

Credit Risk Metrics

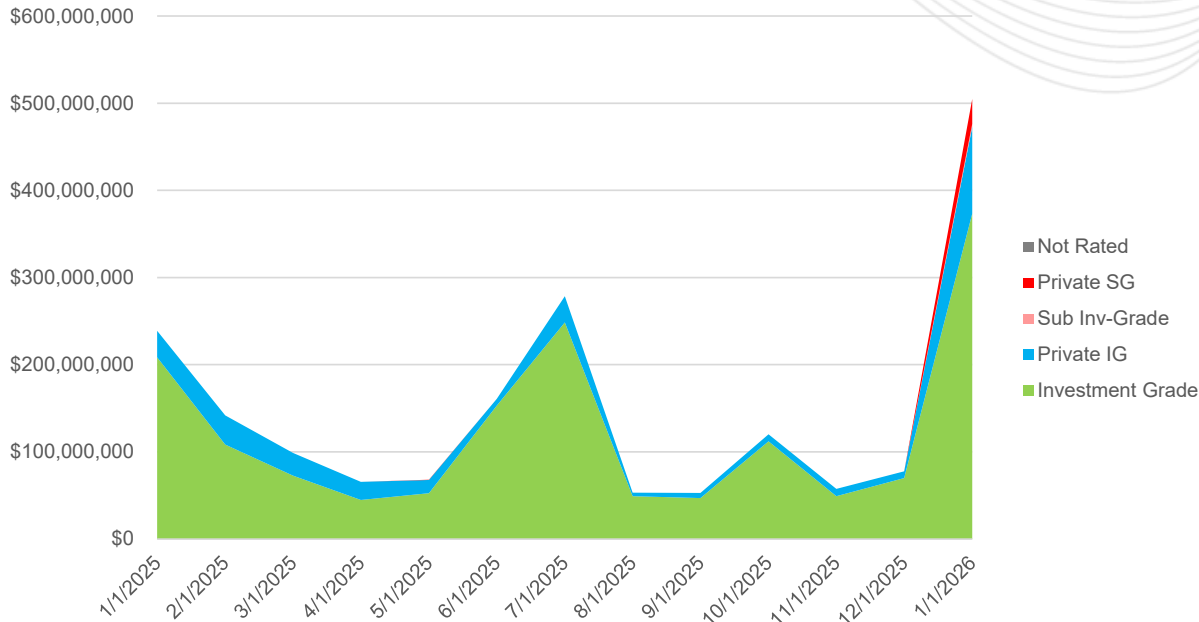
Gwen Kelly, Sr. Director,
Credit Risk & Surveillance

Risk Management Committee
February 2026



Full Portfolio Metrics *as of 1/29/2026*

Full Portfolio Exposure through Time



Classification	Total Unsecured Credit Allowance	UCA with Exposure	Net Exposure	%
Investment Grade	\$1,260,737,137	\$590,281,218	\$373,561,421	74%
Private IG	\$235,062,969	\$104,737,329	\$99,505,173	20%
Sub Inv-Grade	\$0	\$0	\$3,352,751	1%
Private SG	\$0	\$0	\$28,493,850	6%
Not Rated	\$0	\$0	\$0	0%
Total	\$1,495,800,106	\$695,018,547	\$504,913,195	100%

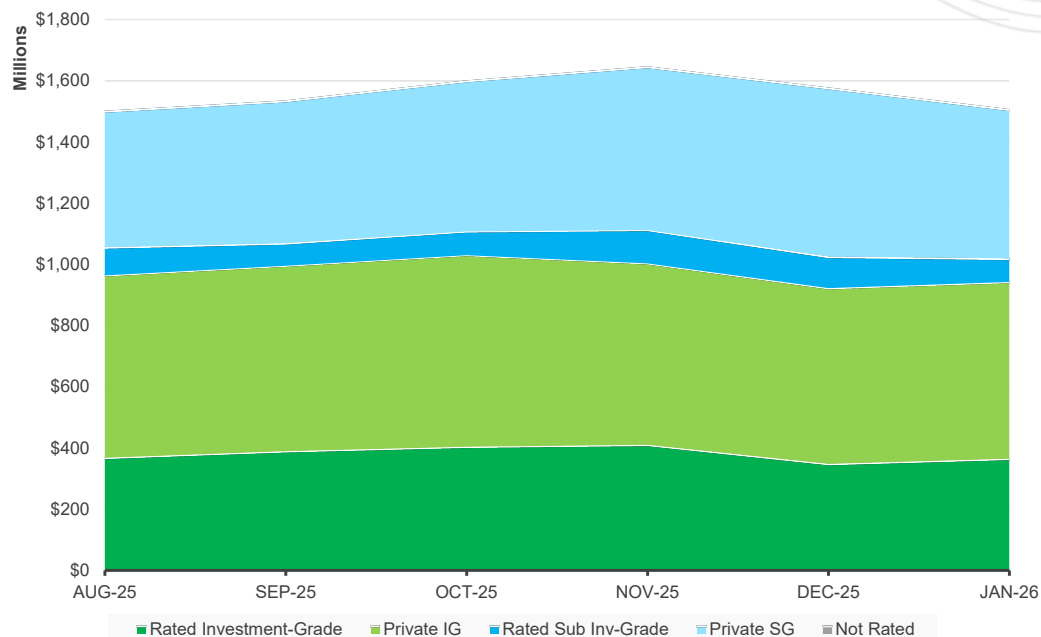
Highlights:

