts that require the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payment when due in accordance with the original or modified terms of a debt instrument.

European Bank, as a holder, has entered into a number of financial guarantee agreements, such as letters of credit received from group entity or third party, to cover its large exposures for prudential reporting purposes. These guarantees are recorded in the off balance sheet and recorded at their notional amount. Please see note 26.3 for further details.

#### **1.6.7. Determination of Fair Value**

Fair value is defined as the price that would be received to sell an asset, or paid to transfer a liability, in an orderly transaction between market participants at the measurement date. A

three-level hierarchy for fair value measurements is utilized based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date.

Fair value focuses on exit price in an orderly transaction (that is, not a forced liquidation or distressed sale) between market participants at the measurement date under current market conditions. The fair value for financial instruments traded in active markets at the consolidated statement of financial position date is based on their quoted market price, without any deduction for transaction costs.

For all other financial instruments not traded in an active market, the fair value is determined by using appropriate valuation techniques. Valuation techniques include the discounted cash flow method, comparison to similar instruments for which market observable prices exist, options pricing models, credit models and other relevant valuation models.

European Bank has only level 1 and level 2 financial instruments. As such European Bank does not use any internal valuation models with unobservable data for the determination of the fair value.

An analysis of fair values of financial instruments and further details as to how they are measured are provided in the explanatory notes.

#### **1.6.8. Impairment of Financial Assets**

IFRS 9 is an 'expected credit loss' (ECL) model. The impairment model also applies to certain loan commitments and financial guarantee contracts, but not to equity investments. The impairment model applies to debt instruments and financial guarantee contracts issued that are not measured at FVTPL. ECLs on instruments classified as FVOCI are recognised in profit and loss.

Under IFRS 9, European Bank generally recognises loss allowances at an amount equal to 12-month ECL (the portion of ECL that results from default events that are possible within 12 months after the reporting date) unless there has been significant increase in credit risk since origination of the instrument, in which case ECLs are recognised on a lifetime loss basis. The assessment of whether there has been a significant increase in credit risk is a critical judgment and is further discussed below. The recognition of a 12-month or lifetime ECL is based upon a three Stage criteria that is required to be updated at each reporting date:

- Stage 1 applies to all exposures from initial recognition as long as there is no significant deterioration in credit quality; interest revenue is calculated on the gross carrying amount of the asset.
- Stage 2 applies when a significant increase in credit risk has occurred since initial recognition; interest revenue is based upon the gross carrying amount of the asset.
- Stage 3 applies when an asset becomes credit-impaired (can be defined as defaulted); interest revenue is based upon the net carrying amount (net of loss allowance).

##### *1.6.8.1 Measurement of ECL*

BNY Mellon measures the ECLs based on the risk of default over one of two different time horizons, depending on whether the credit risk of the borrower has increased significantly since the exposure was first recognized or, for loan commitments, the date in which BNY Mellon unconditionally committed to extend credit. The loss allowance for those exposures that have not increased significantly in credit risk ('stage 1' exposures) is based on expected

credit losses from default events occurring within the next 12 months (12 months ECL). The allowance for those exposures that have suffered a significant increase in credit risk and exposures that are defaulted ('stage 2' and 'stage 3' exposures respectively) is based on lifetime expected credit losses from default events occurring over the remaining contractual life (Lifetime ECL).

For financial assets that are credit-impaired at the reporting date – the difference between the gross carrying amount and the present value of estimated future cash flows is reported. For financial guarantee contracts, the expected payments to reimburse the holder less any amounts that the group expects to recover is calculated.

Given European Bank's very low ECL rate overall, the effect of ECL on trade receivables is insignificant. Accordingly, no ECL is calculated centrally for such exposures.

Further details on inputs to ECL model are elaborated in Note 28.

### **1.6.9. Offsetting Financial Instruments**

Financial assets and financial liabilities are offset and the net amount reported in the consolidated statement of financial position if, and only if, there is a currently enforceable legal right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously.

### **1.6.10 Leasing**

European Bank determines if an arrangement is a lease at inception. Right-of-use ("ROU") assets represent European Bank's right to use an underlying asset for the lease term and lease liabilities represent European Bank's obligation to make lease payments. The ROU assets and lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date or at lease modification date for certain lease modifications. For all leases, European Bank uses a discount rate that represents a collateralized incremental borrowing rate based on similar terms and information available at lease commencement date or at lease modification date for certain lease modifications in determining the present value of lease payments. In addition to the lease payments, the determination of an ROU asset may also include certain adjustments related to lease incentives and initial direct costs incurred. Options to extend or terminate a lease are included in the determination of the ROU asset and lease liability only when it is reasonably certain that European Bank will exercise that option.

Lease expense for leases is recognized using the effective interest method. ROU assets are reviewed for impairment when events or circumstances indicate that the carrying amount may not be recoverable. If deemed impaired, the ROU asset is written down and the remaining balance is subsequently amortized on a straight-line basis. The ROU asset is presented in the "property and equipment" line and the lease liability is presented as "Other financial liabilities" in the statement of the financial position.

For all leases, European Bank has elected to account for the contractual lease and non-lease components as a single lease component and include in the calculation of the lease liability. The non-lease variable components, such as maintenance expense and other variable costs including non-index or rate escalations, have been excluded from the calculation and disclosed separately.

Additionally, for certain equipment leases, European Bank applies a portfolio approach to account for the operating lease ROU assets and liabilities.

European Bank does not engage in subleasing activities.

#### **1.6.11. Cash and Cash Equivalents**

Cash and cash equivalents as referred to in the consolidated statement of financial position include cash on hand, balances held with central banks and loans and advances with credit institutions and customers, on demand or with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. Cash and cash equivalents are carried at amortized cost in the consolidated statement of financial position.

#### **1.6.12. Property and Equipment**

Property and equipment are stated at cost less accumulated depreciation and accumulated impairment in value. Such cost includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is calculated using the straight-line method to write down the cost of property and equipment to the residual value over the estimated useful life as follows:

Buildings and leasehold improvements	-	Over the lesser of the estimated useful life of the asset and the remaining term of the lease
Computer equipment		3 to 4 years
Furniture, fixtures and other equipment	-	5 to 10 years

The estimated useful life of property and equipment is reviewed and, in case of revision, depreciation is adjusted prospectively. Property and equipment is derecognized on disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognized in "Other operating income" or "Other operating expenses" in the consolidated statement of profit and loss and other comprehensive income in the year the asset is derecognized.

The carrying values of property and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. There are no restrictions on title, and none of the property or equipment is pledged.

Capital work in progress (CWIP) represents assets under development that are not yet ready for use. CWIP is measured at cost, including directly attributable expenditures and any eligible borrowing costs. It is not depreciated until the asset is completed and available for its intended use, at which point it is transferred to the appropriate property and equipment category. CWIP is reviewed for impairment in accordance with IAS 36.

#### **1.6.13. Business Combinations and Goodwill**

Business combinations are accounted for using the acquisition method of accounting, except for common control transactions (see below). This involves recognizing identifiable assets (including previously unrecognized intangible assets) and liabilities (including contingent liabilities and excluding future restructuring costs) of the acquired business, generally at fair

value. Any excess of the cost of acquisition over the fair values of the identifiable net assets acquired is recognized as goodwill. If the cost of acquisition is less than the fair values of the identifiable net assets acquired, the discount on acquisition is recognized directly in the consolidated statement of profit and loss and other comprehensive income in the year of acquisition.

Following initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized, but is reviewed for impairment at least once a year or if events or changes in circumstances indicate that the carrying value may be impaired.

An impairment loss is recognized if the carrying amount of the cash-generating unit to which the goodwill belongs exceeds its recoverable amount. Impairment losses relating to goodwill are not reversed in future periods.

When subsidiaries are sold, the difference between the selling price and the net assets plus cumulative translation differences and goodwill is recognized in the consolidated statement of profit and loss and other comprehensive income.

Business combinations in which all of the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination (and where that control is not transitory) are referred to as common control transactions. The accounting policy for the acquiring entity would be to account for the transaction at book value in its consolidated financial statements. The book value of the acquired entity is the book value as reflected in the stand-alone statutory financial statements of the acquired entity, after alignment to the IFRS accounting policies adopted by European Bank. The difference between the cost of the acquisition and the acquirer's proportionate share of the net asset value acquired in common control transactions, will be allocated to Issued capital within equity. The consolidated income statement includes the results of each of the combining entities or businesses as of the date the common control transaction has taken place.

#### **1.6.14. Intangible Assets other than Goodwill**

European Bank's intangible assets other than goodwill include the value of computer software and client contracts. An intangible asset is recognized only when its cost can be measured reliably and it is probable that the expected future economic benefits that are attributable to it will flow to European Bank.

Intangible assets acquired separately are measured on initial recognition at cost. The cost of intangible assets acquired in a business combination is their fair value as at the date of acquisition. Following initial recognition, intangible assets are carried at cost less any accumulated amortization and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortized over their estimated useful life. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each reporting date. Changes in the estimated useful life or the expected pattern of consumption of future economic benefits embodied in the asset is accounted for by changing the amortization period or method, as appropriate, and are treated as changes in accounting estimates. The amortization of intangible assets is included as a separate expense line 'Amortization of intangible assets (other than goodwill)' in the statement of profit and loss and other comprehensive income.

Amortization is calculated using the straight-line method to write down the cost of intangible assets to their residual values over their estimated useful lives as follows:

Computer software	-	3 to 5 years
Client contracts (customer lists)	-	10 years (effective from 2019 for new client contracts acquired)

European Bank has no intangible assets other than goodwill with an indefinite useful life.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit and loss and other comprehensive income when the asset is derecognized.

#### **1.6.15. Impairment of Non-Financial Assets**

European Bank assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, European Bank estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's fair value less costs to sell and its value in use. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to cash-generating units (CGUs) or group of CGUs that are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the acquiree are assigned to those units. Each unit to which the goodwill is allocated represents the lowest level at which the goodwill is monitored for internal management purposes. European Bank has determined that the CGU is to be defined as European Bank itself. This decision is based on the interdependencies of the entities and businesses within European Bank from a client and operating perspective. Furthermore, management decisions are taken at the level of the Board of European Bank before being implemented in the various entities.

European Bank identified value in use as being the recoverable amount of a cash-generating Unit (CGU). In assessing value in use of a CGU, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. When the recoverable amount of the CGU is less than its carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

For previously-impaired assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, European Bank estimates the asset's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceeds the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the consolidated statement of profit and loss and other comprehensive income in the period in which it arises.

## **1.6.16. Pension Benefits**

### *1.6.16.1. Defined Benefit Plan*

European Bank operated multiple defined benefit plans during the year. A defined benefit plan is a pension plan that defines an amount of pension benefit that an employee is entitled to receive on retirement, dependent on one or more factors such as age, years of service and salary. A valuation by a qualified independent actuary is carried out every year for each of the plans.

The cost of providing benefits under the defined benefit plan is determined separately for each plan using the Projected Unit Credit Method. The discount rates used in the actuarial valuations are based on rates of high quality (generally those rated "AA" and above) corporate bonds issued in the same country as the obligation, that have maturity dates approximating the terms of European Bank's obligations.

Remeasurements, comprising of actuarial gains and losses, experience gains and (losses) on obligations and return on plan assets excluding interest income, are recognized immediately in other comprehensive income in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

European Bank determines the net interest for the period by applying the discount rate used to measure the defined benefit obligation at the beginning of the annual period to the net defined benefit obligation (asset).

Past service cost is recognized immediately. The past service cost is recognized in the net benefit expense that is part of 'Personnel expenses' in the statement of profit and loss and other comprehensive income.

The defined benefit asset or liability comprises the present value of the defined benefit obligation less the fair value of plan assets out of which the obligations are to be settled directly. The value of any net asset is restricted to the present value of any economic benefits available in the form of refunds from the plan or reductions in the future contributions to the plan. An economic benefit is available to European Bank if it is realizable during the life of the plan or on settlement of the plan liabilities.

### *1.6.16.2. Defined Contribution Plan*

European Bank also operates multiple defined contribution plans. The contributions payable to those plans are recognized as an expense under 'Personnel expenses' when they fall due. Unpaid contributions are recorded as a liability.

## **1.6.17. Provisions**

Provisions are recognized when European Bank has a present obligation (legal or constructive) as a result of a past event, and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to any provision is presented in the consolidated statement of profit and loss and other comprehensive income net of any reimbursement.

### *Restructuring provisions*

Restructuring provisions are recognized only when European Bank has a constructive obligation, which is when a detailed formal plan identifies the business or part of the business concerned, the location and number of employees affected, an estimate of the associated costs, and an appropriate timeline, and the employees affected have been notified of the plan's main features.

#### **1.6.18. Share-Based Payments**

Employees (including senior executives) of European Bank receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments ('equity-settled transactions'). Equity instruments granted are shares and options over shares of The Bank of New York Mellon Corporation, thus forming part of group share based payment arrangements.

European Bank uses a lattice-based binomial method to calculate the fair value of options on the date of the grant. Stock units are valued based on the quoted price of the relevant stock at grant date.

The cost of equity-settled transactions is recognized, together with a corresponding credit to in equity, over the period in which the performance and/or service conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ('the vesting date'). The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and European Bank's best estimate of the number of equity instruments that will ultimately vest. The expense or credit for a period is recognized in 'Personnel expenses' and represents the movement in cumulative expense recognized as at the beginning and end of that period.

When the terms of an equity-settled award are modified, the minimum expense recognized in 'Personnel expenses' is the expense as if the terms had not been modified. An additional expense is recognized for any modification which increases the total fair value of the share-based payment arrangement, or is otherwise beneficial to the employee as measured at the date of modification. The entity shall recognize the incremental fair value granted if the modification increases the fair value of the instruments granted, or the fair value of additional equity instruments granted, if the modification increases the number of equity instruments.

When an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognized for the award is recognized immediately. This includes any award where non-vesting conditions within the control of either the entity or the counterparty are not met. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new awards are treated as if they were a modification of the original award, as described in the previous paragraph.

Compensation expense relating to share-based payments is recognized in staff expense on the income statement, on an accelerated basis, over the applicable vesting period.

Certain stock compensation grants vest when the employee retires. New grants with this feature are expensed by the first date the employee is eligible to retire. European Bank estimate forfeitures when recording compensation cost related to share-based payment awards.

All other long term and post-employment benefits are recognized under the "personnel expenses" caption.

## **1.6.19. Taxes**

### *1.6.19.1. Current Tax*

Current tax assets and liabilities for the current and prior years are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date in the countries where legal entities of European Bank operate.

Current tax assets and current tax liabilities are offset if a legally enforceable right exists and there is an intention to settle on a net basis.

### *1.6.19.2. Deferred Tax*

Deferred tax is recognized on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilized. Unrecognized deferred tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Current tax and deferred tax relating to items recognized outside profit or loss are similarly recognized outside profit or loss. Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

### 1.6.19.3. Sales Tax

Expenses and assets are recognized net of the amount of sales tax, except:

- When the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the sales tax is recognized as part of the cost of acquisition of the asset or expensed, as applicable
- When receivables and payables are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

### 1.6.20. Dividends on Ordinary Shares

Dividends on ordinary shares are recognized as a liability and deducted from equity when they are approved by European Bank's shareholders. Dividends for the year that are approved after the reporting date are disclosed as a subsequent event.

### 1.6.21. Equity Reserves

The reserves recorded in equity of European Bank include:

- Retained earnings comprising the accumulated profit and loss and
- 'Other' reserve which comprises: (i) the impact of the share based payment, (ii) changes in fair value of FVOCI debt instruments and (iii) net gain (loss) on actuarial gains or losses from the defined benefit pension plans, including tax effects thereon.

### 1.6.22. Segment Reporting

Segment disclosures are required for entities whose debt or equity instruments are traded in a public market or that file, or are in the process of filing, their financial statements with a securities commission or other regulatory organization for the purpose of issuing any class of instruments in a public market. This is not the case for European Bank. As a result, European Bank does not report an operating segment reporting by business nor by geographic market.

# NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

## 2. Net Interest Income

Interest income	2025	2024
	in € '000	in € '000
Investment securities	549,548	389,568
Loans and advances to customers	770,582	1,001,337
Interest income on liabilities	5,101	2,489
<b>Total</b>	<b>1,325,231</b>	<b>1,393,393</b>
<b>Interest expense</b>		
Deposits from credit institutions	256,524	255,552
Deposits from other financial institutions	542,429	815,776
Deposits from non-financial institutions	1,141	3,493
Subordinated loan	27,882	27,958
Long term debt	—	—
Interest expense on assets	499	1,205
Interest expense on leases (note 26.4)	330	350
<b>Total</b>	<b>828,805</b>	<b>1,104,334</b>
<b>Net interest income</b>	<b>496,426</b>	<b>289,059</b>

The net interest income has increased by €207 million compared with the previous year, reflecting a resilient performance despite the lower interest rate environment, which contributed to the large decrease in the interest expense during the period. On the other hand, the lower interest rate environment did not significantly impact the interest income as the growth was driven primarily by higher client deposit volumes and strategic allocations to fixed-income instruments, including “investment securities” and reverse repurchase agreements, which are reported within “Loans and advances to customers”.

European Bank applied negative interest rates to customers on a limited basis for currencies where market rates remained negative or at zero, in order to better reflect the cost of holding deposits. Negative interest charged to clients is reported within “Interest income on liabilities,” while “Interest expense on assets” includes negative interest incurred on third-party nostro accounts and placements.

### 3. Net Fee and Commission Income

	2025	2024
	In € '000	In € '000
<b>Fee and commission income- contract revenue</b>		
INVESTMENT SERVICES	828,632	778,446
Asset Servicing	558,303	511,844
Clearance and Collateral Management	156,054	154,253
Issuer Services	114,275	112,349
<i>of which ADR</i>	33,300	31,784
<i>of which Corporate Trust</i>	80,975	80,565
OTHER CONTRACT REVENUE	80,362	71,450
Markets	71,416	64,121
<i>of which Foreign exchange commissions</i>	37,194	36,182
Treasury Services	8,946	7,329
<b>Total fee and commission income - contract revenue</b>	<b>908,994</b>	<b>849,896</b>
<b>Fee and commission expenses</b>		
Custody	136,364	130,226
Clearing and settlement	803	618
Servicing, processing and support fees re-charged	176,218	166,149
Other	—	—
<b>Total fee and commission expense</b>	<b>313,386</b>	<b>296,993</b>
<b>Net fee and commission income</b>	<b>595,608</b>	<b>552,903</b>

The overall net fee and commission income has increased by €43 million due to strong revenue growth driven by organic growth impacting AUC and new business across Asset Servicing, Markets, Clearance and Collateral Management, and Corporate Trust, as well as higher cancellation volumes on American Depositary Receipts (ADR).

Foreign exchange commission revenue has increased due to higher volatility in the market during the year.

Custody fees paid to sub-custodians have increased in line with the increase in custody-related revenues.

Servicing, processing and support fees represent charges re-invoiced by other group entities, primarily relating to operational services and overhead allocations for activities supporting Asset Servicing, Markets, Clearance and Collateral Management, Corporate Trust and ADR services. These fees increased in line with the higher level of operational activity across the EB's core servicing and processing functions.

#### 4. Net Trading Income and Gains on Non Qualifying Economic Hedges and Other Derivatives

	2025	2024
	In € '000	In € '000
Net trading income		
<i>Forward foreign exchange contracts</i>	1,543	2,670
Gains (Losses) from hedge accounting, net	(152)	34,731
Gains on Non Qualifying Economic Hedges	—	—
<i>Forward foreign exchange contracts</i>	41,614	72,521
	<b>43,005</b>	<b>109,923</b>

Realized and unrealized result of foreign currency swaps that act as non-qualifying economic hedges are recorded in this caption totaling €41.61 million, net of foreign-exchange revaluation effects on client and treasury balances. The decrease compared with the prior year is primarily attributable to lower FX swap revenue on EUR-USD positions, driven by the redeployment of USD funding into reverse repurchase agreements.

