



**2025**  
**Market**  
**discipline**  
**(Pillar III)**

**Itaú BBA Europe, S.A.**



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## 1. INTRODUCTION

The purpose of this document, entitled Market Discipline - Pillar III 2025, is to provide the information required under Part VIII of Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June 2013<sup>1</sup> (*Capital Requirements Regulation - CRR*) on prudential requirements for credit institutions and investment firms ("Regulation" or "CRR"), as amended by Instruction No 11/2021, of the Bank of Portugal.

This document was prepared by Itaú BBA Europe, S.A. (hereinafter referred to as "Itaú Europe" or "Bank") in light of the specifications introduced by Commission Implementing Regulation (EU) 637/2021, of March 15, 2021, which establishes technical implementing standards with regard to the public disclosure of the information referred in the CRR. The information disclosed refers to the end of financial year 2025.

Itaú Europe is part of the Itaú Group, directly owned 100% by Itau BBA International plc, headquartered in London, United Kingdom, and indirectly by Itaú Unibanco Holding S.A., headquartered in São Paulo, Brazil.

Itaú Europe started its activity as a credit institution and financial intermediary in February 2020, a year in which it began operations, and in 2021 it established a branch in Luxembourg – Itaú BBA Europe, S.A. – Luxembourg Branch ("Branch"). The establishment of a credit institution in Portugal was part of a reorganisation process of the Itaú Group's presence in Europe. The main purpose of this reorganisation was to ensure continued access by the Itaú Group's to European clients.

Whenever the information whose disclosure is required by the Regulation is already disclosed in the 2025 Annual Report ("AR") or in other documents also published in the Bank's institutional website, due reference will be made thereto and the place where they can be consulted will be indicated.

The Bank's financial statements are prepared in accordance with International Accounting Standards / International Financial Reporting Standards (IAS/IFRS), as adopted, at each moment, by regulation

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<sup>1</sup> Revised by Regulation (UE) No. 876/2019 (CRR2), effective from June 28, 2021.

of the European Union, in accordance with Bank of Portugal Notice no. 5/2015. The accounting policies adopted by the Bank are described in item II of the AR.<sup>2</sup>

## 2. DECLARATION OF RESPONSIBILITY

The Board of Directors of Itaú Europe hereby declares and certifies that:

1. All procedures deemed necessary for the preparation and public disclosure of the Market Discipline - Pillar III 2025 document were developed;
2. The quality of all the information disclosed herein was ensured;
3. The information contained in this document, disclosed with reference to the end of financial year 2025, was not impacted by relevant supervenient facts in the subsequent 2026 fiscal year.
4. It undertakes to disclose, in a timely manner, any significant changes occurring during 2026, as well as their impact on the information disclosed herein;
5. To the extent of its knowledge, all the information disclosed in this document is true and reliable.

João Pedro Fonseca

CFO

Itaú BBA Europe, S.A.

Paulo Jorge dos Santos Lopes

CRO

Itaú BBA Europe, S.A.

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<sup>2</sup> Available on the Bank's institutional website at [www.itaubba.eu](http://www.itaubba.eu).

### 3. SCOPE OF APPLICATION AND RISK MANAGEMENT POLICIES

#### 3.1 Scope of application

This document is the public disclosure of information provided for in Part VIII of the Regulation with respect to Itaú Europe, which has its registered office at Rua Tierno Galvan 13, Torre 3, 11º piso, in Lisbon.

At 31 December 2025, Itaú Europe did not hold any equity interests in other entities, having no consolidation perimeter and being considered a "less significant institution" under the terms and for the purposes of the Single Supervisory Mechanism (SSM) Regulation, and classified as a "small and non-complex institution" (SNCI) according to point 145, paragraph 1 of article 4 of the CRR, being subject to the disclosure requirements in article 433-B of the CRR.

Itaú Europe is part of the Itaú Group and is 100% directly owned by Itau BBA International plc, with registered office in London, United Kingdom, and indirectly by Itaú Unibanco Holding S.A., with registered office in São Paulo, Brazil.

#### 3.2 Strategies and processes for managing risk categories [Art. 435 (a)]

##### Main categories of risk

The Bank has in place internal governance mechanisms, policies, procedures and processes to support efficient and effective risk management, as described below.

##### Credit Risk

Credit risk refers to the possibility of losses that the Bank may incur as a result of a borrower, issuer or counterparty failing to meet their financial obligations under the terms agreed upon.



Itaú Europe, in line with the risk policies at Itaú Group's level, establishes limits, indicators, mechanisms and risk mitigation processes to monitor and control risks inherent to clients, portfolio concentrations and the impacts of possible changes in the economic environment. Credit risk is monitored on an ongoing basis, and limits and mitigation mechanisms, such as guarantees, are regularly reviewed. Limits are established taking into consideration credit risk, geographical risk and sector-specific risk.

The governance implemented in the credit approval process aims to assess the counterparty risk, through the analysis of quantitative and qualitative indicators, and to support decision making in the approval of credit limits, being fundamental to define the risk classification and maximum exposure admitted.

The credit risk management mechanisms aim to maintain the quality of the loan portfolio at a level consistent with the Bank's risk appetite, and therefore involve (i) continuous monitoring of the portfolio; (ii) a structured process of credit risk approval that considers market conditions, macroeconomic prospects, changes in the relevant markets and products, as well as the effects of industry sector and geographical concentrations; and (iii) active management of credit risk through the adoption of actions that provide sustainability to the business.

The Bank's credit policy is based on internal factors - such as the client's rating, portfolio performance and evolution, and levels of overdue and non-performing loans -, and external factors, related to the macroeconomic environment - such as interest rate, non-performing loans market indicators, inflation and changes in consumption.

Credit proposals are analysed individually, according to the approved governance structure. Industry sector concentrations, geographical concentration and largest debtors concentrations are continuously monitored.

### Monitoring and Control

Credit risk control is carried out by an independent specialised function, duly segregated from the business areas. The credit risk control function has the following main responsibilities:

- Identify, measure, report, monitor and control the main risks in the Bank's credit portfolio;
- Coordinate the process of drafting, regular review and approval of the credit risk policies;
- Make sure that the level of risk of all clients and counterparties to which credit limits are assigned is assessed;
- Monitor compliance with the credit risk appetite; and
- Ensure a proper higher-level approval process with follow-up on action plans.

The main factors considered in credit analysis are the economic and financial situation of the client, its ability to generate cash flows, the economic group to which it belongs, the current and prospective situation of the economic sector, the geography in which it operates and the socio-environmental and climate risks. Each credit proposal is individually reviewed in accordance with the governance in force in the Bank and the Itaú Group. To assess credit risk, Itaú Europe takes into consideration the probability of default by the client, issuer or counterparty, past losses, and debtor concentration. The analysis and quantification of these risk components are part of the credit granting, portfolio management and limits definition process. The rating models are independently validated to ensure the accuracy and maintain the calibration of the parameters to be used as tools to quantify the said factors, and contribute to on-target decision making.