- 5 participants each represent >10% of the exposure individually
- The top 10 participants represent 77% of the outstanding exposure
- They are from different corporate families
- Net exposure to Sub Investment Grade participants is due to the sequencing of report generation and posting of collateral
- Net exposure of \$504MM increased due to the impact of Winter Storm Fern

Defaulting Member Company

Source: eCredit member data reports (1-29-2026)

FTR Collateral & Quality through Time



FTR Credit Req. by Quality

Classification	1/29/2026	12/25/2025	11/27/2025
Rated Investment-Grade	\$364,961,095	\$348,176,829	\$410,755,950
Private IG	\$577,534,497	\$574,410,723	\$592,475,122
Rated Sub Inv-Grade	\$77,938,790	\$103,323,746	\$108,930,907
Private SG	\$487,466,707	\$552,119,404	\$535,235,041
Not Rated	\$0	\$0	\$0
Total	\$1,507,901,089	\$1,578,030,702	\$1,647,397,020
Investment Grade %	62.50%	58.46%	60.90%

Highlights:

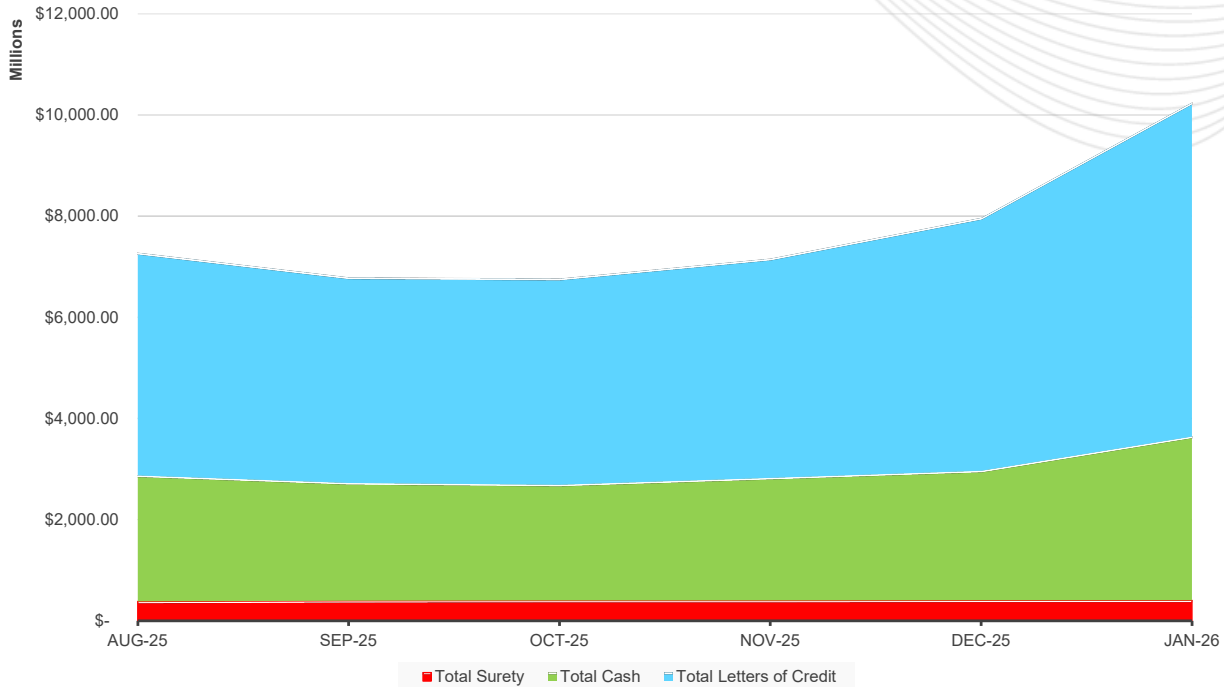
- 100% of the FTR credit requirement is collateralized by Cash or Letter of Credit
- 62% Investment-grade
- 42% concentration in top 10 participants
- 0 market participants represent over 10% of the portfolio

