



THE BANK OF NEW YORK MELLON SA/NV

ANNUAL **ACCOUNTS**

December 31, 2024

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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 166 onwards.

	2024 In € '000	2023 In € '000
STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME		
Net interest income	289,059	218,432
Net fee and commission income	552,903	553,085
Profit before taxes from continuing operations	496,170	458,831
NET PROFIT FOR THE YEAR	397,556	372,904
	2024 In € '000	2023 In € '000
ASSETS		
Cash and cash balances with central banks	11,807,477	21,096,199
Derivative financial instruments	824,156	692,754
Loans and advances to customers	12,566,749	5,367,936
Investment securities	18,119,923	11,729,241
Other assets	520,825	565,833
Property, plant and equipment	30,331	36,947
Goodwill and other intangible assets	62,936	58,748
Tax assets	49,306	111,235
TOTAL ASSETS	43,981,703	39,658,893
LIABILITIES		
Derivative financial instruments	841,322	738,266
Financial liabilities measured at amortized cost	38,095,958	34,393,736
Other liabilities	311,222	406,138
Provisions	70,365	59,969
Tax liabilities	106,900	49,867
TOTAL LIABILITIES	39,425,767	35,647,977
TOTAL EQUITY	4,555,936	4,010,916
TOTAL LIABILITIES AND EQUITY	43,981,703	39,658,893
CLIENT ASSETS		
Assets under custody (€ trillion)	3.9	3.1
TOTAL	3.9	3.1
PERSONNEL		
Number of employees (full time employee equivalent)		
<i>In Belgium</i>	306	366
<i>Abroad</i>	1,298	1,332
TOTAL	1,604	1,698

Letter from the CEO

We are a global custodian and fund servicing entity to our clients based in the European Union ("EU") countries and the European Free Trade Association ("EFTA") countries. We offer Securities Services (Asset Servicing and Issuer Services) and Market and Wealth Services (Clearance, Collateral Management, and Markets). We operate through our headquarters in Belgium and our branch network in Denmark, France, Germany, Ireland, Italy, Luxembourg, Poland, The Netherlands and Spain.

We service banks, broker-dealers, insurance companies, asset owners, investment managers and large corporates. With our breadth of experience, technological leadership, and Data and Analytics Solutions we meet the needs of all institutional clients in the region.

Our European Bank aligns and embraces our group strategy and we remain steadfast in our commitment to our strategic pillars. We will continue to 'Be More for our Clients' by delivering tailored solutions, expanding our product offerings, and deepening our relationships. By 'Running our Company Better', we aim to drive efficiency, simplify our processes, and leverage technology to enhance our operations. 'Powering our Culture' remains a top priority, as we strive to create an inclusive and dynamic work environment that attracts, retains, and develops the best talent in the industry.

For the BNY group, our European Bank remains a key component of the ambitious international growth strategy as a gateway to Europe. We are a contracting entity for business lines within the group such as Asset Servicing, Markets, Issuer Services, International Clearance and Global Collateral Management. The European Bank is also the group's sub-custody bank providing access to TARGET2-Securities, the securities settlement platform within the EU.

Looking back at 2024:

In February we sold part of our German KVG subsidiary KVG to a client and merged the remainder into our Frankfurt Branch. This simplified our legal entity structure further.

Our financial results remained resilient, and our balance sheet remained stable. It amounted to €44 billion as at year end 2024 (€39.7 billion as of end-of-year 2023). The European Bank generated €1.2 billion in revenues and a Pre-Tax Income ("PTI") from continuing operations of €496 million (compared to a PTI of €459 million in 2023). Although the earnings increased, we achieved a return on equity slightly lower than previous year at 9.6% (vs 10.2% in 2023). The decrease is explained by the equity growing faster than earnings.

The increase in earnings is mainly attributed to stronger net interest revenues (+€70.6 million) and lower contribution to the Single Resolution Fund (+€23.6 million).

The overall net fee and commission income is stable with notable movements in the gross fee commission income and expense. Gross fee commission income increased (+€66.8 million) mainly impacting Asset Servicing, Collateral Management, Corporate Trust and Markets. The increase is partially offset by lower net inter-company results (-€50.2 million), higher sub-custodian fee (-€9 million), and lower net depository receipt fees (-€8.2 million).

Other Operating expenses increased mainly due to higher personal expenses (including net impact from restructuring costs) (-€20.2 million) and higher loss from sales of fair value through other comprehensive income ("FVOCI") debt instruments (-€12.1 million).

The earnings for the year are also impacted by lower recovery of a German withholding tax claim provision, originally recorded in 2019 (-€27.7 million).

The European Bank is strongly capitalized with total regulatory capital of €4,460 million on 31 December 2024 (vs €3,931 million in 2023). Our common equity tier 1 ratio and total capital ratio is 76.8% (vs 82.5% on 31 December 2023). The decrease of the total regulatory capital ratio by 5.7 percentage points explained by the increase in risk weighted assets (+21.3%) due to an increase in balance sheet and change in asset allocation mix.

We are proud of our longstanding deep and enduring client partnerships in Europe and are grateful for the trust our clients have in us. In Europe, we will celebrate 50 years of BNY presence in Italy this year. Many of our client relationships on the Continent date back to the early 20th century.

I'd like to explicitly thank our employees across Europe for their commitment and engagement. They contribute to our success as well as our positive impact to our workforce and the communities through our Employee/Business-Resource Groups.

Together with our employees, the Executive team and the Board of Directors, we are excited to continue to drive growth forward in 2025.

Sincerely,

A handwritten signature in blue ink, appearing to read 'Björn Storim'.

Björn Storim,
CEO The Bank of New York Mellon SA/NV

REPORT OF THE BOARD OF DIRECTORS¹

¹ This report was established according to the article 3:32 of the Belgian Code on Companies and Associations (BCCA).

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

The Bank of New York Mellon SA/NV ("BNY European Bank", or "BNY EB") 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

30/9/2008	The European Bank is incorporated as a Belgian public limited liability company.
10/3/2009	Banking license granted.
1/10/2009	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.
1/10/2010	BNY Mellon acquired BHF Asset Servicing and FSKAG in Germany
1/6/2011	Merger with BNY Mellon Asset Servicing GmbH. FSKAG becomes fully an owned subsidiary.
1/12/2011	Creation of the Paris branch.
12/2012	Status of Assimilated Settlement Institution (Custodian Bank) granted.
1/2/2013	Merger with The Bank of New York Mellon (Ireland) Limited, creating the Dublin branch.
1/04/2017	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 and the creation of a branch 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.
01/02/2021	Conversion of the Madrid representation office of The Bank of New York Mellon into a branch of 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 Treasury Services. Its main activity is Asset Servicing, which is provided both to third party and to internal clients within BNY Mellon.

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 two subsidiaries, one based in Germany (note: as of 1 February 2024 this German subsidiary merged with its parent, the European Bank and continues its activities in the Frankfurt branch of the European Bank) and one in Ireland. Any expansion across EU markets will be led through the expansion of the European Bank's branch network. In line with this and to support future growth, a non-contracting and non-deposit taking branch has been opened in the first quarter of 2023 in Wroclaw (Poland). 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 favourably 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 75% 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 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 & Digital

Asset Servicing & Digital 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 2024, the European Bank had €3.86 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.

Global Clearing

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

Global Collateral Solutions

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.

Treasury Services

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

2024 was a challenging year, being marked by new political landscape with EU & US elections, ongoing Ukraine war and rising Middle-East tensions, leading to markets volatility. Following cooling inflation, the ECB started reducing its deposit facility rate from 4.0% to 3% end of 2024. Similarly, the US Federal Reserve cut their federal funds rate three times in 2024 taking it to a range of 4.25%-4.50% end of Dec. Bank of England and other central Banks made similar rate cuts.

In this context, we continued to maintain a strong balance sheet with high levels of capital, liquid assets and low levels of leverage. This demonstrates our European Bank's resilience to any short to medium term financial shock which may impact its business and that our European Bank is a low-risk institution for our clients and regulators. Resilience is both a responsibility we take seriously and an attribute we see as highly commercial.

3. Business Evolution in 2024

3.1. Main Events

On February 1st, 2024, The European Bank successfully completed the merger of German fund administration and ManCo entity (BNY Mellon KVG) into the Frankfurt Branch of the European Bank. The EB is now well positioned to deliver more for our existing clients – German Fund Accounting and AIS Real Estate clients are now being serviced by the Frankfurt Branch of the European Bank. The branch took on a small and closed book of retail custody business (Retail Investment Solutions).

3.2. Analysis of Financial Figures

The net profit after tax of the European Bank amounted to €397.6 million in 2024, up +6.6% compared to the net income of €372.9 million in 2023, resulting in a 9.6% return on equity in 2024 (vs 10.2% in 2023). The increase is mainly attributed to stronger net interest revenues and FX swap results (+€69.5 million) and lower bank levy due to nil contribution required to the Single Resolution Fund this year (+€23.6 million).

The increase is partially offset by lower net recovery (recovery less cost) of a German Withholding Tax claim provision originally recorded in 2019 (-€27.7 million), higher Personal Expenses (including net impact from restructuring costs) (-€20.2 million), higher loss from sales of FVOCI debt instruments (-€12.1 million), and higher Tax Expense (-€15.2 million).

The net interest revenues and FX swap results amounted to €361.6 million in 2024, primarily reflecting higher interest rates on interest-earning assets and larger deposit balances, that are partially offset by higher funding costs. The gain on the interest rate swap hedging amounted to €34.7 million in 2024.

The non-interest income (excluding restructuring cost recharge to BNY Mellon head office and gains on interest rate and FX swaps) amounted to €916.6 million in 2024, down by -6% compared to 2023 (€974.2 million). Fee and commission income (excluding restructuring cost recharge to BNY Mellon head office) decreased by -€35.7 million primarily driven by lower net intercompany Custody fees mainly due to the new recharge methodology implemented in 2024 and lower American Depositary Receipts (ADR) revenue. This is partially offset by higher third party Custody fees, Collateral Management, Corporate Trust and Markets due to new business and organic AUC growth. Other movements in non-interest income relates to loss from sales of FVOCI debt instruments (-€12.1 million) and lower recovery of a German Withholding Tax claim provision originally recorded in 2019 (-€8.6 million).

In 2024, 22% of the non-interest income is coming from intercompany transactions, excluding restructuring cost recharge to BNY Mellon head office (2023: 30%).

Operating expenses (net of restructuring cost recharge to BNY Mellon head office) amounted to €744.2 million in 2024, down by -2% compared to 2023 (€758.2 million).

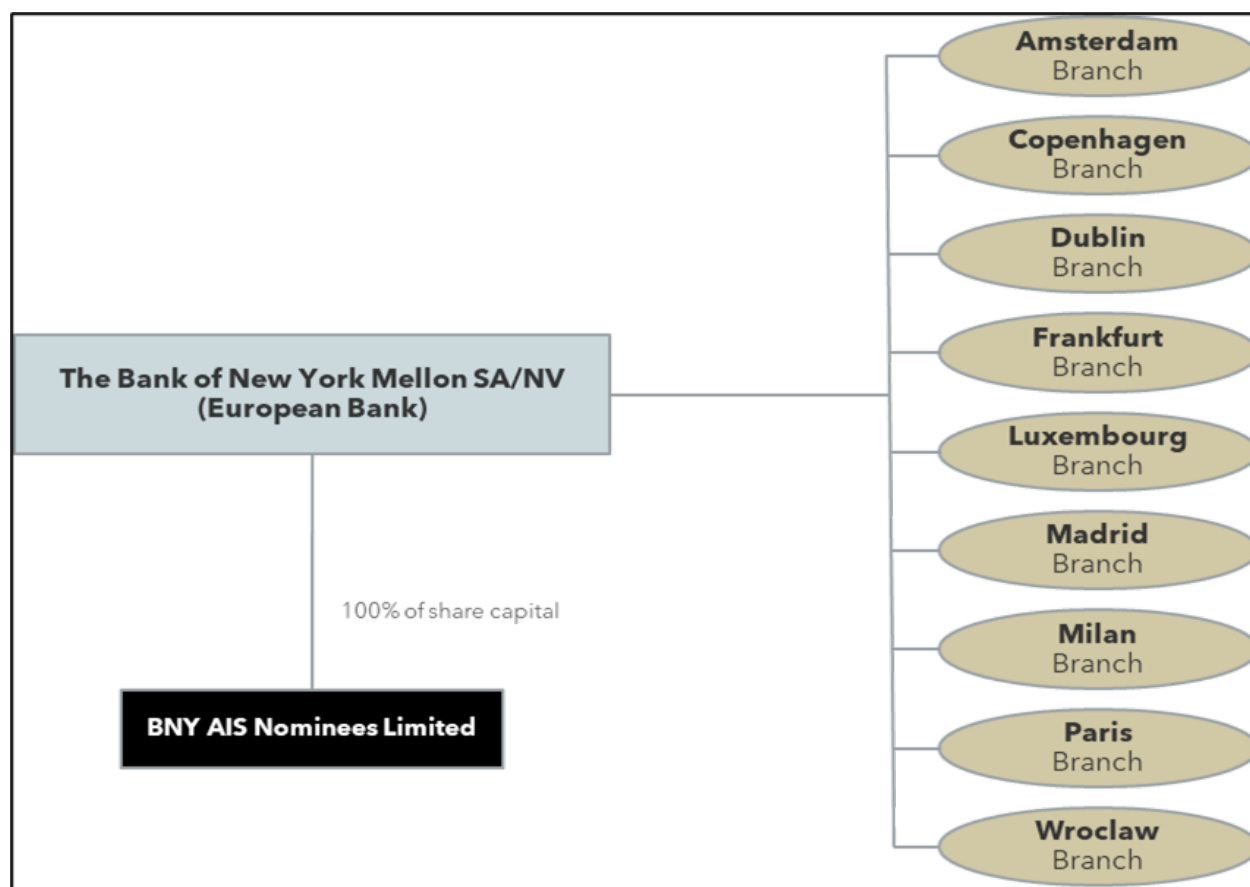
The balance sheet at spot have increased by +11% at year-end compared to 2023, primarily driven by the increase in client deposits.

The positive net results after tax has resulted in a positive return on assets of 0.9% in 2024 (vs positive 0.9% in 2023).

4. Structure and Corporate Governance

4.1. Structure of the European Bank

As at 31 December 2024 the European Bank has nine branches across Europe and one subsidiaries based in Ireland, BNY Mellon AIS Nominees Limited which is a non-consolidated subsidiary. The structure of the European Bank as per 31 December 2024 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.

Shareholder Structure on 31 December 2024	Number of ordinary shares	%
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 2024:

<i>Name</i>	<i>Position</i>
Non-Executive Directors	
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
Caroline Butler	Member of the Audit Committee and Member of the Nomination and Environmental Social Governance Committee
Marcia Cantor-Grable	Independent Chair of the Risk Committee, Independent Member of the Audit Committee and Independent Member of the Remuneration 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
Roderick Munsters	Independent Chair of the Remuneration Committee, Independent Member of the Risk Committee and Independent Member of the Nomination and Environmental Social Governance Committee
Senthilkumar Santhanakrishnan	Member of the Risk Committee
Executive Directors	
Björn Storim	Chief Executive Officer Chair of the Executive Committee
John Hennessy	Chief Risk Officer Member of the Executive Committee
Eric Pulinx	Chief Financial Officer Deputy Chief Executive Officer Member of the Executive Committee
Rachel Zahra	Chief Operating Officer Member of the Executive Committee

Changes in the composition of the Board and the Committees in 2024

During the year 2024, the main changes to the composition of the Board and its Committees of the European Bank were:

- As of 28 May 2024, Olivier Lefebvre stepped down as Independent Chair of the Board of Directors, Independent Chair of the Nomination & Environmental Social Governance Committee and Independent member of the Audit and Remuneration Committees of the European Bank.
- As of 25 July 2024, Marcia Cantor Grable was appointed as Member of the Remuneration Committee of the European Bank (She was already Chair of the Risk Committee and member of the Audit Committee)

- As of 30 August 2024, Hani Kablawi resigned as Member of Risk Committee and Member of Remuneration Committee of the European Bank.
- As of 02 September 2024, Marie-Hélène Créto was appointed as Chair of the Board of the European Bank (Chair of NoESGCo, Member of Audit Committee and Remuneration Committee)
- As of 04 September 2024, Richard Gordon was appointed as Non-Executive Director of the European Bank (Member of Risk Committee and Remuneration Committee)
- As of 06 December 2024, Stephen Davies was appointed as Independent Non-Executive Director of the European Bank (Chair of Audit Committee and Member of Risk 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 2024, 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 must be 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 table provides an overview of the external functions performed outside of the BNY Mellon group by the directors (as at 31 December 2024):

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)
Non-Executive Directors							
Marie-Hélène Créto	Independent Chair of the Board, Independent Chair of the Nomination and Environmental and Social Governance Committee, Independent member of the Remuneration and 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
Caroline Butler ²	Member of the Audit Committee and member of the Nomination and Environmental Social Governance Committee	International Securities Services Association (ISSA)	c/o SIX Group Services Hardturmstrasse 201 P.O. Box CH-8021 Zurich Switzerland	Non-profit organisation	N	Director	N
Marcia Cantor-Grable ³	Independent Chair of the Risk Committee and independent member of the Audit and the Remuneration Committees	AXA XL Insurance Company UK Limited and AXA XL Underwriting Agencies Limited	20 Gracechurch Street, London EC3V 0BG	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
		Modulr FS Ltd.	Scale Space, 58 Wood Lane, London, W12 7RZ, United Kingdom	E-money institution	N	Independent Director	N

² On 23 July 2024, Caroline Butler, non-executive director, stepped down as independent Director at Access Fintech, 122 Grand Street New York, NY10013, USA.

³ On 1 January 2025, Marcia Cantor-Grable's external mandate at Modulr, FS Ltd, Scale Space 58, Wood Lane, London, W12 7RZ, United Kingdom, is terminated.

Stephen Davies	Independent Chair of the Audit Committee and Independent member of the Risk Committee	Goldman Sachs UK Retirement Plan	Plumtree Court, 25 Shoe Lane, London, United Kingdom, EC4A 4AU UK	Pension Plan	N	Chair of Trustees	N
		Goldman Sachs UK Retirement Plan Pension Trustee Limited	Dormant Company	N.A.	N.A.	Chair of the entity	N.A.
Richard Gordon	Member of the Remuneration Committee and member of the Risk Committee						
Roderick Munsters ⁴	Independent Chair of the Remuneration Committee, Independent member of the Risk Committee and Independent member of the Nomination and Environmental Social Governance Committee	Athora Netherlands NV	Burgemeester Rijnderslaan 7 1185 MD Amstelveen, the Netherlands	Insurance company	N	Chairman of the Supervisory Board	N
		Unibail-Rodamco-Westfield SE	7 Place du Chancelier Adenauer, 75116 Paris, France	Real Estate company	Y	Independent Director	N
		Wisayah Global Investment Company	5000, Dhahran, Postal Code 3131, Kingdom of Saudi Arabia	Investment Company	N	Independent Director	N
		Eindhoven Field Hockey Club Oranje Rood Vereniging	Charles Roelslaan 7A, 5644 HX Eindhoven, Netherlands	Sports club	N	Chairman of the Supervisory Board	N
Senthilkumar Santhanakrishnan ⁵	Member of the Risk Committee	Board of the American Heart Association	10 East 40th Street, 11th Floor, New York, NY 10016	Non-profit organization	N	Director	N

⁴ As from 21 February 2025, Roderick Munsters has stepped down as Independent Non-Executive Director of The Bank of New York Mellon SA/NV, Boulevard Anspach 1, 1000 Brussels, Belgium.

⁵ As from 21 February 2025, Senthilkumar has stepped down as Non-Executive Director of The Bank of New York Mellon SA/NV, Boulevard Anspach 1, 1000 Brussels, Belgium.

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)
Executive Directors							
Björn Storim ⁶	Chief Executive Officer and Chair of the Executive Committee	-	-	-	-	-	-
John Hennessy	Chief Risk Officer and Member of the Executive Committee	-	-	-	-	-	-
Eric Pulinx	Chief Financial Officer, Deputy Chief Executive Officer and Member 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	-	-	-	-	-	-

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'⁷ 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 2024 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 appointments are based on an individual and collective assessment taking into account these criteria.

⁶ As from 25 April 2025, Bjoern Storim will step down as Executive Director of The Bank of New York Mellon SA/NV, Boulevard Anspach 1, 1000 Brussels, Belgium.

⁷ Gender Diversity in Finance' Charter, a pledge for gender balance across the Belgian financial services sector.

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;

Stephen Davies is an Independent non-executive director, Chair of the Audit Committee and Member of Risk Committee. He qualified as a UK Chartered Accountant in 1982 and has extensive experience in audit, corporate advisory, and fraud investigation. He joined Goldman Sachs in 1994, where he held various roles, including International Controller and CFO of Goldman Sachs's USA bank. He has also been a director of numerous banking and financial entities in the US, UK, Ireland and Switzerland as well as numerous broker dealers, asset managers, insurance entities and many special purpose entities.

- 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 4.3. of this report.

5. Subsequent Events

No subsequent Events have been noted.

6. Proposal of Allocation of Net Income

The net profit for the year amounts to €398 million. Retained earnings as of the end of 2024 amount to €2,821 million.

No dividend is distributed on the profit of 2024.

<i>Allocation of Profit</i>	<i>In € million</i>
Profit of the current year	398
Dividend of the current year	—
Profit brought-forward	398

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 2024, 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 have 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 intends to pursue as necessary. Whilst we continue to pursue our claims under the indemnity, until we have confirmation of payment, we assess recovery as less than virtually certain as referred to in IAS 37. 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 (including legal interest at 6%; no penalties are expected). There is estimation uncertainty in the final outcome of this legal matter. Postings to reflect the current situation as of End Dec 2024 were performed and impacted mainly Note 5 Other Operating income and Note 20 Provisions.

8. Research & Development

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

9. Risk Management

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 and in Note 28 to the consolidated financial statements.

10. Additional Information regarding the European Bank

10.1 Sustainability Statement

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. The EB fulfils its roles and responsibilities through a combination of internal resources and by leveraging BNY services through a series of intercompany agreements. It also benefits from BNY investments and strategic decisions such as investments in new capabilities.⁸

This Sustainability Statement is the European Bank's first reporting in accordance with the Corporate Sustainability Reporting Directive ("CSRD"),⁹ as transposed into Belgian law by the law of 2 December 2024,¹⁰ and the European Sustainability Reporting Standards ("ESRS").¹¹ Any reference to CSRD in this Sustainability Statement should be read as a reference to CSRD, as transposed into the Belgian legal framework.

The EB conducted a comprehensive double materiality assessment ("DMA") to identify the Environmental, Social and Governance ("ESG") factors that are the most relevant to our business and our stakeholders. This assessment has helped us to prioritise our sustainability efforts and to focus on the areas where we can make the greatest positive impact. This Sustainability Statement contains the required information relating to sustainability matters that we have deemed material according to the DMA.

Based on this DMA, we have endeavoured to translate the complexity of the quantitative and qualitative disclosure requirements and data points required for reporting. To do this, we have also relied on European Financial Reporting Advisory Group ("EFRAG") implementation guides, tools, expertise and the CSRD itself, with a growing cadre of dedicated staff within the bank to help to navigate the requirements for reporting.

Under CSRD, the ESRS dictate the content and nature of the disclosure but also afford undertakings with certain flexibilities regarding the information in their Sustainability Statements. We have chosen to rely upon a number of these available flexibilities, including the transitional provisions as set out at ESRS 1, Section 10, to provide us with more time to adjust to the reporting requirements.

This Sustainability Statement is a component of our commitment to transparency and accountability in our sustainability efforts in line with our legal obligations. It is intended to summarise sustainability topics that are of material importance to our business and our stakeholders. Furthermore, where required information is unavailable regarding a specific topic identified as material in the DMA and the ESRS enables undertakings to explain why this is the case, we have done so. Similarly, where conditional data points do not apply to our

⁸ Please refer to Section 1 of the Report of the Board of Directors page 13 for additional information on the EB's profile.

⁹ 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.

¹⁰ 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*)

¹¹ 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.

business model, for example, in high-climate impact sectors and controversial weapons, we have not disclosed this information.¹²

All data points in the Sustainability Statement have been subjected to limited assurance and as such, we have included the metric identifications within the document and in tables.

General Disclosures

Basis for preparation

In accordance with Article 19a of CSRD (as transposed into Belgian law in article 3:6/3 of the Belgian Companies and Associations Code), this sustainability statement has been prepared on an individual entity basis, solely for the EB. This is consistent with the EB's approach for preparation of its financial statements, further explained in section 1.2 of the annual accounts. The scope of consolidation is the same as for the financial statements.

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 ("IROs") 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 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 2024 covers the period 1 January 2024 to 31 December 2024.

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

¹² In these cases, the EB does not offer financing and does not engage in this sector.

Disclosures in Relation to Specific Circumstances

In the section below, we provide disclosures on how specific circumstances are integrated into our disclosures throughout the statement. Areas such as time horizons, value chain estimation, areas where we used estimated data, 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

Time horizons designations used with 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

There are no metrics that include value chain data estimated using indirect sources. We confirm that there are no quantitative metrics and monetary amounts disclosed that are subject to high level of measurement uncertainty.

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

The EB works to disclose accurate data by applying a standard methodology and validating our data. In certain circumstances when data is unavailable, we use estimates and assumptions for calculations.

Topic	Assumption	ESRS References
On 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> <p>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.</p> <p>On our energy:</p> <p>Steam is assumed to come exclusively from fossil fuel sources in Poland and Luxembourg.</p> <p>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.</p> <p>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.</p> <p>Where energy data for a leased site is available and reasonably obtained, a preference for that data shall be made and supplant the above estimate.</p> <p>Electricity grid mixes that provide energy to buildings occupied by the EB, when not provided by the utility or data is not accessible from the landlord, are assumed to be the same electricity grid mix as the country the building is located in. International Energy Agency ("IEA") reported electricity grid mixes for these countries are used. "Other sources" noted in the IEA grid mixes are assumed to be nonrenewable.</p>	E1-5 and E1-6

ESRS 2-BP-2-11-(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 other than disclosures pursuant to Article 8 of Regulation (EU) 2020/852 ("Taxonomy Regulation") has been included in this report.

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 or Data point	Reference
ESRS 2 BP-5 - Basis of Preparation	Section 1.2 of the annual accounts
ESRS 2 SBM -1 - 40 - Strategy, business model and value chain	Section 1.1 and 1.2 of the annual account
ESRS 2-SBM-1-42	Section 1.1 of the annual account
ESRS E1-6-55	Annual account (IFRS) Section Consolidated Statement of Profit and Loss and Other Comprehensive Income

ESRS 2-BP-2-16

Governance

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

In Section 4.1, 4.2 & 28.1.2 of the Board of Directors Report 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:

Male: 64%
 Female: 36%
 Other: 0%
 Not Disclosed: 0%

Percentage of independent board members in administrative, management and supervisory bodies: 36%

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

The Board's gender diversity ratio is 36%

Number of Executive Members: 4
 Number of Non-Executive Members: 7

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

The oversight structure of material 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

References 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 outlines the Board's primary responsibilities, including defining the company's strategy and risk policy, supervising management, and overseeing compliance with applicable laws and regulations. As part of its responsibilities over the sustainability statement, the Audit Committee ("AC") of the Board reviewed and approved the material IRO's that emerged from the DMA assessment.

The Executive Committee (ExCO)

The ExCo plays a critical role in governance processes, controls, and procedures, facilitating effective monitoring, management, and oversight of IROs.

These controls and procedures are integrated with other internal functions through mechanisms such as internal control systems, a risk management framework, regular reporting and monitoring, and a culture of compliance. In particular, risks and opportunities associated with climate change and environmental issues are managed through an internal risk governance approach. EB's ExCo has enhanced its governance structure to better address ESG-related matters including establishing the ESG Council. Please refer to sections 28.1.2 of the Board of Directors Report for additional information about the ExCo and additional committees assisting the ExCo, including a description of the ESG Council.

A Climate & Environmental Sustainability dashboard (the "Dashboard") was developed in 2022 to enhance monitoring of climate and environmental related risks on EB's risk profile. The Dashboard is presented on a quarterly basis to ESG Council and Nomination and Environmental Social Governance Committee ("NoESGCo"). Starting in 2025, the Dashboard is being presented to the ExCo for their review and input.

The Risk Management Committee ("RMC") and Capital and Stress Testing Oversight Group ("C-STOG") include specific consideration of climate and environmental risk as well as the Asset and Liability Committee ("ALCO") which oversees liquidity management, including liquidity crisis management and liquidity stress testing.