Gains (losses) from hedge accounting relate to interest rate swaps designated to mitigate interest rate risk in the banking book. The reduction in gains during the year reflects a lower swap yield spread, consistent with the decline in both USD and EUR interest rates.

FX Trading desk activities generated a net trading income of €1.5 million in 2025 (2024: €2.7 million).

#### 5. Other Operating Income

	2025	2024
	In € '000	In € '000
Gains / (losses) on non trading assets (FVPL, FVOCI, non financial assets)	(22,394)	(11,660)
Miscellaneous income	60,684	10,095
	<b>38,290</b>	<b>(1,566)</b>

The loss from sales of FVOCI debt instruments is primarily driven by the sale of Covered and SSA (Sovereign, Supranational, and Agency) bond portfolio.

Miscellaneous income included mainly impacts from "cum-ex" postings. The main item pertains to €55.1 million (exceptional item) relating to a German withholding tax claim provision originally recorded in 2019. For further details please refer to Note 26.1 Legal Claims.

## 6. Personnel Expenses

	2025	2024
	In € '000	In € '000
Wages and salaries	143,397	147,607
Social security contributions	24,085	24,960
Pension costs – Defined benefit plan (Note 22.2)	(459)	2,309
Pension costs – Defined contribution plan (Note 22.1)	6,478	6,287
Share-based payments (Note 25)	7,575	6,090
Other	10,181	11,234
	<b>191,256</b>	<b>198,487</b>

The Personnel expenses decreased compared with prior year by €7 million primarily due to a reduction in headcount across Belgium, Amsterdam, and Germany. This decrease was partially offset by an increase in staffing levels in Poland.

Defined benefit pension costs decreased and resulted to a gain in the current year, primarily due to the past service costs curtailment gain recognized in connection with organizational realignment, together with an increase in net interest on the net defined benefit asset.

Other expenses consist principally of medical insurance costs of €3 million (2024: €3 million), employee commuting program expenses of €2 million (2024: €2 million). The remaining balance relates to ancillary employee benefits, including lunch vouchers, recognition awards, and similar programs.

## 7. Other Operating Expenses

	2025	2024
	In € '000	In € '000
Professional fees	25,384	21,480
IT expenses	11,575	7,584
Bank levies	—	—
Operational lease expenses (note 26.4)	3,408	3,927
Non trading exchange differences	—	—
Shared services support (overhead)	96,463	121,890
Temporary clerical assistance	2,512	3,698
Non recoverable VAT	19,356	20,273
Miscellaneous, including marketing	19,686	13,619
	<b>178,385</b>	<b>192,471</b>

Other operating expenses decreased by €14 million compared with the previous year, primarily due to a reduction in intercompany service support charges. These charges, which represent the largest component of other operating expenses, declined following the completion of significant engineering projects within the BNY Mellon Group.

Professional fees and IT-related expenses increased primarily due to increase in consultancy and technology costs supporting transfer-agency business.

The major components of other miscellaneous expenses are: market data usage service fee of €4.5 million (2024: €3.4 million), lease expense allocation from other BNY group entities of €4.5 million (2024: €2.5 million), travel related costs of €2.2 million (2024: €1.9M million), advertising costs of €1.3 million (2024: €1.2M million), intra-day limit fees of €0.9 million (2024: € nil).

The fees incurred towards the statutory auditor including related entities are: audit fees of € 1.5 million (2024:€1.5 million), audit related fees of € 0.3 million (2024: €30.000 euros) and non-audit fees of € 0.9 million (2024: €1.3 million).

## 8. Income Tax

The components of income tax expense for the years ended 31 December 2024 and 2025 are:

	2025	2024
	In € '000	In € '000
Current tax		
Current income tax	149,470	104,695
Deferred tax		
<i>Relating to origination and reversal of temporary differences</i>	12,759	(6,081)
	<b>162,228</b>	<b>98,614</b>

### 8.1. Reconciliation of the Total Tax Charge

Reconciliation between the tax expense and the accounting profit multiplied by Belgium's domestic tax rate for the years ended 31 December 2024 and 2025 is as follows:

	2025	2024
	In € '000	In € '000
<b>Accounting profit before taxes</b>	<b>766,313</b>	<b>496,170</b>
1. Tax expense using Belgian statutory rate of 25% (2024:25%)	300,645	231,558
2. Effect of different tax rates in other jurisdictions	(17,560)	(20,264)
3. Income not subject to tax	(124,438)	(103,233)
4. Non-tax deductible expenses	851	733
5. Effect of utilization of previously unrecognized tax losses	(12,408)	(7,929)
6. Adjustment in respect of current income tax of prior year	1,156	(1,645)
7. Other increase (decrease) in statutory tax charge	13,981	(606)
<b>Income tax expense reported in the consolidated of comprehensive statement</b>	<b>162,228</b>	<b>98,614</b>

The effective income tax rate of 2025 is 21.17% (2024: 19.88%).

### 8.2. Income Tax Effects relating to Comprehensive Income

	2025			2024		
	Before tax amount	Tax (expense) benefit	Net of tax amount	Before tax amount	Tax (expense) benefit	Net of tax amount
	In € '000	In € '000	In € '000	In € '000	In € '000	In € '000
Net gain/(loss) on actuarial gains and losses	(1,735)	269	(1,466)	14,023	(2,516)	(7,418)
Financial instruments at FVTOCI	129,088	(32,259)	96,829	199,227	(49,799)	149,428
<b>Total</b>	<b>127,354</b>	<b>(31,991)</b>	<b>95,363</b>	<b>213,250</b>	<b>(52,315)</b>	<b>142,010</b>

### 8.3. Current and Deferred Tax

The following table shows current tax assets and liabilities recorded on the consolidated statement of financial position:

	2025	2024
	In € '000	In € '000
<b>Current tax assets</b>		
Pending tax refunds	35,623	23,032
VAT tax receivables	9,792	6,807
Other	323	409
<b>Total</b>	<b>45,738</b>	<b>30,249</b>
<b>Current tax liabilities</b>		
Reserve for taxes	138,830	93,285
VAT tax payables	(26,839)	12,866
<b>Total</b>	<b>111,991</b>	<b>106,151</b>

The following table shows deferred tax recorded on the consolidated statement of financial position and changes recorded in the income tax expense:

	Deferred tax assets 2025	Deferred tax liabilities 2025	Statement of Profit & Loss	Other Comprehensive Income	Deferred tax assets 2024	Deferred tax liabilities 2024
	In € '000	In € '000	In € '000	In € '000	In € '000	In € '000
Pensions	—	(7,242)	543	269	(8,053)	—
Temporary difference on intangibles assets deductible	—	121	(384)	—	(15,592)	(736)
Other liabilities not recognized for tax purposes	—	—	—	—	—	—
Revaluation of financial instruments	—	1,887	—	(32,260)	34,147	—
Other temporary differences	76	(21,755)	(12,919)	—	8,557	(13)
	<b>76</b>	<b>(26,990)</b>	<b>(12,759)</b>	<b>(31,991)</b>	<b>19,058</b>	<b>(749)</b>
Amounts offset	—	—	—	—	—	—
<b>Total</b>	<b>76</b>	<b>(26,990)</b>	<b>(12,759)</b>	<b>(31,991)</b>	<b>19,058</b>	<b>(749)</b>

### 8.4. Tax Reform - Global minimum top-up tax

The European Bank is subject to OECD Pillar II rules and operates in jurisdictions that have introduced legislation to enact the global minimum top-up tax, effective from 1 January 2024. Therefore, the Pillar II legislation was effective from this date – for both 2024 and 2025. The European Bank has conducted an assessment of the impact of these global minimum tax rules, which indicates its liability for the domestic minimum top-up tax in relation to its operations in Ireland. As a result, an accrual for the domestic minimum top-up tax of €5.25 million has been recorded in the financial statements for the year ended 31 December 2025 (€5.66 million: 2024). The total accrual recorded on the Balance Sheet is €10.9 million, for both 2024 and 2025.

## 9. Financial Assets and Financial Liabilities

### 9.1 Classification of financial assets and financial liabilities

The following table provides a reconciliation between line items in the statement of financial position and categories of financial instruments.

31 December 2025	Mandatorily at FVTPL	FVOCI - debt instruments	Amortised cost	Total carrying value
<b>In € '000</b>				
Cash and cash balances with central banks	—	—	11,184,581	11,184,581
Financial assets held for trading	453,543	—	—	453,543
Loans and advances to customers	—	—	15,603,142	15,603,142
Investment securities	—	16,839,195	3,977,357	20,816,552
<b>Total financial assets</b>	<b>453,543</b>	<b>16,839,195</b>	<b>30,765,080</b>	<b>48,057,818</b>
Financial liabilities held for trading	473,565	—	—	473,565
Deposits by central banks	—	—	22,620	22,620
Deposits by credit and other financial institutions	—	—	41,361,496	41,361,496
Due to non-financial customers	—	—	200,155	200,155
Subordinated liabilities	—	—	1,000,076	1,000,076
Long term debt	—	—	—	—
Other financial liabilities	—	—	16,261	16,261
<b>Total financial liabilities</b>	<b>473,565</b>	<b>—</b>	<b>42,600,608</b>	<b>43,074,173</b>

31 December 2024	Mandatorily at FVTPL	FVOCI - debt instruments	Amortised cost	Total carrying value
<b>In € '000</b>				
Cash and cash balances with central banks	—	—	11,807,477	11,807,477
Financial assets held for trading	824,156	—	—	824,156
Loans and advances to customers	—	—	12,566,749	12,566,749
Investment securities	—	14,422,801	3,697,122	18,119,923
<b>Total financial assets</b>	<b>824,156</b>	<b>14,422,801</b>	<b>28,071,348</b>	<b>43,318,305</b>
Financial liabilities held for trading	841,322	—	—	841,322
Deposits by central banks	—	—	158,083	158,083
Deposits by credit and other financial institutions	—	—	36,601,036	36,601,036
Due to non-financial customers	—	—	313,739	313,739
Subordinated liabilities	—	—	1,000,076	1,000,076
Long term debt	—	—	—	—
Other financial liabilities	—	—	23,024	23,024
<b>Total financial liabilities</b>	<b>841,322</b>	<b>—</b>	<b>38,095,958</b>	<b>38,937,280</b>

## 10. Cash and Cash Balances with Central Banks

	2025	2024
	In € '000	In € '000
Cash balances with the National Bank of Belgium	1,249,951	4,699,173
Placements with other central banks	9,934,630	7,108,304
	<b>11,184,581</b>	<b>11,807,477</b>

The above figures reconcile to the amount in cash shown in the statement of cash flows at the end of the financial year as follows:

	2025	2024
	In € '000	In € '000
Cash and cash balances with central banks	11,184,581	11,807,477
Monetary reserves	(437,746)	(345,118)
<b>Cash and cash equivalents at the end of the period</b>	<b>10,746,835</b>	<b>11,462,359</b>

Central bank balances decreased by EUR 0.6 billion year-on-year. The decrease was mainly driven by lower placements with the National Bank of Belgium (NBB) (EUR 3.4 billion) and De Nederlandsche Bank (DNB) (EUR 0.5 billion), partly offset by higher placements with the Deutsche Bundesbank (EUR 3.2 billion). These reallocations between central banks reflect routine liquidity and cash management activities within the Eurosystem. The decrease in central bank placements mainly reflects the reinvestment of excess liquidity into fixed income instruments, including investment securities and reverse repurchase agreements (classified within "Loans and advances"), resulting in a more efficient use of liquidity and improved balance sheet positioning in light of the structural balance sheet increase and the prevailing interest rate environment.

## 11. Loans and Advances to Customers

	2025	2024
	In € '000	In € '000
<b>Loans and advances to</b>		
Central Governments	—	5,343
Central banks	117,577	38,623
Credit institutions	15,229,355	12,211,882
Other financial institutions	257,885	311,827
Corporate	—	4
<b>Less: Allowance for impairment losses</b>	(1,676)	(929)
	<b>15,603,142</b>	<b>12,566,749</b>

European Bank balance sheet is liquidity driven. Client deposits are deployed into a range of low-risk and highly liquid instruments, including investment securities, reverse repurchase agreements, foreign exchange swaps, and nostro accounts and placements, predominantly with central banks and intercompany counterparties.

As of 31 December 2025, loans and advances to customers mainly comprised reverse repurchase agreements amounting to €8.9 billion (2024: €6.2 billion), with the remainder relating to nostro accounts and placements with BNY Group entities and third-party counterparties. The increase compared with the prior year was primarily attributable to higher funding volumes arising from growth in client deposits.

A loss allowance arising from ECL of €1.68 million (2024: €0.93 million) was recognised in respect of loans and advances to customers as at 31 December 2025. The limited level of the allowance reflects the low credit risk profile of these exposures, as European Bank transacts with highly rated counterparties and predominantly on a short-term basis, as further described in Note 28. Accordingly, the likelihood of loans or advances becoming non-performing is considered low. No non-performing loans or advances were identified as at 31 December 2025 or 31 December 2024.

## 12. Investment Securities

	2025	2024
	In € '000	In € '000
<b>FVOCI investment securities issued by</b>	<b>16,839,195</b>	<b>14,422,801</b>
Central governments	7,227,518	5,131,471
Credit institutions	8,009,364	8,257,118
Non credit institutions	1,602,313	1,034,212
<b>Investment securities at amortized cost issued by</b>	<b>3,977,357</b>	<b>3,697,122</b>
Central governments	2,299,321	2,137,832
Credit institutions	1,306,450	1,416,398
Non credit institutions	371,586	142,891
	<b>20,816,552</b>	<b>18,119,923</b>

European Bank invests in highly liquid debt securities to enhance interest margin performance while maintaining an adequate buffer of liquid assets. As at year-end, the investment portfolio increased by increased by €2.7 billion compared with prior year.

The increase in investment securities reflects the Bank's strategy to optimise the structural growth of the balance sheet in response to a declining interest rate environment. This approach supports both profitability and liquidity resilience. Please refer to Note 28.3 for discussion on European Bank's approach to managing liquidity.

During 2025, the Bank introduced a limited exposure to high-quality collateralised loan obligations (CLOs) within its investment portfolio, in line with its investment strategy, risk appetite, and governance framework.

### 13. Asset Encumbrance

European Bank has signed a collateral agreement with Euroclear to cover an intraday credit line for \$2.1B. European Bank invests in various bonds (please see note 12); these have been further pledged as collateral to Euroclear and Clearstream to cover uncommitted credit facilities during 2024 and 2025. European Bank is providing initial margin to the institutional bank in the form of securities in the framework of the non-centrally cleared OTC derivatives. European Bank is providing this collateral since September 2022.

To mitigate credit risk in foreign exchange business, European Bank increased the volume of collateralized netting agreements since 2017. Hence European Bank has foreign exchange cash collateral presented in encumbered other assets in 2025 and 2024.

As of 31 December 2025 the carrying and fair value of encumbered assets by type of assets were as follows:

	2025			2024		
	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets	Carrying amount of encumbered assets	Fair value of encumbered assets	Carrying amount of unencumbered assets
<b>Assets</b>	In € '000	In € '000	In € '000	In € '000	In € '000	In € '000
Debt securities	2,534,651	2,534,336	18,281,900	3,512,300	3,505,349	14,606,212
Other assets	690,763	—	27,410,305	682,619	—	25,179,162
	<b>3,225,414</b>	<b>2,534,336</b>	<b>45,692,206</b>	<b>4,194,919</b>	<b>3,505,349</b>	<b>39,785,374</b>

Other assets encumbered refer to monetary reserves, mainly placed with National Bank of Belgium, Banque Centrale du Luxembourg, Central Bank of Ireland treated as encumbered assets as these cannot be freely withdrawn by the bank. In 2025, other assets include foreign exchange collateral of €252 million (In total foreign exchange collateral €321 million in 2025; 2024: €392 million).

The reportable encumbered collateral received, or available for encumbrance are presented below:

	2025		2024	
	Matching liabilities, contingent liabilities or securities lent In € '000	Assets, collateral received and own debt securities issued In € '000	Matching liabilities, contingent liabilities or securities lent In € '000	Assets, collateral received and own debt securities issued In € '000
<b>Encumbered assets/collateral received and associated liabilities</b>				
<b>Carrying amount of financial liabilities</b>				
Derivatives	395,666	320,733	764,305	391,528
Repurchase agreements	13,189	15,320	573,197	574,772
Collateralized deposits	14,139	14,139	15,201	15,201
Other sources of encumbrance	—	2,875,222	—	3,213,417
<b>Total sources of encumbrance</b>	<b>422,994</b>	<b>3,225,414</b>	<b>1,352,703</b>	<b>4,194,919</b>

European Bank has no own debt securities issued. Other sources of encumbrance refer to the monetary reserves at central banks and bonds pledged to Euroclear and Clearstream referred above.

## 14. Derivative Financial Instruments

The table below shows the fair values of derivative instruments, together with their notional amounts. The notional amount is the amount of a derivative's underlying asset, reference rate or index and is the basis upon which changes in the value of derivatives are measured. The notional amounts are indicative of neither the market risk nor the credit risk.

Derivatives held for trading In € '000	Assets	Liabilities	Notional amount	Assets	Liabilities	Notional amount
	2025	2025	2025	2024	2024	2024
Options	—	—	—	818	818	49,860
Interest rate	16,301	34,527	4,277,070	14,435	39,294	2,772,052
Forward foreign exchange contracts	437,242	438,909	78,974,286	808,903	801,065	77,208,998
Other	—	129	37,593	—	145	39,208
	<b>453,543</b>	<b>473,565</b>	<b>83,288,950</b>	<b>824,156</b>	<b>841,322</b>	<b>80,070,118</b>

Derivatives often involve, at their inception, a mutual exchange of promises with little or no transfer of consideration. However, these instruments frequently involve a high degree of leverage and are volatile. A relatively small movement in the value of the asset, rate or index underlying a derivative contract may have a significant impact on the value of the derivative.

Over-the-counter derivatives may expose European Bank to the risks associated with the absence of an exchange market on which to close out an open position.

European Bank's exposure under derivative contracts is closely monitored as part of the overall management of European Bank's market risk. Currently, concerning over-the-counter derivatives, European Bank has forward foreign exchange contracts related to customer transactions. European Bank is exposed to market risk through its trading book activity in FX products, which are FX Spot, FX Forward/NDF, FX Swaps and FX Options. The FX Options are all back-to-back with BNY Group and not risk-warehoused in the European Bank. Please refer to Note 4 regarding the corresponding profit and loss impact.

The European Bank also enters into interest rate swaps to hedge the exposure to interest rate risk arising from its investment portfolio. As at 31 December 2025, FVOCI investment securities with a par value of €4.3 billion (2024: €2.8 billion) were designated in fair value hedge relationships and hedged using interest rate swaps with an equivalent notional amount of €4.3 billion (2024: €2.8 billion).

The table below presents the pre-tax gains and losses arising from fair value hedge accounting, as recognised in the statement of profit or loss.

