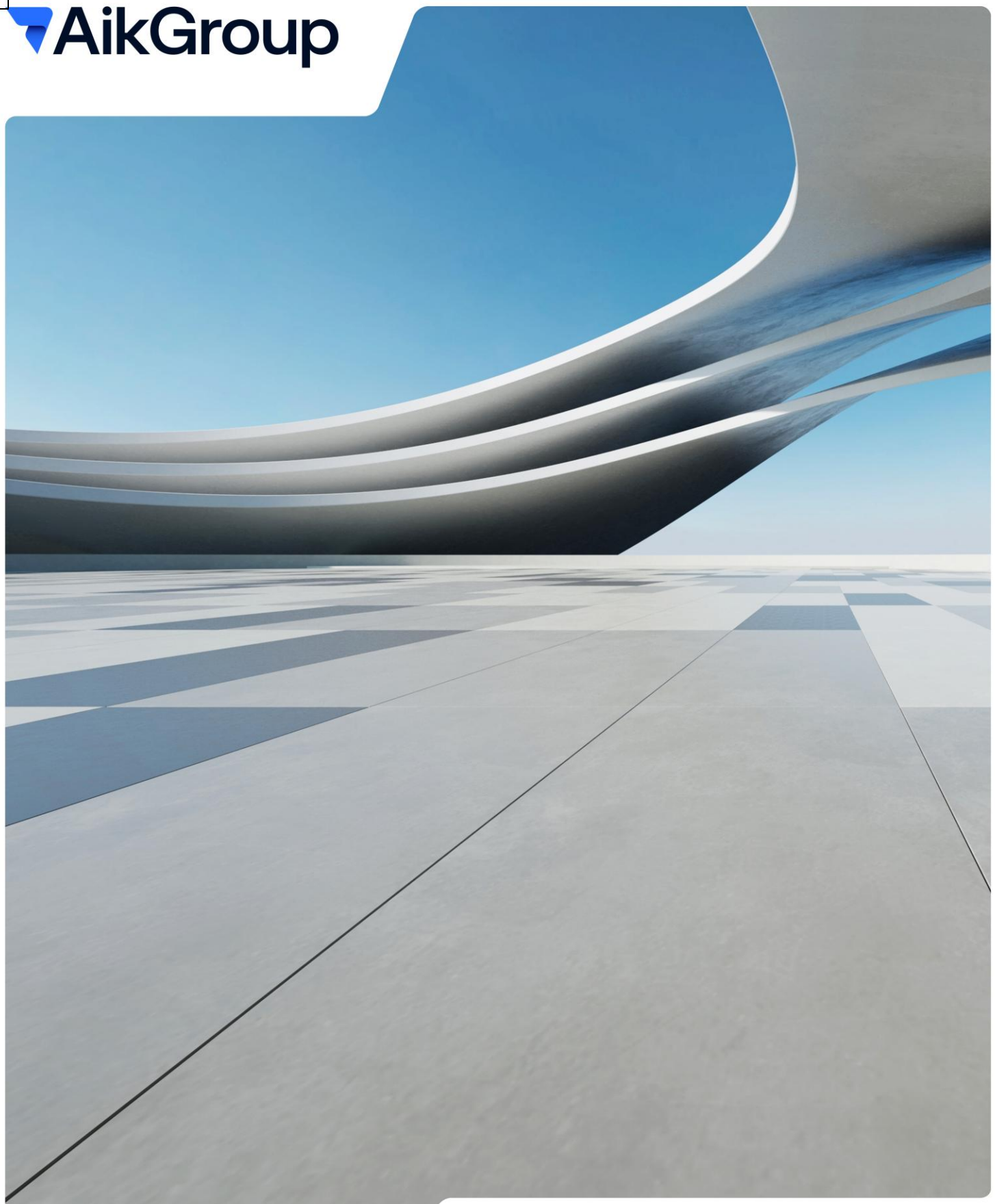
AikGroup



Disclosure Report 2025

pursuant to Part Eight of the
Capital Requirements Regulation (CRR)

Table of Contents

1 INTRODUCTION 4
1.1 Regulatory framework 4
1.2 Overview of Non-Applicable Disclosures 5
1.3 Disclosures in Other Published Reports 5
2 RISK MANAGEMENT OBJECTIVES AND POLICIES 6
2.1 General Information on Risk Management Strategies and Policies 6
2.2 The Structure and Organization of the Relevant Risk Management Functions 9
2.3 The Scope and Nature of Risk Reporting 11
2.4 The Policies for Hedging and Mitigating Risk, and the Strategies and Processes for Monitoring the Continuing Effectiveness of Hedges and Mitigants 12
2.5 A Declaration Approved by the BoD on the Adequacy of Risk Management Arrangements of the Bank 12
2.6 Risk Statement Approved by the BoD Succinctly Describing the Relevant Group's Overall Risk Profile Associated with the Business Strategy 12
3 GOVERNANCE ARRANGEMENT 13
3.1 Directorships Held by the members of the Board 14
3.2 Recruitment Policy for the Selection of Members of the Management Body 15
3.3 Policy on Diversity with Regard to the Selection of Members of the Management Body, the Objectives and Targets Set Out in That Policy, and the Extent to Which They Have Been Achieved 19
3.4 Information on Separate Risk Committee and the Frequency of the Meetings 19
3.5 Information Flow on Risk to the Management Body 19
4 SCOPE OF APPLICATION 20
4.1 Differences in the Scopes of Consolidation 21
4.2 Reconciliation of Regulatory Own Funds to the IFRS Balance Sheet 21
4.3 Impediments to Fund Transfers 23
4.4 Potential Capital Shortfalls in Unconsolidated Subsidiaries 23
5 OWN FUNDS 23
5.1 Own Funds Composition, Prudential Filters and Deduction Items 23
5.2 Reconciliation of Regulatory Own Funds to the Balance Sheet According to IFRS 29
5.3 Description of the Main Features of the Instruments of Individual Categories of Capital Issued by the Bank 30
6 OWN FUNDS REQUIREMENTS AND RISK-WEIGHTED EXPOSURE AMOUNTS 31
6.1 Summary of the Approach to Assessing the Adequacy of Internal Capital to Support Current and Future Activities 31
6.2 Risk-Weighted Exposure Amounts and Minimum Capital Requirement 33
7 EXPOSURE TO COUNTERPARTY CREDIT RISK 34
7.1 Segregated and Unsegregated Collateral Received and Posted per Type of Collateral 36
7.2 Derivative and Securities Financing Transactions 36
7.3 Transactions Subject to Own Funds Requirements for CVA Risk 36
7.4 Exposure Value to Central Counterparties and the Associated Risk Exposures 36
7.5 Notional Amounts and Fair Value of Credit Derivative Transaction 37
7.6 CCR Exposures by Regulatory Exposure Class and Risk Weights 38
8 CAPITAL BUFFERS 38
9 EXPOSURES TO CREDIT RISK 40
9.1 Qualitative Disclosure Requirements Related to Credit Risk 40
9.2 Definitions for Accounting Purposes of “Past Due” and “Impaired” and “Past Due” and “Default” 40
9.3 Description of the Approaches and Methods Adopted for Determining Credit Risk Adjustments 41
9.4 Overview of Performing, Non-Performing and Forborne Exposures for Loans, Debt Securities and Off-Balance-Sheet Exposures 44

9.5 Overview of Collateral Obtained by Taking Possession and Execution Processes 46
9.6 Ageing Analysis of Accounting Past due Exposures 47
9.7 Gross Carrying Amounts Defaulted and Non-Defaulted Exposures, Accumulated Specific and General Credit Risk Adjustments, Accumulated Write-Offs Taken Against Those Exposures and Net Carrying Amounts and Their Distribution by Geographical Area and Industry Type and for Loans, Debt Securities and Off-Balance-Sheet Exposures 48
9.8 Breakdown of Loans and Debt Securities by Residual Maturity 49

10 ENCUMBERED AND UNENCUMBERED ASSETS 49

11 STANDARDIZED APPROACH 52
11.1 Use of External Ratings 52
11.2 The Exposure Values and the Exposure Values after Credit Risk Mitigation Associated with Each Credit Quality Step, as Well as those Deducted from Own Funds 53

12 MARKET RISK 56
12.1 Qualitative Disclosure Requirements Related to Market Risk 56
12.2 Market Risk Standardized Approach 58

13 OPERATIONAL RISK MANAGEMENT 58

14 EXPOSURE TO INTEREST RATE RISK ON POSITIONS NOT INCLUDED IN THE TRADING BOOK 60
14.1 Qualitative Information on Interest Rate Risk in the Banking Book 60
14.2 Changes in the Economic Value of Equity and Net Interest Income 62

15 ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISK 62
15.1 Environmental Risk 63
15.2 Social Risk 77
15.3 Governance Risk 83

16 REMUNERATION POLICY 92

17 LEVERAGE RATIO 102

18 LIQUIDITY REQUIREMENTS 106
18.1 Liquidity Risk Management 106
18.2 Qualitative information on LCR 108
18.3 Quantitative Information on LCR 109
18.4 Quantitative Information on NSFR 110

19 CREDIT RISK MITIGATION TECHNIQUES 114
19.1 Policies and Processes for Collateral Valuation and Management 114
19.2 Main Types of Collateral Taken by the Group 115
19.3 Main Types of Guarantors and Credit Derivative Counterparty and Their Creditworthiness 116
19.4 Information about Market or Credit Risk Concentrations within the Credit Mitigation Taken 116

APPENDIX 1 – DISCLOSURE OF NON-PERFORMING AND FORBORNE EXPOSURES 118

APPENDIX 2 – OVERVIEW OF REGULATORY REQUIRED INFORMATION 121

1 INTRODUCTION

Legal Disclaimer – Change of naming convention of the Group entities and decision-making bodies

Please note that, effective as of April 2, 2025, the legal name of the Holding Company has changed from Agri Europe Cyprus Limited to AikGroup (CY) Limited, and the group to which the Holding Company and its subsidiaries belong has also been renamed from AEC Group to AikGroup.

As of March 31, 2025, the legal name of AIK Banka a.d. Beograd is AikBank a.d. Beograd, and of AIK Leasing d.o.o. is AikLeasing d.o.o.

In addition, due to the change in the governance model effective as of 1st May 2025, the naming convention of decision-making bodies within the holding company has also been revised. Unlike in previous disclosures, this year's disclosure refers only to the Board of Directors, encompassing both executive and non-executive directors, instead of previously naming the same decision-making body as Board of Directors in its supervisory function. Furthermore, instead of the previous naming convention the Board of Directors in its management function, the new model introduces three management-level committees, namely the Group Management Committee (GMC), the Group Credit Committee (GCC), and the Group Asset and Liability Committee (ALCO). The roles and responsibilities of each of the three committees are described in greater detail in the subsequent sections of this document.

This naming convention is for presentational clarity only and does not affect the accuracy or relevance of the information contained herein, nor does it imply any change to the legal identity, structure, operations, or obligations of the Holding Company or the group as of the reporting date.

AikGroup (CY) Ltd. (hereinafter referred to as AikGroup or Group) is banking group consisting of the following Group members:

- AikGroup (CY) Limited as a parent company, and
- NordAgri N.V., Netherland as subsidiary,
- M&V Investments a.d. Beograd, Serbia as subsidiary,
- Gorenjska banka d.d. Kranj, Slovenia as credit institution subsidiary,
- GB Leasing d.o.o. Ljubljana, Slovenia, as a subsidiary,
- AikBank a.d. Beograd, Serbia as credit institution subsidiary
- Hipotekarna banka a.d., Podgorica as credit institution subsidiary,
- AikLeasing d.o.o. Beograd, Serbia, as a subsidiary.

Changes in Group structure during 2025:

- as of March 28th, 2025, AIK Banka and Eurobank Direktna merged into one entity and after the integration of two banks, the new legal name of the bank is AikBank a.d. Beograd.
- in June 2025, AikGroup completed the acquisition of a 74.9% majority stake in Hipotekarna banka a.d. Podgorica, finalizing a transaction initiated in December 2024. AikGroup (CY) Limited has gradually increased its shareholding in Hipotekarna banka a.d. Podgorica as follows: 77.08% as of 31 July 2025, 79.99999% (rounded 80%) as of 31 August 2025.

1.1 Regulatory framework

AikGroup hereby publishes this Disclosure Report with December 31st, 2025, as the reference date, prepared in accordance with Article 13 of Regulation (EU) No. 575/2013 of the European Parliament (Capital Requirements Regulation, or CRR), and meeting the disclosure requirements set out in Part Eight of the CRR and relevant amendments. The Report has been prepared in accordance with Commission Implementing Regulation (EU) 2024/3172, which introduces revised Pillar 3 templates and instructions aimed at enhancing consistency and comparability across institutions. In line with the EBA Pillar 3 framework, the Report incorporates the latest Implementing Technical Standards (ITS) and

accompanying guidance and is aligned with centralized publication requirements set out in Articles 434 and 434a of the CRR (EBA Pillar 3 Data Hub[1]).

AikGroup Disclosure Report has been prepared in accordance with the Group's internal policy, adopted by the management body to ensure compliance with the disclosure requirements set out in the CRR. The policy includes regulatory requirements and internal processes designed to facilitate the preparation of disclosures and to ensure that the information provided is appropriate and in line with the applicable requirements. Quantitative disclosures are consistently reconciled with the year-end financial statements and supervisory reporting submitted to the regulator, i.e. COREP and FINREP, making use of the EBA mapping between Pillar 3 templates and supervisory reporting to ensure alignment.

The Group includes in its disclosures all information deemed necessary to provide users with a clear, complete and accurate view of the Group's structure, capital management, risk management system and remuneration policy. Group also identifies information that is material, confidential and proprietary. The Group has not identified any disclosure waivers.

All disclosures are prepared on a consolidated basis and are presented in **thousands of EUR** unless otherwise mentioned.

Based on EU banking legislation and relevant EBA regulations, AikGroup is assessed as large, listed institution. In line with that, Disclosure Report is published on quarterly level, in accordance with the scope and frequency requirements set out in Article 433 of the CRR, as well as the institution-specific requirements under Article 433a of the CRR.

In line with Articles 434 and 434a of CRR, AikGroup submits its disclosures in electronic format to the European Banking Authority (EBA). EBA centrally publishes these disclosures through a single electronic access point - EBA Pillar 3 Data Hub (P3DH). The first application reference date for AikGroup has been 30 June 2025. Under the transitional provisions of final draft of ITS, AikGroup continues to make its disclosures available via AikGroup and Gorenjska banka websites (https://aik-group.com/ https://www.gbkr.si/).

AikGroup maintains an archive of previously published Disclosure Reports on its official website.

In accordance with Article 434(5) of the CRR, EBA will provide a single access point for AikGroup's disclosures and will maintain an archive on its website containing the information required to be disclosed under the CRR. The first reference date for AikGroup's disclosures is 30 June 2025.

Senior management attests that disclosures required by regulator are in accordance with the Group policies and internal processes, systems and controls. Written attestation is enclosed as Appendix of this Disclosure Report.

1.2 Overview of Non-Applicable Disclosures

Disclosure Report does not contain disclosures not relevant for AikGroup. AikGroup does not operate with credit derivatives, does not use on-balance-sheet netting, own estimates of scaling factor, IRB approach for calculating the capital requirements for credit risk, standardized approach for CVA, internal models for calculating capital requirements for market risk, does not have crypto assets. and does not perform securitization transactions.

AikGroup is not a global, systemically important institution, so the disclosure of the indicators of general systemic importance is not relevant (Article 441 of the CRR regulation).

1.3 Disclosures in Other Published Reports

Some of the disclosure requirements are already contained in the AikGroup Notes to the Consolidated Report and Financial Statements for the year ended December 31, 2025. If that is the case, under respective points of this Disclosure, article of CRR and corresponding AikGroup Notes to the Consolidated Report and Financial Statements paragraph is clearly mentioned.

[1] EBA has published final draft ITS (EBA/ITS/2025/01) which is not officially enter into force

2 RISK MANAGEMENT OBJECTIVES AND POLICIES

(Article 435.1 a, b, c, d, e and f of the CRR Regulation)

Details regarding risk types and risk management within AikGroup are described in AikGroup Notes to the Consolidated Report and Financial Statements for the year ended December 31, 2025.

The Notes are available at the web site of AikGroup: www.aik-group.com, within section "Annual Reports".

2.1 General Information on Risk Management Strategies and Policies

The Group defines its risk strategy and risk appetite through the annual strategic planning process, encompassing business strategy and strategic guidelines, to ensure appropriate alignment of risk, capital, liquidity and performance targets.

The Group defines a risk management strategy which sets out the Group's objectives in managing risks on a long-term basis and determines the Group's relation to the risks it is exposed to or may be exposed, including the risks arising from the macroeconomic environment in which the Group and each group member operate.

With Group Strategy on Risk Management, as part of a comprehensive risk management system, the Group:

- Defines all the risks the Group is exposed to or may be exposed to in its business,
- Defines long-term risk management objectives,
- Determines the Group-wide principles of risk management,
- Defines the Group risk management governance,
- Defines the main principles of the Group risk culture,
- Determines the obligation of regular reporting on risk management,

The basic principles of risk taking are:

- The Group accepts risks it can manage.
- Establishing clear rules for managing individual types of risk, with accompanying procedures for managing each individual type of risk with clearly defined objectives,
- Making business decisions based on qualitative and/or quantitative analysis of risk parameters, to timely detect changes in the risk profile,
- Collecting complete, timely and accurate data important for risk management and providing adequate technical infrastructure for data storage and processing,
- The principle of caution in assuming risk, with continuous monitoring and control of exposure to certain types of risks and respect for the established system of limits,
- Using a number of methods for identifying and measuring risk,
- Using past experiences and lessons learned to avoid future mistakes.

The basic principles of management of risks that the Group is or may be exposed to in its operations are set at the Group level. Group Policy on Risk Management provides guidelines for the risk management process that the subsidiaries apply in accordance with the nature, scope and complexity of their business activities.

Group members define in more detail the principles of risk management according to their specifics but following the Group Policy on Risk Management. Each Group member has locally defined risk management policies and procedures that prescribe the responsibilities, method of individual risk management process, the method and methodology for identifying, measuring, evaluating, mitigating and monitoring these risks and the principles of the internal control system.

To satisfy the principle of risk taking, the following principles of risk management are considered:

- Continuous work on identifying, measuring, assessing and controlling risks.
- Maintaining such an internal organization or organizational structure through which the front office functions are separated from the activities of the middle office, back office and risk control activities with a clearly defined division of jobs and duties employees preventing conflict of interest.
- Familiarizing employees with their jobs and tasks and continuously involving employees at all levels in the risk management process, which means that employees at all levels have basic

knowledge and understand the risks from the domain of personal responsibility and act in accordance with internal regulations

- Adequate communication, information flow and cooperation at all organizational levels, as defined in the Group Strategy on Risk Management.
- The comprehensiveness of the risk management system; risk management should include all business activities and all the risks that each subsidiary is exposed to in its operations. Establishing a comprehensive framework for risk management as well as a comprehensive and effective internal control system requires a prerequisite for long-term success.
- Developing a risk management system as a strategic commitment - risk management will be continually improved and aligned with the Group's business activities, changes in external and internal regulations
- Active capital management with emphasis on the fulfillment of the obligation that capital must be sufficient to amortize all risks.
- Risk management is part of the business culture - awareness of the importance of risk management is present at all levels of the organizational structure of the Group.

The Group regularly, at least once a year, assesses the risks which it is exposed to. Risk is defined as possibility of adverse effects on the capital, liquidity and financial result of the Group as a result of transactions that the Group performs and the macroeconomic environment in which it operates.

The Group establishes a comprehensive and reliable risk management system that is fully integrated into the business activities of each Group member and ensures that the Group's risk profile is in line with the Group's risk appetite. The group maintains risk exposure within the prescribed limits, i.e. in accordance with the defined risk tolerance.

AikGroup conducts the internal capital adequacy assessment process (ICAAP) and internal liquidity adequacy assessment process (ILAAP) on a continuous basis, in accordance with defined internal acts while respecting the regulatory framework. ICAAP and ILAAP are integrated into the business, strategic decision-making and risk management process of the Group. In the course of ICAAP and ILAAP processes, Group identifies all the risk it is or might be exposes to, defines their measurement i.e. risk assessment and monitoring, provides adequate internal capital in accordance with the risk profile of the Group. ICAAP and ILAAP are adequately involved in the Group's risk management process and decision-making process and are subject to regular analysis, monitoring and verification by the Group's governing bodies.

Key ICAAP and ILAAP inputs are the business strategy, risk identification, risk appetite, capital, liquidity and financial plans. Business strategy is formed through a formal and rational decision-making process. The key stage of the process is the identification of material risks, including selection of key risk drivers to create a limit system. Limits have been articulated through the establishment of the Risk Appetite, where it is clearly defined to what extent the Group is willing to take risks. Business strategy and risk appetite limits form basis for financial and capital plans which are prepared for the 3-year period. The key part of financial planning is to keep portfolio risks within limits.

ICAAP and ILAAP processes are integral parts of the risk management framework and are aligned with the Group’s risk appetite which is consistent with the business model and approved by the Group BoD. The process covers not only current capital and liquidity situations, but it also applies a forward-looking approach.

Based on Risk Appetite, the Group prepares a business plan and financial forecasts which are crucial for defining internal capital needs (ICAAP process) on the risk-based capital assessment approach and internal liquidity assessment (ILAAP process). Both processes are conducted from normative and economic perspectives and supplemented by the stress testing program.

Stress testing is one of the most important tools in forward looking risk management. Stress testing is designed to support senior management to uncover possible vulnerabilities when taking a forward-looking view of the Group’s risk profile as well as its strategic, business, capital and liquidity planning.

The Group recognizes the following types of stress tests:

- Macroeconomic stress test,
- Idiosyncratic stress test,
- Combined stress test,
- Reverse stress test including reverse Geopolitical stress test,
- Climate risk stress test,

- Risk specific stress test (per risk type, individual stress tests),
- Regulatory stress test (e.g. EU-wide, thematic stress test).

Group performs various types of stress testing:

- Sensitivity analysis, measuring potential impact of a specific single risk factor affecting capital or liquidity on portfolio, subsidiary or Group-wide level; it is used under ICAAP and for ad-hoc stress testing.
- Scenario analysis, assessing the Group's resilience towards a specified macroeconomic scenario; it is used under ICAAP and Recovery Plan, also for capital planning.
- Reverse stress testing, as form of scenario analysis where the goal is to identify a scenario or a combination of scenarios that lead to an outcome in which the Group's business model might become unviable. It is used within the Recovery plan, the ICAAP and ILAAP at least annually, and
- liquidity stress testing.

Stress test scenarios are revised and reassessed at least quarterly to check if they are still appropriate, and if not, they are adapted to the new circumstances.

Group conducts adverse stress tests on at least annual basis. Annual results are reported both internally to the Group Management Committee, Risk Committee and Board of Directors, as well as externally to the regulator as a part of the ICAAP and Capital plan process. All applicable types of stress tests are done both on consolidated and credit institution entity level and should be incorporated in ICAAP report and Risk Reports.

Mitigating management actions, if deemed necessary, place attention on effectiveness, timeline and feasibility of such actions. The planning process, limit steering process and stressed risk appetite metrics all use stress testing result as an input. Vulnerabilities identified are also considered in the context of business strategy and risk strategy. Capital planning performed within the ICAAP process includes adverse scenario.

List of risks identified and assessed as material at Group level as of 31st December 2025 includes:

- Credit risk type, consist of following subcategories:
  - Credit default risk,
  - Counterparty credit risk,
  - FX lending risk,
  - Credit risk induced by interest rate risk,
  - Concentration risk,
  - Novel risk (emerging risks with limited experience or data),
- Market risk type, consisting of following subcategories:
  - FX risk,
  - Position risk,
  - Credit Valuation Adjustment (CVA) risk,
- Interest rate risk type, consisting of following subcategories:
  - Interest rate risk in banking book,
  - Credit spread risk in banking book,
- Liquidity risk type, consist of following subcategories:
  - Short-term liquidity risk,
  - Liquidity concentration risk,
  - Financial institutions funding concentration risk,
  - Customer funding concentration risk.
- Operational risk type, consist of following subcategories:
  - Operational risk in general,
  - Legal risk,
  - Data quality risk – Risk from inaccurate or incomplete data,
  - Conduct risk – Risk of not acting in customers' or market's best interest.

- ICT & security risk – Risk from IT failures, cyber threats, or data breaches,
- ICT third-party risk – Risk arising from external IT providers,
- Model risk – Risk of errors in models leading to wrong decisions,
- Outsourcing risk – Risk from reliance on external service providers,

> Other risk types:

- Sovereign risk – Risk of a country defaulting,
- Reputational risk – Risk of damage to reputation,
- Compliance risk – Risk of breaching laws or regulations,
- Anti Money Laundering (AML) risk – Risk of money laundering or terrorist financing,
- Financial sanctions (FS) risk – Risk of non-compliance with sanctions,
- Strategic/business risk – Risk from poor strategy or response to changes.
- Geopolitical risk – Risk arising from political, economic, social or security developments at national, regional and/or global level,
- ESG risk – Risks related to environmental, social, and governance factors,
- Human Resource risk.

Details regarding risk management process in the Group, including identification, measurement and assessment, mitigation, monitoring, control and reporting of risks the Group is or might be exposed to in its operations, are described in the Group Policy on Risk Management. In addition to the umbrella documents from the field risk management on Group level, each credit institution subsidiary also has policies and procedures for managing individual risks types which define in detail the procedures and methodology for assessing risks when approving placements, procedures for risk measurement, the system of limits, risk mitigation techniques determining the required internal capital, the procedures for internal reporting and mechanisms of internal controls for operations. At the third and lowest level, there are also instructions, methodologies for carrying out individual activities or procedures in the process of assuming and managing risks, prescribed forms, and records.

2.2 The Structure and Organization of the Relevant Risk Management Functions

For the purpose of adequate risk management, at the Group level as well as at each subsidiary an appropriate organizational structure has been established. The organizational structure on the subsidiary level corresponds to the scope, type and complexity of the tasks it performs and in order to prevent the conflict of interest, the separation of the functions of taking risks (front office) from the function of risk management (middle office) and activities of support (back office).

Organizational structure of the Group enables realization of established goals and principles of risk management. Overview of AikGroup risk management structure, is given in the figure below:

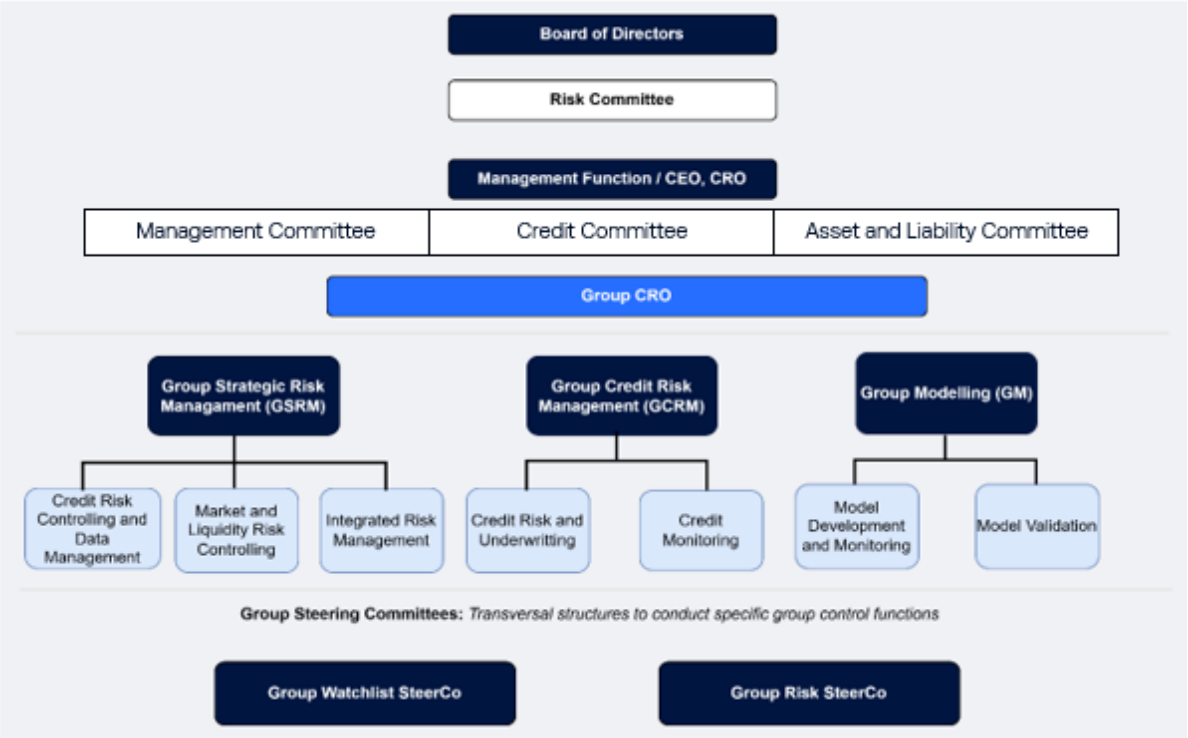


Figure 1: AikGroup risk management structure

Risk Committee advises and supports Board of Directors (BoD) regarding overseeing, monitoring and implementation of the Group's overall Risk Strategy, corresponding Risk Appetite Statement and limits by considering all types of risks to ensure they are in line with the business strategy, objectives, corporate culture and values of the Group.

Group Management Committee (GMC) is set up by Chief Executive Officer (CEO) and is a managerial committee responsible for the implementation of the strategies and discusses regularly the implementation and appropriateness of those strategies. The operational implementation is performed by the GMC. GMC comprehensively reports and informs regularly and where necessary the BoD without undue delay of the relevant elements for the assessment of a situation, the risks and developments affecting or that may affect the institution, e.g. material decisions on business activities and risks taken, the evaluation of the institution's economic and business environment, liquidity and sound capital base, and assessment of its material risk exposures. **Group CRO** is responsible for setting up a comprehensive risk management framework on the Group level, overseas and manages risk functions and coordinates the preparation of Group Risk Strategy and Group Risk appetite statement. .

Group Credit Committee (GCC) is a managerial committee and collective decision-making body with delegated authority to approve Subsidiary credit facilities, playing a key role in the Group's credit risk management.

Group Asset and Liability Committee (ALCO) is a managerial-level committee responsible for overseeing key financial risks, including liquidity, interest rate and foreign exchange risk, as well as ensuring the effective management of the Group's balance sheet and overall financial stability.

The roles and responsibilities of both GCC and ALCO are further detailed in Section 3 of this document.

Group Risk function is an internal control function covering monitoring and controlling of all risk within the Group. The Group risk function, within the regular reporting line, reports directly to the executive directors. When reporting to the Board of Directors, the Group risk function reports through the Risk Committee. It has also, where necessary, direct access to the Board of Directors and its other Committees. The Group risk function has direct access to all business lines and other internal units that have potential to generate risk, as well as to Subsidiaries. The Group risk function is organized into three distinct functions:

- **Group Strategic Risk Management Function (GSRMF)** - responsible for the overall risk management framework at the Group level and for ensuring effective identification, measurement, monitoring and reporting of all material risks,
- **Group Credit Risk Management Function (GCRMF)** - responsible for the management of credit risk across the full credit lifecycle, with a particular focus on underwriting, credit decision support and portfolio monitoring, and
- **Group Modelling Function (GMF)** - responsible for the development, monitoring and validation of all models used in risk management across the Group, as well as for the management of model risk.

The powers and responsibilities of the Group risk functions are further specified in, among others: Group Rulebook on Internal Organization and relevant risk related internal acts. The Group risk function provides an independent oversight of the management of risks inherent in the Group's activities. The Group's risk policies establish a clear mandate for the Group risk function in terms of its objectives and authority relative to their functions, allowing it to access the information required to prepare assessments, analysis and reports to support the decision-making process of Executive directors. Policies are regularly reviewed and updated to reflect external (particularly regulatory) developments and internal changes and goals. Group Risk function is involved in all material risk management decisions.

In addition to the Management Committees described above, Board of Directors in its management function lays down the general principles, composition, mode of operation and competencies of the Group Steering Committees.

The **Group Risk Steering Committee (GRISCO)** mission is to monitor the risk exposure of each Subsidiary and on the Group level and, if necessary, propose to the Group Management Committee certain measures for the improvement of risk management. The Group Risk Steering Committee is chaired by Group CRO and co-chaired by Head of Group Strategic Risk Management Function.

Group Watchlist Steering Committee monitors the risk exposure of clients on Watchlist (- non-credit decision), more specifically activities of approving the classification and re-classification of watch listed and other selected clients, approving mitigating action plans for watch listed and other selected clients and reviewing the effectiveness of the implemented mitigating action plans. These activities are first decided upon on a subsidiary level and then submitted for approval to Group WLSC. The Group WLSC is chaired by Group CRO and co-chaired by Head of Group Credit Risk Management Function.

For the purpose of identifying and more specifically managing and mitigating risks to which the Group is exposed, each subsidiary has organized its functions following the “3 lines of defense” rules:

The **first line of defense** is on the level of Business units as risk taking units. Their roles are compliance with risk appetite limits, implementation of risk governance principles and risk management procedures and considering risk mitigation vs profitability when decision making.

The **second line of defense** is on the level of Risk functions and Compliance function. Their responsibilities are development of processes, risk models and tools, setting and allocation of limits, proposing strategies, providing internal policies, methodologies and procedures, setting internal validation framework, assessment of the use of the models and their correct application in practice, reliability of input data (risk strategic management function), reviewing and monitoring regulatory changes with which the Group is required to comply and offering support to follow regulatory requirements properly (compliance function).

The **third line of defense** is on the level of Internal audit function. It is responsible for monitoring the effectiveness of the Group's internal quality control and risk management systems, reliability of reporting process and general risk assessment of all aspects.

2.3 The Scope and Nature of Risk Reporting

Risk reporting process in AikGroup includes two segments:

- Internal reporting, and
- Regulatory reporting.

Internal reporting provides a comprehensive view of the Group risk position, compliance with Group risk appetite, warning signals in case of an increase in exposure to certain risks beyond the Group risk tolerance. Reports include forward-looking components and present development of risk exposure in

order to ensure prompt reaction and setting up the mitigation measures to prevent potential breach. Internal risk reporting includes a set of reports to which the sectors in charge of risk management and control are submitted to the relevant bodies on the subsidiary level and to the Group Management Committee, Group Risk Committee and the BoD in accordance with the deadlines defined by the Group Policy on Risk Management. Reporting could be arranged more often if necessary and as defined by relevant policies and frameworks.

Regulatory reporting implies submission of regulatory prescribed reports to the regulator. The reports on risk management and control are submitted on a consolidated level in the forms and within the deadlines prescribed by the regulator. The Group functions are responsible for reviewing consolidated reports before submission to the regulator. In addition, each subsidiary member is responsible for regulatory reporting based on local regulation.

2.4 The Policies for Hedging and Mitigating Risk, and the Strategies and Processes for Monitoring the Continuing Effectiveness of Hedges and Mitigants

AikGroup uses various types of risk mitigation techniques. Details are described under subtitles for each specific risk type in this Disclosure Report. AikGroup does not apply any form of hedge accounting according to IFRS accounting standards.

2.5 A Declaration Approved by the BoD on the Adequacy of Risk Management Arrangements of the Bank

Group BoD declares that the risk management process on the Group level is adequate, and that implemented risk management is adequate with regard to Group business strategy and model, complexity, and risk profile of the Group framework.

Group BoD for the purpose of Article 435.1 (e) CRR declares that Group risk management arrangements are adequate with regard to Group risk profile and strategy.

2.6 Risk Statement Approved by the BoD Succinctly Describing the Relevant Group's Overall Risk Profile Associated with the Business Strategy

Group BoD approves, for the purpose of point 435.1 (f) of CRR, the Statement succinctly describing Group's overall risk profile associated with the business strategy.

Risk appetite statement represents the articulation of the Group attitude towards risk taking in order to achieve strategic goals defined in Risk and Business Strategy. It is quantified through a set of indicators and limits based on risk types or subtypes. The values of key risk indicators that are used to monitor Group risk profile, are set as either hard limits or targets, and are produced from the current and expected risks of the Group as well as from best practices and the general known criteria of the business, taking into consideration the regulatory requirements. The indicator value is calculated on a regular basis and is subject to presentation to and discussion by the Management Committee, i.e., RC and BOD.

An overview of selected key risk indicators i.e. indicators that have set limits as strict requirements for taking risks in a certain category or type of risk, as of December 31, 2025, is presented in the table below. Group Risk Appetite Statement is discussed and reported to Group Risk Committee and Group BoD.

Table 1: Key RAS indicators as of December 31, 2025

Risk Area	Key Risk Indicator	31.12.2025
Capital metrics	Common Equity Tier 1 ratio (CET1)	16.50%
	Tier 1 ratio (T1)	16.50%
	Total Capital ratio (TCR)	18.13%
	Risk bearing capacity (RBC) utilization	77.45%
	Leverage ratio	10.62%
Credit risk	NPL ratio	2.51%
Concentration risk	Single Name Concentration ratio	18.27%
Market Risk	FX Risk indicator	1.81%
	Trading book exposure (mEUR)	11.79
Sovereign risk	Exposure towards Government bonds issued by RS/SI/ME	64.18%

Risk Area	Key Risk Indicator	31.12.2025
Liquidity Risk	Liquidity Coverage ratio (LCR)	264.39%
	Loan-to-deposit ratio (LTD gross)	81.53%
	Survival Horizon (days)	166
	Net Stable Funding Ratio (NSFR)	154.68%
Interest Rate Risk	EVE ratio under worst scenario	-7.68%
	NII under worst scenario	-0.88%
Credit spread risk	EVE Sensitivity to Credit Spread Shocks	3.96%
Operational risk	Operational risk losses ratio	8.25%
Environmental and Climate related risk	Green financing (share in portfolio)	5.50%
ICT risk	Incident Management: Number of Major ICT Incidents (per DORA classification)	0
Model risk	High Model risk exposure	3.70%
Compliance/AML	No. of clients from countries on Prohibited list	0
	No. of anonymous accounts, passbooks or safe-deposit boxes	0

Additional regulatory risk indicators and figures are included in the template EU KM1 – Key metrics template presented in point 6.2 in this Group Disclosure Report, and also under the various risk type specific paragraph.

3 GOVERNANCE ARRANGEMENT

(Article 435.2 a, b, c, d and e of the CRR Regulation)

Governance arrangements are defined in the Group Policy on Internal Governance and respective Committee Charters with the aim of ensuring effective and prudent governance of the Holding Company and the Group within applicable laws and regulations, bylaws, standards and corporate governance best practice recommendations.

Each subsidiary has adopted on the local level its own internal governance policy which is aligned to the maximum extent permitted under applicable local law, with the principles and rules set out in Group Policy on Internal Governance.

On December 31, 2025, the Holding Company's Board of Directors had 10 members, out of which 2 were executive Board members in the capacity of management function and 8 were non-executive Board members.

As of 1 May 2025, a new governance model at the holding level came into effect. The authority for day-to-day management of the holding was fully delegated to the AikGroup CEO, who, with the aim of improving management and oversight, established the following management-level committees:

- **Group Management Committee**

The Group Management Committee is a managerial committee to ensure effective steering, coordination and control of the operational and financial performance of the Group's business, as well as the effective alignment across the Group. Group Management Committee plays a pivotal role in managing the day-to-day operations of the Holding Company and the Group, ensuring the implementation of strategies, policies and Group initiatives.

- **Group Credit Committee**

The Group Credit Committee is a managerial committee and a collective decision-making body. GCC has specific powers regarding the approval of Subsidiary's credit facilities. The GCC's decision-making is based on consideration of applications for lending/credit decisions exceeding the local credit/lending approval authority thresholds.

- **Group Asset and Liability Committee (ALCO)**

The ALCO is a managerial level committee to ensure effective steering, coordination and control of the operational and financial performance of the Group's business, as well as the effective alignment across the Group. ALCO is a key managerial body for the areas of interest rate and foreign currency risk as well as liquidity risk, funding, FTP and capital management overview.

Committees of the Board of Directors

In accordance with Article 109(1) Directive 2013/36/EU and in conjunction with Articles 76(3), 88(2), and 95(1) of Directive 2013/36/EU, and the Group Policy on Internal Governance, a Risk Committee, an Audit

Committee, a Nomination Committee and an Remuneration Committee are established in Holding Company to advise the Board of Directors and prepare the decisions to be taken by that Board of Directors. All Committees of the Board of Directors have adequate access to all relevant information from relevant corporate and control functions, in order to perform their role. Committees support the Board of Directors in specific areas and facilitate the development and implementation of a sound internal governance framework. All committees are chaired by a non-executive member of the Board who is able to exercise objective judgement. Committees are composed of three members, while making sure that different committees are set up by different combinations of members. Independent members of the Board of Directors are actively involved in the committees. Chairs and members of the committees occasionally rotate between the committees, considering the specific experience, knowledge and skills that are individually or collectively required for those committees.

The Risk Committee is composed of three non-executive members of the Board of Directors (Mr. George Syrichas as Chair, Mr. Lambros Papadopoulos as Vice-Chair and Mr. Aleksandar Kostić as a member). Members of the Risk Committee have, individually and collectively, appropriate knowledge, skills and expertise concerning risk management and control practices.

The Audit Committee is composed of three non-executive members of the Board of Directors (Mr. Lambros Papadopoulos as Chair, Mr. George Syrichas as Vice-Chair and Ms. Jelena Galić as a member). The Audit Committee members as a whole have competence relevant to the financial sector. The Chair of the Audit Committee is an independent member of the Board of Directors (non-executive director).

The Remuneration Committee is composed of three non-executive members of the Board of Directors (Mr. Martin Elling as Chair (replaced by Ms. Jelena Galić who became a member on 1st of January 2026 due to Mr. Martin Elling's resignation)), Mr. George Syrichas as Vice-Chair ((became a Chair on 1st of January 2026 due to Mr. Martin Elling's resignation) and Mr. Aleksandar Kostić as a member). Members of the Remuneration Committee have collectively appropriate knowledge, expertise and professional experience concerning remuneration policies and practices, risk management and control activities, namely with regard to the mechanism for aligning the remuneration structure to Group's risk and capital profiles.

The Nomination Committee is composed of three non-executive members of the Board of Directors (Mr. Romeo Collina as Chair, Mr. Martin Elling as Vice- Chair (replaced by Ms. Tina Pogačić on 1st of January 2026 due to Martin Elling's resignation) and Ms. Jelena Galić as a member). Members of the Nomination Committee have, individually and collectively, appropriate knowledge, skills and expertise relating to the Group's business and concerning the selection process and suitability requirements as set out under Directive 2013/36/EU, to be able to assess the appropriate composition of the Board of Directors, including recommending candidates to fill Board of Directors vacancies.

3.1 Directorships Held by the members of the Board

Holding Company's Executive Board of Directors comprises the following two (2) executive members as of December 31, 2025: Mr. Razvan Munteanu as Group CEO and Ms. Aleksandra Babić as Group CRO.

Table 2: Number of directorships of Holding Company's held by Executive Board Directors

	Directorships within the Group (all count as 1)		Other Directorships		Other functions
	Executive	Non-Executive	Executive	Non-Executive	Other functions
Mr. Razvan Munteanu	Member of Board of Directors – Group CEO (Holding Company)	Chair of the Supervisory Board (Hipotekarna Banka)	/	1	/
Ms. Aleksandra Babić	Member of Board of Directors – Group CRO (Holding Company)	Member of the Supervisory Board (Gorenjska banka);	/	/	/

Holding Company's Board of Directors comprises the following eight (8) non-executive members as of December 31, 2025: Mr. Romeo Collina, Chairman of the Board of Directors, Mr. Aleksandar Kostić, Vice-Chairman of the Board of Directors, Ms. Jelena Galić, Mr. Martin Elling, Mr. Lambros Papadopoulos, Mr. George Syrichas, Ms. Tina Pogačnik, Ms. Irene Rouvitha Panou.