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 climate experience.

In relation to the material IROs, the Board's skills align with the company's material IROs by providing effective oversight, risk management, strategic assessment, regulatory navigation, business strategy development, client-centric solutions and consideration of ESG factors.

Additionally, there is a periodically updated training plan for board members on different areas on a regular basis that includes sustainability topics. This allows the Board stay

informed about the latest developments and best practices in sustainability and other relevant areas.

Experience in climate related initiatives and broader ESG experience is captured in the Collective Board Skills matrix. It is reviewed by the NoESGCo and presented to the Board. Additionally, the Board receives updates on ESG on a regular basis.

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 climate and environmental related 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;
- Internal Capital Adequacy Assessment Process ("ICAAP");
- Annual Financial and Sustainability Statements; 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 climate and environmental-related risk report is produced quarterly and provided to the ESG Council and the NoESGCo for use in periodic review, monitoring and management of climate and environmental-related risks. From 2025, this risk report will be presented to the ExCo.

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.

We consider ESG risks as risk drivers that can potentially amplify the impact or probability of other risks. Therefore, we have integrated ESG considerations into our overall risk management process to meet our regulatory obligations. Our risk management framework includes a comprehensive assessment of ESG risk drivers, which are identified, assessed, monitored and managed as required. This approach supports our risk management process and takes into account ESG considerations.

Our administrative, management, and supervisory bodies receive regular reports on ESG risks and opportunities. The ESG report is presented quarterly to the relevant committees (ESG Council and the NoESGCo) and are used to monitor our ESG risk, inform decision-making and develop strategy. 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.

To support the consideration of climate and environmental sustainability risks and opportunities across business operations and decision-making, the ExCo will be assigned a

Climate and Environmental Sustainability goal, which will be 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.

We have established clear policies and procedures for managing ESG risks and opportunities. These policies and procedures are regularly reviewed so that they remain relevant and effective. By having clear policies and procedures in place, we enable our business practices to be consistent and integrate ESG considerations into our decision-making processes.

ESRS 2-GOV-2-26-(a)(b)

Material Impacts, Risks and Opportunities Addressed

The EB Board recognises the importance of sustainability related IROs. As mentioned above, the EB has defined KRI 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 (ExCo) and NoESGCo for use in periodic review, monitoring, and management of climate and environmental-related risks.

Specifically for material IROs, the independent non-executive directors of the Board actively participated in the DMA exercise, acting as "external stakeholders" to assess the materiality of the identified IROs.

Below includes the IROs identified as part of the DMA:

Material Topic	Impact, Risk or Opportunity	Actual or Potential Impact ¹³	Value Chain ¹⁴	Description of IRO	Time Horizon
Climate Change Adaptation	Risk	•	UOD	Potential noncompliance: climate risk drivers can lead to increased regulatory requirements. Failure to meet rapidly emerging requirements for classification and disclosure in multiple jurisdictions could lead to regulator fines or sanctions.	Short
GHG Emissions (Scope 1 & 2)	Negative Impact	Actual	O	Rising concentrations of GHG as a result of energy production contributes to climate change, leading to more frequent and severe weather events.	Medium

¹³ No material potential impacts were identified

¹⁴ U — Upstream, O — Own Operations, D — Downstream

Material Topic	Impact, Risk or Opportunity	Actual or Potential Impact ¹³	Value Chain ¹⁴	Description of IRO	Time Horizon
GHG Emissions (Scope 1 & 2)	Negative Impact	Actual	O	Emissions produced or purchased by BNY contribute to increased concentrations of GHG in the atmosphere posing threats to human health and safety by way of reduced air quality, rising temperatures, severe weather events, and more.	Short
GHG Emissions (Scope 1 & 2)	Opportunity	•	O	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.	Medium
Energy Consumption	Negative Impact	Actual	O	The consumption and extraction of nonrenewable 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.	Short
Energy Consumption	Negative Impact	Actual	UO	Energy consumption depletes natural resources, compromising availability for future generations.	Short
Innovation and Technology (Non-ESRS)	Positive Impact	Actual	OD	Advanced technology may enhance the security of financial transactions, offering greater protection to clients from fraud and cyber threats.	Short
Innovation and Technology (Non-ESRS)	Opportunity	•	O	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.	Medium
Innovation and Technology (Non-ESRS)	Opportunity	•	OD	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.	Short

Material Topic	Impact, Risk or Opportunity	Actual or Potential Impact ¹³	Value Chain ¹⁴	Description of IRO	Time Horizon
Belonging	Positive Impact	Actual	O	A workplace culture that is focused on belonging supports wellbeing as people feel included and valued for who they are. Creating an environment where everyone belongs is essential — that's how we succeed.	Short
Belonging	Opportunity	•	O	Increased innovation and creativity: The workforce can bring broader perspectives and ideas, boosting innovation, problem-solving and the development of new products and services.	Medium
Belonging	Opportunity	•	OD	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.	Short
Belonging	Opportunity	•	O	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.	Short
Belonging	Opportunity	•	O	Improved workplace decision-making: Workplaces and teams that consider different viewpoints can lead to more thoughtful decision-making and more thorough problem-solving.	Short
Workers' Rights	Positive Impact	Actual	O	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.	Short

Material Topic	Impact, Risk or Opportunity	Actual or Potential Impact ¹³	Value Chain ¹⁴	Description of IRO	Time Horizon
Workers' Rights	Risk	•	O	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.	Medium
Training & Skills Development	Positive Impact	Actual	O	Social Impact: The investment in training and development in the company's own workforce leads to advanced skillsets, efficiencies, professional development, increased employability and innovation.	Short
Training & Skills Development	Risk	•	O	Loss of competitive advantage: Without training employees within the organisation, the Bank may fall behind in the industry from an operational standpoint and may lose the ability to able to create pathways to the C-suite from within the company, thereby missing out on talent and experience that could be unique and invaluable.	Medium
Supply Chain Management	Positive Impact	Actual	U	By including environmental considerations in supplier selection, BNY can encourage suppliers to adopt and adhere to eco-friendly practices such as reducing GHG-emissions, mitigating climate change risks, conserving water and energy, and minimising waste generation, improving the environment throughout the supply chain.	Medium
Supply Chain Management	Positive Impact	Actual	UOD	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 implementation of community development and diversity and inclusion initiatives, contributes to poverty reduction, social empowerment, equal access to capital and betterment the of standard of living for society as a whole.	Medium

Material Topic	Impact, Risk or Opportunity	Actual or Potential Impact ¹³	Value Chain ¹⁴	Description of IRO	Time Horizon
Supply Chain Management	Opportunity	•	UOD	Operational resiliency: prioritising supply chain coordination (by encouraging suppliers to use industry questionnaires and third-party management frameworks to assess and monitor vendors) can aid in improving the bank's operational resiliency.	Short
Corporate Culture	Opportunity	•	O	Robust Corporate Structure: creating a holistic corporate structure helps in better decision-making and reduces bias, thereby resulting in strategic alignment with the bank's goals and objectives.	Short
Privacy and Data Security	Risk	•	UOD	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.	Short

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

Incentive schemes

Percentage of remuneration recognised that is linked to climate-related considerations: up to 100% for the members of the ExCo.

Beginning in 2025, 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. Prior to application to the EB, the terms of BNY's Corporation Discretionary Incentive Compensation Plan were reviewed by the EB's Board, after advice from the RC and RemCo. Additionally, sustainability targets are set and assessed with the EB NoESGCo.

In addition, in 2025 for selected members of staff, 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 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 PMP is built upon an assessment of a results-based goals component ("What") and a culture component ("How"), the latter also covering risk culture. The assessment of each component results in a rating being attributed to each, using a four-point rating scale (noting a failed risk culture assessment cannot lead to a positive rating on the overall culture component). The combined results on the What and the How translates to a differentiation factor guidance to support incentive planning.

In order to satisfy regulatory requirements, for members of the EB ExCo, performance against sustainable targets is assessed annually on a collective basis for the whole EB ExCo by the NoESGCo and RemCo, during a joint meeting. A negative collective assessment cannot lead to a positive rating at the individual level on the overall culture component, hence leading to a lower incentive differentiation factor guidance (up to a 0 incentive).

Percentage of variable remuneration dependent on sustainability-related targets and (or) impacts: Up to 100%

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

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
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 in relation to sustainability reporting to verify the accuracy, completeness, and reliability of the sustainability statement. These actions include:

- Developing data validation checks, data reconciliation processes, and a clear definition of roles and responsibilities.
- Establishing review and approval processes by appropriate individuals within the organisation (at legal entity and group level) to verify accuracy and completeness. This involves controls such as independent review by subject matter experts ("SMEs"), management review and approval, and external assurance.

- Facilitating compliance with regulatory requirements is an important component that involves controls such as reviews of regulatory requirements, implementation of compliance processes, and training and awareness programs for data owners.

The scope of risk management and internal controls in relation to the sustainability report encompasses the following:

- Identifying and assessing risks related to the accuracy, completeness, and reliability of the sustainability-related data and information included in the report.
- Implementing controls to mitigate these risks and review the quality of the data and information.
- Monitoring and reporting on the effectiveness of these controls.
- Establishing an escalation process for addressing issues or concerns with the data and information provided by data providers.

The main elements of this risk management and internal controls process include:

- Logic templates provided by data providers;
- Attestations by data providers and approvers regarding the accuracy and completeness of the data and information;
- Approval flow, which includes an EB topic owner with knowledge of the matter for each disclosure.
- Disclosure reviews by the local and group Sustainability teams;
- Disclosure reviews, which involve reviewing all disclosures to verify they meet the requirements of the CSRD directive;
- Data tracking is performed in a workflow management tool.

The key risk identified in relation to sustainability reporting is the risk of misstatement of data. The identified mitigation strategies have been implemented as the controls listed above.

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

Reporting

To meet regulatory expectations and maintain operational resilience, risks associated with climate change and environmental issues are managed through a internal risk governance approach. The RC receives regular risk reports and assessments and considers this information as part of their role so that climate and environmental risks are considered in decision-making. It also serves as an escalation committee for approval regarding climate matters impacting the EB's risk profile.

The EB has defined climate-related and environmental risks as risk drivers with the potential to impact most of the institution's risks in its RAS. This is monitored via the Dashboard that includes KRI covering Credit, Market, Operational (including Third Party and Resiliency) and Strategic risks.

The Dashboard initially provided a consolidated view of climate-related risks, and since Q1 2023 was enhanced to include environmental risk metrics. Opportunities for more refined metrics and improvements of the Dashboard will be considered in 2025 to further enhance oversight, monitoring and management of climate-related and environmental risks. The Dashboard, which is shared regularly with key governance bodies including the ESG Council, supports management understanding of potential vulnerabilities, and for developing action plans to mitigate elevated risks if needed.

The EB has also adopted a range of policy updates cascaded from the BNY corporate level that embed climate and/or ESG considerations into business-as-usual risk management.

Each policy establishes a requirement for climate and environmental 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.

The Board has adopted a climate and environmental strategy, which sets forth the direction of the EB in relation to environmental sustainability with a focus on climate and environmental topics. In particular we will continue to reduce our carbon footprint, further strengthen our climate and environmental risk framework and partner with our clients to help them understand the environmental impacts of their portfolios or activities.

To deliver on this strategy, members of the Board have undertaken climate-risk training so they are sufficiently and appropriately equipped to have effective oversight of climate and environmental related risks and opportunities. In 2023, Board Members also received a training on the CSRD with focus on the DMA.

The ExCo has also enhanced its governance structure to better address ESG-related matters:

- The ESG Council advises the ExCo on ESG matters, specifically identifying and managing climate and environmental risks for the EB, and assists the ExCo in its oversight of the EB's adherence to regulatory expectations, including ESG-related disclosures. The 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 area. This brings together a broad cross-section of the 1st, 2nd, and 3rd Line of Defence ("LoD"). This Council interacts with the the Sustainability Strategy Integration Council ("SSIC") so activities are coordinated across the enterprise. The SSIC meets monthly.
- The RMC assists the ExCo in fulfilling its responsibilities which now include specific consideration of climate and environmental risks; the Terms of Reference of the committee have been updated to formally reflect this.
- The ALCO 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.

Dedicated 1st, 2nd, and 3rd LoD responsibilities are in place to provide support in developing the EB's climate and environmental strategy, assessing and managing climate and environmental risks, and identifying opportunities where relevant.

- The 1st LoD is the business or function. The business takes and owns the risk associated with its activities, and it manages the risks and the related control processes and procedures.
- The Risk Management and Compliance functions are the 2nd LoD and own the group-wide risk management and compliance frameworks and provide independent oversight of the 1st LoD, so that the 1st LoD understand and manage their risks through application of all elements of the frameworks and policies.
- The 3rd LoD is Internal Audit, which independently provides the EB's Board of Directors and senior management with the assurance that the governance structures, risk management and internal controls are effective.

Members of the ExCo and ESG Council have undertaken climate-risk training so they are sufficiently and appropriately trained to assess and manage climate and environmental-related risks and opportunities. In 2023, to raise awareness of climate and environmental related risks when undertaking new business, an additional training module was distributed

more broadly through mandatory learning and development channels to the EB staff in-scope, in support of newly implemented enhancements to client due diligence processes. As part of our ongoing efforts to strengthen our understanding and implementation of the CSRD, in January 2024 the ESG Council received a comprehensive training session on the EU Sustainable Finance Action Plan, the legal basis of CSRD, the implications for the Management Bodies and the DMA.

To reinforce the embeddedness of climate and environmental-related considerations across the EB's businesses and lead implementation of ESG activities, two new ESG roles were created, reporting into the Chief Operating Officer as described above.

ESRS 2-GOV-5-36-(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.

Please refer to the Services and Products section of the EB Annual Accounts for a description of the groups of products and services offered by the EB. During the reporting period, there have been no changes related to significant groups of products, services or markets that relate to or affect sustainability matters. There is no specific individual product or service which is connected with a material impact or risk identified through the DMA. We do not offer any products that have been subject to a ban in certain markets.

The EB does not currently have any sustainability-related goals in terms of significant groups of products and services, customer categories, geographical areas and relationships with stakeholders. In support of the group strategy, we look to leverage and adapt our core capabilities to develop new products to support our clients and partners in meeting their business and sustainability objectives.

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

Strategy Elements Relating to Sustainability

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 ever focused on

responsible business practices to remain a trusted partner to our clients and other stakeholders.

The EB awaits the publication of the ESRS sector specific standards in order to disclose in regards to what ESRS sectors are significant.

ESRS 2-SBM-1-40-(g)

ESRS 2-SBM-1-41

Business Model

Please refer to Section 1.1 Business Model of the EB Annual Accounts.

ESRS 2-SBM-1-42

Value Chain

A value chain mapping exercise was performed by the EB to provide an understanding of relevant upstream, own operations, and downstream considerations.

The purpose of the value chain analysis was to provide an understanding of key business activities, dependencies, and impacts. The results were largely informed by a review of publicly available information, internal documents and discussions with internal stakeholders. In conducting the review, the EB considered the following areas:

- The EB's business model is largely consistent with BNY's business model and EB strategy follows BNY group strategy; however, differences exist 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,
- That a majority of the EB's clients are large corporations and financial institutions,
- The EB is not active in lending, and
- BNY is the largest supplier to the EB. Prior to finalising the value chain documentation, the value chain visualisation went through multiple rounds of validation with internal stakeholders.

As a custody bank that does not engage in lending or investment activities, EB value chain analysis centers on tier-one relationships, both upstream and downstream, where we identify the most potential impacts, risks, an opportunities.

Should future analysis show relevant benefits for customers, investors and other stakeholders, the EB will report this accordingly.

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

Stakeholder Engagement

EB's DMA was conducted using a wide ranging group of stakeholders from across the EB and BNY. Below provides information on the EB's stakeholder engagement.

Internal and External Stakeholders

Internal stakeholders considered included: Board of Directors, Legal, strategy department, the People team, Investor Relations, BNY Sustainability, Real Estate, Enterprise Sourcing Office ("ESO"), ESG Risk, corporate finance and other employees.

External stakeholders included the use of proxies for Investors, Customers and Clients, independent members of the Board of Directors and Governments/Regulators. Desktop research was performed for suppliers and sub-custodians.

Internal stakeholders were selected to be engaged for IRO validation and scoring. They were identified for their expertise and responsibility for managing, monitoring, and mitigating risks and actioning opportunities.

After this was completed, an engagement plan was developed by mapping internal stakeholders by topics, and an educational session was hosted for those stakeholders. Pre-read materials and scoring decks were developed and distributed to stakeholders.

Over 20 internal stakeholder workshop sessions were held for the selected internal stakeholders 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, to 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

The material topics were considered from all aspects, including from the perspective of existing Enterprise Risk Management ("ERM") processes, strategy and Lines of Business (LoB). These material topics will be considered in the process of developing our own organisational goals.

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

At the group level, sustainability is a key component of the management of our own operations, the solutions we build to support our clients, and how we partner and engage with our stakeholders and communities. 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.

Guided by the group's approach, the EB believes that applying a sustainability approach across our enterprise, leveraging 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 assist them in their own activities.

In terms of amendments to its strategy and/or business model, EB's strategy broadly aligns with views from stakeholders as shared during the DMA (please refer to Outcome of Materiality Assessment) — although we will continue to work to embed the treatment of identified impacts and opportunities more effectively.

Our current strategy and business model undergo a periodic re-evaluation to determine potential changes to adapt to evolving market conditions, including new technologies, customer needs, competitive pressures, and emerging opportunities. The stakeholder approach to identifying material topics and IROs for BNY identified several areas that were considered to be material that provide a useful framework for considering the IROs. 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. We plan to evaluate and consider amendments to the Sustainability strategy based on the DMA results in the 2025-26 timeframe.

Any potential changes as to how relationships and stakeholder views will be modified, are unknown pending an evaluation of the business model that considers the DMA results, which is planned for 2025-26.

The EB has an ESG council that considers and recommends issues related to Sustainability for the EB. At the group level, BNY has convened the SSIC, which has high level participation from stakeholders across the group, including the EB. These groups escalate through to the EB Board and, separately, to the Sustainability Steering Council.

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

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

The EB identified IROs largely align to 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 DMA has been developed on the basis of the requirements for identifying and assessing material IROs in ESRs 1. As the business strategy and value chain are substantially similar between BNY at parent-entity level and the EB-level, a subsidiary disaggregation approach was used to understand any additional context, nuances and differences.

In performing the DMA for 2024 we engaged subject-matter experts across business units and geographical locations and affected stakeholders (through proxies). 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.

Financial year 2024 is our first year of reporting and therefore we are not able to compare changes to material IROs to the previous reporting period. We will evaluate and consider if any amendments to the business model are required from the DMA results in the 2025-26 timeframe. 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.

ESRS 2-SBM-3-48-(a),(b)(c)-(i)),(g),(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 bank'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 bank 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 bank's operations.
Belonging	Positive Social Impact	The bank 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 bank's success.
Training and Skills Development	Positive Social Impact	The bank recognises the importance of a skilled workforce in driving growth and innovation.
Supply Chain Management	Positive Environmental Impact	The bank recognises the importance of sustainability in its operations and supply chain.
Supply Chain Management	Positive Social Impact	The bank 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.

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.

As described above — EB's strategy and business model are designed to enhance resilience by addressing the identified material IROs.

ESRS 2-SBM-3-48-(d), (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

Process to identify and assess material IROs

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 described below:

Financially material topics:

- Climate change adaptation;
- Corporate culture; and
- Privacy and data security

Impact material topics:

- Energy consumption

Financial and impact material topics:

- GHG emissions (Scope 1 & 2);
- Innovation and technology;
- Belonging;

- Workers' rights;
- Training and skills development; and
- Supply chain management

As described above, the decision-making process of material IROs involved several stages, including identification, assessment and prioritisation of IRO's. 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 AC reviewed and approved the DMA process. The final outcome of the DMA was ultimately approved by the EB Board of Directors.

The EB established a number of 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-(d),(h)
ESRS-2-E1-IRO-1-20-(c)

Step A

Targets intended to support the achievement of strategic objectives are set at the group level by BNY Sustainability Office and approved by the BNY executive committee.

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

EB's DMA 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 Form 10-Ks, 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 DMA process and will be prioritising key areas during our organisational goal setting exercises. The due diligence processes that we 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

An impact materiality threshold was selected of 3.5 out of the 5-point scale (impact scoring rubrics are on a 5-point scale (1, 1.5, 2, 2.5 or 3)) and a financial materiality threshold of 2 out of the 3-point scale (financial scoring rubrics are on a 3-point scale (1, 2, 3)). The group discussed how maximum results based on the scoring methodology described in the above section would result in maximum IRO scores of 9. To normalise the selected thresholds to the visual matrix on a 9-point scale, it was determined that the Impact Materiality threshold would be a 6.3 out of 9 and the Financial Materiality Threshold would be a 6 out of 9. It was

explained that the ESRS does not define materiality thresholds for either impact or financial materiality and that, in choosing thresholds, a different materiality threshold could be set for impact materiality versus financial materiality as the EB may have a lower tolerance for enterprise risks and opportunities than external impacts. It was also discussed that these thresholds could be revisited later in the engagement after initial scoring results were analysed and substantiated. During the meeting, it was confirmed that the impact materiality threshold would be 3.5 (or 6.3 out of 9) and the financial materiality threshold to be 2 (or 6 out of 9) based on the underlying scoring rubrics and aligned with what we would consider being reflective of material risk according to its ERM.

The impact materiality threshold was set to be 3.5 (or 6.3 out of 9) and the financial materiality threshold to be 2 (or 6 out of 9) based on the underlying scoring rubrics and aligned with what we would consider to be reflective of material risk according to its ERM.

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

Step D

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.

Sustainability-related Risks

To meet regulatory expectations, climate and environmental risks are assessed through the dedicated ESG Risk Driver Materiality Assessment process and their potential impact on all risk categories is an input to other key processes of the EB such as the Risk Identification Process. The identification of climate and environmental risks and their materiality as well as impact on all other risk categories is the result of different yet complementing processes, aimed at leveraging existing processes within the EB while adding in a specific climate and environmental layer.

The key identification process is the specific ESG Risk Driver Materiality Assessment process. The results of this process, being the identification of any potential impacts from any climate and environmental driver on any risk category, are used as an input by the Risk Identification Process, assessing the materiality of each risk category.

Prioritisation and considerations can be observed and evidenced by the creation of the specific ESG Risk Driver Materiality Assessment, providing the right level of details to verify

climate and environmental risks and their potential impact on any risk category are included in BNY's Enterprise Risk Management Framework, including the above-mentioned Risk Identification Process, as well as others, such as Risk Strategy, Risk Appetite Framework, Business Appetite Framework, Third-Party Framework, ICAAP and scenario analysis.

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

The EB has considered climate and environmental-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 Risk Driver Materiality Assessment found no material climate and environmental 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 climate-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 Internal Capital Adequacy Assessment Process ("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 considered 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 by BNY Sustainability Office and approved at the executive committee level.

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

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

To meet regulatory expectations and maintain operational resilience, the EB continues to consider 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).

Our climate and environmental risk driver assessment 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. 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.

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 leverages 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.

Risk Management Time Horizons

From a risk management perspective, these climate-related risks are currently considered across multiple time horizons that best reflect the EB's risk profile. These time horizons are defined as:

- Short term (0-3 years): Risks that may manifest within the immediate future and require prompt attention. The short-term horizon aligns with our internal capital assessment, business planning and forecasting cycle and is generally accepted in planning considerations.
- Medium term (4-10 years): Risks falling into this category are those that may become prominent over a slightly extended period, necessitating strategic planning and mitigation efforts.
- Long term (11+ years): Risks that may not be immediately apparent but could have significant implications over an extended period. Long-term assessment is crucial for supporting sustainable risk management.

We recognise that time horizons noted above for the assessment of climate and environmental-related risk are much longer than accepted industry standards for risk modelling. We have developed a suite of climate and environmental-specific risk assessment tools and processes to enable the identification, assessment and management of climate-related risks that incorporate a longer-term view of risk.

Processes for Identifying and Assessing Climate and Environmental-related Risks

Leveraging the BNY risk identification process, the EB's approach is to perform environmental and climate-related risk assessments by lines of business complementing risk type assessments and considering primary potential transition and physical transmission channels.

Risks identified are assessed both quantitatively and qualitatively to be able to determine if a risk is material. To assess materiality of environmental and climate-related risks, both metrics and expert judgement are used to determine materiality in the short, medium and long term. Determination of materiality is linked to the Enterprise Materiality Framework and applied consistently with other risks. Regardless of whether a risk is deemed material at this stage, all risk types are monitored through reporting and dedicated risk assessment tools so that both aggregate and idiosyncratic risks are understood and mitigated as appropriate.

In 2024, BNY further developed an ESG Risk Driver Materiality Assessment, adopted by the EB, to enhance the structured approach to identifying and assessing impact from climate and the environment, as detailed herein. In most cases, the EB provides clients with a range of services that facilitate their financial activities but do not directly provide committed or term funding to those activities. As such, balance sheet risks are relatively low in comparison to other banks with long-term lending portfolios or those that engage in extensive traditional corporate or retail banking, or trading activities. Based on the current assessment of materiality and considering our relatively low exposure to direct credit or market risk, financial risks remain contained at present. Strategic and reputational risks have the potential to become increasingly relevant such that decisions made today could lead to material impacts in the future. Assessment of the impact to the EB for these risks is ongoing. These Key Risk Indicators ("KRI") are provided to the ExCo and the NoESGCo on a quarterly basis, as described herein. Ongoing assessments, as they may lead to the further refinement of the EB's material risks, will inform the development of further or more refined KRI metrics over time.

Please see details in the Appendix for Risk Measurement for Key Risks

Forward-looking Assessment of Climate-related Risks

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 CO₂ 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 CO2 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").

We are progressively integrating the process of identifying, assessing and managing opportunities into our overall framework. 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 across all the business lines. 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 adopt 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 emissions. 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 mitigating potential physical climate risk impacts.

Climate risk considerations are incorporated into BNY's risk policy framework across all risk types and 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 does not maintain formal corporate policies at the Group level to manage material IROs related to climate change mitigation or adaptation. BNY's legal entities, including the EB, are expected to adopt the Group approach and therefore 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. The EB adopts the Group approach through the local implementation of the Group risk management approach.

ESRS 2-MDR-P

ESRS E1-2-24

Policies to Manage Material IROs Related to its Own Workforce

As a subsidiary of BNY, EB and its employees are covered by the Board Inclusion Policy, Global Talent Policy, Anti-Money Laundering ("AML"), the Sanctions Training 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. A combination of demographics, 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. The policy is owned by the head of belonging, International 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 program 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.

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.

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 Code of Conduct is owned by the Compliance & Control Manager.

BNY's Code of Conduct

The Code provides six key guidelines that relate to many of the situations you may encounter working at our company: 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. The Code is a unifying document that sets out the key guidelines and common expectations with regard to: respecting others, avoiding conflicts of interest, conducting business, working with governments, protecting company assets and supporting our communities.

The disruptions caused by global and regional conflicts, as well as natural disasters and other systemic shocks, emphasize 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 program. Third-Party Frameworks are in place 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.

In the ongoing quest to run our company better, BNY restructured our supply chain management approach to increase synergies through a more unified approach. BNY established the ESO by bringing together several separate functions into a cohesive structure. This function will allow us to achieve benefits and connection points, including complying with closely related regulatory requirements.

In that context, the BNY Code of Conduct is supplemented by:

- BNY's Enterprise Resiliency Policy
 - This policy applies globally, across all regions and legal entities, including the EB, where and through which BNY operates, to all employees, and to

vendors, contractors and consultants working on assignment at, or on behalf of, BNY. This policy is owned by the Head of Enterprise Resiliency and Sourcing.

- 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 outsourced functions/external dependencies (Third Parties, Outsourced Services Providers). This 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 Global Head of Business Continuity & Incident and Crisis Management.
- 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 Head of Enterprise Resiliency and Sourcing and Head of Disaster Recovery and Resilience Intelligence.
 - 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 within the contractual agreement.
 - 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 Adaptation

In addition to the above discussion of our action to advance climate change mitigation efforts, BNY is working to increase the energy efficiency of its buildings, procure 100% of electricity from renewable sources, invest in on-site renewable power generation and offset any residual emissions from operations that cannot be otherwise abated through the company's emissions reduction initiatives. BNY has maintained carbon neutrality annually through 2025 for the company's Scope 1, Scope 2 (including our data centres) and Scope 3, Category 6

(business travel) emissions through a combination of real emissions reductions and the use of RECs and carbon offsets.