<b>Income Statement impact of fair value hedges</b>	<b>2025</b>	<b>2024</b>
	<b>In € '000</b>	<b>In € '000</b>
Interest rate swaps	19,403	(8,542)
Hedged Assets	(19,521)	9,316
Gain (loss) recognised in profit & loss	(118)	775

The following table represents the hedge accounting basis adjustment increase (decrease ) included in the carrying amount of the hedged item:

<b>Hedge accounting adjustment</b>	<b>Carrying amount of hedged asset</b>		<b>Hedge Accounting basis adjustment increase (decrease) included in the carrying amount of the hedged item</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>In € '000</b>	<b>In € '000</b>	<b>In € '000</b>	<b>In € '000</b>
Assets held at FVOCI	5,645,652	2,800,385	24,398	43,749

<b>Impact of derivative instruments designated as hedging instruments</b>	<b>Notional value</b>		<b>Derivatives fair value</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
	<b>In € '000</b>	<b>In € '000</b>	<b>In € '000</b>	<b>In € '000</b>
Interest rate swap - Assets	1,989,071	961,813	16,301	14,435
Interest rate swap - Liabilities	2,288,000	1,810,239	34,527	39,294

In addition, at 31 December 2025, European Bank had issued guarantee commitments provided in connection to fund accounting and other fund administration services for tax-exempt retirement savings accounts to Postbank's retail clients. These guarantees are presented in other derivatives caption and amounted to €0.13 million at 31 December 2025 (2024: 0.14 million). The notional amount of this derivative was €37.59 million (2024: 39.21 million).

Further disclosures on the fair value of derivative financial instruments are presented in Note 24.

## 15. Other Assets

	2025	2024
	In € '000	In € '000
Equity securities	4,308	3,698
Prepaid charges	914	1,925
Accrued income (other than interest income from financial assets)	141,534	146,064
Accounts receivable, including:	466,736	366,914
<i>From affiliate companies</i>	49,214	42,231
Suspense accounts	111,680	1,851
Miscellaneous	3,359	373
	<b>728,530</b>	<b>520,825</b>

The accounts receivable balance at year end is highly driven by day-to-day operations. European Bank's customers are billed based on fee schedules that are agreed upon in each customer contract. Accounts receivables included at 31 December 2025 balances related to receivables from brokers of €191.3 million (2024: €153.5 million). Also included in this caption are receivables from customers of €161.42 million (2024: €132.18 million) and receivables from affiliate companies of €49.2 million (2024: €42.2 million) .

At 31 December 2025, the accrued income refers mainly to unbilled receivables, which amounted to €133.70 million (2024: €128.26 million) and considered due to the passage of time rather than due to contingent factors; hence there were no contract assets or associated impairment in 2025. Also included in this caption are other accruals not related to unbilled receivables amounted €7.83 million (2024: €19.17 million).

Suspense accounts contains funds due from clearing houses or other counterparties as part of its cash clearing function. Miscellaneous assets include operating transactions that are in a suspense account until clarification that result from day-to-day operations of European Bank.

## 16. Property and Equipment

<b>2025</b>	<b>Buildings and Leasehold improvements<sup>31</sup></b>	<b>Computer equipment</b>	<b>Furniture, fixtures and other equipment</b>	<b>Capital Work in Progress<sup>32</sup></b>	<b>Total</b>
<b>Net Book Value</b>	<b>In € '000</b>	<b>In € '000</b>	<b>In € '000</b>	<b>In € '000</b>	<b>In € '000</b>
<b>At 1 January</b>	24,222	586	5,520	—	30,331
Additions	3,218	96	531	3,755	7,600
Disposals	—	(28)	(116)	—	(144)
Depreciation charge for the year	(7,524)	(224)	(1,899)	—	(9,647)
Impairment loss	—	—	—	—	—
Other movements	249	3	(250)	—	2
<b>At 31 December</b>	<b>20,165</b>	<b>433</b>	<b>3,786</b>	<b>3,755</b>	<b>28,140</b>
Gross carrying amount	72,623	5,547	24,238	3,755	106,164
Accumulated depreciation and impairment	(52,458)	(5,114)	(20,452)	—	(78,024)

<b>2024</b>	<b>Buildings and Leasehold improvements</b>	<b>Computer equipment</b>	<b>Furniture, fixtures and other equipment</b>	<b>Capital Work in Progress</b>	<b>Total</b>
<b>Net Book Value</b>	<b>In € '000</b>	<b>In € '000</b>	<b>In € '000</b>	<b>In € '000</b>	<b>In € '000</b>
<b>At 1 January</b>	28,821	399	7,725	—	36,947
Additions	3,475	432	379	—	4,286
Business combinations	—	—	—	—	—
Disposals	(20)	(5)	(298)	—	(323)
Depreciation charge for the year	(8,054)	(240)	(2,286)	—	(10,580)
Impairment loss	—	—	—	—	—
Other movements	—	—	—	—	—
<b>At 31 December</b>	<b>24,222</b>	<b>586</b>	<b>5,520</b>	<b>—</b>	<b>30,331</b>
Gross carrying amount	69,380	5,528	25,462	—	100,370
Accumulated depreciation and impairment	(45,158)	(4,942)	(19,942)	—	(70,039)

<sup>31</sup> As at 31 December 2025, property and equipment includes right-of-use assets of €15.5 million, (2024: €22.0 million) mainly related to leased branches and office premises (see note 26.4).

<sup>32</sup> Capital work in progress primarily relates to expenditures for the new Frankfurt Branch office premises, including leasehold improvements and related technology and equipment, in advance of the lease commencement in Q3 2027.

## 17. Goodwill and Other Intangible Assets

2025	Goodwill	Computer software	Client Contracts	Total
	In € '000	In € '000	In € '000	In € '000
<b>Net Book Value</b>				
<b>At 1 January</b>	<b>4,673</b>	<b>1,003</b>	<b>57,260</b>	<b>62,936</b>
Acquisitions	—	2,124	—	2,124
Amortization charge for the year	—	(742)	(6,455)	(7,197)
Other movements	(541)	(2)	—	(543)
<b>At 31 December</b>	<b>4,132</b>	<b>2,383</b>	<b>50,805</b>	<b>57,320</b>
Gross carrying amount	299,761	34,419	112,967	447,147
Accumulated depreciation and impairment	(295,629)	(32,035)	(62,163)	(389,827)
<b>2024</b>	<b>Goodwill</b>	<b>Computer software</b>	<b>Client Contracts</b>	<b>Total</b>
	In € '000	In € '000	In € '000	In € '000
<b>Net Book Value</b>				
<b>At 1 January</b>	<b>4,393</b>	<b>1,391</b>	<b>52,964</b>	<b>58,748</b>
Acquisitions	—	42	10,175	10,217
Amortization charge for the year	—	(382)	(5,879)	(6,261)
Other movements	280	(48)	—	232
<b>At 31 December</b>	<b>4,673</b>	<b>1,003</b>	<b>57,260</b>	<b>62,936</b>
Gross carrying amount	299,761	32,298	128,937	460,996
Accumulated depreciation and impairment	(295,088)	(31,293)	(71,678)	(398,059)

### 17.1. Impairment Testing of Goodwill and Other Intangible Assets

Under IFRS, goodwill is annually tested for impairment at European Bank level, which was determined to be the cash generating unit. We refer to section 1 (Significant accounting policies) for the determination of the cash generating unit and the date (31 December) on which goodwill is tested for impairment.

The goodwill balance with a net book value of €4.1 million was acquired through TCIL merger completed in December 2019.

Hence, an impairment testing exercise is still performed at year-end, using a 5-year financial plan. Overall analysis supports that no impairment write-off is required as the value in use exceeds the carrying value of goodwill of €4.1 million.

The recoverable amount for European Bank was calculated based on the value in use. This value in use was determined by discounting the future cash flows expected to be generated from the cash generating unit's continuing use. Value in use in 2025 was determined in a similar manner as in prior years based on updated assumptions, summarized as follows:

- Cash flows were projected based on net earnings after taxes (corrected for “non-cash” gains/losses) as of 31 December 2025, an updated assessment of the cash flows for the 3-year business plan.
- Terminal cash flows were extrapolated using a constant growth rate of 2 percent, which is based on the long-term growth assumption of the European Bank.

- A discount rate of 8.6 percent was applied in determining the recoverable amounts for the cash generating unit. European Bank used a WACC based on European risk free rate and considering the subordinated loan.

For 2025, management has used year-end actuals combined with latest available forecasted figures.

To mitigate against the uncertainty, the Company has a lower-risk diversified fee-based business model which benefits from heightened volatility and a flight-to-quality on a relative basis compared with other credit-focused financial institutions. Our Investment Services businesses were favorably impacted by higher client volumes in 2025 compared with the prior year.

Hence, for 2025 European Bank did not identify any impairment triggers on other intangibles and as a result of it, no impairment test was considered necessary as of 31 December 2025.

## 18. Financial Liabilities Measured at Amortized Costs

	2025	2024
	In € '000	In € '000
<b>Deposits from central banks</b>	22,620	158,083
<b>Deposits from credit institutions</b>	8,756,241	6,492,822
Current accounts / overnight deposits	8,125,109	5,730,690
Deposits with agreed maturity	631,132	188,936
Repurchase agreements	—	573,197
<b>Deposits from other financial institutions</b>	32,605,255	30,108,214
Current accounts / overnight deposits	32,585,962	29,966,480
Deposits with agreed maturity	19,293	141,733
Repurchase agreements	—	—
<b>Deposits from non-financial institutions</b>	200,155	313,739
Current accounts / overnight deposits	200,155	313,739
<b>Subordinated liabilities (Note 21)</b>	1,000,076	1,000,076
<b>Long term debt</b>	—	—
<b>Other financial liabilities (Lease liabilities)</b>	16,261	23,024
	<b>42,600,608</b>	<b>38,095,958</b>

All the liabilities were issued by The European Bank.

No defaults of principal or interest, and no other breaches, occurred on any of the European Bank's liabilities during 2025 and 2024. The increase of €4.5 billion in deposits results mainly from a increase in deposits from Other Financial institutions €2.5 billion and deposits from Credit institutions €2.3 billion. As at 31 December 2025, the European Bank had no Repurchase agreements (2024: €573 million). Other financial liabilities consist of lease liabilities as per IFRS 16 (note 26.4).

## 19. Other Liabilities

	2025	2024
	In € '000	In € '000
Other employee benefits and social charges	4,527	9,969
Accrued charges (other than from interest expenses on financial liabilities)	52,580	49,324
Accounts Payables	160,269	129,902
Suspense accounts	194,947	106,445
Other	11,252	15,581
	<b>423,575</b>	<b>311,222</b>

Other liabilities caption increased mainly due to the i) suspense accounts, primarily relating to corporate actions payable to clients ii) accounts payable, arising in the ordinary course of the Company's business, iii) Accrued charges, mainly consisting of intercompany recharges accrued at the reporting date but not yet invoiced.

Contract liabilities were €0.84 million at 31 December 2025 (2024: €0.98 million). Revenue recognized in 2025 relating to contract liabilities was €0.58 million (2024: €0.59 million).

## 20. Provisions

	Restructuring Costs	Pending legal issues	Other provisions	Total
	In € '000	In € '000	In € '000	In € '000
<b>At 1 January 2025</b>	28,502	41,024	840	70,365
Amounts provisioned	22,499	—	775	23,274
Amounts utilized	(31,964)	—	(805)	(32,769)
Unused amounts reversed during the period	(3,302)	—	(148)	(3,450)
Other movements	(9)	(40,062)	(215)	(40,286)
<b>At 31 December 2025</b>	<b>15,726</b>	<b>962</b>	<b>447</b>	<b>17,134</b>
<b>At 1 January 2024</b>	16,743	42,946	280	59,969
Amounts provisioned	48,169	58	898	49,125
Amounts utilized	(35,175)	—	(340)	(35,515)
Unused amounts reversed during the period	(1,218)	—	(30)	(1,248)
Other movements	(18)	(1,980)	32	(1,966)
<b>At 31 December 2024</b>	<b>28,502</b>	<b>41,024</b>	<b>840</b>	<b>70,365</b>

Provisions recognized in 2025 were primarily driven by the European Bank restructuring program, which involved role relocations and the reorganization of certain functions across locations.

Pending legal issues primarily relate to German "cum-ex" matters and the large other movements corresponds to a reversal of litigation provision. See Note 26.1 for further details.

Other provisions include amounts recognized in respect of operational risk events.

## 21. Subordinated and Long term Liabilities

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### 21.1. Subordinated loan

On March 28, 2022, the European Bank entered into a 10-year subordinated loan arrangement with The Bank of New York Mellon ("BNYM") for the purposes of ensuring compliance with internal risk appetite for own funds and eligible liabilities ("MREL") and internal total loss absorbing capacity ("TLAC"). The total carrying amount of subordinated loan was €1,000 million at 31 December 2025 and 2024. The subordinated loan matures on March 28, 2032.

## 22. Retirement Benefit Plan

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### 22.1. Defined Contribution Plan

European Bank has various defined contribution plans to which European Bank pays fixed contributions (two plans in the Netherlands, two in Luxembourg, one in Ireland, one in Paris, one in Italy, one in Spain, one in Denmark and one in Poland); there is no legal or constructive obligation to pay further contributions. Moreover, in Belgium, a part of a hybrid scheme has a contribution base part, with a guaranteed return. This part is therefore a cash balance scheme. This kind of Belgian scheme is treated as a defined benefit plan under the IAS19 Standard.

The assets of the plans are held separately from those of European Bank in funds under the control of the plans trustees.

The total expense of €6.5 million (2024: €6.3 million) charged to the consolidated statement of profit and loss and other comprehensive income represents contributions payable to these plans by European Bank at rates specified in the rules of the plan. Please refer to Note 6.

### 22.2. Defined Benefit Plan

#### *Employee benefits*

During the year the group operated multiple defined benefit plans (or considered as such under the IAS19 standard): two in Belgium and two in Germany. Typically defined benefit plans define an amount of pension benefit that an employee will receive on retirement, usually dependent on one or more factors such as age, years of service and compensation.

#### *Nature of benefits provided by the Plans*

The German Plans are final salary plans and provide pension benefits linked to salary at retirement or earlier date of leaving service. The plans are open to future accrual. The first Belgian defined benefit Plan ("Old Plan") provides pension or lump sum benefits and has been closed to new employees since April 2007. The second Belgian pension scheme ("New Plan") is an hybrid scheme; Defined Benefit plan for the part of the salary limited to a ceiling and Cash Balance plan for the part of the salary above this ceiling.

### *Regulatory framework in which the Plans operate*

The group operates defined benefit pension plans in Belgium and Germany under broadly similar regulatory frameworks.

German Plans: The plans operate under the framework of German company pension law (BetrAVG) and general regulations based on German labor law. The pension plans are closed for new employees. The plans are partly funded with assets invested in funds.

Belgian Plans: The defined benefit pension plans (i.e. "Old Plan") and the hybrid defined benefit pension plan/"cash balance" plan (i.e. "New Plan") are financed by the plan Sponsor. Benefit payments are made from self-administered funds. The Fund is regulated by the FSMA (financial regulatory agency in Belgium). Minimum benefits are defined by the law.

### *Other European Bank's responsibilities for governance of the Plans*

German Plans: None.

Belgian Plans: The Board of Directors is responsible for the governance of the Plans as well as for the governance and investments of the Fund's assets. Benefit payments are made from the self-administered funds and Plan assets are held in the Organizations for Financing Pensions (OFP), which are governed by local regulations and practice. Contributions paid by the sponsor are based on the financing plan. The Board of Directors are comprised of representatives of the bank in accordance with local regulations and practice.

### *Risks to which the Plans expose the European Bank*

- Asset volatility - If plan assets underperform the discount rate a deficit results for the period under consideration. As the plans are partly invested in equity assets, there is a possibility of underperformance against the discount rate and so an increase to the deficit (or reduction in surplus) .
- Longevity - Increases in life expectancy will increase plan liabilities, the inflation-linkage of the benefits for the German and Belgian Plans also means that inflationary increases result in a higher sensitivity to increases in life expectancy.
- Inflation risk - The majority of benefits in the German plans are linked to inflation and so increases in inflation will lead to higher liabilities (although in most cases there are caps in place which protect against extreme inflation). The Belgian Plan is less sensitive to inflation as a lump sum is provided at retirement.

### *Plan amendments, curtailments or settlements*

There was a restructuring plan to the Belgian plans in 2025. This event has been treated as a curtailment as at 31 December 2025. The impact of the restructuring plan resulted in a gain of €1.3 million during the period.

### *Funding arrangements and funding policy that would affect future contributions*

The funding requirements of the individual plans are based on the actuarial measurement frameworks sets out in the funding policies of the plans and are in accordance with the statutory requirements of the plans in the various jurisdictions. European Bank undertakes separate actuarial valuations for funding purposes for each of the individual plans and pays contributions to the plans in line with the outcomes of these valuations.

*Asset-liability matching strategies*

Investment positions are managed by Pension Fund managers within an ALM framework that has been developed to achieve long-term investments that are in line with the obligations under the pension schemes. Within this framework, the ALM objective is to match assets to pension obligations by investing in long-term interest securities with maturities that match the benefit payments as they fall due and in the appropriate currency. The European Bank actively monitors the duration and the expected yield of the investments to ensure they are matching the expected cash flows arising from the pension obligations.

*Movement in net defined benefit (asset) liability*

The following table shows reconciliation from the opening balances to the closing balances for the net defined benefit (liability)/ asset and its components.

	Defined benefit obligations		Fair value of plan assets		Net defined benefit (liability)/asset	
	2025	2024	2025	2024	2025	2024
	In € '000	In € '000	In € '000	In € '000	In € '000	In € '000
<b>Balance at 1 January</b>	<b>(71,659)</b>	<b>(73,608)</b>	<b>99,668</b>	<b>87,530</b>	<b>28,009</b>	<b>13,922</b>
<b>Included in profit or loss</b>						
Current service cost	(1,884)	(2,309)	—	—	(1,884)	(2,309)
Administrative expenses	—	—	(68)	(189)	(68)	(189)
Losses/(gains) on non routine settlements	—	—	—	—	—	—
Curtailments	1,320	—	—	—	1,320	—
<b>Operating (expense)/ income</b>	<b>(564)</b>	<b>(2,309)</b>	<b>(68)</b>	<b>(189)</b>	<b>(632)</b>	<b>(2,498)</b>
Net interest on the net benefit obligation/ (asset)	(2,453)	(2,400)	3,544	2,933	1,091	533
Cost of termination benefits paid from the plan	—	—	—	—	—	—
<b>Finance (expense)/ income</b>	<b>(2,453)</b>	<b>(2,400)</b>	<b>3,544</b>	<b>2,933</b>	<b>1,091</b>	<b>533</b>
<b>Net benefit expense</b>	<b>(3,017)</b>	<b>(4,709)</b>	<b>3,476</b>	<b>2,744</b>	<b>459</b>	<b>(1,965)</b>
<b>Included in other comprehensive income</b>						
Return on plan assets excluding interest income	—	—	4,034	7,949	4,034	7,949
Experience gains/ (losses)	644	319	—	—	644	319
Actuarial gains/(losses) arising from changes in financial assumptions	5,341	4,158	—	—	5,341	4,158
Actuarial gains/(losses) arising from changes in demographic assumptions	—	—	—	—	—	—
Impact of the asset ceiling	—	—	(8,300)	—	(8,300)	—
<b>Total gains/ (losses) recognized</b>	<b>5,985</b>	<b>4,477</b>	<b>(4,266)</b>	<b>7,949</b>	<b>1,719</b>	<b>12,426</b>
<b>Other</b>						
Net transfers (in)/out	—	—	—	—	—	—
Contribution paid by the employer	—	—	3,963	3,626	3,963	3,626
Benefits paid	2,388	2,181	(2,388)	(2,181)	—	—
	<b>2,388</b>	<b>2,181</b>	<b>1,575</b>	<b>1,445</b>	<b>3,963</b>	<b>3,626</b>
<b>Balance at 31 December</b>	<b>(66,303)</b>	<b>(71,659)</b>	<b>100,453</b>	<b>99,668</b>	<b>34,150</b>	<b>28,009</b>

The financial assumption gain is explained by an increase in the discount rate.