Table 3: Number of directorships of Holding Company's Board of Directors (non-executive directors)

	Directorships within the Group (all count as 1)		Other Directorships		Other functions
	Executive	Non-Executive	Executive	Non-Executive	Other functions
Mr. Romeo Collina	/	Chairman of Board of Directors (Holding Company);	/	/	/
Mr. Aleksandar Kostić	/	Vice-Chairman of Board of Directors (Holding Company); President of the Supervisory Board (AikBank)	/	/	/
Ms. Jelena Galić	/	Member of the Board of Directors (Holding Company); President of the Supervisory Board (Gorenjska banka); Member of the Supervisory Board (AikBank)	/	/	/
Ms. Tina Pogačnik	/	Member of Board of Directors (Holding Company)	1	/	/
Ms. Irene Rouvitha Panou		Member of Board of Directors (Holding Company)	/	1	3
Mr. Martin Elling	/	Member of Board of Directors (Holding Company)	/	1	/
Mr. Lambros Papadopoulos	/	Member of Board of Directors (Holding Company)	/	2	/
Mr. George Syrichas	/	Member of Board of Directors (Holding Company)	1	/	2

3.2 Recruitment Policy for the Selection of Members of the Management Body

This section presents information regarding the recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise.

On the Group level, the main principles on selection of members of the management body are defined in Group Policy on the assessment of the suitability of members of the management bodies and key function holders (hereafter: Group Suitability Policy). In accordance with the Group Suitability Policy members of the management body must have professional (theoretical) knowledge, skills and (practical) experience, including personal integrity, to independently exercise their judgement in taking decisions in the best interest of the AikGroup. Members must be competent to exercise a comprehensive and objective judgement on the relevant matters at all times.

The Suitability Policy is in line with the strategy, values and long-term vision of the Group. It sets out detailed selection strategies and procedures for the assessment of the suitability of members of the management body and Key Function Holders of the Group. It includes criteria for the assessment of collective and individual suitability, while respecting the principles of diversity, proportionality and equal opportunities. The Suitability Policy also outlines the documentation required for the assessment, procedures to ensure the suitability, and procedures for the reassessment of the suitability if required.

Members of the management body must hold at least a university degree and possess professional theoretical knowledge, skills and practical experience in banking and financial services or other relevant areas (e.g. economics, law, administration and financial regulations, mathematics, statistics) and at least 5 years of recent experience in the areas related to banking or financial services.

When selecting members of the management body, the Group considers the professional standards (knowledge, experience) and ethical standards (reputation, collective suitability, conflict of interests, sufficient time commitment), as well as other professional standards (the obligation of diligent, loyal and independent behavior) of the management body's members.

Members of the AikGroup Board of Directors have enough experience for the purpose of ensuring constructive and critical reviews of the executive decisions and an efficient supervision over the executive, of effectively exercising their role in accepting policies and decisions, the responsibility of which falls on Board of Directors, especially regarding the supervision of implementing strategic goals of the Group, of determining, accepting and regularly inspecting the strategy of assuming and managing risks, as well as effectively participating in Board Committees.

In line with the above-mentioned Policy, as well as a Fit & Proper procedure imposed by the regulator, all candidates for the Board of Directors membership are assessed in terms of their individual suitability, as well as collectively, in terms of collective suitability of the Board of Directors as a whole.

All subsidiaries are required to follow the professional standards and ethical standards as defined by the Policy, as well as other professional standards (the obligation of diligent, loyal and independent behavior) of the management body's members.

Holding Company's Board of Directors in its management function (executive directors):



Mr. Razvan Munteanu

Group Chief Executive Officer

Mr. Munteanu is a skilled banker with over 30 years of experience. In recent years, he was a member of the management board transforming Hypo Alpe Adria into Addiko Bank. First, he served as a Retail Head and CEO. In this capacity Mr. Munteanu led the preparation and execution of the initial public offering (IPO), after leading the strategic shift to consumer lending and rebranding the group. Mr. Munteanu also served as a Chief Business Officer at Privatbank, the largest Ukrainian bank. Afterwards, he developed a portfolio of independent non-executive directorships, including First Bank Romania, Ukreximbank, Ukraine, Omnio (a Fintech in the UK), AxFina (a NPL servicing company in CEE) and Uniqa Ukraine. He has been serving initially as the advisor to the Board of Directors of AikGroup (CY) Limited since June 2024, and as the Group CEO, member of the Board of Directors since November 2024.



Ms. Aleksandra Babić

Group Chief Risk Officer

Ms. Babić graduated from Webster university, Vienna where she also received her master's degree. Ms. Babić has more than 15 years of experience in the financial sector. She started her career as an auditor of financial institutions in Ernst&Young. Later she joined Ernst&Young advisory team. She was engaged in projects in the risk management area including introduction and implementation of Basel standards. In 2014, she joined AikBank as Head of risk controlling. In 2021, she joined Holding Company as Head of Group Risk Management function, responsible for development of comprehensive risk management framework on the Group level and for monitoring of the implementation of the Group Risk Management and Group Risk Appetite on the subsidiary level. Both as Head of Risk controlling and Head of Group Risk Management function Ms. Babić was actively involved in numerous M&A processes. Since June 2023, she has been a Group Chief Risk Officer and member of the Board of Directors.

Holding Company's Board of Directors in its supervisory function (non-executive directors):



Mr. Romeo Collina

Chairman of the Board of Directors

Mr. Collina began his banking career in Italy in the 1980s before relocating to the U.S., where he spent 10 years in Chicago and New York as Deputy Chief Branch Manager, responsible for corporate clients in the U.S., Central, and South America. In 2000, he became Branch Manager in London, and in 2004, Head of Trade Financing, Correspondent Banking, and International Network across 20+ countries at Capitalia, Italy's third-largest banking group. Following the merger with UniCredit, he contributed to major turnaround projects. In 2010, he was appointed CEO of ATF Bank, the third-largest Kazak Group. In 2013, he led Restructuring and Workout in Italy, becoming Deputy Chief Risk Officer in 2014. In 2015, he was named Deputy Chairman of the Management Board and GM of Zagrebačka Banka, Croatia's leading bank. From March 2016 to end-2018, he served as Deputy Chairman and COO of Bank Austria. In 2019, he contributed to the development of UniCredit's 2020–2023 Business Plan. He returned as CEO of Zagrebačka Banka in January 2020, serving until his retirement in September 2021. In November 2022 Mr. Collina was nominated as a non-executive director and Chairman of Board of Directors of AikGroup (CY) Limited.



Mr. Aleksandar Kostić

Vice-Chairman of the Board of Directors

Mr. Kostić has broad background in financial management. In the past years he has been involved in the realization of the banking division strategy, with a special focus on new investments and M&A processes. Before joining the Group, he gained knowledge and experience in private equity, credit, and real assets through different assignments and investment projects within the region. Mr. Kostić graduated from the Royal Holloway, University of London (RHUL), where he studied at the Department of Economics.

Mr. Kostić is a non-executive director and Vice-Chairman of the Board of Directors of AikGroup (CY) Limited.



Ms. Jelena Galić

Member of the Board of Directors

Ms. Galić holds a Ph.D. in Economics from the University of Belgrade, where she also completed her undergraduate studies. In 2015, she became Chairperson of the Board of Directors at AikBank. Prior to this, she was Director of Business Advisory Services at Deloitte Belgrade and Practice Leader for the Financial Services Industry and Public Sector across Serbia, Republic of Srpska, Macedonia, and Montenegro, focusing on strategy, restructuring, and change management. She previously served as Executive Director of the Economics Institute in Belgrade. With 25 years of experience, Ms. Galić has led numerous strategy and business development projects for both public and private clients. During her engagement with the Economics Institute, she has also advised the government on economic policy and financial sector development through projects supported by international institutions such as EIB, WB, and IFC. She is one of the founding members and former Vice President of the Serbian Association of Managers (SAM). In January 2022 she has been appointed as Group Chief Executive Officer, member of the Board of Directors of AikGroup (CY) Limited. Since November 2024 she has been holding the position of non-executive director, member of the Board of Directors of AikGroup (CY) Limited.



Ms. Tina Pogačić

Member of the Board of Directors

Ms. Pogačić has extensive experience in banking, digital transformation, operations and technology. He is currently Partner, Financial Services Industry, at Deloitte Consulting S.r.l. in Milan. Previously, he held senior executive roles within UniCredit Group, including Executive Vice President and Chief Digital and Information Officer for Central and Eastern Europe, Executive Vice President and Chief Operating Officer of UniCredit Bank Austria AG and Member of its Management Board, as well as Chief Executive Officer of UniCredit Services GmbH and Chief Information Officer of UniCredit Bank Austria AG. Earlier in his career, he held business excellence, digital processes and data-related roles at Zagrebačka banka d.d. and also worked in academia at the University of Zagreb. He has significant cross-border experience in large-scale digital, operational and IT transformation programs across the banking sector.



Ms. Irene Rouvitha Panou

Member of the Board of Directors

Ms. Panou has extensive senior executive and board-level experience in the banking, financial and broader corporate sector in Cyprus and internationally. She has held a number of chairwomen, independent non-executive director and board committee roles, including in banking groups, financial institutions and major public-interest organizations. Her previous experience includes senior executive positions within The Cyprus Popular Bank (Laiki) Group, including Group General Manager and Managing Director of Laiki Bank (Hellas) SA, as well as board and committee roles in Alpha Bank group companies, The Cyprus Development Bank, Cyprus Telecommunications Authority and KEDIPES. She currently serves as Independent Non-Executive Director of Eurobank SA, where she is Chairwoman of the Nomination and Corporate Governance Committee

and a member of the Audit Committee and the Remuneration Committee. Since December 2025, she has been holding the position of Non-Executive Member of the Board of Directors of AikGroup (CY) Limited. She holds an MSc in Management from the Massachusetts Institute of Technology, an MPhil in Economics from the University of Cambridge, and a BSc in Economics from the London School of Economics.



Mr. George Syrichas
Member of the Board of Directors

Mr. Syrichas has more than 30 years of experience in the financial sector. He served as an Executive Director and Board member of the Central Bank of Cyprus and the Resolution Authority of Cyprus. He is currently on the Board of banking and financial institutions. He was a member or appointed person to numerous international committees and/or venues, such as the European Commission, the International Monetary Fund, the European Central Bank and the ECB Governing Council as the Governor's accompanying expert. He holds a PhD in Economics from the University of Essex and has taught economics and executive courses at various universities and institutions in Cyprus and abroad. He is an active commentator on economic affairs and has delivered numerous lectures on topics such as the Cypriot and European economies, banking, financial stability, monetary and exchange rate policy, and EU-related issues. In January 2022 he has been appointed as Group Chief Risk Officer, member of the Board of Directors of AikGroup (CY) Limited. Since June 2023 he has been holding position of Non-Executive Director, member of the Board of Directors of AikGroup (CY) Limited.



Mr. Lambros Papadopoulos
Member of the Board of Directors

Mr. Papadopoulos has 29 years of experience in senior roles across listed companies in the U.S., U.K., Greece, and Cyprus. He began his career in 1993 at Ernst & Young in London, qualifying as a Chartered Accountant (ICAEW) and working in Audit and Corporate Finance until 1998. From 1998 to 2012, he was with Citigroup London, where he served as Head of Equities Research for Greece and Head of Research for Small and Mid-Cap Companies in Continental Europe. He became Managing Director in 2006 and joined the Equity Research Operating Committee. In 2013, he founded Pentep Advisors Ltd, a financial and strategic advisory firm. He has held several non-executive roles, including Audit Committee Chair and Board member at Bank of Cyprus (2013) and Hellenic Bank (2015 - 2018). From 2018 to 2022, he was an independent Board member and part of the Audit and Strategy Committees at Global Ports Investments, listed on the London Stock Exchange. Since 2019, he has been Non-Executive Chairman of both the Cyprus Asset Management Company (KEDIPES) and Trastor Real Estate Investment Company, listed on the Athens Stock Exchange. He holds a First-Class B.A. (Hons) in Accounting with Computing from the University of Kent and has been an ICAEW member since 1996. Since January 2022 he has been a Non-Executive Director, member of the Board of Directors of AikGroup (CY) Limited.



Mr. Martin Elling
Member of the Board of Directors

Mr. Elling, a Dutch national, holds a degree in economics and began his career in 1979 at the United Nations, where he spent 11 years on sector policy lending initiatives across Asia, Eastern Europe, and Africa, primarily in collaboration with the World Bank. In 1992, he joined the European Bank for Reconstruction and Development (EBRD) in London as a Senior Banker, focusing on development financing in transitional economies. He remained with the EBRD until 1997. After leaving the EBRD, Mr. Elling founded and led several B2B service businesses in Ukraine and Russia, achieving three notable exits. He now serves as a Non-Executive Director, advising companies on strategic growth, corporate governance, and international development, drawing on his extensive experience in both public and private sectors. In November 2022 Mr. Elling was nominated as

a non-executive director, member of Board of Directors of AikGroup (CY) Limited. He remained a member of the Board of Directors up to and including 31 December 2025, when his term of office concluded.2

3.3 Policy on Diversity with Regard to the Selection of Members of the Management Body, the Objectives and Targets Set Out in That Policy, and the Extent to Which They Have Been Achieved

The Group is committed to fostering diversity and inclusion within its management bodies, with a particular focus on improving gender balance. While striving to enhance representation, the Group remains equally committed to ensuring that all members of the management body possess the necessary knowledge, skills and experience required for their roles. The fulfilment of the latter requirements remains the top priority during the selection of suitable individuals. All recruitment and appointment processes are primarily based on merit, considering skills, ethics, and experience, without regard to color, race, nationality/ ethnicity, disability, age, gender, religion, sexual orientation, political opinion, or any other unfair criteria. Group members do not recruit members of the management body with the sole purpose of increasing diversity to the detriment of the functioning and suitability of the management body collectively, or at the expense of the suitability of individual members of the management body. The Group envisions a culture of equality, one in which individuals of all genders can pursue their chosen path free from stereotypes or barriers, and where leadership opportunities are shared fairly. The Group is committed to building a gender-equal economy that allows all individuals to thrive.

To this end, the Group is pursuing the principle of balanced gender representation in the sense that in the management bodies of the Group, underrepresented gender collectively represents at least 20% of the members of the management bodies within the Group by the end of 2026. As of December 31, 2025, the Holding Company Board of Directors was represented by both genders with 40% of underrepresented gender and management bodies across the Group with 32.72%.

Regarding the other aspects of diversity, the Group is well balanced in its main structures, meaning that there is diversity in formal education, skills, work experience, age, nationality, etc.

3.4 Information on Separate Risk Committee and the Frequency of the Meetings

AikGroup has established a governance structure with the separate Risk Committee, which is a consultative body of the Board of Directors and whose mission consists of supervising the senior management with regard to the implementation of the risk management strategy at the Group level. It also provides advice with regard to the Group current and future risk appetite as presented in chapter 2.6 of this Report. In 2025, the Risk Committee had 8 regular meetings, 2 correspondence meetings and 4 extraordinary meetings.

3.5 Information Flow on Risk to the Management Body

Effective steering requires involvement of different Group functions and Group bodies. Transparent communication of the current risk profile and exposure is provided through the regular risk reporting.

Internal reports provide a comprehensive view of the Group risk position, compliance with Group risk appetite, warning signals in case of an increase in exposure to certain risks beyond the Group risk tolerance. Reports include also forward-looking component and present development of the risk exposure in order to ensure prompt reaction and setting up mitigation measures to prevent potential breach.

Internal risk reporting includes a set of reports to which the sectors in charge of management and risk control are submitted to the relevant bodies on the subsidiary level and to the Group Risk Committee, Group management body and Board of Directors in accordance with the deadlines defined by the Group Policy on Risk Management.

As a general principle, reporting to the Holding Company's GMC is done on a monthly basis and to the Holding Company's Board of Directors on a quarterly basis or more often if necessary and as defined by relevant policies and frameworks.

4 SCOPE OF APPLICATION

(Article 436 a, b, c, d, f, g of the CRR Regulation)

AikGroup (CY) Limited is a legal entity incorporated and domiciled in Cyprus.

At the beginning of 2025, there has been a change in the ownership structure of the Holding Company. According to the new registered structure Holding Company shareholders are - Agri Holding AG, Switzerland, with 50.000005% of shares., Rysaffe Trustee Company (C.I.) Limited in its capacity as Trustee of Sloane Trust, and Saffery Trustee Company Limited, as Trustee of the Circle Trust, with 24.9999975 % of shares each. Saffery Trustee Company Limited has become the new trustee of the Circle Trust as of 23 March 2026, succeeding South Dakota Trust Company. The ultimate beneficiary owner of Agri Holding AG is Aleksandar Kostić with 100% share in Agri Holding AG. The primary beneficiary of Sloane trust is Dajana Akhmetova. Aleksandar Kostić is currently the sole beneficiary of Circle trust and in the future Angella Kostić may be an additional beneficiary of Circle trust.

Prudential consolidation is done on the Holding Company level as the Holding Company is subject to Regulation (EU) No 575/2013 of the European Parliament and of the Council (CRR). In accordance with Articles 11 and 18 CRR, a prudential consolidation includes Holding Company as the parent company, and all other institutions, financial institutions and ancillary services undertakings that are its subsidiaries within the meaning of Article 4 (1) (16) CRR or are jointly managed together with other parties within the meaning of Article 18 (4) CRR. Subsidiaries are fully consolidated.

The Group does not qualify as a financial conglomerate and is not subject to the respective supplementary supervisions.

The Group is obliged to publish disclosures on consolidated level, as required by CRR regulation. Group members are listed in the Introduction part of this Disclosure Report.

The Group's structure is shown in the figure below. Holding Company owns 80% of Hipotekarna banka, 91.7% of Gorenjska banka and 100% of NordAgri, and both Gorenjska banka and NordAgri have a 100% ownership of the subordinate entities.

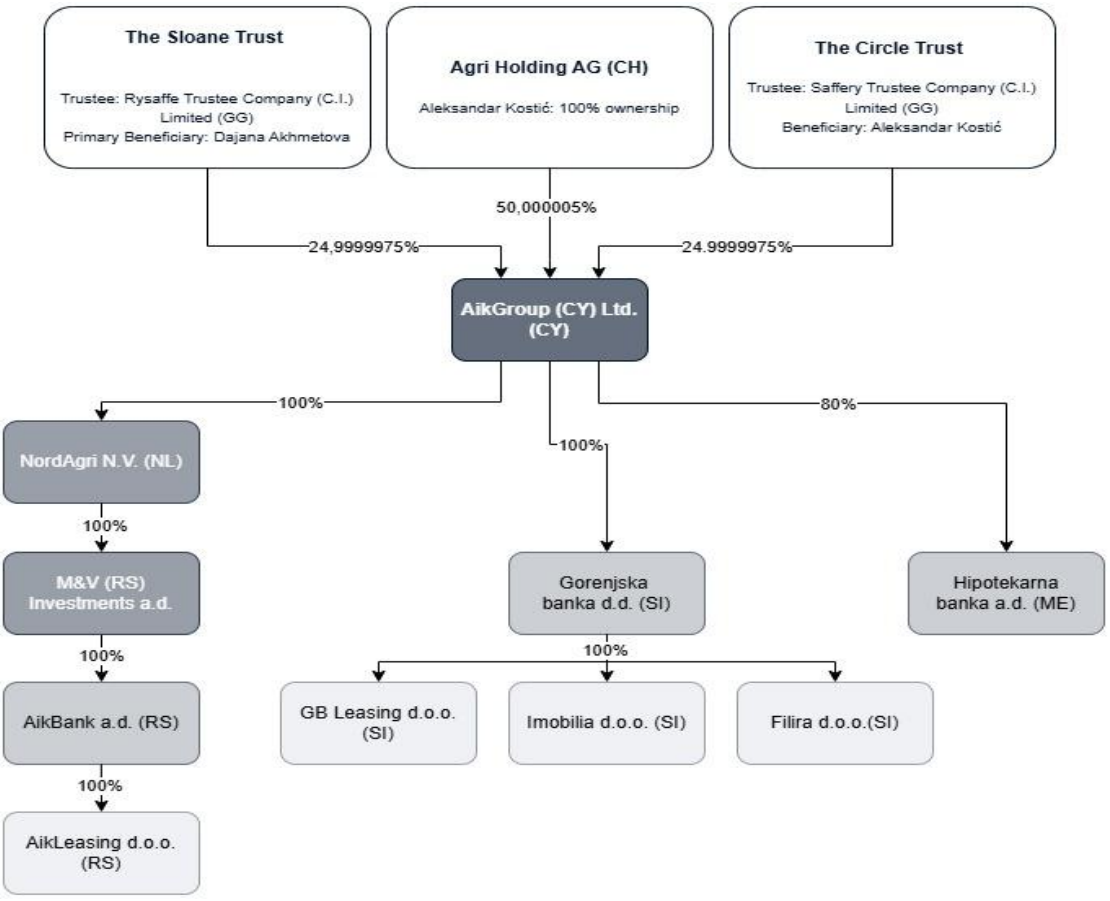


Figure 2: AikGroup ownership structure

4.1 Differences in the Scopes of Consolidation

The principles of prudential consolidation

are not identical to those applied for Group financial statements. Nonetheless, the majority of subsidiaries included in the prudential consolidation are also fully consolidated in accordance with IFRS in the Group's consolidated financial statements.

The main differences between prudential and accounting consolidation as of December 31, 2025, are:

- Subsidiary outside the banking and financial sector is not consolidated within the regulatory group of institutions but is included in the accounting scope of consolidation (subsidiary Imobilia - GBK, d.o.o., Kranj), and
- Subsidiaries which, according to CRR Article 19, can be excluded due to immateriality (Filira, poslovne storitve d.o.o., Ljubljana).

As of the end of the year 2025, the prudential consolidation encompasses seven entities, excluding the parent company, AikGroup (CY) Limited, with all entities being fully consolidated. The classification applied for these entities is in accordance with CRR. The regulatory group consists of three credit institutions, two holding companies, one brokerage company and two Leasing companies.

Table EU LI3 below illustrates the differences between the accounting and prudential scope of consolidation. It includes all entities for which the method of accounting consolidation differs from the method of prudential consolidation. At the entity level, the table presents the method of accounting consolidation, followed by columns detailing weather and how the entity is recognized under the prudential scope of consolidation.

Table 4: EU LI3 – Outline of the differences in the scopes of consolidation (entity by entity)

a	b	c	d	e	f	g	h
Name of the entity	Method of accounting consolidation	Method of prudential consolidation					Description of the entity
		Full consolidation	Proportional consolidation	Equity method	Neither consolidated nor deducted	Deducted	
AikGroup (CY) Ltd.	Full consolidation	X					Holding company
NORD AGRI N.V.	Full consolidation	X					Holding company
M&V INVESTMENTS a.d. Beograd	Full consolidation	X					Broker company
AikBank a.d. Beograd	Full consolidation	X					Credit institution
AikLeasing d.o.o. Beograd	Full consolidation	X					Leasing company
Hipotekarna banka a.d., Podgorica	Full consolidation	X					Credit institution
Gorenjska banka, d.d., Kranj	Full consolidation	X					Credit institution
GB Leasing d.o.o.	Full consolidation	X					Leasing company
Imobilia-GBK, d.o.o., Kranj	Full consolidation				X		Real estate activities
FILIRA, poslovne storitve, d.o.o.	Full consolidation				X		Consulting company

4.2 Reconciliation of Regulatory Own Funds to the IFRS Balance Sheet

The table EU LI1 below provides a comparison between the accounting and prudential scope of consolidation as of December 31, 2025.

In LI 1 template, for total assets referring to the accounting scope of consolidation, the exchange rate of the Bank of Slovenia was used for currency translation purposes.

The regulatory balance sheet is split further into the parts subject to credit risk, counterparty credit risk, securitization positions in the regulatory banking book, market risk as well as the part which is not subject to capital requirements or relevant for deduction from capital. The market risk framework in column (f) includes our trading book exposure, our banking book exposure which is booked in a currency different from EUR as well as securitization positions in the regulatory trading book. Specific assets and liabilities may be subject to more than one regulatory risk framework. Therefore, the sum of values in column (c) to (g) may not equal to the amounts in column (b). Moreover, the allocation of positions to the regulatory trading or banking book, as well as the product definition, impacts the allocation to and treatment within a regulatory framework and might be different to the product definition or trading classification under IFRS.

Differences between carrying values on the regulatory balance sheet in column (b) and amounts deducted from CRR/CRD capital are explained further below within the table "EU CC1 Composition of regulatory own funds" as referenced in the last column of this table.

Table 5: EU LI1 – Differences between accounting and regulatory scopes of consolidation and the mapping of financial statement categories with regulatory risk categories

		a	b	c	d	e	f	g
		Carrying values as reported in published financial statements	Carrying values under scope of prudential consolidation	Carrying values of items				
				Subject to the credit risk framework	Subject to the CCR framework	Subject to the securitisation framework	Subject to the market risk framework	Not subject to own funds requirements or subject to deduction from own funds
Breakdown by asset clases according to the balance sheet in the published financial statements								
1	Cash and cash funds held with the central bank	1,480,723	1,481,506	1,481,506.32	-	-	518,005	-
2	Pledged financial assets	11,414	11,414	11,414.00		-	-	-
3	Receivables under derivatives	1,713	1,582	-	1,582.45	-	124	-
4	Securities	1,424,076	1,424,206	1,084,467.56	339,738.73	-	554,833	752.11
5	Loans and receivables due from banks and other financial institutions	815,773	816,094	816,094.26	-	-	413,233	-
6	Loans and receivables due from customers	6,154,226	6,154,114	6,154,113.84	-	-	1,399,769	-
7	Investments into subsidiaries	-	4,678	4,678.28	-	-	-	-
8	Investments into associates	1	1	0.91	-	-	-	-
9	Intangible assets	26,841	26,833	26,832.65	-	-	-	26,832.65
10	Property, plant and equipment	167,880	167,802	167,801.71	-	-	-	-
11	Investment property	31,480	30,774	30,773.83	-	-	-	-
12	Current tax assets	6,733	6,718	6,718.17	-	-	-	-
13	Deferred tax assets	7,386	6,123	6,123.29	-	-	-	3,939.72
14	Non-current assets held for sale and assets from discontinued operations	9,071	5,479	5,478.72	-	-	-	-
15	Other assets	95,843	96,190	96,189.63			29,449	
15	**Total assets**	10,233,160	10,233,514	9,892,193	341,321	-	2,915,413	31,524
Breakdown by liability classes according to the balance sheet in the published financial statements								
1	Liabilities under derivatives	1,629.00	1,498.49	-	-	-	16	-
2	Deposits and other liabilities due to banks, other financial institutions and the central bank	922,885.00	924,890.99	-	-	-	456,258	-
3	Deposits and other liabilities due to customers	7,515,151.00	7,512,674.95	-	-	-	1,751,198	-
4	Liabilities under securities	101,090.00	101,089.77	-	-	-	-	-
5	Subordinated liabilities	149,890.00	149,889.16	-	-	-	-	-
6	Provisions	21,930.00	21,157.13	-	-	-	13,317	-
7	Current tax liabilities	3,910.00	3,918.09	-	-	-	-	-
8	Deferred tax liabilities	4,091.00	2,831.04	-	-	-	-	-
9	Other liabilities	116,586.62	120,319.17	-	-	-	38,915	-
10	**Total liabilities**	8,837,163	8,838,269	0	0	0	2,259,704	0

**References provide the mapping of regulatory balance sheet items used to calculate regulatory capital as reflected in the column "References" in "EU CC1– Composition of regulatory own funds". Where applicable, more detailed information is provided.*

The main difference between data which are shown in columns (a) and (b) within Template EU LI1 is the scope of consolidation i.e. number of entities within scope. There are no other differences.

The total difference is 3,288 thousand EUR for assets and 2,536 thousand EUR for liabilities. The main differences are in the following categories:

- Investments into subsidiaries
- Deferred tax assets
- Non-current assets held for sale and assets from discontinued operations
- Other assets
- Deposits and other liabilities due to banks, other financial institutions and the central bank.
- Deposits and other liabilities due to customers
- Deferred tax liabilities

Detail breakdown and composition of each amount presented under separate line items reported in published financial statements, presented in the table above, is included in Notes to audited consolidated financial statements of Group (Note 20 to 36).

Table EU LI2 as of December 31, 2025, presents a description of the differences between the financial statements' carrying value amounts under the regulatory scope of consolidation and the exposure amounts used for regulatory purposes.

Table 6: EU LI2 – Main sources of differences between regulatory exposure amounts and carrying values in financial statements

		a	b	c	d	e
		Total	Items subject to			
			Credit risk framework	Securitisation framework	CCR framework	Market risk framework
1	**Assets carrying value amount under the scope of prudential consolidation (as per template LI1)**	13,148,927	9,892,193	-	341,321	2,915,413
2	**Liabilities carrying value amount under the scope of prudential consolidation (as per template LI1)**	2,259,704	-	-	-	2,259,704
3	**Total net amount under the scope of prudential consolidation**	10,889,223	9,892,193	-	341,321	655,709
4	**Off-balance-sheet amounts**	2,429,970	2,429,970	-	-	
5	*Differences in valuations*	(752.11)	(752)	-	-	
6	*Differences due to different netting rules, other than those already included in row 2*	-	-	-	-	
7	*Differences due to consideration of provisions*	-	-	-	-	
8	*Differences due to the use of credit risk mitigation techniques (CRMs)*	(550,422.09)	(550,422)	-	-	
9	*Differences due to credit conversion factors*	(1,722,943.72)	(1,722,944)	-	-	
10	*Differences due to Securitisation with risk transfer*	-	-	-	-	
11	*Other differences*	530,947.31	530,947	-	-	
12	**Exposure amounts considered for regulatory purposes**	11,576,022	10,578,993	-	341,321	655,709

4.3 Impediments to Fund Transfers

The Group entities within the scope of prudential consolidation are subject to local regulatory and tax requirements as well as potentially exchange controls.

There are no material practical or legal impediments to the prompt transfer of own funds or repayment of liabilities among the Parent company and its subsidiaries. Also, in the foreseen future we do not see any material practical or legal impediment to the prompt transfer of own funds or repayment of liabilities among the Parent and its subsidiaries.

4.4 Potential Capital Shortfalls in Unconsolidated Subsidiaries

Group subsidiaries which were not included in prudential consolidation due to their immateriality did not have to comply with own regulatory minimum capital standards in 2025.

There are no circumstances under which use is made of derogation referred to in Article 7 CRR or individual consolidation method laid down in Article 9 CRR.

5 OWN FUNDS

(Article 437 a, b, c, d and e of the CRR Regulation)

5.1 Own Funds Composition, Prudential Filters and Deduction Items

The Group`s capital is composed of the elements of the total capital, further reduced by deductibles.

Among instruments of common equity capital, the Group includes common shares that meet the terms and conditions from Article 28 of the CRR regulation. Among the important terms and conditions

of instruments of common equity capital are constancy, flexibility regarding payments and availability for covering loss.

The Group does not have capital instruments of additional Tier 1 capital.

In line with regulatory requirements, the Group must meet the Common Equity Tier 1 capital ratio of 4.5%, Tier 1 capital ratio of 6% and the total capital ratio of 8%. At the end of 2025, Common Equity Tier 1 capital exceeded the requirements for 847,496 thousand EUR, Tier 1 capital for 741,587 thousand EUR and total Own Funds for 715,216 thousand EUR.

The table below shows the composition of regulatory own funds with reference and additional explanations below the table regarding the source from balance sheet under regulatory scope of consolidation.

Table 7: EU CC1 – Composition of regulatory own funds

		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
Common Equity Tier 1 (CET1) capital: instruments and reserves			
1	Capital instruments and the related share premium accounts	40,001	E
	of which: Instrument type 1	40,001	
	of which: Instrument type 2	-	
	of which: Instrument type 3	-	
2	Retained earnings	911,879	G, H
3	Accumulated other comprehensive income (and other reserves)	233,543	F
EU-3a	Funds for general banking risk	-	
4	Amount of qualifying items referred to in Article 484 (3) CRR and the related share premium accounts subject to phase out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	12,177	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**1,197,600**	
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(752)	A, B
8	Intangible assets (net of related tax liability) (negative amount)	(26,833)	C
9	Not applicable		
10	Deferred tax assets that rely on future profitability excluding those arising from temporary differences (net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	(3,940)	D
11	Fair value reserves related to gains or losses on cash flow hedges of financial instruments that are not valued at fair value	-	
12	Negative amounts resulting from the calculation of expected loss amounts	-	
13	Any increase in equity that results from securitized assets (negative amount)	-	
14	Gains or losses on liabilities valued at fair value resulting from changes in own credit standing	-	
15	Defined-benefit pension fund assets (negative amount)	-	
16	Direct, indirect and synthetic holdings by an institution of own CET1 instruments (negative amount)	-	

		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
17	Direct, indirect and synthetic holdings of the CET 1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
18	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
19	Direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
20	Not applicable	-	
EU-20a	Exposure amount of the following items which qualify for a RW of 1250%, where the institution opts for the deduction alternative	-	
EU-20b	of which: qualifying holdings outside the financial sector (negative amount)	-	
EU-20c	of which: securitisation positions (negative amount)	-	
EU-20d	of which: free deliveries (negative amount)	-	
21	Deferred tax assets arising from temporary differences (amount above 10% threshold, net of related tax liability where the conditions in Article 38 (3) CRR are met) (negative amount)	-	
22	Amount exceeding the 17,65% threshold (negative amount)	-	
23	of which: direct, indirect and synthetic holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities	-	
24	Not applicable	-	
25	of which: deferred tax assets arising from temporary differences	-	
EU-25a	Losses for the current financial year (negative amount)	-	
EU-25b	Foreseeable tax charges relating to CET1 items except where the institution suitably adjusts the amount of CET1 items insofar as such tax charges reduce the amount up to which those items may be used to cover risks or losses (negative amount)	-	
26	Not applicable	-	
27	Qualifying AT1 deductions that exceed the AT1 items of the institution (negative amount)	-	
27a	Other regulatory adjustments	(852.3)	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(32,377)**	
29	**Common Equity Tier 1 (CET1) capital**	**1,165,223**	
Additional Tier 1 (AT1) capital: instruments			
30	Capital instruments and the related share premium accounts	-	
31	of which: classified as equity under applicable accounting standards	-	
32	of which: classified as liabilities under applicable accounting standards	-	
33	Amount of qualifying items referred to in Article 484 (4) CRR and the related share premium accounts subject to phase out from AT1	-	

		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
EU-33a	Amount of qualifying items referred to in Article 494a(1) CRR subject to phase out from AT1	-	
EU-33b	Amount of qualifying items referred to in Article 494b(1) CRR subject to phase out from AT1	-	
34	Qualifying Tier 1 capital included in consolidated AT1 capital (including minority interests not included in row 5) issued by subsidiaries and held by third parties	-	
35	of which: instruments issued by subsidiaries subject to phase out	-	
36	**Additional Tier 1 (AT1) capital before regulatory adjustments**	**-**	
Additional Tier 1 (AT1) capital: regulatory adjustments			
37	Direct, indirect and synthetic holdings by an institution of own AT1 instruments (negative amount)	-	
38	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
39	Direct, indirect and synthetic holdings of the AT1 instruments of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
40	Direct, indirect and synthetic holdings by the institution of the AT1 instruments of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
41	Not applicable	-	
42	Qualifying T2 deductions that exceed the T2 items of the institution (negative amount)	-	
42a	Other regulatory adjustments to AT1 capital	-	
43	**Total regulatory adjustments to Additional Tier 1 (AT1) capital**	**-**	
44	**Additional Tier 1 (AT1) capital**	**-**	
45	**Tier 1 capital (T1 = CET1 + AT1)**	**1,165,223**	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	103,697	
47	Amount of qualifying items referred to in Article 484(5) CRR and the related share premium accounts subject to phase out from T2 as described in Article 486(4) CRR	-	
EU-47a	Amount of qualifying items referred to in Article 494a(2) CRR subject to phase out from T2	-	
EU-47b	Amount of qualifying items referred to in Article 494b(2) CRR subject to phase out from T2	-	
48	Qualifying own funds instruments included in consolidated T2 capital (including minority interests and AT1 instruments not included in rows 5 or 34) issued by subsidiaries and held by third parties	11,144	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Credit risk adjustments	-	
51	**Tier 2 (T2) capital before regulatory adjustments**	**114,841**	
Tier 2 (T2) capital: regulatory adjustments			

		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
52	Direct, indirect and synthetic holdings by an institution of own T2 instruments and subordinated loans (negative amount)	-	
53	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where those entities have reciprocal cross holdings with the institution designed to inflate artificially the own funds of the institution (negative amount)	-	
54	Direct, indirect and synthetic holdings of the T2 instruments and subordinated loans of financial sector entities where the institution does not have a significant investment in those entities (amount above 10% threshold and net of eligible short positions) (negative amount)	-	
54a	Not applicable	-	
55	Direct, indirect and synthetic holdings by the institution of the T2 instruments and subordinated loans of financial sector entities where the institution has a significant investment in those entities (net of eligible short positions) (negative amount)	-	
56	Not applicable	-	
EU-56a	Qualifying eligible liabilities deductions that exceed the eligible liabilities items of the institution (negative amount)	-	
EU-56b	Other regulatory adjustments to T2 capital	-	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**-**	
58	**Tier 2 (T2) capital**	**114,841**	
59	**Total capital (TC = T1 + T2)**	**1,280,064**	
60	**Total Risk exposure amount**	**7,060,594**	
Capital ratios and requirements including buffers			
61	Common Equity Tier 1 capital	16.50%	
62	Tier 1 capital	16.50%	
63	Total capital	18.13%	
64	Institution CET1 overall capital requirements	9.00%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical capital buffer requirement	0.31%	
67	of which: systemic risk buffer requirement	0.00%	
EU-67a	of which: Global Systemically Important Institution (G-SII) or Other Systemically Important Institution (O-SII) buffer requirement	0.00%	
EU-67b	of which: additional own funds requirements to address the risks other than the risk of excessive leverage	1.69%	
68	**Common Equity Tier 1 capital (as a percentage of risk exposure amount) available after meeting the minimum capital requirements**	**7.13%**	
National minima (if different from Basel III)			
69	Not applicable	n/a	
70	Not applicable	n/a	
71	Not applicable	n/a	
Amounts below the thresholds for deduction (before risk weighting)			
72			

		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a significant investment in those entities (amount below 10% threshold and net of eligible short positions)	49,187	
73	Direct and indirect holdings by the institution of the CET1 instruments of financial sector entities where the institution has a significant investment in those entities (amount below 17.65% thresholds and net of eligible short positions)	4,678	
74	Not applicable		
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)	2,184	
Applicable caps on the inclusion of provisions in Tier 2			
76	Credit risk adjustments included in T2 in respect of exposures subject to standardised approach (prior to the application of the cap)	-	
77	Cap on inclusion of credit risk adjustments in T2 under standardised approach	-	
78	Credit risk adjustments included in T2 in respect of exposures subject to internal ratings-based approach (prior to the application of the cap)	-	
79	Cap for inclusion of credit risk adjustments in T2 under internal ratings-based approach	-	
Capital instruments subject to phase-out arrangements (only applicable between 1 Jan 2014 and 1 Jan 2022)			
80	Current cap on CET1 instruments subject to phase out arrangements	-	
81	Amount excluded from CET1 due to cap (excess over cap after redemptions and maturities)	-	
82	Current cap on AT1 instruments subject to phase out arrangements	-	
83	Amount excluded from AT1 due to cap (excess over cap after redemptions and maturities)	-	
84	Current cap on T2 instruments subject to phase out arrangements	-	
85	Amount excluded from T2 due to cap (excess over cap after redemptions and maturities)	-	

From total retained earnings as per regulatory consolidation in the amount of 972,014 thousand EUR (table EU CC2) in the calculation of regulatory Own fuds in table EU CC1 is included 911,879 thousand EUR. The difference represents the rest of consolidated retained earnings for which the exact future usage is still not determined.

Additional value adjustments as of December 31, 2025, in the amount of 752 thousand EUR relate to 0.1% of:

- Receivables under derivatives net amounting to 1,582 thousand EUR, and
- Following types of Securities:
  - Equity instruments held for trading amounting to 6,189 thousand EUR,
  - Equity instruments non-trading mandatorily at FVtPL amounting to 44,785 thousand EUR,
  - Equity instruments FVtOCI amounting to 19,892 thousand EUR,
  - Debt instruments FVtOCI amounting to 528,823 thousand EUR,
- Other assets at Fair value amounting to 8,581 thousand EUR.

The difference to total amount presented under the table EU CC2 relates to debt instruments at amortized cost amounting to 130 thousand EUR and for one part of equity instruments FVtOCI which are for FS consolidation presented under other assets.

Deferred tax assets that rely on future profitability excluding those arising from temporary differences in the amount of 3,940 thousand EUR fully relate to deferred tax assets on tax loss carryforwards, as presented in Note 29, of Audited consolidated financial statements.

"Other regulatory adjustments" amounts -858 thousand EUR as of December 31, 2025, according to Article 1 (1) second subparagraph of the Commission Delegated Regulation (EU) No 183/2014 represents a reduction of CET1 related to general and specific credit risk adjustments (impairments for assets and provisions for off-balance sheet items) included in year-end profits.

Based on (EU) No183/2014 which defines that the amounts required to be included in the calculation of general and specific credit risk adjustments by an institution shall be equal to all amounts by which an institution's Common Equity Tier 1 capital has been reduced in order to reflect losses exclusively related to credit risk according to the applicable accounting framework and recognized as such in the profit or loss account are included in the calculation of general and specific credit risk adjustments.

Transitional rules: Impact on Own Funds of the Introduction of IFRS 9 (Article 473a of CRR) and the Application of the Temporary treatment of unrealized gains and losses measured at FVTOCI (Article 468 of CRR), had no impact during the reporting period, consistent with the previous year. With the expiry of the transitional arrangements under Article 473a, Table 473a—covering IFRS 9 impacts and the temporary treatment under Article 468 CRR in line with EBA/GL/2020/12—is no longer presented. Although applicable until 31 December 2025, Article 468 CRR was not used.

5.2 Reconciliation of Regulatory Own Funds to the Balance Sheet According to IFRS

The table below highlights the difference in the basis of consolidation for accounting and prudential purposes as it compares the carrying values as reported under IFRS with the carrying values under the scope of prudential consolidation. References in the last column of the table provide the mapping of regulatory balance sheet items used to calculate regulatory capital. The reference-columns presented below reconcile to the references-columns as presented in the template "EU CC1– Composition of regulatory own funds".

Table 8: EU CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements

		a	b	c
		Balance sheet as in published financial statements	Under regulatory scope of consolidation	Reference
		As at period end	As at period end	
Assets - *Breakdown by asset clases according to the balance sheet in the published financial statements*				
1	Cash and cash funds held with the central bank	1,480,723	1,481,506	
2	Pledged financial assets	11,414	11,414	
3	Receivables under derivatives	1,713	1,582	A
4	Securities	1,424,076	1,424,206	B
5	Loans and receivables due from banks and other financial institutions	815,773	816,094	
6	Loans and receivables due from customers	6,154,226	6,154,114	
7	Investments into subsidiaries	-	4,678	
8	Investments into associates	1	1	
9	Intangible assets	26,841	26,833	C
10	Property, plant and equipment	167,880	167,802	
11	Investment property	31,480	30,774	
12	Current tax assets	6,733	6,718	
13	Deferred tax assets	7,386	6,123	D
14	Non-current assets held for sale and assets from discontinued operations	9,071	5,479	
15	Other assets	95,843	96,190	
	Total assets	10,233,160	10,233,514	
Liabilities - *Breakdown by liability clases according to the balance sheet in the published financial statements*				
1	Liabilities under derivatives	1,629	1,498	A
2	Deposits and other liabilities due to banks, other financial institutions and the central bank	922,885	924,891	
3	Deposits and other liabilities due to customers	7,515,151	7,512,675	
4	Liabilities under securities	101,090	101,090	
5	Subordinated liabilities	149,890	149,889	
6	Provisions	21,930	21,157	
7	Current tax liabilities	3,910	3,918	
8	Deferred tax liabilities	4,091	2,831	
9	Other liabilities	116,587	120,319	
	Total liabilities	8,837,163	8,838,269	
Shareholders' Equity				
1	Share capital	40,001	40,001	E
2	Retained earnings	973,559	972,014	G
3	Current year profit	129,064	126,589	H
4	Reserves	230,357	233,626	F
5	Non controlling interest	23,016	23,015	
	Total shareholders' equity	1,395,997	1,395,246	

**References provide the mapping of regulatory balance sheet items used to calculate regulatory capital as reflected in the column "References" in "EU CC1– Composition of regulatory own funds". Where applicable, more detailed information is provided*

5.3 Description of the Main Features of the Instruments of Individual Categories of Capital Issued by the Bank

A description of the main features of the Common Equity Tier 1 capital instruments issued by AikGroup is presented within following table.