To satisfy regulatory expectations and facilitate operational resilience, our climate change adaptation efforts considers sustainability risks as potential risk drivers impacting financial risks (such as Credit, Market and Liquidity Risks), non-financial risks (such as Operational and Strategic Risks) and interconnected risks like Reputational Risk. BNY's climate risk driver assessment incorporates risks arising from physical risk and transition risk. BNY also incorporates climate risk management strategies into its operational controls and works to adapt to potential physical climate risks by taking steps that aim to maintain business continuity.

The EB adopts and locally implements the Group's approach to climate risk management and sustainable operations. As part of efforts to mitigate BNY's global consolidated Scope 1 and 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.

Climate-related risks are assessed and managed over short, medium or long-term time horizons. Similarly, energy efficiency projects and enhancements to technology or infrastructure support climate change mitigation and adaptation. These may be implemented over short, medium or long-term time horizons depending on the complexity and nature of the project.

To date, there have been no material impacts from physical climate risk events. At this time, neither BNY or the EB have developed or disclosed a climate change mitigation and adaption action plan because neither BNY or the EB have developed a formal climate change mitigation and adaptation action plan, 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 allocations to the EB to implement climate change mitigation and adaptation efforts.

Noted above, resources are not allocated to a formal climate change mitigation and adaptation action plan. Any resources allocated (Capex/Opex) 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.

BNY does not make separate CapEx or OpEx allocations to the EB to implement climate change mitigation and adaptation efforts. Nor does BNY plan separate CapEx or OpEx allocations to the EB to implement climate change mitigation and adaptation efforts.

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.

1,663 staff members have completed a total of 28,447 hours of both mandatory and elective training, equating to an average of 17 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 programs that facilitate learning and development are delivered via multiple learning methods, including classroom-based workshops. Training resources to build awareness and a culture of belonging 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.
- Additional learning and programming are planned to support the business's transformation to a platform operating model and focus on future skills like AI and e-learning in order to address the needs of an increasingly global workforce.

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 Program in October 2024. The program is scheduled to conclude in July 2025. BNY also participates in the global 30% Club Mission Gender Equity Cross Company Mentoring Program.
- Additional programs to support the retention and development of employees include BNY's 6-month-long global cross-E/BRG Mentoring Program and global Reverse Mentoring Program, which will occur from March to September 2025. The global cross E/BRG Mentoring program is open to all permanent employees. The global Reverse Mentoring program 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 statement.

All the programs referenced above are underway. Monthly calls are held to gather feedback from participants in the International Sponsorship Program. Feedback forms will be used to gather feedback for the E/BRG Mentoring and Reverse Mentoring Programs which are provided to program 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 Office of Belonging 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 BNY's overarching targets and contribute 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.¹⁵

For every metric disclosed, please refer to the 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 support local efforts that contribute to the achievement of the target if they are in scope of the target boundary. BNY's legal entities, including the EB, are expected to adopt the group-level approach and will adopt outcome-oriented targets when required to do so

¹⁵ [EFRAG Implementation Guidance 3 — List of ESRS Data Points](#)

under applicable regulation in the jurisdictions in which they operate. Due to this approach, there is no specific timeframe or plan to set entity-level targets for the EB ahead of becoming subject to a legal obligation to set such targets.

Targets intended to support achievement of strategic objectives are identified by the BNY Sustainability Office 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 objectives.

Description of defined level of ambition to be achieved and of any qualitative or quantitative indicators used to evaluate progress:

The EB is a contributor to BNY's global climate strategy. BNY's strategy includes the following emissions reduction targets:

1. Reduce Scope 1 and 2 emissions by 50.4% by 2030 from a 2018 baseline, in line with a 1.5oC trajectory by 2030, and
2. Reduce Scope 3, Category 15 emissions (i.e., Oil and Gas, Power sectors) by 2030 in line with a 1.5oC trajectory by 2030.

The EB is a contributor to BNY's global climate strategy. EB's operations are in scope of the group's Scope 1 and 2 emissions reduction target, but EB's business activities are not currently in scope of the Group's Scope 3, Category 15 emissions reduction targets.

BNY's Scope 1 and 2 reduction target does not correspond to a formal corporate policy. However, as stated previously, the Group does maintain a global climate strategy to which the EB and BNY's other legal entities are expected to adopt and contribute. 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 & 2 emissions.

Regarding monitoring, escalation and corrective action, BNY will measure global consolidated Scope 1 and 2 emissions and calculate EB's allocation on a quarterly basis. EB's allocated Scope 1 and 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 will be 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 EB is not a "Listed Company," but to stay in line with recommendations from Directive (EU) 2022/2381 of the European Parliament and of the Council of 23 November 2022 on improving the gender balance among directors of listed companies, the Board will aspire to have 40% women among their non-executive directors or 33% women among all directors (non-executive and executive) by 30/06/2026.

The Board Inclusion Policy sets out the approach to promoting inclusion 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 contributes to achieving this aim. As of December 31, 2023, 33% of EMEA senior management were women and we met our objective ahead of time. 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 submits an annual update and publishes status on BNY.com

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 Group 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. The DMA identified climate change adaptation as a material risk, specifically concerning potential noncompliance 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 holistic business model risk analysis that considers the potential impacts of changes in the markets in which the EB operates across a variety of dimensions.

Physical and transitional risks impacting own operations and those of its vendors are considered as part of both:

- The development of idiosyncratic scenarios, which capture potential impacts of physical risk on operational resilience, and
- Consideration as part of the business model risk analysis of reputational impacts of failures in operational resilience driven by both physical and transitional risks that may impact financial resilience.

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 to climate-related physical events. Transitional risks are not identified as being a material driver of risks to own operations or to its value chain.

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

Resilience Analysis Methodology

Transition to a lower carbon economy assessments take place through the annual stress testing exercise used as part of the EB's Pillar 2 exercise. A climate risk-related stress, based on NGFS transition scenarios, is performed alongside other severe but plausible macroeconomic stress test exercises.

The EB does not overlay any assumptions or modifications to these scenarios and has identified no material impact through the modelling of these scenarios on its existing business model or financial viability.

The potential combination of building heating system electrification and utility grid adoption of renewable generation should support reduced future operational emissions. Potential growth in data processing demands can be offset with further development of on-site renewable generation and off-site renewable electricity procurement.

Noted previously, the EB conducted climate change stress tests in Q1 2024 based on the NGFS (Phase III) as enriched by Moody's. The time horizon of the shocks is 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).

For consistency reasons, all scenario shocks are applied on the financial plan starting from January 2024. Stressed impacts are observed as from Q1 2024, with continued effects over the next years. Some recovery is acted in some of the items which are dependent on macroeconomic variables.

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

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, based on the macroeconomic impacts of climate change (such as those generated by NGFS) or specific, idiosyncratic events (such as driven by both physical or transitional events) both show 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.

On a biannual basis, the last iteration being 2023, the EB ran a "business model risk" analysis. This analysis considers potential risks generated through climate change physical and transitional as may relate to 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 outcomes of the business model risk analysis 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 climate-related service offerings. Other events that may generate risk remain assessed as low materiality.

Based on the results of our climate scenario 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 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 assets, which the EB is required to maintain, with limited ability to control for associated emissions. Per the Taxonomy regulation, these exposures are excluded from our KPIs (please refer to EU taxonomy section).

Given these considerations, Scope 3 categories 1-14 did not result in any impact or financially material topics for the EB. Accordingly, our focus remains on managing our direct environmental footprint (Scopes 1 and 2) where we can have a significant impact.

The results of our 2024 DMA indicate that the following environmental impacts are material to the EB:

1. Scope 1 & 2 GHG Emissions — impact: GHG from the use of energy contribute to climate change, causing severe weather events (environmental impact) and contribute to reduced air quality, rising temperatures and severe weather events (social impact).
2. Energy Consumption — impact: the consumption and extraction of non-renewable energy lead to GHG emissions, which cause rising temperatures and impact global ecosystems (environmental impact), deplete natural resources, affecting their availability for future generations (social impact).

These material environmental impacts identified by the DMA, as well as other climate-related matters, are addressed by BNY's global climate strategy. As it relates to Scope 1 & 2 GHG Emissions and Energy Consumption impacts, Pillar #4 of BNY's global climate strategy (Sustainable Operations) includes two relevant focus areas. These are Green Buildings and Renewable Energy.

As part of the 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, BNY currently measures and reports on our operational emissions, including our global consolidated Scope 1 and Scope 2 emissions. BNY's operational emissions are primarily driven by the power, heating and cooling needs of our buildings and data centres. Scope 1 emissions include those primarily generated from the combustion of fuels in equipment that is 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 energy consumed on-site. Scope 2 electricity emissions represent the largest share of our operational emissions.

We have set targets to reduce our operational emissions, focusing on our Scope 1 and Scope 2 (location-based) emissions. Specifically, at the group level, we have been working to reduce our global consolidated Scope 1 and Scope 2 (location-based) GHG emissions by 20% by 2025 relative to a 2018 baseline, in line with the Paris Agreement and consistent with a maximum global average temperature rise of 2°C. By 2020, we achieved greater than a 20% reduction in our Scope 1 and Scope 2 (location-based) GHG emissions and have maintained or exceeded our reduction target in every year since, with a cumulative reduction of 34% as of year-end 2024. During 2023, we conducted additional analysis at the group level and identified a more ambitious target consistent with a maximum global average temperature rise of 1.5°C. Based on that analysis, we have set a new 2030 target to reduce our global consolidated Scope 1 and Scope 2 (location-based) GHG emissions by 50.4% relative to a 2018 base year.

Broader reductions in our Scope 1 and 2 GHG emissions are generally the result of operational energy-efficiency projects, changes in our real estate footprint and changes in

electricity grid emissions intensity. Energy-related upgrades, such as investments in real-time energy meters and software, building controls, high-efficiency heating and air conditioning systems and planned solar PV installations, have and will continue to further reduce our emissions. As a critical component of our emissions reduction strategy, we also work to reduce data centre-related energy use. In our daily management of the enterprise data centres, the power usage effectiveness is monitored to assess facility efficiency.

As part of the Renewable Energy focus area, we work to develop renewable energy solutions on-site and procure energy from renewable and non-emitting sources off-site to meet the remainder of our energy needs. In 2024, 100% of the electricity used to power our global locations, including our data centres, was backed by renewable sources. This was largely achieved through the use of RECs, which are widely accepted, market-based legal instruments that convey the environmental attributes of renewable energy generation and use.

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

Assessment of risk considers both physical and transitional risk transmission channels across differing time horizons, as described within the risk section herein. The quarterly climate and environmental risk report articulates climate and environmental-related sources that may impact the financial and non-financial risk profile. Based on the reported risk profile, management has assessed all potential transmission channels, including transitional and physical risk sources, for materiality. The outputs of the process are utilised as inputs for subsequent processes, including but not limited to Risk Identification and Assessment processes, ICAAP, Management Information Reporting, KRI development, Risk Appetite and Scenario Analysis.

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 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 (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.

- Business model risk bespoke scenarios are used bi-annually 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 consist solely of 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 approach and therefore do not have separate corporate policies for climate change mitigation.

However, the Group 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 targets and investing in energy efficiency projects to reduce the company's global consolidated Scope 1 and 2 emissions. BNY set a 2030 target to reduce the company's global consolidated Scope 1 and Scope 2 (location-based) GHG emissions by 50.4% relative to a 2018 base year and consistent with a 1.5°C pathway.

To mitigate global consolidated Scope 1 and 2 emissions, BNY is working to increase the energy efficiency of its buildings, procure 100% of electricity from renewable sources, invest in on-site renewable power generation, and offset any residual emissions from operations that cannot be otherwise abated through the company's emissions reduction initiatives. BNY also intends to maintain carbon neutrality annually through 2025 for the company's Scope 1, Scope 2 (including our data centres) and Scope 3, Category 6 (business travel) emissions through a combination of real emissions reductions and the use of RECs and carbon offsets.

As a subsidiary of BNY, the EB contributes to BNY's climate and emissions reduction strategy. The EB reflects a component of BNY's Scope 1 and Scope 2 emissions footprint and 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, barring unanticipated changes to the business footprint or energy markets more broadly. Additionally, the EB also provides input into BNY's broader decarbonisation efforts including factors such as: investments in site location strategy, office renovations, data centre and HVAC systems, and employee-led energy efficiency initiatives.

BNY's global climate strategy supports climate change mitigation efforts across the company. The EB is fully subject to group policy and has adopted and implemented all policies cascaded by the group.

ESRS E1-2-25 (a)

Policies for Climate Change Adaptation

BNY maintains a global climate strategy that the EB and BNY's other legal entities are expected to adopt and contribute to. However, BNY does not maintain a formal corporate policy for climate change adaptation. The 'Climate Risk Management' pillar of BNY's global climate strategy focuses on 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 mitigating potential physical climate risk impacts.

Climate risk considerations are incorporated into BNY's risk policy framework across all risk types and 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, environmental and other social and governance risks as potential risk drivers impacting financial risks (such as Credit, Market and Liquidity Risks), non-financial risks (such as Operational and Strategic Risks) and interconnected risks like Reputational Risk. BNY's climate risk driver assessment incorporates risks arising from physical risk and transition risk.

BNY also incorporates climate risk management strategies into its operational controls and works to adapt to potential physical climate risks by taking steps that aim to maintain business continuity, such as:

- Exercising geographically distributed workforce balancing strategies, in the event of wide-area disruptions;
- Geographically diversifying our physical locations, including office facilities and data centres, to minimise concentrated exposure and proximity to climate-related risks and other physical risks;
- Incorporating backup systems in technology and data centres;
- Hardening our physical locations to better endure physical damage caused by natural disasters and extreme weather events through flood planning and in some instances, hydro barrier installation, the elevation and relocation of electrical systems, the installation of additional pumping equipment and the installation of backup power generation; and
- Maintaining appropriate engagement with government agencies in jurisdictions where we have a physical presence to facilitate timely exchange of relevant notifications and other emergency management information.

The EB adopts BNY's approach to climate change adaptation through the local implementation of BNY's risk management approach and operational controls. The EB's approach is premised on considering, and where appropriate adopting, the following measures:

- Enhanced due diligence and governance: the EB monitors existing exposure to sectors and geographies that may present higher risk of climate change and environmental-related impacts, particularly in the long-term.
- Clients and Products: BNY has implemented enhanced due diligence of reputational risks for new and existing prioritised clients which is escalated for further review where relevant.
- Materiality Assessment: complements the existing risk identification processes and enable the business to effectively incorporate any elevated impact from climate and other ESG-related risks and opportunities. The assessment process is supported by policy, governance and the three lines of defence structure and include a focus on adherence to increased regulatory requirements.
- Climate and Environmental Risk Monitoring Framework: regular process to identify and monitor potentially material impacts of C&E risks on the EB's overall risk profile. Metrics that are used to measure and monitor impacts across different risk types include: i) exposures to sectors and geographies identified as presenting potential higher vulnerability to climate change and environmental sustainability impacts; ii) revenue concentrations of clients in highly/moderately vulnerable sectors; and iii) operational risk events or contingency.

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.

Broader reductions in BNY's global consolidated Scope 1 and Scope 2 GHG emissions are generally the result of operational energy-efficiency projects, changes to the company's corporate real estate footprint and changes in local electricity grid emissions intensity. Energy-related upgrades, such as investments in real-time energy meters and software, building controls, high-efficiency heating and air conditioning systems, and planned solar PV installations, have and will continue to further reduce BNY's global consolidated Scope 1 and Scope 2 emissions.

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 Group approach to energy efficiency and supporting initiatives.

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

Actions

Decarbonisation lever type

We are leveraging several decarbonisation levers to achieve sustained progress against our new 2030 Scope 1 and Scope 2 (location-based) GHG reduction target. Specifically, we are working to increase the energy efficiency of our buildings and investing in on-site renewable power generation. Noted previously, broader reductions in our Scope 1 and 2 (location-based) GHG emissions are generally the result of operational energy-efficiency projects, changes in our real estate footprint and data centre usage, and changes in electricity grid emissions intensity. Energy-related upgrades, such as investments in real-time energy meters and software, building controls, high-efficiency heating and air conditioning systems, and planned solar PV installations, have and will continue to further reduce our emissions.

ESRS E1-3-29-(a)

Allocation of Resources

EB is a contributor to BNY's climate and emissions reduction strategy. Regarding the decarbonisation levers for BNY's 2030 Scope 1 and Scope 2 (location-based) GHG emissions reduction target, operational energy-efficiency projects require the allocation of resources. Changes to the global real estate footprint and data centre usage may also require the allocation of resources. BNY otherwise only passively benefits at no cost from improvements in the emissions intensity of local electricity grids.

BNY's capital planning process includes allocations for sustainability and energy saving initiatives. There is an opportunity for BNY to further its efforts toward energy and GHG reduction goals and to take a more forward-leaning stance in modelling the future impact of energy use in light of altered physical and regulatory conditions. More efficient equipment such as high efficiency chillers, boilers and heat recovery ventilation will improve energy performance, and, amidst rising temperatures, can also support physical operational reliability. BNY discusses and manages these and other operational efficiency strategies internally through regularly scheduled bi-weekly meetings with key staff of Corporate Real Estate, Operational Sustainability and Finance.

ESRS E1-3-AR 21

Metrics and Targets

Energy Consumption and Mix for the EB

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

	N
Scope 1 GHG Emissions	
Gross Scope 1 GHG emissions (tCO ₂ eq)	29
Percentage of Scope 1 GHG emissions from regulated emission trading schemes (%)	0 %
Scope 2 GHG Emissions	
Gross location-based Scope 2 GHG emissions (tCO ₂ eq)	3,268
Gross market-based Scope 2 GHG emissions (tCO ₂ eq)	22
Total GHG emissions	
Total GHG emissions (location based) (tCO ₂ eq)	3,297
Total GHG emissions (market based) (tCO ₂ eq)	51

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

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

Gross Scope 1 & 2 GHG Emissions	Amount (tCO ₂ eq)
Consolidated Accounting Group	0
Other Investees	0

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

GHG Intensity per net revenue for the EB

GHG intensity per net revenue	N
Total GHG emissions (location-based) per net revenue (tCO ₂ eq/EUR)	0.00000347
Total GHG emissions (market-based) per net revenue (tCO ₂ eq/EUR)	0.00000005

ESRS E1-6-53

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 E1-6-55

GHG Emissions by Source Type for the EB

GHG emissions by Source Type	tCO ₂ eq
Scope 1	29
Stationary Combustion (Fuel Oil)	24
Fugitive Emissions (Refrigerants)	5
Scope 2 (Location-Based)	3,268
Purchased Electricity	3,246
Purchased Steam	22
Scope 2 (Market-Based)	22
Purchased Electricity	
Purchased Steam	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 occur 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)

Biogenic emissions of CO₂ from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions: 0 tCO₂eq

ESRS E1-6-AR 43-(c)

Percentage of contractual instruments, Scope 2 GHG emissions: 99%

Disclosure of Types of Contractual Instruments — Scope 2 GHG emissions

The percentage of unbundled contractual instruments reflects electricity consumption in 2024 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 2024 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 two leased locations occupied by the EB that hold a direct contract with the utility company which states electricity is sourced from renewables.

Percentage of contractual instruments used for sale and purchase of energy bundled with attributes about energy generation in relation to Scope 2 GHG emissions: 3%

Percentage of contractual instruments used for sale and purchase of unbundled energy attribute claims in relation to Scope 2 GHG emissions: 96%

Unbundled energy attribute claims reflect 2024 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 2024 electricity consumption from two leased locations occupied by the EB that hold a direct contract with the utility company which states electricity is sourced from renewables.

ESRS E1-6-AR 45-(d)

Biogenic emissions of CO₂ from combustion or bio-degradation of biomass not included in Scope 2 GHG emissions: 0 tCO₂eq

ESRS E1-6-AR 45-(e)

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 2024, BNY at the group-level purchased carbon credits from multiple projects. To allocate carbon credits to the EB, BNY calculates the proportional share that each project contributes to the group-level carbon credit portfolio and allocates that proportional share of carbon credits from each relative project based on the Scope 1 and Scope 2 (market-based) GHG emissions reported in the EB's GHG emissions inventory. For

reporting year 2024, 51 tCO₂eq in carbon credits were purchased and allocated to the EB. Carbon credits applied to 2024 GHG emissions were purchased in February 2025. All credits will be fully retired by 30 June 2025 for 2024 GHG emissions.

ESRS E1-7-56-(b)

Removals and Carbon Credits

Total GHG removals and storage: 0

GHG removal activity	N
Total GHG removals from own operations	0
Reversals (tCO ₂ eq)	0

ESRS E1-7-58-(a)

E1-7-AR 58-(f)

E1-7-AR 60

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.

ESRS E1-7-58-(b)

Total amount of carbon credits outside value chain that are verified against recognised quality standards: 51 tCO₂eq

Total amount of carbon credits outside value chain planned to be cancelled in future: 51 tCO₂eq

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)

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.

Reversals: 0 tCO₂eq

ESRS E1-7-AR 60

ESRS E1-7-AR 58-(f)

Disclosure of Carbon Credits Use

The extent of BNY's use of carbon credits is equal to the total number of carbon credits that are retired for the reporting year. For the EB, a total of 51 tCO₂eq in carbon credits will be retired for reporting year 2024. Carbon credits applied to 2024 GHG emissions were

purchased in February 2025. All credits will be fully retired by 30 June 2025 for 2024 GHG emissions.

For reporting year 2024, BNY at the group-level purchased carbon credits from multiple projects. To allocate carbon credits to the EB, BNY calculates the proportional share that each project contributes to the group-level carbon credit portfolio and allocates that proportional share of carbon credits from each relative project based on the Scope 1 and Scope 2 (market-based) GHG emissions reported in the European Bank's GHG emissions inventory.

All carbon projects from the seller are from quality standards that are ICROA approved. Projects then go through further 10 step due diligence across parameters like technical carbon assessment, social impact assessment, KYC checks, etc. so that the project is high quality. Only projects that pass the sellers' due diligence are then made available to companies for purchase of credits.

ESRS E1-7-AR 61

Share of Reduction and Removal Projects

Percentage of reduction projects: 80%

Percentage of removal projects: 20%

ESRS E1-7-AR 62-(a)

Nature of Carbon Credits from Removal Projects

Carbon credits from the removal project are from a biogenic sink.

ESRS E1-7-AR 62-(b)

Share for Each Recognised Quality Standard

Percentage for recognised quality standard: 100%

ESRS E1-7-AR 62-(c)

Share Issued from Projects in the EU

Percentage issued from projects in European Union: —%

ESRS E1-7-AR 62-(d)

Corresponding Adjustment Qualification

Percentage that qualifies as corresponding adjustment: —%

ESRS E1-7-AR 62-(e)

Carbon Credits Outside the Value Chain

Carbon credits applied to 2024 GHG emissions were purchased in February 2025. All credits will be fully retired by 30 June 2025 for 2024 GHG emissions.

Carbon credits to be cancelled for the reporting year	N
Total (tCO ₂ eq)	51
Share from removal projects (%)	20 %
Share from reduction projects (%)	80 %
Recognised quality standard: VCS (%)	50 %
Recognised quality standard: Gold Standard-VER (%)	25 %
Recognised quality standard: ACR (%)	25 %
Share from projects within the EU (%)	— %
Share of carbon credits that qualify as corresponding adjustments (%)	— %

Carbon credits planned to be cancelled in the future	Amount until June 30th 2025
Total (tCO ₂ eq)	51

ESRS E1-7-59-(a)

ESRS E1-7-59-(b)

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

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 2024.

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 2024. 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.

For the EB emissions inventory, BNY applies the following standards, protocols, and methodologies to collect activity data and calculate emissions: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition); The Greenhouse Gas Protocol: Scope 2 Guidance; IEA Emission Factors Package 2024, IPCC AR6; Local steam factors sourced from District de Luxembourg, Lower Silesian Voivodeship; 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

BNY procures enough renewable energy credits ("RECs"), renewable energy guarantees of origin ("REGOs") and international RECs ("I-RECs") to cover its entire Scope 2 electricity use. BNY uses these RECs, REGOs and I-RECs to calculate its Scope 2 market-based figure. Market-based figure = electricity not covered by RECs + location-based steam emissions.

Steam is assumed to come exclusively from fossil fuel sources.

Electricity grid mixes that provide energy to buildings occupied by the EB, when not provided by the utility or data is not accessible from the landlord, are assumed to be the same electricity grid mix as the country the building is located. International Energy Agency ("IEA") reported electricity grid mixes (2024) for these countries are used. "Other sources" noted in the IEA grid mixes are assumed to be non-renewable.

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.

BNY does not participate in regulated emission trading schemes, therefore EB does not participate in regulated emission trading schemes.

ESRS E1-6-AR 39-(b)

EU Taxonomy

Article 8 EU Taxonomy Regulation

The EU Taxonomy Regulation 2020/852 (the “Taxonomy Regulation”), as supplemented by the Commission Delegated Regulations,¹⁶ provides a classification system that defines criteria for economic activities that are aligned with climate change mitigation (CCM), climate adaptation (CCA) and the other four environmental objectives (sustainable use and protection of water and marine resources, transition to a circular economy, pollution prevention and control, protection and restoration of biodiversity and ecosystems).

The EB disclosure pursuant to Annex VI and Annex XII, of the Disclosures Delegated Act, is available on EU Taxonomy Templates appendix, from page 133.

Scope of Consolidation

The scope of consolidation follows the scope of the Financial Statement (EB including its branches — for additional details please refer to Section 1.2 of the annual accounts).

Activities of the EB

Custody is the primary service provided by the EB. It provides custodial services for clients including services selected and utilised by owners of securities (or their advisors). The EB's client base consists of international institutional clients investing in or issuing financial assets. The main client segments are pension funds, insurance companies, financial institutions, asset managers, as well as central banks, governments, and supranational entities. 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 profile for the purposes of these rules and the Green Asset Ratio “GAR;” which is focused largely on long term balance sheet exposures such as loans, advances and debt securities 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.

Given EB's business model and the nature of its counterparties (other financial institutions, and sovereign, central bank and supranational entities that are not taxonomy-eligible/aligned under the current rules), the majority of EB's counterparties in accordance with EU regulatory guidance, are not taxonomy-eligible and/or taxonomy-aligned.

Business strategy and engagement with counterparties

At the European Bank, we acknowledge the importance of transitioning to a low-carbon economy and recognize that climate-related, environmental, and social governance risks can have an impact on both financial and non-financial risks. Our sustainability strategy is designed to identify, manage, and mitigate these risks across our operations.

¹⁶ Regarding the six EU environmental objectives: 2021/2139 relating to climate change mitigation (“CCM”) and climate change adaptation (“CCA”) (as amended); and 2023/2486 relating to sustainable use and protection of water and marine resources, to the transition to a circular economy, to pollution prevention and control, or to the protection and restoration of biodiversity and ecosystems, each providing a classification system that defines criteria for economic activities that are aligned with the particular environmental objective; and 2021/2178 relating to the content and presentation of required disclosure pursuant to Article 8 Taxonomy Regulation (the “Disclosures Delegated Act”).

As a custodian bank, our primary service is facilitating clients' financial activities versus providing direct funding. Consequently, our product offering is less relevant for financial products that meet EU Taxonomy eligibility/alignment criteria.

Our business model sets us apart from other more traditional banks, particularly in terms of the EU's GAR requirements, which focus on long-term balance sheet exposures. Our application of the EU Taxonomy is limited on reporting our turnover and capital expenditures that align with environmental objectives, as outlined in Article 8 and the delegated acts.

In determining taxonomy eligibility and alignment, we leverage KPIs from our counterparties and internal financial data to calculate our own metrics. In engaging with counterparties, our primary source for taxonomy data is a third-party data provider¹⁷ – as described below. For counterparties not covered by this provider, we gather additional information from their publicly available resources, such as websites, annual reports, or sustainability reports.

We continue to closely monitor the evolving regulatory environment and industry best practices, to remain well-positioned to integrate EU taxonomy requirements into our business operations, risk assessment, and product development as needed.

Taxonomy Eligibility

The EB is reporting on taxonomy-eligibility for the six environmental objectives detailed above. However, EB's assessment of taxonomy eligibility reporting is constrained by limitations on data from EB's counterparties who have either not reported on all six environmental objectives or not yet published taxonomy data for 2024; consequently, the taxonomy reporting of eligibility and alignment is based on published data from 2023.

Where data on eligibility was not publicly available, we have treated exposures as non-taxonomy eligible.