The amounts of the defined benefit obligation and plan assets for the previous five years are reported below.

### Net defined benefit (obligation)/asset

31 December	2025	2024	2023	2022	2021
	In € '000	In € '000	In € '000	In € '000	In € '000
Fair value of plan assets	100,453	99,668	87,530	76,114	85,022
Defined benefit obligation	(66,303)	(71,659)	(73,608)	(64,070)	(84,063)
<b>As of 31 December</b>	<b>34,150</b>	<b>28,009</b>	<b>13,922</b>	<b>12,044</b>	<b>959</b>

The net defined benefit asset was subject to an asset ceiling of €8.3 million in respect of the Belgian plans, resulting in a net defined benefit asset/(liability) of €34.1 million recognized as at 31 December 2025.

Net defined benefit obligations and assets aren't netted off amongst the plans. All plans have assets more than liabilities and are reported under Accounts Receivables in Note 15.

European Bank contributed €3.96 million to its defined benefit pension plans in 2025 (2024: €3.63 million). The cumulative amount of gains and losses recognized in other comprehensive income is presented below:

Gains and losses recognized in other comprehensive income

	<b>2025</b>	<b>2024</b>
	<b>In € '000</b>	<b>In € '000</b>
As of 1 January	(28,021)	(13,998)
Recognized during the year	1,735	(14,023)
<b>As of 31 December</b>	<b>(26,286)</b>	<b>(28,021)</b>

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows (weighted average):

	<b>2025</b>	<b>2024</b>
Equity instruments (all quoted), of which:	41.2 %	39.8 %
<i>Domestic equities</i>	17.2 %	16.6 %
<i>Overseas equities</i>	20.2 %	19.5 %
<i>Emerging markets equities</i>	3.8 %	3.7 %
Debt instruments, of which: <sup>33</sup>	27.6 %	27.6 %
<i>Corporate/government bonds</i>	26.2 %	26.3 %
<i>Fixed interest government bonds (unquoted)</i>	1.4 %	1.4 %
Property (all quoted)	5.0 %	5.1 %
Cash	2.3 %	3.8 %
<i>Quoted</i>	0.8 %	1.4 %
<i>Unquoted</i>	1.5 %	2.4 %
Other ( <i>quoted</i> )	23.92 %	23.69 %

The sector allocation of the equity instruments is as follows:

	<b>2025</b>	<b>2024</b>
	<b>In € '000</b>	<b>In € '000</b>
<b>Equity instruments, of which:</b>	<b>44,824</b>	<b>39,706</b>
Energy, industrial companies and materials	8,068	7,147
Consumer Discretionary and Staples	6,724	5,956
Financials	8,427	7,465
Health Care	5,693	5,043
Information Technology	14,657	12,984
Other	1,255	1,112

<sup>33</sup> Investments in funds are included in the categories of Debt Instruments. The sub-categories reflect the underlying assets of the fund.

Substantially the equity securities and bonds are issued in EUR currency 43.55% (2024: 43.43%) and traded in active markets. All government bonds are issued by European governments.

	2025	2024
AAA	6.2 %	6.2 %
AA	13.7 %	13.6 %
A	22.1 %	22.0 %
Not rated	4.0 %	4.0 %

The most recent actuarial valuations of plan assets and the present value of the defined benefit obligation were carried out on behalf of European Bank at 31 December 2025. The present values of the defined benefit obligation, the related current service cost and past service cost were measured using the projected unit credit method.

#### *Actuarial assumptions and sensitivity analysis*

Assumptions are set based on actuarial advice with reference to the duration of the individual plans and market conditions in each territory. These individual plan assumptions are equivalent to liability-weighted assumptions as follows:

	2025	2024
Discount rate	4.04%	3.45%
Future salary growth	2.87%	3.14%
Future pension increase	2.03%	2.03%

Assumptions regarding future mortality are set based on actuarial advice in accordance with published statistics and experience in each territory. These assumptions translate into the average life expectancy underlying the values of the defined benefit obligation at the reporting date as per below:

	2025	2024
<b>Longevity at age 65 for current pensioners</b>		
Males	21.8	21.8
Females	25.5	25.5
<b>Longevity at age 65 for current members aged 45</b>		
Males	22.5	22.5
Females	26.0	26.0

Based on the assumptions set out above, the impact on the present value of the defined benefit obligations of changing the following individual assumptions (with all other assumptions remaining unchanged) is set out below.

<b>Value of obligations at year end if (In €'000) :</b>	<b>Movement</b>	<b>31 December 2025</b>
Discount rate reduced by	1.00%	74,956
Discount rate increased by	1.00%	58,828
Inflation reduced by	1.00%	64,531
Inflation increased by	1.00%	68,212
Life expectancy decreased by	1 year	65,671
Life expectancy increased by	1 year	66,913

The above analysis assume that assumption changes occur in isolation. In practice this is unlikely to occur and some assumptions may be correlated, such as pension increases and

CPI inflation. The same method (project unit method) has been applied when calculating these sensitivities.

## 23. Issued Capital and Reserves

<b>Authorized, issued and fully paid</b>	<b>2025</b>	<b>2024</b>
	<b>In '000</b>	<b>In '000</b>
Ordinary shares of 1038.5 € each (2024: 1038.5 €)	1.689	1.689
	<b>1.689</b>	<b>1.689</b>

BNY Mellon has share option schemes under which options to subscribe for the BNY Mellon's shares have been granted to certain executives and senior employees of European Bank, however share options do not have an impact on the European Bank's issued capital. Other reserves in total equity were €51.25 million at 31 December 2025 (2024: €-52.49 million). The significant increase in other reserves is driven by change of net fair value of financial assets at FVOCI in amount of €152.09 million in 2025. 100% of the European Bank's shares are now held by BNY Mellon.

## 24. Fair Value of Financial Instruments

### 24.1. Determination of Fair Value and Fair Value Hierarchy

European Bank uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

*Level 1:* quoted (unadjusted) prices in active markets for identical assets or liabilities. Level 1 prices are available from an exchange, a dealer, broker or a similar counterparty. An active market is a market in which transactions for the asset or liability occur with sufficient frequency and volume to provide pricing information on an ongoing basis. Quoted prices in an active market provide the most reliable evidence of fair value and must be used whenever available. The fair value measurement of financial instruments with quoted prices is based on a mark-to-market valuation derived from currently available transaction prices with no valuation (modeling) technique needed.

*Level 2:* other techniques for which all inputs which have a significant effect on the recorded fair value are observable, either directly or indirectly. Observable inputs imply existence of an active market and should be used in preference to unobservable inputs. Risk free rates and exchange rates are observable inputs. Valuation techniques based on observable inputs are referenced to the current fair value of a similar instrument or a discounted cash flow model.

*Level 3:* techniques that use inputs which have a significant effect on the recorded fair value that are not based on observable market data. The level 3 category implies that there is no active market and that assumptions hence internally developed valuation techniques are put in place to determine the fair value of the financial instrument.

European Bank considers that the Level 2 reflects better the valuation techniques used to estimate the value of financial liabilities given that the valuation is not derived directly from currently available transaction prices.

The following table shows an analysis of financial instruments recorded at fair value by level of the fair value hierarchy of European Bank:

<b>2025</b>	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>In € '000</b>	<b>In € '000</b>	<b>In € '000</b>	<b>In € '000</b>
<b>Financial assets</b>				
Derivative financial instruments				
<i>Options</i>	—	—	—	—
<i>Forward foreign exchange contracts</i>	—	437,242	—	437,242
<i>Interest rate swaps</i>	—	16,301	—	16,301
Financial investments at FVOCI (Quoted)				
<i>Debt securities</i>	3,873,594	12,965,600	—	16,839,195
Equity instruments	—	4,308	—	4,308
	<b>3,873,594</b>	<b>13,423,451</b>	<b>—</b>	<b>17,297,045</b>
<b>Financial liabilities</b>				
Derivative financial instruments				
<i>Options</i>	—	—	—	—
<i>Forward foreign exchange contracts</i>	—	438,909	—	438,909
<i>Other</i>	—	129	—	129
Derivatives - Hedge accounting (Interest rate swaps)	—	34,527	—	34,527
	<b>—</b>	<b>473,565</b>	<b>—</b>	<b>473,565</b>
<b>2024</b>				
	<b>Level 1</b>	<b>Level 2</b>	<b>Level 3</b>	<b>Total</b>
	<b>In € '000</b>	<b>In € '000</b>	<b>In € '000</b>	<b>In € '000</b>
<b>Financial assets</b>				
Derivative financial instruments				
<i>Options</i>	—	818	—	818
<i>Forward foreign exchange contracts</i>	—	808,903	—	808,903
<i>Interest rate swaps</i>	—	14,435	—	14,435
Financial investments at FVOCI (Quoted)				
<i>Debt securities</i>	1,058,281	13,364,520	—	14,422,801
Equity instruments	—	3,698	—	3,698
	<b>1,058,281</b>	<b>14,192,374</b>	<b>—</b>	<b>15,250,655</b>
<b>Financial liabilities</b>				
Derivative financial instruments				
<i>Options</i>	—	818	—	818
<i>Forward foreign exchange contracts</i>	—	801,065	—	801,065
<i>Other</i>	—	145	—	145
Derivatives - Hedge accounting (Interest rate swaps)	—	39,294	—	39,294
	<b>—</b>	<b>841,322</b>	<b>—</b>	<b>841,322</b>

In 2022, European Bank changed the Fair Value levelling determination process to align to the Group Fair Value levelling methodology determined under US GAAP (ASC 820) and IFRS (IFRS 13).

The €0.13 million disclosed as 'other derivative financial instruments' represent the unrealized losses on the guarantee commitments provided in connection with covering certain pension/minimum payment commitments as further explained in section 1.6.3.2 of this document.

## **24.2. Financial Instruments Recorded at Fair Value**

A description of the determination of fair value per class of financial instruments is presented below. The fair value determinations incorporate European Bank's estimate of assumptions that a market participant would make when valuing the instruments.

### **24.2.1. Derivatives**

All European Bank OTC derivative products are valued using internally developed models that use as their basis readily observable market parameters and as a result these are classified as Level 2 of the valuation hierarchy. Such derivatives comprise the forward foreign exchange and interest rate swap contracts used for treasury management

As of December 2025 and 2024, the credit valuation/ debit valuation adjustment (CVA/DVA) was determined to be immaterial, hence it was not adjusted.

### **24.2.2. Financial Instruments – FVOCI**

The financial assets measured at fair value through other comprehensive income that are classified within Level 1 mainly consist of government securities that are actively traded in highly liquid over-the-counter markets. These securities are valued using recent quoted unadjusted prices.

If quoted market prices are not available, the fair values are estimated using pricing models, quoted prices of securities with similar characteristics or discounted cash flows. For securities where quotes from recent transactions are not available for identical securities, European Bank determines fair value primarily based on pricing sources with reasonable levels of price transparency. Specifically, the pricing sources obtain recent transactions for similar types of securities (e.g. vintage, position in the securitization structure) and ascertain variables such as speed of prepayment and discount rate for the types of transaction and apply them to similar types of bonds. European Bank does not have such securities at 31 December 2025.

At European Bank, any actively traded RMBS with pricing sources derived largely from broker quotes are classified as Level 2 in the Fair Value Hierarchy.

## **24.3. Fair Value of Financial Assets and Liabilities Not Carried at Fair Value**

The following describes the methodologies and assumptions used to determine fair values for those financial instruments which are not already recorded at fair value in the consolidated financial statements:

### **24.3.1. Assets for which Fair Value Approximates Carrying Value**

For financial assets and financial liabilities that have a short term maturity (less than three months) it is assumed that the carrying amounts approximate to their fair value. This assumption is also applied to demand deposits, and savings accounts without a specific maturity.

### **24.3.2. Assets for which Fair Value does not Approximate Carrying Value**

For investment securities measured at amortized cost, for which we disclose a fair value, we determined quoted market prices to be the appropriate fair value measurement when available.

For financial assets and financial liabilities, where quoted market prices are not available, we generally base the fair value of loans on observable market prices of similar instruments, including bonds, credit derivatives and loans with similar characteristics. If observable market prices are not available, we base the fair value on estimated cash flows adjusted for credit risk which are discounted using an interest rate appropriate for the maturity of the applicable loans.

The fair value of fixed rate financial assets and liabilities carried at amortized cost are estimated by comparing market interest rates when they were first recognized with current market rates for similar financial instruments. As European Bank has high quality counterparts, credit risk does not significantly influence the fair value. From an economic viewpoint, credit risk is very low at European Bank. The estimated fair value of fixed interest bearing deposits is based on discounted cash flows using prevailing money-market interest rates for debts with similar credit risk and maturity. Set out below is a comparison, by class, of the carrying amounts and fair values of European Bank's financial instruments that are not carried at fair value in the consolidated financial statements. This table does not include the fair values of non-financial assets and non-financial liabilities.

	2025		2024	
	Carrying amount	Fair value	Carrying amount	Fair value
	In € '000	In € '000	In € '000	In € '000
<b>Financial assets</b>				
Cash and cash balances with central banks	11,184,581	11,184,581	11,807,477	11,807,477
Loans and advances to customers	15,603,142	15,603,142	12,566,749	12,566,749
Debt instruments at amortised cost - Quoted	3,977,357	3,981,062	3,697,122	3,687,419
<b>Financial liabilities</b>				
Financial liabilities at amortized cost	42,600,608	42,600,608	38,095,958	38,095,958
<i>Deposits</i>	41,583,271	41,583,271	37,072,858	37,072,858
<i>Subordinated liabilities</i>	1,000,076	1,000,076	1,000,076	1,000,076
<i>Other financial liabilities</i>	16,261	16,261	23,024	23,024

The table below shows the interest income and expense that relates to financial instruments measured at amortized cost:

<b>Interest income from financial instruments measured at amortized cost</b>	<b>2025</b>	<b>2024</b>
	<b>in € '000</b>	<b>in € '000</b>
Loans and advances to customers	770,582	1,001,337
Debt instruments at amortised cost - Quoted	96,535	27,140
<b>Total</b>	<b>867,117</b>	<b>1,028,477</b>

<b>Interest expense from financial instruments measured at amortized cost</b>	<b>2025</b>	<b>2024</b>
	<b>in € '000</b>	<b>in € '000</b>
Deposits	800,094	1,074,821
Subordinated loan	27,882	27,958
Lease liabilities (note 26.4)	330	350
<b>Total</b>	<b>828,306</b>	<b>1,103,129</b>

## 25. Share-based Payment

Long-Term Incentive Plans are operated by BNY (parent company), under which restricted stock units ("RSUs") and other stock-based awards are granted to employees and directors of BNY, including the European Bank.

RSUs are granted under our long-term incentive plans at no cost to the recipient. These awards are subject to forfeiture until certain restrictions have lapsed, including continued employment, for a specified period. An RSU entitles the recipient to receive a share of common stock after the applicable restrictions lapse. The recipient generally is entitled to receive cash payments equivalent to any dividends paid on the underlying common stock during the period the RSU is outstanding but does not receive voting rights. The cash dividends are paid at the time of vesting

The fair value of RSUs is equal to the fair market value of BNY common stock on the date of grant. The expense is recognized over the vesting period, which is generally zero to four years. The expense recognized for employee services received during the year is shown in the following table:

	2025	2024
	In € '000	In € '000
Expense arising from equity-settled share-based payment transactions	7,575	6,090
<b>Total expense arising from share-based payment transactions</b>	<b>7,575</b>	<b>6,090</b>

### Restricted stock

	2025	2024
	No.	No.
Outstanding at the beginning of the year	146,245	131,438
Staff transfers during the year	98	2,472
Granted during the year	64,300	93,253
Vested and exercised during the year	(66,752)	(76,149)
Forfeited during the year	(1,130)	(4,769)
Outstanding at the end of the year	142,761	146,245
Non vested expected to vest at year end	141,611	143,706

There are no stock options as at December 31<sup>st</sup> 2025.

## 26. Other information

### 26.1. Legal Claims

German authorities are investigating past “cum/ex” trading, which involved the purchase of equity securities on or shortly before the dividend date, but settled after that date, potentially resulting in an unwarranted refund of withholding tax. German authorities have taken the view that past cum/ex trading may have resulted in tax avoidance or evasion. The European Bank and its German subsidiary have been informed by German authorities about investigations into potential cum/ex trading by certain third-party investment funds, where the European Bank had acquired entities that served as depositary and/or fund manager for those third-party investment funds. We have received information requests from the authorities relating to pre-acquisition activity and are cooperating fully with those requests. In August 2019, the District Court of Bonn ordered that the German subsidiary be joined as a secondary party in connection with the prosecution of unrelated individual defendants. The trial commenced in September 2019. In March 2020, the court stated that it would refrain from taking action against the subsidiary in order to expedite the conclusion of the trial. The court convicted the unrelated individual defendants, and determined that the cum/ex trading activities of the relevant third-party investment funds were unlawful. In November and December 2020, we received secondary liability notices from the German tax authorities related to pre-acquisition activity in various funds for which the entities we acquired were depositary and/or fund manager. We appealed the notices. In connection with the acquisition of the subject entities, the European Bank obtained an indemnity for liabilities from the sellers that the European Bank has pursued as necessary. The provision booked with respect to this legal matter has been determined based on management judgment of the most likely liability that will be owed to German authorities. There is estimation uncertainty in the final outcome of this legal matter. Postings to reflect the current situation as of 31 Dec 2025 were performed and impacted mainly Note 5 Other Operating income and Note 20 Provisions.

As at 31 December 2025, based on the facts and circumstances currently known, the European Bank reassessed this case and concluded that it is unlikely that any additional penalty interest will be due. Accordingly, a provision previously recognised for penalty interest was reversed for an amount of EUR 36.1 million. In addition, a further EUR 4.0 million was released following an update of the allocation reflecting a cost-sharing agreement between BNP and Deutsche Bank, bringing the total reversal to approximately EUR 40.0 million in 2025 (recognised under ‘other movements’ in Note 20 Provisions). The remaining provision recognised as at 31 December 2025 in respect of this case amounts to EUR 0.96 million. This provision continues to represent management’s best estimate of the most probable amount that may be due; however, the outcome remains subject to estimation uncertainty.

### 26.2. Off-balance Sheet

The off-balance sheet items consist mainly of: (i) the assets under custody (AUC) totaling €4,190Billion as of 31 December 2025 (2024: €3,860Billion), and (ii) other given and received commitments.

The increase of AuC in 2025 by €329 billion is mainly driven by new clients and an increase in market value of the securities.

The breakdown of the off-balance sheet positions are provided in the following table.

## Overview of off balance sheet positions:

CATEGORY	2025	2024
	In € million	In € million
Commitments given (performance guarantee)	—	—
Financial guarantees received for state guaranteed bonds (Note 28.2.5)	2,318	2,411
Other commitments received (Note 26.3)	1,000	1,000
Assets under custody	4,189,534	3,860,057
<b>TOTAL</b>	<b>4,192,851</b>	<b>3,863,467</b>

The amount of assets under custody received, split by currency at 31 December 2025, are presented in the table below:

	2025			2024		
	EUR	Other currency	Total	EUR	Other currency	Total
	In € million	In € million	In € million	In € million	In € million	In € million
Assets under custody	1,373,598	2,815,935	4,189,534	1,256,872	2,603,185	3,860,057
	<b>1,373,598</b>	<b>2,815,935</b>	<b>4,189,534</b>	<b>1,256,872</b>	<b>2,603,185</b>	<b>3,860,057</b>

### 26.3. Collateral and other commitments received

On the 6th of February 2020, European Bank signed an Unfunded Credit Risk Mitigation Agreement with The Bank of New York Mellon to cover the part of exposures exceeding the prudential limit (25% of own funds) on all external counterparties for maximum €1 billion. No usage of this guarantee has been recorded as of December 31, 2025 reporting.