### Counterparty credit risk monitoring

Counterparty credit risk is the risk of sustaining losses associated with the counterparty's non-compliance of its financial obligations under the terms agreed upon. Additionally, the Bank includes the risk of deterioration of the counterparty's credit quality in its risk assessment.

The calculation of counterparty credit risk is based on models that allow active management of counterparty limits and capital allocation. For derivatives, the potential financial exposure for a transaction up to maturity is used to quantify the relevant credit risk and to determine the credit limits assigned to each counterparty.

## **Socio-environmental and climate risks**

### **1. Strategy and Commitments**

Itaú Europe's socio-environmental and climate strategy follows Itaú Unibanco's strategic guidelines and is focused on supporting the transition of customers from carbon-intensive sectors (such as iron and steel, energy, oil and gas) toward a low-carbon economy and achieving zero emissions by 2050. The strategy was developed in line with the recommendations of the key standards applicable to the financial sector, such as the Net-Zero Banking Alliance (NZBA), the Task Force on Climate-related Financial Disclosures (TCFD) and the Glasgow Financial Alliance for Net Zero (GFANZ) and the guidelines for Climate Transition Plans.

It is also important to highlight that Itaú Unibanco's climate strategy is centred on implementing the TCFD recommendations. With this ambition, and considering that these recommendations cover risks and opportunities, Itaú Unibanco has a multidisciplinary Climate Finance team responsible for ensuring the institution's compliance with the TCFD recommendations.

Accordingly, among other actions, Itaú Unibanco has adopted and incorporated into its internal processes a series of national and international pacts and initiatives aimed at integrating social, environmental and governance aspects into its business and activities. Examples include the Principles for Responsible Investment (PRI), the Charter of Human Rights - Ethos, the Equator Principles, the Global Compact, the Brazilian GHG Protocol Program, the National Pact for the Eradication of Slave Labor (Brazil) and the Carbon Disclosure Project (CDP), among others.

The Bank monitors progress towards the defined objectives, including reducing exposure to sensitive sectors and mitigating emissions, and publishes the progress achieved annually.

## 2. Internal Governance and Policies

The Bank has in place the Social, Environmental and Climate Risk Policy, which aims to establish risk management procedures, the competencies, and responsibilities of each line of defence, articulation with risk policies, as well as the oversight of the Board and the Supervisory Board regarding climate, social and environmental risks. This policy is aligned with the Itaú Group's policies, regulatory requirements, and best practices on the matter, taking into account the size and nature of the activities conducted by the Bank.

The management of climate and environmental risks is integrated into the business model and into the due-diligence processes applied to credit operations, ensuring that these factors are considered in the origination and renewal of transactions.

## 3. Materiality analysis

The Bank's strategy considers risk assessments and possible transmission channels between climate and environmental risk factors and the main prudential risk categories in the context of its business, assessing the impact of climate risk factors within a time horizon of at least 10 years (short (up to 2 years), medium (2 to 5 years) and long term (greater than 5 years and less than or equal to 10 years)), based on "Below 2°C" ordered scenario of the Network for Greening the Financial System ("NGFS"), for all segments considered relevant for this purpose, highlighting the CIB segment, where its client monitoring strategy aims to mitigate not only, but also the socio-environmental and climate risks that may be transmitted from there. In the context of this materiality assessment of the impact of climate risks on the relevant risk categories, the Bank considers only medium-risk impacts in the credit risk categories in the short term (reflecting the exposure to sectors sensitive to climate risks, mitigated by credit quality, the short maturity of operations, and robust assessment processes) and in the business model risk category in the long term (reflecting the potential impact of transition risk and the need for strategic adaptation to decarbonisation targets). The impact on the remaining assessed categories is immaterial or low-risk.

The results of the materiality assessment are reviewed and approved at least annually by RALCO, the Board of Directors, and the Supervisory Board. The assessment of risks deemed immaterial is documented and supported by qualitative and quantitative information, and progress against the objectives defined for the management of climate and environmental risks is monitored and disclosed annually.

#### 4. Risk Management and Metrics

The socio-environmental and climate risks of the credit portfolio, through key risk indicators (KRIs) and risk appetite metrics, are assessed and monitored on a monthly basis, and reported regularly to RALCO, to the Board and to the Supervisory Board, ensuring that risk management is aligned with best practices and applicable requirements and in order to allow these risks to be assessed according to a strategic and long-term approach. The definition and calculation of these indicators follow methodologies consistent with the TCFD recommendations and with the Bank's Environmental, Social and Climate Risk Policy, and are aligned with the methodologies set

out in the procedure approved by the Board of Directors associated with this policy. These methodologies take into account factors such as sector relevance, credit quality, and exposure concentration, ensuring proportionality and alignment with international best practices. These indicators are defined in accordance with the Risk Appetite Policy and regulatory guidance, ensuring the prudent management of risks.

The management of climate and environmental risks is integrated into the business model and into the due-diligence processes applied to credit operations, ensuring that these factors are considered in the origination and renewal of transactions.

On top of credit approval process for clients in the corporate segment, the Bank has been developing and integrating E&S risk into the risk framework, benefiting from Itaú Unibanco's expertise and guidelines established by the Sustainability, Social and Environmental Responsibility Policy. This policy also establishes the strategies and fundamental principles observed by the Itaú Group, aiming

to incorporate the best sustainability and socio-environmental risk management practices in its activities, operations and relationships with stakeholders that may be impacted.

**Environmental & Social (E&S) risks** The E&S risk classification is based on the economic activity sector in which the client operates. In certain cases, there may be a specific analysis for relevant transactions in sectors/subsectors considered socially and environmentally sensitive, including project financing transactions. This specific analysis occurs at the time of credit approval and renewal and covers, in addition to qualitative aspects, quantitative variables.

- **Climate Risks**

The climate risks generally refer to the risks given by the climate changes, such as damages caused by extreme meteorological phenomena or a decline in the assets value in industry sectors with intensive use of carbon. These are classified as physical and transition risks.

The assessment of climate risk is supported by two metrics: customer sensitivity to climate risks, taking into account the sector and credit quality of customers, and portfolio sensitivity to climate risk, defined supported by a methodology that is based on the economic activity of the client and its sensitivity to climate risk (physical and transition risks). The final risk classification also considers the client's credit quality and the concentration of the exposures (amount and duration). The outcome measures the sensitivity of a particular sector, client or transaction to climate risks, which allows the bank to comprehend the relative concentration of the portfolio in each sensitivity category. The combination between the proportionality results in the assessment of climate risk sensitivity:

- **Relevance:** considers not only the exposure/sensitivity of a given sector to climate risks (low, medium or high), in accordance with the TCFD (Task Force on Climate-Related Financial Disclosures), but also the quality of credit (qualitative). The combination of both variables results on a relevance indicator, measures as high, medium or low. The exposure to a certain sector might be high, medium or low. The credit quality is defined by the percentage of which the banking book is allocated to clients with an internal rating classified as Investment Grade.

- Proportionality: considers the operations median term in a certain sector and the relative concentration of the banking book in that sector. Both variables result in a proportionality indicator that can be high, medium or low.