Table 9: EU CCA – Main features of regulatory own funds instruments and eligible liabilities instruments

		a
		Qualitative or quantitative information - Free format
1	Issuer	AikGroup (CY) Ltd.
2	Unique identifier (eg CUSIP, ISIN or Bloomberg identifier for private placement)	N/A
2a	Public or private placement	N/A
3	Governing law(s) of the instrument	Cyprus
3a	Contractual recognition of write down and conversion powers of resolution authorities	No
	Regulatory treatment	
4	Current treatment taking into account, where applicable, transitional CRR rules	N/A
5	Post-transitional CRR rules	N/A
6	Eligible at solo/(sub-)consolidated/ solo&(sub-)consolidated	Consolidated
7	Instrument type (types to be specified by each jurisdiction)	Ordinary Shares
8	Amount recognised in regulatory capital or eligible liabilities (Currency in million, as of most recent reporting date)	40.00 mEUR
9	Nominal amount of instrument	EUR 1.00
EU-9a	Issue price	Seen Note (1)
EU-9b	Redemption price	N/A
10	Accounting classification	Shareholder's equity
11	Original date of issuance	Seen Note (1)
12	Perpetual or dated	Perpetual
13	Original maturity date	N/A
14	Issuer call subject to prior supervisory approval	N/A
15	Optional call date, contingent call dates and redemption amount	N/A
16	Subsequent call dates, if applicable	N/A
	Coupons / dividends	
17	Fixed or floating dividend/coupon	Floating
18	Coupon rate and any related index	N/A
19	Existence of a dividend stopper	N/A
EU-20a	Fully discretionary, partially discretionary or mandatory (in terms of timing)	Fully discretionary
EU-20b	Fully discretionary, partially discretionary or mandatory (in terms of amount)	Fully discretionary
21	Existence of step up or other incentive to redeem	N/A
22	Noncumulative or cumulative	N/A
23	Convertible or non-convertible	N/A
24	If convertible, conversion trigger(s)	N/A
25	If convertible, fully or partially	N/A
26	If convertible, conversion rate	N/A
27	If convertible, mandatory or optional conversion	N/A
28	If convertible, specify instrument type convertible into	N/A
29	If convertible, specify issuer of instrument it converts into	N/A
30	Write-down features	N/A
31	If write-down, write-down trigger(s)	N/A
32	If write-down, full or partial	N/A
33	If write-down, permanent or temporary	N/A
34	If temporary write-down, description of write-up mechanism	N/A
34a	Type of subordination (only for eligible liabilities)	N/A
EU-34b	Ranking of the instrument in normal insolvency proceedings	N/A
35	Position in subordination hierarchy in liquidation (specify instrument type immediately senior to instrument)	Subordinated to all liabilities of the Company
36	Non-compliant transitioned features	N/A
37	If yes, specify non-compliant features	N/A
37a	Link to the full term and conditions of the instrument (signposting)	N/A

Issuer Agri Europe Cyprus Limited, starting from 1.1.2025 refer to the AikGroup (CY) Ltd.

6 OWN FUNDS REQUIREMENTS AND RISK-WEIGHTED EXPOSURE AMOUNTS

(Article 438 a, b, d of CRR regulation, Article 447 of CRR regulation)

6.1 Summary of the Approach to Assessing the Adequacy of Internal Capital to Support Current and Future Activities

The Group has established an internal capital adequacy assessment process (ICAAP) in accordance with its Strategy on Risk Management, i.e. in accordance with its risk profile. The Group conducts ICAAP on a continuous basis, while respecting the regulatory framework.

Within Pillar 1, the Group calculates its capital requirements for the credit risk (including counterparty credit risk), market risks, operational risk and credit valuation adjustment (CVA) risk. The Group uses the standardized approach for Credit risk, Business Indicator Component approach for calculation of capital requirements for operational risk, and simplified approach for calculation of CVA risk, as defined within CRR. Within Pillar 1, the Group calculates minimum capital requirements for FX risk and position risk in trading book positions in equities.

Additional risk types are defined within Pillar 2. Under Pillar 2, the Group calculates internal capital requirements for risks assessed as material, using internal models to a great extent as well as forward looking risk parameters within models.

The list of all material risks is defined under point 2.1 of this Report.

Under ICAAP, Group also defines Internal capital by applying internal approach. Internal capital represents the amount of capital that is available for coverage of risks the Group is or might be exposed to. When defining it, the Group takes into consideration relevant regulatory regulations in this area, as well as standards on the Group level regarding ICAAP and capital.

The Group determines available internal capital and distributes it among identified risk types. Total internal capital requirements indicate the amount of capital needed to cover all risks the Group is or might be exposed to in its operations, while the internal capital requirement for an individual risk indicates the amount of capital required to cover the individual risk, to which the Group is or might be exposed to.

The Group implements internal capital adequacy assessment process in accordance with:

- Group Strategy on Risk Management and Group Policy on Risk Management,
- Group Framework on ICAAP and ILAAP,
- Group Policy on Stress test,
- Additionally, all Group members define in their internal acts the internal capital adequacy assessment process, all in accordance with the framework defined at the Group level.

By planning available internal capital, the Group also ensures the maintenance of the level of capital that can support further growth of placements, employ future sources of funds and ensure continuity in the implementation of business policy. Planning of regulatory and internal capital is carried out for a period of three years.

ICAAP is a formalized and documented process that meets the following criteria:

- is based on the process of identification and measurement i.e. risk assessment,
- provides a comprehensive risk assessment and measurement, as well as monitoring significant risks that the Group is exposed to or may be exposed to in its business,
- provides an adequate level of available internal capital in accordance with the risk profile of the Group,
- it is adequately involved in the Group's management system and decision-making in the Group, and
- is subject to regular analysis, monitoring and verification by the Group's governing bodies.

ICAAP process is performed at a consolidated level and includes the following stages:

- identification of risk types and their risk materiality assessment,
- quantification and aggregation of risks, and allocation of capital for each risk assessed as material,

- stress testing,
- risk bearing capacity utilization calculation,
- monitoring and reporting.

The Group defines in the Group Framework on ICAAP and ILAAP quantitative and qualitative criteria based on which material risks are determined, that are further included in the internal capital adequacy assessment process. This considers the type, scope and complexity of the Group`s operations, as well as the specificities of the markets in which the Group and its members operate.

The Group uses the following approaches and models for calculation of internal capital requirements for each of the materially significant risks identified:

- Credit default risk incl. Counterparty risk - approximation of IRB approach,
- FX lending risk - Internal model,
- Credit risk induced by interest rate risk – Internal model,
- Concentration risk - Internal model based on the Herfindahl-Hirschman Index (HHI),
- Market risks - Standardized approach,
- CVA risk – Simplified approach,
- Interest rate risks – Internal model,
- Liquidity risk – regulatory based approaches and internal models,
- Operational risk – Business Indicator Component scaled by a floor-adjusted ILM.,
- Other risks – internal approach.

Group tends to conduct stress testing for all material risks and performs stress testing of Internal capital.

Total internal capital requirements are calculated as a simple sum of internal capital requirements for each of the risk type for which capital requirements are calculated, plus the effects of stress tests performed for certain risks. This approach is considered conservative because it does not consider the effects of diversification between different types of risks.

AikGroup constantly monitors Risk Bearing Capacity (RBC) utilization throughout the year and reports it to the Group BoD at least on quarterly level. Annually ICAAP Report is created and Capital Adequacy Statement with BOD approval is submitted to the Regulator.

Internal capital utilization by total internal capital requirements, including stress test effects, as of December 31, 2025, amounts to 77.45%, and excess capital is 268.7 million EUR.

As part of its regular capital management activities, Gorenjska banka issued EUR 60 mln in subordinated bonds in October 2025 with a ten-year maturity and an option for early redemption on the fifth anniversary of the bond's issue date. The bond is listed for trading on the MTF market of the Luxembourg Stock Exchange. The successful international issuance confirms institutional investors' strong confidence in Gorenjska Bank's long-term strategy, business growth, and development. At the end of October, the bank received approval from the ECB to include the newly issued bonds in its own funds calculation. Based on this approval, the bank prepaid a subordinated loan of EUR 50 mln at the end of October. The subordinated loans in the amounts of EUR 20 mln and EUR 30 mln, with original maturities of February 28, 2023, and December 14, 2032, respectively, served as the bank's additional capital instruments.

The early repayment of the subordinated loans and the inclusion of the subordinated bond in the bank's own funds calculation represent an optimization of the capital structure and a strengthening of capital adequacy for the bank's continued growth and long-term stability.

In the template EU KM1 the Group shows the following items as of December 31, 2025, and as of previous disclosure periods, September 30,2025, June 30, 2025, March 31,2025 and December 31, 2024:

- own funds structure,
- risk exposure amounts,
- capital buffers,
- important ratios related to capital,
- leverage ratio,
- liquidity coverage ratio and

- net stable funding ratio.

Table 10: EU KM1 Key metrics template

		a	b	c	d	e
		31.12.2025	30.09.2025	30.06.2025	31.03.2025	31.12.2024
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	1,165,223	1,175,886	1,149,062	1,146,200	1,062,275
2	Tier 1 capital	1,165,223	1,175,886	1,149,062	1,146,200	1,062,275
3	Total capital	1,280,064	1,235,260	1,203,398	1,200,497	1,119,829
	Risk-weighted exposure amounts					
4	Total risk exposure amount	7,060,594	7,147,631	6,868,049	6,062,665	6,108,542
4a	Total risk exposure pre-floor	7,060,594	7,147,631	6,868,049	6,062,665	n/a
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	16.50%	16.45%	16.73%	18.91%	17.39%
5a	**Not applicable**					
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	16.50%	16.45%	16.73%	18.91%	n/a
6	Tier 1 ratio (%)	16.50%	16.45%	16.73%	18.91%	17.39%
6a	**Not applicable**					
6b	Tier 1 ratio considering unfloored TREA (%)	16.50%	16.45%	16.73%	18.91%	n/a
7	Total capital ratio (%)	18.13%	17.28%	17.52%	19.80%	18.33%
7a	**Not applicable**					
7b	Total capital ratio considering unfloored TREA (%)	18.13%	17.28%	17.52%	19.80%	n/a
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	3.00%	3.00%	3.00%	3.00%	3.00%
EU 7e	of which: to be made up of CET1 capital (percentage points)	1.69%	1.69%	1.69%	1.69%	1.69%
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	2.25%	2.25%	2.25%	2.25%	2.25%
EU 7g	Total SREP own funds requirements (%)	11.00%	11.00%	11.00%	11.00%	11.00%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	0.31%	0.31%	0.31%	0.29%	0.18%
EU 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	-	-	-	-	-
11	Combined buffer requirement (%)	2.81%	2.81%	2.81%	2.79%	2.68%
EU 11a	Overall capital requirements (%)	13.81%	13.81%	13.81%	13.79%	13.68%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.24%	6.28%	6.52%	8.80%	7.33%
	Leverage ratio					
13	Total exposure measure	10,970,771	10,654,291	10,446,106	9,189,809	9,445,811
14	Leverage ratio (%)	10.62%	11.04%	11.00%	12.47%	11.25%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	1,606,954	1,526,829	1,431,939	1,367,042	1,342,824
EU 16a	Cash outflows - Total weighted value	1,466,684	1,413,339	1,347,409	1,337,908	1,361,297
EU 16b	Cash inflows - Total weighted value	901,857	911,443	902,365	957,787	1,063,360
16	Total net cash outflows (adjusted value)	564,827	501,926	446,042	409,273	384,586
17	Liquidity coverage ratio (%)	289.6%	311.7%	328.1%	341.5%	356.6%
	Net Stable Funding Ratio					
18	Total available stable funding	7,991,929	7,751,637	7,643,430	6,800,623	6,921,303
19	Total required stable funding	5,166,588	5,009,290	4,754,396	4,334,299	4,497,302
20	NSFR ratio (%)	154.68%	154.75%	160.77%	156.90%	153.90%

6.2 Risk-Weighted Exposure Amounts and Minimum Capital Requirement

AikGroup calculates risk weighted exposure amount for Pillar 1 risks, i.e., credit risk (including counterparty credit risk), market risks (FX risk and position risk), operational risk and CVA risk in line with regulatory requirements (CRR).

For Credit risk, AikGroup uses standardized approach. Credit risk weighted assets are the sum of the exposure of balance sheet assets and off-balance sheet items multiplied by the appropriate credit risk weights, as defined in Article 113 of the CRR regulation. Credit risk weight for each individual position of the balance sheet assets and for each off-balance sheet item is determined on the basis of exposure class and level of credit quality. Additionally, credit risk for off-balance exposures is calculated by applying regulatory prescribed credit conversion factors (CCFs) to the different types of off-balance transaction. Capital requirement for credit risk is calculated by multiplying risk-weighted assets by 8%.

To calculate capital requirement for market risks, Group uses methods prescribed by the regulation (more on that in point 12 of this Disclosure Report). Capital requirement for operational risks is calculated by applying Business Indicator Component approach (more on that in point 13 of this

Disclosure Report). Capital requirements for CVA risk are calculated using Simplified approach, as defined under CRR.

In the template EU OV1, AikGroup represents an overview of risk weighted assets and capital requirements calculated in accordance with Article 92 of the CRR. Capital requirements are broken down into different risk categories.

Table 11: EU OV1 Overview of total risk exposure amounts

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		31.12.2025	30.09.2025	31.12.2025
1	Credit risk (excluding CCR)	6,455,795.8	6,564,143.4	516,463.7
2	Of which the standardised approach	6,455,795.8	6,564,143.4	516,463.7
3	Of which the Foundation IRB (F-IRB) approach	0.0	0.0	0.0
4	Of which slotting approach	0.0	0.0	0.0
EU 4a	Of which equities under the simple risk weighted approach	0.0	0.0	0.0
5	Of which the Advanced IRB (A-IRB) approach	0.0	0.0	0.0
6	Counterparty credit risk - CCR	17,855.3	16,135.0	1,428.4
7	Of which the standardised approach	0.0	0.0	0.0
8	Of which internal model method (IMM)	0.0	0.0	0.0
EU 8a	Of which exposures to a CCP	0.0	0.0	0.0
9	Of which other CCR	17,855.3	16,135.0	1,428.4
10	Credit valuation adjustments risk - CVA risk	13,028.2	11,392.9	1,042.3
EU 10a	Of which the standardised approach (SA)	0.0	0.0	0.0
EU 10b	Of which the basic approach (F-BA and R-BA)	0.0	0.0	0.0
EU 10c	Of which the simplified approach	13,028.2	11,392.9	1,042.3
11	Not applicable	0.0		0.0
12	Not applicable	0.0		0.0
13	Not applicable	0.0		0.0
14	Not applicable	0.0		0.0
15	Settlement risk	0.0	0.0	0.0
16	Securitisation exposures in the non-trading book (after the cap)	0.0	0.0	0.0
17	Of which SEC-IRBA approach	0.0	0.0	0.0
18	Of which SEC-ERBA (including IAA)	0.0	0.0	0.0
19	Of which SEC-SA approach	0.0	0.0	0.0
EU 19a	Of which 1250% / deduction	0.0	0.0	0.0
20	Position, foreign exchange and commodities risks (Market risk)	22,109.9	21,037.4	1,768.8
21	Of which the Alternative standardised approach (A-SA)	0		0
EU 21a	Of which the Simplified standardised approach (S-SA)	22,109.9	21,037.4	1,768.8
22	Of which Alternative Internal Model Approach (A-IMA)	0		0
EU 22a	Large exposures	0.0	0.0	0.0
23	Reclassifications between the trading and non-trading books	0.0	0.0	0.0
24	Operational risk	551,804.4	534,922.5	44,144.4
EU 24a	Exposures to crypto-assets	0.0	0.0	0.0
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	17,154.6	16,338.9	1,372.4
26	Output floor applied (%)	0.0	0	
27	Floor adjustment (before application of transitional cap)	0.0	0	
28	Floor adjustment (after application of transitional cap)	0.0	0	
29	**Total**	**7,060,593.5**	**7,147,631.1**	**564,847.5**

7 EXPOSURE TO COUNTERPARTY CREDIT RISK

(Article 439 of the CRR Regulation)

Counterparty credit risk within the Group is prescribed in Group Framework on Counterparty Credit Risk and Country Risk Limits. The purpose of this framework is to establish the basic principles, approaches, rules and procedures of the counterparty credit risk and country risk management on the Group level which include identification, measurement, management and reporting of counterparty risk. Additionally, this framework determines the process of approving, adopting and monitoring of AikGroup (CY) Limited limits to the counterparties. The primary objective is to ensure robust credit risk management practices and the implementation of adequate controls to mitigate both counterparty credit risk and country risk across the Group.

Counterparty credit risk is managed and mitigated to the extent feasible within the framework of the investment strategy, ensuring that lending activities are conducted prudently, securely, and consistently. Major lending-related risks are identified and assessed accordingly. To maintain proper

internal controls, a clear segregation of duties is enforced; those requesting new counterparties or limits are distinct from those approving them.

A list of approved counterparties is maintained by market and instrument and is readily accessible to the subsidiary trading teams. Counterparties are selected with the goal of achieving cost-effective execution over time, while also maintaining a diversified structure to minimize concentration risk. An independent risk management function is responsible for identifying, measuring, monitoring, and reporting on counterparty risk, and for ensuring that appropriate restrictions and collateral are in place to mitigate this risk.

Methodology used for the purpose of assigning the limits are based on credit ratings, two approaches are used - the use of an external credit rating of Fitch, Moody's or S&P if available or – in the event that the external credit rating is not available, the country rating will be used as well as key financial and non-financial operating parameters. Credit rating codes and classes of the proved ECAIs are grouped into broader classes and transformed into determining the limit to financial institution. Furthermore, a limit for counterparty at individual customer level is requested and approved according to the Group Framework on Underwriting.

Individual agreement between the counterparty and AikGroup (CY) Limited is the basis for collateral management. Basis for the market valuation is close of business market data. All received or paid collaterals are documented in the respective systems. Contractual clauses concerning dependencies between collateral management and the credit rating of the Group are not applicable as the Group is yet to be rated.

Counterparty credit risk is control through limit monitoring and reporting framework. Limit monitoring is executed in accordance with the following principles:

- Monitoring shall include procedures ensuring that all policies and regulations related to counterparty risk management are being applied consistently and work as intended.
- Independent monitoring of counterparty and country risk exposures shall be implemented through establishment of comprehensive reporting.

Local Risk Controlling unit or other department/unit in charge of counterparty/country risk management monitors the counterparty limit's utilization at local subsidiary level on a daily basis. Also, those units are obliged to report on counterparty risk limits and exposures to the Group ALM Unit and GSRMF/MLRC Unit on a daily basis.

Limit utilization at the counterparty level, as well as aggregated monitoring by credit quality step, is regularly reported to the BoD by the GSRMF/MLRC Unit through the Quarterly Risk Report. Accordingly, the BoD is informed on a quarterly basis, while the GMC receives updates on limit utilization monthly.

The counterparty credit risk is assessed as part of the RWA calculation in Pillar 1. AikGroup applies the Original Exposure Method (OEM) calculated in accordance with Article 282 CRR (Chapter 6 of Title II Part Three, Section 5) as an alternative approach to the Standardized Approach for counterparty credit risk (SA CCR). Netting is not used for regulatory purposes in AikGroup. No further collateral is considered to mitigate counterparty credit risk for regulatory purposes under Pillar 1.

For derivative transactions, exposure values before and after the effect of credit risk mitigation and associated risk exposure amounts broken down by applicable method are presented in the table below:

Table 12: EU CCR1 – Analysis of CCR exposure by approach

		a	b	c	d	e	f	g	h
		Replacement cost (RC)	Potential future exposure (PFE)	EEPE	Alpha used for computing regulatory exposure value	Exposure value pre-CRM	Exposure value post-CRM	Exposure value	RWEA
EU-1	EU - Original Exposure Method (for derivatives)	1,572	12,709		1.4	19,994	19,994	19,994	11,836
EU-2	EU - Simplified SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
1	SA-CCR (for derivatives)	-	-		1.4	-	-	-	-
2	IMM (for derivatives and SFTs)			-	-	-	-	-	-
2a	*Of which securities financing transactions netting sets*			-		-	-	-	-
2b	*Of which derivatives and long settlement transactions netting sets*			-		-	-	-	-
2c	*Of which from contractual cross-product netting sets*			-		-	-	-	-
3	Financial collateral simple method (for SFTs)					-	-	-	-
4	Financial collateral comprehensive method (for SFTs)					321,328	316,500	316,500	1,192
5	VaR for SFTs					-	-	-	-
6	**Total**					**341,321**	**336,494**	**336,494**	**13,028**

7.1 Segregated and Unsegregated Collateral Received and Posted per Type of Collateral

The amount of segregated and unsegregated collateral received and posted per type of collateral, further broken down between collateral used for derivatives and securities financing transactions is given in the table below.

Table 13: EU CCR5 – Composition of collateral for CCR exposures

		a	b	c	d	e	f	g	h
		Collateral used in derivative transactions				Collateral used in SFTs			
	Collateral type	Fair value of collateral received		Fair value of posted collateral		Fair value of collateral received		Fair value of posted collateral	
		Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated	Segregated	Unsegregated
1	Cash – domestic currency	-	-	-	-	-	-	-	-
2	Cash – other currencies	-	-	-	-	-	-	-	-
3	Domestic sovereign debt	-	-	-	-	-	-	-	-
4	Other sovereign debt	-	-	-	-	-	4,827.1	-	-
5	Government agency debt	-	-	-	-	-	-	-	-
6	Corporate bonds	-	-	-	-	-	-	-	-
7	Equity securities	-	-	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-	-	-
9	Total	-	-	-	-	-	4,827	-	-

7.2 Derivative and Securities Financing Transactions

AikGroup has no relevant values to show since CCP exposures are excluded from the template, so all values in template "EU CCR 1_Analysis of CCR exposure by approach" are equal to zero.

7.3 Transactions Subject to Own Funds Requirements for CVA Risk

Regulatory Credit Valuation Adjustment (CVA) risk refers to potential losses arising from movements in the CVA applied to derivatives and certain fair-valued securities financing transactions, in line with Article 382 of the CRR. CVA represents difference between risk-free and credit-adjusted valuations, incorporating movements in counterparty credit spreads and relevant market risk factors.

Exposures subject to CVA capital requirements are aligned with those reported for counterparty credit risk related to derivative transactions in template EU CCR1.

CVA capital requirements are calculated using Simplified approach, since AikGroup fulfills conditions for using simplified methods for calculating the exposure value (Article 273a of CRR). Calculation in line with Simplified approach is set out in Article 385 of CRR: capital requirements for CVA risk are calculated as the risk-weighted exposure amounts for counterparty risk for non-trading book and trading book positions, respectively, referred to in Article 92(4), points (a) and (g), divided by 12.5.

Total own funds requirements for CVA risk as of 31.12.2025 amounts 1,042 thousand EUR (RWEA = 13,028 thousand EUR).

7.4 Exposure Value to Central Counterparties and the Associated Risk Exposures

AikGroup has no exposure value to central counterparties and associated risk exposures.

7.5 Notional Amounts and Fair Value of Credit Derivative Transaction

AikGroup does not have any single name CDS in the portfolio as of December 31, 2025.

7.6 CCR Exposures by Regulatory Exposure Class and Risk Weights

Table 14: EU CCR3 – Standardized approach – CCR exposures by regulatory exposure class and risk weights

	Exposure classes	Risk weight											
		a	b	c	d	e	f	g	h	i	j	k	l
		0%	2%	4%	10%	20%	50%	70%	75%	100%	150%	Others	Total exposure value
1	Central governments or central banks	315,309	-	-	-	-	-	-	-	4,827	-	-	320,136
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	-	-	-	-	5,101	6,432	-	-	-	-	-	11,534
7	Corporates	-	-	-	-	-	-	-	-	9,652	-	-	9,652
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	-	-	-	-	-	-	-	-	-	-	-	-
11	Total exposure value	315,309	-	-	-	5,101	6,432	-	-	14,479	-	-	341,321

8 CAPITAL BUFFERS

(Article 440 of the CRR Regulation)

By introducing Basel III regulation, European legislation on capital introduced a system of capital buffers which are an additional requirement for determining the required amount of capital. Besides requirements that arise from the 1st and 2nd Basel pillar risks, the highest quality capital of banks (CET1) must also fulfil the capital buffer requirements. Failure to comply with the requirements regarding capital buffers results in restrictions in distributing the operating result with the purpose of strengthening the bank's capital base.

The table below contains the geographical distribution of the Group's credit exposure relevant for calculating the countercyclical capital buffer, as of December 31, 2025.

Table 15: EU CCyB1 – Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer

		a	b	c	d	e	f	g	h	i	j	k	l	m
		General credit exposures		Relevant credit exposures – Market risk		Securitisation exposures Exposure value for non-trading book	Total exposure value	Own fund requirements				Risk-weighted exposure amounts	Own fund requirements weights (%)	Countercyclical buffer rate (%)
		Exposure value under the standardised approach	Exposure value under the IRB approach	Sum of long and short positions of trading book exposures for SA	Value of trading book exposures for internal models			Relevant credit risk exposures - Credit risk	Relevant credit exposures – Market risk	Relevant credit exposures – Securitisation positions in the non-trading book	Total			
010	Breakdown by country:													
020	AE	1,000	-		-	-	1,000	89	-	-	89	1,113	0.02%	0.00%
030	AF	34	-		-	-	34	2	-	-	2	25	0.00%	0.00%
040	AL	1	-		-	-	1	-	-	-	-	-	0.00%	0.50%
050	AO	-	-		-	-	-	-	-	-	-	-	0.00%	0.00%
060	AR	1	-		-	-	1	-	-	-	-	-	0.00%	0.00%
070	AT	50,319	-	58	-	-	50,377	3,907	9	-	3,916	48,950	0.83%	0.00%
080	AU	316	-		-	-	316	12	-	-	12	150	0.00%	1.00%
090	AZ	10	-		-	-	10	1	-	-	1	13	0.00%	0.00%
100	BA	24,567	-		-	-	24,567	1,603	-	-	1,603	20,038	0.34%	0.00%
110	BD	7	-		-	-	7	-	-	-	-	-	0.00%	0.00%
120	BE	9,349	-		-	-	9,349	654	-	-	654	8,175	0.14%	1.00%
130	BG	77	-		-	-	77	5	-	-	5	63	0.00%	2.00%
140	BR	5	-		-	-	5	-	-	-	-	-	0.00%	0.00%
150	BY	12	-		-	-	12	1	-	-	1	13	0.00%	0.00%
160	CA	151	-	4	-	-	155	9	1	-	10	125	0.00%	0.00%
170	CH	30,085	-	1	-	-	30,086	2,051	-	-	2,051	25,638	0.44%	0.00%
180	CN	81	-		-	-	81	5	-	-	5	63	0.00%	0.00%
190	CO	-	-		-	-	-	-	-	-	-	-	0.00%	0.00%
200	CU	3	-		-	-	3	-	-	-	-	-	0.00%	0.00%
210	CY	7,286	-		-	-	7,286	582	-	-	582	7,275	0.12%	1.00%
220	CZ	12,504	-		-	-	12,504	890	-	-	890	11,125	0.19%	1.25%
230	DE	34,976	-	1,843	-	-	36,819	2,544	295	-	2,839	35,488	0.60%	0.75%
240	DK	53	-		-	-	53	4	-	-	4	50	0.00%	2.50%
250	EG	293	-		-	-	293	25	-	-	25	313	0.01%	0.00%
260	ES	3,324	-		-	-	3,324	266	-	-	266	3,325	0.06%	0.50%
270	FI	190	-		-	-	190	6	-	-	6	75	0.00%	0.00%
280	FR	6,383	-	315	-	-	6,698	385	50	-	435	5,438	0.09%	1.00%
290	GB	9,177	-	154	-	-	9,331	618	25	-	643	8,038	0.14%	2.00%
300	GI	100	-		-	-	100	2	-	-	2	25	0.00%	0.00%
310	GR	642	-		-	-	642	48	-	-	48	600	0.01%	0.25%
320	HK	3	-	41	-	-	44	-	7	-	7	88	0.00%	0.50%
330	HR	63,295	-		-	-	63,295	4,853	-	-	4,853	60,663	1.03%	1.50%
340	HU	9,048	-		-	-	9,048	680	-	-	680	8,500	0.14%	1.00%
350	ID	-	-		-	-	-	-	-	-	-	-	0.00%	0.00%
360	IE	1,285	-		-	-	1,285	79	-	-	79	988	0.02%	1.50%
370	IL	18	-		-	-	18	1	-	-	1	13	0.00%	0.00%
380	IN	2	-		-	-	2	-	-	-	-	-	0.00%	0.00%
390	IT	30,522	-		-	-	30,522	2,266	-	-	2,266	28,325	0.48%	0.00%
400	JE	5	-		-	-	5	-	-	-	-	-	0.00%	0.00%
410	JP	4,469	-		-	-	4,469	236	-	-	236	2,950	0.05%	0.00%
420	KE	-	-		-	-	-	-	-	-	-	-	0.00%	0.00%
430	KG	-	-		-	-	-	-	-	-	-	-	0.00%	0.00%
440	KR	6	-		-	-	6	-	-	-	-	-	0.00%	1.00%
450	KW	137	-		-	-	137	12	-	-	12	150	0.00%	0.00%
460	KY	5	-		-	-	5	-	-	-	-	-	0.00%	0.00%
470	KZ	2	-		-	-	2	-	-	-	-	-	0.00%	0.00%
480	LB	64	-		-	-	64	8	-	-	8	100	0.00%	0.00%
490	LT	548	-		-	-	548	35	-	-	35	438	0.01%	1.00%
500	LU	24,649	-		-	-	24,649	1,925	-	-	1,925	24,063	0.41%	0.50%
510	LV	-	-		-	-	-	-	-	-	-	-	0.00%	1.00%
520	LY	-	-		-	-	-	-	-	-	-	-	0.00%	0.00%
530	MD	10	-		-	-	10	1	-	-	1	13	0.00%	0.00%
540	ME	507,814	-	68	-	-	507,882	28,284	11	-	28,295	353,688	6.01%	0.50%
550	MK	676	-		-	-	676	42	-	-	42	525	0.01%	1.75%
560	MT	8	-		-	-	8	-	-	-	-	-	0.00%	0.00%
570	MU	-	-		-	-	-	-	-	-	-	-	0.00%	0.00%
580	MX	530	-		-	-	530	32	-	-	32	400	0.01%	0.00%
590	MY	-	-		-	-	-	-	-	-	-	-	0.00%	0.00%
600	NL	8,234	-	18	-	-	8,252	484	3	-	487	6,088	0.10%	2.00%
610	NO	290	-		-	-	290	13	-	-	13	163	0.00%	2.50%
620	NP	2	-		-	-	2	-	-	-	-	-	0.00%	0.00%
630	NZ	-	-		-	-	-	-	-	-	-	-	0.00%	0.00%
640	OM	1	-		-	-	1	-	-	-	-	-	0.00%	0.00%
650	PA	-	-		-	-	-	-	-	-	-	-	0.00%	0.00%
660	PH	2	-		-	-	2	-	-	-	-	-	0.00%	0.00%
670	PL	8,306	-		-	-	8,306	564	-	-	564	7,050	0.12%	1.00%
680	PT	619	-		-	-	619	44	-	-	44	550	0.01%	0.00%
690	RO	2,579	-		-	-	2,579	196	-	-	196	2,450	0.04%	1.00%
700	RS	5,023,731	-	6,191	-	-	5,029,922	299,955	990	-	300,945	3,761,813	63.93%	0.00%
710	RU	406	-		-	-	406	30	-	-	30	375	0.01%	0.50%
720	SC	-	-		-	-	-	-	-	-	-	-	0.00%	0.00%
730	SE	2,462	-		-	-	2,462	167	-	-	167	2,088	0.04%	2.00%
740	SG	103	-		-	-	103	9	-	-	9	113	0.00%	0.00%
750	SI	2,316,099	-		-	-	2,316,099	114,902	-	-	114,902	1,436,275	24.41%	1.00%
760	SK	2,649	-		-	-	2,649	192	-	-	192	2,400	0.04%	1.50%
770	SY	-	-		-	-	-	-	-	-	-	-	0.00%	0.00%
780	TH	12	-		-	-	12	1	-	-	1	13	0.00%	0.00%
790	TM	12	-		-	-	12	1	-	-	1	13	0.00%	0.00%
800	TN	5	-		-	-	5	-	-	-	-	-	0.00%	0.00%
810	TR	2,032	-		-	-	2,032	163	-	-	163	2,038	0.03%	0.00%
820	UA	257	-		-	-	257	19	-	-	19	238	0.00%	0.00%
830	US	6,155	-	154	-	-	6,309	390	25	-	415	5,188	0.09%	0.00%
840	VG	2	-		-	-	2	-	-	-	-	-	0.00%	0.00%
850	ZA	3	-		-	-	3	-	-	-	-	-	0.00%	0.00%
	Total	**8,208,003**	**-**	**8,847**	**-**	**-**	**8,216,850**	**469,293**	**1,416**	**-**	**470,709**	**5,883,863**	**100.0%**	

The level of the Group's own countercyclical capital buffer is a weighted average of the applicable levels of countercyclical buffers for countries where the Group has relevant credit exposures. The level of the Group's own countercyclical buffer at the end of 2025 was 0.31%.

The table below presents the calculation of the amount of the Group's own countercyclical capital buffer, as of December 31, 2025.

Table 16: EU CCyB–2 – Amount of institution-specific countercyclical capital buffer

		a
1	Total risk exposure amount	7,060,593.50
2	Institution specific countercyclical capital buffer rate	0.31%
3	Institution specific countercyclical capital buffer requirement	21,887.84

9 EXPOSURES TO CREDIT RISK

(Article 442 a, b, c, d, e, f and g of the CRR Regulation)

9.1 Qualitative Disclosure Requirements Related to Credit Risk

Credit risk management is an integral part of the overall risk management system. The objective of credit risk management is to minimize potential adverse effects on the financial result and the capital of the Group due to the debtor's failure to meet obligations. The credit risk management system covers the various risk categories, including credit default risk, residual risk, settlement/delivery risk, credit counterparty risk, FX lending risk, credit risk induced by interest rate risk, dilution risk, and novel risk as well as concentration risk related to credit risk.

Process of credit risk management is carried out through the following phases:

- Identification of credit risk involves determining current level of exposure to credit risk based on historical data,
- Measurement and assessment of credit risk include applying quantitative and qualitative criteria to classify debtors and their claims into appropriate risk categories,
- Mitigation of credit risk involves establishing measures and defining rules for their application, including risk acquisition, reduction, diversification, transfer and avoidance,
- Monitoring and control of credit risk include defining rules, frequency and methods for monitoring credit risk to ensure timely identification of potential deterioration in the financial condition and creditworthiness of the debtors and credit providers, thereby minimizing or preventing losses. To facilitate monitoring, the Group prescribes limits at both the Group level and subsidiary level, considering industry sector, geographical structure, product types and other relevant portfolio characteristics.

9.2 Definitions for Accounting Purposes of "Past Due" and "Impaired" and "Past Due" and "Default"

Where any material amount of principal, interest or fee has not been paid at the date it was due, the Group recognizes this as the credit obligation past due. In cases where the schedule of credit obligations has been modified, the Group counting of days past due is based on the modified schedule of payments.

The Group defines default in accordance with Article 178 CRR regulation. Default is defined as a delay of at least 90 days, in a materially significant amount, at the level of exposure of the client.

The default status may be identified even before the 90-day delay if other quantitative or qualitative criteria indicate objective evidence of financial asset impairment:

- Non-accrued status,
- Specific credit risk adjustment (SCRA),
- Sale of credit obligations,
- Distressed restructuring,
- Bankruptcy proceedings,
- Additional indicators of unlikeliness to pay (UTP),

- Materially significant amount is defined in accordance with relevant ECB regulations for EU based credit institution subsidiaries.

For accounting purposes, impaired items include all items classified as Stage 3 under IFRS 9.

Furthermore, to manage non-performing exposure, the defines forbearance measures and forborne exposure in its internal acts. Forbearance measures represent concessions made to a borrower that is facing or could face situations of difficulties in meeting their original contractual commitments. Forborne exposure indicates contractual modifications granted to the borrower with financial difficulties. However, forborne exposure does not refer to renegotiations caused by any reasons other than financial difficulties.

Forborne exposure could be classified as either non-performing exposure (Stage 3) or performing exposure (Stage 2). Forborne exposure could be classified as performing exposure (Stage 2) in case, when a contractual change does not result in NPV loss for the Group or reclassified from non-performing exposure in case of conditions that are prescribed are met. Otherwise, forbearance exposure should be classified as non-performing exposure (Stage 3).

9.3 Description of the Approaches and Methods Adopted for Determining Credit Risk Adjustments

Credit risk adjustments are calculated in line with IFRS 9.

In accordance with IFRS 9, AikGroup monthly:

- assesses the quality of receivables, determines whether there is objective evidence of impairment,
- assesses whether there has been a significant increase in credit risk in relation to the date of initial recognition and
- calculates the amount of impairment on the basis of expected losses.

Group Framework on Impairment Calculation is adopted by Group Management Committee and all credit institution subsidiaries align with this Framework as well as any regulatory requirements on local levels. Group recognizes impairment for all financial instruments that are measured at amortized cost. Upon assessing the expected credit losses (impairment allowance calculation), Group assesses individual financial instruments (at the loan facility level) to determine whether there has been a significant increase in credit risk or default, and performs the following staging accordingly:

- Stage 1 includes all financial assets without a significant increase in credit risk since initial recognition at the reporting date.
- Stage 2 includes financial assets with a significant increase in credit risk since initial recognition, but without objective evidence of impairment.
- Stage 3 includes financial assets with objective evidence of impairment at the reporting date.

AikGroup calculates impairment in the amount equal to the expected credit losses over the life of the asset, if the credit risk for that financial instrument has significantly increased since the initial recognition or there is objective evidence of impairment (financial assets in stage 2 and 3 in the order), or up to the amount of a which is equal to the expected twelve-month credit losses for all financial instruments for which credit risk did not significantly increase from initial recognition (financial assets in stage 1). For calculating impairment value 12 months expected credit losses are part of lifetime expected losses of financial asset and represent a shortage of cash flow in case that the default occurs after 12 months weighted by the probability of such non-execution. Monthly, the Group assesses whether there has been a significant increase in credit risk for all financial instruments. If the impairment value for a financial instrument is measured at the amount equal to the lifetime expected losses for previous reporting period, but it is determined on the current reporting date that the conditions are no longer met, the Group calculates impairment value equal to 12 month expected loss.

Calculation of Impairment – Stage 1

For the purpose of calculating the impairment in Stage 1, the expected twelve-month credit losses are part of the expected credit losses over the entire term of the financial asset and represent cash shortages over the term that will result if default occurs within 12 months after the reporting date, weighted by the likelihood of such non-execution.

Calculation of Impairment – Stage 2

The expected loss represents the probability of a weighted assessment of credit losses (i.e., the present value of all cash shortages) over the expected life of a financial instrument, while the cash shortage itself is the difference between cash flows that belong to the Group and under the contract cash flows that the Group expects to receive. Expected Credit Loss here represents probability-weighted estimates of credit losses (i.e., the present value of all cash shortages) that will arise over the expected life of a financial instrument, while the cash shortage itself is the difference between cash flows that belong to the Group under the contract and cash flows that the Group expects to receive.

Calculation of Impairment – Stage 3

During 2025, AikGroup updated internal act which refers to methods and techniques used for the impairment calculation for stage 3 in line with ECB Findings.

Impairments calculation for exposures in Stage 3 is done for all exposures with the identified default status, which is defined in internal act Group Policy on Default Detection. Expected credit losses represent probability weighted assessment of expected credit loss.

Assessment of impairment is done on an individual and group/collective basis. Individual assessment is performed for individually significant clients - clients with exposures above certain threshold set for each subsidiary separately. Two main approaches are applied: going concern and gone concern, selected based on objective criteria such as financial performance, viability of operations, and recovery prospects, supported by documentation and forward-looking analysis. For all other exposures that does not breach set threshold, impairment is calculated collectively, which implies the grouping of the remaining financial instruments in Stage 3 by the sub-segments depending on the portfolio structure.

Reversal of Stage 3 is defined in Group Policy on Default Detection while reversal of Stage 3 of forborne non-performing exposure is defined in Group Policy on Forbearance, Restructuring and Workout Process. Reversal of Stage 3 is possible if a client is fully healed, meaning no default triggers were present for at least three months. In case of forborne non-performing exposures, a cure period of 12 months should pass for the client to recover to Stage 2 and an additional 24 months to recover to Stage 1 as defined in the Group Policy on Forbearance, Restructuring and Workout Process.

Calculation of provisioning for individually significant exposures on Stage 3 is based on the discounted cash flow method (DCF). For all other exposures, impairment is calculated collectively, which implies the grouping of the remaining financial instruments in Stage 3 by the sub-segments depending on the portfolio structure. The impairment value is calculated by using the residual LGD (PD is 100%). Residual LGD is calculated based on the number of months in default and recovery that has been discounted with EIR. A Stage 3 residual LGD curve is applied to model the time evolution of credit losses, starting from the estimated final LGD at the point of default and scaling up to 100% over the defined recovery horizon (e.g., 36 months). This curve reflects the progressive depletion of recoverable value over time and enables consistent DCF-based impairment measurement. The residual LGD at time t is calculated as:

$$Residual\ LGD_t = \frac{Final\ LGD}{1 - Cumulative\ Recovery_t}$$

This formulation ensures that the timing of expected recoveries is fully aligned with the present value of future cash inflows, maintaining consistency with IFRS 9 requirements.

Residual LGD is applied to unsecured part of the exposure. When calculating the secured part of the exposure, only part of the exposure covered with hard collateral is considered.

In accordance with regulatory recommendations, the Group has defined POCI assets. At the time of initial recognition, POCI assets are exempt from the staging concept. Operationally, these exposures are treated as Stage 3 assets at initial recognition, and the same can be returned to a non-defaulted status based on principles defined in the Group Policy on Default Detection, while POCI flag remains, i.e., the assignment of the POCI status to an asset is irrevocable. POCI assets are recognized on transaction level. The approach for their treatment is governed by the updated Group Framework on Impairment Calculation.

Additionally, according to regulatory recommendation, Group updated the methodology for inclusion of novel risks in IFRS9 provisioning calculation. Novel risks taken into consideration are:

- Energy supply related risk,
- Supply chain constrains,
- Inflation,

- High level of interest rates,
- Geopolitical risk,
- Climate and Environmental risk.

Supply chain constrains risk was quantified through Global Supply Chian Pressure Index (GSCPI) provided by Federal Reserve Bank of New York; energy supply-related risk was quantified through Energy Price Index provided by Eurostat. Risks of inflation and high level of interest rates were determined based on the comparison between expected and historical levels of inflation and interest rates. Climate and Environmental risk were quantified through the results of performed climate risk stress test and Geopolitical risk was quantified based on the assessment of current geopolitical situation. Final PD overlay was assessed as sum of all novel risk specific overlays for each subsidiary and portfolio separately. More details on impaired exposures, risk adjustments as well as information on changes in value adjustment due to credit risk are disclosed in AikGroup Notes to the Consolidated Report and Financial Statements for the year ended December 31, 2025, 4.1 “Credit risk”.