### 26.4. Leasing

European Bank has entered into a number of leases on premises and equipment. These leases typically have an average life of 1.73 for cars and 3.71 years for premises. There are no restrictions placed upon the lessee by entering into these leases.

Information about leases for which European Bank is a lessee is presented below.

The right-of-use assets relate to leased branches and head office premises, cars and other equipment and are presented within property and equipment category on the face of the balance sheet (please see note 16).

	2025	2024
	In '000	In '000
<b>Right-of-use assets</b>		
Balance at 1 January	21,964	26,729
Depreciation charge for the year	(7,206)	(8,142)
Additions	761	3,377
Balance at 31 December	<b>15,518</b>	<b>21,964</b>

The amounts recognized in profit or loss for the years 2025 and 2024 were:

	2025	2024
	In '000	In '000
Interest on lease liabilities	330	350
Expenses relating to short-term leases/low value assets	—	22
	<b>330</b>	<b>372</b>

European Bank has classified cash payments for the principal portion of lease payments as financing activities and cash payments for interest portion as operating activities consistent with the presentation of other interest payments.

Amounts recognized in the statement of cash flows were as follows:

	2025	2024
	In '000	In '000
Outflows for operating activities	330	350
Outflows for financing activities	8,409	9,734
<b>Total cash outflows for leases</b>	<b>8,740</b>	<b>10,084</b>

## 27. Related Party Disclosures

### 27.1. Key Management Compensation

Key management personnel refer to the members of the Board of Directors, the Committees of the Board of Directors and senior management as set out in the Report of the Board of Directors.

	2025	2024
	In € '000	In € '000
Short-term employee benefits	3,638	5,125
Post-employment benefits	82	103
Other long-term benefits	16	14
Share based payments	276	630
	<b>4,012</b>	<b>7,703</b>

Short-term employee benefits section consists of salaries of €3.64 million (2024: €4.64 million) and social charges of €0.00 million (2024: €0.48 million).

Post-employment benefits of the key management are an estimation of extra-legal pension contribution. Other long term benefits are the contributions to the death-in-service reinsurance and long term disability.

More information regarding the share based payments are disclosed in Note 25.

### 27.2. Transactions with Key Management Personnel of European Bank

European Bank does not enter into transactions, arrangements and agreements involving directors, senior management and their relatives. There are no mortgages or any personal

loans granted to key management. Therefore there is nothing to report as transactions with key management.

### **27.3. Transactions with Related Parties**

The following is a summary of the balances relating to transactions with European Bank's parent (i.e. ultimate parent and ultimate controlling party only), the companies included in its parent's consolidated financial statements and other companies related to BNY Mellon group. The outstanding balances and transactions with own subsidiaries are included for presentation purposes only, since these transactions are eliminated for the consolidation scope.

## Amounts payable to and amounts receivable from related parties

	2025			2024		
	Parent	Own subsidiaries	Other entities of the group	Parent	Own subsidiaries	Other entities of the group
	In € '000	In € '000	In € '000	In € '000	In € '000	In € '000
Assets: loans and advances	12,884,054	—	10,446	9,367,279	—	91,659
<i>Current accounts</i>	4,018,910	—	10,446	2,391,693	—	91,659
<i>Term loans</i>	8,865,144	—	—	6,975,586	—	—
Other assets	334,419	—	2,467	338,173	3	2,661
<b>TOTAL ASSETS</b>	<b>13,218,473</b>	<b>—</b>	<b>12,913</b>	<b>9,705,452</b>	<b>3</b>	<b>94,320</b>
Deposits	4,276,336	—	283,737	4,112,175	—	365,951
Long term debt / subordinated debt	1,000,076	—	—	1,000,076	—	—
Other liabilities	175,160	—	15,371	528,762	—	9,494
<b>TOTAL LIABILITIES</b>	<b>5,451,572</b>	<b>—</b>	<b>299,108</b>	<b>5,641,013</b>	<b>—</b>	<b>375,446</b>

## Income and expense generated by transactions with related parties

	2025			2024		
	Parent	Own subsidiaries	Other entities of the group	Parent	Own subsidiaries	Other entities of the group
	In € '000	In € '000	In € '000	In € '000	In € '000	In € '000
Interest income	166,799	—	2,375	168,399	—	3,737
Fees and commissions	173,865	—	(2,674)	170,639	—	1,752
Other	22,735	—	772	30,116	—	574
<b>TOTAL INCOME</b>	<b>363,398</b>	<b>—</b>	<b>473</b>	<b>369,154</b>	<b>—</b>	<b>6,063</b>
Interest expense	162,960	—	5,715	222,479	—	12,798
Fees and commissions	116,436	—	60,179	108,786	—	58,770
Other	88,745	—	12,033	111,338	5	12,813
<b>TOTAL EXPENSE</b>	<b>368,142</b>	<b>—</b>	<b>77,926</b>	<b>442,604</b>	<b>5</b>	<b>84,380</b>

### 27.4. Terms and Conditions of Transactions with Related Parties

The outstanding balances with related parties arise from the ordinary course of business. Outstanding balances at the year-end are unsecured except for reverse repurchase agreements included in the caption "Loans and advances" and repurchase agreements included in the caption "Deposits". Nonetheless, the term deposits with BNY Mellon are covered by a master agreement that contains a right to withdraw prior to maturity date subject to early withdrawal penalty (break clause). For the year ended 31 December 2025, receivables from related parties are not considered to be doubtful and hence no provision for doubtful debt has been made.

## 27.5. Consolidated<sup>34</sup> Subsidiaries and Branches and Key Financial Performance Figures by Geographical Location

The consolidated financial statements include the separate financial statements of European Bank which includes its branches and the subsidiaries in the following table:

Branches and Subsidiary	Country of incorporation	Nature of activity	2025
The Bank of New York Mellon SA/NV - Amsterdam Branch	Netherlands	Asset Servicing & Digital, Markets	
The Bank of New York Mellon SA/NV - Frankfurt Branch	Germany	Asset Servicing & Digital, Clearing & Collateral Management Sales, Corporate Treasury, FX Trading, Treasury Services Sales	
The Bank of New York Mellon SA/NV - Luxembourg Branch	Luxembourg	Asset Servicing & Digital, Corporate Trust, Markets	
The Bank of New York Mellon SA/NV – Milan Branch	Italy	Corporate Trust, Treasury Services, Asset Servicing	
The Bank of New York Mellon SA/NV	Belgium	Asset Servicing, Clearance and Collateral Management, Markets, Corporate Trust, Treasury Services	
The Bank of New York Mellon SA/NV - Dublin Branch	Ireland	Asset Servicing & Digital, Corporate Trust, Depository Receipts, Markets	
The Bank of New York Mellon SA/NV - Paris Branch	France	Corporate Trust, Clearance and Collateral Management, Depository Receipts, Markets, Treasury Services	
The Bank of New York Mellon SA/NV - Copenhagen Branch	Denmark	Asset Servicing & Digital	
The Bank of New York Mellon SA/NV - Madrid Branch	Spain	Clearance and Collateral Management, Treasury Services, Corporate Trust, Asset Servicing	
The Bank of New York Mellon SA/NV - Poland Branch	Poland	Corporate Trust, Asset Servicing, Trust & Depository	

The turnover, profit before tax and after tax consolidated into the consolidated statement of profit and loss of European Bank as well as the number of employees (full time equivalent) are presented by location in the table below:

<sup>34</sup> BNY AIS Nominees Limited is a non-consolidated subsidiary with 100% equity interest in 2025 and 2024.

THE BANK OF NEW YORK MELLON SA/NV ('the European Bank')

Branches	Turnover*	Profit before tax	Profit after tax	No of FTE (equivalent)
2025	In € '000	In € '000	In € '000	
The Bank of New York Mellon SA/NV	1,514,990	841,958	778,671	279
The Bank of New York Mellon SA/NV - Amsterdam Branch	94,012	29,312	13,679	50
The Bank of New York Mellon SA/NV - Dublin Branch	215,539	(52,979)	(84,640)	304
The Bank of New York Mellon SA/NV - Luxembourg Branch	206,966	(143,159)	(189,273)	237
The Bank of New York Mellon SA/NV - Frankfurt Branch	209,661	155,887	153,875	173
The Bank of New York Mellon SA/NV - Milan Branch	9,070	(34,568)	(36,389)	27
The Bank of New York Mellon SA/NV - Paris Branch	1,997	(5,005)	(5,499)	15
The Bank of New York Mellon SA/NV - Madrid Branch	2,973	(2,609)	(2,702)	22
The Bank of New York Mellon SA/NV - Copenhagen Branch	2,032	(1,270)	(1,645)	11
The Bank of New York Mellon SA/NV - Poland Branch	2,705	(21,254)	(21,992)	315
<b>Total</b>	<b>2,259,944</b>	<b>766,313</b>	<b>604,084</b>	<b>1,432</b>

Branches and Subsidiary	Turnover*	Profit before tax	Profit after tax	No of FTE (equivalent)
2024	In € '000	In € '000	In € '000	
The Bank of New York Mellon SA/NV	1,448,785	732,008	719,119	306
The Bank of New York Mellon SA/NV - Amsterdam Branch	137,747	33,125	16,525	87
The Bank of New York Mellon SA/NV - Dublin Branch	195,774	(157,292)	(190,266)	330
The Bank of New York Mellon SA/NV - Luxembourg Branch	197,675	(232,710)	(281,160)	260
The Bank of New York Mellon SA/NV - Frankfurt Branch	353,687	214,471	230,214	197
The Bank of New York Mellon SA/NV - Milan Branch	9,138	(65,763)	(67,614)	27
The Bank of New York Mellon SA/NV - Paris Branch	1,470	(3,495)	(3,743)	15
The Bank of New York Mellon SA/NV - Madrid Branch	1,881	(3,441)	(3,578)	24
The Bank of New York Mellon SA/NV - Copenhagen Branch	2,118	(1,113)	(1,418)	14
The Bank of New York Mellon SA/NV - Poland Branch	3,244	(19,621)	(20,523)	344
<b>Total</b>	<b>2,351,519</b>	<b>496,170</b>	<b>397,556</b>	<b>1,604</b>

\*Turnover comprises interest income, fee and commission income, net trading income and gains on non-qualifying hedges and other derivatives, net gains on non trading assets and other operating income excluding exceptional items (refer to Note 5 for further information on the exceptional item recorded in 2025). It is based on consolidated figures, hence eliminating intracompany positions.

## 27.6. Business Combinations and Discontinued Operations

On 1 February 2024, the European Bank completed the merger of its German fund administration and management company entity, BNY Mellon KVG, into the Frankfurt Branch of the European Bank. Following the merger, services to German Fund Accounting and AIS Real Estate clients are provided by the Frankfurt Branch. The transaction relates to continuing operations; accordingly, there is no need to disclose any amounts under discontinued operations.

## **28. Risk Management**

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### **28.1. General**

The Board of European Bank recognizes that risk is inherent in all products, activities, processes and systems, and therefore considers effective management of risk as a fundamental element in the management of European Bank.

The Board empowers the Risk Management Function of European Bank to establish a framework which provides sufficient assurance that risks are effectively identified, assessed, monitored, mitigated and reported on. This framework is reviewed annually by the Board.

Specifically, the Board empowers the Risk Management Function to ensure that processes and controls are adequate to ensure compliance with the Risk Appetite and its related limits including relevant policies and processes to deal promptly with limit breaches.

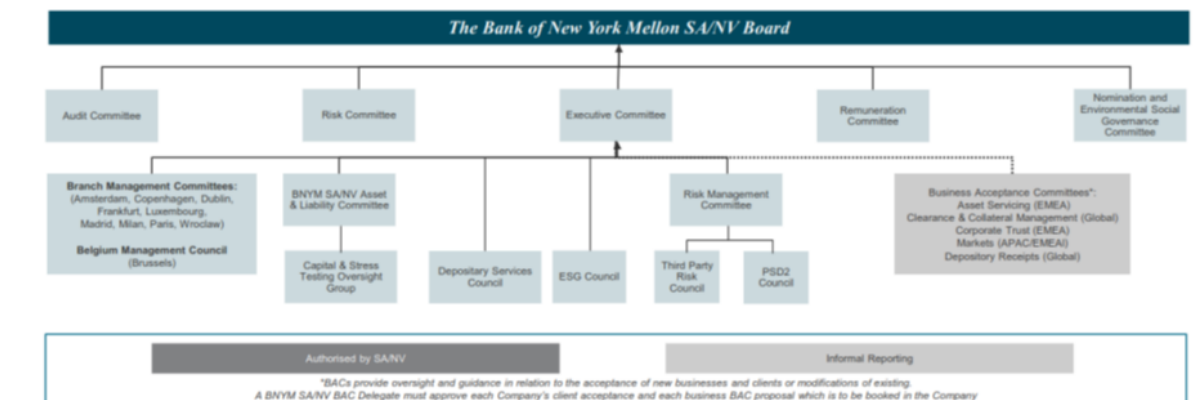
Given that the European Bank is a fully owned subsidiary of The Bank of New York (hereinafter "the Institutional Bank") and part of the BNY Group, the Risk Management Function implements locally a risk management framework consistent with the BNY Group's framework, articulated around the three lines of defense model. The same risk management framework is implemented in the Head Office and in the branches of the European Bank, where the framework implemented within the Branches may differ based on each branch's materiality as defined per I-G-004 Legal Entity Enterprise Risk & Compliance Framework Policy and subject to local specificities.

#### **28.1.1. Description of the Risk Management Framework**

The risk management function monitors and identifies emerging risks with a forward looking approach. It provides risk management information to the European Bank Board and governance committees, and contributes to a "no-surprise" risk culture. It aligns closely with Compliance (2LOD) and Internal Audit (3LOD) plus Finance and Treasury (as 1LOD control functions). It independently educates staff, promotes risk awareness and continually makes improvements, whilst monitoring progress against defined success criteria for improving the effectiveness of the risk function.

## BNY European Bank

Legal entity structure



A designated (Branch) Risk Manager oversees each of the European Bank Branches as well as the Brussels Head Office.

The different Branch Managers are invited to the RMC and have the possibility to escalate any item they deem material.

### Risk Appetite

Risk appetite articulates the level and nature of the risk we are willing to assume, within risk capacity and regulatory parameters, to meet our strategic objectives.

The Board owns and defines the Risk Appetite Statement ("RAS") of the European Bank, and is responsible for annually reviewing it and approve any amendment. The Risk Appetite Report is actively monitored, and managed by the European Bank Executive Committee through a defined governance and set of delegated controls to ensure that the performance of business activities remains within risk appetite levels. The Risk Appetite is reviewed at least annually or as needed if the risk profile changes. The Risk appetite is developed according to a Group Policy, completed by a specific European Bank Level 4 Standard.

The Board of European Bank adopts a prudent appetite to all elements of risk to which it is exposed. Business activities are managed and controlled in a manner consistent with the Board's stated tolerances using defined quantitative and qualitative measurements. The Board of Directors has sought to establish a clear set of tolerances for its business and has articulated its appetite through a series of statement and metrics.

The RAS defines metrics and controls to measure and monitor risks relative to the risk appetite. These metrics establish risk thresholds through qualitative and quantitative expressions of risk appetite to monitor risk-taking activities.

### 28.1.2. Committees assisting the Executive Committee

The Executive Committee has established the following committees to assist in the performance of its duties.

### *Risk Management Committee ("RMC")*

The purpose of the RMC is to provide oversight of the main risks supported by European Bank (including head office, branches and representative office), to ensure that risks are identified, monitored and reported and to ensure that appropriate actions and activities are in place to manage the identified risks. The RMC also plays an important role in ensuring that any material change that has the potential to affect European Bank is identified in a timely manner and managed in an appropriate fashion.

The RMC provides risk-based challenge to the Business (first line of defense), oversees the risk culture, and advises the ExCo on risk matters.

The RMC is responsible for overseeing that risk and compliance activities undertaken by European Bank and its underlying branches, and businesses are executed in accordance with European Bank Risk Appetite Statement (RAS), policies, and regulations.

### *Capital & Stress Testing Oversight Group ("CSTOG")*

The purpose of the CSTOG is to ensure adequate governance, ownership and understanding of the processes and documentation pertaining to European Bank's capital requirements (economic, regulatory, adequacy and allocation), risk model methodologies and stress testing in accordance with the ICAAP governance, European Bank Stress Testing policies and Framework. It also takes into consideration BNY Mellon's over-arching capital, profit and strategic plans.

The CSTOG is an empowered decision making body under authority delegated by the ALCO and subject to corporate policy, legislation and external regulation.

### *Asset and Liability Committee ("ALCO")*

"The European Bank Asset and Liability Committee ("ALCO") is responsible for overseeing the asset and liability management activities of the firm balance sheet (including its branches and subsidiary), and for overseeing compliance with all liquidity, interest rate risk and capital related regulatory requirements.

The ALCO is responsible for ensuring that the BNY Company policy and guidance set through the Global ALCO is understood and executed at the legal entity level. This includes oversight of the investment portfolio, placements, capital, interest rate risk, and liquidity risk. The ALCO is responsible for monitoring the asset & liability management activities for European Bank (including its branches and subsidiary). At this point the European Bank Paris, Copenhagen, Poland, and Madrid branches are non-deposit accepting institutions and therefore do not have asset and liability management activities. However, any future activities of these branches will be covered by the ALCO. The ALCO reports to the European Bank ExCo.

### *Business Acceptance Committees ("BAC")*

A BAC is responsible for the acceptance, oversight and guidance of new and existing businesses and clients for each of the following business lines for all BNY legal entities across European, Middle East and Africa (EMEA): Asset Servicing, Corporate Trust, Depositary Receipts, Markets and Clearance & Collateral Management.

European Bank representatives, selected by the ExCo for their expertise, sit at BACs when European Bank deals have to be approved.

### *ESG Council*

European Bank has established a ESG Council in charge of advising the Executive Committee in ensuring climate related, social and environmental risks and opportunities are fully identified, understood and incorporated into management decisions and strategy definition.

The ESG council advises the Executive Committee on ESG matters, specifically the identification and management of ESG risks impacting the European Bank. Its membership is based on suitability and knowledge of ESG matters, as well as relevant experience, and brings together all Lines of Defence.

The ESG Council has been tasked with developing European Bank's plan to address financial risks and other climate change implications, leveraging existing governance structure, policies, and procedures.

#### **28.1.3. Risk Assessment Methodology and Reporting Systems**

Risk identification and monitoring occur in the business (operational areas) and within focused risk departments. Several processes are in place in order to ensure that the risks are correctly and timely identified and monitored. Monitoring and controlling risks is primarily performed based on limits established by European Bank. These limits reflect the business strategy and market environment of European Bank as well as the level of risk that European Bank is willing to accept. In addition, European Bank's policy is to measure and monitor the overall risk bearing capacity in relation to the aggregate risk exposure across all risk types and activities.

Information compiled from all the businesses is examined and processed in order to analyze, control and identify risks on a timely basis. This information is presented and explained to the Risk Management Committee, the Executive Committee and the Board of Directors.

Risk identification and reporting is made using a series of tools and information systems. Each risk type is assessed and reported by risk experts to European Bank RMC.