The Bank assesses and monitors, on a monthly basis, the metric of clients' sensitivity to climate risks, taking into account the clients' sector and credit quality, as well as the metric of clients' sensitivity to environmental risk, based on their sector of activity (both risk-appetite metrics). In addition, the key indicator described above, relating to the portfolio's sensitivity to climate risk, is monitored, and all three risk-assessment measures are regularly reported and discussed at the RALCO and in the meetings of the Board of Directors and the Supervisory Board.

Disclosure of information related to climate and environmental risks is also carried out annually through the Annual Report, ensuring transparency and alignment with regulatory requirements and international best practices.

## 5. Emissions and Decarbonisation Targets

Our environmental responsibility is also reflected in the active search to reduce greenhouse gas (GHG) emissions and mitigate the risks associated with climate change.

The Bank is committed to continuing the integration of responsible practices, in line with the Group's objective to achieve Net Zero Carbon by 2050. Its management, with the support of Itaú Unibanco, will continue to implement the necessary action plans to meet the requirements and expectations of regulators in this regard.

### Market Risk

Market risk refers to the possibility of incurring losses due to fluctuations in the market value of positions held by the Bank, usually resulting from changes in exchange rates and interest rates, share prices and stock indices, or credit spreads, among others.

Itaú Europe does not take positions with the intention of trading, therefore the main risk factors to which it is exposed are interest rate and exchange rate in the banking book. In order to measure the

impact of these risks in economic value terms, the Bank uses a set of measures, limits and controls that allow an active daily management of the market risks to which it is or may become exposed, in line with the Itaú Group's risk policies and framework.

For market risk management and control purposes, the Bank applies a set of aggregate measures: i) Value-at-Risk ("VaR") - measures the portfolio potential loss under normal market conditions (4-year historical simulation method, 1-day holding period, and 99% confidence level); ii) Worst Stress - measures the portfolio potential loss under extreme market conditions, based on historical and prospective stress scenarios and assessing the corresponding impact on the balance sheet.

Itaú Europe also has a set of granular risk measures that complement the aggregated measures, such as the interest rate risk sensitivity measure (DV01 per risk factor and tenor), as well as the granular exposure to exchange rate.

Aggregate and granular risk limits and alerts are calibrated based on business and balance sheet projections evaluated and reported on a daily basis and presented regularly in the Risk, Assets & Liabilities and Compliance Committee (RALCO). The Bank has a Liquidity Contingency Plan (CFP) proportional to the complexity, nature, size and profile of the business, ensuring effective risk management in the event of a liquidity crisis. The Recovery Plan complements the CFP and the Bank's overall liquidity risk management framework, establishing additional credible measures to respond to an extreme stress situation.

### **Interest Rate Risk in the Banking Book**

The Interest Rate Risk in the Banking Book ("IRRBB") refers to the possibility of losses arising from changes in the interest rate structure as a result of mismatches in the maturity and/or interest rate repricing of on-balance sheet interest rate sensitive assets, liabilities and off-balance sheet items. Additionally, there is also the risk of lack of perfect correlation between interest rate indices with the same maturity (basis risk) and the possibility of early redemption (option risk), none of which is material to the bank's balance sheet.

As a complement to the market risk assessment described above, the Bank calculates, on a monthly basis, the impact on balance sheet economic value and net interest income in the next 12 months

from changes in market interest rates, in line with the impact scenarios and principles recommended by the European Banking Authority ("EBA") and the Bank of Portugal, in accordance with Implementing Regulation (EU) 2024/855 and Delegated Regulation (EU) 2024/857. For this purpose, a 12 month static balance sheet is considered, in which each maturity gives rise to a new cash flow/product with the same characteristics.

### **Liquidity and Funding Risk**

Liquidity risk is defined as the risk of lacking sufficient financial resources, or being limited in the capacity to access the market to obtain funds, to meet obligations on a timely basis. It occurs as a result of imbalances between assets and liabilities with tenor and/or currency mismatches.

Funding risk is defined as the risk of not having stable medium and long-term funding sources to meet financial obligations as they fall due, without incurring excessive costs.

The Itaú Group has in place a comprehensive liquidity risk management framework to manage its liquidity and funding risks in compliance with the internal risk appetite requirements and liquidity requirements established by applicable regulations. Liquidity risk is managed prudently, mainly through stressed contractual and contingent cash flows, measured against available liquidity resources (liquidity pool).

Itaú Europe manages its liquidity risk in line with regulatory requirements, namely by continuously monitoring its Liquidity Coverage Ratio ("LCR"), which is designed to promote short-term resilience of banks' liquidity profile to survive a significant stress over a 30-day rolling period.

At 31 December 2025, Itaú Europe's liquidity ratios were above internally established limits and regulatory requirements, with the LCR standing at 944% (31/12/24: 426%) and eligible high quality liquid assets ("HQLA") totalling €278 million (31/12/24: €289 million).

Itaú Europe manages on a daily basis its liquidity position against the Net Stable Funding Ratio ("NSFR"), which is designed to promote a sustainable medium to long-term liquidity profile, ensuring sufficiently stable funding sources to mitigate future funding stress. Throughout 2025, the Bank kept a surplus above 100% with an NSFR of 165% as of 31 December 2024 (31.12.24: 167%), in accordance with Commission Implementing Regulation (EU) 2021/451.

Liquidity positions, respective controls and contingency plans are reviewed and discussed at the quarterly RALCO meetings. The Bank has a Contingency Funding Plan (CFP) commensurate with the complexity, nature, scale and profile of its business, ensuring effective risk management in the event of a liquidity crisis. The Recovery Plan complements the CFP and the Bank's overall liquidity risk management framework, establishing credible additional measures to respond to an extreme stress scenario.

### **Operational Risk**

Operational Risk is the risk arising from failures or inadequacies of processes, people, systems or from external events. It also includes other classes of risk such as fraud, legal, physical or environmental risks (e.g., terrorism; natural disasters), compliance risk, and technology and information security risk. Operational Risk is inherent in all banking products, processes, systems and activities, and effective operational risk management is a key element of a bank's risk management programme.

Itaú Europe has incorporated the Itaú Group's methodology for conducting its Control and Risk Self-Assessment, with the objective of mapping all of the Bank's processes, risks and controls. The main objective of this self-assessment is to identify, assess, monitor and report all the risks identified by the first line of defence and, consequently, to act proactively in the definition of action plans to address the weaknesses mapped.

For categorisation purposes, Itaú Europe uses the operational risk definitions adopted by the Basel Committee:

- External fraud;
- Employment and safety practices in the workplace;
- Damage to physical assets;
- Disruption of activity;
- Information and communication technologies;
- Process execution, delivery and management.

Operational risk control is carried out by an independent specialised function, duly segregated from the business areas.

The operational risk management methodology comprises the following stages:

- **Risk Identification** – stage involves a set of actions aimed at defining the internal and external events capable of affecting the Bank's objectives.
- **Risk Assessment** – measurement, analysis and evaluation of the impacts and the probability of events / losses that may be generated, separately and/or in a consolidated manner. This stage involves the development, implementation and maintenance of a process supported by qualitative and quantitative analyses.
- **Control of and Response to Risk** – development, implementation and maintenance of a process that ensures that the necessary risk management actions are taken in a timely and appropriate manner to respond to the risks identified, which, among others, may involve the creation of additional controls in the process, approval of policies and procedures and/or risk appetite metrics.
- **Risk Monitoring and Reporting** – tracking operational risk events, using risk and performance indicators, and analysing the control environment through specific assessment methodologies, walkthroughs, tests and monitoring of action plans defined.