9.4 Overview of Performing, Non-Performing and Forborne Exposures for Loans, Debt Securities and Off-Balance-Sheet Exposures

Information on the amount and the quality of the portfolio is shown in the following tables:

Table 17: EU CR1 – Performing and non-performing exposures and related provisions

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005	Cash balances at central banks and other demand deposits	1,389,378	1,389,378	-	1,805	-	1,805	(165)	(165)	-	(1,805)	-	(1,805)		56,697	-
010	Loans and advances	**6,868,894**	**6,083,811**	**774,445**	**176,902**	**-**	**159,357**	**(87,245)**	**(48,525)**	**(37,633)**	**(90,670)**	**-**	**(79,321)**	**(927)**	**3,091,014**	**37,973**
020	*Central banks*	315,325	315,325	-	-	-	-	(0)	(0)	-	-	-	-	-	-	-
030	*General governments*	185,845	176,952	8,893	373	-	373	(997)	(646)	(351)	(372)	-	(372)	-	3,235	-
040	*Credit institutions*	283,281	283,281	-	31	-	31	(531)	(531)	-	(22)	-	(22)	-	6,642	-
050	*Other financial corporations*	72,714	72,587	127	199	-	199	(635)	(635)	(0)	(64)	-	(63)	-	14,912	129
060	*Non-financial corporations*	3,627,509	3,022,521	604,757	98,277	-	93,829	(53,114)	(24,522)	(28,575)	(42,529)	-	(40,527)	(847)	1,951,401	23,669
070	*Of which SMEs*	2,195,993	1,832,172	363,589	62,104	-	58,248	(36,190)	(18,694)	(17,479)	(34,308)	-	(32,305)	(847)	1,367,823	18,964
080	*Households*	2,384,221	2,213,146	160,669	78,022	-	64,926	(31,968)	(22,190)	(8,707)	(47,684)	-	(38,338)	(80)	1,114,824	14,176
090	Debt securities	**1,328,546**	**1,325,481**	**3,065**	**5,832**	**-**	**5,832**	**(2,540)**	**(2,250)**	**(289)**	**(1,917)**	**-**	**(1,917)**	**-**	**12,565**	**-**
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	1,233,102	1,233,102	-	890	-	890	(1,762)	(1,762)	-	(868)	-	(868)	-	-	-
120	*Credit institutions*	42,721	42,721	-	-	-	-	(99)	(99)	-	-	-	-	-	12,565	-
130	*Other financial corporations*	7,251	7,251	-	-	-	-	(179)	(179)	-	-	-	-	-	-	-
140	*Non-financial corporations*	45,472	42,407	3,065	4,942	-	4,942	(500)	(211)	(289)	(1,049)	-	(1,049)	-	-	-
150	Off-balance-sheet exposures	**2,529,221**	**2,394,372**	**134,269**	**6,470**	**-**	**6,422**	**4,483**	**3,801**	**679**	**1,819**	**-**	**1,806**		**382,341**	**355**
160	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170	*General governments*	11,477	11,090	386	2	-	2	6	6	0	0	-	0		-	-
180	*Credit institutions*	11,853	11,853	-	-	-	-	1	1	-	-	-	-		8,564	-
190	*Other financial corporations*	13,719	13,619	100	1	-	1	63	60	3	0	-	0		35	-
200	*Non-financial corporations*	2,278,379	2,174,330	104,048	5,693	-	5,691	4,203	3,615	588	1,679	-	1,678		362,020	311
210	*Households*	213,794	183,480	29,735	775	-	729	209	119	87	139	-	127		11,721	44
220	Total	12,116,038	11,193,042	911,779	191,009	-	173,416	(94,432)	(54,741)	(38,601)	(96,211)	-	(84,849)	(927)	3,542,617	38,328

Portfolio exposure has slightly increased, while a decrease has been observed in non-performing exposure.

Templates EU CR2: Changes in the stock of non-performing loans and advances and EU CR2a: Changes in the stock of non-performing loans and advances and related net accumulated recoveries are not disclosed, since Group non-performing exposure ratio is below 5%.

Table 18: EU CQ1 – Credit quality of forborne exposures

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received
				Of which defaulted	Of which impaired				
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	164,460	43,066	43,066	43,066	(9,963)	(23,357)	161,347	7,290
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	0.0	-	-	-	-	-	-	-
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	-	152	152	152	-	(33)	119	119
060	*Non-financial corporations*	156,313	29,109	29,109	29,109	(8,523)	(13,368)	157,431	5,452
070	*Households*	8,147	13,804	13,804	13,804	(1,440)	(9,956)	3,797	1,719
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	3,461	0.4	0.4	0.4	89.0	0.2	3,371.9	-
100	Total	167,920	43,066	43,066	43,066	(10,052)	(23,357)	164,719	7,290

There have been no significant changes.

Template EU CQ2: Quality of forbearance is not disclosed, since Group non-performing exposure ratio is below 5%.

9.5 Overview of Collateral Obtained by Taking Possession and Execution Processes

Table 19: EU CQ7: Collateral obtained by taking possession and execution processes

		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)	321	(115)
020	Other than PP&E	48,432	(9,603)
030	*Residential immovable property*	1,796	(78)
040	*Commercial Immovable property*	34,223	(5,970)
050	*Movable property (auto, shipping, etc.)*	2,038	(106)
060	*Equity and debt instruments*	290	-
070	*Other collateral*	10,085	(3,448)
080	Total	48,753	(9,718)

Compared to the previous year, collateral obtained by taking possession and execution processes has decreased, primarily relating to commercial immovable property.

Template EU CQ8: Collateral obtained by taking possession and execution processes – vintage breakdown is not disclosed, since Group non-performing exposure ratio is below 5%.

9.6 Ageing Analysis of Accounting Past due Exposures

Table 20: EU CQ3 – Credit quality of performing and non-performing exposures by past due days

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
		Performing exposures			Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central	1,389,378	1,389,378	0	1,805	1,805	-	-	-	-	-	-	1,805
010	Loans and advances	6,868,894	6,773,638	95,255	176,902	74,816	30,563	33,427	25,880	9,090	742	2,385	176,902
020	*Central banks*	315,325	315,325	-	-	-	-	-	-	-	-	-	-
030	*General governments*	185,845	185,190	655	373	0	0	2	0	2	2	366	373
040	*Credit institutions*	283,281	283,236	45	31	31	-	-	-	-	-	-	31
050	*Other financial corporations*	72,714	72,519	194	199	186	0	3	9	1	0	0	199
060	*Non-financial corporations*	3,627,509	3,566,160	61,349	98,277	39,114	18,443	18,421	14,381	6,899	94	924	98,277
070	*Of which SMEs*	2,195,993	2,145,861	50,132	62,104	17,357	5,355	17,133	14,378	6,867	93	919	62,104
080	*Households*	2,384,221	2,351,208	33,013	78,022	35,485	12,119	15,001	11,490	2,189	645	1,094	78,022
090	Debt securities	1,328,546	1,328,013	533	5,832	4,942	-	890	-	-	-	-	5,832
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	1,233,102	1,233,102	-	890	-	-	890	-	-	-	-	890
120	*Credit institutions*	42,721	42,721	-	-	-	-	-	-	-	-	-	-
130	*Other financial corporations*	7,251	7,251	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	45,472	44,939	533	4,942	4,942	-	-	-	-	-	-	4,942
150	Off-balance-sheet exposures	2,529,221			6,470								6,470
160	*Central banks*	-			-								-
170	*General governments*	11,477			2								2
180	*Credit institutions*	11,853			-								-
190	*Other financial corporations*	13,719			1								1
200	*Non-financial corporations*	2,278,379			5,693								5,693
210	*Households*	213,794			775								775
220	Total	12,116,038.46	9,491,029	95,788	191,009	81,563	30,563	34,317	25,880	9,090	742	2,385	191,009

There have been no significant changes.

9.7 Gross Carrying Amounts Defaulted and Non-Defaulted Exposures, Accumulated Specific and General Credit Risk Adjustments, Accumulated Write-Offs Taken Against Those Exposures and Net Carrying Amounts and Their Distribution by Geographical Area and Industry Type and for Loans, Debt Securities and Off-Balance-Sheet Exposures

Table 21: EU CQ5 – Credit quality of loans and advances to non-financial corporations by industry

		a	b	c	d	e	f
		Gross carrying amount					
			Of which non-performing		Of which loans and advances subject to impairment	Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
				Of which defaulted			
010	Agriculture, forestry and fishing	130,942	3,920	3,920	130,942	(3,251)	-
020	Mining and quarrying	125,726	484	484	125,726	(7,060)	-
030	Manufacturing	797,158	45,148	45,148	797,158	(29,801)	-
040	Electricity, gas, steam and air conditioning supply	232,684	2,956	2,956	232,684	(3,478)	-
050	Water supply	23,571	261	261	23,571	(312)	-
060	Construction	369,673	4,648	4,648	369,673	(8,794)	-
070	Wholesale and retail trade	807,371	11,355	11,355	807,371	(16,628)	-
080	Transport and storage	219,680	15,935	15,935	219,680	(7,771)	-
090	Accommodation and food service activities	163,186	2,872	2,872	163,186	(4,326)	-
100	Information and communication	165,008	421	421	165,008	(933)	-
110	Financial and insurance activities	31,000	53	53	31,000	(432)	-
120	Real estate activities	369,655	268	268	369,655	(4,626)	-
130	Professional, scientific and technical activities	137,430	7,077	7,077	137,430	(3,446)	-
140	Administrative and support service activities	82,586	569	569	82,586	(1,255)	-
150	Public administration and defense, compulsory social security	97	0	0	97	(1)	-
160	Education	6,278	2,070	2,070	6,278	(1,216)	-
170	Human health services and social work activities	14,236	37	37	14,236	(123)	-
180	Arts, entertainment and recreation	38,775	7	7	38,775	(1,977)	-
190	Other services	10,733	197	197	10,733	(213)	-
200	Total	3,725,787	98,277	98,277	3,725,787	(95,643)	-

The largest share is attributed to Wholesale and retail trade, accounting for 21.67%.

Template EU CQ6: Collateral valuation - loans and advances is not disclosed, since Group non-performing exposure ratio is below 5%.

Table 22: EU CQ4 – Quality of non-performing exposures by geography

		a	b	c	d	e	f	g
		Gross carrying/nominal amount				Accumulated impairment	Provisions on off-balance-sheet commitments and financial guarantees given	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			Of which non-performing		Of which subject to impairment			
				Of which defaulted				
010	On-balance-sheet exposures	9,771,357	184,539	184,539	9,771,357	(184,342)	-	-
020	RS	5,712,812	121,696	121,696	5,712,812	(131,947)		-
030	SI	2,217,217	51,473	51,473	2,217,217	(26,268)		-
040	ME	707,386	6,775	6,775	707,386	(19,419)		-
050	IT	130,089	1	1	130,089	(173)		-
060	GR	119,822	0	0	119,822	(61)		-
070	BE	111,236	0	0	111,236	(19)		-
080	DE	102,189	3	3	102,189	(325)		-
090	HR	100,913	1,013	1,013	100,913	(1,162)		-
100	CH	80,682	72	72	80,682	(175)		-
110	FR	75,725	0	0	75,725	(65)		-
120	AT	50,285	640	640	50,285	(651)		-
130	ES	46,243	0	0	46,243	(39)		-
140	LU	44,318	0	0	44,318	(177)		-
150	LT	21,821	2	2	21,821	(15)		-
160	RO	20,744	0	0	20,744	(19)		-
170	LV	19,456	0	0	19,456	(21)		-
180	BA	19,262	650	650	19,262	(797)		-
190	CZ	19,154	845	845	19,154	(864)		-
200	PL	17,899	0	0	17,899	(13)		-
210	PT	15,603	0	0	15,603	(9)		-
220	SK	15,279	5	5	15,279	(39)		-
230	NL	14,707	0	0	14,707	(241)		-
240	IE	14,275	0	0	14,275	(17)		-
250	US	13,387	4	4	13,387	(141)		-
260	GB	12,580	1	1	12,580	(4)		-
270	HU	11,940	0	0	11,940	(114)		-
280	MK	10,675	27	27	10,675	(71)		-
290	Other countries	45,659	1,331	1,331	45,659	(1,494)		-
300	Off-balance-sheet exposures	2,535,691	6,470	6,470	-	-	6,301	-
310	RS	1,569,937	3,337	3,337			2,672	
320	SI	658,094	2,584	2,584			2,178	
330	ME	170,745	547	547			1,155	
340	IT	30,648	-	-			23	
350	BA	25,895	0	0			152	
360	DE	19,670	0	0			17	
370	HR	15,305	-	-			48	
380	CZ	9,420	-	-			17	
390	PL	6,159	-	-			5	
400	HU	5,646	-	-			7	
410	FR	3,743	-	-			2	
420	AT	3,491	-	-			3	
430	ES	3,115	-	-			1	
440	CH	3,079	-	-			6	
450	Other countries	10,742	1	1			17	
460	Total	12,307,047	191,009	191,009	9,771,357	(184,342)	6,301	-

The largest participation is from domestic countries: Serbia and Slovenia.

9.8 Breakdown of Loans and Debt Securities by Residual Maturity

Table 23: EU CR1-A: Maturity of exposures

		a	b	c	d	e	f
		Net exposure value					
		On demand	<= 1 year	> 1 year <= 5 years	> 5 years	No stated maturity	Total
1	Loans and advances	96,079	2,860,149	3,744,538	2,696,504	-	9,397,270
2	Debt securities	-	414,340	671,856	246,265	-	1,332,461
3	**Total**	**96,079**	**3,274,489**	**4,416,394**	**2,942,769**	**-**	**10,729,731**

The maturity of exposures to legal entities is up to five years, while the maturity of exposure to private individuals is typically over five years.

10 ENCUMBERED AND UNENCUMBERED ASSETS

(Article 443 of the CRR Regulation)

Asset encumbrance presents part of liquidity risk management. Group regularly monitors and reports on asset encumbrance. The increase in the volume of encumbered assets contributes to higher liquidity risk and the risk of financing, since an institution with encumbered assets has fewer available

assets for pledging, used as liquidity reserve for unexpected liquidity needs. The Group must ensure that at every moment it has enough high-quality liquid assets, so it is able to meet all liquidity needs. According to the Group Framework on Liquidity Risk Management and Liquidity Stress Testing, the unencumbered assets represent a liquidity buffer, which includes cash, money market placements and high-quality ECB eligible debt securities. The Group holds a high amount of liquidity buffer which can be used for filling funding gaps between cash inflows and outflows at any time during the 30 days stress period.

The Group asset encumbrance is monitored and reported regularly on the Group and subsidiaries level, and quarterly reports are submitted to the regulator. All assets that are pledged are reported as encumbered assets. Regarding a transparent way of reporting, Group has no example of giving the pledge which then would not be included in reporting. There is also no difference between the regulatory consolidation scope and liquidity requirements on an IFRS consolidated basis. Liquidity remains sound with regulatory liquidity ratios materially above minimum requirements. According to Basel III, Group monthly assures that its LCR ratio is higher than 100% (264.4% at the end of December 2025) which indicates that the Group does not need any additional liquidity to withstand cash outflows during severe 30 days stress. Group has a strong liquidity position; all internal liquidity risk indicators are stable and within prescribed limits defined by the Group Framework on Liquidity Risk Management and Liquidity Stress Testing.

In 2025, the Group had its assets encumbered:

- due to secure received loan,
- due to placed deposits which represents obligatory reserves,
- due to ensuring liquid assets of the bank resolution fund,
- due to security with cash assets paid in clearing systems, central counterparties and other institutions for infrastructures as a prerequisite to access services (guarantee scheme SEPA) and
- due to security for claims of foreign commercial banks, based on the bank-provided counter guarantees and credits.

Assets encumbered consist of debt securities and placed deposits. The amount of encumbered assets is denominated in EUR currency. There are no other significant currencies of asset encumbrance to be reported.

The values in tables EU AE1, EU AE2 and EU AE3 represent the median values for 2025, in accordance with the Regulation AE, calculated using the median quarterly data reported over the last twelve months.

The Group does not have any encumbered collateral received or own debt securities issued.

Among the unencumbered assets from template EU AE1, 5.28% of items are not available for encumbrance in regular operations. These are cash in the cash register, intangible assets, deferred assets, tangible fixed assets, investment property, equity investments in affiliated companies, non-current assets available for sale and other non-finance assets (such items are included among other assets in template EU AE1).

In case of secured receivables of foreign commercial banks on the basis of the counter-guarantees and letters of credit assured by the bank, the bank is ensuring insurance to foreign commercial banks in the value of at least 100% of the value of a receivable, provided the receivable is in domestic currency or, respectively, of at least 125% of the value of a receivable in case the receivable is in foreign currency. Maturity of insurance must be longer than maturity of receivables of foreign commercial banks.

Table 24: EU AE1 – Encumbered and unencumbered assets

		Carrying amount of encumbered assets		Fair value of encumbered assets		Carrying amount of unencumbered assets		Fair value of unencumbered assets	
			of which notionally eligible EHQLA and		of which notionally eligible EHQLA and		of which EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	050	060	080	090	100
010	Assets of the disclosing institution	71,906	13,839			9,788,523	1,811,102		
030	Equity instruments	-	-	-	-	113,529	-	113,529	-
040	Debt securities	22,397	13,839	21,853	13,337	1,297,719	1,196,569	1,283,422	1,183,803
050	of which: covered bonds	-	-	-	-	-	-	-	-
060	of which: securitisations	-	-	-	-	-	-	-	-
070	of which: issued by general governments	22,397	13,839	21,853	13,337	1,187,620	1,140,407	1,175,112	1,127,680
080	of which: issued by financial corporations	-	-	-	-	57,966	31,534	58,641	31,405
090	of which: issued by non-financial corporations	-	-	-	-	49,520	21,956	49,975	22,069
120	Other assets	49,510	-			8,368,075	612,956		

Table 25: EU AE2 – Collateral received, and own debt securities issued

		Fair value of encumbered collateral received or own debt securities issued		Unencumbered	
				Fair value of collateral received or own	
			of which notionally eligible EHQLA and HQLA		of which EHQLA and HQLA
		010	030	040	060
130	Collateral received by the disclosing institution	-	-	111,386	4,784
140	Loans on demand	-	-	-	-
150	Equity instruments	-	-	106,659	-
160	Debt securities	-	-	4,784	4,784
170	of which: covered bonds	-	-	-	-
180	of which: securitisations	-	-	-	-
190	of which: issued by general governments	-	-	4,784	4,784
200	of which: issued by financial corporations	-	-	-	-
210	of which: issued by non-financial corporations	-	-	-	-
220	Loans and advances other than loans on demand	-	-	-	-
230	Other collateral received	-	-	-	-
240	Own debt securities issued other than own covered bonds or securitisations	-	-	-	-
241	Own covered bonds and securitisations issued and not yet pledged	-	-	-	-
250	TOTAL COLLATERAL RECEIVED AND OWN DEBT SECURITIES ISSUED	71,906	13,839	-	-

Table 26: EU AE3 – Sources of encumbrance

		Matching liabilities, contingent liabilities or securities lent	Assets, collateral received and own debt securities issued other than covered bonds and securitisations encumbered
		010	030
010	Carrying amount of selected financial liabilities	21,333	22,071

11 STANDARDIZED APPROACH

(Article 444 a, b, c and e of the CRR Regulation)

11.1 Use of External Ratings

AikGroup applies Standardized approach for calculation of risk weighted exposure amount (RWEA) for credit risk, in line with EBA CRR, Chapter 2, Title II, part Three. Exposures to a client, for which a credit assessment by a nominated ECAI is available, are assigned a risk weight that is prescribed by EBA CRR, which corresponds to the credit assessment of External Credit Assessment Institution (ECAI) in accordance with Article 136 of CRR.

ECAI represents a credit rating agency that is registered or certified in accordance with Regulation (EC) No 1060/2009.

AikGroup uses Moody's Investor Service ("Moody's"), S&P Global Ratings ("S&P") and Fitch Ratings ("Fitch") credit risk assessment institutions to determine risk weights for calculation of RWEA. No Export Credit Insurance Agency (ECA) has been nominated for external ratings determination by AikGroup. Rating grades are assigned to credit quality steps in accordance with Article 136 of CRR and the published EBA Implementing Technical Standards on the mapping of ECAI credit assessments. ECAI ratings are applied across all exposure classes.

External credit ratings are applied to a limited extent in certain exposure classes when calculating RWA, bearing in mind small number of clients that have available external ratings, mainly central banks and governments and financial institutions.

Issuer credit ratings are further mapped to comparable banking book assets in line with Article 138 of CRR.

Table 27: Moody's, S&P and Fitch rating scale and mapping

CQS for long term rating	Moody's	S&P	Fitch	Quality
1	Aaa	AAA	AAA	INVESTMENT GRADE
	Aa1	AA+	AA+	
	Aa2	AA	AA	
	Aa3	AA-	AA-	
2	A1	A+	A+	
	A2	A	A	
	A3	A-	A-	
3	Baa1	BBB+	BBB+	
	Baa2	BBB	BBB	
	Baa3	BBB-	BBB-	
4	Ba1	BB+	BB+	NON-INVESTMENT GRADE
	Ba2	BB	BB	
	Ba3	BB-	BB-	
5	B1	B+	B+	
	B2	B	B	
	B3	B-	B-	
6	Caa1	CCC+	CCC	
	Caa2	CCC	CC	
	Caa3	CCC-	C	
	Ca	CC	RD	
	C	C	D	
	/	SD	/	
	/	D	/	

ECAI risk assessment is used for all exposure classes, where available. Mainly, ECAI external ratings are used for determining the credit quality level for exposures to the sovereigns and central banks and for exposures to banks, since for these clients/exposures external ratings are available.

When determining risk weights, based on available credit assessments of the debtor and their financial instruments, the Group acts in accordance with the CRR regulation.

11.2 The Exposure Values and the Exposure Values after Credit Risk Mitigation Associated with Each Credit Quality Step, as Well as those Deducted from Own Funds

The Group maps ratings made by external credit assessment institutions to credit quality steps from 1 to 6. It only considers credit assessments of nominated external credit assessment institutions for claims in certain exposure class.

The table EU CR4 presented below illustrates effects of credit risk mitigation techniques that AikGroup uses, as of December 31, 2025.

Table 28: EU CR4 – standardized approach – Credit risk exposure and CRM effects

	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWEAs and RWEAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWEAs	RWEAs density (%)
		a	b	c	d	e	f
1	Central governments or central banks	1,654,532	1,105	1,381,686	1,744	385,676	27.88%
2	Non-central government public sector entities	**83,658**	**10,297**	**83,658**	**4,062**	**60,238**	68.67%
EU 2a	Regional governments or local authorities	73,800	5,184	73,800	2,074	51,086	67.33%
EU 2b	Public sector entities	9,859	5,113	9,859	1,989	9,152	77.25%
3	Multilateral development banks	8,061	-	352,061	-	2	0.00%
EU 3a	International organisations	88,767	-	88,767	-	-	0.00%
4	Institutions	478,947	11,585	467,959	705	152,476	32.53%
5	Covered bonds	-	-	-	-	-	-
6	Corporates	1,526,639	1,291,923	1,459,388	276,395	1,655,836	95.39%
6.1	Of which: Specialised Lending	35,675	4,411	33,894	-	31,807	93.84%
7	Subordinated debt exposures and equity	**60,333**	**-**	**60,333**	**-**	**72,244**	119.74%
EU 7a	Subordinated debt exposures	5,672	-	5,672	-	8,507	150.00%
EU 7b	Equity	54,662	-	54,662	-	63,736	116.60%
8	Retail	2,149,188	548,486	2,135,519	161,685	1,655,176	72.05%
9	Secured by mortgages on immovable property and ADC exposures	**2,478,926**	**467,966**	**2,446,455**	**148,624**	**2,031,675**	78.29%
9.1	Secured by mortgages on residential immovable property - non IPRE	726,235	28,643	724,789	9,060	436,603	59.49%
9.2	Secured by mortgages on residential immovable property - IPRE	13,266	-	12,562	-	3,523	28.04%
9.3	Secured by mortgages on commercial immovable property - non IPRE	1,170,268	278,912	1,147,159	91,877	930,057	75.06%
9.4	Secured by mortgages on commercial immovable property - IPRE	307,592	7,027	301,556	2,811	257,305	84.54%
9.5	Acquisition, Development and Construction (ADC)	261,566	153,384	260,389	44,876	404,189	132.41%
10	Exposures in default	93,124	4,256	92,572	2,314	107,461	113.25%
EU 10a	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
EU 10b	Collective investment undertakings (CIU)	54,907	-	54,907	-	13,380	24.37%
EU 10c	Other items	1,194,883	94,352	1,248,661	111,497	321,632	23.65%
11	not applicable						
12	**TOTAL**	9,871,966	2,429,970	9,871,966	707,026	6,455,796	61.02%

RWEA density on the total portfolio level stands at 61.02% at the end of December 2025 which is slightly above the previous year density (59.28%).

The table below contains the exposure values (total amount of on-balance sheet and off-balance sheet exposures under the regulatory scope of consolidation; in accordance with Article 111 in the CRR) after (i) the application of conversion factors and (ii) the application of credit risk mitigation techniques associated with each credit quality step, broken down by exposure classes.

Breakdown of exposures by asset class and risk weight as of December 31, 2025, is presented in table EU CR5.

Table 29: EU CR5 – Standardized approach

	Exposure classes	Risk weight																									Total	Of which unrated
		0%	2%	4%	10%	20%	30%	35%	40%	45%	50%	60%	70%	75%	80%	90%	100%	105%	110%	130%	150%	250%	370%	400%	1250%	Others		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q	r	s	t	u	v	w	x	y	z	aa
1	Central governments or central banks	975,818.57	-	-	-	14,469.85	-	-	-	-	27,063.37	-	-	-	-	-	363,962	-	-	-	-	2,115.28	-	-	-	-	1,383,429	1,001,400.72
2	Non-central government public sector entities	**92.57**	-	-	-	**30,983.72**	-	-	-	-	**5,206.03**	-	-	-	-	-	**51,438.39**	-	-	-	-	-	-	-	-	-	87,721	**87,720.71**
EU 2a	Regional governments or local authorities	-	-	-	-	30,984	-	-	-	-	-	-	-	-	-	-	44,890	-	-	-	-	-	-	-	-	-	75,873	75,873
EU 2b	Public sector entities	93	-	-	-	-	-	-	-	-	5,206	-	-	-	-	-	6,549	-	-	-	-	-	-	-	-	-	11,847	11,847
3	Multilateral development banks	352,056	-	-	-	-	-	-	-	-	5	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	352,061	352,061
EU 3a	International organisations	88,767	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	88,767	88,767
4	Institutions	-	-	-	-	301,856	81,066	-	993	-	34,888	-	-	-	-	-	49,675	-	-	-	186	-	-	-	-	-	468,664	378,698
5	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Corporates	-	-	-	-	-	-	-	-	-	10,068	-	-	21,664	-	-	1,696,340	-	-	7,209	503	-	-	-	-	-	1,735,783	1,700,231
6.1	Of which: Specialised Lending	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	26,685.54	-	-	7,208.64	-	-	-	-	-	-	33,894	32,424.44
7	Subordinated debt exposures and equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	**45,870**	-	-	-	**9,785**	**4,678**	-	-	-	-	60,333	**60,333**
EU 7a	Subordinated debt exposures	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	5,672	-	-	-	-	-	5,672	5,672
EU 7b	Equity	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	45,870	-	-	-	4,114	4,678	-	-	-	-	54,662	54,662
8	Retail exposures	-	-	-	-	-	-	-	-	-	-	-	-	2,281,437	-	-	15,767	-	-	-	-	-	-	-	-	-	2,297,204	2,294,403
9	Secured by mortgages on immovable property and ADC exposures	-	-	-	-	**398,524**	**10,337**	**1,456**	-	**264**	-	**549,981**	-	**332,705**	-	**86,686**	**795,173**	**257**	**58,986**	**3,921**	**247,900**	-	-	-	-	**108,889**	2,595,079	**2,595,079**
9.1	Secured by mortgages on residential immovable property - non IPRE	-	-	-	-	**398,524**	-	-	-	-	-	-	-	**282,400**	-	-	**52,926**	-	-	-	-	-	-	-	-	-	733,850	**733,850**
9.1.1	no loan splitting applied	-	-	-	-	-	-	-	-	-	-	-	-	214,962	-	-	20,480	-	-	-	-	-	-	-	-	-	235,442	235,442
9.1.2	loan splitting applied (secured)	-	-	-	-	398,524	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	398,524	398,524
9.1.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-	-	-	67,438	-	-	32,446	-	-	-	-	-	-	-	-	-	99,884	99,884
9.2	Secured by mortgages on residential immovable property - IPRE	-	-	-	-	-	10,337	1,456	-	264	-	-	-	-	-	-	-	257	-	-	248	-	-	-	-	-	12,562	12,562
9.3	Secured by mortgages on commercial immovable property - non IPRE	-	-	-	-	-	-	-	-	-	-	**549,981**	-	**50,305**	-	-	**634,828**	-	-	**3,921**	-	-	-	-	-	-	1,239,035	**1,239,035**
9.3.1	no loan splitting applied	-	-	-	-	-	-	-	-	-	-	-	-	33,214	-	-	197,342	-	-	1,417	-	-	-	-	-	-	231,973	231,973
9.3.2	loan splitting applied (secured)	-	-	-	-	-	-	-	-	-	-	549,981	-	-	-	-	-	-	-	-	-	-	-	-	-	-	549,981	549,981
9.3.3	loan splitting applied (unsecured)	-	-	-	-	-	-	-	-	-	-	-	-	17,091	-	-	437,487	-	-	2,505	-	-	-	-	-	-	457,082	457,082
9.4	Secured by mortgages on commercial immovable property - IPRE	-	-	-	-	-	-	-	-	-	-	-	-	-	-	86,686	-	-	58,986	-	49,805	-	-	-	-	108,889	304,367	304,367
9.5	Acquisition, Development and Construction (ADC)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	107,419	-	-	-	197,846	-	-	-	-	-	305,266	305,266
10	Exposures in default	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	69,736	-	-	-	25,150	-	-	-	-	-	94,886	90,202
EU 10b	Claims on institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
EU 10b	Collective investment undertakings (CIU)	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	112	-	3,572	-	-	-	-	-	-	51,223	54,907	54,907
EU 10c	Other items	1,033,728	-	-	-	5,939	-	-	-	-	-	-	-	-	-	-	320,491	-	-	-	-	-	-	-	-	-	1,360,159	1,360,159
11	not applicable																											
EU 11c	**TOTAL**	2,450,463	0	0	0	751,773	91,402	1,456	993	264	77,230	549,981	0	2,635,805	0	86,686	3,408,564	257	62,558	11,130	283,525	6,794	0	0	0	160,112	10,578,993	10,063,961

Major concentration in 100%, 0% and 75% risk weights.

12 MARKET RISK

(Article 445 of the CRR Regulation)

12.1 Qualitative Disclosure Requirements Related to Market Risk

The Group's operations are exposed to market risk, which refers to the potential for adverse effects on the bank's financial performance and capital resulting from changes in the value of balance sheet and off-balance sheet items due to market price fluctuations. The objective of market risk management is to maintain the level of exposure to market risk within acceptable frameworks, prescribed in risk appetite statement, with its defined strategy.

Market risk management within the Group is prescribed in the Group Policy on Market Risk Management. This document sets out the basic principles of market risk management on the Group level and defines the organization of the market risk management process among members of a banking group where AikGroup (CY) Limited is the parent company. In addition, this Policy defines the process of internal and regulatory risk reporting, as well as the framework and frequency of the implementation of stress tests.

Market risk is designed to ensure a clear division of responsibilities and roles across the relevant business and organizational units. Overall responsibility for market risk management lies with the Group Board of Directors (BoD), in charge of adopting decisions concerning market risk management and providing guidelines, setting up of RAS and other internal limits, approves and revises relevant documents from the market risk area on Group and solo level. In order to ensure an efficient and comprehensive market risk management process across an organization, the Group implemented three lines of defense principle in its market risk governance framework:

- The first line of defense: risk taking unit

  Market risk taking unit is a business unit that is taking positions exposed to market risk. Group ALM and Local Treasury and ALM Unit are the principal market risk taking units. The particular risk-taking unit has primarily responsibility for day-to-day risk management within the agreed risk limits, which includes decision making on particular transactions. This risk-taking unit is also responsible for the implementation of risk governance principles.

- The second line of defense: risk management unit and compliance

  The Risk management unit is responsible for further identifying, measuring, monitoring and reporting risks independently from risk-taking unit. The Risk management unit shall not be involved into any operational activities of business units and should not be involved into revenue generation.

- The third line of defense: internal audit

  Internal Audit should provide an independent assurance on the quality and effectiveness of a bank's internal control, risk management ang governance systems and processes. Internal Audit is also responsible for the independent overseeing of risk-taking and risk management units.

Market risk management process on a solo level (i.e. credit institution subsidiary) is an integral part of the Group risk management system, and it is harmonized with the Group Strategy on Risk Management, regulatory requirements, international standards and best practices, respecting the specifics of business activities and strategic goals. Subsidiaries are obliged to align with the Group process, but also with any regulatory requirements on local level, considering its size, nature, complexity and impact on risk exposure on the Group level.

Group Strategic Risk Management Function/Market and Liquidity Risk Controlling Unit (GRSFM/MLRCU) is in charge of market risk management on Group level. In order to achieve the objective of market risk management, GSRMF/MLRC Unit closely cooperates with risk taking units and other support groups. On credit institution subsidiary level, risk taking unit and risk management units are allocated to separate departments and units, ensuring the adequate segregation of duties in accordance with regulatory requirements and best practices, and adequate market risk management. Each subsidiary monitors indicators and limits defined in the Group RAS and reports to the GSRMF/MLRC Unit on those indicators. GSRMF/MLRC Unit calculates market risk indicators on Group level. The governance of market risk management is established and carried out through a structured framework comprising the following phases: risk identification and materiality assessment, risk

mitigation, monitoring, control, and reporting. Through the process of identifying market risks, subsidiaries are able to promptly recognize the factors contributing to market risk exposure, including the assessment of current levels of exposure.

In order to effectively control market risk, the organizational unit responsible for market risks management of subsidiaries monitors daily deviations from the defined internal and regulatory limits. The organizational unit responsible for managing the assets and balance of each subsidiary at daily level controls, monitors, manages and adjusts the foreign currency position by using available instruments, monitors the movement of foreign exchange rates and, in accordance with the same, keeps open or closed foreign currency position within the regulatory and internal limits. It also manages trading book positions in accordance with pre-defined limits, taking into account the fulfilment of the necessary conditions for taking positions from the trading book.

Market risk reporting includes a system of external and internal reporting on the management of market risks. External reporting is carried out in accordance with the requirements of the regulator. Market risk reporting also involves ad-hoc internal or external reports, based on the needs of internal and external stakeholders. Scope and nature of risk reporting is prescribed in the section “The Scope and Nature of Risk Reporting”.

FX Risk - Subsidiaries carry out the identification of foreign exchange currency risk exposure using open positions in a single currency and total for all currencies in which they operate. Open foreign currency position in all currencies and in total is the basis of measurement and evaluation of foreign exchange currency risk exposure. In order to reduce foreign exchange currency risk, the basic measure to be taken is to close the foreign exchange position by identifying and applying adequate techniques involving the contracting of standard and derivative instruments, as well as measures in part of the funds and sources of funds - through the granting of loans / taking deposits with a foreign currency clause. Each subsidiary carries out continuous mitigation of foreign exchange risk by maintaining risk at an acceptable level in accordance with internal and regulatory limits. In order to reduce foreign exchange risk, the basic measure to be taken is to close the foreign exchange position by identifying and applying adequate techniques involving the contracting of standard and derivative instruments, as well as measures in terms of the funds and sources of funds - through the granting of loans / taking deposits with a foreign currency clause. Monitoring foreign exchange risk mainly entails analyzing the current situation, identifying changes, and tracking trends related to foreign currency exposure. It also involves forecasting potential foreign exchange risks to help minimize exposure. By projecting foreign currency risk, organizations can implement preventive measures to reduce their vulnerability to exchange rate fluctuations. FX Risk stress test is conducted within the Group, according to the ESRB Macro-financial scenario EU-wide banking sector stress test and corresponding table “Shocks to foreign exchange rates”.

Position risk - Each subsidiary, that has items allocated in trading book, performs the identification of the exposure to the position risk of debt and equity securities based on the value of positions in the trading book that are monitored daily (the changes in their current market prices -mark-to-market or in accordance with the appropriate valuation models -mark-to-model). When determining if the financial instrument should be included in the trading book, subsidiaries take into consideration that at the moment of obtaining financial instruments, there is an intention to sell them in the short term after acquisition or to realize profit on the basis of the actual/expected difference between their purchase and sale price, or on the basis of other changes in prices or interest rates. Position risk mitigation is carried out continuously through risk management at an acceptable level, as well as by identifying and implementing adequate measures and techniques. Defining the limit in the trading book and defining and implementing measures to mitigate position risk is characterized by the phase of position risk mitigation. The basic principles of position risk management involve maintaining the level of risk in accordance with internally defined limits at the trading book level, daily monitoring of market changes that may affect the increase in exposure to risks Trading book and determining measures to reduce risk exposure trading book when changing the weight of the upper limit of accepted risk. The goal of active management is to reduce position risks to an acceptable level that can be controlled, and which ensures maximization of profit while minimizing risk. Stress testing of equity portfolio using latest assumptions published in EU-wide stress test – Market risk scenarios tables and corresponding tables “Equity, Commodities and Funds - relative changes” which has developed scenario triggered by a shock to equity prices in global financial. For markets where shocks to equity prices are not provided by ESRB (i.e. for equities from Serbia), market risk shock for Other countries are used.

Credit spread risk in banking book (CSRBB) is defined as a risk driven by changes of the market price for credit risk, for liquidity and for potentially other characteristics of credit-risky instruments, changing spread while assuming the same level of creditworthiness, i.e. how the credit spread is moving within a certain rating/PD range which is not captured by another existing prudential framework such as IRRBB or by expected credit/(jump-to-) default risk.

The objective of credit spread risk management is to maintain the level of exposure to credit spread risks at an acceptable level while at the same time maximizing the financial result by taking positions in existing and new products on the market.

CSRBB is calculated via internal measurement model based on VaR approach, within the Group. VaR is estimated to use historical simulation method where empirical normal-to-anything copulas (NORTA) are used to drive the underlying simulation process. Generated yield movements are translated to VaR using linear duration-based basis-point-value estimates.

12.2 Market Risk Standardized Approach

Capital requirement for market risk under standardized approach is the sum of capital requirement for position risk in equities, capital requirement for position risk in traded debt instruments and capital requirement for FX risk.

Capital requirement for position risk in equities is the sum of general and specific risk, with risk weighted exposure of 17,695 thousand EUR as of December 31, 2025.

Capital requirement for position risk in traded debt instruments (interest rate swaps) is the sum of general and specific risk, with risk weighted exposure of 4,415 thousand EUR, as of December 31, 2025.

Risk weighted exposure amount for foreign currency exchange risk is calculated through calculating net open foreign currency position on Group level. An open foreign currency position is the difference between foreign currency receivables and liabilities, as well as receivables and liabilities in a local currency indexed by a currency clause (including the absolute value of a net open position in gold).

Group isn't exposed to commodity risk and has no correlation trading portfolio, namely positions in securitization and credit derivatives based on the n-th default.

As of December 31, 2025, risk weighted exposure for market risk under standardized approach is 22,110 thousand EUR.

Table 29: EU MR1 - Market risk under the standardized approach

		a
		RWEAs
	Outright products	
1	Interest rate risk (general and specific)	4,415
2	Equity risk (general and specific)	17,695
3	Foreign exchange risk	
4	Commodity risk	
	Options	
5	Simplified approach	
6	Delta-plus approach	
7	Scenario approach	
8	Securitisation (specific risk)	
9	Total	22,110

13 OPERATIONAL RISK MANAGEMENT

(Article 446 the CRR Regulation)

Operational risk is the risk of negative impacts on a Group's financial results and capital due to failures or omissions in processes, people, systems, or external events, including fraud. It covers areas such as data quality, legal, conduct, ICT and security (including third-party), digital and AI, model, and outsourcing risks.

Objective of operational risk management is to ensure that AikGroup systematically identifies, assesses, monitors, and mitigates operational risks, maintains a comprehensive database of operational risk events classified into predefined categories, and supports informed decision-making and the protection of the Group's financial stability.

Identification and Assessment of Operational Risk

Operational risks are identified across all significant products, processes, systems, and external factors. Identification is performed through a structured and comprehensive approach including systematic risk identification across business activities, risk and control self-assessments (RCSA), monitoring of key risk indicators (KRI) and Risk Appetite Statement (RAS) metrics, as well as the collection and analysis of operational risk event data.

Exposure to operational risk is assessed by considering both likelihood (frequency) and potential impact of risk events, including low-frequency, high-impact scenarios. Particular attention is given to risks arising from the introduction of new products, processes, systems, and outsourcing arrangements.

Operational risk measurement is performed using both qualitative and quantitative methods, ensuring sufficient quality and comprehensiveness to support effective decision-making. Measurement techniques include risk assessments, scenario analyses, stress testing and internal loss data collection and analysis.

Mitigation and Control of Operational Risk

Based on results of risk identification and assessment, appropriate mitigation measures are defined and implemented. Operational risk mitigation includes avoidance, reduction, transfer, or acceptance of risks, supported by clearly defined policies, procedures and internal controls.

Mitigation activities include:

- Consistent application of procedures for the identification, measurement and assessment of operational risks, supporting effective risk prevention and detection including timely implementation of corrective actions for identified weaknesses
- Regular monitoring of risk indicators
- Ongoing employee training and awareness programs
- Use of appropriate risk transfer mechanisms, including insurance where applicable

Operational Risk Reporting Framework

Operational risk reporting comprises both internal and external reporting processes.

Internal reporting ensures timely, accurate, and comprehensive information flow on operational risk exposures and events:

- Operational risk events, losses, and risk indicators across the Group are collected and consolidated on a monthly basis by the Group Strategic Risk Management Function using predefined templates,
- Ad-hoc reporting is required for significant (high-loss) events,
- Operational risk developments are regularly discussed at the Group Risk Steering Committee (GRISCO).

Group Strategic Risk Management Function:

- Monthly reports to the Group Management Committee,
- Quarterly reports quarterly to Risk Committee and Board of Directors.

External reporting is performed in accordance with applicable regulatory requirements.

Organizational Framework and Governance

Operational risk management is structured in accordance with the Three Lines of Defense model:

- First Line of Defense:

  All organizational units whose business activities represent a source of risk within the Group and subsidiary. Business units are responsible for managing operational risks arising from their activities. Operational Risk Managers (ORMs), typically heads of organizational units, are accountable for risk management within their areas. Operational Risk Specialists (ORSs) support day-to-day risk management activities, act as contact points for operational risk matters, and coordinate with risk control functions.

- Second Line of Defense:

  The second line provides independent oversight, guidance, and monitoring of operational risk. It includes the Group Strategic Risk Management Function, Integrated Risk Management Unit, and

local risk controlling units and the Management Function. Functions such as Compliance and Information Security (CISO) also contribute by providing specialized oversight and support.

- Third Line of Defense; Group and local Internal audit

  Internal Audit provides independent and objective assurance on the effectiveness of operational risk management and internal control systems at both Group and subsidiary levels.

Capital Requirement for Operational Risk

AikGroup capital requirements for operational risk equals to Business Indicator Component calculated in accordance with Article 313 of CRR. Source of data used in calculation of relevant indicators is accounting data. AikGroup does not calculate annual operational risk losses in accordance with Article 316(1), since its business indicator is lower than 750million EUR.

As at 31 December 2025, capital requirement for operational risk amounted to 44,144 thousand EUR.