European Bank benefits from multiple data gathering, risk monitoring and escalation flows. European Bank generally does not build its own risk infrastructure, data aggregation and reporting tools. In that sense, all the tools used by the risk experts are Corporate tools, of which the building and maintenance is framed by policies and Service Level Agreements.

#### **28.1.4. Internal Capital Adequacy Assessment Process ("ICAAP") and Internal Liquidity Adequacy Assessment Process ("ILAAP")**

European Bank monitors its capital adequacy in accordance with Basel Framework on the basis of Regulatory Capital requirements (Pillar 1) as well as Economic Capital (Pillar 2).

Pillar 1 capital requirement is calculated according to the Basel standardized approach for credit, market and operational risks and for credit value adjustment. The standard formula is based on weighting factors applied to the balance sheet and profit and loss components.

Economic capital requirement is based on an internal risk assessment of the components of the balance sheet and of the business activities; it uses European Bank's methodologies which follow an approval process including independent validation by BNY's model validation team. These methodologies are approved by European Bank Capital & Stress Testing Oversight Group, by ALCO and by European Bank Board of Directors during the annual ICAAP approval. European Bank also conducts stress tests in order to assess the resilience of the capital base (both from a regulatory and economic perspective) in the future.

The ILAAP process reflects a strong liquidity risk management culture and efficient governance and risk framework regime in place within the firm. Throughout the ILAAP preparation cycle the content, findings and conclusions set out in this paper have been reviewed and challenged by the relevant stakeholders and governance committees.

The ILAAP is a living document updated on a regular basis and, no less frequently than annually. It includes liquidity stress testing and liquidity projections proving the resilience of the firm in case of market or idiosyncratic liquidity stress events.

Dedicated processes are in place within European Bank to align as needed and required ICAAP and ILAAP exercises.

### **28.1.5. Risk Mitigation**

As part of its overall risk management and in addition to the different mitigation measures implemented within the different risk categories, European Bank uses derivatives and other instruments to manage exposures resulting from changes in foreign exchange rates and interest rate risk. The use of interest rate derivatives for hedging purposes is limited to the securities invested within the banking book investment portfolio.

## **28.2. Credit Risk**

### **28.2.1. Source of Risks**

Credit risk is the risk arising from obligor or counterparty failure to pay an extension of credit whether contractual or otherwise. Per Corporate taxonomy, Credit Risk denotes a broad category of adverse financial outcomes arising from credit events (default, bankruptcy, ratings migration) associated with obligor/counterparty reneging (inability/unwilling) to meet its contractual obligations.

Credit risk is found in all activities in which settlement or repayment depends on counterparty, issuer, or borrower performance. It exists any time bank funds are extended, committed, invested, or otherwise exposed through actual or implied contractual agreements, whether reflected on or off the balance sheet.

Because of its business model providing custodial services to the global finance community, European Bank assumes less balance sheet and traditional credit risk than many other banks. However, these businesses do create significant intraday credit risk that can originate from different sources.

European Bank credit exposures arise primarily through the following activities:

- European Bank provides significant intraday credit facilities to clients in order to settle transactions settling in a wide variety of global markets. These facilities are generally secured, unadvised and uncommitted. Although end of day balances (overdrafts) are relatively small, intraday exposures can be significant, albeit spread across a very wide portfolio of clients.
- Client overdrafts, resulting from unfunded intraday activity (trade purchases, FX and payment activity, etc).
- Placement to central banks and money market: credit risk assumed by European Bank in placing funds with banks for a fixed term or overnight. This may be by way of cash placement or through the purchase of certificates of deposits issued by these banks.

- Investment in securities (sovereign, sovereign agency, supranational, covered bonds, RMBS and CLOs): European Bank has a large securities portfolio.
- Intercompany exposure (placements, Netting Agreement use and receivables).
- Derivatives in the banking book: FX swaps used to manage liquidity and FX swaps coming from the FX client activity.
- Interest rate swaps with BNY Mellon Institutional Bank in protection of the interest rate risk in the Bank's securities' portfolio.
- Nostro balances with sub-custody providers
- Guarantee (CIU): A guarantee underwritten to German pension fund investors covering the market risk of the portfolio.
- (Reverse-) Repo transactions to manage the liquidity As part of a continuous improvement to strengthen the European Bank's market access, The European Bank became a clearing member with a central counterparty clearing house (CCP) in 2024, used for repo activity.

### **28.2.2. Credit Risk Management Framework**

The Credit Risk Management Framework (CRMF) defines roles and responsibilities using the three lines of defense. The CRMF within European Bank relies on awareness, well defined policies, procedures and reporting, a clear governance structure and suitable tools for reporting and monitoring; these are used to effectively identify, manage, mitigate, monitor and report the risks in an organized way to the appropriate governance body.

A series of new credit risk procedures at BNY Mellon Group level (applicable to The European Bank as well) have been developed to enhance the execution of the CRMF. The procedures define sustainable baseline standards to be applied across all business level operational risk functions including European Bank, and focus on:

- Clearly defined First and Second Line of Defense roles and responsibilities
- Escalation Requirements
- Evidence of Oversight and Challenge Activities

### **28.2.3. Credit Risk Monitoring and Control**

Credit risk is managed and monitored by several teams globally, including officers in Brussels and used to be reported to the Credit Risk Oversight Committee (CROC), a sub-committee of European Bank Executive Committee. The CROC has now been integrated in to the RMC with a dedicated Credit Risk section, which allows for a more holistic view of credit risks in the European Bank.

Monitoring and control is conducted via a number of systems to ensure that approved exposure levels are not exceeded, or are pre-approved by an appropriate Credit Officer in the light of individual circumstances. Post event monitoring is conducted by both client service areas and the credit risk function. Each counterparty is associated with an internal rating defining its credit quality. In that respect, Group standards are applied uniformly within the Group. Nostro accounts are maintained at the minimum possible level and within large exposures limits commensurate with smooth operation of client and own fund's needs. The banks used are all major well rated banks in the relevant country. Regarding intraday overdrafts, limits are set for each client as a percentage of a client's assets under custody (subject to certain maximum levels); all cash payments are checked against this limit on a real-time basis. Any excesses are referred to a credit officer for approval. Occasionally business requirements are such that a manual fixed limit is required. In these situations, specific credit approval is provided by the credit risk manager. Again all cash payments are checked against this limit, prior to payment. These arrangements allow clients to access

proceeds of sales, or other expected funds, even though in many markets the proceeds are not formally received until late in the day.

Overdraft facilities have been set up for selected clients where business and credit risk evaluations are satisfactory. Leverage is required to be moderate. The portfolio composition is required to be adequately diversified and of sufficient quality to mirror credit approval by a dedicated credit risk specialist.

#### *Derivative financial instruments*

European Bank maintains strict control limits on derivative positions by amount and maturity. Credit risk arising from derivative financial instruments is, at any time, limited to the positive current fair values of these financial instruments (plus a regulatory "add-on" reflecting the future credit risk exposure of these derivatives).

European Bank uses (ISDA) netting agreements and CSA's, as credit mitigants for credit risk exposure on derivatives.

Settlement risk arises where a payment in cash, securities or equities is made in the expectation of a corresponding similar receipt. Daily settlement limits are established for each counterparty to cover the aggregate settlement risk exposures resulting from the daily market transactions of European Bank.

The exposure value of derivatives as of 31 December 2025 is €454 million (2024: €824 million).

#### *Offsetting financial assets and financial liabilities*

European Bank does not offset any financial assets and financial liabilities except for intragroup exposures where a master net agreement (MNA) exists and limited number of customers, where an on balance netting agreement has been signed. The disclosures set out in the table below include financial assets and financial liabilities that are subject to on balance netting agreements similar to enforceable master netting arrangements, which cover similar financial instruments, irrespective of whether they are offset in the statement of financial position.

The similar agreements include global master repurchase agreements, and global master securities lending agreements. Similar financial instruments include derivatives, sales and repurchase agreements, reverse sale and repurchase agreements, and securities borrowing and lending agreements. Financial instruments such as loans and deposits are not disclosed in the tables below unless they are offset in the statement of financial position.

Financial assets and liabilities subject to offsetting, enforceable master netting agreements for the year 2025 and 2024 are presented in the following table:

	<b>Intragroup Master Netting Agreement</b>	<b>Customer Netting Agreement</b>
<b>2025</b>	<b>In € '000</b>	<b>In € '000</b>
Amount of recognized financial instruments assets	4,029,243	4,486,327
Amount of recognized financial liability offsetting assets	3,584,290	4,486,327
<b>Net Amount subject to Credit Risk</b>	<b>444,953</b>	<b>—</b>

	<b>Intragroup Master Netting Agreement</b>	<b>Customer Netting Agreement</b>
<b>2024</b>	<b>In € '000</b>	<b>In € '000</b>
Amount of recognized financial instruments assets	3,110,875	4,167,012
Amount of recognized financial liability offsetting assets	2,497,095	4,167,012
<b>Net Amount subject to Credit Risk</b>	<b>613,780</b>	<b>—</b>

In prior years European Bank's activities of sale and repurchase, and reverse sale and repurchase transactions, were covered by master agreements with netting terms similar to those of ISDA Master Netting Agreements.

European Bank received and accepted collateral in the form of cash and marketable securities in respect of the following transactions:

- derivatives;
- sale and repurchase, and reverse sale and repurchase agreements.

Such collateral is subject to the standard industry terms of ISDA Credit Support Annex. This means that securities received/given as collateral can be pledged or sold during the term of the transaction but must be returned on maturity of the transaction. The terms also give each counterparty the right to terminate the related transactions upon the counterparty's failure to post collateral.

At 31 December 2025 European Bank had no exposures subject to the above agreements.

#### **28.2.4. Collateral and Other Credit Enhancements**

European Bank can receive collateral from a counterparty which can include guarantees, cash and both equity and debt securities. When a right of pledge exists, European Bank has the ability to call on this collateral in the event of a default by the counterparty.

Collateral amounts are adjusted on a daily basis to reflect market activity to ensure they continue to achieve an appropriate mitigation of risk value. Securities are marked-to-market daily and haircuts are applied to protect European Bank in the event of the value of the collateral suddenly reducing in value due to adverse market conditions. Customer agreements can include requirements for the provision of additional collateral should valuations decline.

### **28.2.5. Risk Concentrations: Maximum Exposure to Credit Risk**

Credit concentration risk results from concentration of exposures to a single counterparty, borrower or group of connected counterparties or borrowers. This includes on- and off-balance sheet exposures. In addition, industry, country and collateral concentration bear additional credit risk as the systemic credit quality issue in a sector will create losses for the whole sector.

The risk of credit concentrations is controlled and managed according to client/counterparty as opposed to industry.

Under European and Belgian bank regulations, all large external individual exposures have to stay below a 25% threshold of their own funds. Exposure to shadow banking entities follows the same rule.

The largest exposure is to The Bank of New York Mellon Corp and is spread across multiple branches and locations which provide some mitigation in the case of the default or rating downgrade of a related party. The remaining placements (including central bank placements) are diversified across a number of banks and geographic locations.

In March 2014, a Master Netting Agreement (MNA) was signed between European Bank and BNY Mellon. This agreement has a significant positive impact on the credit risk capital requirement and thereby on European Bank solvency ratio. An additional MNA was signed with BNYM International Limited in July 2015. These MNAs were still in place as of 31 December 2025.

In addition, an Unfunded Credit Risk Mitigation Agreement (UCRMA) is used for day-to-day management of the risk but is not taken into account for regulatory reporting purposes at the end of the reporting period. The UCRMA is not taken into account for statutory and consolidation reporting.

The NEXEN large exposures' platform is used at European Bank to calculate, manage and report (counterparty and country) Credit Concentration Risk on a day-to-day basis, addressing the requirements of the business and the risk function, and to report Large Exposures to the NBB in line with applicable Large Exposures regulatory reporting requirements.

There was no regulatory breach in 2025, neither towards external counterparties nor towards intergroup exposures.

The following table shows the maximum exposure to credit risk for the financial assets and financial liabilities, by geography and by industry before the effect of mitigation through the use of master netting and the Unfunded Credit Risk Mitigation Agreement. Where financial instruments are recorded at fair value, the amounts shown represent the current credit risk exposure but not the maximum risk exposure that could arise in the future as a result of changes in values.

**Overview of maximum credit risk exposure**

	Maximum risk position		Credit risk mitigant	
	2025	2024	2025	2024
	In € '000	In € '000	In € '000	In € '000
Cash and cash balances with central banks (Note 10)	11,184,581	11,807,477	—	—
Derivative financial instruments (asset side) (Note 14)	453,543	824,156	—	300,036
Investment securities (Note 12/ 26.2)	20,816,552	18,119,923	2,317,760	2,410,830
Loans and advances to customers (Note 11)	15,603,142	12,566,749	5	547,118
of which; Reverse Repo (note 26.2)	8,865,144	6,164,218	—	487,193
Derivative financial instruments (liability side) (Note 14)	473,565	841,322	—	—
Financial liabilities measured at amortized cost (Note 18)	42,600,608	38,095,958	—	—
<i>Deposits</i>	41,584,270	37,072,858	—	—
<i>Subordinated liabilities</i>	1,000,076	1,000,076	—	—
<i>Long term debt</i>	—	—	—	—
<i>Other financial liabilities</i>	16,261	23,024	—	—

	Maximum credit risk exposure by region, carrying values:				2025	2024
	Africa	Americas	Europe	Asia Pacific	In € '000	In € '000
<b>FINANCIAL ASSETS</b>						
Cash and cash balances with central banks	—	—	11,184,581	—	<b>11,184,581</b>	<b>11,807,477</b>
Derivative financial instruments	—	289,034	163,021	1,488	<b>453,543</b>	<b>824,156</b>
Investment securities	224,872	6,064,863	13,159,394	1,367,424	<b>20,816,552</b>	<b>18,119,923</b>
Loans and advances to customers	79,938	13,436,315	1,754,583	332,305	<b>15,603,142</b>	<b>12,566,749</b>
<b>TOTAL FINANCIAL ASSETS</b>	<b>304,811</b>	<b>19,790,212</b>	<b>26,261,579</b>	<b>1,701,216</b>	<b>48,057,818</b>	<b>43,318,305</b>
<b>FINANCIAL LIABILITIES</b>						
Derivative financial instruments	126	139,376	333,949	114	<b>473,565</b>	<b>841,322</b>
Deposits	11,195	5,492,957	35,899,125	180,993	<b>41,584,270</b>	<b>37,072,858</b>
Subordinated liabilities	—	1,000,076	—	—	<b>1,000,076</b>	<b>1,000,076</b>
<i>Long term debt</i>	—	—	—	—	—	—
Other financial liabilities	—	—	16,261	—	<b>16,261</b>	<b>23,024</b>
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>11,321</b>	<b>6,632,409</b>	<b>36,249,335</b>	<b>181,107</b>	<b>43,074,173</b>	<b>38,937,280</b>

	Maximum credit risk exposure by industry, carrying value:				2025	2024
	Credit institutions / Central Banks	General Government	Other Financial institution	Non-Financial institution	In € '000	In € '000
<b>FINANCIAL ASSETS</b>						
Cash and cash balances with central banks <sup>35</sup>	11,184,581	—	—	—	11,184,581	11,807,477
Derivative financial instruments	399,422	2	52,844	1,276	453,543	824,156
Investment securities	9,315,815	9,526,839	1,961,855	12,044	20,816,552	18,119,923
Loans and advances to customers	15,345,256	—	257,885	—	15,603,142	12,566,749
<b>TOTAL FINANCIAL ASSETS</b>	<b>36,245,073</b>	<b>9,526,841</b>	<b>2,272,584</b>	<b>13,319</b>	<b>48,057,818</b>	<b>43,318,305</b>
<b>FINANCIAL LIABILITIES</b>						
Derivative financial instruments	358,935	—	110,916	3,715	473,565	841,322
Deposits	8,778,861	180,446	32,605,255	19,709	41,584,270	37,072,858
Subordinated liabilities	1,000,076	—	—	—	1,000,076	1,000,076
Long term debt	—	—	—	—	—	—
Other financial liabilities	16,261	—	—	—	16,261	23,024
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>10,154,133</b>	<b>180,446</b>	<b>32,716,170</b>	<b>23,424</b>	<b>43,074,173</b>	<b>38,937,280</b>

## 28.2.6. Monitoring Sovereign Risks

Risk Management of European Bank has actively managed through events in the macro-economy, unstable political situations in regions, acts of nature and threats of a regional debt contagion, events impacting employees, clients and business operations. Stress tests are also conducted as needed. Thus far, no direct credit losses have been recorded in European Bank from these events. The split per country is presented further down.

<sup>35</sup> For the purpose of the consolidated financial statements, the cash and cash balances with central banks are presented as credit institutions in line with the financial reporting classification.

## Overview of exposure to sovereign debt at year-end 2025 and 2024, carrying value (in € 000):

Country	Held-for-trading	Balances with Central Banks <sup>36</sup>	Investment securities		Loans and advances	2025	2024
			FVOCI	Amortised Cost			
Belgium	5	1,249,951	682,561	277,678	2,618	2,212,814	5,464,954
Germany	44,048	8,532,512	1,312,194	507,797	19,345	10,415,896	7,274,877
Luxembourg	3,172	147,907	0	—	88,763	239,842	239,574
Netherlands	6,016	1,151,532	1,343,779	850,378	29,814	3,381,519	3,483,252
United States	204,301	—	3,060,133	—	8,135,351	11,399,784	6,465,529
France	26,101	—	1,207,585	390,411	97,640	1,721,737	1,680,234
Ireland	12,700	91,343	238,145	—	75,600	417,788	282,651
Italy	1	11,336	143,040	—	—	154,377	62,606
Spain	9,465	—	406,272	—	14,120	429,857	472,975
United Kingdom	70,370	—	421,466	320,983	1,225,761	2,038,581	1,857,823
Canada	194	—	2,194,580	297,943	4,047	2,496,765	2,636,284
Japan	—	—	322,336	—	—	322,336	287,996
Finland	950	—	272,243	143,946	115,888	533,027	621,094
Other	59,919	—	5,234,860	1,188,222	512,808	6,995,808	7,828,114
<b>TOTAL</b>	<b>437,242</b>	<b>11,184,581</b>	<b>16,839,195</b>	<b>3,977,357</b>	<b>10,321,757</b>	<b>42,760,131</b>	<b>38,657,963</b>

Other include mainly the investment securities from European Stability Mechanism and some other held for trading positions with China, Macao Special Administrative Region, Hungary and Denmark.

### 28.2.7. Credit Quality by Class of Financial Assets

Credit is approved through the credit risk function of BNY Mellon, within the risk appetite tolerances of European Bank. All counterparties (clients and banks) are assessed and allocated a credit rating in accordance with the BNY Mellon internal rating system.

<sup>36</sup> Given these are exposures to central banks, these cash balances are included as part of sovereign risk monitoring for completeness purposes.

BNY Mellon's internal methodology for borrower ratings is based on external ratings and a dedicated internal assessment. The internal rating scale ranges from 1 to 18 and is mapped to internally estimated probabilities of default. The table below shows the credit quality by class of asset for all financial assets exposed to credit risk, based on European Bank's internal credit rating system. This system can be linked to more common rating systems available on the market. The amounts represent the credit risk exposures as calculated according to regulatory rules. There are no impaired financial assets recognized for European Bank in 2025 (2024: € nil).