The risk identification methodology must be continuously improved in order to achieve the following objectives:

- To identify new and emerging risks, both internal and external, as well as to review the existing risks.
- To update the results of the assessment process so as to detect deviations in a timely manner and support the necessary management decisions.
- To ensure that appropriate controls are implemented for the Bank's activities, products, processes and systems.
- To ensure that the risk management process is reported to the Board of Directors and other relevant stakeholders, providing timely, reliable, detailed and standardised operational risk information.

## Stress Tests

Stress tests are an important tool to manage the Bank's risk and economic resources. They aim to measure the potential impact of the macroeconomic environment and credit events, or other adverse events, on the Bank's business strategy and available capital and liquidity resources. Stress testing therefore contributes to prudent risk management, contributing to a better perception of the Bank's risk profile. In compliance with applicable regulations, the Bank conducts stress tests as part of the self-assessment of internal capital and liquidity adequacy (ICAAP and ILAAP, respectively), as well as the Recovery Plan, all of which are submitted to the Bank of Portugal.

Itaú Europe's stress testing methodology uses a narrative-based scenario approach, which means that the scenario is designed to link the risk assessment to events that materialise in the scenario as a result of a specific set of adverse shocks. The stress testing framework involves four stages:

- (i) the first stage consists in selecting the adverse scenario(s);
- ii) in a second stage the exogenous shocks of the stress scenario(s) are converted into impacts on the defined macroeconomic variables;
- iii) in a third stage, scalars<sup>3</sup> are applied, which aim to derive the impact of exogenous shocks on the model's endogenous variables (ratings, net interest income and fees and commissions); and
- iv) finally, the impacts of the endogenous variables are translated into a "loss materialisation" in both the Bank's Results and Capital, in line with the scenario narrative and consistently with the severity of the scenario(s).

The stress testing methodology is applied to the Bank's Corporate portfolios in order to assess the magnitude of the impact of the stress scenarios on Itaú Europe's ability to maintain adequate capital and liquidity resources, and identifying possible vulnerabilities in times of severe stress. This methodology aims to ensure that the tests performed adhere to the Bank's reality and the

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<sup>3</sup> The scalars defined for Gross Domestic Product (GDP), Unemployment and Debt to GDP are intended to translate the impacts of macroeconomic stress on Ratings, Expected Credit Loss and Cost of Funding, which are the metrics that have the potential to affect Capital Requirements (RWAs) and Capital Adequacy (Earnings/Own Funds). The RALCO committee defines and approves the scalars and respective weights in the macroeconomic variables, and when the assumptions behind the scalars that generate patterns in the scenario, among others, do not materialise, the model is calibrated.

macroeconomic framework of the baseline and adverse scenarios, taking into account the internal and external environment. Management reports, internal reports and reports to the supervisor are drawn up upon conclusion of the stress tests.

When modelling the impact of stress tests, all relevant material risks identified by the bank are quantified in terms of their impact on RWAs or Results, according to a set of internal methodologies and models formally approved in the RALCO and internally documented, validated and audited.

### **3.3 Statement on the adequacy of the risk management systems [Art. 435(e)]**

The Board of Directors considers that the risk management system implemented in Itaú Europe, as well as the policies, procedures and controls designed to ensure compliance with the defined risk limits, are appropriate to the business strategy, taking into account the profile and size of the Bank's activity.

### **3.4 Statement on the overall risk profile and its relation with the business strategy [Art. 435(f)]**

#### **Risk Management**

Risk is inherent to the banking business. For Itaú Group, risk management is a key tool to optimise the use of resources and select the best business opportunities with a view to maximising shareholder value creation in the long term. The Bank manages risk in the context of the Itaú Group's risk management framework, with the Board of Directors, upon the prior opinion of the Supervisory Board, reviewing and approving this strategy to make sure it is appropriate for Itaú Europe.

Itaú Europe's risk culture encourages open and constructive debate about the risks faced by the Bank, emphasising the individual and collective responsibility of all employees to maintain a long-term perspective with a focus on business sustainability.



The Bank's risk management structure is designed to ensure an appropriate identification, assessment, monitoring and management of each of the various types of risks underlying its activities on a consolidated basis, thus enabling the sustained growth of the business.

### **Risk Appetite Statement**

The Risk Appetite Statement, approved by the Board of Directors upon the prior opinion of the Supervisory Board, includes a balanced combination of qualitative and quantitative measures including reputational, capital, liquidity, profitability and operational indicators, which aim to limit the total risk exposure that the Bank is willing to take on in the development of its business strategy and to ensure strict alignment with the Itaú Group's risk management strategy and policies. The Risk Appetite Statement is reviewed at least annually (and whenever necessary), and is communicated to all employees, contributing to ensure that risk weighting is always at the core of the decision-making

process.

### Principles

- Sustainability and client satisfaction
- Risk Culture
- Pricing of Risks
- Diversification
- Operational excellence
- Ethics and adherence to regulations

### Board Statement

“Itaú BBA Europe’s business model primarily focuses on wholesale banking, with an ancillary retail funding activity through digital platforms. Our main activities are the cross-border Corporate and Investment banking operations for Europe-based and South American corporate clients and our investment advisory services to private banking clients. Supported by our risk culture, we act in accordance with the highest ethical standards and in strict compliance with regulations, seeking solid results with low volatility and steady growth through a strategy based upon sustainable client relationships, appropriate pricing of risks, sound sources of funding and adequate use of capital.”