Table 30: Business Indicator, components and subcomponents

		a	b	c	d
	BI and its subcomponents	31.12.2025	30.09.2025	30.06.2025	Average value
1	**Interest, lease and dividend component (ILDC)**				213,253.18
EU 1	**ILDC related to the individual institution/consolidated Group (excluding entities considered by Article 314(3)**				-
1a	Interest and lease income	-	-	-	-
1b	Interest and lease expense	-	-	-	-
1c	Total assets/Asset component	-	-	-	-
1d	Dividend income/ dividend component	-	-	-	-
2	**Services component (SC)**				140,623.65
2a	Fee and commission income	-	-	-	-
2b	Fee and commission expense	-	-	-	-
2c	Other operating income	-	-	-	-
2d	Other operating expense	-	-	-	-
3	**Financial component (FC)**				6,489.69
3a	Net profit or loss applicable to trading book (TB)	-	-	-	-
3b	Net profit or loss applicable to banking book (BB)	-	-	-	-
EU 3c	Approach followed to determine the TB/BB boundary (PBA or accounting approach)				qx2024
4	**Business Indicator (BI)**				360,366.51
5	**Business indicator component (BIC)**				43,243.98

Disclosure on the BI:

		a
6a	BI gross of excluded divested activities	367,869.59
6b	Reduction in BI due to excluded divested activities	0.00
EU 6c	Impact in BI of mergers/acquisitions	69,288.02

Table 31: EU OR1 - Operational risk own funds requirements and risk-weighted exposure amounts

		a
1	Business Indicator Component (BIC)	44,144.4
EU 1	Alternative Standardised Approach (ASA) Own Funds Requirements (OROF) under Article 314(4)	0.0
2	*Not applicable*	
3	Minimum Required Operational Risk Own Funds Requirements (OROF)	44,144.4
4	Operational Risk Exposure Amounts (REA)	551,804.4

14 EXPOSURE TO INTEREST RATE RISK ON POSITIONS NOT INCLUDED IN THE TRADING BOOK

(Article 448 of the CRR Regulation)

14.1 Qualitative Information on Interest Rate Risk in the Banking Book

Interest rate risk is the risk of occurrence of interest rate loss that affects changes in the value of interest rate sensitive assets and liabilities. The loss arises due to a maturity of the assets and liabilities or a mismatch in the type of interest rate or the period in which the interest rate is re-determined. Interest rate changes have an impact on net interest income (NII). Interest rate changes also affect the balance sheet value and, consequently, the economic value of equity (EVE), the accounting and regulatory capital of the Group and its members. The interest rate risk management process involves identifying and assessing the materiality of the risk, followed by its measurement, monitoring, management, and reporting.

IRRBB gap analysis methodology is used within the Group, to measure interest rate risk. It shows the difference between the cash flows of interest rate sensitive assets and interest rate sensitive liabilities by individual predefined time buckets. All interest-sensitive items are allocated in time buckets according to the interest rate change date. In the case of a fixed interest rate, the final maturity date is considered, and in the case of a variable interest rate, the interest rate repricing date is considered. A structured system for monitoring interest rate risk is in place to maintain adequate net interest income and capital levels amid changing interest rates. The Group's policy involves regularly tracking and managing interest rate exposure, developing interest rate scenarios, and preparing responsive measures to mitigate potential adverse impacts on net interest income and capital.

The system of interest rate risk limits, checked against net interest income, and economic value of equity are used to test an effect of interest rate shock scenarios. Concerning NII, impact of 200/300bp change in interest rates on net interest income over a one-year period curve. When assessing the impact on the Group's capital, under six different interest rate shock scenarios defined by the European Banking Authority (EBA), the result with the most adverse effect is used for measuring the economic value of equity. The management of interest rate risks is based on a limit system for exposure to interest rate risk.

In addition to regulatory-defined limits, the Risk Appetite Statement also sets internally established limits related to interest rate risk:

- EVE ratio under worst scenario,
- NII under worst scenario.

GSRMF/MLRC Unit calculates interest rate gaps and impact of interest rate changes on NII and EVE at the consolidated level and reports to the Group BoD and Group Management Committee at least quarterly. IRRBB identification, measurement, monitoring and control processes are reviewed by Internal auditing function on a regular basis and reports are submitted to relevant competent authorities.

For certain interest rate sensitive items, the contractual maturity is not known, or they are less amenable to standardization unlike positions that are amenable to standardization (as fixed rate and floating rate positions). Therefore, the Group prescribes the process for positions that are less amenable to standardization and for which contractual maturity is not known. The Group assigns non-contractual positions and positions not amendable to standardization based on historical data and the characteristics of the markets in which they operate.

The following types of interest rate sensitive positions not amendable to standardization have been recognized:

Non-maturing deposits (NMDs) include balances on transaction accounts and savings deposits or savings accounts in the part that is insight. NMDs are classified in accordance with the time serious model of non-maturing deposits, which defines a methodology for assigning of non-maturity deposits into time buckets, distinguishing between stable and unstable deposits and between core and non-core deposits. Modelling of non-maturing deposits meets regulatory requirements and recommendations under the EBA IRRBB Guidelines (Article 7 of EBA/RTS/2022/09) and BIS IRRBB Standards.

In line with Article 7 of EBA/RTS/2022/09, non-maturity deposits are classified according to the counterparty as follows:

- Retail non-maturity deposits, further classified into:
  - Retail transactional deposits,
  - Retail non-transactional deposits.
- Wholesale non-maturity deposits, further classified into:
  - Wholesale deposits of financial customers,
  - Wholesale non-financial deposits.

The first step for each credit institution subsidiary is to distinguish the stable from the non-stable part referred to using observed changes of the volume of the deposits due to upward and downward movements of the risk-free interest rate for a period of at least the preceding ten years, based on time series model. The Monte Carlo method was used to simulate time series of growth rates by randomly selecting them from historical growth rates set. The second step is to determine a core and a non-core component within the stable part of the non-maturity deposits. To determine the amount of the non-core component of the stable deposits, institutions shall multiply the amount of all stable deposits by the pass-through rate. Pass-through rate is calculated using Error Correction Model. This model

belongs to a category of multiple time series models most used for data where the underlying variables have a long-run common stochastic trend. In the third step, the remaining part of sight deposits, which are classified as core deposits, further are distributed according to the assumptions determined by renewed NMDs model. This model is using Monte Carlo simulation, based on VaR, and it represents a powerful tool for modelling the uncertain behavior of NMDs. The result of each Monte Carlo calculation is a set of curves representing the remaining sight deposits across various percentiles of simulated outcomes, extending up to 5 years. These curves provide valuable insights into the potential future behavior of NMDs under different scenarios. However, for comprehensive NMD modelling, it is essential to project these curves beyond the initial 5-year period to understand the long-term decay patterns and risks associated with these deposits. In order to achieve this projection, Fit of an Exponential Curve with a Fixed Intercept at 1 (100%) was used. In this approach, the exponential curve is fitted with the condition that the intercept is fixed at 1, corresponding to 100% of the initial deposit value. NMDs model has undergone its regular annual update, including the recalculation of the VaR for stable deposits, followed by the allocation of the core component across the relevant time buckets.

Treatment of NMDs within stress test, in scenarios prescribing an increase of short-term interest rates, the core component shall be multiplied by 0.8 and the non-core component shall increase accordingly. In scenarios prescribing a downward movement of short-term interest rates, the core component shall be multiplied by 1.2 and the non-core component shall decrease accordingly. For the reporting period the average repricing maturity assigned to retail demand deposits is around 3 years in EUR currency and 2.3 years in RSD currency. Average repricing maturity assigned to corporate non-maturing deposits is below 1Y in EUR and RSD currency as well.

Overdraft - The limits on transaction accounts are treated as items with a maturity date and classified into the bucket of final maturity.

Revolving loans - are classified according to the type of interest rate. In the case of a fixed interest rate, interest rate sensitive items are allocated on the maturity date, and in the case of a variable interest rate, the interest rate repricing date is considered.

Products with behavioral modelling components include the following:

- Fixed rate loans, subject to prepayment risk,
- Term deposits, subject to early redemption risk.

The early repayment rates for loans with fixed interest rates and early withdrawal rates for deposits with fixed interest rates have been established based on historical redemption data over a 5-year observation period. These rates are determined separately for each corporate/retail segment and for each significant currency.

14.2 Changes in the Economic Value of Equity and Net Interest Income

Table 32: EU IRRBB1 – Interest rate risks of non-trading book activities

Supervisory shock scenarios		a	b	c	d
		Changes of the economic value of equity		Changes of the net interest income	
		31.12.2025	30.06.2025	31.12.2025	30.06.2025
1	Parallel up	-89,449	-73,108	5,126	4,845
2	Parallel down	-28,595	-23,468	-10,241	-9,690
3	Steepener	-56,874	-49,955		
4	Flattener	23,788	25,435		
5	Short rates up	-77,194	-62,719		
6	Short rates down	19,550	17,334		

The table shows an impact on net interest income in the non-trading book, but also the change of the economic value of equity in the banking book under six scenarios, after applied embedded options.

The maximum EVE impact was in Parallel up scenario in loss of 89,449 thousand EUR as of December 31, 2025. Net interest income loss as of December 31, 2025, was 10,241 thousand EUR in parallel down scenario (200/300bp for EUR and RSD currency respectively). The main risk drivers include investments in long-term government bonds, primarily held as a liquidity buffer, particularly in RSD currency, loans with fixed interest rates, fixed-rate deposits and non-maturing deposits.

15 ENVIRONMENTAL, SOCIAL AND GOVERNANCE RISK

(Article 449a of the CRR Regulation)

ESG disclosure is included in accordance with Article 449a CRR.

As the global financial landscape increasingly prioritizes sustainability, the integration of Environmental, Social, and Governance (ESG) factors has emerged as a critical component of responsible banking. Regulatory bodies worldwide are establishing frameworks that require financial institutions to disclose their ESG risk exposures and management strategies. In alignment with these evolving regulatory expectations, this report provides a detailed overview of our approach to identifying, assessing, and managing ESG risks within the framework of our Pillar III Disclosure.

15.1 Environmental Risk

(Table 1 - Qualitative information on Environmental risk)

15.1.1 Business Strategy and Processes

Business strategy and processes:
(a) Institution's business strategy to integrate environmental factors and risks, taking into account the impact of environmental factors and risks on institution's business environment, business model, strategy and financial planning.
(b) Objectives, targets and limits to assess and address environmental risk in short-, medium-, and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes.
(c) Current investment activities and (future) investment targets towards environmental objectives and EU Taxonomy-aligned activities.
(d) Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce environmental risks.

In formulating and implementing its business strategy and overall objectives, the Group considers the climate and environmental (C&E) risks that influence its operating environment in the short, medium, and long term. The Group and its subsidiaries have enhanced awareness of climate change and environmental challenges, strengthened its management of these risks, and taken proactive measures to mitigate C&E, as well as overall ESG impact.

Recognizing that C&E risks pose significant financial threats, the Group is committed to making its operations as resilient as possible, recognizing a range of C&E risks, including physical and transition risks, which drive various existing risks — primarily credit, operational, market, and liquidity risks — along with other risk types recognized in risk inventory of the Group.

These C&E risks simultaneously affect multiple categories and sub-categories of existing risks. As a responsible banking group, the Group is dedicated to minimizing its negative environmental impact and contributing to the reduction of environmental degradation. In its capacity as a financial services provider to the public and the economy, the Group actively supports the transition to a sustainable economy and a low-carbon society by aligning financing needs with available funding sources.

The Group is aware of the short-, medium-, and long-term implications of climate and environmental risks in its business landscape. Accordingly, its activities are strategically designed to facilitate the transition toward a carbon-neutral economy.

To reinforce this commitment, the Group has integrated its ESG drivers and risks into its ESG Strategy for the period 2025-2027, which outlines both overall and specific objectives, and which is being executed through action plans developed under the guidance of the Group's management body and supported by the local Sustainability Management Committees of the credit institution entities of the Group. Becoming aware of the Group’s role and impact on the further development of the ESG area, ESG goals are included in internal acts and processes, as well as in planned measures to adjust current investment and credit portfolio.

The Group’s activities are strategically designed to achieve the goal of a carbon-neutral economy.

To strengthen its risk management processes, the Group is developing new methodologies for assessing ESG risks within its operations. By increasing disclosures, it aims to achieve greater transparency in its business activities and overall operations.

Targets & KPIs	
Environmental (E): • 20% of corporate book as green investments in 2027, with consideration of country-specific potential and opportunities for green financing. • 2027 15% of green mortgages in SI • 2050 Net Zero Portfolio • 2030 Net Zero Operations • 2030 100% of electricity purchased from zero carbon energy sources • 2027 Green financing above 6% of credit port • 2027 <15% (SI) and 16% (RS) exposure towards sector with highest CO2 emissions	• 2027 <13% value of collaterals with high exposure to physical risk (RS, SI) • 2027 <3% exposure to electricity, gas, steam and air conditioning supply from non-renewable sources **Social (S)** • Enlargement of regional program "Support of families"; >0.5 million EUR p.a. • Equal working conditions in all diversity groups • Commitment to support family and affordable housing

In its Group Risk Appetite Statement, the Group and its subsidiaries introduced short and medium-term risk indicators related to C&E risks.

Based on the identified physical risk drivers, the Group identified areas in Serbia and Slovenia in which C&E risks are higher and defined target for portion of collaterals in the regions with an indication of high physical risk by end of 2026 and interim target by end of 2027 and 2028.

In order to address the transition risk, based on the relevant public data (government statistical institutions, European Commission statistical institutions), the Group identified industries with highest GHG emission for Serbia and Slovenia and set targeted exposure towards those industries adjusting the limit to country specifics, i.e. different for Serbia and Slovenia.

In addition to targets related to physical and transition risks, the Group also defined short-term target for the portion of green financing in total loans by the end of 2026, as well as mid-term for 2027 and 2028. The Group green loan definition is aligned with Grean Loan Principles (GLP) published by Loan Market Association (LMA).

Based on performed calculations of financed GHG emissions based on the standard of the Partnership for Carbon Accounting Financials (PCAF), Group introduced indicators (YoY change in total financed emission per NACE code and YoY change in total financed emission per asset class) in the scope of PCAF with the main goal to monitor the trend of change in total financed GHG emission and also defined targets have goal to set the direction of constant decrease of total financed GHG emission

Table 33: C&E risk key risk indicators set in Group Risk Appetite Statement

Risk Area	Key Risk Indicator	Description
Environmental and Climate related risk	Green financing	Total loans and advances exposure of all green loans issued in relation to Total loans and advances to customers
	Value of collaterals by regions, with an indication of highly exposed to physical risk	Value of collaterals by regions in relation to Loan Portfolio
	Exposures towards sectors with highest CO2 emission-Serbia	Exposure to NACE Letter C and D relation to Loans and Advances by end of 2026
	Exposures towards sectors with highest CO2 emission- Slovenia	Exposure to NACE Letter C, D and H relation to Loans and Advances by end of 2026
	Exposure to Electricity, gas, steam and air conditioning supply	Decrease the exposure to NACE code 35 in relation to Loan portfolio
	YoY change in total financed emission per D, B and C NACE code - Serbia	KRIs are based on the yearly comparison of financed GHG emission at the different levels of aggregation: NACE code or client level - Serbia
	YoY change in total financed emission per C, I and D NACE code - Slovenia	KRIs are based on the yearly comparison of financed GHG emission at the different levels of aggregation: NACE code or client level - Slovenia
	YoY change in total financed emission (per asset class in the scope of PCAF)	KRIs are based on the yearly comparison of financed GHG emission at different levels of aggregation: asset class (as per PCAF methodology)

Results of the materiality assessment are used to shape follow-up actions and future strategic responses to better manage and/or mitigate impact of C&E risks.

To further strengthen the process of inclusion of C&E risks and in addition to existing operational KPIs Group introduced new operational KPIs without limits, i.e under monitoring, in order to align with EBA Guidelines on Management of ESG risks. While these indicators are not directly integrated into Group's existing Risk Appetite Statement (RAS), they have been identified as essential components of broader ESG strategy as they further present concentration ratios relevant for ESG risks, showing proportion of total exposure and Tier 1 capital. By measuring and monitoring key metrics related to climate risks and environmental impacts, Group aims to gain deeper insights into the exposure of the business and stakeholders to these critical factors. These indicators will help identify emerging risks, capture new opportunities in the sustainable finance space, and ensure meaningful contribution to global efforts to combat climate change and support the transition to a low-carbon economy.

Ultimately, these new indicators are part of the Group's ongoing journey to ensure that business practices contribute positively to a sustainable, resilient, and low-carbon future, while continuing to deliver financial stability and value to all stakeholders. To maintain a proactive approach, the monitoring of these indicators will occur on a quarterly basis, ensuring timely insights and informed decision-making. Operational KPIs are divided in four categories:

- KPIs defined for Business and Risk underwriting,
- KPIs defined for the whole group - all employees,
- Other ESG Dashboard KPIs - team/individual goals,
- ESG risk indicators under monitoring framework

The Group's long-term objectives are the following:

- Achieving carbon neutrality, which reflects the need for an ecological balance between activities that generate carbon emissions and processes that reduce these emissions to zero or close to zero.
- Transforming the Group's lending and investment portfolio towards a "green" portfolio with zero greenhouse gas emissions by 2050.

In mid-term, the Group is committed to developing a Decarbonization Strategy to align with the goal of achieving net-zero greenhouse gas emissions by 2050. Several steps have been already taken to analyze current investments to identify high-emission sectors.

The Group's strategic commitment is to balance sustainable financial outcomes with the consideration of ESG dimensions, recognizing that these aspects also present new opportunities for competitiveness, development, and growth.

Recognizing the importance of investing in the green transition, the Gorenjska banka within AikGroup made its first investment in a sustainability bond in 2018 and participated in the primary issuance of SID banka d.d.'s green bond SID23 in December 2018. The Group has been increasing its investment in securities with a sustainable component and currently has 20.2 million EUR of sustainable bonds in its portfolio, representing 6% of the Gorenjska bank's debt securities portfolio. Aik Bank has green bond amounting to 1% of total securities portfolio.

Considering the Group's sustainability goals set by ESG Strategy and long-term resilience, there is a strong intention on increasing green lending which could mitigate the risks associated with non-sustainable projects that might become stranded assets or face devaluation due to changing regulations or market conditions. Therefore, the Group developed an internal definition of sustainable investment, establishing criteria for transactions to qualify as sustainable. These criteria aim to label sustainable investments and are partially aligned with the EU taxonomy and refer to Loan Market Association (LMA) Principles. According to these principles, an investment is considered sustainable if it is dedicated to the intended purpose as interpreted by environmental objectives outlined in EU Regulation 2020/852—such as climate change mitigation and adaptation, sustainability and protection of water and marine resources, transitioning to a circular economy, pollution prevention and control, and the protection and restoration of biodiversity and ecosystems. Additionally, the proportion of financing attributed to the sustainable portion of the loan at the time of the transaction is guaranteed. Based on this framework, the Group has established a register of sustainable investments in lease financing, corporate, and personal financing. Template 10 - Other climate change mitigating actions that are not covered by the EU Taxonomy presents an overview of loans and advances as of December 31, 2025, that support the transition toward sustainable growth and a low carbon economy but are not fully covered by or aligned with the EU Taxonomy and therefore are not included in the Green Asset Ratio calculation.

In the realm of individual financing, the Gorenjska banka currently offers an ECO housing loan with a variable interest rate and a repayment period of up to 30 years, reflecting its commitment to environmental objectives. The interest rate for eco-focused loans is set at a lower level than standard offerings. These loans are designated for the purchase or construction of low-energy or passive houses, the replacement of asbestos roofing, the purchase of heat pumps, connection to district heating, investment in wastewater drainage and treatment, and other ecological initiatives. Aik Bank finances clean energy projects (solar, wind, hydro), and in line with MIGA Capital Optimization guarantee offers loans for financing small businesses, climate and green investments, as well as sensitive social groups.

To successfully implement its sustainability strategy, the Group progressively integrates ESG factors into its business strategy, business model, policies, methodologies, processes and other internal acts, and considers them in the following:

- the risk management system,
- compliance with legislative and regulatory requirements,
- a code of business conduct and ethics and fraud prevention,
- the AML/CFT system,
- safety of people and property,
- ensuring business continuity of processes,
- privacy and data protection,
- procurement and supplier selection,
- transparent reporting etc.

The Group is actively engaged in collaborative initiatives with leading international financial institutions that offer investment, advisory, and asset-management services. In partnership with them, the Group is focusing on the further development of environmental and social management system procedures. This effort includes enhancing existing performance requirements, particularly in relation to climate change projects, such as solar energy and wind farm developments.

Simultaneously, collaboration is directed toward aligning our business processes with higher sustainability standards. The Group is undertaking significant steps to address business requirements and is making necessary adjustments to existing processes to promote greater sustainability across its operations.

15.1.2 Governance

Governance
(a) Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of environmental risk management covering relevant transmission channels
(b) Management body's integration of short-, medium- and long-term effects of environmental factors and risks, organizational structure both within business lines and internal control functions
(c) Integration of measures to manage environmental factors and risks in internal governance arrangements, including the role of committees, the allocation of tasks and responsibilities, and the feedback loop from risk management to the management body covering relevant transmission channels
(d) Lines of reporting and frequency of reporting relating to environmental risk
(e) Alignment of the remuneration policy with institution's environmental risk-related objectives

The Group has a comprehensive sustainability management structure in place that requires implementation on local subsidiaries' level to be in line with Group standards. In addition, subsidiaries have formed the Sustainability Committees at local levels.

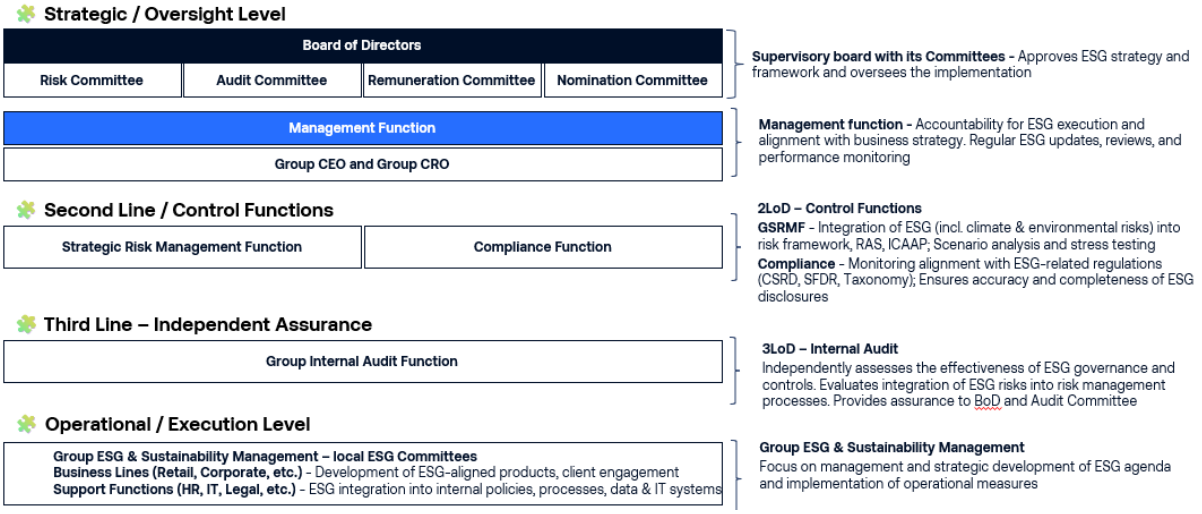


Figure 3: ESG Governance model

Roles and responsibilities of Board of Directors Group Management Committee, as well as roles and responsibilities of Risk Committee are defined in Group Policy on Internal Governance and respective Charters.

The **Board of Directors** with the **Risk Committee** approves Group business strategy including ESG Strategy and ESG framework and oversees the implementation, decision-making and actions related to the ESG risk management and provides effective oversight of the Group Management Committee in this respect. It ensures adequate and timely monitoring of ESG risks and challenges strategic approaches taken using all available information gathered via regular & ad-hoc reports including those provided during regular Risk Committee and BoD meetings. Regularly, relevant reports are prepared on at least quarterly basis and presented to the Holding company's Group Management Committee, Group Risk Committee and the Holding Company's BoD.

The **Risk Committee** primarily oversees all identified risks to which the Group is exposed. The Risk Committee will pay special attention to the existence of **new types of risks** (especially emerging risks), that can have a material impact on traditional types of risks through various transmission channels. The **Risk committee** assists Board of Directors to oversee implementation of ESG related strategic choices. Risk committee also provides recommendations related to C&E risk management.

The **Group Management Committee** defines sustainability strategy and is responsible for ESG framework, priorities and goals. It ensures implementation of sustainability strategy. The Group Management Committee ensures that the Group adequately embeds C&E risks in the risk management framework and that adequate changes in the Risk Appetite are made (e.g. inclusion of C&E risks, specific KPIs/KRIs, with clear definition of thresholds/limits that reflects the Group's risk bearing capacity and appetite). It also approves results of the materiality assessment of climate-related and environmental risks and implements strategic decisions approved by the BoD, as a result of materiality assessment. The Group Management Committee facilitates daily business operations ensuring climate-related and environmental risks are adequately captured and managed when occurred. Related decisions should be based on a sound and well-informed basis i.e. relevant climate-related and environmental risk data provided by various business units in the Group.

In addition, Group Management Committee is obliged to comprehensively report, and inform regularly and where necessary without undue delay the Group Board of Directors on climate-related and environmental risks and related developments affecting or that may affect the Group e.g. identification of new risk drivers, changes in the materiality of climate-related and environmental risks the Group is exposed to and its impact on Group's business activities (primarily impact on net result, solvency measured through capital adequacy ratios and liquidity)

Risk management is primarily a task of **Group Chief Risk Officer (CRO)**. CRO is responsible for setting up comprehensive risk management framework on the Group level, overseas and manages Group Risk Management Function and coordinates the preparation of Group Strategy on Risk Management and Group Risk appetite statement. CRO plays a key role in further enhancements of risk awareness among its employees and strengthening the risk culture on the Group level. Incorporation of emerging risks that impact traditional types of risks via transmission channels and that are material to the Group

(most significant emerging type of risks are ESG risks, more specifically climate & environmental risks) into risk management framework is the responsibility of GRMF that coordinates the whole process.

The first line of defense represents the **front office, business and underwriting units** with the main role of performing duties in accordance with C&E risk framework, procedure and defined RAS limits. It identifies, assesses and monitors any C&E risks relevant to the creditworthiness of a client. First line roles are directly aligned with the delivery of products to clients and include the roles of leading actions to achieve objectives defined in the Group Business and ESG Strategy.

The second line of defense is executed by risk management and compliance functions.

The main responsibility of the **risk management function** is to ensure that all risks are identified, assessed, measured, monitored, managed and properly reported by the relevant units on the Group and subsidiary level. The risk management function provides relevant information, analyses and expert judgement on ESG risk exposures. Since those risks materialize through existing financial risks, the tasks and responsibilities are embedded in the framework of the existing management system. Risk management function implements the strategic orientation of the Group and has the controlling function in respect of monitoring the implementation of the Group Strategy on Risk Management and Risk Appetite. Within the Risk function, there is a C&E risk controlling officer that monitors and implements activities related to C&E risks.

The **compliance function** is responsible for ensuring that compliance risks stemming from ESG risks are duly considered. Compliance function both on Group and local level is responsible for regulatory tracking, monitoring, and reporting of the relevant changes in regulatory framework, and assessment of the possible impact of any changes in the legal or regulatory environment on the institution's activities and compliance framework. Furthermore, the compliance function advises the management body (Group Management Committee and BoD) on measures to be taken to ensure compliance with applicable laws, regulations and standards within areas under its remit.

The **third line of defense** is executed by the **internal audit** which considers in its reviews the extent to which the Group is equipped to manage C&E-related risks. The internal audit function reviews the Group's internal control and risk management framework, by considering external developments, changes in the risk profile and in products and/or business lines, among other things. This is expected to include the appropriateness of the arrangements for managing C&E-related risks.

The **local sustainability officer** is responsible for the implementation of ESG governance model and measures on local level in line with Group standards. As defined in the ESG Strategy, there are designated employees, Sustainability officers as a horizontal point of contact to ensure that climate-related and environmental risks were appropriately integrated into Group risk management framework. Sustainability and ESG officers monitor and implement activities in specific business areas (risk management, financial management and reporting, corporate, retail, product and process development, marketing and public relations, human resources, legal, compliance, occupational health and safety, real estate, group subsidiaries).

Group Remuneration Policy is designed to support the implementation of sound remuneration practices which promote the achievement of the Group's strategic objectives while ensuring a prudent approach to risk management. On a Group level, the Board of Directors, working closely together with its committees, ensures that the remuneration policy is consistent with and promotes sound and effective risk management, which includes also management of ESG risks. In addition to the fixed component of the remuneration, employees may also be entitled to variable components of the remuneration. Variable remuneration is determined based on the performance assessment of achieving of the business performance of the respective organization, as well as of the organizational unit and individual goals. The performance criteria and targets that impact on the variable remuneration of executive directors are determined by the Board of Directors at the beginning of the financial year, who also evaluate the performance of the executive directors after the end of the performance of the year. For 2025 performance criteria included ESG targets. Examples of ESG performance criteria applicable for 2025 include the implementation of ESG elements in the loan pricing tool, an increase in Green Financing as a percentage of the total loan portfolio, the development and execution of the Data Governance roadmap and key data projects, incorporation of ESG aspects into ICAAP, implementation of comprehensive ESG disclosures, adjustments to lending policies and pricing or rating correlations to reflect ESG elements, and improvements in the Employee Engagement and Enablement score. ESG related targets are cascaded through the organization.

The Group is also developing application support to ensure the correct classification of sustainable investments in compliance with legal requirements. Loans meeting sustainability criteria will be labeled as "sustainable investments." To incentivize these investments, the Group plans to offer lower interest

rates, including reductions on standard rates and bonuses. It aims to extend these benefits for both consumer and residential financing options.

15.1.3 Risk Management

Risk management
(a) Integration of short-, medium- and long-term effects of environmental factors and risks in the risk framework
(b) Definitions, methodologies and international standards on which the environmental risk management framework is based
(c) Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to environmental risks, covering relevant transmission channels
(d) Activities, commitments and exposures contributing to mitigate environmental risks
(e) Implementation of tools for identification, measurement and management of environmental risks
(f) Results and outcome of the risk tools implemented and the estimated impact of environmental risk on capital and liquidity risk profile
(g) Data availability, quality and accuracy, and efforts to improve these aspects
(h) Description of limits to environmental risks (as drivers of prudential risks) that are set, and triggering escalation and exclusion in the case of breaching these limits
(i) Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework

The Group has integrated C&E risks into its risk management framework in several ways.

The Risk Inventory in the Group Risk Management Strategy includes ESG risk, including climate and environmental risks, where two main risk factors have been identified:

- Physical risk, which refers to the financial impact of climate change, covering more frequent adverse weather events and gradual climate change and environmental degradation, such as air, water and soil pollution, water scarcity, floods, landslides, fires, biodiversity loss and deforestation, and
- Transition risk, which refers to the financial losses incurred by an institution as a direct and indirect consequence of adapting to a low-carbon and more sustainable economy and can be triggered by factors such as the relatively sudden introduction of climate and environmental policies, technological advances, changes in market sentiment or changes in market preferences.

The Group Risk Appetite Statement has been complemented with metrics for measuring climate and environmental risks and their short and medium-term targets, as previously mentioned under the Business strategy and processes section.

The Group performed comprehensive materiality assessment considering the specificities of the respective business model, operating environment and risk profile of the Group, taking into account impact on Group's products and services (including types of operations and location of facilities) for each subsidiary/market where the Group operates.

Group recognizes ESG risks as risk drivers that materialize in existing risk categories and distinguish between the various drivers of transition and physical risks, as well as S and G specific risk types. Materiality assessment for 2025 further integrated and analyzed S and G components, which were found immaterial. The impact of ESG risk drivers is carried out following standard steps that ensure transparency of the process:

- Identification of risk drivers and transmission channels;
- Gathering of the expert assessments;
- Preparation of the portfolio analysis;
- Implementation of the qualitative and quantitative methods of analysis;
- Interpretation of the results and conclusion on materiality assessment.

Identification of risk drivers and transmission channels

In the first step of materiality assessment the Group identifies risk drivers. Physical and transition risk drivers as Environmental risks and Social and Governance risks were considered in the materiality assessment.

Wide range of **physical risk drivers** were examined. The Group has used all available data sources to identify and examine relevant risk drivers. Physical risk drivers were separately examined considering geography where clients/collaterals are positioned. Mapping collaterals to high physical risk areas is performed following Thinkhazard maps. These maps are considered as the most conservative ones since they are provided at regional level, per country.

As mentioned above, S and G risks were found immaterial, therefore the C&E risks were described in more detail as they are material.

As per materiality assessment performed the following physical risk drivers were assessed as a higher potential hazard level for the Group and subsidiaries in the medium and long term:

- River flood (Serbia),
- Urban flood (Serbia),
- Wildfire (Serbia),
- River flood (Slovenia),
- Urban flood (Slovenia),
- Wildfire (Slovenia),
- Coastal flood (Slovenia),
- Landslide (Slovenia).
- River flood (Montenegro),
- Urban flood (Montenegro),
- Landslide (Montenegro)
- Wildfire (Montenegro).

Main physical risk drivers are river flood, urban flood, landslide and wildfire.

Different modalities of **transition risk drivers**, caused by changes in climate and environmental policies, technological progress or changes in market sentiment and preferences, are considered. Based on the performed analysis, expected changes in regulation and policies are considered as the most prominent transition risk drivers. Exposures to different industries are considered as a good indicator of the exposure to transition risks. Industries, with the highest share of CO2 emissions in the country, are considered as those highly exposed to transition risk. The following industries are those responsible for the highest share of CO2 emissions in the countries where the Group operates:

- C – Manufacturing,
- H – Transportation and storage,
- D - Electricity, gas, steam and air conditioning supply

The following data is sourced from **PCAF calculation of financed emission on the AikGroup level** and provides a detailed representation of finances emissions (Scope 1,2,3) based on NACE codes. It highlights industries with the highest greenhouse gas (GHG) emissions in the Group, offering insights into sector-specific contributions to overall emissions and enabling better analysis of environmental impact.

For **Serbia**, the industries with the highest exposure to CO_2 emissions (PCAF Financed emissions) are:

- **B (Mining and Quarrying)** – due to the extraction and processing of fossil fuels and minerals.
- **C (Manufacturing)** – particularly in energy-intensive sectors such as metal production, chemicals, and cement manufacturing.
- **D (Electricity, Gas, Steam, and Air Conditioning Supply)** – primarily driven by fossil fuel-based energy production.
- **G (Wholesale and retail trade; repair of motor vehicles and motorcycles)** – due to high exposure to this industry.

Serbia (AIK Bank)					
NACE_Rev_2	**Total Financed emissions Scope 1, 2, 3 (t CO2)**	Financed emissions Scope 1 (t CO2)	Financed emissions Scope 2 (t CO2)	Financed emissions Scope 3 (t CO2)	**On balance Exposure (mEUR)**
C-Manufacturing	613,661	123,471	48,358	441,832	496.8
D-Electricity, gas, steam and air conditioning supply	606,217	308,235	12,048	285,934	198.4
B -Mining and quarrying	298,957	38,170	8,298	252,489	117.4
G-Wholesale and retail trade	239,928	26,008	25,611	188,309	570.9
A-Agriculture, forestry and fishing	97,446	8,267	332	88,847	126.7
F-Construction	42,948	2,590	1,317	39,041	270.6
H-Transportation and storage	9,917	4,882	1,599	3,436	200.9

For **Slovenia**, the industries with the highest CO_2 exposure are:

- **C (Manufacturing)** – with significant emissions from industrial processes and energy use.
- **G (Wholesale and retail trade; repair of motor vehicles and motorcycles)**, as industry with an increasing exposure
- **E (Water Supply; Sewerage, Waste Management and Remediation Activities)**, due to the Group's exposure to clients operating in this sector and its relevance from an environmental perspective
- **F (Construction)**, due to the large number of clients operating in this sector and the relatively high exposure of the Group's credit portfolio to construction-related activities.

Slovenia (Gorenjska Bank)					
NACE_Rev_21	**Total Financed emissions Scope 1, 2, 3 (t CO2)**	Financed emissions Scope 1 (t CO2)	Financed emissions Scope 2 (t CO2)	Financed emissions Scope 3 (t CO2)	**On balance Exposure (mEUR)**
C-Manufacturing	261,077	79,213	5,876	175,987	284.8
G-Wholesale and retail trade	58,289	9,599	1,993	46,697	198.0
E -Water supply; sewerage, waste management and remediation activities	36,987	5,274	193	31,520	13.8
F-Construction	35,468	4,287	45	31,137	98.0
B -Mining and quarrying	32,195	2,153	205	29,837	5.7
A-Agriculture, forestry and fishing	14,763	1,281	18	13,463	3.8
N-Professional, scientific and technical activities	11,012	2,246	21	8,746	85.4
M-Real estate activities	10,640	1,272	232	9,136	183.2

For **Montenegro,** the industries with highest CO2 exposures are:

- **C (Manufacturing)** – with significant emissions from industrial processes and energy use.
- **D (Electricity, Gas, Steam, and Air Conditioning Supply)** – reflecting the impact of energy production and distribution on carbon emissions
- **G (Wholesale and retail trade; repair of motor vehicles and motorcycles)** - reflecting significant financed emissions driven by extensive supply chains, energy consumption in retail and logistics operations, transportation and distribution activities, as well as indirect emissions embedded in traded goods.

Montenegro (Hipotekarna Bank)					
NACE_Rev_2	**Total Financed emissions Scope 1, 2, 3 (t CO2)**	Financed emissions Scope 1 (t CO2)	Financed emissions Scope 2 (t CO2)	Financed emissions Scope 3 (t CO2)	**On balance Exposure (mEUR)**
G-Wholesale and retail trade	56,791	9,723	6,463	40,605	60.2
D-Electricity, gas, steam and air conditioning supply	39,371	11,499	534	27,338	32.7
C-Manufacturing	39,269	3,000	601	35,667	25.2
F-Construction	30,317	1,111	887	28,319	24.8
B -Mining and quarrying	29,243	1,897	233	27,112	6.8
I-Accommodation and food service activities	24,580	912	727	22,941	30.7
H-Transportation and storage	8,908	2,750	523	5,635	11.1

Identification of transmission channels

C&E risks could affect the prudential risks the Group is exposed to through different transmission channels. Transmission channels are examined and assessed for each type of risk, split by climate transition risk, climate physical risk and environmental risk. C&E risks (transition and physical) are affecting the Micro and Macro environment and further their impacts are reflected on the standard financial risks that the Group is exposed to.

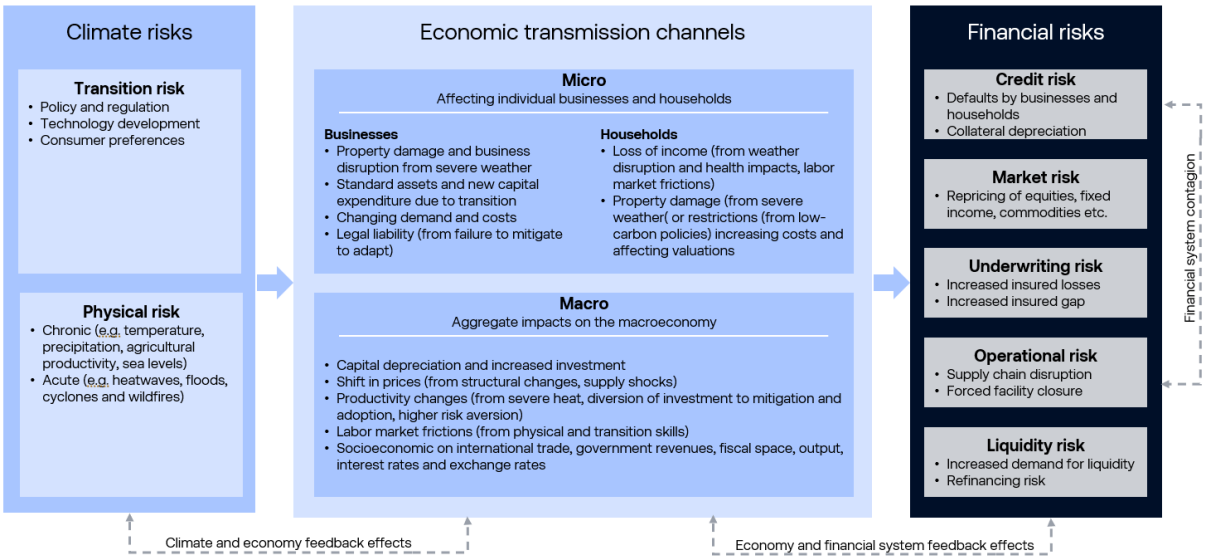


Figure 4: Schematic illustration of transmission from environmental to financial risks; Source: NGFS (2020b)

Gathering of the expert assessments

During the initial materiality assessment, expert judgement was performed through a series of workshops involving representatives of all relevant organizational units in the Group (subsidiaries): representatives of the first line of defense (1LoD) – FO and UW, representatives of the second line of defense (2LoD) – risk management office, mainly from risk controlling and compliance department, representatives of the third line of defense (3LoD) – Internal audit, as well as selected representatives from support and control functions

Building on the experience gained during the initial assessment, the Group has enhanced and restructured the expert judgement process for subsequent materiality assessments. Instead of relying predominantly on workshop-based discussions, expert input is now gathered through a more structured and standardized approach, combining ESG expert questionnaires, dedicated bilateral discussions and central coordination at Group level.

Expert assessments are now provided by nominated representatives from following units within banks: Risk management, ESG, Factoring, Large, Project finance, SME, Sector for digitalization, Internal Audit, Underwriting etc., ensuring that business, risk management and control perspectives are consistently represented. This approach allows for more focused input on business operating environments, portfolio characteristics and ESG risk drivers at country and entity level, while enhancing comparability across the Group.

To further strengthen the process, the Group has established dedicated teams specifically tasked to support the identification, assessment and ongoing monitoring of ESG risks. These teams provide a structured and focused approach to managing these critical topics, ensuring that risks are identified, assessed, and mitigated in a systematic manner. This is achieved through constant communication and exchange of opinions and information. This reflects the Group's commitment to strengthening its ESG risk management framework and ensuring the expert judgment is captured in systematic manner, aligned with regulatory expectations and best practices.

Expert judgment questionnaire is divided into the following chapters:

- Qualitative Assessment of the Business Operating Environment - assesses the bank's traditional financing patterns, key sectors, and structural characteristics of the domestic economy that may influence ESG exposure.

- ESG-Related Risk Drivers and Business Experience - evaluates environmental (physical and transition), social, and governance risk drivers, including their relevance, observable impacts, and transmission into financial risk.
- Time Horizon, Likelihood and Magnitude Assessment - focuses on the expected timing, probability, and potential financial impact of identified ESG risks.
- Overall Expert Assessment - captures the expert judgement on overall ESG relevance, transmission channels, and ICAAP implications.
- Mitigating Factors and Risk Management Practices - reviews internal policies and controls that may reduce ESG risk exposure.

Preparation of the portfolio analysis

Separate analysis is performed for each portfolio segment and country (where risk differentiators are recorded), entity and geographical distribution of the collaterals.

Analysis of the impact of ESG risk drivers on Credit risk is performed at the level of client segments and product types (for Retail portfolio).

Implementation of the qualitative and quantitative methods of analysis

For quantification of the impact of ESG risks on the Group's business and risk management framework, a bottom-up stress test methodological set-up was used, applied to E and S component.

The number of different risk types are analyzed, grouped in aggregated risk categories (credit risk, market risk, interest rate risk, liquidity risk, operational risk, other stand-alone risks etc.). Analysis per risk type is considered as the main dimension of the analysis. Quantifications' results were incorporated in the process of calculations of KRIs/KPIs from RAS.

Scenarios used in the exercise cover different observation periods. Scenarios cover a full spectrum of observation periods, from short-term up to long-term.

Based on the available scenarios, the Group has selected the following scenarios for quantification of the impact:

Stress scenario mapping between sources	ECB Stress Testing	NGFS Phase IV
Scenario	Baseline	Baseline
	Hot house world	Current policies
	Orderly	Net Yero 2050
	Disorderly	Delayed transition

Flood risk was also incorporated, as it is a relevant scenario for estimation of the impact on REs.

Calculations of the outcomes for different scenarios (impact on selected KPIs/KRIs that are part of the Group Risk Appetite Statement) are performed.

Interpretation of the results and conclusion on materiality assessment

The impact of the ESG risks is analyzed from a forward-looking perspective. Observation window for the analysis is divided into several periods:

- Short-term period (period up to 1 year);
- Mid-term period (period from 1 to 5 years);
- Long-term period (period over 5 years).

Uniform score scale (for measuring the impact) is used in the process of materiality assessment. Materiality scoring calibration is presented in the figure below:

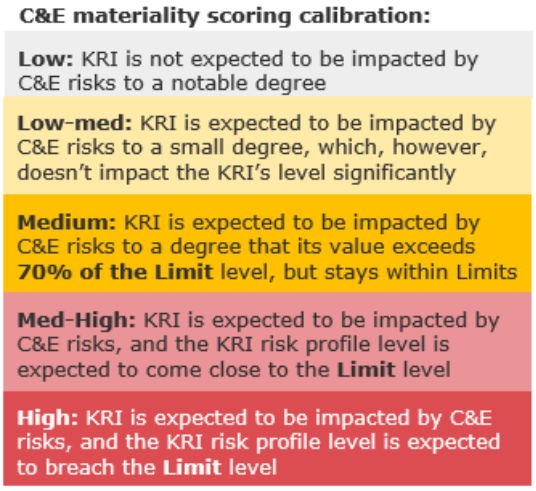


Figure 5: C&E materiality scoring calibration

If the final materiality score is marked as low or low-medium, regular monitoring activities are selected as follow up actions. For materiality scores marked as medium, close monitoring activities are initiated as follow up actions.