Internal BNY Mellon rating	S&P' equivalent grades	Moody's equivalent grades	Held-for- trading	Balances with Central Banks	Investment securities*		Loans and receivables	2025	2024
					FVOCI	Amortised Cost			
								€ million	€ million
1-2	AAA/AA+	Aaa/Aa1	16	9,832	13,162	2,469	271	25,750	15,781
3-6	AA/AA-/A+/A	Aa2 to A2	388	1,341	3,103	1,509	14,628	20,969	24,026
7-9	A-/BBB+/BBB	A3 to Baa2	41	—	574	—	240	856	2,433
10-13	BBB-/BB+/BB/BB-/B+	Baa3 to B1	8	11	—	—	198	217	1,025
14-16	B/B-/CCC+ to CCC-	B2/B3/Caa1 to Caa3	—	—	—	—	265	265	54
<b>Total</b>			<b>454</b>	<b>11,185</b>	<b>16,839</b>	<b>3,977</b>	<b>15,603</b>	<b>48,058</b>	<b>43,318</b>

\*Investment securities are rated based on the lower of the two external credit ratings.

It is European Bank's policy to maintain accurate and consistent risk ratings across the credit portfolio. This facilitates focused management of the applicable risks and the comparison of credit exposures across all lines of business, geographic regions and products.

The rating system is supported by a variety of financial analytics, combined with processed market information to provide the main inputs for the measurement of counterparty risk in accordance with European Bank's rating policy. The risk ratings are assessed and updated regularly.

The following table sets out information about the credit quality of financial assets measured at amortised cost and FVOCI debt instruments (2025) split by Stage 1, Stage 2 and Stage 3. Explanations on the stages classification are included in Note 1.6.8.

	Stage 1 In € '000	Stage 2 In € '000	Stage 3 In € '000	Total In € '000
<b>Cash with central banks and Loans and advances to customers at amortised cost</b>				
Grades 1-10: Investment grade	26,318,540	98,505	—	26,417,045
Grades 11-14: Non investment grade	96,881	18,883	—	115,764
Grade 15-16: Criticised asset	1	256,589	—	256,590
Grades 17-18: Default	—	—	—	—
	26,415,422	373,977	—	26,789,399
Loss allowance	73	1,603	—	1,676
Carrying amount	<b>26,415,349</b>	<b>372,374</b>	—	<b>26,787,723</b>
<b>Debt investment securities at amortised cost</b>				
Grades 1-10: Investment grade	3,977,380	—	—	3,977,380
	3,977,380	—	—	3,977,380
Loss allowance	23	—	—	23
Carrying amount	<b>3,977,357</b>	—	—	<b>3,977,357</b>
<b>Debt investment securities carried at FVOCI</b>				
Grades 1-10: Investment grade	16,839,419	—	—	16,839,419
	16,839,419	—	—	16,839,419
Loss allowance	225	—	—	225
Carrying amount	<b>16,839,195</b>	—	—	<b>16,839,195</b>

### 28.2.8. Impairment Assessment - Amounts arising from expected credit loss ("ECL")

For accounting purposes, the measurement of impairment loss allowances is based on an expected credit loss ("ECL") accounting model. The definition of default is a central concept for ECL.

#### *Definition of default*

Under IFRS 9, European Bank will consider a financial asset to be in default when either or both of the following conditions are met:

- European Bank determines that the obligor is unlikely to pay its credit obligations to the institution, the parent undertaking or any of its subsidiaries, in full, without recourse by European Bank to actions such as realizing collateral (if held).
- The obligor is past due more than 90 days on any material credit obligation to European Bank, its ultimate parent undertaking or any subsidiary of its parent undertaking. The assessment of number of days past due will begin from the date of first missed payment. The trigger to count past due days for overdrafts is when the legal obligation for mandatory payment has been established.

### *Significant increase in credit risk*

Internal credit rating-based approach is used for wholesale exposures.

The European Bank allocates to exposures a credit risk grade that is based on experienced credit judgment and a variety of data that is predictive of the risk of default. European Bank will use its 18 point internal credit rating scale to determine a significant increase in credit risk for wholesale exposures (cash and due from banks, interest bearing deposits, loans including overdrafts and unfunded commitments and letters of credit):

- 1-10 Investment grade
- 15-16 Criticized asset rating
- 17-18 Default rating

Credit risk grades are defined and calibrated such that the risk of default increases exponentially as the credit rating deteriorates. A significant increase in credit risk and transfer to stage two occurs for such exposures when there has been a four notch downgrade since initial recognition of the exposure. As a backstop, an exposure that is 30 days past due (DPD) is considered to have experienced a significant increase in credit risk. Additionally, exposures with a criticized asset rating (15-16) will be deemed to have suffered a significant increase in credit risk compared with the maximum initial credit risk at recognition. 'Recovery' from a significant increase in credit risk occurs when an exposure's credit rating improves by two notches from the rating when it initially was moved into stage two, subject to being less than four grades below initial recognition date rating and not having a criticized asset rating. A minimum cure period of six months is applied even in the rare occasion that a two notch ratings upgrade occurs within a six month time period.

Low credit risk exception is applied to investment securities portfolio. IFRS 9 permits an entity to assume that credit risk has not increased significantly since initial recognition if the credit risk on the exposure is low at the reporting date. European Bank will apply this approach to investment securities that have an internal rating of 10 or above (investment grade).

### *Inputs into measurement of ECL*

The key inputs into the measurement of ECL are:

- probability of default (PD);
- loss given default (LGD); and
- exposure at default (EAD).

The measurement is based on Point-in-Time (PiT) parameters. BNY Mellon will leverage European Bank statistical models for derivation of these key parameters, which are derived using macroeconomic variables from the forward-looking scenarios as described below. European Bank measures ECL considering the risk of default over the maximum contractual period for which it is exposed to credit risk or, where no contractual period is stated, the period over which European Bank could liquidate or otherwise limit its exposure. The models used follow BNY Mellon policies regarding Model Risk Management.

The expected credit loss at year ending 31 December 2025 is €1.9 million.

### *Forward-looking information*

European Bank incorporates forward-looking information into its determination of whether the credit risk of an instrument has increased significantly since initial recognition and its measurement of ECL.

Internal credit ratings used in determining significant increase in credit risk for wholesale exposures take into account forward-looking information specific to the counterparty.

ECLs are calculated based on the probability-weighted outcome of multiple economic scenarios. Scenarios are provided by an external provider and enhanced using an in-house model to derive all variables needed by the risk models. Three scenarios are used: Baseline, Optimistic and Pessimistic. Those models incorporate reversion to long-term means. The weight of each scenario is determined by calibrating the three scenarios using a benchmark scenario. The weighting is then reviewed by an Economic Scenario Oversight Group.

The following table shows reconciliation of the opening balance to the closing balance of the loss allowance by class of financial instrument. All exposures are in Stage 1, except for the ones mentioned in Stage 2 explicitly. No exposures in Stage 3 existed in 2025.

	<b>Loans and advances</b>	<b>of which Stage 2</b>	<b>Investment securities</b>	<b>Total</b>	<b>of which Individual</b>
	In € '000	In € '000	In € '000	In € '000	In € '000
At 1 January	(929)	(818)	(116)	(1,045)	(1,045)
Increase due to origination	(903)	(859)	(23)	(926)	(926)
Decrease due to de-recognition	946	908	12	959	959
Change in credit risk	(764)	(804)	(122)	(886)	(886)
Net re-measurement	—	—	—	—	—
Foreign exchange and other	(27)	(30)	1	(25)	(25)
At 31 December	(1,676)	(1,603)	(248)	(1,924)	(1,924)

	<b>Loans and advances</b>	<b>Investment securities</b>	<b>Total</b>
	In € '000	In € '000	In € '000
<b>Transfers between Stage 1 and Stage 2</b>			
To Stage 2 from Stage 1	1,507	—	1,507
To Stage 1 from Stage 2	—	—	—

A loan is considered non-performing with regard to a particular obligor when the obligor is unlikely to pay its credit obligations to the institution, the parent undertaking or any of its subsidiaries, in full, without recourse by BNYM to actions such as realizing collateral, or the obligor is past due more than 90 days on any material credit obligation to the institution, the parent undertaking or any of its subsidiaries.

There are no past due on Investment Securities and Cash and Cash Balances with Central Banks.

#### *Individually assessed allowances*

European Bank determines the allowances appropriate for each significant loan or advance on an individual basis. Items considered when determining allowance amounts include the sustainability of the counterparty's business plan, its ability to improve performance once a financial difficulty has arisen, projected receipts and the expected payout should bankruptcy ensue, the availability of other financial support, the realizable value of collateral and the timing of the expected cash flows. Impairment allowances are evaluated at each reporting date, unless unforeseen circumstances require more careful attention.

European Bank has recorded an individually assessed allowance of €1.9 million in 2025 (2024: €2.2 million).

European Bank did not make any collective assessment for impairment, as its remaining balances of its loans and advances, outside the ones determined to be the individually significant, were assessed to be cumulatively immaterial.

European Bank has not recorded any allowance on a collective basis in 2025 (2024: € nil).

### **28.2.9. Commitments and Guarantees**

European Bank does not enter into irrevocable commitments and contingent liabilities for external customers. The off-balance sheet items of European Bank contain mainly: lease car or rental commitments and state guarantees on debt securities. These are not qualified as loan commitments. For more details please refer to note 26.

### **28.2.10 Regulatory and Economic Capital Requirements**

Economic capital requirement for credit risk (covering credit risk and intraday credit risk) resulted in an (unaudited) amount of € 319 million (2024: € 335 million), versus the Pillar 1 calculation of €302Million (2024: €312 million).

## **28.3. Liquidity Risk and Funding Management**

### **28.3.1. Source of Risks**

European Bank defines Liquidity as the ability to access funding, convert assets to cash quickly and efficiently, or to roll over or issue new debt (where applicable), especially during periods of market stress, at a reasonable cost in order to meet its short-term (up to one year) obligations.

Liquidity risk can arise from funding mismatches, market constraints from inability to convert assets to cash, inability to hold or raise cash, deposit run-off and contingent liquidity events. Changes in economic conditions or exposure to credit, market, operational, legal, and reputation risks also can affect the applicable BNY Mellon entity's liquidity risk profile and are considered in the liquidity risk management framework.

Execution of transactions for day-to-day liquidity management is performed by European Bank Corporate Treasury. The European Bank Finance team provides information on capital and liquidity positions to European Bank Corporate Treasury to ensure the management of capital and liquidity ratios within internal risk appetite and regulatory limits.

European Bank aims to be self-sufficient for liquidity and seeks to maintain a liquid balance sheet at all times. European Bank's balance sheet is liability driven primarily due to deposits generated through its asset servicing and custody business activities. Liabilities and sources of funds consist mainly of third-party client deposits and intercompany deposits. In line with internal deposit modelling and liquidity risk policy, client deposit balances are segregated between those which are considered stable in nature i.e. expected to remain on the balance sheet for a pro-longed period of time, and those which are not stable and expected to leave the bank in a shorter period under stressed liquidity conditions. European Bank also has

intercompany deposits on its balance sheet primarily for regulatory large exposure management purposes (under master netting arrangements).

European Bank maintains a strong liquidity position on a daily basis, ensuring daily deposit volatility is sufficiently covered. Besides overdraft facilities, the bank does not provide clients with other lending products and as such client borrowings are not a significant use of liquidity. While sizable overdrafts can periodically appear on European Bank's balance sheet, large deposits offset these amounts.

Liquidity from customer and intercompany deposits on European Bank's balance sheet is deployed in the following ways:

- Placed overnight (use of the Deposit Facilities) on demand with national central banks through the Head office;
- Used to fund the securities portfolio, primarily comprising of High-Quality Liquidity Assets (HQLA) held as part of the bank's liquid asset buffer (LAB);
- Placements with interbank and intercompany counterparties, as applicable;
- FX swapped into another currency for onward deployment in that currency;
- Maintained in intercompany and third party nostro accounts;
- Used to fund client overdrafts, which are typically short-term;
- Executing reverse repos with interbank and intercompany counterparties;

The following table details the assets /liabilities according to the remaining term to maturity (contractual maturity date):

THE BANK OF NEW YORK MELLON SA/NV ('the European Bank')

2025	Overnight	On demand	Less than a week	Up till 3 months	3 months 1 year	1 year- 5 years	Over 5 years	Gross nominal inflow/ (outflow)	Book Value
	In € '000	In € '000	In € '000	In € '000	In € '000	In € '000	In € '000	In € '000	In € '000
<b>Non derivative assets</b>									
Cash and cash balances with central banks	—	11,184,581	—	—	—	—	—	11,184,581	11,184,581
Loans and advances to customers	—	5,443,406	1,019,703	7,375,842	1,317,829	444,953	1,409	15,603,142	15,603,142
Investment securities	—	—	—	—	—	8,111,060	12,705,492	20,816,552	20,816,552
	—	<b>16,627,987</b>	<b>1,019,703</b>	<b>7,375,842</b>	<b>1,317,829</b>	<b>8,556,013</b>	<b>12,706,901</b>	<b>47,604,274</b>	<b>47,604,274</b>
<b>Non derivative liabilities</b>									
	—	40,928,341	262,368	30,509	192,543	—	147,889	41,561,651	41,561,651
Deposits	—	22,313	306	—	—	—	—	22,620	22,620
Deposits from central banks									
Subordinated liabilities	—	—	—	6,875	21,007	111,604	1,034,375	1,173,861	1,000,076
Long term debt	—	—	—	—	—	—	—	—	—
Other financial liabilities	—	—	—	1,187	4,641	10,861	—	16,688	16,261
	—	<b>40,950,654</b>	<b>262,675</b>	<b>38,571</b>	<b>218,191</b>	<b>122,465</b>	<b>1,182,264</b>	<b>42,774,820</b>	<b>42,600,608</b>

2024	Overnight	On demand	Less than a week	Up till 3 months	3 months 1 year	1 year- 5 years	Over 5 years	Gross nominal inflow/ (outflow)	Book Value
	In € '000	In € '000	In € '000	In € '000	In € '000	In € '000	In € '000	In € '000	In € '000
<b>Non derivative assets</b>									
Cash and cash balances with central banks	—	11,807,477	—	—	—	—	—	11,807,477	11,807,477
Loans and advances to customers	—	4,956,172	5,921,177	762,946	260,195	482,051	184,208	12,566,749	12,566,749
Investment securities	—	—	—	—	48,925	6,617,044	11,453,954	18,119,923	18,119,923
	—	<b>16,763,649</b>	<b>5,921,177</b>	<b>762,946</b>	<b>309,119</b>	<b>7,099,094</b>	<b>11,638,162</b>	<b>42,494,149</b>	<b>42,494,149</b>
<b>Non derivative liabilities</b>									
Deposits	—	36,016,508	720,005	135,634	42,628	—	—	36,914,775	36,914,775
Deposits from central banks	—	149,053	—	4,030	5,000	—	—	158,083	158,083
Subordinated liabilities	—	—	—	6,875	21,007	111,604	1,062,257	1,201,743	1,000,076
Long term debt	—	—	—	—	—	—	—	—	—
Other financial liabilities	—	—	—	2,185	5,768	15,729	—	23,683	23,024
	—	<b>36,165,561</b>	<b>720,005</b>	<b>148,724</b>	<b>74,403</b>	<b>127,334</b>	<b>1,062,257</b>	<b>38,298,284</b>	<b>38,095,958</b>

### 28.3.2. Liquidity Risk Management Framework

European Bank has in place a governance structure commensurate with the range of its activities and its liquidity profile. Liquidity risk is managed and monitored from a legal entity and functional perspective through various committees and forums.

The goal of European Bank's liquidity management is to ensure that all liquidity risks are defined, understood, and effectively managed through well-designed policies and controls. In this context, European Bank has established a robust liquidity risk management framework that is fully integrated into its risk management processes.

The liquidity risk management framework is prepared in accordance with the guidelines set forth by the regulators and encompasses the unique structure and characteristics of European Bank.

The primary objective of the liquidity risk management framework is to ensure that, with a high degree of confidence, European Bank is in a position to meet its day-to-day liquidity

obligations and withstand a period of liquidity stress, the source of which could be idiosyncratic, market-wide or both.

European Bank's liquidity risk management framework is designed to:

- a. Ensure that risks are identified, monitored, reported, and managed / controlled properly;
- b. Define and communicate the types and amount of risks to take;
- c. Communicate to the appropriate level within European Bank the type and amount of risk taken;
- d. Maintain a risk management organization that is independent of the risk-taking activities, and
- e. Promote a strong risk management culture.

The framework consists of a number of distinct elements which are listed below:

- a. Written and approved policies that define the liquidity risk appetite and tolerance, strategy, principles and includes reporting requirements to appropriate management levels. European Bank has in place the following policies, standards and guidelines for managing liquidity and funding risk that are updated at least annually:
  - i. European Bank Liquidity Addendum;
  - ii. European Bank Intraday Liquidity Framework Addendum;
  - iii. European Bank Contingency Funding Plan;
- b. A governance structure that includes: 1) European Bank Board of Directors responsible for the establishment of an appropriate liquidity management framework and risk management process including liquidity policies, risk appetite, strategy and the liquidity stress testing framework 2) Oversight committees (including the European Bank ALCO and European Bank ExCo) that are responsible for execution and monitoring of liquidity strategy consistently with Liquidity policies and limits and to ensure that senior management effectively implements and control these elements, and 3) day-to-day liquidity management, which is the functional responsibility of European Bank Corporate Treasury with independent oversight from European Bank Treasury Risk.
- c. A set of processes that cover the identification, measurement, monitoring, control and mitigation of liquidity risk. Processes are supported by IT platforms, management information systems and an organizational structure that includes independent control functions.
- d. A liquidity stress testing process that is established to examine European Bank's ability to survive a range of plausible but extreme increasingly severe stress scenarios and adverse funding conditions, including specific intraday liquidity stress testing. European Bank undertakes regular assessments of whether its liquidity resources are sufficient to cover the major sources of risk.
- e. A management reporting and escalation framework where risks are communicated to senior management and oversight committees through periodical reporting and circulation of committee meeting minutes, including a defined escalation process in case of exceptions to internal triggers, regulatory breaches or emergency situation.

- f. Regulatory reporting performed by the European Bank Finance function in line with home/host regulatory requirements.
- g. Formal contingency funding plan (CFP) that clearly sets out the strategies for addressing liquidity shortfalls in emergency situations including identified and tested funding sources in order to survive a period of liquidity stress. The CFP further links into the Recovery Plan should the crisis situation result in European Bank entering into a recovery phase.
- h. Regular testing of market access and funding sources available to European Bank in case of a liquidity crisis situation.

## 28.4. Market Risk

### 28.4.1. Source of Risks

Market risk is defined as the risk of financial loss or adverse change to the economic condition of BNY resulting from movements in market risk factors. Market risk factors include but are not limited to interest rates, foreign exchange rates, market liquidity, equity prices, credit spreads, pre-payment rates, commodity prices associated with the European Bank's trading and investment portfolios.

Market risk is a systemic risk. Movements in markets are beyond the control of European Bank. Market risk to European Bank is reviewed below in the context of impact on balance sheet and impact on revenues and consequently its profitability, as well as on the trading portfolios.

The European Bank bears traded market risk, inter alia, through the trading book activity mainly in foreign exchange products. The Corporate Treasury FX swap activity, utilized to manage banking book FX position, is classified as held for trading from an accounting perspective.

Following types of market risk are inherent in European Bank's business activities: (a) FX Risk (also part of Traded Market Risk), (b) Interest Rate Risk in the Banking Book (IRRBB), (c) Credit Spread Risk in the Banking Book, (d) Credit Valuation Adjustment (CVA) risk and (e) Pension Risk.