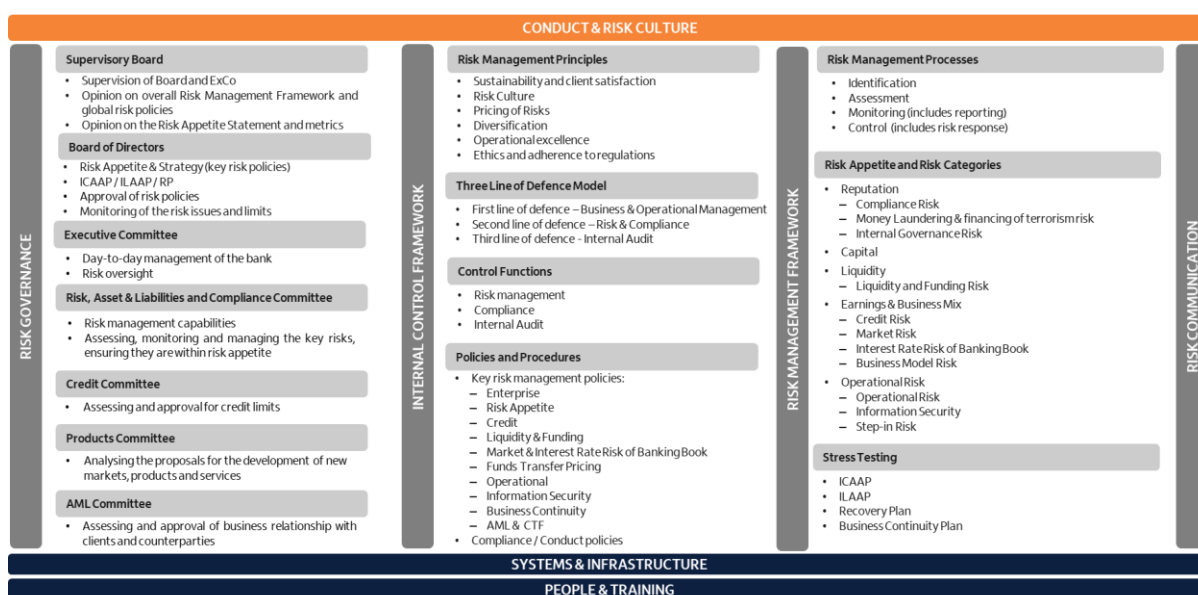
### Risk dimensions

<b>Capital</b>	<ul style="list-style-type: none"> <li>▪ We shall maintain enough capital to protect ourselves against a severe recession or other sources of financial stress</li> </ul>
<b>Liquidity</b>	<ul style="list-style-type: none"> <li>▪ Our liquidity shall support extended periods of funding stress through a sound and appropriate funding structure</li> </ul>
<b>Earnings and business mix</b>	<ul style="list-style-type: none"> <li>▪ Our businesses shall be based on an appropriate range of clients and products within our core markets, with low appetite for volatility of results and a conservative selection of risks</li> </ul>
<b>Reputation</b>	<ul style="list-style-type: none"> <li>▪ We shall protect our reputation with our clients, investors, employees, regulators and shareholders, through ethical behaviour, proper business conduct and compliance with the letter and spirit of the regulations</li> </ul>
<b>Operational risk</b>	<ul style="list-style-type: none"> <li>▪ We shall have adequate systems, controls and staff to safely manage our businesses and to identify and control operational risk events that may negatively impact our business strategy and our operations</li> </ul>

Risk management at Itaú Europe is carried out through an integrated set of permanent processes that aim to ensure an appropriate understanding of the nature and magnitude of risks, with the objective of enabling the sustainable growth of the business. From these processes, the following stand out:

- Identification, assessment, monitoring and control of the main risks to which Itaú Europe is or may come to be exposed;
- Establishment of risk exposure limits consistent with the Itaú Group's business strategies;
- Approval of policies, procedures and methodologies consistent with the established risk limits;
- Existence of timely, complete and reliable financial and management information, and independent reporting mechanisms to the management and supervisory bodies;
- Management of Itaú Europe's risk portfolio with a view to maximising profitability within the risk profile.

The table below lists the main components of the risk management system in place at the Bank:



In terms of structure, the internal control and risk management system is based on the following principles:

- the control functions are exercised on an ongoing basis and in an objective and autonomous manner, and are not dependent on the functional areas subject to their assessment, such as the commercial areas. The CRO is a member of the Board of Directors;
- the holders of control functions are formally appointed by the Board of Directors, and are granted sufficient authority to perform their duties, as well as free access to all relevant information;
- the methods for determining the remuneration of the teams that perform risk management, compliance and internal audit functions do not compromise the necessary objectivity and independence required to perform their activities, and the variable remuneration to which they could possibly be entitled is determined primarily by the achievement of qualitative targets, such as the quality and effectiveness of controls, compliance with project implementation deadlines, innovation capacity and the degree of efficiency of the processes for which they are responsible, rather than being influenced by specific result targets of each commercial area.

With this framework in place, the organisational structure of Itaú Europe ensures an adequate segregation of duties and responsibilities in the risk management process.

## Internal Control System

Itaú Europe's internal control system is structured according to the three lines of defence model, as shown below:



### *First Line – Business and Support Areas*

- Business origination presupposes awareness of the associated risks and controls.
- Risks must be identified at an early stage and reported immediately so that control measures can be implemented.

The first line of defence comprises the business areas and the areas that support the business. In the performance of their daily tasks, these areas are required to act in accordance with the policies and risk limits established internally, and in compliance with the applicable law and regulations.

The main responsibilities of the first line of defence are to:

- a) develop appropriate procedures to ensure compliance with risk policies;
- b) cooperate with the control functions (Risk Management, Compliance and Internal Audit);
- c) refrain from any interference that could impact the independent exercise of the responsibilities attributed to the control functions;
- d) implement procedures and controls to mitigate risks, taking appropriate measures to manage such risks; and
- e) promptly report material breaches and risk exposures to the risk management function and senior management.

### *Second Line – Risk and Compliance*

- Definition of preventive control and monitoring requirements;
- Implementation of controls, checks, and action plans.

The second line of defence comprises the functions responsible for risk management supervision, guidance, advice, support and monitoring, namely the Risk Management and Compliance functions, whose activities are coordinated with those of other areas such as Legal & Governance, Finance, Credit, Operations, IT (in relation to security) and HR (in relation to the recruitment process and remuneration and succession policies).

### *Third Line – Internal Audit*

- Carrying out checks on the first and second lines of defence using a specific risk assessment methodology.
- It attests to the efficiency and effectiveness of operations, the integrity of reporting processes, internal governance and compliance with applicable laws and regulations.

Through these three lines of defence model, the aim is to ensure that the following objectives are met:

- a) An efficient, profitable and sustainable business performance;
- b) The existence of complete, pertinent, reliable and timely financial and management information; and
- c) Compliance with legal, regulatory and statutory provisions, as well as with ethical, deontological and internal rules (including corporate policies established at Itaú Group level).

Itaú Europe's internal control environment is also based on the establishment of ethical standards imparted to all employees, the competence level of the teams, a clear and consistent organisational structure, and the clear-cut definition of responsibilities and reporting lines, with each of the three control functions (Compliance, Risk Management and Internal Audit) carrying out their activities separately, independently and autonomously.

Under the powers delegated by the Board of Directors, the Executive Committee appoints specific risk management committees formed by members of the Executive Committee itself and the heads

of the relevant areas. These Committees, listed below, operate as support structures to enhance the performance of the Bank's day-to-day management.

a) Risk, Assets & Liabilities and Compliance Committee (RALCO)

Objective: to centrally monitor the main risks to which the Bank is or could be exposed, ensuring that it operates in accordance with the risk strategy defined by the Board of Directors and in compliance with the applicable internal, regulatory and legal rules.

b) Credit Committee

Objective: to make credit decisions in response to requests from the Commercial and Treasury areas.

c) Products Committee ("PC")

Objective: to deliberate on proposals for new products, operations or services, analysing the risks involved and monitoring their evolution.

d) Products Operational Committee ("POC")

Objective: to coordinate and supervise the process of implementation, operationalisation and distribution of new products previously approved by the PC.

e) Anti Money-Laundering Committee

Objective: to deliberate, from the perspective of the risk of money laundering and terrorist financing, on proposals to establish a business relationship, as well as to participate in the definition of the due diligence measures to be applied to clients according to their level of risk.