Taxonomy Alignment

EB is disclosing the relevant KPIs in relation to taxonomy-alignment to the two climate environmental objectives (CCM and CCA listed above) in accordance with the Taxonomy Regulation and the Disclosure Delegated Act.

In relation to taxonomy alignment, the main KPI for credit institutions is the GAR, which shows the proportion of exposures to taxonomy-aligned activities compared to the total GAR covered assets.

The Disclosures Delegated Act requires the EB to use the KPIs disclosed by its counterparties, which are also reporting under the Disclosures Delegated Act, to calculate its own GAR. As of 31 December 2024, the total GAR based on turnover was 0.29% of total covered assets, while the GAR based on CAPEX was 0.31%. In 2023, the EB reported a GAR of 0% for both turnover and CAPEX. This was due to limited data from financial counterparties, many of whom had not reported publicly under the Taxonomy Regulation or had not provided all necessary data points due to the phased implementation of the rules.

Where data on eligibility and/or alignment was not publicly available, we have treated exposures as non-taxonomy eligible and/or aligned.

¹⁷ MSCI is used as the third-party provider to support the assessment of taxonomy eligibility and alignment.

Taxonomy Eligible and Non-eligible Activities

Disclosure proportion	€ M	% coverage (over total assets)
Total assets	43,981	100%
Loans and advances, debt securities and equity instruments not HfT, eligible for GAR calculation	3,658	8.32%
• Of which financial undertakings	3,646	8.29%
• Of which non-financial undertakings	12	0.03%
Assets excluded from the numerator for GAR calculation (covered in the denominator)	18,104	41.2%
Assets not covered for GAR calculation	22,220	50.52%
• Of which central governments and supranational issuers	9,571	21.76%
• Of which central banks' exposure	11,884	27.02%
• Of which trading book	765	1.74%

The total GAR-covered assets reported for 2024 amount to 21.8 billion Euros, representing a 77% increase compared to previous year. This growth is primarily driven by an increase in the assets excluded from the Numerator — covered in the denominator — which is mainly attributable to growth of EB's Investment Securities Portfolio.

The size of assets evaluated for potential taxonomy eligibility in the portfolio of the EB is limited (8.32% of total assets).

As noted above, this is reflective of the nature of the business model of the bank that is not oriented towards providing long-term funding to non-financial corporates. The counterparties whose exposures have been assessed for taxonomy eligibility and alignment are almost entirely financial institutions and are in the form of debt securities, mainly held as part of the liquid asset buffer.

Disclosure of GAR Covered Assets, as Reported in Template 1

Disclosure proportion of GAR Numerator	€ M	% coverage (over total assets)
Taxonomy-eligible exposures (loans and advances, debt securities and equity instruments not HfT, eligible for GAR calculation)	713	1.6%
Taxonomy-aligned exposures (loans and advances, debt securities and equity instruments not HfT, eligible for GAR calculation)	62	0.14%

Only a limited proportion of the EB's total assets are taxonomy aligned (0.14% of total assets). As noted above, this is firstly because the EB has large exposures to central banks, central governments, and supranational issuers, which must be excluded from the numerator and denominator of KPIs of credit institutions, as per the Taxonomy Regulation, and secondly because limited data is available in relation to financial institution counterparties.

Covered Assets - Template 1	€ M	% coverage (over total assets)
Total GAR assets	21,762	49.5%
Numerator	3,658	8.3%
Excluded from Numerator	18,104	41.2%
Assets not covered for GAR calculation	22,220	50.5%
Central governments and Supranational issuers	9,571	21.8%
Central Banks exposure	11,884	27%
Trading book	765	1.74%
Total assets	43,981	100

While the EB has a trading book, it consists exclusively of derivatives, which are excluded from taxonomy eligibility assessment numerator pursuant to Article 7(2) Disclosures Delegated Acts. As a result, there are no trading book instruments subject to taxonomy eligibility assessment and the “of which” ratio contains only on demand inter-bank loan exposures.

Approach to Taxonomy Calculations

Please note the following for the purpose of calculating the figures in the accompanying templates:

Local governments treated as central governments according to the EBA database

The proportion of total exposure to central governments, central banks and supranational issuers includes debt security exposures to local and state governments in the European Union. This is following Article 115(2) of the Capital Requirements Regulation that allows certain regional government and local authorities to be treated as exposures to central governments, as confirmed by the publicly available database¹⁸ maintained by the European Banking Authority. Furthermore, there are no loans to local governments, e.g., loans for public housing, on the balance sheet of the EB that would require eligibility assessment based on section 1.2.1.4 of Annex V.

From this year (FY2024) the ESA2010 counterparty classification was used to identify regional government lending.

Double Counting

Certain exposures may meet multiple criteria referred to in Article 7 (1), (2) and (3). To avoid double counting, each such exposure is classified only into one category in the sequence of the Article paragraphs (e.g., derivative exposures to central banks are always classified into central bank exposures rather than also as derivative exposures for the purposes of this report).

KPI's GAR Stock and KPI's GAR Flow

In templates 3 and 4, institutions must disclose the GAR KPIs for stock and flow of loans, based on total covered assets as reported in template 1. For calculating these KPIs flow and

¹⁸ https://www.eba.europa.eu/single-rule-book-qa/qna/view/publicId/2017_3517

stock for both turnover and CapEx, the EB used the total covered assets reported in template 1, as the denominator.

Special Purpose Vehicles ("SPVs")

SPV assets are mainly linked to securitizations, which in the EB as an investor does not apply a look through approach. Given their immateriality (ca 0.3% of our total exposure), they are considered as not-taxonomy eligible/taxonomy aligned. This approach is reviewed on an annual basis so it remains fit for purpose.

Financial Guarantee and AUM KPI's

With respect to template 5, "FinGuar, AUM KPI's", the EB in its balance sheet as of December 31, 2024, does not have in-scope Financial Guarantee nor AUM. It is evidenced in the CRD V, Finrep- F09.01_1 for Fin guarantees given and F22.02 for AUM, submission as well.

Using Parent data in taxonomy alignment reporting

Pursuant to Article 7(3) Disclosures Delegated Act exposures to counterparties not required to report under the EU Taxonomy Regulation are to be excluded from the KPI's numerator. However in line with the Q13 of Q&A published by the EU Commission in November 2024¹⁹, where available and, as applicable we have used their parent company's KPI's to report on eligibility or alignment.²⁰

Taxonomy metrics

Total GAR is the Taxonomy-aligned activities as a proportion of total covered assets. Total covered assets are the gross carrying amount of total assets excluding exposures towards central governments, central banks, supranational issuers and the trading portfolio. Total assets are the EB balance sheet.

Nuclear and Fossil Gas Reporting

We have completed Annex XII (exposure to nuclear and fossil gas-related activities) as per the amended Disclosures Delegated Act in 2022. This amendment requires financial undertakings to disclose taxonomy-eligibility and non-eligibility of nuclear and fossil gas-related activities in templates 1, 4, and 5 of Annex XII, and the ratios of taxonomy-alignment of nuclear energy and fossil gas-related activities in templates 2 and 3 of Annex XII.

In line with Q&A published by the EU Commission in November 2024²¹ (Q28) — the EB is only reporting on template 1 (EU Taxonomy Templates appendix), as we have no direct exposure to nuclear and fossil gas-related activities.

¹⁹ https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ%3AC_202406691

²⁰ For context the taxonomy-eligibility and taxonomy-alignment data, was sourced from MSCI actual data universe. If the counterparty was not covered in the data universe from MSCI, we have sourced data from the website of the counterparty, annual report or sustainability report. Information on NFRD eligibility/Parent Company is sourced from MSCI according to information shared by the Centre for European Political Studies (CEPS).

²¹ https://eur-lex.europa.eu/legal-content/EN/TXT/PDF/?uri=OJ%3AC_202406691

Own Workforce

Strategy

Material IROs and their Interaction with Strategy and Business model

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

As stated herein, social 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 social risk drivers are not captured in BAU practices, then additional considerations have been built into existing processes.

Types of Employees Subject to Material Impacts

The EB workplace includes contractors, consultants, and part time and full-time employees. BNY maintains and publishes internal workforce representation data, conducts analyses and facilitates workforce planning activities.

The EB is an employer to 1,663 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.

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

To support a culture of belonging, 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 training programs we aim to create awareness of how to broaden perspectives and cultivate a sense of belonging. All employees have a Power Our Culture goal in their performance management plan, with an expectation we each contribute to a workplace where everyone thrives. Our 6 E/BRGs are valuable culture carriers, creating opportunities for personal and professional development, skill building and a workspace where everyone thrives.

From a learning perspective, BNY consistently reviews learning and development trends, collaborating with top vendors so our offerings are competitive and meet employee and organisation needs for professional growth. Since January 2024 employees have had access to a wider range of learning resources and training programs through our new BNY Learning Experience Platform. 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. The BNY Learning Experience Platform serves as a comprehensive hub where employees can explore diverse topics, ranging from technical skills 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 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.

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

A risk identified for the EB is a high turnover level or high number of resignations, this may impact continuity of services and stability. High turnover of our talent as well as not having the right talent to deliver on our strategy is a risk that we are always actively managing because talent is a key input for success.

We would lose our competitive advantage, and our employees would not have the knowledge and skills needed to do current jobs and be ready for the future workforce. Also, we could be unable to fulfil our regulatory obligations in relation to the financial industry's risk.

Talent is everywhere. We attract the best talent from different talent pools and give them the tools to grow here. This is why BNY takes a multipronged workforce approach, leaning into early career talent recruiting, internships, training and a broad campus strategy.

We deliver programs and create policies that are designed to embed belonging in our operating and governance models and throughout the talent life cycle. Increasingly, we are shaping our culture to promote a sense of belonging and support wellbeing.

We want to Be More For our Clients, so we are proactive about connecting the dots and identifying opportunities to collaborate, share good practice and accelerate progress together.

And finally, we strive to create an environment that unleashes the potential of individuals with different backgrounds, experience, and expertise to produce better ideas and business outcomes. There are no identified risks or opportunities that are dependent 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 we work to preserve human rights throughout our company and our supply chain. Our actions are guided by our human rights statement and we apply these principles to all the entities with which we do business, including our employees, suppliers, clients, communities and other stakeholders. BNY is committed to a safe and ethical workplace as demonstrated by the Code of Conduct, Equal Employment Opportunity Statements, and other human resources policies. The human resources policies comply with local laws concerning employment and individuals' rights in every country in which we operate. 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.

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.
- We support employees' total wellbeing through inclusive programs that enable our employees to thrive.
- Our Life Balance framework supports both employee resiliency and connectedness, focusing on physical health, emotional resilience, and financial wellbeing.
- We support early identification of health risks through education and access to risk reduction tools; for example, by providing opportunities to access physical screenings and vaccinations.
- We strive to create an environment of respect for all individuals. Engaged, healthy employees are critical to our success; we support employee's total wellbeing through inclusive programs 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 our 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.

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," "Harassment-free Environment" and "Manager's Responsibilities."

The EB operates in several countries, some of which have specific policies in place to provide support to employees that may be considered vulnerable.

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

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. 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.

ESRS S1-1-24-(d)

Processes

Engaging with Own Workforce

Depending on the relevant EB location, the employees 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. 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 every week/4 weeks/6 weeks. The meeting frequency is driven by location and is based on the agreement with the employee representation body. Meetings are held at branch level. The meetings are based on the right to information, participation or consultation, depending on the subject. 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 management and the elected employee representatives is recorded in minutes and 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.

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 advocates and change agents, employees speak up 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 cleanups 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.

ESRS S1-2-27

Effectiveness of Engagement with Own workforce

At the group level, BNY performs an employee engagement survey on a quarterly basis. 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 program.

ESRS S1-2-28

Actions

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 provider is a free benefit, offering easy access to convenient, personalised mental health support. This program 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 programs will be measured through ongoing monitoring of employee 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 noncompliance 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 CAOs/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 the BNY 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.

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.

Programs are delivered and policies are created that are designed to embed belonging in operating and governance models and throughout the talent life cycle. 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. Belonging programs have been developed to foster a thriving working environment where everyone feels comfortable and contributes towards achieving the company's business goals. BNY has a global office of Belonging with resources, programs, tools, and initiatives designed to fuel employee engagement.

Through the learning platform, employees can access curated, self-paced courses and a library of micro-learning to support skill-building, broaden their perspectives and strengthen a culture of belonging. On a continuing basis, employees, teams, business areas, and the work and programming led by Belonging 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

As mentioned above, in order to meet regulatory expectations, BNY has an aspirational goal to improve senior women representation across EMEA. An update on status against the goal is reported via the company's website. Employees and employee representatives were not engaged in the setting of this goal. EMEA senior management, which included representation from the EB approved the goal in 2020.

In the PMP targets are agreed and set at individual level. The targets are cascaded down through the bank, and set and agreed at 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 EMEA ExCo, which includes representation of the EB and the EB's ExCo.

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

S1-6- 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)*
Male	811
Female	793
Other*	0
Not reported	59
Total Employees	1,663

*Gender as specified by Employees themselves.

Table 2: Employee Head Count in Countries with at Least 50 Employees (head count as of year-end)

Country	Number of employees (head count)*
Poland	344
Ireland	328
Luxembourg	280
Belgium	336
Germany	204
Total Employees	1,492

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

Female	Male	Other*	Not Disclosed	Total
Number of employees (head count / FTE)				
793	811	0	59	1,663
Number of permanent employees (head count / FTE)				
793	811	0	59	1,663
Number of temporary employees (head count / FTE)				
0	0	0	0	0
Number of non-guaranteed hours employees (head count / FTE)				
0	0	0	0	0

*Gender as specified by Employees themselves.

Number of employees who have left undertaking: 263

Percentage of employee turnover: 15%

ESRS S1-6-50-(c)

Description of Methodologies and Assumptions used to Compile Employee Data

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. Employees numbers are reported in Headcount. We have considered the headcount, rather than the full-time equivalent. This data is presented for the EB legal entity, for financial year 2024. Statutory accounts data has been used for cross-referencing the headcount numbers.

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

Total employees: 1,663

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

Collective Bargaining Coverage and Social Dialogue

Percentage of total employees covered by collective bargaining agreements: 35%

	Collective Bargaining Coverage		Social Dialogue
Coverage Rate	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

ESRS S1-8-60-(a)

ESRS S1-8-60-(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

Gender	Headcount of Top Management	Headcount % of Top Management
Male	88	63 %
Female	51	36 %
Other*	0	0 %
Not Disclosed	1	1 %
Total	140	100 %

*Gender as specified by Employees themselves.

ESRS S1-9-66-(a)

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.

ESRS S1-9-AR 71

Age Distribution across Our Workforce

Age Group	Percentage
Under 30 years old	15%
30-50 years old	61%
Over 50 years old	24%

ESRS S1-9-66-(b)

Adequate Wages

In relation to adequate minimum wages, article 1 of Directive (EU) 2022/2041²² 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.

²² DIRECTIVE (EU) 2022/2041 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of 19 October 2022 on adequate minimum wages in the European Union

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.²³

ESRS S1-12-79

ESRS S1-12-AR 76

Training and Skills Development

BNY has a strong training program 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.

Performance and Career Development Reviews²⁴

Performance & Development Review Complete	
Male	39 %
Female	37 %
Other	— %
Not Disclosed	3 %
Total	79 %
Performance & Development Review Incomplete	
Male	10 %
Female	11 %
Other	— %
Not Disclosed	1 %
Total	21 %

²³ 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 programs to access to resources, practices, and policies to support their wellbeing. EB also makes accommodations available during the hiring process.

²⁴ Numbers are rounded to the nearest whole number

Average Learning Hours per Employee (Mandatory and Elective Learning)

	Content Hours	Employees	Average Learning Hrs per Employee
Total Content Hours	28447	1663	17
All Learning Hours - Male	14862	811	18
All Learning Hours - Female	12836	793	16
All Learning Hours - Other	0	0	0
All Learning Hours - Not Disclosed	750	59	13

Average Learning Hours per Employee (Elective Learning)

	Content Hours	Employees	Average Learning Hrs per Employee
ELECTIVE Learning Hours - Male	7934	811	10
ELECTIVE Learning Hours - Female	6074	793	8
ELECTIVE Learning Hours - Other	0	0	0
ELECTIVE Learning Hours - Not Disclosed	258	59	4

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

Remuneration

EB's Gender Pay gap: 19%

ESRS S1-16-97-(a)

Annual total remuneration ratio: 18.06

ESRS S1-16-97-(b)

Contextual Information and Methodology

For the purpose of gender pay gap ratio, the following calculation is applied: Pick up the total annual remuneration of all EB employees during reporting year 2024. 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: Pick up the total annual remuneration of all EB employees during reporting year 2024. 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).

ESRS S1-16-97-(c)

Business Conduct

Governance

Role of the Administrative, Management and Supervisory Bodies

Please refer to Section 4.1, 4.2 & 28.1.2 of the Board of Directors Report.

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

Business Conduct Expertise

Based on the collective board skills matrix, their expertise can be summarised as below:

- Strategy: the board members collectively have a high ability to understand the business strategy, think strategically, and identify and critically assess strategic opportunities and threats to the company;
- Risk and compliance oversight: the board demonstrates a strong ability to understand the company's risk profile, identify key risks, and monitor risk and compliance management frameworks and systems;
- Financial, audit and tax: the board has significant experience in accounting and finance, with the ability to analyse financial statements and assess financial viability and performance;
- Executive/people Management: the board members have extensive experience in managing people, overseeing and evaluating the performance of senior management, and overseeing large-scale organisational change management;
- Industry experience: the board possesses substantial experience in banking, trading, financial services businesses, including Capital Markets, Mergers & Acquisitions, Asset Management, Issuer Services, Clearing & Settlements, Collateral Management, or Custody & Securities Services;
- Government/regulatory affairs: the board has a good understanding of regulatory points of focus and key competencies expected based on the collective skills matrix;
- Digitalisation and technology experience: the board members have relevant experience in digitalisation and technology, which is crucial for the company's strategic initiatives;
- Business administration: the board has a solid foundation in business administration, contributing to effective governance and operational oversight;
- Operational experience: the board members bring valuable operational experience, which helps in understanding and managing the company's day-to-day operations;
- Innovation experience: the board demonstrates a commitment to innovation, which is essential for staying competitive and driving growth;
- Client focus: the board has a strong client focus, that helps customer needs and expectations; and
- Climate Experience: the board has relevant experience in climate-related matters, which is increasingly important for sustainable business practice.

In conclusion, the board is well-equipped with the necessary expertise to effectively oversee and guide the company's business conduct matters.

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

There is a policy in place to promote guidance by 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 PMP, which leads to an end of year evaluation score. There is also information available through the company's intranet site.

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, have several mechanisms in place for identifying, reporting and investigations 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 and it 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. All concerns may also be emailed or posted to the Director's mailbox. As above there is also the Ethics mailbox which is the company's Ethics team and is not anonymous. There is an annual Personal Trading Assistant (PTA) report that each colleague must agree to or declare other interest the member of staff may have in the matter.

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 Directive (EU) 2019/1937 regarding the protection against retaliation to 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

The ESO Onboarding and ESO Ongoing monitoring team identifies, tracks and monitors third-party-related risk through the third-party due diligence process for all third-party relationships during onboarding and ongoing monitoring. In 2024 a model was put in place to include SMEs within the enterprise sustainability team into the ESO framework to perform third-party ESG risk assessments, consistent with the ECB's guide on climate-related and environmental risks.

The scope of coverage for the 2024 third-party ESG due diligence assessment included review of vendor engagements with an inherent risk rating of critical as part of our reassessment cadence. In addition to the above type of vendors, services that were being delivered in countries that were deemed high risk (high risk by country) with certain service categories for modern slavery (e.g. labour hire — contingent labour/contractors, business process outsourcing (onshore) — mail sorting, document scanning and call centres) were also included in the scope, irrespective of the inherent risk rating. For all other inherent risk ratings, while due diligence was conducted in 2024, information was collected for data collection purposes only. In 2025, ESO will use a new third-party platform to perform third-

party due diligence automatically.

Any gaps identified through the due diligence assessment reviews performed during onboarding and ongoing monitoring are recorded in BNY's Issue Management system of record. Every gap has a severity rating, reflected using a three-point scale (low, moderate, high), and are tracked through remediation. Lines of Business are, however, able accept any non-compliance identified by the assessment (e.g., the vendor is not willing to remediate). Additionally, as part of ESO's ongoing monitoring process, publicly available news alerts are set up to notify the business of any updates for the applicable vendors.

Consistent with the ECB's guide on climate-related and environmental risks, a KRI is established to report and monitor third-party ESG risk for gaps identified through our due diligence process. ESG KRI and the underlying data will also feed the external vendor ESG risk dashboard. This will also be consumed by the ERM framework including Risk governance groups for 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 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. This supplier code of conduct applies to all vendors in our supply chain globally and are expected to comply. Suppliers confirm their adherence to our policies, including our Supplier Code of Conduct, per their execution of their contract with the bank. As such, we have no specific targets in place in this area.

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, finalized 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)

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. Data privacy is the right of individuals to maintain control over how personal information is collected and who can process that personal information and for what

purposes. 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 program 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, LoB/Corporate Functions/Platforms and the Legal, Compliance and Audit functions. The data privacy program 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 that utilise 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 that which is necessary for processing purposes and not retaining it for longer than required for these purposes unless we are 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 so 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 program 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.

Relationships with vendors and AP management are outlined in the Enterprise Sourcing Accounts Payable Policy. Although the policy does not specify how BNY handles Account Payment calendars, it provides minimum guiding principles and expectations for supplier invoices and payment requests. In this respect, LoBs are responsible for verifying invoices are sent for processing in a timely manner by the supplier. BNY has an internal team responsible for prompt and accurate invoice processing and payment to prevent any late payment to suppliers.

ESRS G1-2-14

Average Time for Payment

21 Days

ESRS G1-6-33-(a)

Standard Payment Terms

Percentage of payments aligned with standard payment terms: 81%

Payment terms are based on the contract agreed upon with the vendor and the sourcing team. The payment terms could vary up to the higher side of 60 days from the date of invoice receipt.

ESRS G1-6-33-(b)

Legal Proceedings for Late Payments

Number of outstanding legal proceedings for late payments: 0

ESRS G1-6-33-(c)

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.

ESRS G1-6-33-(d)

Entity specific disclosures

Innovation and Technology

Through the EB DMA, impact 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.

Governance

BNY's Cybersecurity program is operated under the direction of the Chief Information Security Office. It is under continuous audit by internal auditors and subject to ongoing, formal challenge by the Technology Risk Management within the 2nd LoD.

Senior oversight for the program is provided by executive-level committees composed of leadership from all 3 LoDs, including the Technology Risk Committee, Technology Oversight Committee, Senior Risk and Controls Committee, and the Risk, Audit and Technology Subcommittee of the Board.

Our cybersecurity program is grounded in our Cybersecurity Services Model, which is composed of layered controls that align with internationally recognised standards, such as ISO 27001/2. The Bank of New York Mellon Corporation's Information Security Management System is ISO/IEC 27001:2013 certified. We monitor changing regulatory requirements, guidelines and technologies in all countries in which we operate, and our global program reflects industry and business best practices, including the National Institute of Standards and Technology Cybersecurity Framework. Through the adoption of globally recognised standards and guidelines, we protect our clients from cyber and fraud threats, which is a

consideration from design through development, deployment and operation of new technologies.

The growing adoption of AI and data-driven technologies is poised to transform the global financial ecosystem. They have the potential to improve decision-making, increase efficiency and enhance product and service experiences across the industry. BNY has developed and operated AI/machine learning-powered solutions at a significant scale for several years. More recently, the firm has begun leveraging large language models ("LLMs") to power generative AI solutions. At the same time, greater integration of AI also has the potential to accentuate certain risks. These include, for example, privacy intrusion; the risk of inaccurate, unfair or opaquely derived outcomes; and ineffective accountability structures. As a financial institution that greatly values innovation and trust, we believe in both the potential of data and AI to support the financial system's continued evolution and the need for guardrails to manage their responsible use.

Our approach to the responsible, ethical use of data and AI is informed by external sources, including the National Institute of Standards and Technology's AI Risk Management Framework and through our long-standing membership in the Monetary Authority of Singapore's Veritas consortium. This approach operates at the top of our wider Data Ethics framework and guides our practical actions:

- Accountability and responsibility: including operating effective governance, accountability and approval structures, taking a responsible approach across the AI life cycle, providing employee training and continuously evolving our approach to respond to the latest technological and regulatory developments;
- Transparency and Explainability: including explaining to our employees, clients and all stakeholders, in plain language, how we will use their information, operating AI systems with appropriate human oversight and making sure that decisions informed by such systems are explainable and justifiable;
- Privacy and security: including a "privacy and security by design" approach, processing personal information only where authorised to do so, upholding privacy rights, avoiding the introduction of new vulnerabilities and working to protect data against loss and unauthorised access;
- Fairness and accuracy: including the identification and mitigation of unfair biases throughout data and AI lifecycles to manage the risk of unfair outcomes, and operating models that are accurate to their intended purpose; and
- Lawful and ethical: including continuing to process data in a manner consistent with established laws, regulations and our data ethics policy, and in alignment with BNY's strategy, principles and code of conduct.

As a financial institution that greatly values innovation and trust, we believe in both the potential of data and AI to support the financial system's continued evolution and the need for guardrails to manage their responsible use. Our use of data in connection with AI is governed at the group level by applicable policies, procedures and controls. BNY employs guardrails to manage the responsible and ethical use of data and AI in accordance with our commitment that is published on our website.

Strategy

BNY's use of advanced technologies to provide services to our clients, not only enable us to meet their needs more effectively but to collectively enhance the security of financial transactions and provide protection to clients from fraud and cyber threats. Whether we are evaluating and designing services centred on artificial intelligence, digital assets, advanced encryption or other emerging technologies, BNY's approach to advanced technology

adoption bakes-in cybersecurity as a core component of our strategy.

An important component of our cybersecurity strategy is the protection of data across our operations and communications. We invest in advanced technology to protect data, including encryption techniques such as Transport Layer Security ("TLS") to protect communications between clients and internal systems. Our techniques are based on industry best practices and standards, which are incorporated into internal policies.

Transforming Business Through AI

At BNY, we are dedicated to harnessing the power of AI to drive productivity and innovation with a view toward sustainability. Our AI-powered tools and solutions are transforming how we develop and deliver products and services, helping us achieve our strategic objectives while streamlining processes and empowering our employees.

AI is revolutionising our ability to deliver value across enterprise and business-specific use cases. We actively explore innovative ways to leverage AI, aligning with our firm's strategic pillars:

- Be more for our clients: we provide our clients with solutions that help them make data-driven decisions and identify risks so they can manage them better;
- Run our company better: we introduce AI-enabled automation to streamline business processes, increase productivity and more efficiently respond to client inquiries; and
- Power our culture: with the help of AI, we empower our talent with easier access to knowledge and information (e.g., policies, procedures), free up their time for value-adding activities through enhanced productivity, and generate insights aimed at enhancing employee satisfaction.

We are also pioneering AI applications, particularly in generative AI. These efforts include:

- Drafting documents and creating content
- Streamlining question-and-answer workflows
- Automating content summarisation and classification

Enhancing Client Experience

To augment our current AI solutions, we are integrating AI into the next generation of services. This strategy focuses on personalised experiences and data-driven efficiencies to elevate client satisfaction and loyalty.

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

We recognise that deploying advanced computing infrastructure, such as data centre 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

We continue to evolve our approach in areas of focus, including cybersecurity, AI and data governance.

Our Threat Intelligence team drives our organisation to prepare for and prioritise evolving cybersecurity threats using information from our peers and the broader financial services industry, law enforcement, government and a variety of other public and private sources. We continually evaluate our enterprise for vulnerabilities and risks, and watch for advanced adversaries to increase situational and contextual awareness.

Security Monitoring global staff work shifts to provide coverage 24 hours a day, enabling the company to manage cybersecurity risks through the timely detection and escalation of data or technology incidents involving the violation of confidentiality, integrity or availability. Cybersecurity operations analysts perform "eyes on glass monitoring" of the Security Information & Event Management ("SIEM") system. They triage suspicious technology activities identified by automated alerting and escalate to various incident handling teams when activities are deemed a potential cyber threat.

Employees in our technology departments and throughout the firm play a vital role in maintaining information and systems security by identifying and mitigating risks. All employees complete information risk training upon hiring and annually and have the opportunity to participate in ongoing risk awareness campaigns. We track participation rates and survey results to evaluate effectiveness and identify areas for improvement. We conduct phishing and other social engineering tests leveraging real-world examples identified through threat intelligence. The results enable us to tailor both individual training and firmwide cybersecurity awareness campaigns. We also educate employees through our Cyber Awareness Month, held annually since 2004, which focuses on adopting secure behaviours this year. Additionally, where appropriate, role-specific training is also made available.