- European Bank revenues are denominated in a mix of currencies whereas a high proportion of the bank's costs are denominated in Euro. Apart from the risk of currency mismatch between revenues and cost, the bank is not significantly exposed to this risk. Currency risk is also coming from the FX position within the derivatives trading book.
- Credit Valuation Adjustment (CVA) risk relates to FX swaps used in the context of Treasury management and FX swaps for client activity (trading book).
- Interest rate risk in the banking book (IRRBB) refers to the current or prospective risk to the bank's earnings and capital arising from movements in interest rates that affect the bank's banking book positions and related repricing mismatches. The primary purpose of the management of IRRBB is to manage risks from interest rate movements by managing the exposure to volatility in, and optimizing the performance of, Net Interest Income (NII), and by limiting the volatility of the Economic Value of Equity (EVE). The interest rate risk in the trading book is not material.

- Credit Spread risk in the banking book (CSRBB) refers to the current or prospective risk to the bank's earnings and capital arising from movements in the market credit spreads and market liquidity spreads that affect the bank's banking book positions. The primary purpose of CSRBB management is to manage risks in the banking book arising from credit spread movements, by managing the exposure to volatility in Net Interest Income (NII) and Market Value (MV) of securities accounted at Available for Sale (AFS), and by controlling the volatility of the Economic Value of Equity (EVE), in each case in a manner consistent with safety and soundness principles and risk appetite.
- Market risk also arises from fluctuations in the value of the European Bank Investment Portfolio, and mark-to-market (MTM) changes in securities held as Available-For-Sale (AFS) affect our capital position through Other Comprehensive Income (OCI).
- Pension risk in European Bank arises from the defined benefit pension plans offer to the employees. Defined benefit plans constitute a risk because European Bank must compensate any shortfall in the fund's guaranteed pensionable amount. Only the Belgium and German plans may result in a liability for European Bank. Volatility in the plans' assets relative to its liabilities affects EB's Other Comprehensive Income (OCI) and, therefore, capital position.

#### **28.4.2. Market Risk Management Framework**

European Bank undertakes market risk within the boundaries of the BNY's Risk Appetite as approved by the Board of Directors of The Bank of New York Mellon Corporation. The subsidiaries that issue Risk Appetite statements approved by their boards (as the European Bank) must undertake market risk within the boundaries of those statements as well.

European Bank manages market risk using a "three lines of defense" approach (i.e. by each business unit - 1st LOD, by Risk - 2nd LOD, and by Internal Audit - 3rd LOD).

European Bank personnel engaging in market risk-taking or exposure management activities must be explicitly authorized or mandated.

Treasury risk and Market risk limits are set consistent with the European Bank's Risk Appetite (and Risk Appetite statements of subsidiaries, where relevant) and are jointly managed by the business units undertaking the risk and the Market and Treasury Risk function (respectively, the first and second lines of defense).

Market risk exposure is measured, monitored and analyzed using both quantitative and qualitative methods by the Treasury function and Market and Treasury Risk function.

The European Bank measures, monitors, and analyses market risk in a manner consistent with applicable law, regulations, and supervisory guidance.

The control framework elements addressing market risk limits include the following actions by the Treasury function and the Market and Treasury Risk Management function:

- Monitoring of utilization of market risk limits on a daily basis;
- Reporting of limit utilization and limit breaches;
- Coordinating with business data providers to ensure the completeness and accuracy of data that is the basis for market and treasury risk data.
- Periodic (at least annual) limit reviews;
- Challenges and Review of the first line of defense market risk control framework

In line with the Corporate Policy, the European Bank maintains a structure of limit to ensure positions that exceed certain predetermined levels receive prompt management attention. The limit structure envisages Board Limits (i.e. risk appetite limits), limit set at Chief Risk Officer (CRO) level and other limits set at managerial level.

The European Bank Market and Treasury Risk Management function provides:

- Independent review, support and oversight for all initiatives relating to aspects of market risk, including IRRBB and CSRBB.
- Market risk identification, independent risk oversight of assumptions, exposures, limits setting and compliance including escalation of non-compliance with policy requirements.

The current market risk limit scheme set within this framework in respect of the European Bank is comprehensive and sets straightforward controls on the level of risk the European Bank is willing to assume for its Trading and Banking Book activities (e.g. the level of IRRBB and CSRBB permitted in the European Bank's Treasury activities).

Market and Treasury Risk functions (respectively for Trading Book and Banking Book Market risks) monitor limit utilization and breaches which, depending on the level and type of limit that is breached, are escalated and notified to the Board, the ExCo/ CRO, ALCO and to Senior Risk Management and Business Management levels in the organizational hierarchy.

#### **28.4.3. Market Risk – Trading portfolios**

The principal tools used to measure and control market risk, within the Group's trading portfolios are VaR and Stressed VaR. The VaR of the trading portfolio is the maximum estimated loss that can arise with a specified probability (confidence level) in the portfolio over a specified time-period (holding period). The VaR model is filtered historical simulation (FHS) based. It takes market data changes from the previous 1000 trading days and combine them with calibrated GARCH process, to model a wide range of plausible future scenarios for market price movements. Correlations between risk factors are not explicitly modeled by the FHS methodology, but rather, are implicitly established as an outcome of the independent modeling of the factors. The Group VaR model assumes a 99% confidence level and a 1-day holding period. The results of the VaR calculation are reported in the Groups base currency of US Dollars. The Stressed VaR model follows the simple historical simulation approach with same 99% confidence level and a 1-day holding period, but takes into account a 250 days long stress period deemed to be the most severe for the entire holding company. The choice of the stress period is reviewed on a monthly basis.

The Group VaR models are subject to regular validation and periodic review by the Model Risk Management Group and Market Risk Modeling to ensure that they continue to perform as expected and that assumptions used in model development are still appropriate. Ongoing monitoring and independent challenge are conducted via the Risk Quantification Review Group, which acts as the main governance body for performance monitoring and oversight of the VaR methodology. As part of the validation process, the potential weaknesses of the models are analyzed using statistical techniques, such as back testing and p-value analysis.

The Group establishes VaR limits to manage the size of our overall market exposure. The structure of VaR limits is subject to review and approval by the appropriate executive committee. VaR and Stressed VaR limits are allocated to trading portfolios. Exposures and limit utilization are monitored daily and reported to both Group Market Risk and The European Bank senior management. A summary of the trading book activity is provided to the European Bank Executive Committee monthly and quarterly to the European Bank Board. Ad hoc reporting is also provided when required.

The following is a summary of the VaR and Stressed VaR position of the European Bank trading portfolios as of 31 December 2025:

<b>USD million</b>	<b>31/12/2025</b>	<b>31/12/2024</b>
Value At Risk	0.009	0.013
Stressed Value At Risk	0.196	0.049

#### **28.4.4. Market Risk – Non-trading portfolios**

Interest rate risk arises from movements in interest rates. Interest rate risk results from differences between the timing of rate changes and the timing of cash flows (re-pricing risk); from changing rate relationships among different yield curves affecting bank activities (basis risk); from changing rate relationships across the spectrum of maturities (yield curve risk); and from interest-related options embedded in bank products (options risk).

##### *Interest rate risk framework*

Interest rate risk in the banking book will arise from maturity or re-pricing mismatches and from products that include embedded optionality; the risk could crystallize with changes in interest rate risk and the shape of the yield curve.

As of December end 2025, duration on the asset side is generated by the investment portfolio, with a duration of about 2 years, as the remaining of asset items have very short term maturity. European Bank banking book liabilities are predominantly without maturity, i.e. client deposits, and duration comes mainly from client deposits estimated behavioral duration.

Interest rate risk is a standard agenda item of European Bank ALCO. IRRBB Limits are established and monitored on net interest income<sup>37</sup> (NII) and economic value of equity (EVE). Furthermore, European Bank monitors the banking book market value sensitivity which measures the impact of the change in market value of banking book positions which impacts equity through Other Comprehensive Income (OCI). This is achieved by projecting the change in market value of, but not exclusive to, Available for Sale positions over 12-month rolling period.

The IRRBB risk management framework consists of a IRRBB Policy, a set of Risk Appetite metrics at the level of the Board of Directors and Executive Committee, a comprehensive formal second line challenge and review process and escalation processes.

From an economic capital perspective, Pillar II add-on are also estimated for IRRBB.

Since 2021 European Bank Corporate Treasury introduced interest rate swap (IRS) derivatives as a new instrument to mitigate interest rate risk within the banking book. Treasury will continue to use IRS depending on market conditions, our limits and constraints, and our expectations from a forward looking perspective.

##### *Sensitivity analysis*

<sup>37</sup> including FX swap revenues resulting from banking book economic hedges.

European Bank IRRBB metrics, as per below, have been developed to assess the interest rate risk for European Bank using economic value of equity (EVE) measures, Net Interest Income (NII) measures, and Capital (including OCI) measures. Interest Rate Risk results include scenarios that are consistent with corporate Bank Holding Company (BHC) standards and regulatory guidance:

- EVE scenarios include parallel shocks, non-parallel shocks as well as entity specific adaptations of the EBA's Supervisory Outlier Test (SOT) and the Early Warning Indicator (EWI under 6 standardized shock scenarios).
- Net interest Income include parallel shocks, non-parallel shocks, basis risk and EBA parallel up and down shocks.

The figures are computed within BNYM corporate ALM system, aligned with internal models and assumptions.

As these figures are based on internal assumptions, they will differ from the figures included in the pillar 3 disclosure.

Description	Actual (31-12-2025)		Actual (31-12-2024)	
	+	-	+	-
+/-200 bps NII Sensitivity (12 month forecast)	-6.5%	-2.7%	-6.7%	-5.2%
+/-200 bps EVE sensitivity	-0.8%	+0.2%	-1.8%	-1.6%

Furthermore, Investment Portfolio OCI scenario evaluates the Mark-to-market evolution of the fair value of the Securities Portfolio on a rolling 12-month basis.

*Credit spread risk and mark to market Investment Portfolio risk.*

Movements in credit spreads impact the economic value of the investment portfolio held by the Bank and accounted under the banking book category. As of 31 December 2025 there are not other material asset or liabilities items subject to banking book credit spread risk other than within the investment portfolio.

Credit Spread Risk in the Banking Book (CSRBB) limits are established and monitored on the economic value of equity (EVE) sensitivity. Furthermore, European Bank monitors, with no limits assigned to, the net interest income (NII) sensitivity as well as the banking book market value sensitivity which measures the impact of the change in market value of banking book positions which impacts equity through Other Comprehensive Income (OCI). Furthermore, the credit spread risks on the investment portfolio is monitored and reported on a daily basis with dedicated limits set in terms of credit spread sensitivity to 1 basis point and weekly Stressed mark-to-market estimate on the investment portfolio under a set of different and severe scenarios

The CSRBB risk management framework consists of a CSRBB Policy, a set of Risk Appetite metrics at the level of the Board of Directors and Executive Committee, a comprehensive formal second line challenge and review process and escalation processes.

European Bank CSRBB metrics, have been developed to assess the credit spread risk for European Bank using economic value of equity (EVE) measures, Net Interest Income (NII) measures, and Fair Value measures under internally developed credit spread widening and credit spread tightening scenarios

Mark to market limits are in place on the investment portfolio securities classified within fair value through other comprehensive income and on total investment portfolio securities to monitor the potential investment portfolio unrealized losses.

#### 28.4.5. Currency Risk

Currency risk is the risk that the value of a financial instrument will fluctuate due to changes in foreign exchange rates. In accordance with European Bank's policy, positions are monitored on a daily basis and hedging strategies are used to ensure positions are maintained within established limits. In addition, European Bank applies a monthly sell-off process in order to reduce foreign exchange exposure generated by the activity of the bank. This is done through foreign exchange from the currency into the base/functional currency of the entity.

The table below indicates a split of the statement of financial position items at carrying amounts at year end, per currency

#### Currencies exposures before economic hedge

	EUR In € '000	GBP In € '000	USD In € '000	Other In € '000	Total In € '000
<b>31 December 2025</b>					
Total assets	26,348,383	2,835,402	14,708,010	5,025,825	48,917,620
Total liabilities and shareholder's equity	23,676,553	2,831,131	16,180,196	6,229,741	48,917,620
<b>The statement of financial position (net)</b>	<b>2,671,830</b>	<b>4,272</b>	<b>(1,472,186)</b>	<b>(1,203,916)</b>	<b>—</b>
<b>31 December 2024</b>					
Total assets	27,081,121	2,395,481	10,085,023	4,420,078	43,981,703
Total liabilities and shareholder's equity	23,553,944	3,181,385	12,440,013	4,806,362	43,981,703
<b>The statement of financial position (net)</b>	<b>3,527,178</b>	<b>(785,904)</b>	<b>(2,354,990)</b>	<b>(386,284)</b>	<b>—</b>

The table below indicates the currencies to which European Bank had significant exposure at 31 December 2025 on its non-trading monetary assets and liabilities and its forecast cash flows.

The analysis calculates the effect of a reasonably possible movement of the currency rate against the Euro, with all other variables held constant, on the consolidated statement of profit and loss and other comprehensive income and equity. A negative amount in the table reflects a potential net reduction in consolidated statement of profit and loss and other comprehensive income or equity, while a positive amount reflects a net potential increase. An equivalent decrease in each of the below currencies against the Euro would have resulted in an equivalent but opposite impact.

#### Stress Test before economic hedge

Currency	Variation	Conversion rate at closing	Effect on profit before tax	Effect on equity	Variation	Conversion rate at closing	Effect on profit before tax	Effect on equity
		2025	2025	2025		2024	2024	2024
		€ million			€ million			€ million
Scenario	1%				1%			
USD	0.0118	1.175	85.95	67.43	0.0103	1.0346	61.76	35.34
GBP	0.0087	0.873	5.32	5.28	0.0083	0.827	15.12	8.15

European Bank is entering into FX Forward for “economic hedge” purposes. So, net exposures after economic hedging are not significant.

European Bank also manages its liquidity by currency and ensures that the net position in each currency does not exceed internal limits.

#### 28.4.6. Regulatory and Economic Capital Requirements

Economic capital requirement for market risk covering FX, CVA, CSRBB, IRRBB and Pension Risk) resulted in an (unaudited) amount of €764 million (2024: €926 million), versus the Pillar 1 calculation of €16 million (2024: €20 million).

## 28.5. Operational Risk

### 28.5.1. Source of Risks

Operational risk is the risk of loss resulting from inadequate or failed internal processes, people, systems, or from external events (including legal risk but excluding strategic and reputational risk).

Operational risk may arise from errors in transaction processing, breaches of internal control systems and compliance requirements, internal or external fraud, damage to physical assets, and/or business disruption due to systems failures or other events. Operational risk can also arise from potential legal or regulatory actions as a consequence of non-compliance with regulatory requirements, prudent ethical standards or contractual obligations.

### 28.5.2. Operational Risk Management Framework

The Operational Risk Management Framework ("ORMF") provides the processes and tools necessary to fulfill a strategy of managing risk through a culture of risk awareness, a clear governance structure, well-defined policies, procedures and reporting and suitable tools for reporting and monitoring to effectively identify, manage, mitigate, monitor and report the risks in an organized way to the appropriate governance bodies.

The ORMF defines roles and responsibilities through the global policy, using the three Lines of Defense model as a foundation. Thus, responsibility for the management of Operational Risk sits first and foremost with the business and functions.

European Bank's ORMF relies on a culture of risk awareness, a clear governance structure and on Operational Risk policies and procedures, which define the roles and responsibilities of the First, Second and Third Lines of Defense. These policies and procedures complement each other to ensure that the Operational Risks of the business are effectively identified,

managed, mitigated (where possible) and reported to the appropriate governance committees on a regular basis.

European Bank uses the ORMF to capture, analyze and monitor its Operational Risks. The tools used to manage the Operational Risks of the business are mandated through individual Operational Risk Policies and are prescribed through the enterprise Operational Risk program, assessment systems and related processes.

The Corporate Operational Risk Policies are reviewed and enhanced on an ongoing basis, and adopted by all businesses/Legal Entities including European Bank. Operational Risk Officers oversee the activities undertaken in each of the business lines, with oversight from a Legal Entity point of view.

### **28.5.3. Regulatory and Economic Capital Requirements**

Economic capital requirement for operational risk (using an internal hybrid model) resulted in an (unaudited) amount of €577 million (2024: €616 million), versus the Pillar 1 calculation of €169 million (2024: €132 million). Restitution risk economic capital resulted in an amount of €304 million (2024: €402 million) .

## **29. Capital**

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European Bank maintains an actively managed capital base to cover risks inherent to the business. The adequacy of European Bank's capital is monitored using, among other measures, the rules and ratios established by the Basel Committee on Banking Supervision and adopted by the NBB in supervising European Bank. During the past year, European Bank had complied with its externally imposed capital requirements. Please refer to point 28.1.4 for additional comments on excessive risk concentration.

### **29.1. Capital Management**

According to Pillar II of the Basel principles, banks have to perform their own evaluation of the economic capital and to conduct stress tests in order to assess their needs in own funds in case of a downturn in the economy. This pillar has the effect of structuring the dialog with the ECB on the capital adequacy level adopted by the credit institution.

In the framework of the Internal Capital Adequacy Assessment Process (ICAAP), European Bank defined measurement methods for its economic need for capital as well as management and control methods to encompass its risk policies. Furthermore, stress test scenarios are applied, e.g. economic downturn scenarios as well as idiosyncratic scenarios. These tests conclude that European Bank is sufficiently capitalized to encompass most of the scenarios. The difference between the economic capital and the regulatory capital incorporates the margin ensuring that the capital level of European Bank is sufficient at all times. The latter is in function of the risk profile and of the risk appetite of European Bank.

## Regulatory capital

	2025	2024
	€ million	€ million
Qualifying Core Tier1 capital	5,264	4,556
Qualifying Tier1 capital	—	—
Total qualifying Tier 1 capital	5,264	4,556
Deductions	(99)	(96)
Total qualifying Tier 2 capital	—	—
<b>Total capital</b>	<b>5,164</b>	<b>4,460</b>
<b>Total Risk Exposure Amount</b>	<b>6,092</b>	<b>5,810</b>
<b>Risk weighted exposure amount for credit risk</b>	<b>3,781</b>	<b>3,904</b>
<b>Risk exposure amount for foreign exchange risk</b>	<b>122</b>	<b>90</b>
<b>Risk exposure amount for credit valuation adjustment (CVA)</b>	<b>82</b>	<b>165</b>
<b>Risk exposure amount for operational risk</b>	<b>2,108</b>	<b>1,651</b>
<b>Capital Ratios</b>		
Core Tier 1 capital ratio	84.8%	76.8%
Tier 1 capital ratio	84.8%	76.8%
Total capital ratio	84.8%	76.8%
Leverage ratio (fully phased-in)	9.6%	9.2%

Regulatory capital consists of qualifying core Tier 1 capital, which comprises the paid up share capital, share premium, retained earnings, including the profit and loss of the year for 2025, filtering out the valuation reserves, less goodwill and other intangibles. As part of the capital planning process, management actions such as dividend distributions and issuances are considered and put for approval to the Board. The European Bank has not paid dividends up to date and no distributions are planned in the 2026 capital plan.

The 10-year subordinated loan arranged in March 2022 (see note 21. Subordinated liabilities) is not eligible as Tier 2 capital.

For risk weighted exposure amount for credit risk, the standardized approach is used. Certain adjustments are made to IFRS-based results and reserves.

During the second quarter of 2015, European Bank implemented the Master Netting Agreement covering the netting of placements and deposits with BNY Mellon Corporation, as an eligible form of credit risk mitigation under the capital requirements regulation (CRR) for regulatory reporting purpose.

### **30. Subsequent Events**

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No subsequent Events have been noted.



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