## 4. CAPITAL ADEQUACY [ART. 437 AND ART. 438]

### 4.1 Own Funds and Capital Ratios [Art. 437]

Itaú Europe calculates its Own Funds in accordance with the framework established in the prudential rules (Regulation), based on the accounting information in its financial statements.

Own Funds consist of the sum of Tier 1 Capital and Tier 2 Capital, after a set of deductions provided for at regulatory level.

Dating the 31<sup>st</sup> of December 2025, the Bank's share capital was €225,000,000.00, fully subscribed and paid up, represented by 225,000,000 common nominative shares with par value of €1.00 (one euro) each.

The following table shows the components of regulatory capital as at 31 December 2025:

Table *EU CC1: Composition of regulatory own funds*

		Amounts	
		Dec 2025	Dec 2024
<i>Thousand of euros</i>			
<b>Common Equity Tier 1 (CET1) capital: instruments and reserves</b>			
1	Capital instruments and the related share premium accounts	225,000	225,000
2	Retained earnings	1,252	-2,022
3	Accumulated other comprehensive income (and other reserves)	445	82
<b>6</b>	<b>Common Equity Tier 1 (CET1) capital before regulatory adjustments</b>	<b>226,698</b>	<b>223,059</b>
<b>Common Equity Tier 1 (CET1) capital: regulatory adjustments</b>			
7	Additional value adjustments (negative amount)	-1	-5
8	Intangible assets (net of related tax liability) (negative amount)	-32	-32
<b>28</b>	<b>Total regulatory adjustments to Common Equity Tier 1 (CET1)</b>	<b>-33</b>	<b>-37</b>
<b>29</b>	<b>Common Equity Tier 1 (CET1) capital</b>	<b>226,664</b>	<b>223,023</b>
<b>Additional Tier 1 (AT1) capital: instruments</b>			
<b>Additional Tier 1 (AT1) capital: regulatory adjustments</b>			
45	Tier 1 capital (T1 = CET1 + AT1)	226,664	223,023
<b>Tier 2 (T2) capital: instruments</b>			
<b>Tier 2 (T2) capital: regulatory adjustments</b>			
59	Total capital (TC = T1 + T2)	226,664	223,023
60	Total Risk exposure amount	427,729	541,470

		Amounts	
		Dec 2025	Dec 2024
<i>Thousand of euros</i>			
<b>Capital ratios and requirements including buffers</b>			
61	Common Equity Tier 1 capital	52.99%	41.19%
62	Tier 1 capital	52.99%	41.19%
63	Total capital	52.99%	41.19%
64	Institution CET1 overall capital requirements	9.15%	9.11%
65	of which: capital conservation buffer requirement	2.50%	2.50%
66	of which: countercyclical capital buffer requirement	0.60297%	0.55972%
67	of which: systemic risk buffer requirement	0.00%	0.00%
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0.00%	0.00%
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.55%	1.55%
68	Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements	42.24%	30.44%
<b>Amounts below the thresholds for deduction (before risk weighting)</b>			
75	Deferred tax assets arising from temporary differences (amount below 17,65% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met)	369	252
<b>Applicable caps on the inclusion of provisions in Tier 2</b>			
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	4,682	6,079
<b>Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)</b>			

## 4.2 Own Funds Requirements [Art. 438]

In the calculation of own funds requirements, Itaú Europe uses the standardised approach to calculate the amounts of credit and market risk weighted positions, and the Business Indicator Component (BIC) to calculate operational risk. Where necessary to determine capital requirements, 8% of the amount of risk-weighted positions is considered.

In line with the European Banking Authority (“EBA”) guidelines on Model 4: EU OV1 set out in the Guidelines on disclosure requirements under Part Eight of Regulation (EU) No 575/2013 (EBA/GL/2016/11), and taking into consideration the breakdowns of credit risk by exposure classes specified in Article 112 of the Regulation and of market risks by risk types, the risk-weighted positions and own funds requirements, calculated in accordance with the prudential rules in force at the time, are detailed below.

**Table EU OV1: Overview of risk weighted exposure amounts**

	Total risk exposure amounts (TREA)		Total own funds requirements
	a	b	c
	Dec 2025	Dec 2024	Dec 2025
<i>Thousand of euros</i>			
<b>1 Credit risk (excluding CCR)</b>	<b>373,896</b>	<b>485,403</b>	<b>29,912</b>
2 Of which the standardised approach	373,896	485,403	29,912
3 Of which the Foundation IRB (F-IRB) approach	-	-	-
4 Of which slotting approach	-	-	-
EU 4a Of which equities under the simple risk weighted approach	-	-	-
5 Of which the Advanced IRB (A-IRB) approach	-	-	-
<b>6 Counterparty credit risk - CCR</b>	<b>629</b>	<b>922</b>	<b>50</b>
7 Of which the standardised approach	629	922	50
8 Of which internal model method (IMM)	-	-	-
EU 8a Of which exposures to a CCP	-	-	-
9 Of which other CCR	-	-	-
<b>10 Credit valuation adjustments risk - CVA risk</b>	<b>527</b>	<b>577</b>	<b>42</b>
EU 10a Of which the standardised approach (SA)	-	-	-
EU 10b Of which the basic approach (F-BA and R-BA)	527	577	42
EU 10c Of which the simplified approach	-	-	-
<b>15 Settlement risk</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>16 Securitisation exposures in the non-trading book (after the cap)</b>	<b>-</b>	<b>-</b>	<b>-</b>
17 Of which SEC-IRBA approach	-	-	-
18 Of which SEC-ERBA (including IAA)	-	-	-
19 Of which SEC-SA approach	-	-	-
EU 19a Of which 1250% / deduction	-	-	-
<b>20 Position, foreign exchange and commodities risks (Market risk)</b>	<b>832</b>	<b>957</b>	<b>67</b>
21 Of which the Alternative standardised approach (A-SA)	-	-	-
EU 21a Of which the Simplified standardised approach (S-SA)	832	957	67
22 Of which the Alternative Internal Models Approach (A-IMA)	-	-	-
EU 22a <b>Large exposures</b>	-	-	-
<b>23 Reclassifications between trading and non-trading books</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>24 Operational risk</b>	<b>51,844</b>	<b>53,610</b>	<b>4,148</b>
EU 24a Exposures to crypto-assets	-	-	-
25 Amounts below the thresholds for deduction (subject to 250% risk weight)	922	630	74
26 Output floor applied (%)	-	-	-
27 Floor adjustment (before application of transitional cap)	-	-	-
28 Floor adjustment (after application of transitional cap)	-	-	-
<b>29 Total</b>	<b>427,729</b>	<b>541,470</b>	<b>34,218</b>

## 5. BASELINE INDICATORS [ART. 447]

Itaú Europe presents in the following table the baseline indicators referred to in Article 447 of Regulation (EU) No 575/2013, using the EU KM1 template of Annex I.