If final materiality score is marked as medium-high or high, impact of C&E risks on the Group operations and financial risks is considered to be material. For those areas where impact coming from C&E risks is assessed as material (regardless of the fact whether materiality is determined in short, mid or long-term observation period), follow-up actions are initiated.

Results and conclusion on materiality assessment

The table below shows the overview of the results per each risk type and KRIs.

Table 34: Materiality assessment of C&E risk results

Risk type & Key Risk Indicators	RAS indicators: Realized value 31.12.2025	Realzied value Orderly scenario	Realzied value Hot house world scenario	Realzied value Disorderly scenario	Limit (L) /Target (T)		INITIAL KRI materiality scoring: Score ST	Score MT	Score LT	Level ST	Level MT	Level LT	KRI materiality scoring after quantification of the: Score ST	Score MT	Score LT	Level ST	Level MT	Level LT	Climate physical	Climate transition	Environ-mental
Capital Risk							**1**	**3**	**3**	**low**	**med**	**med**	**3**	**2**	**2**	**med**	**low-med**	**low-med**	**Y**	**Y**	**Y**
Common Equity Tier 1 ratio (CET1	16.61%	15.56%	15.71%	15.80%	L	>11.68%	1	3	3	low	med	med	3	2	2	med	low-med	low-med	Y	Y	Y
Tier 1 ratio (T1)	16.61%	15.56%	15.71%	15.80%	L	>13.75%	1	3	3	low	med	med	3	2	2	med	low-med	low-med	Y	Y	Y
Total Capital ratio (TCR)	18.24%	17.89%	18.05%	18.14%	L	>16.50%	1	3	3	low	med	med	3	2	2	med	low-med	low-med	Y	Y	Y
Leverage ratio	10.66%	9.93%	10.03%	10.09%	L	>4%	1	3	3	low	med	med	1	2	2	low	low-med	low-med	Y	Y	Y
RBC	82.92%	n/a	n/a	n/a	L	<90%	1	3	3	low	med	med	3	2	2	med	low-med	low-med	Y	Y	Y
Liquidity Risk							**1**	**3**	**3**	**low**	**med**	**med**	**4**	**3**	**3**	**low**	**med**	**med**	**Y**	**Y**	**Y**
LCR	264.39%	166.72%	168.48%	169.60%	L	>130%	1	2	2	low	low-med	low-med	1	2	2	low	low-med	low-med	Y	Y	Y
NSFR	154.83%	154.80%	154.80%	154.80%	L	>115%	1	2	2	low	low-med	low-med	1	2	2	low	low-med	low-med	Y	Y	Y
Loan-to-deposit ratio (LTD gross)	81.53%	81.53%	81.53%	81.53%	L	<100%	1	3	3	low	med	med	3	3	3	low	med	med	Y	Y	Y
Survival Horizon	89	89	89	89	L	>45 days	1	2	2	low	low-med	low-med	1	2	2	low	low-med	low-med	Y	Y	Y
Interest Rate Risk							**1**	**2**	**2**	**low**	**low-med**	**low-med**	**1**	**2**	**2**	**low**	**low-med**	**low-med**	**N**	**Y**	**Y**
EVE/Tier 1 in stress scenario	-7.63%	-3.14%	-3.22%	-3.36%	L	<14%	1	2	2	low	low-med	low-med	1	2	2	low	low-med	low-med	N	Y	Y
ΔNII/Own Funds	-0.87%	-0.87%	-0.87%	-0.87%	L	<5%	1	2	2	low	low-med	low-med	1	2	2	low	low-med	low-med	N	Y	Y
Credit Risk							**1**	**3**	**4**	**low**	**med**	**med-high**	**4**	**3**	**3**	**med-high**	**med**	**med**			
NPL ratio	2.51%	2.51%	2.51%	2.51%	L	< 5%	1	3	3	low	med	med	1	3	3	low	med	med	Y	Y	Y
NPL coverage ratio	48.08%	51.27%	51.27%	51.27%	T	>35%	1	1	1	low	low	low	1	1	1	low	low	low	Y	Y	Y
Stage 2 share in Total gross exposure	9.55%	11.38%	11.45%	11.34%	T	<15%	1	1	1	low	low	low	4	2	2	med-high	low-med	low-med	Y	Y	Y
CoR	0.30%	0.90%	0.87%	0.87%	T	< 1.5%	1	3	4	low	med	med-high	4	2	2	med-high	low-med	low-med	Y	Y	Y
Specialized Lending (IPRE & PF)	847.0	847.00	847.00	847.00	T	<920 mEUR	1	2	2	low	low-med	low-med	1	1	2	low	low	low-med	Y	Y	Y
Leveraged transactions	583.4	583.40	583.40	583.40	L	<525 mEUR	1	2	2	low	low-med	low-med	1	1	2	low	low	low-med	Y	Y	Y
Top 10 borrowers' concentrations (GCC)*	13.53%	13.53%	13.53%	13.53%		< 30%	1	2	2	low	low-med	low-med	1	1	1	low	low	low	Y	Y	Y
Single Name Concentration ratio*	18.15%	19.48%	19.28%	19.17%		< 24.5%	1	2	2	low	low-med	low-med	3	3	3	med	med	med	Y	Y	Y
Single Name Conc. ratio excluding Gov., FI and Public*	8.63%	9.26%	9.17%	9.12%		< 15%	1	2	2	low	low-med	low-med	3	3	3	med	med	med	Y	Y	Y
Exposure to Group related parties*	1.43%	1.46%	1.45%	1.44%		< 5%	1	2	2	low	low-med	low-med	1	2	2	low	low-med	low-med	Y	Y	Y
Industry concentration ratio*	21.67%	21.67%	21.67%	21.67%		<25% (30%)	1	2	2	low	low-med	low-med	3	3	3	med	med	med	Y	Y	Y
Credit Risk - Legal entities													**4**	**3**	**3**	**med-high**	**med**	**med**	Y	Y	Y
NPL ratio	2.55%	2.31%	2.31%	2.31%	L	< 4%	1	3	3	low	med	med	1	3	3	low	med	med	Y	Y	Y
NPL coverage ratio	42.99%	42.97%	42.97%	42.97%	T	> 35%	1	1	1	low	low	low	1	1	1	low	low	low	Y	Y	Y
Stage 2 share	11.55%	11.83%	11.91%	11.89%	T	< 15%	1	1	1	low	low	low	4	2	2	med-high	low-med	low-med	Y	Y	Y
Credit Risk - Retail							**1**	**2**	**3**	**low**	**low-med**	**med**	**4**	**3**	**3**	**med-high**	**med**	**med**	Y	Y	Y
NPL ratio	3.07%	2.71%	2.71%	2.71%	L	< 6%	1	2	3	low	low-med	med	1	3	3	low	med	med	Y	Y	Y
NPL coverage ratio	62.84%	62.77%	62.77%	62.77%	T	> 45%	1	1	1	low	low	low	1	1	1	low	low	low	Y	Y	Y
Stage 2 share	6.84%	7.48%	7.48%	7.23%	T	< 10%	1	1	1	low	low	low	4	2	2	med-high	med	med	Y	Y	Y
Market Risk							**1**	**1**	**1**	**low**	**low**	**low**	**1**	**1**	**1**	**low**	**low**	**low**	Y	N	N
FX Risk Indicator	1.79%	2.27%	2.31%	2.31%	L	< 15%	1	1	1	low	low	low	1	1	1	low	low	low	Y	N	N
Sum of all exposures in trading book	11.79	7.68	7.43	7.30	L	< 50 mEUR	1	1	1	low	low	low	1	1	1	low	low	low	Y	N	N
Operational Risk							**2**	**3**	**3**	**low-med**	**med**	**med**	**1**	**2**	**2**	**low**	**low-med**	**low-med**	Y	Y	N
Number of internal fraud cases	0	n/a	n/a	n/a	T	0	1	1	2	low	low	low-med	1	2	2	low	low-med	low-med	Y	Y	N
Operational risk losses ratio	8.25%	n/a	n/a	n/a	L	<15%	2	3	3	low-med	med	med	1	2	2	low	low-med	low-med	Y	Y	N
Sovereign Risk							**0**	**0**	**0**	**#N/A**	**#N/A**	**#N/A**	**1**	**2**	**2**	**low**	**low-med**	low-med	Y	Y	Y
Exposure towards Government bonds issued by RS/SI	64.11%	66.49%	65.82%	65.44%		< Tier1				low-med	med	med	1	2	2	low	low-med	low-med	Y	Y	Y
CSRBB							**1**	**2**	**2**	**low**	**low-med**	**low-med**	**1**	**2**	**2**	**low**	**low-med**	**low-med**	**N**	**Y**	**Y**
Credit spread risk in BB (Sensitivity of EVE/ Own funds)	3.93%	0.96%	1.51%	2.37%	L	<7%	1	2	2	low	low-med	med	1	2	2	low	low-med	low-med	N	Y	Y
ICT Risk							**3**	**4**	**3**	**med**	**med-high**	**med**	**1**	**3**	**3**	**low**	**med**	**med**	Y	Y	N
ICT availability and continuity	99.95%	99.95%	99.95%	99.95%		> 99.8%	3	4	3	med	med-high	med	1	3	3	low	med	med	Y	Y	N
ICT change-related incidents ratio	0.00%	0.00%	0.00%	0.00%		< 10%	3	4	2	med	med-high	low-med	1	3	3	low	low-med	low-med	Y	Y	N
System back-up success	99.90%	99.90%	99.90%	99.90%		> 99.9%	3	4	2	med	med-high	low-med	1	3	3	low	med	med			
Compliance/AML							**1**	**2**	**2**	**low**	**low-med**	**low-med**	**1**	**2**	**2**	**low**	**low-med**	**low-med**	N	Y	N
No. of High risk clients	2.89%	N/A	N/A	N/A	T	< 5%	1	1	2	low	low	low-med	1	1	2	low	low	low-med	N	Y	N
No. of clients from the countries on Restricted list	0	N/A	N/A	N/A	L	0	1	1	2	low	low	low-med	1	1	2	low	low	low-med	N	Y	N
No. of anon. accounts, passbooks or safe-deposit boxes	0	N/A	N/A	N/A	L	0	1	1	2	low	low	low-med	1	1	2	low	low	low-med	N	Y	N
Overdue mitigation actions	12.86%	N/A	N/A	N/A	T	< 10%	1	2	2	low	low-med	low-med	1	2	2	low	low-med	low-med	N	Y	N
KYC backlog for High-risk clients	3.92%	N/A	N/A	N/A	T	1%	1	1	2	low	low	low-med	1	1	2	low	low	low-med	N	Y	N

Different risk types have been analyzed, grouped in aggregated risk categories (credit risk, market risk, interest rate risk, liquidity risk, operational risk, other stand-alone risks etc.). Analysis per risk type is considered as the main dimension of the analysis. Impact Is separately analyzed for each KPI/KRI of each risk type. Impact of C&E risks are considered as material in cases of Credit risk and Capital risk (for specific KRIs).

Considering that the Group is significantly involved in legal entities finance business (covering corporate portfolio, Public, Project finance, SME and Micro segment), the biggest contributors to negative effects on additional impairments that influence negatively on Cost of risk and Stage 2 share in Total gross exposure

Material impact on Credit risk is recorded due to changes in CoR (Cost of Risk) and Share of Stage 2 loans in total gross exposure. Cost of risk in orderly scenario recorded significant change.

The materiality impact on Data Quality Risk is confirmed qualitatively, considering alignment with the Group's Risk Data Aggregation and Risk Reporting (RDARR) framework and BCBS 239 principles. The assessment included identification of ESG-related data dependencies, review of existing data governance structures, ownership, validation controls and data lineage documentation and consideration of supervisory feedback related to ESG data gaps, expert judgement regarding increasing regulatory expectations for ESG data accuracy and completeness. Data quality risk is also considered as material.

The results of the materiality assessment are being used by the Group to formulate further actions and future strategic challenges with the aim of better managing and mitigating the impact of climate and environmental risks.

The Group has taken necessary steps to incorporate **C&E dimension into the credit analysis, risk assessment and decision phases** by implementing several components into different phases of the credit lifecycle:

- The Group has introduced climate-related and environmental due diligence process of analysis for loans and borrowers associated with a higher C&E risk.
- Questionnaires are defined for Serian and Slovenian market that Group uses in the collection of ESG data.
- Sustainability flags to identify assets/investments that have been marketed as green, sustainable according to several criteria (EU Taxonomy flagging, green loans in line with LMA and ICMA, and in line with IFC) have been introduced.
- Identification of industries highly exposed to transition risks and non-compliance with minimum safeguards criteria became part of the exclusion list criteria.
- C&E risks are introduced in collateral evaluation process so that each subsidiary should consider all available ESG factors affecting the value of collateral.
- ESG score has been introduced through the establishment of the framework and its integration into credit risk assessments.

It is to be noted that subsidiaries constantly improve DD and ESG questionnaires process by broadening the scope, which results in the inclusion of a wider range of clients and therefore better coverage and management of ESG risks.

Incorporation of the C&E risks in the credit risk monitoring was done through defined C&E risk early warning signals (EWI) that are set at the level of portfolio and client level.

In 2024, Environmental, Social, and Governance (ESG) factors were incorporated into the ratings of all Legal entities through an internally developed ESG score, based on the Group's criteria and updated accordingly in 2025. The ESG score is based on two pillars: a sector-specific score, which assesses ESG risks and opportunities at the industry level, and a client-specific score, which evaluates the individual client's ESG practices. Together, these scores provide a comprehensive view of the client's ESG profile, supporting more informed and sustainable credit risk assessments, and serving as a foundation for developing new approaches in the Group's Credit Strategies.

A materiality assessment of C&E risk in light of liquidity risk was performed and included in the Group's ILAAP and is now integrated into the regular process.

The regulatory framework requires banks to take ESG factors into account in their risk assessment, with due diligence required for larger transactions/clients with elevated ESG risk scores. The Group continues improving and expanding scope of **ESG due diligence** as part of the regular credit / investment approval process in 2025.

Based on internally developed stress test methodology which relies on Network for greening the Financia System (NGFS) scenarios, the Group has enhanced its C&E risk incorporation in ICAAP and capital planning framework by explicitly incorporating C&E risk impacts into both baseline and adverse capital projections.

Climate-related impacts are integrated into the **three-year capital plan**, Baseline and Combined Adverse scenario (macroeconomic and idiosyncratic stress). In addition, the Group has extended the assessment beyond the three-year horizon through a **long-term capital resilience analysis**, applying a static balance sheet assumption and maintaining residual climate impacts beyond year three.

This extended projection enables the Group to assess the timing of potential regulatory threshold breaches under climate-adjusted conditions and ensures alignment with **Chapter 6.5 of the ECB Guide on climate-related and environmental risks**, by incorporating both medium- and long-term perspectives.

15.2 Social Risk

(Table 2 - Qualitative information on Social risk)

15.2.1 Business Strategy and Processes

Business strategy and processes
(a) Adjustment of the institution's business strategy to integrate social factors and risks taking into account the impact of social risk on the institution's business environment, business model, strategy and financial planning
(b) Objectives, targets and limits to assess and address social risk in short-term, medium-term and long-term, and performance assessment against these objectives, targets and limits, including forward-looking information in the design of business strategy and processes
(c) Policies and procedures relating to direct and indirect engagement with new or existing counterparties on their strategies to mitigate and reduce socially harmful activities

Social risks as we consider them refer to various factors that can impact on the rights, well-being, and interests of individuals and communities. These risks encompass a broad range of issues, such as human resource management, where fair treatment, career development, and employee satisfaction are key considerations.

They also include equality and diversity, focusing on ensuring that people of all backgrounds have equal opportunities and representation. Inclusiveness is another critical aspect, highlighting the need for environments where everyone feels valued and respected. In addition, labor relations play an important role in social risk management, ensuring positive relationships between employers and employees to prevent disputes and promote fairness. Workplace health and safety are equally essential, as it involves protecting employees from harm and maintaining a safe and healthy work environment. Addressing these social risks is vital for fostering a positive, sustainable, and ethical environment for both people and communities.

The abovementioned topics are part of our **Group HR Strategy** and **Group Marketing, Communications and CSR Strategy**. The former has been updated in 2026, to better align with the Group Business Strategy.

Strategies are further amended by specific Group policies (e.g. Diversity Policy, Group Non-Discrimination and Anti-Harassment Policy, etc.). Through its Group HR Strategy and various Group HR policies, the organization is committed towards ensuring a safe, positive, and inclusive work environment for all employees. Environment in which every individual feels valued and supported, developing a culture of well-being and professional growth. The Group encourages continuous learning, helping employees enhance their skills and advance in their careers. Additionally, the Group places emphasis on promoting a work-life balance, recognizing that employee satisfaction is closely tied to the ability to maintain equilibrium between work commitments and personal life. Flexible working arrangements, organizing or sponsoring sporting events for employees are some of the measures taken to ensure employees can manage their professional and personal responsibilities effectively.

Furthermore, maintaining open and transparent communication is central to the Group's approach. By encouraging dialogue at all levels, the Group nurtures trust and collaboration, allowing employees to voice concerns and share ideas. This is supported by anonymous group wide **Employee Engagement & Enablement Survey** launched twice a year. Open dialog helps create sustainable and harmonious employee relations. Employee feedback, gathered through regular surveys, plays an important role in shaping initiatives that directly affect daily work experience, alongside the Group's hybrid working model that supports work–life balance and flexibility. Building on this framework, during 2025 group members implemented a range of initiatives and activities tailored to their specific contexts, supporting employee well-being, professional development, and team cohesion:

- Health and Wellness Initiatives: Annual medical check-ups and comprehensive health insurance for employees, flu vaccination campaigns, blood donation drives, and first aid courses were provided. The Group promotes healthy hydration habits and one of the members of the Group holds a certificate encouraging the use of tap water.
- Physical Activity and Sports: A variety of recreational activities were organized, including football and basketball sessions, volleyball, yoga, cycling and others. Employees participated in organized

sports events such as local marathons and intercompany sports competitions. Sports Days and team-building events involving physical activities were held to encourage teamwork and support a healthy lifestyle.

- Workplace Comfort and Ergonomics: Initiatives to improve comfort and ergonomics at work included the use of pilates balls, ergonomic mice and pads.
- Mental Health and Psychosocial Support: Training courses addressed topics such as stress management, psychosocial risks at work, and maintaining mental well-being. Workshops were held on body composition awareness and work-life balance, including a specialized session for employees returning from maternity leave.
- Learning and Development: Access to e-learning platforms with a wide library of educational content, which spans beyond professional training for all employees and special developmental programs for specific groups of employees such as managers, talents and successors.
- Family and Life Milestones Recognition: Financial assistance to support and recognize colleagues welcoming a child.
- Performance and Achievement Recognition: Recognition initiatives highlighted colleagues who received exceptional praise and those who successfully delivered key projects. These acknowledgements reinforced a culture of excellence, collaboration, and accountability.
- Employee Engagement and Inclusion: Events were held throughout the year to foster inclusion and team spirit, including International Women's Day workshops, Kids Day at Work, and festive children's programs around the holidays.

These efforts are part of an integrated and ongoing program dedicated to promoting a positive, healthy, and inclusive workplace, ensuring that employees feel supported not only professionally but also personally.

Our commitment to social inclusion is supported by Group Marketing, Communications and CSR Strategy which creates a strong and reliable basis for a well-functioning socio-economic environment that will bring prosperity to many. The **main pillar of our CSR is inclusion, as a requirement for creating a more sustainable local community**. We are pursuing effective initiatives throughout the Group, specific to each local community, which are currently centered around children and families, education, financial literacy and support for sports.

The Group and its members are deeply committed to the well-being of the communities in which they operate, consistently supporting a range of social responsibility initiatives that focus on education, youth, vulnerable groups, and community development. The Group carried out humanitarian campaigns helping families and individuals facing hardship, as well as contributed to organizations offering shelter and care for those in vulnerable situations. Donations were directed toward enhancing living conditions in housing for vulnerable groups, supporting a more dignified environment for families and children without parental care. Support was provided through direct monetary donations, as well as volunteering. Understanding that scale makes for better impact, the Group continued with making community involvement more accessible by enabling direct charitable contributions at ATMs.

For the first time, donations were directed toward schools for children with disabilities – the Group organized an open call for donations with schools applying for donations in technical and educational tools needed for work with disabled children and youth. The distribution of selected schools was done intentionally to ensure maximum geographical spread through targeted and much appreciated support.

Sustainability and inclusion were further promoted through the Group's grant programs, which supported organizations working in fields such as environmental protection, community engagement, promotion of art and the empowerment of marginalized groups. These efforts are aimed at fostering a systemic, long-term impact by reinforcing community resilience and shared responsibility.

Additionally, the Group remained an active supporter of local sports, sponsoring clubs, events, and associations that promote physical activity, teamwork, and youth engagement. By backing both grassroots and broader sports initiatives, the Group continues to contribute to the development of healthy, active communities across the regions it serves.

In addition to employees, the Group includes in its Lending policy information on activities related to the clients and other counterparties. For example, the Group does not finance activities related to Illegal activities, such as drug trafficking, terrorism, prostitution and other human exploitation, economic activities that promote or act in non-compliance with fundamental conventions identified

in the International Labor Organization (ILO). Minimum social safeguards focus on human rights, labor rights, and combating bribery, bribery, solicitation and extortion.

As elaborated under Environmental risk part related to Risk Management, client's questionnaires are defined for Serbian and Slovenian market that Group uses in the collection of ESG data, which includes both social and governance component.

Procurement perspective - During 2025, procurement activities supported social aspects primarily through contractual safeguards, fair supplier selection, and responsible engagement with suppliers, in line with applicable regulations and internal acts.

Supplier contracts (AIK Bank) included provisions related to workplace and social standards, requiring suppliers to ensure a safe, inclusive, and non-discriminatory working environment. These provisions contributed to promoting ethical conduct and responsible behavior in supplier relationships.

AIK Bank applies a fair, transparent, and consistent approach toward all suppliers. Supplier obligations are defined in advance and applied equally, ensuring non-discriminatory treatment, fair competition and objective decision-making.

From the perspective of social risk and stakeholder protection, supplier contracts included personal data protection and confidentiality obligations, ensuring appropriate handling of personal and sensitive data.

In Hipotekarna Bank, procurement activities during 2025 addressed social aspects primarily through compliance-based contractual provisions and statutory obligations.

Supplier contracts included anti-corruption clauses, conflict of interest prevention clauses, as well as data confidentiality and information security provisions, where assessed as necessary by the competent internal functions for the specific procurement.

Broader social or ethical clauses relating to labour standards beyond statutory requirements, supplier responsibility within the supply chain, or wider social alignment were not systematically embedded in contracts during 2025. Social aspects were therefore managed through compliance requirements and applicable legal frameworks.

In Gorenjska Bank, ESG and social elements were not yet systematically embedded directly into supplier contracts during 2025. However, enhanced social and ethical considerations were applied through additional governance mechanisms for higher-value procurements.

For procurement processes exceeding EUR 100,000, suppliers were required to sign a statement of compliance and complete an ESG questionnaire, enabling enhanced due diligence, including assessment of social and ethical aspects prior to contract award.

Gorenjska banka announced on 2 October 2025 its intention to issue subordinated bonds intended to be included in the bank's supplementary capital. Based on orders from institutional investors, Gorenjska banka has decided to issue bonds with a total nominal amount of EUR 60 million.

The expected issue date of the bonds is 16 October 2025, with a maturity of ten years and a call option exercisable on the fifth anniversary from the issue date.

15.2.2 Governance

Governance
(a) Responsibilities of the management body for setting the risk framework, supervising and managing the implementation of the objectives, strategy and policies in the context of social risk management covering counterparties' approaches to:
(b) Activities towards the community and society
(c) Employee relationships and labor standards
(d) Customer protection and product responsibility
(e) Human rights
(f) Integration of measures to manage social factors and risks in internal governance arrangements, includes the role of Executive board committees, better allocation of tasks and responsibilities, and the feedback loop from risk management to the management body and employees.
(g) Lines of reporting and frequency of reporting relating to social risk
(h) Alignment of the remuneration policy in line with institution's social risk-related objectives

As the highest governance body, the Board of Directors of the Holding Company plays a crucial role in overseeing and guiding the Group's approach to social factors and risks within its operational model. The Board of Directors is responsible for ensuring that the Group's values, policies, and strategies align with broader social expectations and that these elements are integrated into the Group's business model in a way that supports long-term sustainability and stakeholder interests.

One of the key areas under the Board of Directors' supervision is the **Group HR Strategy**. The HR Strategy (updated in 2026) serves as a comprehensive framework that underpins and guides all other HR-related policies across the Group. It provides strategic direction in crucial areas such as employee remuneration, development, diversity, equality, inclusion, open communication with employees and others, setting clear expectations for how these matters should be managed within the Group. By addressing key issues, the Board of Directors ensures that social risks - such as those related to workplace inequality or employee well-being - are effectively managed.

The Group remains committed to cultivating a high-performing and inclusive work environment by formally introducing Employee Engagement and Enablement as a performance criterion for members of the Group Management Committee, as well as for other key managers across the Group. This strategic objective was embedded into annual performance assessments, reflecting the importance of leadership accountability in shaping a positive workplace culture. Throughout the year, multiple initiatives were implemented with the goal of increasing employee engagement and enablement. These efforts were guided by the belief that engaged and empowered employees are essential to the Group's sustainable growth and long-term success.

The results of the 2025 online, group-wide Employee Engagement and Enablement Survey reflected the transition through which the biggest group member AikBank underwent during 2025 by merging with Eurobank Direktna. Therefor compared to the previous year, both dimensions, engagement and enablement, recorded a small drop (3 points in engagement and 2 points in enablement) which was expected. Nevertheless, there were several dimensions that showed an increase in results (Training, Development Opportunities, Authority and Empowerment) which reflect the ongoing efforts to build a growth-oriented, inclusive, and empowering organizational culture.

Beyond compliance with labor-related regulations, the Group remains dedicated to investing in employee development, promoting diversity and inclusion, and continuously improving the overall employee experience. These principles are embedded in our culture and operational practices, forming a foundation for long-term resilience, innovation, and organizational health.

In order to promote its orientation towards customer protection, the **Group Code of Conduct** contains the main rules imposed to protect Group customers and their interests. All Group employees and third parties (when acting on behalf of the Group) must act with reasonable care and exercise prudent judgment towards Group customers. They must act for the benefit of customers and put their interests first, respecting the applicable law, regulations and internal rules. Marketing materials, sales information, and advisory activities to the customers should always be based on the principles of fairness, objectivity, transparency, and sound financial judgment. Employees must not perform deliberate or negligent sales of products or services in circumstances where the contract is either misrepresented, or the product or service is unsuitable for the customer's needs and risk inclination. In addition to this, special focus is put on the safeguard of consumer rights. Consumer rights are one of the legal concepts enshrined in one of the highest legal acts of the European Union – Treaty on Functioning of the European Union (TFEU). Article 169 of the TFEU seeks to promote consumers' health, safety and economic interests, as well as their right to information, to education and to organize themselves in order to protect their interests. To harmonize how consumers are treated, the Group has adopted the **Group Policy on Consumer Protection and Unfair Commercial Practices** in order to manage consumer protection matters and related risks. This policy is to be applied in every interaction with customers who are falling within the meaning of consumer. Thus, this policy established and defined Group standards regarding consumer protection and stressed unfair commercial practices that need to be avoided in the Group.

Group Policy on Consumer Protection and Unfair Commercial Practices is also aligned with requirements of EU regulatory framework in terms of green transition misleading commercial practices.

Regarding the remuneration policy and whether social risk is included, please refer to the Environmental risk chapter.

During 2025, procurement governance across the Group entities was carried out in accordance with existing internal regulations, defined approval frameworks and established procurement procedures. Although 2025 represented a transitional year and ESG-specific procurement policies were still under development, governance mechanisms ensured transparency, accountability and compliance in supplier selection and contracting.

Procurement-related policies and procedures operated within the respective internal decision-making frameworks of the entities. Governance arrangements ensure that procurement-related policies and procedures are approved in accordance with internal rules, based on proposals prepared by executive management and adopted by the competent governing body.

Across all entities, procurement governance relied primarily on:

- clearly defined procurement procedures and approval levels,
- standardized tender documentation and evaluation criteria,
- segregation of duties and defined roles within procurement processes,
- contractual control mechanisms and compliance oversight.

Overall, procurement governance in 2025 focused on transparent decision-making, consistent application of internal rules, and compliance with legal and regulatory requirements. While the level of maturity and implementation varied across entities, governance practices in procurement established a solid foundation for the harmonized ESG-oriented procurement framework implemented from 2026 onward.

15.2.3 Risk Management

Risk management
(a) Definitions, methodologies and international standards on which the social risk management framework is based.
(b) Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to social risk, covering relevant transmission channels.
(c) Activities, commitments and assets contribute to mitigating social risk.
(d) Implementation of tools for identification and management of social risk.
(e) Description of setting limits to social risk and cases to trigger escalation and exclusion in the case of breaching these limits.
(f) Description of the link (transmission channels) between environmental risks with credit risk, liquidity and funding risk, market risk, operational risk and reputational risk in the risk management framework.

As previously mentioned under Environmental risk part, the Group has adopted the **ESG Strategy** which is included in the overall **Group Banking Strategy** with main targets to be recognized as ESG banking group in Adriatic region, to create sustainable value for clients, communities & society and employees and clear ESG positioning towards the different internal and external stakeholders. Becoming aware of the Group's role and impact on the further development of the "S" area, social goals are included in internal acts and processes, as well as in planned measures to adjust current investment and credit portfolio.

The goals of the UN and the ESG approach offer a strategic framework that directs the AikGroup in the development and growth towards the sustainability of the organization, products and services. Selected Sustainable Development Goals (SDG) through the lens of "S" component of ESG are the following:



Figure 6: United Nation's SDGs - Sustainable Development Goals, found on https://sdgs.un.org/goals. Photo represents those referring to S component

During the last several years, the Group has significantly increased the awareness of its employees related to ESG by implementing ESG training according to the ESG Training agenda which presents the list of topics to be covered on dedicated training tailored to the business needs of different organizational units in the Group.

The Group recognizes that promoting financial literacy and ensuring access to banking services for financially underserved communities are powerful tools for creating positive societal impact and reducing social vulnerabilities. By empowering individuals and communities through knowledge and access, the Group contributes to building a more inclusive financial ecosystem while also helping to mitigate associated financial and social risks. Given the diverse local contexts across the Group's markets, these initiatives are designed and implemented at the local level to ensure they are relevant, effective, and tailored to community needs. Through these efforts, the Group supports fair access to financial products and services, while encouraging sustainable economic growth and long-term social empowerment. Individual Group members have launched various targeted initiatives:

- Gorenjska banka places a strong emphasis on cultivating responsible, long-term client relationships based on professionalism, trust, data protection, and transparent communication. The bank organized Investment Days and Digital Banking Days, providing expert-led sessions to enhance clients' financial understanding and digital banking capabilities. The bank also participated in a nationwide educational campaign coordinated by the Bank Association of Slovenia, aiming to raise public awareness about the risks of online fraud in the banking industry.
- AikBank is committed to building lasting relationships with clients by understanding their financial needs and offering expert, timely support. In the last couple of years, the bank began leveraging social media and its digital channels — including eBanking and mBanking platforms — to educate customers on topics such as safe usage of payment instruments, online data protection, and efficient digital payment solutions. Clients also received timely updates and alerts to help them respond effectively to emerging cyber threats.

Through these initiatives, the Group reaffirms its dedication to responsible banking, fostering financial literacy, client empowerment, and trust-based relationships—essential pillars for inclusive and sustainable financial development.

In line with sustainability principles, green procurement practices were applied with the aim of reducing environmental impact, within the scope of available products and verified characteristics.

During 2025, environmentally relevant procurement and operational practices included:

- the use of paper products labelled as high efficiency and suitable for double-sided copying, contributing to reduced paper consumption, promotion of paper recycling practices and reduced paper usage through operational efficiency measures.

Across AIK Bank, Hipotekarna Bank and Gorenjska Bank, multifunctional printing devices (MFPs) were used across operations. These devices integrate printing, copying and scanning functionalities and support:

- reduced paper consumption through double-sided printing and copying, more efficient use of consumables (paper and toner), improved control and optimization of printing volumes.

In AIK Bank, procurement supported the gradual replacement of the vehicle fleet with low-emission and hybrid vehicles. Procurement function actively supported the selection of vendors for key digitalization initiatives, including lending platforms, factoring solutions, electronic signature (e-signature) solutions and onboarding processes. These initiatives supported governance objectives by improving process transparency, traceability, standardization and control, while also contributing to greater operational efficiency and reduced reliance on manual, paper-based workflows.

In Gorenjska Bank, procurement supported several environmentally relevant initiatives during 2025, including:

- procurement of electric vehicles (for executive management), procurement of green electricity, investments in solar power plants, energy refurbishment of three branch locations, and upgrade of the CNS system, enabling centralized monitoring of technical building systems and supporting improved energy efficiency and reduced operational costs.
- Furthermore, Gorenjska Bank places strong emphasis on the digitalization of business and procurement-related processes, contributing to increased operational efficiency, transparency and service quality, as well as gradual reduction of manual and paper-based processes, with positive impacts for both employees and customers.

These activities contributed to responsible resource management and supported broader environmental and efficiency objectives.

15.3 Governance Risk

(Table 3 - Qualitative information on Governance risk)

15.3.1 Governance

Governance
a) Institution's integration in their governance arrangements governance performance of the counterparty, including committees of the highest governance body, committees responsible for decision-making on economic, environmental, and social topics
b) Institution's accounting of the counterparty's highest governance body's role in non-financial reporting
c) Institution's integration in governance arrangements of the governance performance of their counterparties including:
d) Ethical considerations
e) Strategy and risk management
f) Inclusiveness
g) Transparency
h) Management of conflict of interest
i) Internal communication on critical concerns

As one of the highly prioritized matters, the **Group considers governance and risks deriving from non-adequate governance arrangements in terms of both its own governance and clients' practices**.

As elaborated under Environmental risk part related to Risk Management, client's questionnaires are defined for Serbian and Slovenian market that Group uses in the collection of ESG data, which includes environmental, social and governance component. The Governance segment for clients encompasses a comprehensive framework designed to ensure effective management and oversight of business operations. It includes the establishment of clear strategies aligned with organizational goals, as well as robust risk management practices that identify and mitigate potential threats to the business. Compliance with relevant laws and regulations is a cornerstone of this governance approach, minimizing legal risks while promoting ethical conduct across all levels. Additionally, the implementation of monitoring and reporting systems enables continuous evaluation of performance against key indicators. Training programs are also integral, empowering employees with the knowledge needed to uphold governance standards. Furthermore, fostering positive relationships with stakeholders is prioritized, ensuring transparent communication and engagement. Overall, the Group recognizes that Governance framework not only enhances organizational resilience but also builds trust and accountability, creating a solid foundation for sustainable growth.

Apart from other aspects of proper governance, the Group put special focus on several areas including, but not limited to management of conflict of interest, anti-bribery and anti-corruption, anti-fraud, whistleblowing, promotion of strong compliance culture and ethics in business. There is a robust Group framework composed of well-designed processes and procedures that ensure that behaviors not in line with the Group standards are detected, reported, managed and sanctioned in a proper and timely manner. These standards are implemented Group-wide with proper monitoring in place and an adequate level of automation in terms of reporting channels, case management and records keeping.

With an aim to ensure that compliance and ethical standards, as an integral part of Group's corporate culture, are implemented throughout the organization, the main values and desirable behaviors are incorporated into the **Group Code of Conduct**, including Group's environmental and social responsibility. Group Code of Conduct defines that environmental, social and governance (ESG) related risks and opportunities are integral part of the Group's operations. As integrated in community in markets where operates, AikGroup is fully sensitive to social environment and committed to provide support where needed, especially regarding "green" agenda, well-being, health, education,

entrepreneurship and innovation. Having these principles high on the agenda, within the document implemented in all Group subsidiaries, the Group ensures that the right way of doing business, as well as environmental and social responsibility, are of utmost importance to the top management in all legal entities and to all employees belonging to the Group.

In addition to this, Group defined key enablers for the compliance culture promotion and implementation across the Group as an integral part of the Group's corporate culture. In that regard, there is the Group Policy on Compliance Culture that is adopted and implemented throughout the Group with an aim to set up a unified framework for awareness raising and communication of both risks deriving from the compliance relevant areas and desired behaviors. The activities performed during the year based on this policy always include mandatory training, awareness raising campaigns and the Tone from the Top messages, all with the same goal to increase knowledge and awareness of the employees and to ensure that the right way of doing business is promoted and accepted across the organization.

Moreover, AikGroup has implemented a comprehensive Group Policy on Anti-bribery and Anti-corruption that establishes the organization's unwavering commitment to prohibiting bribery and corruption while ensuring compliance with all applicable anti-bribery legislation. This Policy defines principles for identifying and preventing potential bribery and corruption activities, thereby safeguarding the Group's integrity and reputation across all operations.

The Policy applies to all employees and third-party stakeholders engaged with the Group. AikGroup maintains a zero-tolerance stance toward all forms of bribery and corruption, whether direct or indirect in nature. This commitment ensures that any behavior contravening the Policy principles, as well as any concerns regarding potential bribery or corruption activities, will undergo thorough assessment and investigation where warranted. Appropriate disciplinary measures will be implemented in addition to applicable regulatory sanctions.

AikGroup has identified the following areas as presenting elevated corruption and bribery risks:

- Gifts and Business Hospitality
- Interactions with Public Officials
- Donations and Sponsorships
- Third-Party Engagements
- Human Resources Activities
- Mergers, Acquisitions, and Significant Investments

Identified risk areas are subject to additional rules, enhanced due diligence procedures and/or specific control mechanisms designed to mitigate potential exposure to corrupt practices while maintaining legitimate business operations.

AikGroup has also adopted Group Policy on Conflict of Interest in order to harmonize the manner in which conflicts of interest are managed within the Group. This Policy has the aim to define general principles and rules to assist AikGroup Employees in the identification and proper management of conflicts of interest, whilst providing general information on standards and measures taken by the AikGroup to identify, assess, manage and mitigate or prevent actual and potential conflicts of interest.

In order to detect properly and timely actual and potential conflicts of interest, the Policy covers the

situations or relationships where conflicts of interest may arise (e.g. economic interests, other employment and similar).

As the highest management and governance bodies on a group level, the Board of Directors and Group Management Committee are responsible for supervising and managing the implementation of governance framework. Group Management Committee is responsible for managing the Group as required for the benefit of the company, considering our shareholders, employees, clients and stakeholders' interests. It specifies the company's values and goals in concrete terms and lays down the corporate strategy with due regard to sustainability aspects and the associated opportunities and risks in respect to the environment, social concerns and corporate governance. It defines the ESG strategy and is responsible for the ESG framework, goals and priorities.

In addition, the Group Management Committee ensures implementation of the ESG strategy by allocating adequate resources and controls and is periodically informed on the status and milestones achieved. The Group Management Committee and Board of Directors was presented with Report on Environmental and Climate related risks on quarterly level.

Gorenjska Bank's first CSRD-compliant Sustainability Statement has been prepared and published for the year 2024 and will be published during April for year 2025, in line with the European sustainability reporting standards (ESRS)Group is considering publishing its first voluntary CSRD report for year 2026, after which the first regulatory report will be prepared for year 2027.

15.3.2 Risk Management

Risk management
(a) Institution's integration in risk management arrangements the governance performance of their counterparties considering:
(b) Ethical considerations
(c) Strategy and risk management
(d) Inclusiveness
(e) Transparency
(f) Management of conflict of interest
(g) Internal communication on critical concerns

As described above under Governance part.

Template 1 - Banking Book - Indicators of Potential Climate Change Transition Risk: Credit Quality of Exposures by Sector, Emissions and Residual Maturity

Financed emissions are defined as indirect emissions attributed to financing activities – such as lending and investments – of financial institutions. These activities all contribute to providing capital or financing to a company that emits GHG emissions.

Therefore, the Group calculates its **financed GHG emissions** based on the standard of the Partnership for Carbon Accounting Financials (PCAF) performing sector level analysis for Scope 1, 2 and 3 GHG emission intensities and client/company level for GHG financed emissions.

Estimation of CO2 financed emissions is performed on quarterly level, including implementing the process to collect emission data from counterparties, and attribution of the counterparty's GHG emissions in the proportion corresponding to the financing provided.

The largest contributors to financed CO2 emissions relates to the Asset class **Business loans and unlisted equities** where dominant segments are Corporate (incl. SME) and Public sector entities coming from Serbian market.