Source: eCredit member data reports (1-29-2026)



Collateral Summary (Total PJM) *as of 1/29/2026*

Collateral Summary through Time



Total Collateral held at PJM: \$10.24Bn

Cash Collateral: \$3.23Bn

Letters of Credit: \$6.60Bn

- All issuers rated A or better
- Top 10 banks issued 63% thereof
- 1 Bank issued more than 10% thereof
- PJM has accepted LCs from 41 banks in total

Surety Bonds: \$407MM

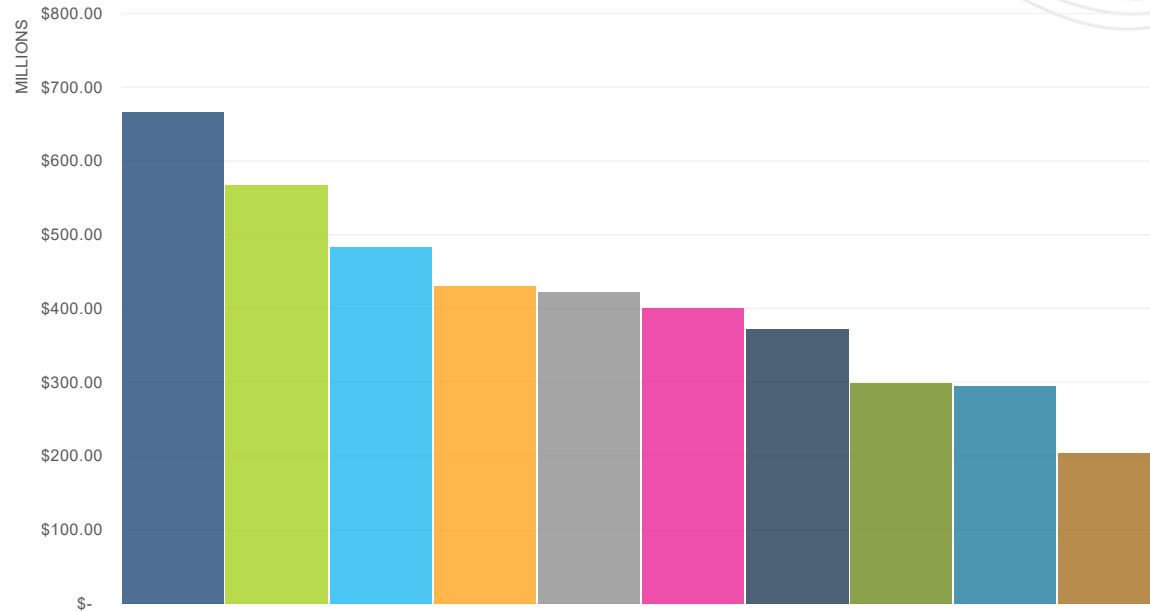
- All issuers rated A or better
- Concentrations capped at \$50MM per issuer

Collateral increased due to proactive member outreach aimed at lessening the effects of Winter Storm Ferm

LC Source: eCredit Bank LC Summary Report (1-29-2026)

Cash Source: PJM Treasury (1-29-2026)

Bank LC Concentrations



One bank represents more than 10% of the \$6.60Bn LC portfolio:

- The banks are rated A or better at S&P,
- The banks are rated A or better at Fitch, or
- The banks are rated A2 or better at Moody's.

LC Source: eCredit Bank LC Summary Report (1-29-2026)

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Credit Risk Metrics



Member Hotline

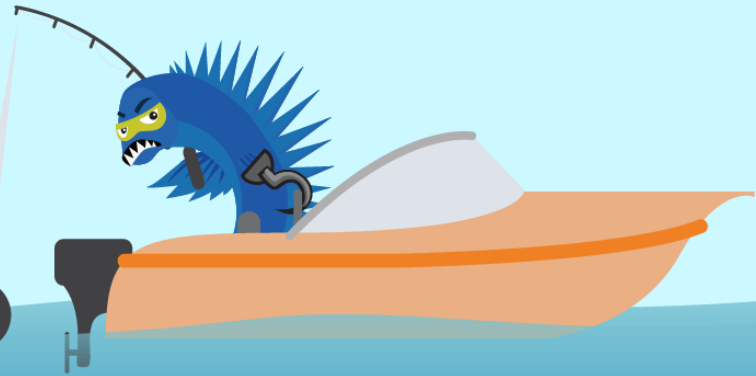
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**PROTECT THE
POWER GRID**

**THINK BEFORE
YOU CLICK!**



**BE ALERT TO
MALICIOUS PHISHING
EMAILS**



**Report suspicious email activity to PJM.
Call (610) 666-2244 or email it_ops_ctr_shift@pjm.com**