### Template EU KM1: Key Metrics

Thousand of euros		Dec 25	Dec 24
<b>Available own funds (amounts)</b>			
1	Common Equity Tier 1 (CET1) capital	226,664	223,023
2	Tier 1 capital	226,664	223,023
3	Total capital	226,664	223,023
<b>Risk-weighted exposure amounts</b>			
4	Total risk exposure amount	427,729	541,470
4a	Total risk exposure pre-floor	427,729	541,470
<b>Capital ratios (as a percentage of risk-weighted exposure amount)</b>			
5	Common Equity Tier 1 ratio (%)	52.99%	41.19%
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	52.99%	41.19%
6	Tier 1 ratio (%)	52.99%	41.19%
6b	Tier 1 ratio considering unfloored TREA (%)	52.99%	41.19%
7	Total capital ratio (%)	52.99%	41.19%
7b	Total capital ratio considering unfloored TREA (%)	52.99%	41.19%
<b>Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)</b>			
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	2.75%	2.75%
EU 7e	of which: to be made up of CET1 capital (percentage points)	1.55%	1.55%
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	2.06%	2.06%
EU 7g	Total SREP own funds requirements (%)	10.75%	10.75%
<b>Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)</b>			
8	Capital conservation buffer (%)	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	0.00%	0.00%
9	Institution specific countercyclical capital buffer (%)	0.60297%	0.55972%
EU 9a	Systemic risk buffer (%)	0.00%	0.00%
10	Global Systemically Important Institution buffer (%)	0.00%	0.00%
EU 10a	Other Systemically Important Institution buffer (%)	0.00%	0.00%
11	Combined buffer requirement (%)	3.10%	3.06%
EU 11a	Overall capital requirements (%)	13.85%	13.81%
12	CET1 available after meeting the total SREP own funds requirements (%)	42.24%	30.44%
<b>Leverage ratio</b>			
13	Total exposure measure	765,629	847,923
14	Leverage ratio (%)	29.60%	26.30%
<b>Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)</b>			
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%
EU 14b	of which: to be made up of CET1 capital (percentage points)	0.00%	0.00%
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%
<b>Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)</b>			
EU 14d	Leverage ratio buffer requirement (%)	0.00%	0.00%
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%
<b>Liquidity Coverage Ratio (*)</b>			
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	295,869	287,823
EU 16a	Cash outflows - Total weighted value	62,263	102,425
EU 16b	Cash inflows - Total weighted value	53,595	45,421
16	Total net cash outflows (adjusted value)	27,106	63,093
17	Liquidity coverage ratio (%)	1691%	867%
<b>Net Stable Funding Ratio (NSFR) (**)</b>			
18	Total available stable funding	455,531	478,075
19	Total required stable funding	275,483	286,082
20	NSFR ratio (%)	165%	167%

\* Liquidity coverage ratio is measured as the average of the 12 monthly observations for each year.

\*\* NSFR refers to the end-of-year ratio.

## 6. REMUNERATION POLICY [ART. 450]

### 6.1 Qualitative Information

Below we present qualitative information regarding the remuneration policy and practices of Itaú Europe in accordance with Article 450o, paragraph 1, combined with Article 433o-B of the Regulation, considering that the Bank is classified as a Significant Non-Complex Institution (SNCI).

The following description is based on the remuneration policy applicable to the award of variable remuneration based on performance in 2025 (“Remuneration Policy”<sup>4</sup>). This Policy reflects the proportionality regime introduced by Law No. 23-A/2022 of December 9, 2022, which, in transposing Directive (EU) 2019/878 into Portuguese law, exempted the Bank from the obligation to apply the deferral and payment in instruments regime to the variable component of remuneration. However, as detailed below, although the Bank is not subject to the rules requiring the mandatory application of such a regime, the Policy establishes the application mechanisms of deferral and payment indexed to instruments in certain cases, as detailed in item c) below. The Policy was revised in February 2024 to reinforce the principle of gender neutrality and the supervisory function’s powers in this regard, in accordance with Article 115-E of the RGICSF and the EBA guidelines in this regard (EBA/GL/2021/04). The Policy was last revised in September 2025 to clarify the objectives of the performance assessment (‘scorecards’), as an annual process that may be based on annual and multi-annual projects and results, in accordance with the applicable regulatory requirements.

#### a) Information relating the decision-making process and the bodies overseeing remuneration

It is the responsibility of the Board of Directors to prepare and approve the Bank’s Remuneration Policy, except for provisions regarding members of the Board of Directors and the Supervisory Board, which are approved by the General Meeting.

The Remuneration Committee’s duty is to pursue their stated responsibilities defined in the article 115<sup>th</sup> -H of RGICSF, requiring meeting twice a year in an ordinary session and of extraordinary capacity, if justified.

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<sup>4</sup> Available on the Bank’s institutional website at [www.itaubba.eu](http://www.itaubba.eu).

Information regarding the composition, term, and number of meetings held by the Board of Directors, the Supervisory Board and the Remuneration Committee in 2024 is presented in Chapter 2.4 – Governance Model of the 2025 Annual Report.<sup>5</sup>

The Remuneration Policy applies to all Bank employees, including those assigned to the Branch and its representative offices. The Bank does not have subsidiaries.

The Remuneration Policy defines "identified staff" as staff whose activities have a material impact on the Bank's risk profile, in accordance with Article 115-C, paragraph 2 of the RGICSF.

#### **b) Information on the relationship between remuneration and performance**

Fixed remuneration is determined based on professional experience and responsibilities assigned to each employee.

Variable remuneration is discretionary and takes into account the performance of the individual professional, as well as the Bank and the Itaú Group as a whole, according to criteria that include:

- (i) Leadership capacity in line with the principles and culture advocated by the Bank;
- (ii) Sound and prudent management, including adherence to the Bank's risk culture;
- (iii) Achievement of sustainable financial results and non-financial objectives, particularly through a long-term vision aligned with the Bank's periodically defined strategic objectives; and
- (iv) Compliance with applicable regulations, implementation of recommendations from control functions, and adherence to the high ethical standards of the Itaú Group.

The performance metrics are adjusted to the specific context in which the Bank operates and consist of both quantitative and qualitative criteria. The Remuneration Policy states that the "available bonus pool" can be adjusted based on the results of the Itaú Group, not just Itaú Europe, and it is always imperative for the Bank to maintain capital ratios comfortably above those established in its Risk Appetite Statement.

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<sup>5</sup> Available on the Bank's institutional website at [www.itaubba.eu](http://www.itaubba.eu).

Therefore, the determination of variable remuneration should reflect failures in risk management and/or relevant current and future risks, which may result in the reduction or even non-payment of any portion of variable remuneration at the discretionary decision of the Bank. The Bank may determine, at its sole discretion, that such payment is not sustainable due to the degradation of the Bank's risk profile<sup>6</sup> and in accordance with the financial situation (including capital and liquidity position) of the Bank or the Itaú Group, or if it is not justified based on the performance of the Bank, the Itaú Group, or the individual professional, including, but not limited to, the following circumstances:

- (i) Direct or indirect participation in actions or omissions that resulted in significant losses (financial or reputational) for the Bank or the Itaú Group;
- (ii) Failure to meet appropriate standards of adequacy and suitability;
- (iii) Misconduct or material error;
- (iv) Significant depreciation in the performance of the Bank or the Itaú Group; and/or
- (v) Relevant failures in risk management or in the business unit in which the professional operates.