Table 35: Template 1 – Banking book - Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Gross carrying amount					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions			GHG financed emissions (scope 1, scope 2 and scope 3 emissions of the counterparty) (in tons of CO2 equivalent)		GHG emissions (column i): gross carrying amount percentage of the portfolio derived from company-specific reporting					
Sector/subsector		Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with Article 12(1) points (d) to (g) and Article 12(2) of Regulation (EU) 2020/1818	Of which environmentally sustainable (CCM)	Of which stage 2 exposures	Of which non-performing exposures		Of which Stage 2 exposures	Of which non-performing exposures		Of which Scope 3 financed emissions		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity
1	Exposures towards sectors that highly contribute to climate change*	3,127,395	153,217	0	511,023	84,901	-82,020	-24,017	-37,785	2,630,062	1,853,939	13.7%	2,443,451	579,491	94,231	10,222	4
2	A - Agriculture, forestry and fishing	130,942	0	0	11,860	3,920	-3,251	-477	-1,469	113,083	102,949	0.0%	68,734	62,200	0	9	5
3	B - Mining and quarrying	132,368	115,441	0	119,889	484	-7,350	-7,109	-131	361,268	310,248	91.1%	128,289	2,014	0	2,066	3
4	B.05 - Mining of coal and lignite	1	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	18
5	B.06 - Extraction of crude petroleum and natural gas	119,018	115,441	0	115,441	0	-6,656	-6,656	0	303,021	256,352	87.2%	116,955	0	0	2,063	3
6	B.07 - Mining of metal ores	0	0	0	0	0	0	0	0	3	3	0.0%	0	0	0	0	5
7	B.08 - Other mining and quarrying	12,799	0	0	3,915	484	-481	-240	-131	54,108	50,032	3.9%	10,783	2,014	0	2	3
8	B.09 - Mining support service activities	551	0	0	533	0	-213	-213	0	4,136	3,861	0.0%	551	0	0	0	1
9	C - Manufacturing	806,643	2,197	0	92,357	45,124	-29,816	-4,969	-19,561	914,787	654,134	15.2%	724,264	80,836	3	1,540	2
10	C.10 - Manufacture of food products	288,949	0	0	21,119	6,582	-7,012	-1,390	-4,038	356,814	256,102	2.2%	276,513	12,416	0	20	2
11	C.11 - Manufacture of beverages	26,373	0	0	7,188	55	-220	-24	-13	19,778	16,012	0.8%	25,587	718	0	67	3
12	C.12 - Manufacture of tobacco products	0	0	0	0	0	0	0	0	0	0	0.0%	0	0	0	0	0
13	C.13 - Manufacture of textiles	3,195	0	0	486	23	-32	-9	-6	3,761	2,701	0.0%	3,043	151	0	0	2
14	C.14 - Manufacture of wearing apparel	9,411	0	0	45	40	-293	-3	-35	8,405	6,024	0.0%	9,409	0	0	2	3
15	C.15 - Manufacture of leather and related products	1,292	0	0	0	70	-56	0	-47	979	711	0.0%	1,042	249	0	1	3
16	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	16,805	0	0	1,876	2,146	-1,764	-60	-1,606	14,441	10,226	0.0%	13,510	3,290	0	5	3
17	C.17 - Manufacture of paper and paper products	37,447	0	0	6,946	121	-1,458	-1,158	-95	27,329	19,581	0.0%	37,442	0	0	5	2
18	C.18 - Printing and reproduction of recorded media	14,198	0	0	3,069	372	-536	-124	-305	11,662	7,414	0.5%	9,016	5,178	0	4	3
19	C.19 - Manufacture of coke and refined petroleum products	238	22	0	238	0	-16	-14	0	285	203	0.0%	238	0	0	0	2
20	C.20 - Manufacture of chemicals and chemical products	27,559	2,174	0	6,933	141	-358	-177	-101	34,924	25,082	0.0%	25,294	2,238	0	27	2
21	C.21 - Manufacture of basic pharmaceutical products and pharmaceutical preparations	11,252	0	0	946	5,282	-3,738	0	-3,732	7,345	5,851	0.0%	5,339	5,912	0	1	4
22	C.22 - Manufacture of rubber products	31,826	0	0	1,284	164	-364	-55	-129	29,954	19,789	0.7%	25,187	6,588	0	51	3
23	C.23 - Manufacture of other non-metallic mineral products	12,531	0	0	2,316	99	-647	-575	-16	25,947	8,977	0.5%	10,770	1,752	0	9	3
24	C.24 - Manufacture of basic metals	73,622	0	0	554	17,296	-5,889	-6	-4,947	92,894	66,538	4.9%	73,615	0	0	7	1
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	66,189	0	0	5,771	7,881	-3,436	-194	-2,902	64,591	48,618	0.7%	56,240	8,737	0	1,212	3
26	C.26 - Manufacture of computer, electronic and optical products	50,006	0	0	1,202	97	-537	-35	-58	77,850	57,977	1.0%	45,286	4,665	0	55	1
27	C.27 - Manufacture of electrical equipment	31,315	0	0	8,024	19	-689	-429	-19	24,791	17,652	1.2%	22,446	8,850	0	19	4
28	C.28 - Manufacture of machinery and equipment n.e.c.	44,403	0	0	3,464	512	-768	-109	-352	54,873	39,372	2.3%	32,425	11,963	0	15	3
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	19,140	0	0	229	3,238	-741	-8	-646	16,249	14,043	0.4%	19,004	109	0	27	1
30	C.30 - Manufacture of other transport equipment	8,108	0	0	479	1	-82	-19	-1	4,238	3,260	0.0%	4,168	3,938	0	2	5
31	C.31 - Manufacture of furniture	8,881	0	0	1,697	554	-537	-152	-330	9,180	6,572	0.0%	8,579	299	0	2	2
32	C.32 - Other manufacturing	17,206	0	0	15,587	239	-181	-98	-74	17,232	11,762	0.0%	14,121	3,079	0	6	2
33	C.33 - Repair and installation of machinery and equipment	6,699	0	0	2,902	190	-460	-329	-107	11,265	9,667	0.0%	5,989	702	3	5	2
34	D - Electricity, gas, steam and air conditioning supply	246,062	33,148	0	24,943	2,956	-3,489	-1,188	-245	650,596	315,726	16.8%	172,986	40,473	31,380	1,223	4
35	D35.1 - Electric power generation, transmission and distribution	193,621	33,148	0	23,915	2,953	-3,268	-1,177	-243	645,157	311,782	14.4%	120,848	40,172	31,380	1,221	5
36	D35.11 - Production of electricity	152,861	33,148	0	23,897	1	-2,769	-1,177	-1	640,813	308,807	13.5%	81,779	38,494	31,380	1,208	6
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	37,134	0	0	399	0	-89	-1	0	2,871	2,685	0.0%	37,134	0	0	0	4
38	D35.3 - Steam and air conditioning supply	15,308	0	0	629	2	-132	-10	-2	2,568	1,259	2.4%	15,005	300	0	2	2
39	E - Water supply; sewerage, waste management and remediation activities	23,571	0	0	1,190	261	-312	-29	-188	46,403	37,690	4.3%	15,270	8,286	0	15	4
40	F - Construction	370,028	0	0	64,395	4,647	-8,793	-4,004	-2,327	109,938	100,255	0.2%	326,223	36,392	7,185	227	3
41	F.41 - Construction of buildings	256,202	0	0	52,171	1,657	-6,139	-3,656	-959	49,890	45,955	0.2%	231,307	17,700	7,185	10	3
42	F.42 - Civil engineering	51,986	0	0	1,210	695	-1,141	-35	-620	26,422	24,352	0.0%	42,832	9,080	0	75	3
43	F.43 - Specialised construction activities	61,840	0	0	11,014	2,296	-1,513	-313	-748	33,626	29,948	0.0%	52,085	9,613	0	143	3
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	813,862	2,432	0	79,243	11,307	-16,716	-2,755	-7,747	355,353	275,983	15.4%	659,288	152,875	1,231	468	3
45	H - Transportation and storage	225,753	0	0	18,284	15,934	-7,789	-895	-5,950	24,638	11,080	2.2%	178,485	47,233	0	35	4
46	H.49 - Land transport and transport via pipelines	108,053	0	0	15,230	2,443	-2,340	-757	-1,117	14,607	5,731	0.0%	94,631	13,395	0	27	4
47	H.50 - Water transport	2,250	0	0	323	0	-2	-1	0	85	29	0.0%	482	1,768	0	0	5
48	H.51 - Air transport	20,956	0	0	20	12,973	-4,643	0	-4,632	1,689	1,488	0.0%	20,910	45	0	1	2
49	H.52 - Warehousing and support activities for transportation	88,943	0	0	2,517	441	-705	-118	-155	6,421	2,366	2.2%	57,109	31,827	0	8	5
50	H.53 - Postal and courier activities	5,551	0	0	195	77	-98	-20	-45	1,836	1,466	0.0%	5,353	197	0	0	1
51	I - Accommodation and food service activities	169,354	0	0	46,430	3,933	-5,388	-1,955	-2,191	37,161	30,901	0.0%	67,317	67,792	30,057	4,187	7
52	L - Real estate activities	378,166	0	0	98,862	268	-4,505	-2,590	-167	16,835	14,973	2.8%	169,913	149,182	54,433	4,638	5
53	Exposures towards sectors other than those that highly contribute to climate change*	795,351	0	0	97,157	20,862	-17,048	-4,864	-6,857				523,530	138,863	51,471	81,487	3
54	K - Financial and insurance activities	148,390	0	0	3,727	252	-1,382	-75	-104				65,072	816	7,092	75,410	3
55	Exposures to other sectors (NACE codes J, M - U)	477,607	0	0	46,999	16,676	-10,278	-2,834	-4,562				391,141	70,255	14,322	1,890	4
56	TOTAL	3,922,746	153,217	0	608,180	105,763	-99,068	-28,882	-44,642	2,630,062	1,853,939	11.6%	2,966,981	718,354	145,702	91,709	3

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

Template 2 - Banking Book – Indicators of Potential Climate Change Transition Risk: Loans Collateralized by Immovable Property – Energy Efficiency of the Collateral

The table shows energy efficiency measured in terms of energy consumption (kWh/m²) and Energy Performance Certificate (EPC) labels.

Table 36: Template 2 – Banking book - Climate change transition risk: Loans collateralized by immovable property - Energy efficiency of the collateral

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Total gross carrying amount amount															
			Level of energy efficiency (EP score in kWh/m² of collateral)						Level of energy efficiency (EPC label of collateral)							Without EPC label of collateral	
	Counterparty sector		0; <= 100	> 100; <= 200	> 200; <= 300	> 300; <= 400	> 400; <= 500	> 500	A	B	C	D	E	F	G		Of which level of energy efficiency (EP score in kWh/m² of collateral) estimated
1	Total EU area	628,842	38,957	120,683	84,582	5,992	11,539	41,773	30,401	38,053	32,712	24,985	8,982	1,841	2,202	489,667	33.6%
2	Of which Loans collateralised by commercial immovable property	308,723	5,634	46,182	60,633	481	173	15,716	9,175	4,019	9,643	5,796	2,030	0	353	277,707	35.2%
3	Of which Loans collateralised by residential immovable property	298,350	33,323	65,995	23,949	2,836	1,439	26,057	21,226	34,033	23,068	19,189	6,952	1,841	1,849	190,191	23.9%
4	Of which Collateral obtained by taking possession: residential and commercial immovable properties	21,769	0	8,506	0	2,675	9,926	0	0	0	0	0	0	0	0	21,769	97%
5	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	143,243	1,793	68,806	71,793	850	0	0								143,243	100%
6	Total non-EU area	1,864,720	561,819	85,571	298,992	104,116	25,941	375,686	182	84,349	38,576	0	225	0	0	1,741,388	76.3%
7	Of which Loans collateralised by commercial immovable property	1,372,007	266,667	9,597	250,223	84,590	25,941	375,585	0	33,952	6,242	0	225	0	0	1,331,588	73.0%
8	Of which Loans collateralised by residential immovable property	483,026	295,153	75,974	48,769	19,526	0	100	182	50,398	32,334	0	0	0	0	400,113	89%
9	Of which Collateral obtained by taking possession: residential and commercial immovable properties	9,688	0	0	0	0	0	0	0	0	0	0	0	0	0	9,688	0%
10	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	1,452,024	561,819	85,571	298,992	104,116	25,941	375,585								1,452,024	100%

Currently data on EPCs (or Energy passports in Serbia and Montenegro) is very limited. Within Hipotekarna Bank's portfolio, no data on Energy Passports is available. AIK Bank has initiated the process of collecting EPCs from clients, but so far, a small amount has been obtained.

Gorenjska Bank has made significant progress in obtaining EPC data, with more than two-thirds of the data sourced automatically from the EPC registry maintained by the Ministry of the Environment, Spatial Planning and Energy. A smaller portion of the data was obtained from an external provider -consistent with the methodology of the internal Arvio EE model, the proxy has been prepared by the external provider and is accompanied by model certification.

Template 3 - Banking Book – Indicators of Potential Climate Change Transition Risk: Alignment Metrics

Table 37: Template 3 – Banking book – Indicators of potential climate change transition risk: Alignment metrics

	a	b	c	d	e	f	g
	Sector	NACE Sectors (a minima)	Portfolio gross carrying amount	Alignment metric**	Year of reference	Distance to IEA NZE2050 in % ***	Target (year of reference + 3 years)
1	Power	Please refer to the list below*	*238,790*	*kgCO2e/MWh*	*n/a*	*n/a*	*n/a*
2	Fossil fuel combustion		*162,158*	*kg CO2e/GJ*	*n/a*	*n/a*	*n/a*
3	Automotive		*25,063*	*gCO2e/km*	*n/a*	*n/a*	*n/a*
4	Aviation		*19,935*	*gCO2e/km*	*n/a*	*n/a*	*n/a*
5	Maritime transport		*53,277*	*gCO2e/km*	*n/a*	*n/a*	*n/a*
6	Cement, clinker and lime production		16,683	*tCO2e*	*n/a*	*n/a*	*n/a*
7	Iron and steel, coke, and metal ore production		*141,592*	*tCO2e*	*n/a*	*n/a*	*n/a*
8	Chemicals		*0*	*tCO2e*	*n/a*	*n/a*	*n/a*
9	… potential additions relevant to the business model of the institution		*0*		*n/a*	*n/a*	*n/a*

**** PiT distance to 2030 NZE2050 scenario in % (for each metric)*

The table shows the total balance sheet gross exposure for each sector. The Group is on its way to setting up a decarbonization strategy, as explained in the Environmental Risk section. List of NACE sectors and alignment metrics are present in Pillar 3 accompanying documents providing guidance for compilation and not of relevance for disclosure, therefore not additionally inserted in this document. (points marked with * and **)

Template 4 - Banking Book – Indicators of potential climate change transition risk: Exposures to top 20 carbon-intensive firms

The Group used publicly available information in Carbon Majors Database Launch Report published in April 2024. Carbon Majors is a database of historic production data from 122 of the world's largest oil, gas, coal, and cement producers. The Group identified 1 client in the scope.

Table 38: Template 4 – Banking book – Indicators of potential climate change transition risk: Exposures to top 20 carbon-intensive firms

	a	b	c	d	e
	Gross carrying amount (aggregate)	Gross carrying amount towards the counterparties compared to total gross carrying amount (aggregate)*	Of which environmentally sustainable (CCM)	Weighted average maturity	Number of top 20 polluting firms included
1	122,842	1.41%	0	0.51	1

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

Template 5 - Banking Book – Indicators of Potential Climate Change Physical Risk: Exposures Subject to Physical Risk

The Group includes in this template information on exposures in the banking book, including loans and advances, debt securities and equity instruments not held-for-trading and not held-for-sale, towards non-financial corporates, on loans collateralized with immovable property and on repossessed real estate collaterals. The exposure towards chronic and acute climate-related hazards, with a breakdown by sector of economic activity (NACE classification) and by geography of location of the activity of the counterparty or of the collateral (mainly relate to Serbia and Slovenia), for those sectors and geographical areas subject to climate change acute and chronic events is presented as well.

For the identification of geographies prone to specific climate-related hazards, the Group used information gathered during the materiality assessment analysis of the estimated physical risk drivers. For that purpose, the Group consulted available physical risk databases that provide forward-looking view, per geographical region. The list of data sources consulted in the process of estimation of risk drivers consists of the following):

- **Thinkhazard** - Main source of estimations of physical risks, with forward looking perspective at the level of county in Serbia, region in Slovenia and county in Croatia (Thinkhazard.com).
- **Serbian Geodetic Institute** - It is a local disaster risk register managed by Serbian geodetic institute (supported by EU and UNDP). It does not provide forward-looking estimations, but only historical data (https://drr.geosrbija.rs/drr/home).
- **Ministry of defense and Ministry for environment, climate and energy of the Republic of Slovenia** - Apart form Thinkhazard projections, for Slovenia were consulted also data provided by Ministry of defense and Ministry of environment, climate and energy. A significant drawback of these data is the fact that maps are prepared back in 2015 and 2016. Data might be perceived as obsolete (https://www.gov.si/en/state-authorities/ministries/ministry-of-defence, https://www.gov.si/en/state-authorities/ministries/ministry-of-the-environment-climate-and-energy).
- **EU Copernicus Climate Change Service, Hrvatske šume and Hrvatske vode** - based on the existing satellite tracking methodology utilized in the EU Copernicus Climate Change program and existing maps provided by relevant government entities (https://climate.copernicus.eu, https://www.hrsume.hr, https://voda.hr/hr).
- **Direction of the Republic of Slovenia for Water (Hydrological and hydraulic studies/models)** - The hazard level of the risk area is shown by the map of flood and erosion hazard classes. These maps are prepared based on hydrological-hydraulic studies and carried out with accurate hydrological and hydraulic models. Also, they determine the conditions and limitations for the implementation of interventions in space and for the implementation of activities in areas at risk of floods and associated erosion.

  (https://geohub.gov.si/portal/home/item.html?id=e3d3aa753dc94dc98cbe4625bd2346e2)
- **Slovenian Institute for Forest and Geohazard** provide details about the exposure to the wild forest fires and landslides. (http://prostor.zgs.gov.si/pregledovalnik)

Eligibility criteria for exposures sensitive to chronic and acute climate change events, or both, are established through the combination of the aforementioned information. Based on the score for each geography and risk driver—where 1 represents very low risk, 2 low risk, 3 medium risk, and 4 high risks — the Group has mapped the sensitivities of its exposures to chronic, acute, or both types of climate change events.

Table 39: Template 5 – Banking Book – Indicators of Potential Climate Change Physical Risk: Exposures Subject to Physical Risk

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
SERBIA	Gross carrying amount													
		of which exposures sensitive to impact from climate change physical events												
		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
1	A - Agriculture, forestry and fishing	127,518	44,651	20,355	0	0	3.9	0	0	65,006	9,328	2,169	-1,415	-385	-684
2	B - Mining and quarrying	119,874	286	0	0	0	2.4	0	0	286	203	0	-18	-18	0
3	C - Manufacturing	508,860	240,902	36,965	8,475	0	2.8	0	0	286,342	33,900	10,657	-11,430	-2,490	-7,169
4	D - Electricity, gas, steam and air conditioning supply	199,656	19,834	16,560	35,046	0	8.4	0	2,547	68,892	3,378	0	-1,112	-48	0
5	E - Water supply; sewerage, waste management and remediation activities	9,599	1,685	0	0	0	3.9	0	0	1,685	89	0	-3	0	0
6	F - Construction	261,893	133,269	6,890	7,185	522	3.1	0	0	147,866	32,179	580	-3,978	-2,754	-555
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	624,840	229,322	115,394	0	0	4.5	0	7	344,709	22,378	221	-2,393	-702	-45
8	H - Transportation and storage	166,638	6,390	34,329	0	0	7.4	0	0	40,719	3,097	166	-169	-76	-20
9	L - Real estate activities	234,692	11,962	127,123	46,455	0	7.7	0	0	185,540	49,677	0	-1,222	-258	0
10	Loans collateralised by residential immovable property	424,072	19,101	38,231	185,445	181,295	19.0	0	1,899	422,064	8,080	7,214	-4,206	-349	-3,048
11	Loans collateralised by commercial immovable property	1,242,774	727,551	396,211	116,478	2,534	4.8	0	2,654	1,240,120	162,746	14,431	-22,523	-6,748	-8,767
12	Repossessed collaterals	9,444	0	0	0	0	0.0	0	0	0	0	0	0	0	0
13	Other relevant sectors (breakdown below where relevant)	427,429	43,821	37,187	17,810	0	5.5	0	100	98,718	9,634	420	-860	-216	-175

a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
SLOVENIA	Gross carrying amount													
		of which exposures sensitive to impact from climate change physical events												
		Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
		<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
1	A - Agriculture, forestry and fishing	1,922	250	89	144	0	6.5	0	339	144	61	0	-3	0	0
2	B - Mining and quarrying	5,721	1,002	0	0	0	2.7	0	1,002	0	0	0	-15	0	0
3	C - Manufacturing	272,508	62,200	29,132	3	240	3.8	0	54,386	37,188	30,732	6,093	-2,414	-670	-1,459
4	D - Electricity, gas, steam and air conditioning supply	13,732	3,579	103	0	0	0.5	0	326	3,356	428	2,952	-243	0	-242
5	E - Water supply; sewerage, waste management and remediation activities	13,395	179	7,750	0	0	8.1	0	1,153	6,776	594	0	-56	-10	0
6	F - Construction	83,383	31,233	3,619	139	0	1.9	0	9,188	25,804	2,958	377	-48	-5	-2
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	127,791	24,290	9,007	1,231	0	4.2	0	18,909	15,620	7,940	406	-252	-29	-150
8	H - Transportation and storage	48,058	7,291	6,705	0	0	5.2	0	1,952	12,043	1,140	0	-86	-42	0
9	L - Real estate activities	109,154	30,183	29,641	6,568	0	5.5	0	42,652	23,741	11,961	9	-245	-68	-8
10	Loans collateralised by residential immovable property	298,350	44,791	28,492	206,683	17,350	13.9	0	220,357	76,959	15,365	2,597	-817	-165	-547
11	Loans collateralised by commercial immovable property	309,679	147,725	121,145	40,754	134	5.6	0	181,374	128,384	87,662	11,295	-4,245	-1,361	-2,128
12	Repossessed collaterals	21,769	0	0	0	0	0.0	0	0	0	0	0	0	0	0
13	Other relevant sectors (breakdown below where relevant)	286,066	28,313	45,306	33,848	0	7.4	0	79,316	28,152	39,412	2,480	-1,148	-623	-382

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	MONTENEGRO	Gross carrying amount													
			of which exposures sensitive to impact from climate change physical events												
			Breakdown by maturity bucket					of which exposures sensitive to impact from chronic climate change events	of which exposures sensitive to impact from acute climate change events	of which exposures sensitive to impact both from chronic and acute climate change events	Of which Stage 2 exposures	Of which non-performing exposures	Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		
			<= 5 years	> 5 year <= 10 years	> 10 year <= 20 years	> 20 years	Average weighted maturity							of which Stage 2 exposures	Of which non-performing exposures
1	A - Agriculture, forestry and fishing	1,502	941	0	0	0	1.8	0	941	0	348	593	-1	-1	0
2	B - Mining and quarrying	6,773	1,152	1,863	0	0	5.6	0	3,014	0	0	0	-40	0	0
3	C - Manufacturing	25,275	4,054	2,145	0	0	2.8	0	6,199	0	1,362	0	-861	-500	0
4	D - Electricity, gas, steam and air conditioning supply	32,674	689	255	0	0	4.3	0	944	0	944	0	-153	-153	0
5	E - Water supply; sewerage, waste management and remediation activities	578	0	0	0	0	0.0	0	0	0	0	0	0	0	0
6	F - Construction	24,752	9,130	3,737	0	0	3.2	0	12,867	0	6,966	594	-1,124	-677	-410
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	61,231	16,674	6,824	0	0	4.6	0	23,498	0	3,882	0	-1,510	-325	0
8	H - Transportation and storage	11,058	468	4,269	0	0	8.9	0	4,737	0	4,269	0	-345	-341	0
9	L - Real estate activities	34,319	30,088	0	0	0	2.5	0	30,088	0	29,878	0	-1,839	-1,839	0
10	Loans collateralised by residential immovable property	58,954	9,584	4,624	992	0	4.7	0	15,200	0	4,427	693	-746	-269	-410
11	Loans collateralised by commercial immovable property	128,277	71,814	27,619	395	0	4.1	0	99,828	0	56,947	2,858	-8,059	-5,185	-1,194
12	Repossessed collaterals	244	0	0	0	0	0.0	0	0	0	0	0	0	0	0
13	Other relevant sectors (breakdown below where relevant)	81,856	12,382	8,158	0	0	5.0	0	20,540	0	9,990	2,081	-2,593	-1,386	-1,114

16 REMUNERATION POLICY

(Article 450 a, b, c, d, e, f, g, l, i, j of the CRR Regulation)

This section discloses information, as required in Article 450 of Regulation (EU) No. 575/2013. The Remuneration Policy, including information regarding the criteria used for the measurement of performance and risk adjustment, is presented on a group level.

The Group has had a Group Remuneration Policy for the purpose of implementing sound remuneration practices which promote both achievement of the Group goals as well as prudent approach to risk management in place since 2018. During 2025 there were two reviews of Group Remuneration policy. Strategic risk management function and Compliance function conducted a thorough assessment of remuneration policy and remuneration processes. The Group Remuneration Policy has been assessed according to the risk appetite of the Group and in compliance with the regulatory requirements by respective management bodies.

The Board of Directors, Remuneration Committee and other Board Committees (where applicable), worked closely together and ensured that the Group Remuneration Policy is consistent with and promotes sound and effective risk management. **Board of Directors** is responsible for:

- Adopting and maintaining Group Remuneration Policy.
- Oversee its implementation to ensure it is fully operational as intended.
- Approving any subsequent material exemptions made for individual identified staff members and changes to the remuneration policy and carefully considering and monitoring their effects.
- Ensuring that the entity's remuneration policies and practices are appropriately implemented and aligned with the entity's overall corporate governance framework, corporate and risk culture, risk appetite and related governance processes.
- Determining and overseeing the remuneration of the executive members of Board of Directors.
- Together with the Remuneration Committee directly overseeing the remuneration of the senior officers in the independent control functions.
- Considering the findings of the compliance function during the approval, review, procedures, and oversight of the remuneration policy.

The **Remuneration Committee** on a group level is set up on a solo entity base. It is a committee of the Board of Directors. The Remuneration Committee:

- Is responsible for the preparation of decisions on remuneration to be taken by the Board of Directors, in particular regarding the remuneration of the members of the management body in its management function as well as of other identified staff.
- Provides its support and advice to the Board of Directors on the design of the remuneration policy, including that such remuneration policy is gender neutral and supports the equal treatment of staff of different genders.
- Supports the Board of Directors in overseeing the remuneration policies, practices and processes and compliance with the remuneration policy.
- Checks whether the existing remuneration policy is still up to date and, if necessary, makes proposals for changes.
- Reviews the appointment of external remuneration consultants that the management may decide to engage for advice or support.
- Ensures the adequacy of the information provided to shareholders on remuneration policies and practices, in particular on a proposed higher maximum level of the ratio between fixed and variable remuneration.
- Assess the mechanisms and systems adopted to ensure that the remuneration system properly takes into account all types of risks, liquidity and capital levels and that the overall remuneration policy is consistent with and promotes sound and effective risk management and is in line with the business strategy, objectives, corporate culture and values, risk culture and long-term interest of the Group.
- Is involved in the process of setting and assessment of performance objectives for members of the management function and senior managers in independent control functions together with other respective Board Committees.

- Assess the achievement of performance targets and the need for ex post risk adjustment, including the application of malus and claw back arrangements.
- Reviews possible scenarios to test how the remuneration policies and practices react to external and internal events, and back-tests the criteria used for determining the award and the ex-ante risk adjustment based on the actual risk outcomes.
- Ensures the proper involvement of the independent control function and other relevant functions (e.g., human resources) within the respective areas of expertise and, where necessary, seeks external advice.
- Collaborates with other Board Committees whose activities may have an impact on the design and proper functioning of remuneration practices.
- Provides adequate information with the Board of Directors, and, where appropriate, to the shareholders' meeting about the activities performed.

The Remuneration Committee has full access to all relevant data and information related to the decision-making process of Board of Directors on the remuneration policies and practices, design and implementation, oversight, and review. This includes also all information and data from independent control functions, including risk management. The Remuneration Committee works closely together with the Risk Committee to ensure that the Remuneration Policy is consistent with and promotes sound and effective risk management and does not incentivize excessive or inappropriate risk-taking.

The Remuneration Committee is composed of three members: the Chairman, Vice-Chairman, and one Committee member. Throughout 2025, neither the Committee nor Board of Directors engaged any external consultants in the course of their work.

During 2025, the Remuneration Committee held four meetings, during which it exercised its oversight responsibilities. The Remuneration Committee focused on several key areas related to the design, implementation, and review of the Group's remuneration framework. Key topics discussed during the year included: (i) Scorecards for performance year 2025: The Committee reviewed scorecards for Group members, including those on entity level and executive board members; (ii) Approach to scorecard setting for 2026 on entity level (Holding and subsidiaries) and setting of scorecards of executive board members (Holding and subsidiaries). (iii) Identification of material risk takers (identified staff): The Committee evaluated the results of the identification process for staff members whose professional activities have a material impact on the Group's risk profile for both 2024 and 2025; (iv) Performance Bonuses for the performance year 2024: The Committee reviewed and assessed performance outcomes and considered the application of risk adjustments to variable remuneration, where appropriate; (v) Overview of remuneration of identified staff members of the AikGroup (CY) Ltd. (vi) Group Remuneration Policy reviews and amendments: Updates to the policy were discussed, including the introduction of Short-Term Incentive Plan for Other Roles and implementation and effectiveness of group-wide Commercial Incentive Plan Framework in group members.

In line with the last update of Group Remuneration Policy other Board Committees are involved in the remuneration process. At the group level Audit Committee is involved in the objective setting and assessment of performance objectives for Head of Group Internal Audit function, Head of Group Compliance function and AML/FS unit manager. Risk Committee is involved in the objective setting and assessment of performance objectives for Heads of risk functions.

At the Group level, the **Group Management Committee** is responsible for ensuring that the variable remuneration framework adheres to principles of prudent and effective risk management. Specifically, it ensures that the variable remuneration is (i) compatible with effective and wise risk management and does not encourage risk taking that surpasses the level that is acceptable for the Group, (ii) properly takes into account all types of risks, liquidity and capital levels, (iii) is consistent with and promotes sound and effective risk management, (iv) is in line with the business strategy, objectives, corporate culture and values and the long-term interest of the Group. It also performs annual performance assessment for the direct subordinates within the area of responsibilities. In addition, the Board of Directors ensures that all variable remuneration awards are aligned with the overall performance outcomes for the relevant period and are adjusted as necessary to reflect actual results. This includes the application of malus and claw back arrangements where appropriate, thereby reinforcing accountability and alignment with sustainable performance.

At the Group level, the BoD holds overall responsibility for the governance and oversight of remuneration. This includes: (i) adopting and maintaining the Group Remuneration Policy, (ii) overseeing its consistent implementation across the Group, (iii) ensuring that the remuneration policies and practices are properly applied and fully aligned with the overall corporate governance

framework, corporate and risk culture, risk appetite and related governance processes (iv) ensuring the adequacy of the information provided to shareholders on remuneration policies and practices in particular on a higher maximum level of the ratio between fixed and variable remuneration. Furthermore, it determines and oversees the remuneration of the members of the Group Management Committee.

Group HR & Organization function holds primary responsibility for the development and the evaluation of the Group Remuneration Policy. This includes defining the overall remuneration structure, ensuring gender neutrality, setting appropriate remuneration levels and designing incentive schemes. The Group Remuneration Policy is designed not only to attract and retain the talent required by the Group, but also to ensure that the remuneration practices are aligned with the institution's risk profile.

Group Risk and Group Compliance functions work closely together with Group HR & Organization function to ensure appropriate implementation and alignment of Group Remuneration Policy. Their role includes verifying that the policy is aligned with the Group's risk profile and culture, and that it incorporates risk-adjusted performance measures, including ex-ante and ex-post adjustments. These functions are also responsible for validating and assessing risk adjustment data and ensuring full compliance with applicable regulatory requirements.

A central and independent review of the compliance with the regulation, other group policies, procedures and internal rules is performed annually by Group Internal Audit Function on a group level.

Group Remuneration Policy

The Group complies with the Group Remuneration Policy on an individual, sub-consolidated and consolidated basis, including its subsidiaries not subject to Directive 2013/36/EU. Local policies are obliged to follow to the maximum extent permitted under applicable local law the principles and rules set out in Group Remuneration Policy. Where relevant, local entities may apply the principle of proportionality in accordance with their specific regulatory and operational context. Group Remuneration Policy establishes a uniform remuneration framework in order to achieve group wide consistency of the remuneration systems with the business and risk strategy of the Group. As an integral component of the Group governance framework, the policy is developed in accordance with the Group's operational model, business strategy, objectives, long-term interests and incorporate measures to avoid conflict of interest.

Group Remuneration Policy specifies all components of remuneration. It ensures that the payments made do not provide any incentive for excessive risk taking. It promotes sound and effective risk management and is consistent with the objectives of the Group business and risk strategy, corporate culture and values, risk culture, including environmental, social and governance risk factors, long-term interests of the Group and the measures used to avoid conflict of interest and should not encourage excessive risk-taking on behalf of the Group or any of its members.

Group Remuneration Policy is a central element for the implementation of the remuneration systems within the Group. The objectives of the Policy are, among others, (i) to ensure that the remuneration across the Group is in line with the applicable regulations on remuneration; (ii) to set out the principles governing the Group remuneration systems and to build an overall framework on remuneration; (iii) to align the remuneration systems within the Group with the objectives set out in the business and risk strategy of the Group; (iv) to bring consistency, transparency, and equity to pay principles that will increase trust and staff's engagement; (v) to set out remuneration system that promotes motivation and achieving the best possible business results with appropriate risk management; (vi) to provide an environment that encourage innovation and extraordinary performance; (vii) to attract, retain, and motivate highly skilled individuals in a competitive international market; (viii) to provide an effective framework for performance measurement, risk adjustment and the linkages of performance to reward and (ix) to align the financial wellbeing of staff members with the economic interest of shareholder. The Group Remuneration Policy is transparent, known in advance, appropriately documented and internally published. Group Remuneration Policy is gender neutral for all staff and consistent with the principle of equal pay for male and female workers for equal work or work of equal value independent of their gender. The principle of gender equality of remuneration policies relates to all terms of employment and considers the underrepresented gender as well. The principle ensures equal opportunities and equal treatment of different genders with regard to the performance of professional activities in matters of employment and occupation. A gender-neutral remuneration policy is not limited to equal pay for equal work or work of equal value, as the principle is also considered in the development and implementation of staffing policies (recruitment, development and legacy, key staff, remuneration, promotion, training etc.), as this ensures gender neutral pay in the longer run.

Group Remuneration Policy in line with EBA Guidelines on sound remuneration distinguishes between the fixed and variable remuneration components. The fixed remuneration reflects the staff's professional experience and organizational responsibility taking into account the level of education required to fulfill the position, the degree of seniority, the level of expertise and skills, the constraints (e.g., social, economic, cultural or other relevant factors) and job experience, the relevant business activity and remuneration level of the geographical location. The amount of fixed remuneration is sufficiently high in order to ensure that the reduction of the variable remuneration down to zero is possible. The Group conforms to the general principle that staff must not be dependent on the award of variable remuneration as this might otherwise create incentives for short-term-oriented excessive risk taking, including the mis-selling of products, where without such a short-term risk taking the performance of the entity or staff would not allow for the award of variable remuneration. Yet the ratios between fixed and variable components of remuneration are balanced so that it still effectively encourages staff members to achieve or exceed planned results. The members of the BoD only receive fixed remuneration.

In addition to the fixed remuneration, the staff may also be entitled to variable remuneration in accordance with the provisions in their individual employment contracts, incentive schemes as defined by the Group Remuneration Policy, remuneration policy of the respective subsidiaries and in line with local legislation. In principle, variable remuneration is determined on the basis of the performance assessment of achieving the business performance of the respective Group members, as well as of the organizational unit and individual goals measured and assessed in accordance with internal acts of the respective Group members. In general, the variable part of the remuneration has to reflect the sustainable and risk-based success that is higher than the average expected success, reflected in the fixed part of the remuneration. Generally, performance assessments are carried out once a year, or in different period of time if thus determined by respective Group members. Group Remuneration Policy supports the Group in achieving and maintaining a target capital base. Variable remunerations are only paid or become payable if they are sustainable in terms of each Group member's financial state and if they are justified by the success of the respective Group members, the organizational unit, and the individual staff member.

Group Remuneration policy outlines three incentive plans for different roles. Short-Term Incentive plan for Other Roles, Commercial Incentive plan Framework and Short-Term Incentive Plan for Identified roles.

Remuneration of Identified staff is furthermore regulated by Group Remuneration Policy for Identified Staff and by Short-Term Incentive Plan for Identified roles. In general, maximum ratio 1 (fixed remuneration): 1 (variable remuneration) is set for identified staff members. Specific ratios between the fixed and variable remuneration components for identified staff in the specific functions (especially for control functions) can be significantly lower, based on the incentive scheme for a specific role. Identified staff members are segmented based on two factors, job value and job role. Job value is determined using the globally accepted Korn Ferry Hay Group Guide Chart-Profile Method of Job Evaluation℠. Each identified staff member is allocated to the correspondent reference level. All identified staff members are segmented, in three types of job roles, aligned with the nature and scope of their work, and organizational strategy: (i) CEO, Commercial, and IT & Digitalization roles; (ii) Control roles; and (iii) Support roles.

Performance-based annual incentive scheme for identified staff members is structured around target incentive level as defined for each job role of an identified staff member and five components which affect it in a multiplicative manner: (i) Trigger; (ii) Core metric (multiplier 1); (iii); Institution (entity) performance (multiplier 2), (iv) Functional performance (multiplier 3), and (v) Individual hurdle/kicker.

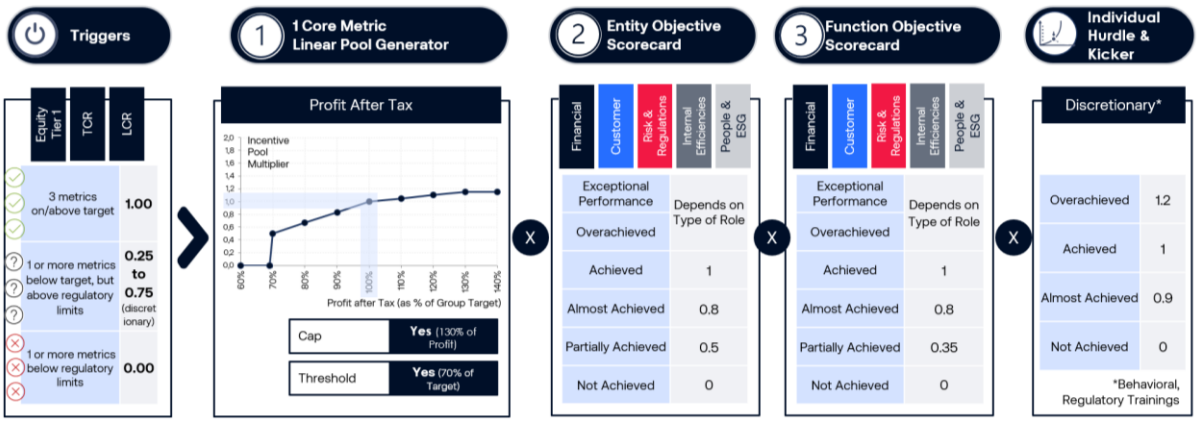


Figure 7: Performance-based annual incentive scheme for identified staff

The performance-based annual incentive scheme for identified staff members is unlocked based on the performance of three risk-related triggers, upon meeting predefined and specific levels.

Core metric, as pool generator, depends on the target profitability achievement. More specifically, deviations on achievement of targeted Profit After Tax affect the final outcome of the total available bonus pool, which is subject to any necessary risk adjustments as defined in Group Remuneration Policy. Entity Performance represents overall achievement of objectives set in Group member's (entity) scorecard and affects the final outcome of the multiplier. Functional Performance represents overall achievement of team and individual objectives set in functional scorecard and affects the final outcome of the multiplier. The final component is considered partially discretionary and is evaluated based on behavioral indicators, such as general and leadership competencies, mandatory trainings completion, existence of disciplinary procedures, etc.

The target incentive level for each job role of identified staff is defined by job nature and job value, which is evaluated through job evaluation methodology. The target incentive level is expressed as a percentage of the annual basic fixed salary of each individual identified staff member. The target incentive level increases with job value and job nature.

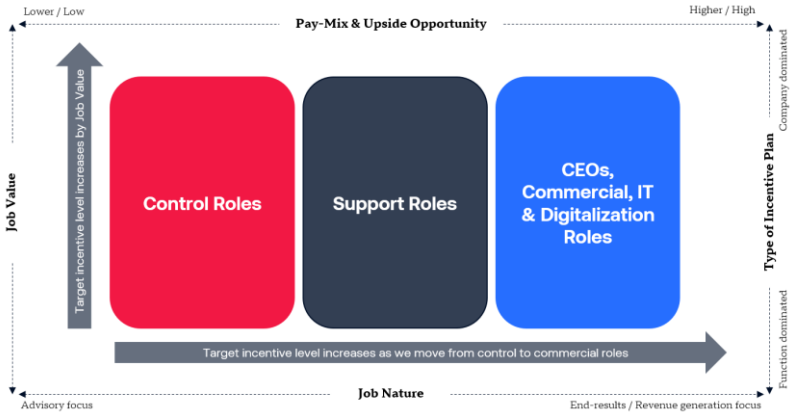


Figure 8: Target incentive level

The risk adjustment and malus/claw back can affect the final payout amount. Maximum ratio between the fixed and variable remuneration components, which is set at 1 : 1 is always respected.

The objective scorecards are updated annually, both for institutions and identified staff members. The majority of objectives for the identified staff are directly or indirectly linked to the Group members' objectives in order to align with the overall strategy. The scorecards include both quantitative and qualitative objectives as well as team (shared) and individual objectives. Each objective's performance is measured on a 4 or 6 scale with a point score i.e., not achieved (0) / partially achieved (1) / almost achieved (2) / achieved (3) / overachieved (4) / and exceptional performance (5). Performance objectives depending on the role can be related to finance, customer, risk & regulations, internal efficiencies, people & ESG or other topics.

The award process and payout process are governed by the Group Remuneration Policy. Group members include the impact of variable remuneration (both upfront and deferred amounts) in their

capital and liquidity planning and in their overall internal capital and liquidity adequacy assessment process. They ensure that the award, pay out and vesting of variable remuneration, including the application of malus and claw back arrangements, under their local remuneration policy is not detrimental to maintaining a sound capital and liquidity base in line with the risk appetite framework. The total variable remuneration awarded also considers the interests of shareholders and other stakeholders.

In accordance with the Group Remuneration Policy, the management body and the Remuneration Committee (in cooperation with other relevant committees where applicable) assess performance outcomes and the need for ex post risk adjustments, including malus and claw back measures. They are authorized to consider any relevant factors when assessing the need for variable remuneration adjustments, including breaches of laws or internal rules, failure to meet suitability standards, or actions leading to significant losses for the Group or its members.

If the awarded variable remuneration exceeds EUR 50.000 gross or represents more than one third of respective identified staff's total annual remuneration, the total variable remuneration (all variable remuneration components) must be paid as follows:

- 60% of the awarded amount is paid immediately (after the Annual Report has been approved in case of yearly performance bonuses), i.e. upfront payment, and
- The remaining 40% of the awarded amount is subject to deferral and paid on a "pro rata" basis over:
  - five (5) years for members of the management body and senior managers, which means that of the remaining 40% of the amount awarded, 20% of said amount is paid annually in the next five (5) years. The last part of the amount is paid after five (5) years; or
  - four (4) years for other identified staff members, which means that of the remaining 40% of the amount awarded, 25% of said amount is paid annually in the next four (4) years. The last part of the amount is paid after four (4) years.

If the awarded variable remuneration is a high amount, i.e., equals to or over EUR 300.000 gross, the total variable remuneration (all variable remuneration components) must be paid:

- 40% of the awarded amount is paid immediately (after the Annual Report has been approved in case of yearly performance bonuses), i.e. upfront payment, and
- The remaining 60% of the awarded amount is subject to deferral and paid on a "pro rata" basis over five (5) years, which means that of the remaining 60% of the amount, 20% of said amount is paid annually in the next 5 years. The last part of the amount is paid after 5 years.

If payment of awarded variable remuneration exceeds EUR 50.000 gross or represents more than one third of the respective identified staff's total annual remuneration it is paid as follows: 50% in cash and 50% in instruments.

The instruments used for the awarding of variable remuneration contribute to the alignment of variable remuneration with the performance, financial stability and risk management of the respective Group members and the Group. They ensure that the interests of identified staff align with those of shareholders, creditors, and other stakeholders, discouraging excessive risk-taking beyond the Group's risk tolerance level. The Group uses promissory notes as a form of non-cash instrument for awarding variable remuneration. They are non-cash debt instruments that do not qualify as own funds. To ensure that these instruments reflect the credit quality of a Group member as a going concern, appropriate requirements ensure that the circumstances in which such instruments are written down extend beyond recovery or resolution situations. Malus and claw back arrangements as defined by Group Remuneration Policy and its appendices apply also to non-cash debt instruments.

Severance payments are intended to provide fair compensation in cases of early contract termination and must not constitute a disproportionate reward. They must reflect performance achieved over time and must not reward failure or misconduct. In general, severance arrangements are governed by local legislation or applicable collective agreements.

For identified staff, severance payments agreed in advance may generally amount to up to 12 months of salary, unless otherwise provided by law, collective agreements, or specific regulatory exceptions. Any severance payment exceeding the amount prescribed by law or collectively agreed levels is treated as variable remuneration and is therefore subject to regulatory requirements, including deferral, payment in instruments, and limits on the fixed-to-variable remuneration ratio. Performance over an appropriate time horizon must be considered when determining such amounts.

The process for determining severance pay involves multiple functions. Human Resources initiates and justifies the request and calculates the amount in line with legal, contractual, and internal policies. Risk and Compliance functions independently review the proposal to assess financial, reputational, legal, and regulatory implications. In line with EBA/GL/2021/04, certain mandatory or justified severance payments can be excluded from the calculation of the fixed-to-variable remuneration ratio, while other severance amounts are included and treated as variable remuneration for the final performance period.

Guaranteed variable remuneration is exceptional and can only be guaranteed if the Group member has a sound and strong capital base. Single identified staff member can be awarded with guaranteed variable remuneration only once and this applies at a consolidated and sub-consolidated level and includes situations where identified staff member receives a new contract from the same Group member or another Group member within the scope of prudential consolidation. The awarded amount of guaranteed variable remuneration is not included in the calculation of the ratio between the fixed and variable components of the total remuneration for the first performance period, where the guaranteed variable remuneration is awarded when hiring new identified staff member before the first performance period starts.

The Group effectively manages conflicts of interest by established system for the identification of conflicts of interest, which covers the criteria for identifying the circumstances that lead to or may lead to conflicts of interest as well as identification of conflicts of interests, and a system for the prevention of the occurrence of conflicts of interest including the determination of procedures and measures to manage the conflicts of interest. The Group takes organizational and other measures contained in its internal documents or implements guidelines to prevent or avoid conflicts of interest.