These measures collectively enhance the security of financial transactions, providing greater protection to clients from fraud and cyber threats.

- BNY uses advanced encryption techniques, like, TLS, to protect communications between clients and internal systems. These techniques are based on industry best practices and standards, which are incorporated into internal policies.
- BNY's Threat Intelligence team drives the organisation to prepare for and prioritise evolving cybersecurity threats using information from peers, financial services industry, law enforcement/government, and, public and private sources to help continually evaluate vulnerabilities/risks.

- BNY Security Monitoring global staff work shifts to provide coverage 24 hours a day, enabling us to manage cybersecurity risks through the timely detection and escalation of data or technology incidents involving the violation of confidentiality, integrity, or availability.
- At BNY employees play a vital role in maintaining information and systems security by identifying and mitigating risks. All employees complete information risk training upon hiring and annually and can participate in ongoing risk awareness campaigns.
- BNY aims to help clients protect themselves from fraud, including cyber fraud and other fraudulent activities, by providing guidance on guarding against phishing, personal identity theft and other threats.

As an organisation, we understand the importance of proper risk management. We strongly support using AI within a strong risk management and governance framework that maintains human involvement throughout our processes. Our goal is to promote the compliant, responsible and ethical use of AI. For instance, our choice to invest in energy-efficient infrastructure, such as the NVIDIA SuperPOD, helps us mitigate energy consumption associated with less efficient alternatives. NVIDIA GPUs power 24 of the top 30 systems on the Green500 list, delivering significantly more performance per watt. For specific workloads like AI training or inference, the overall energy consumption for completing a task is lower with GPUs than with central processing units ("CPUs"). Our Hopper H100 GPUs offer a 3x cost reduction and a 4x decrease in energy consumption compared to traditional CPUs. Training an AI model with a CPU might take 4x as much energy as training as the same model with an H100 GPU because the GPU completes the task faster and more efficiently.

Metrics and Targets

Throughout 2024, there were no high severity reported incidents resulting in material loss, operational disruption or client impact. There are no other key metrics reported for innovation and technology.

Appendix

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Disclosure of Methodologies and Significant Assumptions Behind Each Metric

ESRS Ref	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).
2-SBM-1-40-(a)-iii	Total number of employees (head count)	Headcount of the individuals who were in an employment relationship (permanent or temporary) with the EB at end of financial year 2024 was considered. This headcount is presented per contracted location.
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 Ref	Metric	Methodology and significant assumptions associated with the metric
E1-5-37	Energy consumption and mix	<ul style="list-style-type: none"> – Energy consumption reflects a location-based approach and does not include renewable contractual instruments later applied to the reported Scope 2 market-based figure. – Electricity grid mixes that provide energy to buildings occupied by the EB are assumed to be the same electricity grid mix as the country in which the building is located. 2024 electricity grid mixes reported by the International Energy Agency (IEA) for these countries are used. "Other sources" noted in the IEA grid mixes are assumed to be non-renewable. – Steam is calculated as deriving exclusively from fossil fuel sources. – 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 2024. – 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 2024. 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. Revenue used for the purpose of this allocation reflects 2024 total revenue (non-intercompany only) in USD and USGAAP. – 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 BNY's portfolio, 1.75 W/sq.ft. electricity is assumed.

ESRS Ref	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>	<ul style="list-style-type: none"> – The percentage of unbundled contractual instruments reflects electricity consumption in 2024 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 2024 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 two leased locations occupied by the EB that hold a direct contract with the utility company which states electricity is sourced from renewables.

ESRS Ref	Metric	Methodology and significant assumptions associated with the metric
E1-6-AR 45-(e)	Biogenic emissions of CO ₂ from combustion or bio-degradation of biomass not included in Scope 2 GHG emissions	<ul style="list-style-type: none"> – 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 2024. – 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 2024. 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. Revenue used for the purpose of this allocation reflects 2024 total revenue (non-intercompany only) in USD and USGAAP. – For the EB emissions inventory, BNY applies the following standards, protocols, and methodologies to collect activity data and calculate emissions: The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition); The Greenhouse Gas Protocol: Scope 2 Guidance; IEA Emission Factors Package 2024, IPCC AR6; Local steam factors sourced from District de Luxembourg, Lower Silesian Voivodeship; 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 – BNY procures enough renewable energy credits ("RECs"), renewable energy guarantees of origin ("REGOs") and international RECs ("I-RECs") to cover its entire Scope 2 electricity use. BNY uses these RECs, REGOs and I-RECs to calculate its Scope 2 market-based figure. Market-based figure = electricity not covered by RECs + location-based steam emissions.
E1-6-AR 43-(c)	Biogenic emissions of CO ₂ from the combustion or bio-degradation of biomass not included in Scope 1 GHG emissions	
E1-6-48-(a)	Gross Scope 1 greenhouse gas emissions	
E1-6-49-(a)	Gross location-based Scope 2 greenhouse gas emissions	
E1-6-49-(b)	Gross market-based Scope 2 greenhouse gas emissions	
E1-6-52-(a)	Total GHG emissions location based	
E1-6-44	Total GHG emissions market based	
E1-6-AR 41	GHG emissions by Source Type	
E1-6-48-(b)	Percentage of Scope 1 GHG emissions from regulated emission trading schemes	

ESRS Ref	Metric	Methodology and significant assumptions associated with the metric
		<ul style="list-style-type: none"> – Steam is calculated as deriving exclusively from fossil fuel sources. – Electricity grid mixes that provide energy to buildings occupied by the EB, when not provided by the utility or data is not accessible from the landlord, are assumed to be the same electricity grid mix as the country the building is located. International Energy Agency ("IEA") reported electricity grid mixes (2024) for these countries are used. "Other sources" noted in the IEA grid mixes are assumed to be non-renewable. – 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. – BNY does not participate in regulated emission trading schemes, therefore the EB does not participate in regulated emission trading schemes.
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.

ESRS Ref	Metric	Methodology and significant assumptions associated with the metric
E1-6-50	Other Investees	<p>The EB has one non-material unconsolidated subsidiary, BNY AIS Nominees Limited.</p> <p>BNY AIS Nominees Limited is not material, since it is a legal entity which is used for registration of fund of funds and / or client investments in other collective investment schemes. It facilitates BNY in registering its fund of fund client investments in this nominee name, so that only persons associated with BNY AIS Nominees Limited authorise and execute trades and money movements on behalf of clients contracting for this service.</p> <p>BNY AIS Nominees Limited does not have dedicated office space, therefore the allocation of energy consumption and emissions from real estate operations of BNY to the EB based on square footage occupied by the EB in BNY facilities is not able to be applied.</p> <p>BNY AIS Nominees Limited is not an operating legal entity under the EB and does not contribute to the revenue figure used to allocate energy consumption from BNY central data centres to the EB.</p>
E1-7-AR 62-(a)	Percentage of reduction projects	<p>BNY purchased carbon credits from multiple projects. To allocate carbon credits to the EB, BNY calculates the proportional share that each project contributes to the group-level carbon credit portfolio and allocates that proportional share of carbon credits from each relative project based on the Scope 1 and Scope 2 (market-based) GHG emissions reported in the EB's GHG emissions inventory.</p>
E1-7-AR 62-(a)	Percentage of removal projects	
E1-7-AR 62-(c)	Percentage for recognised quality standard	
E1-7-AR 62-(d)	Percentage issued from projects in European Union	
E1-7-AR 62-(e)	Percentage that qualifies as corresponding adjustment	

ESRS Ref	Metric	Methodology and significant assumptions associated with the metric
E1-7-59-(a)	Carbon credits to be cancelled for the reporting year	<p>BNY purchased carbon credits from multiple projects. To allocate carbon credits to the EB, BNY calculates the proportional share that each project contributes to the group-level carbon credit portfolio and allocates that proportional share of carbon credits from each relative project based on the Scope 1 and Scope 2 (market-based) GHG emissions reported in the EB's GHG emissions inventory.</p> <ul style="list-style-type: none"> – Carbon credit portfolio, 20% of carbon credits came from a carbon removal project. Carbon credits from this removal project are from a biogenic sink. – Carbon credit portfolio, 80% of carbon credits came from reduction/avoidance projects. – Carbon credit portfolio, BNY purchased carbon credits from the following recognised quality standards: VCS, Gold Standard-VER, ACR. – Carbon credit portfolio, BNY did not purchase carbon credits from projects located in the EU. – Carbon credit portfolio, there are no projects that have a corresponding adjustment. <p>Carbon credits applied to 2024 GHG emissions were purchased in February 2025. All credits will be fully retired by 30 June 2025 for 2024 GHG emissions.</p>
E1-7-59-(b)	Total amount of carbon credits outside value chain planned to be cancelled in future	<p>Carbon credits applied to 2024 GHG emissions were purchased in February 2025. All credits will be fully retired by 30 June 2025 for 2024 GHG emissions.</p> <p>BNY purchased carbon credits from multiple projects. To allocate carbon credits to the EB, BNY calculates the proportional share that each project contributes to the group-level carbon credit portfolio and allocates that proportional share of carbon credits from each relative project based on the Scope 1 and Scope 2 (market-based) GHG emissions reported in the EB's GHG emissions inventory.</p>
E1-7-58	Total GHG removals from own operations (tCO ₂ 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 Ref	Metric	Methodology and significant assumptions associated with the metric
E1-7-AR 60	Reversals (tCO ₂ eq)	<p>BNY purchased carbon credits from multiple projects. To allocate carbon credits to the EB, BNY calculates the proportional share that each project contributes to the group-level carbon credit portfolio and allocates that proportional share of carbon credits from each relative project based on the Scope 1 and Scope 2 (market-based) GHG emissions reported in the EB's GHG emissions inventory.</p> <p>BNY did not purchase carbon reversal credits in the 2024 carbon credit portfolio, therefore the EB is allocated 0 tCO₂eq in carbon reversals.</p>
S1-6-50-(b)	Information on employees by contract type, broken down by gender (head count as of year-end)	<p>Headcount of the individuals who are in an employment relationship (permanent, temporary and non-guaranteed) with the EB. This headcount was subsequently split per self-identified gender and contract type.</p> <p>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.</p> <p>The EB did not employ any temporary or non-guaranteed hours employees at the end of the reporting period.</p>
S1-6-50-(a)	Characteristics of undertaking's employees - number of employees by gender (headcount)	<p>Headcount of the individuals who are in an employment relationship with the EB, at end of financial year 2024 was considered. This headcount was subsequently split per self-identified gender.</p> <p>There is no inherent difference between BNY definitions and national definitions.</p>
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]	<p>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 2024, was considered, and presented per contracted location.</p> <p>The definitions of permanent and temporary, differ between countries. There is no inherent difference between BNY definitions and national definitions.</p>
S1-6-50-(c)	Number of employee who have left undertaking	Count of the number of employees which exited the EB throughout financial year 2024.
S1-6-50-(c)	Percentage of employee turnover	Count of exit employees in year 2024 divided by average headcount of last 13 months.

ESRS Ref	Metric	Methodology and significant assumptions associated with the metric
S1-8-60-(a)	Percentage of total employees covered by collective bargaining agreements	Total headcount of the EB at the end of financial year 2024 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.
S1-8-AR 70	Own workforce in region (non-EEA) covered by collective bargaining and social dialogue agreements by coverage rate and by region	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.
S1-9-66-(b)	Distribution of employees (head count) by age	Total headcount of the EB was considered. For each individual the age group (under 30 years old, 30-50 years old, over 50 years old) is defined. The split is presented in percentage.
S1-9-66-(a)	Gender distribution in percentage of employees at top management level	From the total headcount of the EB at the end of financial year 2024, we isolated those individuals that are considered top management. This headcount was subsequently split per self-identified gender and presented in absolute numbers and percentual numbers.
S1-13-83-(a)	Performance & Development Review Complete	<p>BNY's performance management process consists of three phases: (1) goal setting, (2) mid-year review, and (3) year-end review.</p> <p>We do not separate career planning from performance reviews; rather the actions occur together. During goal setting, employees work with their managers to establish development goals in addition to performance goals. At mid-year and year-end, the conversations focus on performance, development progress, and career development.</p> <p>The EB headcount details was considered, including self-identified gender. This report is run against an internal report detailing the status of the Performance & Development Review (complete or incomplete) of the employees of the EB. The numbers are presented, in percentual value, split per gender and status of the performance & development review.</p>

ESRS Ref	Metric	Methodology and significant assumptions associated with the metric
S1-13-83-(b)	Average Learning Hrs per Employee	Total headcount of the EB, split per self-identified gender, is considered. In addition, a report is run, using the parameters of the EB, to present the number of training hours (all, mandatory and elective). The average learning hours per employee is calculated by dividing the specific content hours by the specific number of employees.
S1-16-97-(a)	Gender pay gap	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. Obtained gender information for each employee. Calculated the average of the total annual remuneration for male employees. (A). Calculate the average of the total annual remuneration for female employees. (B). Apply calculation: $((A-B)/A)*100$
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 the invoices paid for the EB in financial year 2024 were considered. For each of those invoices the following was identified: received date, payment terms, payment due date and actual payment date. For each of the invoices we defined the number of available days to pay the invoice from the date when the contractual or statutory payment terms starts. The presented number is the average of all of those number of days.
G1-6-33-(b)	Percentage of payments aligned with standard payment terms	All the invoices paid for the EB in financial year 2024 were considered. For each of those invoices the following was identified: received date, payment terms, payment due date and actual payment date. For each of the invoices we defined yes/no if the actual payment date was in line with the payment terms, i.e. actually paid on or before the identified payment due date. Finally, we calculated the percentual value of the invoices for which yes was responded to the above questions, as compared to the total number of invoices.

ESRS Ref	Metric	Methodology and significant assumptions associated with the metric
G1-6-33-(c)	Number of outstanding legal proceedings for late payments	Not applicable as no legal proceeding for late payments are outstanding.

Risk Measurements for Key Risks

Risk Type	Definitions	Physical and Transition	Key Metrics
Strategic Risk	The risk arising from adverse business decisions, poor implementation of business decisions or lack of responsiveness to changes in the financial industry and operating environment. Strategic and/or business risks may also arise from the acceptance of new businesses, the introduction or modification of products, strategic finance and risk management decisions, business process changes, complex transactions, acquisitions/ divestitures/ joint ventures and major capital expenditures/ investments and deviations from revenue and/or expense targets.	Impact on operational resilience through physical events, in turn impacting ability to deliver on strategic objectives Ability to deliver on existing strategy and maintain profitability as part of climate transition. Adverse publicity from interactions with clients, activities or vendors who themselves attract negative attention Failure to keep pace with changes in client demands for products that incorporate climate-related considerations. Loss of business due to failure to meet investor and client expectations around climate risk considerations Inability to attract or retain staff, or impacts on client relationships, due to a failure to maintain a suitable climate- related strategy.	Value of revenue derived from clients in industries with high carbon-weighted intensities.

Risk Type	Definitions	Physical and Transition	Key Metrics
Market Risk	The potential loss in value for the EB financial portfolio caused by adverse movements in market prices of Foreign Exchanges, fixed-income and equity assets, credit spreads, commodities and liabilities accounted for under fair value and equivalent methods.	Losses driven by changes in market risk factors from systemic market changes in case of natural disasters or climate-related events. Losses driven by changes in market risk factors from systemic market changes in case of changes in market perception of future profitability for underlying issuers of positions held on balance sheet.	Trading book fair value and Available for Sale Investment Portfolio market stress loss based on a designated NGFS climate scenario.
Liquidity Risk	The risk that the EB cannot meet its cash and collateral obligations at a reasonable cost for both expected and unexpected cash flows, without adversely affecting daily operations or financial conditions. Liquidity risk can arise from cash flow mismatches, market constraints from the inability to convert assets to cash, the inability to raise cash in the markets, deposit run-off or contingent liquidity events.	Changes in value of corporate bonds within the portfolio of assets held by the EB to support liquidity management whose valuations may be impacted by physical risk events. Outflows of cash due to client demands following physical risk events.	Stress impact assessment on liquidity metrics based on climate scenarios in ICAAP. Scenarios have been considered in the EB's ILAAP from a liquidity perspective

Risk Type	Definitions	Physical and Transition	Key Metrics
Operational Risk	The risk of loss resulting from inadequate or failed internal processes, people and systems or from external events.	<p>Additional operational losses as a result of increased severity of physical disruption events.</p> <p>Losses due to resilience implications of physical impacts on internal, inter-affiliate or other third-party failures.</p> <p>Litigation and/or loss of business resulting from a failure to achieve stated objectives, misreporting or fiduciary requirements/expectations.</p> <p>Failure to identify, manage or understand regulatory requirements leading to non-compliance with applicable regulation.</p> <p>Losses from sudden policy or regulatory changes that impact markets.</p>	<p>Number and € value of losses associated with operational risk events recorded due to weather related causes.</p> <p>Number of incidents recorded due to weather-related causes where no loss or impact is recorded but used to provide an indication of trend in noted incidents and hence potential risk, which are reported through enterprise resiliency reporting monthly.</p> <p>Number of third parties with higher risk physical and reputation risks.</p>

Risk Type	Definitions	Physical and Transition	Key Metrics
Credit Risk	The risk of loss if any of our borrowers or other counterparties were to default on their obligations to us. Credit risk is present in the majority of our assets, but primarily concentrated in the loan and securities books, as well as foreign exchange and off-balance- sheet exposures.	Key vulnerabilities due to both physical and transitional risks may exist in relation to exposures to: Direct credit provision or the purchase of assets issued by corporates operating in industries or geographies vulnerable to structural change or physical risk events. Impacts on collateral valuations due to physical events, or changes in market demands. Holding of corporate bonds within own portfolio of assets to support liquidity management, whose valuations may be impacted by physical or transitional risks.	Value and percentage of in-scope portfolio in high climate-sensitive sectors.

EU Taxonomy Templates

Template 0. Summary of KPIs

		Total environmentally sustainable assets	KPI****	KPI*****	% coverage (over total assets)***	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Main KPI	Green asset ratio (GAR) stock	62 149 708,79	0,29	0,31	49,5	41,2	50,5
		Total environmentally sustainable activities	KPI	KPI	% coverage (over total assets)	% of assets excluded from the numerator of the GAR (Article 7(2) and (3) and Section 1.1.2. of Annex V)	% of assets excluded from the denominator of the GAR (Article 7(1) and Section 1.2.4 of Annex V)
Additional KPIs	GAR (flow)	18 033 522,39	0,12	0,12	48,95	46,29	51,05
	Trading book*	N/A - not in scope for reporting this year / until 2026	not yet in scope	not yet in scope			
	Financial guarantees	0	0	0			
	Assets under management	0	0	0			
	Fees and commissions income**	N/A - not in scope for reporting this year / until 2026	not yet in scope	not yet in scope			

* For credit institutions that do not meet the conditions of Article 94(1) of the CRR or the conditions set out in Article 325a(1) of the CRR

**Fees and commissions income from services other than lending and AuM

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

****based on the Turnover KPI of the counterparty

*****based on the CapEx KPI of the counterparty, except for lending activities where for general lending Turnover KPI is used

Note 1: The EB has calculated the aggregate totals by summing the values of each of the six individual environmental objectives as reported by each counterparty.

Due to potential variations in calculation methodologies, the totals reported by the counterparties in their respective documentation may differ from the totals calculated and reported by the EB.

Template 1. Covered Assets Turnover, disclosure reference date T.

Disclosure reference date T												
a	b	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)		
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)				Of which towards taxonomy relevant sectors (Taxonomy-eligible)		
		Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)				Of which environmentally sustainable (Taxonomy-aligned)		
Total (gross) carrying amount												
GAR - Covered assets in both numerator and denominator												
1	Loans and advances, debt securities and equity instruments not IHT, eligible for GAR calculation	3 658 126 320.98	61 635 128.90	0.00	4 656 262.44	3 261 593.99	1 207 994.87	514 579.89	0.00	292 572.85	0.00	0.00
2	Financial undertakings	3 646 094 597.23	61 635 128.90	0.00	4 656 262.44	3 261 593.99	1 207 994.87	514 579.89	0.00	292 572.85	0.00	0.00
3	Credit institutions	3 540 000 998.48	61 555 665.16	0.00	4 656 262.44	3 260 907.67	1 207 994.87	514 579.89	0.00	292 572.85	0.00	0.00
4	Loans and advances	226 705 043.77	4 505 916.22	0.00	152 882.17	289 654.56	0.00	0.00	0.00	0.00	0.00	0.00
5	Debt securities, including UoP	3 313 295 954.71	57 089 748.95	0.00	4 503 380.27	2 971 253.11	1 207 994.87	514 579.89	0.00	292 572.85	0.00	0.00
6	Equity instruments	106 093 598.74	39 463.74	0.00	0.00	666.33	0.00	0.00	0.00	0.00	0.00	0.00
7	Of which investment firms	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
8	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
9	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
10	Debt securities, excluding UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
11	Equity instruments	106 093 598.74	39 463.74	0.00	0.00	666.33	0.00	0.00	0.00	0.00	0.00	0.00
12	Of which management companies	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13	Loans and advances	106 093 598.74	39 463.74	0.00	0.00	666.33	0.00	0.00	0.00	0.00	0.00	0.00
14	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
15	Equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
16	Of which insurance undertakings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
17	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
18	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
19	Debt securities, excluding UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
20	Equity instruments	12 031 723.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
21	Of which savings	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
22	Loans and advances	12 031 723.75	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
23	Debt securities, including UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
24	Debt securities, excluding UoP	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
25	Households	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
26	Of which loans collateralised by residential immovable property	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
27	Of which building renovation loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
28	Of which motor vehicle loans	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
29	Local governments financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
30	Housing financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
31	Other local government financing	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
32	Collateral obtained by taking possession: residential and commercial immovable properties	18 103 508 812.27	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
33	Assets excluded from the numerator for GAR calculation, (covered in the denominator)	12 356 312 225.23	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
34	Financial and Non-financial undertakings	1 685 078 125.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
35	SVISs and NVCs (other than SVISs) not subject to NFRD disclosure obligations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
36	Loans and advances	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
37	Of which loans collateralised by commercial immovable property	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
38	Debt securities	1 681 379 725.85	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
39	Of which building renovation loans	3 698 400.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
40	Non-EU country counterparties not subject to NFRD disclosure obligations	10 671 234 099.38	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
41	Loans and advances	7 230 579 802.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
42	Debt securities	3 440 654 297.08	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
43	Of which debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
44	Equity instruments	21 689 214.43	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
45	Derivatives	4 646 834 932.14	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
46	On demand interbank loans	419 592 651.58	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
47	Cash and cash-related assets	659 699 788.90	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
48	Other categories of assets (e.g. Goodwill, commodities etc.)	22 219 702 575.62	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
49	Total GAR assets	22 219 702 575.62	61 635 128.90	0.00	4 656 262.44	3 261 593.99	1 207 994.87	514 579.89	0.00	292 572.85	0.00	0.00
50	Assets not covered for GAR calculation	95 201 555 600.45	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
51	Central governments and Supranational issuers	11 884 160 101.30	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
52	Trading book exposure	764 986 865.86	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
53	Total assets	43 981 337 709.86	61 635 128.90	0.00	4 656 262.44	3 261 593.99	1 207 994.87	514 579.89	0.00	292 572.85	0.00	0.00
54	Off-balance sheet exposures - Undertakings subject to NFRD disclosure obligations	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
55	Financial guarantees	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
56	Assets under management	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
57	Of which debt securities	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
58	Of which equity instruments	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
59	Of which cash-related assets	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Note: The EB has calculated the aggregate totals by summing the values of each of the six individual environmental objectives as reported by each counterparty. Due to potential variations in calculation methodologies, the totals reported by the counterparties in their respective documentation may differ from the totals calculated and reported by the EB.												

Note: The EB has calculated the aggregate totals by summing the values of each of the six individual environmental objectives as reported by each counterparty. Due to potential variations in calculation methodologies, the totals reported by the counterparties in their respective documentation may differ from the totals calculated and reported by the EB.

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134

[illegible]

Template 1. Covered Assets Capex, disclosure reference date T.

Million EUR	a Disclosure reference date T	Climate Change Mitigation (CCM)															Climate Change Adaptation (CCA)															Water and marine resources (WTR)																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																								
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48	Total GAR assets																	21 761 835 133.25															668 876 266.81															65 919 620.49															0.00															2 388 638.28															8 441 568.39															1 212 308.46															508 734.13															0.00															263 315.57															0.00															0.00																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																	
49	Assets not covered for GAR calculation																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																																							

No data was available for Capex 1-1.

ote: The EB has calculated the aggregate totals by summing the values of each of the six individual environmental objectives as reported by each counterparty. Due to potential variations in calculation methodologies, the totals reported by the counterparties in their respective documentation may differ from the totals calculated and reported by the EB.

[illegible]

Template 3. KPI stock Turnover, disclosure reference date T.