**c) Most important structural characteristics of the remuneration system, including information on the criteria used in performance evaluation and risk adjustment, deferral policy, and vesting criteria**

The objectives of the Itaú Europe Remuneration Policy are as follows:

- a) Foster an organizational culture based on meritocracy;
- b) Value individual performance and contribution to the overall results of the Bank and the group to which it belongs;
- c) Enable the attraction and retention of high-potential talent to contribute to the Bank's objectives;

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<sup>6</sup> For a description of the main risks to which the Bank is or may be subject, see above and also the Annual Report and Accounts, in particular Chapter 5 (Internal Control and Risk Management System), available on the Bank's institutional website at [www.itaubba.eu](http://www.itaubba.eu).

- d) Promote equitable and fair remuneration practices that do not discriminate based on race, colour, religion, sex, gender expression, age, national origin, disability, or sexual orientation, ensuring that employees who perform equal work receive equal remuneration;
- e) Promote sound and effective risk management and discourage the assumption of risks that exceed the tolerated risk level, as defined by the Board of Directors;
- f) Include adequate measures to prevent conflicts of interest.

Furthermore, the Remuneration Policy aims to ensure, considering proportionality criteria, the proper compliance with applicable regulations.

In this regard, in order to ensure that employees with internal control functions are remunerated independently of the activities they supervise, the factors to be considered for the evaluation of their performance are primarily linked to the quality and effectiveness of controls, compliance with project execution deadlines, innovation, and process improvement and efficiency. Financial indicators will have a maximum weighting of 30% of the performance assessment and must relate solely to the Bank's overall results, rather than the individual results of the areas they oversee or to which they provide technical and operational support to, and to the cost efficiency targets of the relevant area. Additionally, the scorecards of those responsible for control functions are reviewed by the Remuneration Committee, precisely to ensure the absence of conflicts of interest in defining the objectives set for their respective areas.

The Remuneration Policy establishes that the Bank will not, as a rule, grant a guaranteed variable remuneration. However, it may do so in the context of (i) hiring a new employee or (ii) a significant restructuring when the retention of certain key individuals is required for prudential reasons and previously notified to the Banco de Portugal when it concerns identified staff. In these exceptional cases where it is allowed, variable remuneration (a) should not exceed one year from the date of hiring; (b) will be subject to eligibility requirements and risk adjustment mechanisms provided for in the Policy; and (c) under no circumstances may it be granted if it compromises the Bank's capital base. Any payments related to the termination of the employment relationship with the Bank must, in accordance with the Policy, reflect the evaluation of individual performance over the relevant period,

and no payments will be made in the case of poor performance leading to the termination of the employment relationship.

In addition, eligibility for any variable remuneration will be subject to specific analysis by the Board of Directors, with the support of the Internal Audit function, regardless of compliance with other financial and non-financial indicators, in the event that the areas for which the employees concerned are responsible present high-risk audit points at the end of the reference year.

Regarding the mechanisms for payment of variable remuneration, these vary according to the function performed and the level of remuneration involved, applying a deferral regime to certain categories of professionals whose activities have a particularly relevant impact, as follows:

#### **(i) Executive Members of the Board of Directors**

Regarding executive members of the Board of Directors, the Remuneration Policy determines that the variable remuneration awarded to such professionals will be composed of a deferred and a non-deferred part. The proportion of variable remuneration to be deferred will be 50%, and the deferral period will be three years, with the right to payment being vested pro rata over that deferral period (1/3 each year).

#### **(ii) Managing Directors**

Variable remuneration awarded to employees whose functional category is "Managing Director" is subject to the following payment regime:

- (i) 50% of the variable remuneration will be paid in cash;
- (ii) 50% of the variable remuneration will be paid in the form of phantom shares, whose value is determined by reference to movements in the value of preferred shares of Itaú Unibanco Holding S.A. (ITUB4) ("Shares" or "Instruments") on the Brazilian stock exchange (B3 SA - Brasil, Bolsa, Balcão), as well as dividends paid on the Shares during the three-year deferral period.

### (iii) Employees with higher remuneration

Finally, regardless of function or functional category, employees whose annual income exceeds US\$250,000 per year are also subject to a three-year deferral regime for the variable component of their remuneration (unless the amount to be deferred is less than US\$25,000), as described in the Remuneration Policy.

Any of these three deferral regimes subject the covered employees to the risk adjustment mechanisms (malus and clawback) provided for in the Policy.

In cases where the causes that led to the reduction or suspension of the payment of any variable remuneration occurred prior to the payment already made, the Bank must be reimbursed for the amount improperly received.

Additionally, Itaú Unibanco Holding S.A. operates an investment programme ("Partnership Programme") for selected senior executives and other employees across the Itaú Group. Awards may be granted to certain key employees at Itaú Europe under the Partnership Program, with the aim of strengthening their alignment with the common goals of the Itaú Group, including long-term value creation and adherence to the Group's behavioural standards. This programme allows selected employees to invest between 35% to 70% of their total annual variable remuneration (including both deferred and non-deferred elements). The investment in the programme is converted into phantom shares, the value of which becomes due and will be paid on a deferred basis (3 to 5 years), and this value is increased by the end of the deferral period with the corresponding value of the phantom shares from the initial investment (matching). The Partnership Program may be amended from time to time at the discretion of Itaú Unibanco Holding S.A., and when employees of the Bank are included, it will always be applied in a manner that is consistent with the Remuneration Policy.

The Remuneration Policy is reviewed at least once a year (as described in point (a) above). With regard to staff performance in 2025, the changes introduced in the last review, in September 2025, essentially concern the definition of performance assessment objectives as an annual process that may be based on departmental and global projects and results on an annual and multi-annual basis.

**d) Ratios between fixed and variable remuneration, established in accordance with Article 94(1)(g) of Directive 2013/36/EU (CRD)**

The fixed component of remuneration will be sufficient to allow for a fully flexible policy for the allocation of variable components of remuneration.

As a general rule, the maximum ratio between the fixed and variable components of total remuneration is 1:1. Under exceptional circumstances duly justified, the maximum level of variable remuneration may reach two times the fixed component (ratio 2:1), subject to approval by the General Assembly, having eleven employees benefited from this increase of the ratio to 2:1.

## **6.2 Quantitative Information**

The quantitative information referred to in paragraphs h) and i) of Article 450(1) of the CRR is disclosed in the Annual Report & Accounts 2025 (Note 24 - Staff Costs - to the Financial Statements).<sup>7</sup>

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<sup>7</sup> Available on the institutional website at [www.itaubba.eu](http://www.itaubba.eu). In accordance with the legislation in force in Portugal, the disclosure of the information referred to in article 450(1)(j) is now only required from listed companies, pursuant to Law no. 50/2020, which revoked Law no. 28/2009, in conjunction with Notice no. 3/2020 of the Bank of Portugal, which revoked Notice no. 10/2011 of the Bank of Portugal. As regards article 450(1)(g), this does not apply to Itaú Europe by virtue of article 433-B of the Regulation.