	Disclosure reference date T											
	a	b	c	d	e	f	g	h	i	j	k	l
	Climate Change Mitigation (CCM)				Climate Change Adaptation (CCA)				Water and marine resources (WTR)			
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)			
% (compared to total covered assets in the denominator)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			
	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling
GAB - Covered assets in both numerator and denominator												
1 Loans and advances, debt securities and equity instruments not HT eligible for GAT calculation	3.27	0.28	0.00	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00
2 Financial undertakings	3.27	0.28	0.00	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00
3 Credit institutions	3.27	0.28	0.00	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00
4 Loans and advances	0.28	0.02	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5 Debt securities, including UoP	2.98	0.26	0.00	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00
6 Equity instruments	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
7 Other financial corporations												
8 of which investment firms												
9 Loans and advances												
10 Debt securities, including UoP												
11 Equity instruments												
12 of which management companies	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
13 Loans and advances												
14 Debt securities, including UoP	0.01											
15 Equity instruments												
16 of which insurance undertakings												
17 Loans and advances												
18 Debt securities, including UoP												
19 Equity instruments												
20 Non-financial undertakings												
21 Loans and advances												
22 Debt securities, including UoP												
23 Equity instruments												
24 Households												
25 of which loans collateralised by residential immovable property												
26 of which building renovation loans												
27 of which motor vehicle loans												
28 Local governments financing												
29 Housing financing												
30 Other local government financing												
31 Collateral obtained by taking possession: residential and commercial immovable properties												
32 Total GAT assets	3.27	0.28	0.00	0.02	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00

	r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af		
	Disclosure reference date T																
% compared to total covered assets in the denominator)	Pollution (PPC)							Biodiversity and Ecosystems (BIO)							TOTAL (CCM + CCA + WTR + CE + PPC + BIO)		
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)							Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)							Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)		
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)							Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)							Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	Of which Use of Proceeds							Of which Use of Proceeds							Of which Use of Proceeds		
	Of which enabling							Of which enabling							Of which enabling		
GAR - Covered assets in both numerator and denominator																	
1 Loans and advances, debt securities and equity instruments not HRI eligible for GAR calculation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	3,28	0,29	0,00	0,02	0,02	0,00		
2 Financial undertakings	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	3,28	0,29	0,00	0,02	0,02	0,00		
3 Credit institutions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	3,27	0,29	0,00	0,02	0,02	0,00		
4 Loans and advances										0,28	0,02	0,00	0,02	0,00			
5 Debt securities, including UoP										2,99	0,26	0,00	0,02	0,01			
6 Equity instruments																	
7 Other financial corporations	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,01	0,00	0,00	0,00	0,00	0,00		
8 of which investment firms																	
9 Loans and advances																	
10 Debt securities, including UoP																	
11 Equity instruments																	
12 of which, management companies	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,01	0,00	0,00	0,00	0,00	0,00		
13 Loans and advances																	
14 Debt securities, including UoP										0,01	0,00	0,00	0,00	0,00			
15 Equity instruments																	
16 of which insurance undertakings																	
17 Loans and advances																	
18 Debt securities, including UoP																	
19 Equity instruments																	
20 Non-financial undertakings																	
21 Loans and advances																	
22 Debt securities, including UoP																	
23 Equity instruments																	
24 Households																	
25 of which loans collateralised by residential immovable property																	
26 of which building renovation loans																	
27 of which motor vehicle loans																	
28 Local governments financing																	
29 Housing financing																	
30 Other local government financing																	
31 Collateral obtained by taking possession: residential and commercial immovable properties																	
Total GAR assets	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	3,28	0,29	0,00	0,02	0,02	0,00		

Template 3. KPI Stock disclosure reference T-1

	ag	ah	ai	aj	ak	al	am	an	ao	ap	aq	ar	as
	Disclosure reference date T-1												
% (compared to total covered assets in the denominator)	Climate Change Mitigation (CCM)						Climate Change Adaptation (CCA)				Water and marine resources (WTR)		
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)		
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)				Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)		
	Of which Use of Proceeds	Of which transitional	Of which enabling				Of which specialised lending	Of which enabling				Of which Use of Proceeds	Of which enabling
GAR - Covered assets in both numerator and denominator													
1 Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
2 Financial undertakings	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
3 Credit institutions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
4 Loans and advances													
5 Debt securities, including UoP													
6 Equity instruments													
7 Other financial corporations	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
8 of which investment firms													
9 Loans and advances													
10 Debt securities, including UoP													
11 Equity instruments													
12 of which management companies	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
13 Loans and advances													
14 Debt securities, including UoP													
15 Equity instruments													
16 of which insurance undertakings													
17 Loans and advances													
18 Debt securities, including UoP													
19 Equity instruments													
20 Non-financial undertakings													
21 Loans and advances													
22 Debt securities, including UoP													
23 Equity instruments													
24 Households													
25 of which loans collateralised by residential immovable property													
26 of which building renovation loans													
27 of which motor vehicle loans													
28 Local governments financing													
29 Housing financing													
30 Other local government financing													
31 Collateral obtained by taking possession: residential and commercial immovable properties													
32 Total GAR assets	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

	at	au	av	aw	ax	ay	az	ba	bb	bc	bd	be	bf	bg	bh	bi	bj	bk
	Disclosure reference date T-1																	
	Circular economy (CE)																	
% (compared to total covered assets in the denominator)	Pollution (PPC)									Biodiversity and Ecosystems (BIO)								
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)									Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)								
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Of which Use of Proceeds			Of which enabling			Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)			Of which Use of Proceeds			Of which enabling		
GAR - Covered assets in both numerator and denominator																		
1 Loans and advances, debt securities and equity instruments not HTF eligible for GAR calculation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
2 Financial undertakings	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
3 Credit institutions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
4 Loans and advances																		
5 Debt securities, including UoP																		
6 Equity instruments																		
7 Other financial corporations	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
8 of which investment firms																		
9 Loans and advances																		
10 Debt securities, including UoP																		
11 Equity instruments																		
12 of which management companies	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
13 Loans and advances																		
14 Debt securities, including UoP																		
15 Equity instruments																		
16 of which insurance undertakings																		
17 Loans and advances																		
18 Debt securities, including UoP																		
19 Equity instruments																		
20 Non-financial undertakings																		
21 Loans and advances																		
22 Debt securities, including UoP																		
23 Equity instruments																		
24 Households																		
25 of which loans collateralised by residential immovable property																		
26 of which building renovation loans																		
27 of which motor vehicle loans																		
28 Local governments financing																		
29 Housing financing																		
30 Other local government financing																		
31 Collateral obtained by taking possession: residential and commercial immovable properties																		
32 Total GAR assets	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00

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r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af
Disclosure reference date T														
Pollution (PPC)														
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)							Biodiversity and Ecosystems (BIO)							
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)							Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)							
Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)							Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)							
Of which Use of Proceeds enabling							Of which Use of Proceeds enabling							
Of which Use of Proceeds enabling							Of which Use of Proceeds enabling							
GAR - Covered assets in both numerator and denominator														
1	Loans and advances, debt securities and equity instruments not HFT eligible for GAR calculation	0,00	0,00	0,00	0,00	0,00	0,00	0,00	3,08	0,31	0,00	0,01	0,04	0,00
2	Financial undertakings	0,00	0,00	0,00	0,00	0,00	0,00	0,00	3,08	0,31	0,00	0,01	0,04	0,00
3	Credit institutions	0,00	0,00	0,00	0,00	0,00	0,00	0,00	3,08	0,31	0,00	0,01	0,04	0,00
4	Loans and advances								0,29	0,02	0,00	0,00	0,00	
5	Debt securities, including UoP								2,79	0,28	0,00	0,01	0,04	
6	Equity instruments													
7	Other financial corporations													
8	of which investment firms													
9	Loans and advances													
10	Debt securities, including UoP													
11	Equity instruments													
12	of which management companies													
13	Loans and advances													
14	Debt securities, including UoP													
15	Equity instruments													
16	of which insurance undertakings													
17	Loans and advances													
18	Debt securities, including UoP													
19	Equity instruments													
20	Non-financial undertakings	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
21	Loans and advances													
22	Debt securities, including UoP								0,00	0,00	0,00	0,00	0,00	
23	Equity instruments													
24	Households													
25	of which loans collateralised by residential immovable property													
26	of which building renovation loans													
27	of which motor vehicle loans													
28	Local governments financing													
29	Housing financing													
30	Other local government financing													
31	Collateral obtained by taking possession: residential and commercial immovable properties													
Total	Total GAR assets	0,00	0,00	0,00	0,00	0,00	0,00	0,00	3,08	0,31	0,00	0,01	0,04	0,00

Template 4. KPI flow Turnover, disclosure reference date T.

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
	Disclosure reference date T																
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					Water and marine resources (WTR)					Circular economy (CE)	
% (compared to flow of total eligible assets)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)	
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)					Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)	
	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which transitional	Of which enabling	Of which Use of Proceeds	Of which enabling	Of which Use of Proceeds	Of which enabling
GAR - Covered assets in both numerator and denominator																	
1	1.12	0.12	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Loans and advances, debt securities and equity instruments not HTF-eligible for GAR calculation																	
2	1.12	0.12	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
3	1.12	0.12	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
4	0.43	0.03	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
5	0.69	0.09	0.00	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
6																	
Equity instruments																	
7																	
Other financial corporations of which investment firms																	
8																	
9																	
Loans and advances																	
10																	
Debt securities, including UoP of which management companies																	
11																	
Equity instruments																	
12																	
Loans and advances																	
13																	
Debt securities, including UoP																	
14																	
Equity instruments																	
15																	
Debt securities, including UoP of which insurance undertakings																	
16																	
Loans and advances																	
17																	
Debt securities, including UoP																	
18																	
Equity instruments																	
19																	
Non-financial undertakings																	
20																	
Loans and advances																	
21																	
Debt securities, including UoP																	
22																	
Equity instruments																	
23																	
Households																	
24																	
of which loans collateralised by residential immovable property																	
25																	
of which building renovation loans																	
26																	
of which motor vehicle loans																	
27																	
Local governments financing																	
28																	
Housing financing																	
29																	
Other local government financing																	
30																	
Collateral obtained by taking possession: residential and commercial immovable properties																	
31																	
32	1.12	0.12	0.00	0.01	0.01	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00

Note: The EB has calculated the aggregate totals by summing the values of each of the six individual environmental objectives as reported by each counterparty. Due to potential variations in calculation methodologies, the totals reported by the counterparties in their respective documentation may differ from the totals calculated and reported by the EB.

Note: The EB has calculated the aggregate totals by summing the values of each of the six individual environmental objectives as reported by each counterparty. Due to potential variations in calculation methodologies, the totals reported by the counterparties in their respective documentation may differ from the totals calculated and reported by the EB.

[illegible]

r	s	t	u	v	w	x	y	z	aa	ab	ac	ad	ae	af							
Disclosure reference date T																					
Pollution (PPC)																					
% (compared to flow of total eligible assets)	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)							Biodiversity and Ecosystems (BIO)							TOTAL (CCM + CCA + WTR + CE + PPC + BIO)						
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)							Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)							Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-eligible)						
	Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)							Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)							Proportion of total covered assets funding taxonomy relevant sectors (Taxonomy-aligned)						
	Of which Use of Proceeds	Of which enabling						Of which Use of Proceeds	Of which enabling				Of which Use of Proceeds	Of which enabling							
GAR - Covered assets in both numerator and denominator																					
1	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,13	0,12	0,00	0,00	0,01							
2	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,13	0,12	0,00	0,00	0,01							
3	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,13	0,12	0,00	0,00	0,01							
4										0,43	0,03	0,00	0,00	0,00							
5										0,70	0,09	0,00	0,00	0,01							
6																					
7																					
8																					
9																					
10																					
11																					
12																					
13																					
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22																					
23																					
24																					
25																					
26																					
27																					
28																					
29																					
30																					
31																					
32	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00	1,13	0,12	0,00	0,00	0,01							

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Annex XII, Template 1. Nuclear and fossil gas related activities

Template 1 Nuclear and fossil gas related activities		
Row	Nuclear energy related activities	
1	The undertaking carries out, funds or has exposures to research, development, demonstration and deployment of innovative electricity generation facilities that produce energy from nuclear processes with minimal waste from the fuel cycle.	No
2	The undertaking carries out, funds or has exposures to construction and safe operation of new nuclear installations to produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production, as well as their safety upgrades, using best available technologies.	No
3	The undertaking carries out, funds or has exposures to safe operation of existing nuclear installations that produce electricity or process heat, including for the purposes of district heating or industrial processes such as hydrogen production from nuclear energy, as well as their safety upgrades	No
Fossil gas related activities		
4	The undertaking carries out, funds or has exposures to construction or operation of electricity generation facilities that produce electricity using fossil gaseous fuels.	No
5	The undertaking carries out, funds or has exposures to construction, refurbishment, and operation of combined heat/cool and power generation facilities using fossil gaseous fuels.	No
6	The undertaking carries out, funds or has exposures to construction, refurbishment and operation of heat generation facilities that produce heat/cool using fossil gaseous fuels.	No

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, 2024 pursuant to Belgian law.

On 24 April 2025, the annual accounts and consolidated financial statements of the European Bank were discussed by the Board of Directors.

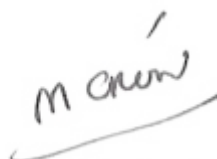
The Board states that, to the best of its knowledge and in good faith, the European Bank's annual accounts and consolidated financial statements, prepared in accordance with International Financial Reporting Standards as endorsed by the European Union (IFRS), give a true and fair view of the financial 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, 2024 will be submitted for approval to the ordinary shareholders meeting to be held on 27 May 2025.

In 2024, 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, 24 April 2025

For the Board of Directors

A handwritten signature in dark ink, appearing to read 'M Créty', with a horizontal line underneath.

Marie-Hélène Créty
Chairman

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 2024

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 seize 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 2024, 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 2024, 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 43.981.703 (000) EUR et l'état consolidé du résultat et des autres résultats globaux se solde par un bénéfice de l'exercice de 397.556 (000) EUR.

À notre avis, ces comptes consolidés donnent une image fidèle du patrimoine et de la situation financière du Groupe au 31 décembre 2024, 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.

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

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Sijde:
Luchthaven Brussel Nationale 1K
B-1930 Zaventem

KPMG Bedrijfsrevisoren - KPMG
Réviseurs d'Entreprises BV/SRL
Numéro d'entreprise 0419.122.548
TVA BE 0419.122.548
RPM Bruxelles
IBAN : BE 95 0018 4771 0358
BIC : GEBABEBB



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 2024

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.

Systèmes 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.



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 2024

- 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.
- 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



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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'efficacité 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.

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;



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- 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



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 2024

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.

À 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

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.



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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 27 mai 2025

KPMG Réviseurs d'Entreprises
Commissaire
représentée par

A blue ink signature, appearing to read 'Nolf', written over a horizontal line.

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

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 du conseil d'administration émise sur recommandation du comité d'audit et sur présentation du conseil d'entreprise, pour effectuer une mission d'assurance limitée sur les informations consolidées en matière de durabilité du groupe incluses dans la déclaration de durabilité du rapport annuel 2024 au 31 décembre 2024 et pour l'année clôturée à cette date (ci-après l'« information en matière de durabilité »).

Notre mandat expirera à la date de l'assemblée générale délibérant sur les comptes annuels de l'exercice clos le 31 décembre 2026. Il s'agit du premier exercice de la mission d'assurance limitée légale sur les informations en matière de durabilité du Groupe.

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 conformément aux normes européennes décrit dans la section 'Processus d'identification des impacts, des risques et des opportunités' de l'information en matière de durabilité ; 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 section 'Règlement de l'UE sur la taxonomie' de l'information en matière de durabilité.



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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*, 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 'Processus d'identification des impacts, des risques et des opportunités' 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 :



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- 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 section 'Règlement de l'UE sur la taxonomie' de l'information en matière de durabilité.

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 s'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,



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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 note 'Processus d'identification des impacts, des risques et des opportunités' de l'information en matière de durabilité.

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



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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.

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 note 'Processus d'identification des impacts, des risques et des opportunités' de l'information en matière de durabilité.

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 base des 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 en matière de durabilité; et
- obtenu une compréhension du processus d'identification des activités économiques éligibles à la taxonomie et des activités économiques alignées sur la taxonomie, ainsi que les informations correspondantes dans l'information en matière de durabilité.



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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 27 mai 2025

KPMG Réviseurs d'Entreprises
Commissaire
représentée par

A stylized signature of Stéphane Nolf, written in black ink. To the left of the signature is a small, colorful icon of a pen or pencil.

Stéphane Nolf
Réviseur d'Entreprise

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF PROFIT AND LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 31 December

		2024	2023
	Notes	In € '000	In € '000
Interest income	2	1,393,393	1,031,759
Interest expense	2	1,104,334	813,327
Net interest income		289,059	218,432
Fee and commission income	3	849,896	881,909
Fee and commission expense	3	296,993	328,823
Net fee and commission income		552,903	553,085
Net trading income and gains on non-qualifying economic hedges and other derivatives	4	109,923	101,465
Gains / (losses) on non trading assets (FVPL, FVOCI, non financial assets)	5	(11,660)	469
Other operating income	5	10,095	18,114
Total operating income		950,319	891,567
Personnel expenses	6	198,487	200,524
Depreciation of Property and Equipment	16	10,580	11,416
Amortization/impairment of Intangible assets (other than goodwill)	17	6,261	5,871
Impairment (reversal) of financial assets not measured at fair value through profit and loss		(658)	(1,720)
Provisions	20	47,009	2,078
Other operating expenses	7	192,471	214,567
Total operating expenses		454,150	432,736
Profit before tax from continuing operations		496,170	458,831
Tax expense related to profit from continuing operations	8	98,614	83,435
Profit from continuing operations		397,556	375,396
Discontinued operation		—	(2,492)
Profit (loss) from discontinued operation, net of tax ²⁵	27.6.	—	(2,492)
NET PROFIT FOR THE YEAR²⁶		397,556	372,904
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Remeasurement gains /(losses) on defined benefit plans	22.2.	14,023	(1,250)
Related tax	8.2.	(2,516)	9
		(7,418)	(1,241)
Items that are or may be reclassified subsequently to profit or loss			
Movement in fair value reserve			
Net change in fair value		210,915	252,111
Net amount transferred to profit and loss		(11,687)	250
Related tax	8.2.	(49,799)	(63,090)
		149,428	189,271
Other comprehensive income for the year, net of tax		142,010	188,030
Total comprehensive income for the year, net of tax		539,566	560,934

²⁵ European Bank has elected to disclose a single amount of post-tax profit or loss of discontinued operations in the statement of profit or loss and OCI, and has analyzed that single amount into revenue, expenses and the pre-tax profit or loss in Note 27.6..

²⁶ 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

		31 December	
		2024	2023
	Notes	In € '000	In € '000
ASSETS			
Cash and cash balances with central banks	10	11,807,477	21,096,199
Derivative financial instruments	14	824,156	692,754
Loans and advances to customers	11	12,566,749	5,367,936
Investment securities	12	18,119,923	11,729,241
Current tax assets	8	30,249	26,312
Other assets	15	520,825	565,833
Property and equipment	16	30,331	36,947
Deferred tax assets	8	19,058	84,923
Goodwill and other intangible assets	17	62,936	58,748
TOTAL ASSETS		43,981,703	39,658,893
LIABILITIES			
Derivative financial instruments	14	841,322	738,266
Deposits from central banks	18	158,083	135,652
Deposits from financial institutions	18	36,601,036	32,994,422
Deposits from non-financial institutions	18	313,739	235,055
Subordinated liabilities	18	1,000,076	1,000,229
Other financial liabilities	18	23,024	28,379
Current tax liabilities	8	106,151	49,067
Other liabilities ²⁷	19	311,222	406,138
Provisions	20	70,365	59,969
Deferred tax liabilities	8	749	800
TOTAL LIABILITIES		39,425,767	35,647,977
EQUITY			
Issued capital	23	1,754,386	1,754,386
Share premium	23	33,333	33,333
Retained earnings		2,820,710	2,423,851
Other reserves	23	(52,492)	(200,654)
TOTAL EQUITY		4,555,936	4,010,916
TOTAL LIABILITIES AND EQUITY		43,981,703	39,658,893

All equity is attributable to the equity holders of the parent.

The accompanying notes are an integral part of these consolidated financial statements.

²⁷ European Bank has presented liabilities held for sale €0.203 million within other liabilities. See note 27.6.

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 €
As at January 1, 2023	1,754,385	33,333	2,050,947	(393,094)	3,445,571
Total comprehensive income					
Profit for the year	—	—	372,904	—	372,904
Other comprehensive income, net of tax					
Remeasurement gains/(losses) on defined benefit plans (Note 22)	—	—	—	(1,250)	(1,250)
Fair value reserve (FVOCI debt instruments)					
Net change in fair value	—	—	—	252,111	252,111
Net amount transferred to profit and loss	—	—	—	250	250
Tax on other comprehensive income (Note 8)	—	—	—	(63,081)	(63,081)
Total other comprehensive income	—	—	—	188,030	188,030
Total comprehensive income	—	—	372,904	188,030	560,934
Share-based payments (Note 25)				4,410	4,410
Transactions with owners	0	0	—	4,410	4,410
At 31 December 2023	1,754,385	33,333	2,423,851	(200,654)	4,010,915
Total comprehensive income					
Profit for the year	—	—	397,556	—	397,556
Other comprehensive income, net of tax					
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)
Total other comprehensive income	—	—	—	142,010	142,010
Total comprehensive income	—	—	397,556	142,010	539,566
Share-based payments (Note 25)				6,151	6,151
Transactions with owners	—	—	—	6,151	6,151
At 31 December 2024	1,754,385	33,333	2,820,710	(52,492)	4,555,935

The accompanying notes are an integral part of these consolidated financial statements.

CONSOLIDATED STATEMENT OF CASH FLOWS

	Note	2024 In € '000	2023 In € '000
OPERATING ACTIVITIES			
Net Profit for the year		397,556	372,904
<u>Adjustments for:</u>		<u>(143,837)</u>	<u>(110,460)</u>
Net interest income	2	(289,059)	(218,432)
Current and deferred tax expenses	8	98,614	83,435
Depreciation and amortization	16, 17	16,841	17,287
Provisions	20	47,009	2,078
(Gains)/losses from sales of FVOCI debt instruments	5	11,687	(469)
Gain on sale of discontinued operation, net of tax	27.6.	—	2,492
Other ²⁸		(28,929)	3,149
<u>Changes in:</u>			
Monetary reserves	10	(28,753)	17,673
Loans and advances	11	(7,198,814)	2,275,530
Investment securities	12	(391,392)	27,616
Derivative financial assets	14	(131,402)	439,046
Other assets	15	45,008	(49,890)
Deposits from central banks	18	22,431	57,760
Deposits from credit institutions	18	3,606,614	(596,982)
Deposits (other than credit institutions)	18	78,685	(75,206)
Derivative financial liabilities	14	103,056	(600,511)
Other financial liabilities	18,26.4	4,379	3,843
Other liabilities and provisions	19, 20	(117,506)	(40,231)
Interest received	2	1,393,393	1,031,759
Interest paid	2	(1,104,334)	(813,327)
Income taxes refunded		9,944	847
Income taxes paid		(61,617)	(67,350)
Net cash from operating activities		(3,516,716)	1,873,024
INVESTING ACTIVITIES			
Purchase of tangible assets	16	(4,286)	(6,208)
Disposal of tangible assets	16	323	72
Purchase of intangible assets	17	(10,217)	(1,648)
Proceeds from sales of debt securities		4,424,045	3,905,191
Purchase of debt securities		(10,200,737)	(3,142,660)
Net cash used in investing activities		(5,790,872)	754,747
FINANCING ACTIVITIES			
Subordinated liabilities	18	(153)	76
Long Term Debt	18	—	—

²⁸ Other mainly consists of non-cash transactions, including mainly share based payments reserves and sales tax and other.

Payments of lease liabilities ²⁹	26.4	(9,734)	(8,452)
Net cash used in financing activities		(9,886)	(8,376)
Net increase/decrease in cash and cash equivalents		(9,317,475)	2,619,395
Cash and cash equivalents at beginning of the period		20,779,834	18,159,889
Effect of exchange rate fluctuations on cash and cash equivalents³⁰		—	—
Cash and cash equivalents at the end of the period	10	11,462,359	20,779,834
Components of cash and cash equivalents:			
Cash and cash balances with central banks ³¹		11,462,359	20,779,834

The accompanying notes are an integral part of these consolidated financial statements.

²⁹ 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.

³⁰ Cash and Cash balances with central banks are mainly invested in Euro.

³¹ 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

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 2024. 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 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 2024.

Following amended standards are effective but not relevant on European Bank consolidated financial statements:

- **Amendments to IAS 1 Presentation of Financial statements: Classification of Liabilities as Current or Non-current**, clarify a criterion in IAS 1 for classifying a liability as non-current: the requirement for an entity to have the right to defer settlement of the liability must exist at reporting date and have substance.
- **Amendments to IAS 1 Presentation of Financial statements: Liabilities with covenants**, with effective date as of 1 January 2024, classification criteria clarified and new disclosures.
- **Amendments to IFRS 16 Lease Liability in a Sale and Leaseback**, impact how a seller-lessee accounts for variable lease payments that arise in a sale-and-leaseback transaction. The amendments introduce a new accounting model for variable payments and will require seller-lessees to reassess and potentially restate sale-and-leaseback transactions entered into since 2019.
- **Amendments to IAS 7 and IFRS 7 Statement of Cash Flows and Disclosures for Financial Instruments**, with effective date as of 1 January 2024, introduce additional disclosure requirements for companies that enter into supplier finance arrangements.

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

- **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.

- **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.

Detailed impact still to be determined for the European Bank consolidated statements

- **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.

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 and Copenhagen branches, where USD 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 available-for-sale. 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 2022.

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 2024 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 "Interest Income on Investment Securities".

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 "Net income from other financial instruments at FVTPL" 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 2024 and 2023.

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.

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 lease car or rental commitments, 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 lifetime 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.

Under IFRS, all leases are classified as financing leases. Lease expense for finance 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 notes and coins 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:

Leasehold improvements	-	Over the lesser of the estimated useful life of the asset and the remaining term of the lease
Furniture, fixtures and other equipment	-	4 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 expense' 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.

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.

1.6.13.1. Assets and Liabilities held for sale

European Bank's assets and liabilities, or disposal groups comprising assets and liabilities, are classified as held-for-sale if it is highly probable that they will be recovered primarily through sale rather than through continuing use.

Such assets and liabilities, or disposal groups, are generally measured at the lower of their carrying amount and fair values less costs to sell. Any impairment loss on a disposal group is allocated first to goodwill, and then to the remaining assets and liabilities on a pro rata basis, except that no loss is allocated to property and equipment, financial assets, deferred tax assets, employee benefit assets, which continue to be measured in accordance with the European Bank's other accounting policies. Impairment losses on initial classification as held-for-sale and subsequent gains and losses on remeasurement are recognised in profit or loss. Assets and liabilities held for sale are presented in the caption Other assets and Other liabilities unless material in which case these are presented on the face of the consolidated financial statement.

1.6.13.2. Discontinued operation

A discontinued operation is a component of the European Bank's business, the operations and cash flows of which can be clearly distinguished from the rest of European Bank and which is part of a single co-ordinated plan to dispose of a separate major line of business or geographic area of operations. Classification as a discontinued operation occurs at the earlier of disposal or when the operation meets the criteria to be classified as held-for-sale.

When an operation is classified as a discontinued operation, the comparative statement of profit or loss and OCI is re-presented as if the operation had been discontinued from the start of the comparative year, when deemed material.

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. We 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 reassessed 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	2024	2023
	in € '000	in € '000
Investment securities	389,568	237,712
Loans and advances to customers	1,001,337	789,712
Interest income on liabilities	2,489	4,335
Total	1,393,393	1,031,759
Interest expense		
Deposits from credit institutions	255,552	201,903
Deposits from other financial institutions	815,776	578,491
Deposits from non-financial institutions	3,493	2,172
Subordinated loans	27,958	27,882
Long term debt	—	—
Interest expense on assets	1,205	2,504
Interest expense on leases (note 26.4)	350	375
Total	1,104,334	813,327
Net interest income	289,059	218,432

The net interest income has increased by €71 million compared to last year, due to favourable multiple rate increases in 2023 mainly EUR, USD and GBP and volume increases in 2024 primarily in fixed income products such as investment securities and reverse repurchase agreements included in the caption loans and advances to customers. Interest rates eventually declined towards the last part of 2024 but the net interest income has seen a lower decrease due to large portion invested to fixed income products.

At the beginning of 2024, European Bank applied a negative interest rate to customers on a limited basis for currencies that remained negative, to better reflect the cost of maintaining deposits. Interest income on liabilities line shows the negative interest charged to the clients and the interest expense on assets line presents negative interest charged on investment securities and third party nostro and placements.

3. Net Fee and Commission Income

	2024	2023
	In € '000	In € '000
Fee and commission income- contract revenue		
INVESTMENT SERVICES	778,446	817,087
Asset Servicing	511,844	524,724
Clearance and Collateral Management	154,253	176,995
Issuer Services	112,349	115,368
<i>of which ADR</i>	31,784	39,982
<i>of which Corporate Trust</i>	80,565	75,386
OTHER CONTRACT REVENUE	71,450	64,822
Markets	64,121	57,301
<i>of which Foreign exchange commissions</i>	36,182	31,031
Treasury Services	7,329	7,521
Total fee and commission income - contract revenue	849,896	881,909
Fee and commission expenses		
Custody	130,226	121,294
Clearing and settlement	618	742
Servicing, processing and support fees re-charged	166,149	206,787
Other	—	—
Total fee and commission expense	296,993	328,823
Net fee and commission income	552,903	553,085

The overall net fee and commission income is stable but there are notable movements in the gross fee income and expense. The net decrease of €32 million in fee and commission income is primarily driven by lower net intercompany Custody fees and lower American Depositary Receipts (ADR) revenue. This is partially offset by higher third party Custody fees, Collateral Management, Corporate Trust and Markets.

Intercompany Custody fees has decreased primarily driven by the new recharge methodology implemented in 2024. Third party Custody fees, on the other hand, have increased due to new business and organic AUC growth. Custody fees paid to sub-custodians have increased in line with the Custody revenue movement.

In Issuer Services, the ADR results were down due to lower cancellation and issuance volume, while Corporate Trust revenue, increased due to new business.

Foreign exchange commission revenue has increased due to higher volatility in the market during the year.

Servicing, processing and support fees are fees re-charged by other group companies. This is mainly related to operations and overhead charges from group entities charging European Bank for Asset Servicing, Clearance and Collateral Management, Corporate Trust and ADR services. The decrease in this caption is mainly due to lower recharge for custody/operations support driven by the change in allocation methodology.

4. Net Trading Income and Gains on Non Qualifying Economic Hedges and Other Derivatives

	2024	2023
	In € '000	In € '000
Net trading income		
Forward foreign exchange contracts	2,670	3,299
Gains (Losses) from hedge accounting, net	34,731	24,495
Gains on Non Qualifying Economic Hedges		
Forward foreign exchange contracts	72,521	73,671
	109,923	101,465

Realized and unrealized result of currency swaps that act as non-qualifying economic hedges are recorded in this caption totaling €72.52 million, net of any FX revaluation on client and treasury balances. The slight decrease in FX swap revenue is primarily driven by EUR-USD and EUR-PLN resulting from the decrease in swap yield and partly volume.

Gains (Losses) from hedge accounting pertains relates to interest rate swap that are used to mitigate interest rate risk within the banking book. The increase of gains from hedge accounting is driven by higher volume of activity in 2024.

FX Trading desk activities generated a net trading income of €2.7 million in 2024 (2023: €3.3 million).

5. Other Operating Income

	2024	2023
	In € '000	In € '000
Gains / (losses) on non trading assets (FVPL, FVOCI, non financial assets)	(11,660)	469
Miscellaneous income	10,095	18,114
	(1,566)	18,584

The loss from sales of FVOCI debt instruments during the year 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. For further details please refer to Note 26.1 Legal Claims.

6. Personnel Expenses

	2024	2023
	In € '000	In € '000
Wages and salaries	147,607	151,674
Social security contributions	24,960	24,307
Pension costs – Defined benefit plan (Note 22.2)	2,309	2,195
Pension costs – Defined contribution plan (Note 22.1)	6,287	6,666
Share-based payments (Note 25)	6,090	4,436
Other	11,234	11,246
	198,487	200,524

The Personnel expenses decreased compared with prior year by €2 million mainly attributed to less headcount in Belgium, Luxembourg and Germany partially offset by headcount increase in Poland.

Other expenses consist principally of medical insurance costs of €3 million (2023: €4 million), and commuting programs for employees of €2 million (2023: €2 million).

7. Other Operating Expenses

	2024	2023
	In € '000	In € '000
Professional fees	21,480	21,267
IT expenses	7,584	6,240
Bank levies	0	23,641
Operational lease expenses (note 26.4)	3,927	4,354
Non trading exchange differences	0	2,526
Shared services support (overhead)	121,890	120,494
Temporary clerical assistance	3,698	5,953
Non recoverable VAT	20,273	16,900
Miscellaneous, including marketing	13,619	13,193
	192,471	214,567

Other operating expenses decreased by €22 million compared to previous year. The bulk of the other operating expenses consist of inter-company service support charges mainly related to technology and business partner recharges from BNY Mellon group.

The decrease is primarily driven by the reduction of bank levies (-€24 million) due to nil SRF contribution required in 2024 and lower temporary clerical assistance (-€2 million). This is partially offset by the increase in Non recoverable VAT (+€3 million).

The major components of other miscellaneous expenses are: market data usage service fee of €3.4 million (2023: €1.9 million), lease expense allocation from other BNY group entities of €2.5 million (2023: €2.1 million), travel related costs of €1.9 million (2023: €1.9M million), operational losses of €0.9 million (2023: €1.5 million).

The fees incurred towards the statutory auditor including related entities are: audit fees of €1.5 million (2023: €1.4 million), audit related fees of €0.03 million (2023: €0.03 million) and non-audit fees of 1.3 million (2023: €2.2 million).

8. Income Tax

The components of income tax expense for the years ended 31 December 2023 and 2024 are:

	2024	2023
	In € '000	In € '000
Current tax		
Current income tax	104,695	83,220
Deferred tax		
Relating to origination and reversal of temporary differences	(6,081)	215
	98,614	83,435

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 31st of December 2023 and 2024 is as follows:

	2024	2023
	In € '000	In € '000
Accounting profit before taxes	496,170	456,339
1. Tax expense using Belgian statutory rate of 25% (2023:25%)	231,558	114,085
2. Effect of different tax rates in other jurisdictions	(20,264)	(22,391)
3. Income not subject to tax	(103,233)	(6,941)
4. Non tax deductible expenses	733	1,554
5. Effect of utilization of previously unrecognized tax losses	(7,929)	(3,362)
6. Adjustment in respect of current income tax of prior year	(1,645)	(251)
7. Other increase (decrease) in statutory tax charge	(606)	742
Income tax expense reported in the consolidated of comprehensive statement	98,614	83,435

The effective income tax rate from continuing operations of 2024 is 19.88% (2023: 18.28%). Excluding income not subject to tax, the increase of the effective tax rate is mainly driven by an increase in effective tax rates French and Polish branches. Higher revenues in Luxembourg, Italy and Poland contributed to higher tax expense in 2024 compared to 2023.

8.2. Income Tax Effects relating to Comprehensive Income

	2024			2023		
	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	14,023	(2,516)	(7,418)	(1,250)	9	(1,241)
Financial instruments at FVTOCI	199,227	(49,799)	149,428	252,361	(63,090)	189,271
Total	213,250	(52,315)	142,010	251,111	(63,081)	188,030

8.3. Current and Deferred Tax

The following table shows current tax assets and liabilities recorded on the consolidated statement of financial position:

	2024	2023
	In € '000	In € '000
Current tax assets		
Pending tax refunds	23,032	16,302
VAT tax receivables	6,807	8,232
Other	409	1,779
Total	30,249	26,312
Current tax liabilities		
Reserve for taxes	93,285	41,155
VAT tax payables	12,866	7,913
Total	106,151	49,067

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 31 December 2024	Deferred tax liabilities 31 December 2024	Statement of Profit and Loss 2024	Statement of Profit and Loss 2024	Other Comprehensiv e Income 2024	Deferred tax assets Dec 2023	Deferred tax liabilities Dec 2023
	In € '000	In € '000		In € '000	In € '000	In € '000	In € '000
Pensions	(8,053)	—		(1,765)	(2,516)	(3,770)	
Temporary difference on intangibles assets deductible	(15,592)	(736)	(18,925)	1,701	—	1,658	(800)
Other liabilities not recognized for tax purposes		—		—	—		
Revaluation of financial instruments	34,147	0		—	(49,799)	84,484	
Other temporary differences	8,557	(13)		6,145	—	2,550	
	19,058	(749)	(18,925)	6,081	(52,315)	84,923	(800)
Amounts offset							
Total	19,058	(749)				84,923	(800)

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 for the financial year. 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 €5.66 million has been recorded in the financial statements for the year ended 31 December 2024.

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 2024	Mandatorily at FVTPL	FVOCI - debt instruments	Amortised cost	Total carrying value
In € '000				
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
Total financial assets	824,156	14,422,801	28,071,348	43,318,305
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	—	—	—	—
Total financial liabilities	841,322	—	38,072,934	38,914,256
31 December 2023	Mandatorily at FVTPL	FVOCI - debt instruments	Amortised cost	Total carrying value
In € '000				
Cash and cash balances with central banks	—	—	21,096,199	21,096,199
Financial assets held for trading	692,754	—	—	692,754
Loans and advances to customers	—	—	5,367,936	5,367,936
Investment securities	—	10,233,604	1,495,638	11,729,241
Total financial assets	692,754	10,233,604	27,959,772	38,886,130
Financial liabilities held for trading	738,266	—	—	738,266
Deposits by central banks	—	—	135,652	135,652
Deposits by credit and other financial institutions	—	—	32,994,422	32,994,422
Due to non-financial customers	—	—	235,055	235,055
Subordinated liabilities	—	—	1,000,229	1,000,229
Long term debt	—	—	—	—
Total financial liabilities	738,266	—	34,365,357	35,103,624

10. Cash and Cash Balances with Central Banks

	2024	2023
	In € '000	In € '000
Cash balances with the National Bank of Belgium	4,699,173	7,429,688
Placements with other central banks	7,108,304	13,666,512
	11,807,477	21,096,200

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:

	2024	2023
	In € '000	In € '000
Cash and cash balances with central banks	11,807,477	21,096,199
Monetary reserves	(345,118)	(316,365)
Cash and cash equivalents at the end of the period	11,462,359	20,779,834

Deposits with central banks mainly represent placements and are available for use in the day-to-day operations of European Bank and part of European Bank liquid assets buffer. The decrease of €9.3 billion is mainly due to the decrease in the placements with the National Bank of Germany by (€4.9 billion), with National Bank of Belgium by (€2.7 billion) and with National Bank of the Netherlands (€1.4 billion). The decrease in Central Bank placements is mainly due to reinvestment to fixed income products such as Investment Securities and Reverse Repurchase agreements (included in the caption Loans and Advances), resulting to a more optimal usage of liquidity and better positioning of the balance sheet structural increase to adapt to interest rate decrease environment.

11. Loans and Advances to Customers

	2024	2023
	In € '000	In € '000
Loans and advances to		
Central Governments	5,343	11,005
Central banks	38,623	73,555
Credit institutions	12,211,882	4,908,322
Other financial institutions	311,827	377,191
Less: Allowance for impairment losses	(929)	(2,138)
	12,566,749	5,367,936

European Bank balance sheet is liquidity driven. Deposits are invested via several revenues such as investment securities, reverse repurchase agreements, foreign exchange swaps and nostro and placements (mainly in central banks and intercompany).

As of 31 December 2024, loans and advances to customers consists of reverse repurchase agreements amounting to €6.2 billion (2023: €0.5 billion) and remaining pertain to nostro and placements with BNY group and third party. The increase is primarily driven by the increase funding from client deposits during the year.

A loss allowance arising from ECL of €0.93 million is reported for loans and advances with customers at 31 December 2024 (2023: €2.14 million). The small allowance reflects the limited credit risk associated with these assets. European Bank deals with high quality rated counterparts and on a very short term basis (as described in more detail in note 28). As a

result, there is limited risk that a loan or advance will become non-performing and result in impairment. No non-performing loans and advances exist as of 31 December 2024 and 2023 respectively.

12. Investment Securities

	2024	2023
	In € '000	In € '000
FVOCI investment securities issued by	14,422,801	10,233,604
Central governments	5,131,471	3,001,595
Credit institutions	8,257,118	6,418,740
Non credit institutions	1,034,212	813,268
Investment securities at amortized cost issued by	3,697,122	1,495,638
Central governments	2,137,832	1,021,683
Credit institutions	1,416,398	375,185
Non credit institutions	142,891	98,771
	18,119,923	11,729,241

European Bank invests in highly liquid debt securities to improve the interest margin and to have an adequate liquid asset buffer. Overall the composition of the investment portfolio increased by €6.4 billion compared to last year.

The increase of the investment securities, is a reflection of the company's strategy to better position balance sheet structural increase in order to adapt to interest rate decrease environment. Please refer to Note 28.3 for discussion on European Bank's approach to managing liquidity.

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 2023 and 2024. The encumbered bonds also include those pledged under repo deals amounted to €0.6 billion and provided as a collateral for initial margin posted amounted to €0.6 billion. 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'22.

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 2024 and 2023.

As of 31 December 2024 the carrying and fair value of encumbered assets by type of assets were as follows:

	2024		2023			
	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
Assets	In € '000	In € '000	In € '000	In € '000	In € '000	In € '000
Debt securities	3,512,300	3,505,349	14,606,212	3,133,109	3,114,928	8,596,133
Other assets	682,619	—	25,179,162	602,111	—	27,327,541
	4,194,919	3,505,349	39,785,374	3,735,220	3,114,928	35,923,674

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 2024, other assets include foreign exchange cash collateral of €392 million (2023: €312 million).

The reportable encumbered collateral received, or available for encumbrance are presented below:

	2024		2023	
	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued	Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued
Encumbered assets/collateral received and associated liabilities	In € '000	In € '000	In € '000	In € '000
Carrying amount of financial liabilities				
Derivatives	764,305	391,528	619,762	311,561
Repurchase agreements	573,197	574,772	408,311	411,569
Collateralized deposits	15,201	15,201	7,044	7,044
Other sources of encumbrance	—	3,213,417	—	3,044,063
Total sources of encumbrance	1,352,703	4,194,919	1,035,118	3,774,237

European Bank has no own debt securities issued. Other sources of encumbrance refer to the monetary reserves at central banks, foreign exchange cash collateral and bonds pledged to Euroclear 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
	2024	2024	2024	2023	2023	2023
Options	818	818	49,860	403	403	70,000
Interest rate	14,435	39,294	2,772,052	19,217	41,338	2,240,121
Forward foreign exchange contracts	808,903	801,065	77,208,998	673,134	696,371	69,978,177
Other	—	145	39,208	—	154	40,762
	824,156	841,322	80,070,118	692,754	738,266	72,329,061

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: a) its treasury activity and b) customer transactions. European Bank is exposed to market risk through its trading book activity in vanilla 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.

European bank also has interest rate swaps to hedge interest rate risk on the investment portfolio.

As at 31 December 2024, €2.8million par value of FVOCI securities were hedged with interest rate swaps with notional value of €2.8 million. The FVOCI securities are government or covered bonds and have an average residual maturity of 2.8 years from the balance sheet date.

The following table presents the pre-tax gains (losses) related to our fair value hedging activities recognized in the Statement of profit and loss.

Income Statement impact of fair value hedges	2024	2023
	In € '000	In € '000
Interest rate swaps	(8,542)	(62,398)
Hedged Assets	9,316	63,174
Gain (loss) recognised in profit & loss	775	776

The following table represents the hedge accounting basis adjustment increase (decrease) included in the carrying amount of the hedged item

Hedge accounting adjustment	Carrying amount of hedged asset		Hedge Accounting basis adjustment increase (decrease) included in the carrying amount of the hedged item	
	2024	2023	2024	2023
	In € '000	In € '000	In € '000	In € '000
Assets held at FVOCI	2,800,385	2,266,313	43,749	32,712

Impact of derivative instruments designated as hedging instruments	Notional value		Derivatives fair value	
	2024	2023	2024	2023
	In € '000	In € '000	In € '000	In € '000
Interest rate swap - Assets	961,813	773,881	14,435	19,217
Interest rate swap - Liabilities	1,810,239	1,466,240	39,294	41,338

At 31 December 2024, European Bank had 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 €0.14 million at 31 December 2024 (2023: 0.15 million). The notional amount of this derivative was €39.21 million (2023: 40.76 million).

Additional disclosures concerning the fair value of derivatives are provided in Note 24.

15. Other Assets

	2024	2023
	In € '000	In € '000
Equity securities	3,698	3,779
Prepaid charges	1,925	1,753
Accrued income (other than interest income from financial assets)	146,064	129,976
Accounts receivable, including:	366,914	400,250
From affiliate companies	42,231	50,020
Suspense accounts	1,851	29,422
Miscellaneous	373	653
	520,825	565,833

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 2024 balances related to receivables from customers of €132.18 million (2023: €139.24 million). Also included in this caption are receivables from brokers of €153.5 million at 31 December 2024 (2023: €154.2 million) and receivables from affiliate companies of €42.2 million (2023: €50.0 million) .

At 31 December 2024, the accrued income refers mainly to unbilled receivables, which amounted to €128.26 million (2023: €116.40 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 2024. Also included in this caption are other accruals not related to unbilled receivables amounted €19.17 million (2023: €11.8 million). 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

	Buildings and Leasehold improvements ³²	Computer equipment	Furniture, fixtures and other equipment	Total
	In € '000	In € '000	In € '000	In € '000
2024				
Net Book Value				
At 1 January	28,821	399	7,725	36,947
Additions	3,475	432	379	4,286
Disposals	(20)	(5)	(298)	(323)
Depreciation charge for the year	(8,054)	(240)	(2,286)	(10,580)
Impairment loss	—	—	—	—
Other movements	—	—	—	—
At 31 December	24,222	586	5,520	30,331
Gross carrying amount	69,380	5,528	25,462	100,370
Accumulated depreciation and impairment	(45,158)	(4,942)	(19,942)	(70,039)
	Buildings and Leasehold improvements	Computer equipment	Furniture, fixtures and other equipment	Total
	In € '000	In € '000	In € '000	In € '000
2023				
Net Book Value				
At 1 January	34,786	980	6,459	42,228
Additions	1,565	269	4,374	6,208
Business combinations	—	—	—	—
Disposals	—	(72)	—	(72)
Depreciation charge for the year	(7,524)	—	(3,388)	(10,911)
Impairment loss	—	(41)	(68)	(109)
Other movements	(6)	(737)	347	(396)
At 31 December	28,821	399	7,725	36,947
Gross carrying amount	67,602	5,480	26,311	99,393
Accumulated depreciation and impairment	(38,781)	(5,081)	(18,587)	(62,446)

³² As at 31 December 2024, property and equipment includes right-of-use assets of €22.0 million, (2023: €26.4 million) mainly related to leased branches and office premises (see note 26.4).

17. Goodwill and Other Intangible Assets

2024	Goodwill	Computer software	Client Contracts	Total
	In € '000	In € '000	In € '000	In € '000
Net Book Value				
At 1 January	4,393	1,391	52,964	58,748
Acquisitions	—	42	10,175	10,217
Amortization charge for the year	—	(382)	(5,879)	(6,261)
Other movements	280	(48)	—	232
At 31 December	4,673	1,003	57,260	62,936
Gross carrying amount	299,761	32,298	128,937	460,996
Accumulated depreciation and impairment	(295,088)	(31,293)	(71,678)	(398,059)
2023	Goodwill	Computer software	Client Contracts	Total
	In € '000	In € '000	In € '000	In € '000
Net Book Value				
At 1 January	4,552	174	58,405	63,130
Acquisitions	—	1,648	—	1,648
Amortization charge for the year	—	(431)	(5,441)	(5,872)
Other movements	(158)	—	—	(158)
At 31 December	4,393	1,391	52,964	58,748
Gross carrying amount	299,761	32,309	118,763	450,833
Accumulated depreciation and impairment	(295,368)	(30,917)	(65,800)	(392,085)

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 €4.7 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 €4.7 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 2024 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 2024, an updated assessment of the cash flows for the 5-year business plan.
- Terminal cash flows were extrapolated using a constant growth rate of 1.9 percent, which is based on the long-term growth assumption of the European Bank.

- A discount rate of 10.75 percent was applied in determining the recoverable amounts for the cash generating unit. European Bank used a WACC based on European risk free rate.

For 2024, 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 2024 compared with the prior year.

Hence, for 2024 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 2024.

18. Financial Liabilities Measured at Amortized Costs

	2024	2023
	In € '000	In € '000
Deposits from central banks	158,083	135,652
Deposits from credit institutions	6,492,822	4,828,237
Current accounts / overnight deposits	5,730,690	4,389,533
Deposits with agreed maturity	188,936	254,929
Repurchase agreements	573,197	183,775
Deposits from other financial institutions	30,108,214	28,166,185
Current accounts / overnight deposits	29,966,480	28,000,482
Deposits with agreed maturity	141,733	25,531
Repurchase agreements	—	140,172
Deposits from non-financial institutions	313,739	235,055
Current accounts / overnight deposits	313,739	235,055
Subordinated liabilities (Note 21)	1,000,076	1,000,229
Long term debt	—	—
Other financial liabilities (Lease liabilities)	23,024	28,379
	38,095,958	34,393,736

All the liabilities were issued by European Bank.

European Bank has not had any defaults of principal, interest or other breaches with regard to all liabilities during 2024 and 2023. The increase of €3.7 billion in deposits results from a increase in deposits from Credit institutions €1.7 billion and deposits from Other Financial institutions €1.9 billion. Repurchase agreements were €573 million at 31 December 2024 (2023: €324 million). Other financial liabilities consist of lease liabilities as per IFRS 16 (note 26.4).

19. Other Liabilities

	2024	2023
	In € '000	In € '000
Employee benefits – Defined benefit obligation (Note 22.2)	—	2,572
Liabilities - Held for sale	—	203
Other employee benefits and social charges	9,969	11,399
Accrued charges (other than from interest expenses on financial liabilities)	49,324	70,826
Accounts Payables	129,902	143,136
Suspense accounts	106,445	162,186
Other	15,581	15,817
	311,222	406,138

Other liabilities caption decreased mainly due to the i) suspense accounts related to Corporate Actions payable to clients, and withholding tax collected from clients payable to Tax Authorities, ii) accrued charges, which mostly contain intercompany recharges that have been accrued, but not yet invoiced and iii) accounts payable part or the regular business of the company.

Contract liabilities were €0.98 million at 31 December 2024 (2023: €0.91 million). Revenue recognised in 2024 relating to contract liabilities was €0.59 million (2023: €0.40 million).

20. Provisions

	Restructuring Costs	Pending legal issues	Other provisions	Total
	In € '000	In € '000	In € '000	In € '000
At 1 January 2024	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)
At 31 December 2024	28,502	41,024	840	70,365
At 1 January 2023	26,600	83,550	373	110,522
Amounts provisioned	20,565	25,893	527	46,985
Amounts utilized	(30,381)	(21,673)	(577)	(52,631)
Unused amounts reversed during the period	(40)	(44,824)	(43)	(44,907)
Other movements	—	—	—	—
At 31 December 2023	16,743	42,946	280	59,969

Other provisions include Operational Risk Events which are reported as Operating Expense under P&L.

Provision amounts for 2024 are mainly impacted by the European Bank restructuring plan implemented over the past years that has led to job relocation and re-organization of certain functions across different locations.

Pending legal issues mainly relates to the German "cum-ex" postings. Please refer to Note 26.1 for the description of these pending legal issues.

21. Subordinated and Long term Liabilities

21.1. Subordinated loans

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 2024 and 2023.

22. Retirement Benefit Plan

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 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 €6.3 million (2023: €6.7 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 IAS19 standards): 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 operates

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

No plan amendments, curtailments or settlements occurred during the financial year of 2024.

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	
	2024	2023	2024	2023	2024	2023
	In € '000	In € '000	In € '000	In € '000	In € '000	In € '000
Balance at 1 January	(73,608)	(64,070)	87,530	76,114	13,922	12,044
Included in profit or loss						
Current service cost	(2,309)	(2,195)	—	—	(2,309)	(2,195)
Administrative expenses	—	—	(189)	(89)	(189)	(89)
Losses/(gains) on non routine settlements	—	—	—	—	—	—
Curtailments	—	—	—	—	—	—
Operating expense/ (income)	(2,309)	(2,195)	(189)	(89)	(2,498)	(2,284)
Net interest on the net benefit obligation/ (asset)	(2,400)	(2,467)	2,933	2,959	533	492
Cost of termination benefits paid from the plan	—	—	—	—	—	—
Finance expense/ (income)	(2,400)	(2,467)	2,933	2,959	533	492
Net benefit expense	(4,709)	(4,662)	2,744	2,870	(1,965)	(1,792)
Included in other comprehensive income						
Return on plan assets excluding interest income	—	—	7,949	6,621	7,949	6,621
Experience gains/ (losses)	319	(1,836)	—	—	319	(1,836)
Actuarial gains/(losses) arising from changes in financial assumptions	4,158	(6,497)	—	—	4,158	(6,497)
Actuarial gains/(losses) arising from changes in demographic assumptions	—	—	—	—	—	—
Total gains/ (losses) recognized	4,477	(8,333)	7,949	6,621	12,426	(1,712)
Other						
Net transfers (in)/out	—	—	—	—	—	—
Contribution paid by the employer	—	—	3,626	5,382	3,626	5,382
Benefits paid	2,181	3,457	(2,181)	(3,457)	—	—
	2,181	3,457	1,445	1,925	3,626	5,382
Balance at 31 December	(71,659)	(73,608)	99,668	87,530	28,009	13,922

The financial assumption loss is explained by a decrease 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	2024	2023	2022	2021	2020
	In € '000	In € '000	In € '000	In € '000	In € '000
Fair value of plan assets	99,668	87,530	76,114	85,022	76,283
Defined benefit obligation	(71,659)	(73,608)	(64,070)	(84,063)	(91,813)
As of 31 December	28,009	13,922	12,044	959	(15,530)

Net defined benefit obligations and assets aren't netted off amongst the plans. That being said all plans have assets in excess of liabilities, so accounts receivables (note 15) include a net defined benefit asset (€28 million) and other liabilities as mentioned in note 19 a net defined benefit obligation (€0.0 million).

European Bank contributed €3.63 million to its defined benefit pension plans in 2024 (2023: €5.38 million). The cumulative amount of gains and losses recognized in other comprehensive income is presented below:

Gains and losses recognized in other comprehensive income

	2024	2023
	In € '000	In € '000
As of 1 January	(13,998)	(15,247)
Recognized during the year	(14,023)	1,250
As of 31 December	(28,021)	(13,998)

The major categories of plan assets as a percentage of the fair value of total plan assets are as follows (weighted average):

	2024	2023
Equity instruments (all quoted), of which:	39.8 %	54.8 %
<i>Domestic equities</i>	16.6 %	17.5 %
<i>Overseas equities</i>	19.5 %	33.3 %
<i>Emerging markets equities</i>	3.7 %	4.0 %
Debt instruments, of which: ³³	27.6 %	34.0 %
<i>Corporate/government bonds</i>	26.3 %	32.5 %
<i>Fixed interest government bonds (unquoted)</i>	1.4 %	1.5 %
Property (all quoted)	5.1 %	4.9 %
Cash	3.8 %	1.2 %
<i>Quoted</i>	1.4 %	0.3 %
<i>Unquoted</i>	2.4 %	0.9 %
Other (<i>quoted</i>)	23.69 %	5.04 %

³³ Investments in funds are included in the categories of Debt Instruments. The sub-categories reflect the underlying assets of the fund.

The sector allocation of the equity instruments is as follows:

	2024	2023
	In € '000	In € '000
Equity instruments, of which:	39,706	35,145
Energy, industrial companies and materials	7,147	7,345
Consumer Discretionary and Staples	5,956	7,521
Financials	7,465	5,412
Health Care	5,043	3,022
Information Technology	12,984	10,333
Other	1,112	1,512

Substantially the equity securities and bonds are issued in EUR currency 43.43% (2023: 60.73%) and traded in active markets. All government bonds are issued by European governments.

	2024	2023
AAA	6.2 %	5.2 %
AA	13.6 %	13.7 %
A	22.0 %	20.3 %
Not rated	4.0 %	4.2 %

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 2024. 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:

	2024	2023
Discount rate	3.45%	3.29%
Future salary growth	3.14%	3.20%
Future pension increase	2.03%	2.21%

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:

	2024	2023
Longevity at age 65 for current pensioners		
Males	21.8	21.7
Females	25.5	25.4
Longevity at age 65 for current members aged 45		
Males	22.5	22.4
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.

Value of obligations at year end if (In '€000) :	Movement	31 December 2024
Discount rate reduced by	1.00%	81,990
Discount rate increased by	1.00%	63,000
Inflation reduced by	1.00%	69,474
Inflation increased by	1.00%	74,289
Life expectancy decreased by	1 year	70,957
Life expectancy increased by	1 year	72,328

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

Authorized, issued and fully paid	2024	2023
	In '000	In '000
Ordinary shares of 1038.5 € each (2023: 1038.5 €)	1.689	1.689
	1.689	1.689

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 €-52.49 million at 31 December 2024 (2023: €-200.65 million). The significant decrease in other reserves is driven by change of net fair value of financial assets at FVOCI in amount of €210.91 million in 2024. 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:

2024	Level 1	Level 2	Level 3	Total
	In € '000	In € '000	In € '000	In € '000
Financial assets				
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
	1,058,281	14,192,374	—	15,250,655
Financial liabilities				
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
	—	841,322	—	841,322

2023	Level 1 In € '000	Level 2 In € '000	Level 3 In € '000	Total In € '000
Financial assets				
Derivative financial instruments				
Options	—	403	—	403
Forward foreign exchange contracts	—	673,134	—	673,134
Interest rate swaps	—	19,217	—	19,217
Financial investments at FVOCI (Quoted)				
Debt securities	999,483	9,234,120	—	10,233,604
Equity instruments	—	3,779	—	3,779
	999,483	9,930,653	—	10,930,136
Financial liabilities				
Derivative financial instruments				
Options	—	403	—	403
Forward foreign exchange contracts	—	696,371	—	696,371
Other	—	154	—	154
Derivatives - Hedge accounting (Interest rate swaps)	—	41,338	—	41,338
	—	738,266	—	738,266

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 €0.14 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 2024 and 2023, 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 2024.

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.

	2024		2023	
	Carrying amount	Fair value	Carrying amount	Fair value
	In € '000	In € '000	In € '000	In € '000
Financial assets				
Cash and cash balances with central banks	11,807,477	11,807,477	21,096,199	21,096,199
Loans and advances to customers	12,566,749	12,566,749	5,367,936	5,367,936
Debt instruments at amortised cost - Quoted	3,697,122	3,687,419	1,495,638	1,468,048
Financial liabilities				
Financial liabilities at amortized cost	38,095,958	38,095,958	34,393,736	34,393,736
<i>Deposits</i>	37,072,858	37,072,858	33,365,128	33,365,128
<i>Subordinated liabilities</i>	1,000,076	1,000,076	1,000,229	1,000,229
<i>Other financial liabilities</i>	23,024	23,024	28,379	28,379

The table below shows the interest income and expense that relates to financial instruments measured at amortized cost:

Interest income from financial instruments measured at amortized cost	2024	2023
	In € '000	In € '000
Loans and advances to customers	1,001,337	789,712
Debt instruments at amortised cost - Quoted	27,140	26,107
Total	1,028,477	815,818

Interest expense from financial instruments measured at amortized cost	2024	2023
	In € '000	In € '000
Deposits	1,074,821	782,566
Subordinated loans	27,958	27,882
Lease liabilities (note 26.4)	350	375
Total	1,103,129	810,823

25. Share-based Payment

The share-based payment plans are described below. There have been no cancellations of or modifications to, any of the plans during 2024.

A Long-Term Incentive Plan is operated by BNY Mellon (parent company), under which restricted stock units ("RSUs") and other stock-based awards, such as options are granted to employees and directors of BNY Mellon, including the European Bank.

Restricted Stock Units are issued under the plan at no cost to the recipient and 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 restriction 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 Mellon 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:

	2024	2023
	In € '000	In € '000
Expense arising from equity-settled share-based payment transactions	6,090	4,436
Total expense arising from share-based payment transactions	6,090	4,436

Restricted stock

	2024	2023
	No.	No.
Outstanding at the beginning of the year	131,438	123,708
Staff transfers during the year	2,472	2,371
Granted during the year	93,253	88,877
Vested and exercised during the year	76,149	79,815
Forfeited during the year	4,769	3,703
Outstanding at the end of the year	146,245	131,438
Non vested expected to vest at year end	143,706	128,594

The Long-term Incentive Plan of the European Bank included also stock options before 1st of January 2024, however all options were exercised, forfeited or expired during 2023. There are no stock options on December 31st 2024. The following table illustrates the number (No.) and weighted average exercise prices (WAEP) of, and movements in, share options for 2023 for comparative purpose only. The WAEP has been converted to EUR based on the monthly average rates.

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 have 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 intends to pursue as necessary. Whilst we continue to pursue our claims under the indemnity, until we have confirmation of payment, we assess recovery as less than virtually certain as referred to in IAS 37. 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 (including legal interest at 6%; no penalties are expected). There is estimation uncertainty in the final outcome of this legal matter. Postings to reflect the current situation as of End Dec 2024 were performed and impacted mainly Note 5 Other Operating income and Note 20 Provisions.

26.2. Off-balance Sheet

The off-balance sheet items consist mainly of: (i) the assets under custody (AUC) totaling €3,860Billion as of 31 December 2024 (2023: €3,105Billion), and (ii) other given and received commitments.

The increase of AuC in 2024 by €755 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	2024	2023
	In € million	In € million
Commitments given (performance guarantee)	—	3
Financial guarantees received for state guaranteed bonds (Note 28.2.5)	2,411	1,891
Other commitments received (Note 26.3)	1,000	1,000
Assets under custody	3,860,057	3,105,140
TOTAL	3,863,467	3,108,035

The amount of assets under custody received, split by currency at 31 December 2024, are presented in the table below:

	2024			2023		
	EUR	Other currency	Total	EUR	Other currency	Total
	In € million	In € million	In € million	In € million	In € million	In € million
Assets under custody	1,256,872	2,603,185	3,860,057	1,161,503	1,943,638	3,105,140
	1,256,872	2,603,185	3,860,057	1,161,503	1,943,638	3,105,140

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, 2024 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 2.42 for cars and 4.02 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).

	2024	2023
	In '000	In '000
Right-of-use assets		
Balance at 1 January	26,729	30,676
Depreciation charge for the year	(8,142)	(7,440)
Additions	3,377	3,184
Balance at 31 December	21,964	26,420 ³⁴

³⁴ Beginning balance of FY 2024 updated following restated figures in 2023 by the business.

The amounts recognised in profit or loss for the years 2024 and 2023 were:

	2024	2023
	In '000	In '000
Interest on lease liabilities	350	294
Expenses relating to short-term leases/low value assets	22	7
	372	301

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:

	2024	2023
	In '000	In '000
Outflows for operating activities	350	294
Outflows for financing activities	9,734	8,452
Total cash outflows for leases	10,084	8,746

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.

	2024	2023
	In € '000	In € '000
Short-term employee benefits	5,125	2,961
Post-employment benefits	103	102
Other long-term benefits	14	13
Share based payments	630	667
	7,703	3,744

Short-term employee benefits section consists of salaries of €4.64 million (2023: €2.95 million) and social charges of €0.48 million (2023: €0.02 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

	2024			2023		
	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	9,367,279	—	91,659	3,034,671	19	128,629
Current accounts	2,391,693	—	91,659	2,571,673	19	128,629
Term loans	6,975,586	—	—	462,998	—	—
Other assets	338,173	3	2,661	327,995	47,007	—
TOTAL ASSETS	9,705,452	3	94,320	3,362,666	47,026	128,629
Deposits	4,112,175	—	365,951	3,235,039	59,971	308,174
Long term debt / subordinated debt	1,000,076	—	—	1,000,229	—	—
Other liabilities	528,762	—	9,494	316,126	438	—
TOTAL LIABILITIES	5,641,013	—	375,446	4,551,393	60,409	308,174

Income and expense generated by transactions with related parties

	2024			2023		
	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	168,399	—	3,737	154,646	1	6,122
Fees and commissions	170,639	—	1,752	234,455	2,170	15,135
Other	30,116	—	574	3,802	27,783	571
TOTAL INCOME	369,154	—	6,063	392,903	29,954	21,827
Interest expense	222,479	—	12,798	191,415	2,535	12,371
Fees and commissions	108,786	—	58,770	153,563	1,191	55,710
Other	111,338	5	12,813	146,235	418	15,277
TOTAL EXPENSE	442,604	5	84,380	491,213	4,145	83,358

27.4. Terms and Conditions of Transactions with Related Parties

The outstanding balances 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 2024, receivables from related parties are not considered to be doubtful and hence no provision for doubtful debt has been made.

27.5. Consolidated³⁵ 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
		2024
The Bank of New York Mellon SA/NV - Amsterdam Branch	Netherlands	Asset Servicing & Digital, Markets
The Bank of New York Mellon SA/NV - London Branch	United Kingdom	Asset Servicing & Digital, Corporate Trust, 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, Depositary Receipts, Markets
The Bank of New York Mellon SA/NV - Paris Branch	France	Corporate Trust, Clearance and Collateral Management, Depositary 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 & Depositary

Name of Subsidiary	Country of incorporation	% equity interest	% equity interest
		2024	2023
BNY Mellon Service Kapitalanlage - Gesellschaft mbH	DE	— %	100 %

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:

³⁵ BNY AIS Nominees Limited is a non-consolidated subsidiary with 100% equity interest in 2024 and 2023; Due to the KVG Merger there is no consolidated subsidiary in the European Bank for FY2024.

THE BANK OF NEW YORK MELLON SA/NV ('the European Bank')

Branches	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 - London Branch	—	—	—	—
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
BNY Mellon Service Kapitalanlage - Gesellschaft mbH	—	—	—	—
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
Total	2,351,519	496,170	397,556	1,604

Branches and Subsidiary	Turnover*	Profit before tax	Profit after tax	No of FTE (equivalent)
2023	In € '000	In € '000	In € '000	
The Bank of New York Mellon SA/NV	1,198,112	513,097	514,403	366
The Bank of New York Mellon SA/NV - London Branch	—	(10)	308	—
The Bank of New York Mellon SA/NV - Amsterdam Branch	82,358	(11,207)	(25,515)	106
The Bank of New York Mellon SA/NV - Dublin Branch	196,179	(78,392)	(106,520)	357
The Bank of New York Mellon SA/NV - Luxembourg Branch	174,213	(156,853)	(193,469)	287
BNY Mellon Service Kapitalanlage - Gesellschaft mbH	13,674	(39,878)	(39,878)	73
The Bank of New York Mellon SA/NV - Frankfurt Branch	339,700	278,746	276,240	147
The Bank of New York Mellon SA/NV - Milan Branch	8,479	(30,624)	(33,014)	26
The Bank of New York Mellon SA/NV - Paris Branch	1,467	(2,851)	(2,927)	10
The Bank of New York Mellon SA/NV - Madrid Branch	2,021	(2,390)	(2,505)	21
The Bank of New York Mellon SA/NV - Copenhagen Branch	2,121	(1,650)	(1,851)	16
The Bank of New York Mellon SA/NV - Poland Branch	1,723	(11,650)	(12,370)	288
Total	2,020,047	456,339	372,904	1,698

*Turnover comprises interest income, fee and commission income, Net profit or net loss on financial operations, other operating income (excluding exceptional items) It is based on consolidated figures, hence eliminating intracompany positions. A new definition of the Turnover has been used and FY2023 figures were restated.

27.6. Business Combinations and Discontinued Operations

On February 1st, 2024, The European Bank successfully completed the merger of German fund administration and ManCo entity (BNY Mellon KVG) into the Frankfurt Branch of the

European Bank. The EB is now well positioned to deliver more for our existing clients – German Fund Accounting and AIS Real Estate clients are now being serviced by the Frankfurt Branch of the European Bank. As the merger was completed in 2024, there is no need to disclose amounts in discontinued operations .

28. Risk Management

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.

The Risk Management Function maintains the European Bank's overarching risk management framework that describes how risk is managed within European Bank, It also sets out how these framework components interact, including within policies, procedures, limits and controls, thus providing adequate, timely and continuous identification, assessment, monitoring, management and reporting of the risks faced by the European Bank.

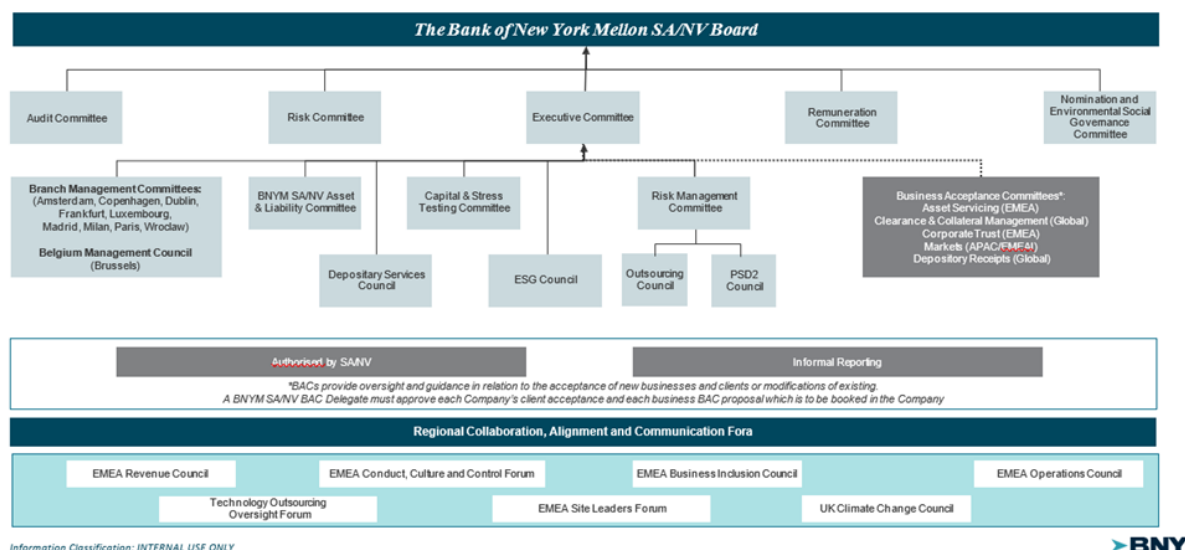
Given that European Bank is a fully owned subsidiary of BNY and part of the BNY Group, the Risk Management Function implements locally a risk management framework consistent with the BNY Group's framework, articulated around the three lines of defense model.

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 monthly 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 commercial 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.

The Tech Risk Committee has now been folded in to the RMC, which allows for a more holistic view of technology risks in the European Bank.

Capital and Stress Testing Committee ("CSTC")

The purpose of the CSTC 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 CSTC is an empowered decision making body under authority delegated by the ExCo 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 strategy related to 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.

28.1.4. 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.

28.1.5. 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 Pillar 1 requirements as well as Pillar 2 (Economic Capital).

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 methodologies which follow an approval process including independent validation by BNY's model validation team. These methodologies are approved by European Bank Capital and Stress Testing Committee 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.

28.1.6. 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. 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 (government bonds, corporate bonds, 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.
- Guarantee (CIU): A guarantee underwritten to German pension fund investors covering the market risk of the portfolio.
- 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, as defined in section 28.1.1 Description of the Risk Management Framework in this document. 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 folded 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 2024 is €824 million (2023: €693 million).

Offsetting financial assets and financial liabilities

European Bank does not offset any financial assets and financial liabilities except for intragroup exposures where an 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 2024 and 2023 are presented in the following table:

	Intragroup Master Netting Agreement	Customer Netting Agreement
2024	In € '000	In € '000
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
Net Amount subject to Credit Risk	613,780	0

	Intragroup Master Netting Agreement	Customer Netting Agreement
2023	In € '000	In € '000
Amount of recognized financial instruments assets	2,708,206	2,359,585
Amount of recognized financial liability offsetting assets	2,690,576	2,357,889
Net Amount subject to Credit Risk	17,630	1,696

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 2024 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 2024.

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.

European Bank has carried out extensive work in connection with the remediation of large exposure and concentration risk concerns. The NEXEN large exposures' platform (after the decommissioning of the Concentration Risk System in October 2020) 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 2024, 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	
	2024	2023	2024	2023
	In € '000	In € '000	In € '000	In € '000
Cash and cash balances with central banks (Note 10)	11,807,477	21,096,199	—	—
Derivative financial instruments (asset side) (Note 14)	824,156	692,754	300,036	300,036
Investment securities (Note 12/ 26.2)	18,119,923	11,729,241	2,410,830	1,891,243
Loans and advances to customers (Note 11)	12,566,749	5,367,936	547,118	547,118
of which; Reverse Repo (note 26.2)	6,164,218	452,348	487,193	487,193
Derivative financial instruments (liability side) (Note 14)	841,322	738,266	—	—
Financial liabilities measured at amortized cost (Note 18)	38,095,958	34,393,736	—	—
<i>Deposits</i>	37,072,858	33,365,128	—	—
<i>Subordinated liabilities</i>	1,000,076	1,000,229	—	—
<i>Long term debt</i>	—	—	—	—
<i>Other financial liabilities</i>	23,024	28,379	—	—

	Maximum credit risk exposure by region, carrying values:				2024	2023
	Africa	Americas	Europe	Asia Pacific	In € '000	In € '000
FINANCIAL ASSETS						
Cash and cash balances with central banks	1	—	11,807,476	—	11,807,477	21,096,199
Derivative financial instruments	—	287,702	532,825	3,629	824,156	692,754
Investment securities	189,948	3,310,158	13,071,617	1,548,199	18,119,923	11,729,241
Loans and advances to customers	81,098	9,778,834	2,328,687	378,130	12,566,749	5,367,936
TOTAL FINANCIAL ASSETS	271,047	13,376,694	27,740,606	1,929,958	43,318,305	38,886,130
FINANCIAL LIABILITIES						
Derivative financial instruments	—	499,386	326,202	15,735	841,322	738,266
Deposits	1	5,650,638	31,203,500	218,719	37,072,858	33,365,128
Subordinated liabilities	—	1,000,076	—	—	1,000,076	1,000,229
<i>Long term debt</i>	—	—	—	—	—	—
<i>Other financial liabilities</i>	—	—	23,024	—	23,024	28,379
TOTAL FINANCIAL LIABILITIES	1	7,150,100	31,552,726	234,453	38,937,280	35,132,003

	Maximum credit risk exposure by industry, carrying value:				2024	2023
	Credit institutions / Central Banks	General Government	Other Financial institution	Non-Financial institution	In € '000	In € '000
FINANCIAL ASSETS						
Cash and cash balances with central banks ³⁶	11,807,477	—	—	—	11,807,477	21,096,199
Derivative financial instruments	397,511	41	422,627	3,977	824,156	692,754
Investment securities	9,673,517	7,269,303	1,165,072	12,032	18,119,923	11,729,241
Loans and advances to customers	12,249,575	5,343	311,831	—	12,566,749	5,367,936
TOTAL FINANCIAL ASSETS	34,128,080	7,274,686	1,899,530	16,009	43,318,305	38,886,130
FINANCIAL LIABILITIES						
Derivative financial instruments	744,460	—	93,759	3,103	841,322	738,266
Deposits	6,731,177	256,420	30,027,941	57,319	37,072,858	33,365,128
Subordinated liabilities	1,000,076	—	—	—	1,000,076	1,000,229
Long term debt	—	—	—	—	—	—
Other financial liabilities	23,024	—	—	—	23,024	28,379
TOTAL FINANCIAL LIABILITIES	8,498,737	256,420	30,121,700	60,422	38,937,280	35,132,003

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.

³⁶ 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 2024 and 2023, carrying value (in € 000):

Country	Held-for-trading	Balances with Central Banks ³⁷	Investment securities		Loans and advances	2024	2023
			FVOCI	Amortised Cost			
Belgium	2,475	4,699,173	584,979	177,555	772	5,464,954	7,510,388
Germany	56,707	5,282,520	1,506,849	413,591	15,210	7,274,877	11,334,646
Luxembourg	88,761	97,525	23,981	—	29,307	239,574	110,372
Netherlands	57,970	1,617,603	1,103,855	679,952	23,872	3,483,252	3,239,859
United States	158,023	—	201,767	—	6,105,739	6,465,529	944,106
France	26,003	—	1,244,760	296,177	113,294	1,680,234	514,993
Ireland	22,198	93,795	74	—	166,583	282,651	83,662
Italy	39	16,860	44,707	—	1,000	62,606	16,730
Spain	6,964	—	460,645	—	5,366	472,975	—
United Kingdom	154,281	—	415,125	364,467	923,950	1,857,823	113,443
Canada	66	—	2,385,746	248,677	1,795	2,636,284	230,921
Japan	—	—	287,996	—	—	287,996	89,920
Finland	68	—	318,037	143,365	159,625	621,094	99,732
Other	236,167	1	5,844,279	1,373,338	374,330	7,828,114	982,260
TOTAL	809,721	11,807,477	14,422,801	3,697,122	7,920,842	38,657,963	25,271,032

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.

³⁷ 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 2024 (2023: € nil).

Internal BNY Mellon rating	S&P' equivalent grades	Moody's equivalent grades	Held-for- trading	Balances with Central Banks	Investment securities*		Loans and receivabl es	2024	2023
					FVOCI	Amortised Cost			
€ million									€ million
1-2	AAA/AA+	Aaa/Aa1	291	6,998	6,255	2,036	201	15,781	19,381
3-6	AA/AA-/ A+/A-	Aa2/ A2	394	4,793	5,927	1,432	11,480	24,026	17,465
7-9	A-/BBB+/ BBB	A3 /Baa2	30	—	1,887	119	397	2,433	1,612
10-13	BBB-/ BB+/BB/ BB-/B+	Baa3/Ba3	110	17	354	110	435	1,025	294
14-16	BBB-/BB-	B1/B3	—	—	—	—	54	54	135
Total			824	11,807	14,423	3,697	12,567	43,318	38,886

*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 (2024) split by Stage 1, Stage 2 and Stage 3. Explanations on the stages classification is included in Note 1.6.8.1.

	Stage 1 In € '000	Stage 2 In € '000	Stage 3 In € '000	Total In € '000
Cash with central banks and Loans and advances to customers at amortised cost				
Grades 1-10: Investment grade	23,981,846	36,315	—	24,018,162
Grades 11-14: Non investment grade	286,636	43,809	—	330,445
Grade 15-16: Criticised asset	4,085	22,465	—	26,549
Grades 17-18: Default	—	—	—	—
	24,272,566	102,589	—	24,375,156
Loss allowance	111	818	—	929
Carrying amount	24,272,455	101,772	—	24,374,227
Debt investment securities at amortised cost				
Grades 1-10: Investment grade	3,697,139	—	—	3,697,139
	3,697,139	—	—	3,697,139
Loss allowance	17	—	—	17
Carrying amount	3,697,122	—	—	3,697,122
Debt investment securities carried at FVOCI				
Grades 1-10: Investment grade	14,421,489	—	—	14,421,489
	14,421,489	—	—	14,421,489
Loss allowance	99	—	—	99
Carrying amount	14,421,390	—	—	14,421,390

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 2024 is €2.2 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 2024.

	Loans and advances	of which Stage 2	Investment securities	Total	of which Individual
	In € '000	In € '000	In € '000	In € '000	In € '000
At 1 January	(2,138)	(1,917)	(83)	(2,221)	(2,221)
Increase due to origination	(44)	(5)	(109)	(153)	(153)
Decrease due to de-recognition	855	749	12	867	867
Change in credit risk	(45)	(87)	65	20	20
Net re-measurement	—	—	—	—	—
Foreign exchange and other	443	443	1	444	444
At 31 December	(929)	(818)	(116)	(1,045)	(1,045)

	Loans and advances	Investment securities	Total
	In € '000	In € '000	In € '000
Transfers between Stage 1 and Stage 2			
To Stage 2 from Stage 1	24	—	24
To Stage 1 from Stage 2	5,058	—	5,058

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.

War in Ukraine - impacts on Expected Credit Loss framework.

The war in Ukraine impacted the level of ECL in European Bank in two ways:

- It impacted the macroeconomic outlook, which as a result was more pessimistic. This relates to the war in Ukraine (resulting in higher energy and food prices and supply-chain constraints) as well as pandemic considerations, mainly in China, as well as tightening monetary policies.
- The Russian sanctions triggering the creation of S-type accounts. As Russian exposures, the related exposures received the rating of Russia, internally considered a near-default (internal rating 16). The maturity was set to 5 years.

During the year, further legal investigations were conducted and it is considered that European Bank has limited liability for the S-account exposures.

The ECL for European Bank has varied during 2024 in line with the scenario previsions (increasing at times of pessimistic previsions and decreasing with optimistic previsions), as well as when legal opinion evolved. The scenarios take into account the current situation and current view on how the situation could evolve.

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 €2.2 million in 2024 (2023: €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 2024 (2023: € 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 € 335 million (2023: € 246 million), versus the Pillar 1 calculation of €312Million (2023: €245 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, custody and other business (Global Collateral Management, Treasury Services, etc.) activities. Liabilities and sources of funds consist mainly of third party client deposits and intercompany deposits. Client deposit balances are operational in nature and exhibit a degree of stability.

European Bank maintains ample liquidity buffers for day-to-day changes in deposit funding. Apart from operational client overdrafts, European Bank does not extend term loans to clients and therefore funding assets is not a significant use of liquidity. While sizeable overdrafts can periodically appear on European Bank's balance sheet, large deposits offset these amounts. Liquidity from customer and intercompany deposits on the balance sheet is deployed in the following ways:

- Placed overnight/ on demand with national central banks through the Head office or branches whether it has access to these central banks
- Used to fund the securities portfolio, primarily comprising of High Quality Liquid Assets (HQLA)
- Placed short term in the interbank market (no longer than one-year maturity)
- Used to fund overdrafts, which are mainly operational in nature and short-term
- Placed short term with other BNY Mellon entities (intercompany placements)
- Other currencies may be left on Nostro accounts only if they cannot be placed externally, swapped into another currency, or placed intragroup.

The following table details the assets /liabilities according to the remaining term to maturity (contractual maturity date):

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
Non derivative assets									
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
	—	16,763,649	5,921,177	762,946	309,119	7,099,094	11,638,162	42,494,149	42,494,149
Non derivative liabilities									
	—	36,016,508	720,005	135,634	42,628	—	—	36,914,775	36,914,775
Deposits	—	149,053	—	4,030	5,000	—	—	158,083	158,083
Deposits from central banks	—	—	—	—	—	—	—	—	—
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
	—	36,165,561	720,005	148,724	74,403	127,334	1,062,257	38,298,284	38,095,958

2023	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
Non derivative assets									
Cash and cash balances with central banks	—	21,096,199	—	—	—	—	—	21,096,199	21,096,199
Loans and advances to customers	—	4,455,699	639,545	176,547	92,493	—	3,652	5,367,936	5,367,936
Investment securities	—	—	—	—	—	3,987,681	7,741,560	11,729,241	11,729,241
	—	25,551,898	639,545	176,547	92,493	3,987,681	7,745,212	38,193,376	38,193,376
Non derivative liabilities									
Deposits	—	32,660,181	19,441	127,576	301,186	154,774	—	33,263,158	33,229,476
Deposits from central banks	—	135,652	—	—	—	—	—	135,652	135,652
Subordinated liabilities	—	—	—	6,875	21,236	111,451	1,090,292	1,229,854	1,000,229
Long term debt	—	—	—	—	—	—	—	—	—
Other financial liabilities	—	—	—	2,317	6,184	18,819	—	27,320	28,379
	—	32,795,833	19,441	136,768	328,606	285,045	1,090,292	34,655,985	34,393,736

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;
 - 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 derivatives used in the context of Treasury management and FX trading activity.
- 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 including Fx swap revenues (NII+FXS), 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 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 Treasury 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 three-layer system of limit controls for first and second line of defense to ensure positions that exceed certain predetermined levels receive prompt management attention.

- Level 3 Limit (Board Risk Appetite): Board risk appetite limits are established by the Board of Directors or its designated committee.
- Level 4 Limits (Limits at ExCo level): Level 4 Market Risk limits are established by the European Bank ExCo and are more conservative/granular than the Level 3 Board risk appetite limits.
- Level 5 Limits.

The European Bank Market and Treasury Risk Management functions, in coordination with EMEA and Group Risk Management functions, provide:

- 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) independently 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, 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 by the Market Risk Management Group to ensure that they continue to perform as expected and that assumptions used in model development are still appropriate. As part of the validation process, the potential weaknesses of the models are analysed using statistical techniques, such as back testing.

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 2024:

USD million	31/12/2024	29/12/2023
Value At Risk	0.013	0.185
Stressed Value At Risk	0.049	0.528

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 2024, 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 income³⁸ (NII+FXS) and economic value of equity (EVE). Furthermore, European Bank's 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.

In 2021 European Bank Corporate Treasury introduced interest rate swap (IRS) derivatives as a new instrument to mitigate interest rate risk within the banking book. As of 31 December 2024, €2.8 billion IRS notional amount are in place to hedge fixed interest rate risk on the

³⁸ including FX swap revenues

investment portfolio securities. Treasury will continue to use IRS depending on market conditions, our limits and constraints, and our expectations from a forward looking perspective.

Sensitivity analysis

For regulatory purposes, an interest rate sensitivity analysis is prepared on a quarterly basis as shown below this paragraph.

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+FXS) 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 (31-12-2024)		Actual (31-12-2023)	
	+	-	+	-
+/-200 bps NII Sensitivity (12 month forecast)	-6.7%	-5.2%	13.7%	-29.1%
+/-200 bps EVE sensitivity	-1.8%	-1.6%	4.6%	5.6%

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 2024 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's 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

The figures are computed within BNYM corporate ALM system (QRM), aligned with internal models and assumptions.

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	GBP	USD	Other	Total
	In € '000	In € '000	In € '000	In € '000	In € '000
31 December 2024					
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
The statement of financial position (net)	3,527,178	(785,904)	(2,354,990)	(386,284)	—
31 December 2023					
Total assets	28,977,966	1,492,308	5,111,477	4,077,143	39,658,893
Total liabilities and shareholder's equity	21,083,546	2,742,132	10,234,958	5,598,258	39,658,893
The statement of financial position (net)	7,894,421	(1,249,825)	(5,123,481)	(1,521,115)	—

The table below indicates the currencies to which European Bank had significant exposure at 31 December 2024 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
		2024	2024	2024		2023	2023	2023
		€ million		€ million		€ million		€ million
Scenario	1%				1%			
USD	0.0103	1.0346	61.76	35.34	0.0111	1.1058	101.31	40.66
GBP	0.0083	0.827	15.12	8.15	0.0087	0.867	21.84	10.66

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 €926 million (2023: €731 million), versus the Pillar 1 calculation of €20 million (2023: €18 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 €616 million (2023: €650 million), versus the Pillar 1 calculation of €132 million (2023: €118 million). Restitution risk economic capital resulted in an amount of €402 million (2023: €368 million) .

29. Capital

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 aversion of European Bank.

Regulatory capital

	2024	2023
	€ million	€ million
Qualifying Core Tier1 capital	4,556	4,011
Qualifying Tier1 capital	—	—
Total qualifying Tier 1 capital	4,556	4,011
Deductions	(96)	(82)
Total qualifying Tier 2 capital	—	—
Total capital	4,460	3,929
Total Risk Exposure Amount	5,810	4,762
Risk weighted exposure amount for credit risk	3,904	3,067
Risk exposure amount for foreign exchange risk	90	126
Risk exposure amount for credit valuation adjustment (CVA)	165	95
Risk exposure amount for operational risk	1,651	1,475
Capital Ratios		
Core Tier 1 capital ratio	76.8%	82.5%
Tier 1 capital ratio	76.8%	82.5%
Total capital ratio	76.8%	82.5%
Leverage ratio (fully phased-in)	9.2%	9.4%

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 2024, filtering out the valuation reserves, less goodwill and other intangibles. 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.

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

No subsequent Events have been noted..



The Bank of New York Mellon SA/NV

1 Boulevard Anspachlaan

1000 Brussels

Belgium

V.A.T. BE 0806.743.159 - Company No. 0806.743.159 Brussels RPM-RPR

bnymellon.com

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