Annual self-assessment (description of the staff or categories of staff whose professional activities have a material impact on institutions' risk profile)

Annual self-assessment is conducted in order to identify all staff members whose professional activities have or may have a material impact on the Group's risk profile, based on Directive 2013/36/EU and Regulation (EU) 2021/923, therefore annual self-assessment process is conducted on an individual and sub-consolidated basis by Group members and on consolidated basis by the Group. The identification process is defined in Group Remuneration Policy. The annual self-assessment on a group level is conducted by Group HR & Organization function in cooperation with the Group Strategic Risk Management function and Group Compliance function. The annual self-assessment is based on the qualitative and quantitative criteria set out in Article 92(3) of Directive 2013/36/EU and Regulation (EU) 2021/923. The staff members that fall or are likely to fall under the criteria set out in Article 92(3) of Directive 2013/36/EU and in Article 5 of Regulation (EU) 2021/923 for a period of at least three months in a financial year, are treated as staff members whose professional activities have a material impact on the institution's risk profile on individual or consolidated basis.

The annual self-assessment shows that, by considering above stated criteria, the Group has identified all staff members whose professional activities have a material impact on the risk profile on individual and consolidated basis for year 2025 and there was no exclusion of staff members in accordance with the regulation where the group member would deem that the quantitative criteria are not met by the staff member, as they in fact do not have a material impact on the institution's risk profile on an individual or consolidated basis.

The self-assessment for 2025 has on a consolidated basis identified 156 staff members whose professional activities have a material impact on the Group's risk profile, out of these 44 staff members have been identified for the first time. 13 staff members have been identified as staff members whose professional activities have had a material impact on the institution's risk profile of more than one or more than two Group members. To ensure full transparency, they are reported in REM tables according to their position where they carried out the predominant part of their business activities for 2025.

The REM tables (Tables 41–45), presenting the remuneration of all identified staff at Group level for the financial year 2025, will be updated following the approval of the relevant Remuneration documents.

Table 41: EU REM1 – Remuneration awarded for the financial year

			a	b	c	d
			MB Supervisory function	MB Management function	Other senior management	Other identified staff
1	Fixed remuneration	Number of identified staff	8	2	118	20
2		Total fixed remuneration	931.9	601.2	13,160.1	1,312.4
3		Of which: cash-based	778.7	551.1	12,707.0	1,298.9
4		(Not applicable in the EU)	-	-	-	-
EU-4a		Of which: shares or equivalent ownership interests	-	-	-	-
5		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-5x		Of which: other instruments	-	-	-	-
6		(Not applicable in the EU)	-	-	-	-
7		Of which: other forms	153.2	50.1	453.1	13.5
8		(Not applicable in the EU)	-	-	-	-
9	Variable remuneration	Number of identified staff	-	2	106	9
10		Total variable remuneration	-	248.4	3,729.0	75.6
11		Of which: cash-based	-	124.2	3,062.6	75.6
12		Of which: deferred	-	49.7	302.8	-
EU-13a		Of which: shares or equivalent ownership interests	-	-	-	-
EU-14a		Of which: deferred	-	-	-	-
EU-13b		Of which: share-linked instruments or equivalent non-cash instruments	-	-	-	-
EU-14b		Of which: deferred	-	-	-	-
EU-14x		Of which: other instruments	-	124.2	664.7	-
EU-14y		Of which: deferred	-	49.7	302.8	-
15		Of which: other forms	-	-	1.7	-
16		Of which: deferred	-	-	-	-
17	**Total remuneration (2 + 10)**		**931.9**	**849.6**	**16,889.1**	**1,388.0**

Table 42 EU REM2 – Special payments to staff whose professional activities have a material impact on institutions' risk profile (identified staff)

		a	b	c	d
		MB Supervisory function	MB Management function	Other senior management	Other identified staff
	Guaranteed variable remuneration awards				
1	Guaranteed variable remuneration awards - Number of identified staff				
2	Guaranteed variable remuneration awards -Total amount				
3	Of which guaranteed variable remuneration awards paid during the financial year, that are not taken into account in the bonus cap				
	Severance payments awarded in previous periods, that have been paid out during the financial year				
4	Severance payments awarded in previous periods, that have been paid out during the financial year - Number of identified staff				
5	Severance payments awarded in previous periods, that have been paid out during the financial year - Total amount				
	Severance payments awarded during the financial year				
6	Severance payments awarded during the financial year - Number of identified staff			2	
7	Severance payments awarded during the financial year - Total amount			53.3	
8	Of which paid during the financial year			53.3	
9	Of which deferred			-	
10	Of which severance payments paid during the financial year, that are not taken into account in the bonus cap			-	
11	Of which highest payment that has been awarded to a single person			43.6	

Table 43: EU REM3 – Deferred remuneration

		a	b	c	d	e	f	EU - g	EU - h
	Deferred and retained remuneration	Total amount of deferred remuneration awarded for previous performance periods	Of which due to vest in the financial year	Of which vesting in subsequent financial years	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in the financial year	Amount of performance adjustment made in the financial year to deferred remuneration that was due to vest in future performance years	Total amount of adjustment during the financial year due to ex post implicit adjustments (i.e.changes of value of deferred remuneration due to the changes of prices of instruments)	Total amount of deferred remuneration awarded before the financial year actually paid out in the financial year	Total of amount of deferred remuneration awarded for previous performance period that has vested but is subject to retention periods
1	MB Supervisory function								
2	Cash-based								
3	Shares or equivalent ownership interests								
4	Share-linked instruments or equivalent non-cash instruments								
5	Other instruments								
6	Other forms								
7	MB Management function	44.4		44.4					
8	Cash-based	22.2		22.2					
9	Shares or equivalent ownership interests								
10	Share-linked instruments or equivalent non-cash instruments								
11	Other instruments	22.2		22.2					
12	Other forms								
13	Other senior management	507.4	17.0	490.4				17.0	8.5
14	Cash-based	253.7	8.5	245.2				8.5	
15	Shares or equivalent ownership interests								
16	Share-linked instruments or equivalent non-cash instruments								
17	Other instruments	253.7	8.5	245.2				8.5	8.5
18	Other forms								
19	Other identified staff								
20	Cash-based								
21	Shares or equivalent ownership interests								
22	Share-linked instruments or equivalent non-cash instruments								
23	Other instruments								
24	Other forms								
25	**Total amount**	**551.8**	**17.0**	**534.8**				**17.0**	**8.5**

Table 44 EU REM4 – Remuneration of 1 million EUR or more per year

		a
	EUR	Identified staff that are high earners as set out in Article 450(i) CRR
1	1 000 000 to below 1 500 000	1
2	1 500 000 to below 2 000 000	
3	2 000 000 to below 2 500 000	
4	2 500 000 to below 3 000 000	
5	3 000 000 to below 3 500 000	
6	3 500 000 to below 4 000 000	
7	4 000 000 to below 4 500 000	
8	4 500 000 to below 5 000 000	
9	5 000 000 to below 6 000 000	
10	6 000 000 to below 7 000 000	
11	7 000 000 to below 8 000 000	

Table 405: EU REM5 - Information on remuneration of staff whose professional activities have a material impact on institutions' risk profile (identified staff)

		a	b	c	d	e	f	g	h	i	j
		Management body remuneration			Business areas						
		MB Supervisory function	MB Management function	Total MB	Investment banking	Retail banking	Asset management	Corporate functions	Independent internal control functions	All other	Total
1	**Total number of identified staff**										148
2	Of which: members of the MB	8	2	10							
3	Of which: other senior management				1	33	8	52	24		
4	Of which: other identified staff							1	8	11	
5	**Total remuneration of identified staff**	931.9	849.6	1,781.5	41.7	4,940.3	793.3	7,952.5	3,161.4	1,388.1	
6	Of which: variable remuneration		248.4	248.4		1,187.1	153.8	1,852.1	611.7	-	
7	Of which: fixed remuneration	931.9	601.2	1,533.1	41.7	3,753.2	639.5	6,100.4	2,549.7	1,388.1	

17 LEVERAGE RATIO

(Article 451 of the CRR Regulation)

Leverage ratio represents relationship between Tier 1 capital and leverage exposure. Leverage exposure is sum of certain unweighted on- and off-balance sheet positions.

Purpose of leverage ratio is to limit the size of the Group balance sheet with a special emphasis on exposures not weighted as part of the existing calculations of capital requirements. The calculation of the leverage thus uses Tier 1 capital in the numerator, while in the denominator it uses the leverage exposure, including balance and off-balance-sheet items after performed adjustments, as part of which exposures from derivatives, exposures from securities financing transactions and other off-balance-sheet items are especially emphasized.

In accordance with Article 499(2) of the CRR, the Group decided to disclose the leverage ratio where the capital measure is Tier 1 capital.

As of December 31, 2025, the Group's leverage ratio is calculated according to guidelines of the Commission Delegated Regulation (EU) 2015/62 and equals 10.62%, which is well above regulatory prescribed minimum of 3%.

Group regularly assesses adequacy of its leverage ratio in parallel with the assessment of capital adequacy and other capital-related indicators, at least on a quarterly basis.

In addition to regulatory calculation and reporting, leverage ratio is also monitored on a regular basis through the Group Risk Report (as part of RAS), which is reviewed by the Group Management Committee, the Group Board of Directors, and Group Risk Committee. It is also part of regular planning process.

Furthermore, leverage ratio is included in the set of systemic warning indicators within the Group's Recovery plan prepared in accordance with Directive 2014/59/EU of the European Parliament, which also defines threshold levels for the activation of recovery measures.

Table EU_LR1 provides reconciliation of AikGroup financial statements to the leverage ratio exposure as of December 31, 2025:

Table 416: EU-LR1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

		a
		Applicable amount
1	Total assets as per published financial statements	10,233,160
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	355
3	(Adjustment for securitised exposures that meet the operational requirements for the recognition of risk transference)	-
4	(Adjustment for temporary exemption of exposures to central banks (if applicable))	-
5	(Adjustment for fiduciary assets recognised on the balance sheet pursuant to the applicable accounting framework but excluded from the total exposure measure in accordance with point (i) of Article 429a(1) CRR)	-
6	Adjustment for regular-way purchases and sales of financial assets subject to trade date accounting	-
7	Adjustment for eligible cash pooling transactions	-
8	Adjustment for derivative financial instruments	-
9	Adjustment for securities financing transactions (SFTs)	-
10	Adjustment for off-balance sheet items (ie conversion to credit equivalent amounts of off-balance sheet exposures)	780,417
11	(Adjustment for prudent valuation adjustments and specific and general provisions which have reduced Tier 1 capital)	-
EU-11a	(Adjustment for exposures excluded from the total exposure measure in accordance with point (c) and point (ca) of Article 429a(1) CRR)	-
EU-11b	(Adjustment for exposures excluded from the total exposure measure in accordance with point (j) of Article 429a(1) CRR)	-
12	Other adjustments	(43,160)
13	**Total exposure measure**	10,970,771

Leverage Ratio amounts to 10.69% well above regulatory minimum of 3%. Table EU LR2 shows breakdown of total leverage exposure measure into its main parts, as of December 31, 2025, and December 31, 2024:

Table 427: EU-LR2 - LRCom: Leverage ratio common disclosure

		CRR leverage ratio exposures	
		a	b
		31.12.2025	31.12.2024
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	9,881,387	8,456,832
2	Gross-up for derivatives collateral provided, where deducted from the balance sheet assets pursuant to the applicable accounting framework	-	-
3	(Deductions of receivables assets for cash variation margin provided in derivatives transactions)	-	-
4	(Adjustment for securities received under securities financing transactions that are recognised as an asset)	-	-
5	(General credit risk adjustments to on-balance sheet items)	-	-
6	(Asset amounts deducted in determining Tier 1 capital)	(32,354)	(25,614)
7	Total on-balance sheet exposures (excluding derivatives and SFTs)	9,849,033	8,431,218
Derivative exposures			
8	Replacement cost associated with SA-CCR derivatives transactions (ie net of eligible cash variation margin)	-	-
EU-8a	Derogation for derivatives: replacement costs contribution under the simplified standardised approach	-	-
9	Add-on amounts for potential future exposure associated with SA-CCR derivatives transactions	-	-
EU-9a	Derogation for derivatives: Potential future exposure contribution under the simplified standardised approach	-	-
EU-9b	Exposure determined under Original Exposure Method	19,994	15,629
10	(Exempted CCP leg of client-cleared trade exposures) (SA-CCR)	-	-
EU-10a	(Exempted CCP leg of client-cleared trade exposures) (simplified standardised approach)	-	-
EU-10b	(Exempted CCP leg of client-cleared trade exposures) (Original Exposure Method)	-	-
11	Adjusted effective notional amount of written credit derivatives	-	-
12	(Adjusted effective notional offsets and add-on deductions for written credit derivatives)	-	-
13	**Total derivatives exposures**	19,994	15,629
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	321,328	430,137
15	(Netted amounts of cash payables and cash receivables of gross SFT assets)	-	-
16	Counterparty credit risk exposure for SFT assets	-	-
EU-16a	Derogation for SFTs: Counterparty credit risk exposure in accordance with Articles 429e(5) and 222 CRR	-	-
17	Agent transaction exposures	-	-
EU-17a	(Exempted CCP leg of client-cleared SFT exposure)	-	-
18	**Total securities financing transaction exposures**	321,328	430,137
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	2,436,273	2,200,596
20	(Adjustments for conversion to credit equivalent amounts)	(1,655,856)	(1,644,399)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated associated with off-balance sheet exposures)	-	-

		CRR leverage ratio exposures	
		a	b
		31.12.2025	31.12.2024
22	**Off-balance sheet exposures**	780,417	556,198
Excluded exposures			
EU-22a	(Exposures excluded from the ~~leverage ratio~~ total exposure measure in accordance with point (c) and point (ca) of Article 429a(1) CRR)	-	-
EU-22b	(Exposures exempted in accordance with point (j) of Article 429a(1) CRR (on and off balance sheet))	-	-
EU-22c	(Excluded exposures of public development banks (or units) - Public sector investments)	-	-
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units))	-	-
EU-22f	(Excluded guaranteed parts of exposures arising from export credits)	-	-
EU-22g	(Excluded excess collateral deposited at triparty agents)	-	-
EU-22h	(Excluded CSD related services of CSD/institutions in accordance with point (o) of Article 429a(1) CRR)	-	-
EU-22i	(Excluded CSD related services of designated institutions in accordance with point (p) of Article 429a(1) CRR)	-	-
EU-22j	(Reduction of the exposure value of pre-financing or intermediate loans)	-	-
EU-22k	(Excluded exposures to shareholders according to Article 429a (1), point (da) CRR)	-	-
EU-22l	(Exposures deducted in accordance with point (q) of Article 429a(1) CRR)	-	-
EU-22m	(Total exempted exposures)	-	-
Capital and total exposure measure			
23	**Tier 1 capital**	1,165,223	1,027,314
24	**Total exposure measure**	**10,970,771**	**9,290,200**
Leverage ratio			
25	Leverage ratio (%)	10.62%	11.06%
EU-25	Leverage ratio (excluding the impact of the exemption of public sector investments and promotional loans) (%)	10.62%	11.06%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) (%)	10.62%	11.06%
26	Regulatory minimum leverage ratio requirement (%)	3.00%	3.00%
EU-26a	Additional own funds requirements to address the risk of excessive leverage (%)	0.00%	0.00%
EU-26b	of which: to be made up of CET1 capital	0.00%	0.00%
27	Leverage ratio buffer requirement (%)	0.00%	0.00%
EU-27a	Overall leverage ratio requirement (%)	3.00%	3.00%
Choice on transitional arrangements and relevant exposures			
EU-27b	Choice on transitional arrangements for the definition of the capital measure	n/a	n/a
Disclosure of mean values			
28	Mean of daily values of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivable	232,597	784,136
29	Quarter-end value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	321,328	615,224
30	Total exposure measure (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	10,882,041	9,459,113

		CRR leverage ratio exposures	
		a	b
		31.12.2025	31.12.2024
30a	Total exposure measure (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	10,882,041	9,459,113
31	Leverage ratio (including the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	10.71%	10.86%
31a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves) incorporating mean values from row 28 of gross SFT assets (after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables)	10.71%	10.86%

Table EU LR 3 provides breakdown of on-balance sheet exposures, excluding derivatives, SFTs and exempted exposures, by exposure class as of December 31, 2025:

Table 438: EU-LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

		a
		CRR leverage ratio exposures
EU-1	Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:	9,881,387
EU-2	Trading book exposures	-
EU-3	Banking book exposures, of which:	9,881,387
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	1,746,573
EU-6	Exposures to regional governments, MDB, international organisations and PSE, not treated as sovereigns	148,264
EU-7	Institutions	467,957
EU-8	Secured by mortgages of immovable properties	2,465,310
EU-9	Retail exposures	2,146,665
EU-10	Corporates	1,494,688
EU-11	Exposures in default	92,832
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	1,319,097

Factors influencing the development of leverage

Leverage ratio reaches constantly high levels in 2024 and in 2025, well above regulatory (3%) and internally defined thresholds.

Impacts on change of leverage ratio on December 31, 2025, compared to December 31, 2024, are as follows:

- Own funds increased by 160 million EUR, and the main drivers are:
  - Increase of retained earnings by 96 million EUR,
  - Decrease of intangible assets by 9 million EUR,
  - Decrease of deferred tax assets by 2 million EUR,
  - Increase of Accumulated other comprehensive income by 2 million EUR,
  - Increase of Subordinated loan by 57 million EUR,
  - Increase of other elements by 16 million EUR
- Risk position value increases by 1,680.57 million EUR, as a result of portfolio increase and incorporation of new entity, Hipotekarna bank.

18 LIQUIDITY REQUIREMENTS

(Article 451a g, Article 435.1 of the CRR Regulation)

18.1 Liquidity Risk Management

Liquidity risk management within the Group is prescribed in the Group Framework on Liquidity Risk Management and Liquidity Stress Testing. This document sets out the basic principles and rules regarding liquidity risk management and liquidity stress testing process among members of a banking group where AikGroup (CY) Limited is a parent company.

Liquidity risk is organized in a way that responsibilities and roles are divided among different business and organizational units. The Group Board of Directors is ultimately responsible for overseeing liquidity risk management. This includes making critical decisions on liquidity risk, setting guidelines, and defining criteria related to structure and income to ensure an adequate level of liquid assets. The Board also establishes key principles for the composition of liquidity and funding sources, approves and updates liquidity risk documents for both the Group and individual entities, and endorses the Liquidity Contingency Plan. Liquidity management activities are organized in line with the three lines of defense model. The first line of defense are business units, ALM and Treasury, responsible for compliance with risk appetite limits, monitoring market developments, counterbalancing capacity management, future cash flow projections and liquidity contingency plan. The second line of defense is Risk management and Compliance Unit. The risk management unit is in charge of the development of risk management framework, setting limits and strategies, and validation of activities conducted by business units. Compliance is in charge of reviewing and monitoring regulatory changes with which the Group is required to comply and checking the compliance with the regulatory expectations. Internal Audit presents third line of defense in liquidity risk management process. The responsibilities of Internal Audit are to monitor effectiveness of the Group's internal quality control and risk management system, general risk assessment of all aspects and creating of internal audit work plan, including open issues and areas with high risk identified in previous risk assessments/addressing shortcomings.

The liquidity risk management process on a solo level (i.e. credit institution subsidiary) is an integral part of the Group risk management system. It is aligned with the Group Strategy on Risk Management, regulatory requirements, international standards and best practices, while respecting the specifics of business activities and strategic goals. Subsidiaries are obliged to align with the Group process, but also with any regulatory requirements on local level, considering its size, nature, complexity and impact on risk exposure on the Group level. Group is conducting the Internal Liquidity Adequacy process, since it is key input to strategy and overall balance sheet management. ILAAP is an integral part of the bank's management process and decision-making culture which is achieved by capturing output from ILAAP process in the setting of risk limits, counterbalancing capacity and recovery options. Key ILAAP inputs are business strategy, risk identification, risk appetite, capital and financial plans. Business strategy is formed through a formal and rational decision-making process. The key stage of the process is an identification of material risks, including selection of key risk drivers in order to create a limit system. Limits have been articulated through the establishment of the Risk Appetite, where it is clearly defined to what extent the Group is willing to take risks (with regards to size, form and content of the balance sheet) and be able to continue operating by maintaining adequate counterbalancing capacity and stable funding by managing its risks effectively. Business strategy and risk appetite limits form basis for financial and capital plans which are prepared for the 3-year period. The key part of financial planning is to keep portfolio risks within limits.

The basic method of liquidity measurement involves estimating and comparing future cash inflows and outflows based on balance sheet and off-balance sheet items at different time intervals, with the aim of identifying potential shortfalls of liquid assets, both in the conditions of regular operations and in the conditions of stress events or liquidity crisis. The first stage for risk identification is the recognition of all the material current risks the Group is exposed to, and the future risks the Group could be exposed to.

Each credit institution subsidiary monitors indicators and limits defined in the Group RAS and reports to the GSRMF/MLRC Unit on those indicators. GSRMF/MLRC Unit calculates all liquidity risk indicators on Group level.

Policies for mitigating the liquidity risk is prescribed in Group Framework on Liquidity Risk Management and Liquidity Stress Testing and in line with Group Policy on Risk Management. Group Framework on Liquidity Contingency Plan prescribes obligation of each credit institution subsidiary to adopt LCP

(liquidity contingency plan) on a solo level which sets out the measures for addressing liquidity difficulties under stressed circumstances. The LCP is expected to address the risks identified in the Group's ILAAP and to set out the relationship with Group Recovery plan through stress testing, liquidity risk indicators and recovery options. The LCP is triggered in the event of stress and measures are taken to improve the liquidity situation in accordance with the appropriate level of shock, while the Recovery Plan is triggered only in extreme situations where the Group's business is significantly threatened. The Critical Liquidity Situation defined by the LCP framework is differentiated in two levels - Liquidity Warning Situation (LWS) and Liquidity Emergency Situation (LES). LCP is activated when an indicator reaches an amber warning level (corresponds to LES) - whereas Recovery Plan is activated when an indicator reaches red warning level. LWS requires steps to be taken according to the LCP action plan. Warning levels can be set more conservative on subsidiary level if the analysis shows that more conservative limits would be appropriate. The LCPs on a solo level of each credit institution subsidiary are necessary tools for Group liquidity risk management and therefore they should reflect individual organizational structures and cross-border activities of each entity taking into consideration possible limitations and barriers on assistance provided by the other entities, members of the Group, in times of crisis.

Group liquidity stress testing is used for identification of liquidity risk, measuring and evaluating of liquidity position. It is not only a regulatory compliance exercise, a standalone process, but liquidity stress testing is integrated into the whole business activities, including strategic planning. Liquidity stress testing is actionable, with the results from stress testing analyses impacting decision making at the appropriate management level, including strategic business decisions of the board and senior management. Stress testing provides information about how the business model performs under stressful conditions. In case of pure performance under stress, a rework of the business model and related strategic plan and budget may be required. Importantly, stress tests should feed into the liquidity planning process.

On solo entity level, subsidiaries conduct stress tests on a monthly basis in order to identify and measure exposure to liquidity risk in extraordinary circumstances, analyzing possible effects on cash flows and liquidity. GSRMF/MLRC Unit has the responsibility and authority for the designing, planning and implementation of liquidity stress tests.

The Bank's resilience to a liquidity shock is measured using the maturity ladder metric (EBA ITS COREP C66 template) that supports calculation of net liquidity position for every daily bucket. The focus is on banks' ability to handle hypothetical idiosyncratic liquidity shocks (adverse, extreme) in which bank face increasing liquidity outflows. Half-life stress functions were applied in distributing deposits, assuming that more deposits will be withdrawn in short term buckets and outflow curves will be sharper than in linear or compounding stress functions. The methodology of liquidity stress test model is assuming different days of deposit outflows per different scenario and per different customer segment. Liquidity stress test is done in Total (for all currencies), and separately for each significant single currency on credit institution subsidiary and Group level.

Liquidity stress test consists of three forward-looking adverse scenarios (idiosyncratic, market-wide and combined), which consider the bank's material vulnerabilities, the business model and risk profile, as well as the external conditions. All scenarios have different intensity of stress effects. In particular, the scenarios assume negative deviations from the business plan in terms of higher outflows and lower inflows: withdrawal or no longer prolongation of big deposits, reduced inflow from big tickets due to prolongation or default of the loan because of reduced performance, reputational issues in subsidiaries resulting in an unexpected outflow of retail savings accounts, negative deviation from planned increase in deposits from legal entities due to either reputational issues or consequently a further deterioration in the geopolitical situation.

Survival horizon is liquidity risk indicator, resulting from liquidity stress test, under combined-adverse scenario. It is defined as a period during which the bank will be able to meet its obligations without necessity to generate additional funds in a stress scenario, considering the counterbalancing available at the moment of calculation. Survival horizon serves as a limit over stress scenario and is one of the indicators of economic perspective and included in RAS with the buffers above specified regulatory requirement, i.e. 45 days for threshold on the Group level.

One more perspective of monitoring liquidity risk is intraday. In intraday liquidity management the liquidity risk-bearing capacity is operationalized based on minimum level of available intraday liquidity at the beginning of each working day per each credit institution subsidiary. Methodology of estimating the minimum balance for Intraday liquidity management is prescribed in detailed in Group Procedure on Intraday Liquidity Management, according to the BCBS Monitoring tools for intraday liquidity

management. Daily monitoring of the intraday liquidity position is performed on a continuous basis and reported about on the beginning of each working day. In case of uncertain circumstances monitoring is performed more frequently.

18.2 Qualitative information on LCR

Liquidity coverage ratio (LCR) was introduced by Basel Committee on Banking Supervision set standards. It entered into force with the Directive CRD IV and the CRR Regulation, in 2015. LCR is designed to ensure that banks have an adequate level of freely available high-quality liquid assets, which can be converted into cash very quickly and without significant costs, to fulfil their liabilities for the following 30-day period under a stringent, stressed situation on financial markets.

LCR as of December 31, 2025, calculated according to Article 451a (2) CRR, was 289.6%, significantly higher than regulatory prescribed minimum of 100%. LCR remains comfortably above both regulatory and internal limits. Variations in the ratio are primarily driven by increases in expected cash outflows relative to the stock of HQLA. These movements are largely attributable to activities in the Serbian market, in particular reverse repo transactions with the National Bank of Serbia and the placement of excess liquidity above mandatory reserve requirements. In addition, changes in the retail and corporate deposit portfolios have contributed to LCR fluctuations.

Since tolerance for liquidity risk is low, this results in the long-term goal of providing a sufficient, stable and diverse funding base and compliance with relevant regulatory frameworks. According to the business model, most of the funds are in the form of non-banking sector deposits. Non-banking sector deposits provide a stable source of funding and limit reliance on the wholesale funding markets. The majority of those deposits are in the form of sight deposits that have no remaining maturity. Funding is monitored on a monthly basis through the “Concentration of funding by counterparty” indicator. It allows the identification of those sources of wholesale and retail funding of such significance that their withdrawal could trigger liquidity problems (share of top 10 largest deponents in total NBS deposits). Concentration of funding by counterparty is part of additional liquidity monitoring metrics under the CRR. This way regulator can obtain a comprehensive view of bank’s liquidity risk profile, proportionate to the nature, scale and complexity of its activities.

Liquidity buffer is composed of cash, central bank balance (excluding obligatory reserve) and internally defined unencumbered high quality liquid assets which can be liquidated via repo or sale without significant value loss. Other unencumbered high liquid assets are other unencumbered securities and unencumbered ECB eligible credit claims maturing beyond 1 month. There must be no legal, regulatory or operational impediments to using these assets. On Group level, high quality liquid assets (HQLA) as of December 2025, in amount of 1,606.954 thousand EUR was held in Level 1 cash and central bank reserves, level 1 high quality securities and level 2 high quality securities in smaller amount (1.07% contribution).

There were no such exposures towards derivatives transactions with significant impact on LCR and there weren’t any collateral calls on this matter.

On Group level, LCR is calculated for EUR and RSD, recognized as significant currencies, 5% of total group liabilities excluding regulatory capital and off-balance sheet liabilities. According to the risk appetite statement there is a prescribed limit for LCR for all currencies (sum of all currencies). Table presented below presents the values and figures for each of the four calendar quarters (January-March, April-June, July-September, October-December) of 2025. Those values and figures as the simple averages of month-end observations over the twelve months preceding the end of each quarter.

18.3 Quantitative Information on LCR

Table 449: EU LIQ1 – Quantitative information of LCR

		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYY)	31-Dec-25	30-Sep-25	30-Jun-25	31-Mar-25	31-Dec-25	30-Sep-25	30-Jun-25	31-Mar-25
EU 1b	Number of data points used in the calculation of averages								
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					1,606,954	1,526,829	1,431,939	1,367,042
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	4,836,127	4,663,530	4,475,414	4,408,772	380,912	364,542	347,697	341,724
3	*Stable deposits*	3,200,512	3,120,896	3,026,467	2,993,238	160,026	156,045	151,323	149,662
4	*Less stable deposits*	1,618,499	1,520,219	1,427,107	1,392,934	220,886	208,497	196,373	192,062
5	Unsecured wholesale funding	1,944,151	1,855,579	1,752,110	1,726,892	824,014	780,039	731,585	718,945
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	-	-	-	-	-	-	-	-
7	*Non-operational deposits (all counterparties)*	1,939,852	1,854,061	1,750,593	1,724,142	819,714	778,522	730,067	716,195
8	*Unsecured debt*	4,300	1,518	1,518	2,750	4,300	1,518	1,518	2,750
9	*Secured wholesale funding*					-	-	-	-
10	Additional requirements	1,382,084	1,332,539	1,257,153	1,189,906	141,422	134,407	125,084	117,341
11	*Outflows related to derivative exposures and other collateral requirements*	8,580	8,052	7,697	7,594	8,580	8,052	7,697	7,594
12	*Outflows related to loss of funding on debt products*	165	85	181	-	165	85	181	-
13	*Credit and liquidity facilities*	1,373,339	1,324,401	1,249,275	1,182,312	132,677	126,269	117,206	109,747
14	Other contractual funding obligations	69,387	77,494	84,841	102,698	52,759	63,837	73,322	92,002
15	Other contingent funding obligations	913,031	904,244	880,416	860,520	71,263	71,868	71,196	70,452
16	TOTAL CASH OUTFLOWS					1,466,684	1,413,339	1,347,409	1,337,908
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	283,408	299,836	319,871	374,925	283,408	299,836	319,871	374,925
18	Inflows from fully performing exposures	699,791	690,228	667,639	668,463	592,735	582,640	557,304	552,310
19	Other cash inflows	25,751	28,993	25,222	30,694	25,751	28,993	25,222	30,694
EU-19a	(Difference between total weighted inflows and total weighted outflows arising from transactions in third countries where there are transfer restrictions or which are denominated in non-convertible currencies)					-	-	-	-
EU-19b	(Excess inflows from a related specialised credit institution)					-	-	-	-
20	TOTAL CASH INFLOWS	1,008,950	1,019,057	1,012,732	1,074,082	901,857	911,443	902,365	957,787
EU-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-
EU-20b	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
EU-20c	*Inflows subject to 75% cap*	1,008,913	1,019,031	1,012,700	1,073,940	901,857	911,443	902,365	957,787

TOTAL ADJUSTED VALUE						
EU-21	LIQUIDITY BUFFER		1,606,954	1,526,829	1,431,939	1,367,042
22	TOTAL NET CASH OUTFLOWS		564,827	501,926	446,042	409,273
23	LIQUIDITY COVERAGE RATIO		289.6%	311.7%	328.1%	341.5%

18.4 Quantitative Information on NSFR

Net stable funding ratio (NSFR) amounted to 154.68% as of 31.12.2025, remaining comfortably within regulatory and internal limits. The table below provides an overview of NSFR developments over the preceding four quarters.

Table 50: EU LIQ2 – Net Stable Funding Ratio as of December 31, 2025

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	**1,197,600**	**-**	**-**	**114,841**	**1,312,441**
2	*Own funds*	1,197,600	-	-	114,841	1,312,441
3	*Other capital instruments*		-	-	-	-
4	Retail deposits		**4,155,344**	**877,771**	**159,040**	**4,852,182**
5	*Stable deposits*		2,871,463	395,318	101,437	3,204,879
6	*Less stable deposits*		1,283,881	482,453	57,603	1,647,304
7	Wholesale funding:		**2,530,955**	**337,473**	**493,234**	**1,810,521**
8	*Operational deposits*		-	-	-	-
9	*Other wholesale funding*		2,530,955	337,473	493,234	1,810,521
10	Interdependent liabilities		**-**	**-**	**-**	**-**
11	Other liabilities:	**16**	**204,861**	**8,348**	**12,610**	**16,784**
12	*NSFR derivative liabilities*	16				
13	*All other liabilities and capital instruments not included in the above categories*		204,861	8,348	12,610	16,784
14	**Total available stable funding (ASF)**					**7,991,929**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					**37,354**
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool		**-**	**-**	**-**	**-**
16	Deposits held at other financial institutions for operational purposes		**8,401**	**-**	**-**	**4,200**
17	Performing loans and securities:		**1,509,230**	**849,431**	**4,450,018**	**4,671,466**
18	*Performing securities financing transactions with financial customers collateralized by Level 1 HQLA subject to 0% haircut*		5,977	-	-	-
19	*Performing securities financing transactions with financial customer collateralized by other assets and loans and advances to financial institutions*		448.625	24.547	18.424	75.560
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		973.599	757.707	3.816.536	4.448.633
21	*With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk*		20.601	22.457	107.064	412.346
22	*Performing residential mortgages, of which:*		15.506	32.240	505.213	0
23	*With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk*		15.162	23.003	464.836	0
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		65.523	34.936	109.845	147.274
25	Interdependent assets		**-**	**-**	**-**	**-**
26	Other assets:		**1,310,689**	**6,248**	**574,734**	**341,641**

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
27	*Physical traded commodities*				-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		-	-	-	-
29	*NSFR derivative assets*		82			82
30	*NSFR derivative liabilities before deduction of variation margin posted*		0			0
31	*All other assets not included in the above categories*		1,310,606	6,248	233,094	341,558
32	Off-balance sheet items		**854,142**	**559,797**	**649,011**	**111,927**
33	**Total RSF**					**5,166,588**
34	Net Stable Funding Ratio (%)					154.68%

Table 51: EU LIQ2: Net Stable Funding Ratio as of September 30, 2025

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	**1.202.885**	**0**	**0**	**59.374**	**1.262.259**
2	*Own funds*	1.202.885	0	0	59.374	1.262.259
3	*Other capital instruments*		-	-	-	-
4	Retail deposits		**4,596,132**	**442,269**	**135,749**	**4,835,001**
5	*Stable deposits*		3,086,130	207,685	72,311	3,201,435
6	*Less stable deposits*		1,510,002	234,584	63,438	1,633,566
7	Wholesale funding:		**2,362,271**	**332,822**	**403,665**	**1,636,987**
8	*Operational deposits*		-	-	-	-
9	*Other wholesale funding*		2,362,271	332,822	403,665	1,636,987
10	Interdependent liabilities		-	-	-	-
11	Other liabilities:	**211**	**238,803**	**3,044**	**15,868**	**17,391**
12	*NSFR derivative liabilities*	211				
13	*All other liabilities and capital instruments not included in the above categories*		238,803	3,044	15,868	17,391
14	**Total available stable funding (ASF)**					**7,751,637**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					**35,103**
EU - 15a	Assets encumbered for a residual maturity of one year or more in a cover pool		-	-	-	-
16	Deposits held at other financial institutions for operational purposes		**6,309**	-	-	**3,154**
17	Performing loans and securities:		**1,536,151**	**837,496**	**4,236,640**	**4,521,205**
18	*Performing securities financing transactions with financial customers collateralized by Level 1 HQLA subject to 0% haircut*		5,603	-	-	-
19	*Performing securities financing transactions with financial customer collateralized by other assets and loans and advances to financial institutions*		470,786	15,080	20,585	75,202
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		958,344	763,409	3,662,205	4,296,919
21	*With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk*		22,972	15,330	103,259	380,040
22	*Performing residential mortgages, of which:*		13,181	24,664	465,990	0
23	*With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk*		12,801	24,232	423,468	0
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		61,255	34,343	114,860	149,084

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
25	Interdependent assets		-	-	-	-
26	Other assets:		**1,282,737**	**4,734**	**585,554**	**348,123**
27	*Physical traded commodities*				-	-
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*		-	-	-	-
29	*NSFR derivative assets*		53			53
30	*NSFR derivative liabilities before deduction of variation margin posted*		-			-
31	*All other assets not included in the above categories*		1,282,683	4,734	237,431	348,069
32	Off-balance sheet items		**809,564**	**659,685**	**432,127**	**101,705**
33	**Total RSF**					**5,009,290**
34	Net Stable Funding Ratio (%)					154.75%

Table 52: EU LIQ2: Net Stable Funding Ratio as of June 30, 2025

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	**1,174,140**			**54,336**	**1,228,476**
2	*Own funds*	1,174,140			54,336	1,228,476
3	*Other capital instruments*					
4	Retail deposits		**4,402,549**	**481,002**	**148,896**	**4,707,358**
5	*Stable deposits*		2,972,467	292,851	75,220	3,177,272
6	*Less stable deposits*		1,430,082	188,152	73,676	1,530,087
7	Wholesale funding:		**2,384,387**	**222,644**	**477,670**	**1,668,864**
8	*Operational deposits*					
9	*Other wholesale funding*		2,384,387	222,644	477,670	1,668,864
10	Interdependent liabilities					
11	Other liabilities:	**298**	**299,456**	**4,919**	**36,272**	**38,732**
12	*NSFR derivative liabilities*	298				
13	*All other liabilities and capital instruments not included in the above categories*		299,456	4,919	36,272	38,732
14	**Total available stable funding (ASF)**					**7,643,430**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					**33,672**
EU - 15a	Assets encumbered for a residual maturity of one year or more in a cover pool					
16	Deposits held at other financial institutions for operational purposes		**5,343**			**2,672**
17	Performing loans and securities:		**1,598,675**	**827,461**	**3,919,881**	**4,236,156**
18	*Performing securities financing transactions with financial customers collateralized by Level 1 HQLA subject to 0% haircut*		4,001			
19	*Performing securities financing transactions with financial customer collateralized by other assets and loans and advances to financial institutions*		554,924	24,397	17,005	84,696
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		971,371	750,325	3,365,428	4,003,388
21	*With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk*		23,833	12,147	65,070	326,843
22	*Performing residential mortgages, of which:*		15,383	13,526	421,425	0

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
23	*With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk*		14,721	13,142	388,630	0
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		52,996	39,213	116,023	148,073
25	Interdependent assets					
26	Other assets:		**1,313,572**	**9,842**	**642,017**	**383,513**
27	*Physical traded commodities*					
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*					
29	*NSFR derivative assets*		0			0
30	*NSFR derivative liabilities before deduction of variation margin posted*		0			0
31	*All other assets not included in the above categories*		1,313,572	9,842	258,504	383,513
32	Off-balance sheet items		**831,164**	**445,079**	**539,438**	**98,383**
33	**Total RSF**					**4,754,396**
34	Net Stable Funding Ratio (%)					160.77%

Table 5345: EU LIQ2: Net Stable Funding Ratio as of March 31, 2025

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
Available stable funding (ASF) Items						
1	Capital items and instruments	**1,162,120**			**54,297**	**1,216,416**
2	*Own funds*	1,162,120			54,297	1,216,416
3	*Other capital instruments*					
4	Retail deposits		**3,346,321**	**917,159**	**120,709**	**4,100,665**
5	*Stable deposits*		2,271,860	584,559	77,413	2,791,048
6	*Less stable deposits*		1,074,461	332,561	43,297	1,309,616
7	Wholesale funding:		**1,855,507**	**139,840**	**529,985**	**1,418,073**
8	*Operational deposits*					
9	*Other wholesale funding*		1,855,507	139,840	529,985	1,418,073
10	Interdependent liabilities					
11	Other liabilities:	**801**	**261,790**	**9,881**	**60,528**	**65,469**
12	*NSFR derivative liabilities*	801				
13	*All other liabilities and capital instruments not included in the above categories*		261,790	9,881	60,528	65,469
14	**Total available stable funding (ASF)**					**6,800,623**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					**12,261**
EU-15a	Assets encumbered for a residual maturity of one year or more in a cover pool					
16	Deposits held at other financial institutions for operational purposes		**5,698**			**2,849**
17	Performing loans and securities:		**1,379,062**	**703,118**	**3,529,328**	**3,930,427**
18	*Performing securities financing transactions with financial customers collateralized by Level 1 HQLA subject to 0% haircut*					
19	*Performing securities financing transactions with financial customer collateralized by other assets and loans and advances to financial institutions*		499,441	23,834	17,297	78,758
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		840,529	649,518	3,112,975	3,418,170
21	*With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk*		26,489	20,680	55,745	102,914

		Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
22	*Performing residential mortgages, of which:*		7,518	6,566	342,157	356,241
23	*With a risk weight of less than or equal to 35% under the Basel II Standardized Approach for credit risk*		7,518	6,566	309,962	324,047
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-traded equities and trade finance on-balance sheet products*		31,572	23,200	56,898	77,257
25	Interdependent assets					
26	Other assets:		**1,277,461**	**11,173**	**498,202**	**302,225**
27	*Physical traded commodities*					
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*					
29	*NSFR derivative assets*		21			21
30	*NSFR derivative liabilities before deduction of variation margin posted*		0			0
31	*All other assets not included in the above categories*		1,277,440	11,173	195,977	302,204
32	Off-balance sheet items		**784,606**	**524,859**	**323,397**	**86,537**
33	**Total RSF**					**4,334,299**
34	Net Stable Funding Ratio (%)					156.90%

Net stable funding ratio (NSFR) shall be equal to the ratio of the institution's available stable funding to the required stable funding. The objective of this ratio is to provide greater control over (mis)matched maturities, covering on and off-balance sheet items over a medium and long-term period.

19 CREDIT RISK MITIGATION TECHNIQUES

(Article 453 b, c, d, e, f, g, h and i of the CRR Regulation)

19.1 Policies and Processes for Collateral Valuation and Management

Credit risk mitigation involves the establishment of measures and rules for the application of these measures, relating to the acquisition, reduction, diversification, transfer and avoidance of risks. Collateral management is covered by internal act Group Policy on Collateral Management which sets out overall principles of collateral management for the credit institution subsidiaries, defines the credit risk mitigation instruments acceptable on the Group level, as well as the process of valuation, monitoring and reporting. Collateral management process at the level of each subsidiary is an integral part of the Group Collateral Management System and it is harmonized with the Group's Policy on Collateral Management, regulatory requirements, international standards and best practices, while respecting the specifics of business activities and strategic goals. In order to maintain risk at an acceptable level, each subsidiary applies credit risk mitigation techniques at the level of individual placements by respecting internally set limits, diversifying placements / investments and acquiring acceptable security instruments (collaterals).

Mitigation of concentration risk is carried out by active management of the Loan portfolio, as well as by adjusting the level of exposure with the defined internal limits.

For all collateral valuation criteria are defined for determination of internal value of collateral. Internal collateral value is calculated in such a way that a haircut is applied on the market value, whereby the amount of the haircut depends on the type of collateral. Considering that subsidiaries operate in different markets, each subsidiary defines haircuts for each type of collateral. In case of immovable properties, those haircuts should consider location of the collateral if possible, depending on available data. Applied haircuts are reviewed annually or more often in case of significant changes in the market.

Subsidiaries analytically monitor collateral held - in accordance with the statutory requirements monitors and reports on collateral according to market value. For managing, monitoring and appraising of real estate collateral, each bank subsidiary has implemented an application of the collateral module, developed by an external institution. Each subsidiary has adopted a list of official appraisals and appraisal companies.

The real estate valuation must be carried out in accordance with applicable international, European and national (of each subsidiary) standards, such as the International Valuation Standards Council (IVSC), the European Group of Valuers' Associations (TEGoVA), European Valuation Standards (EVS) and the Royal Institution of Chartered Surveyors standards (RICS). Exceptions are made in case of valuations for NPE in bankruptcy proceeding, in the execution process of collateral and in case of collaterals that are subject of financing in leasing products.

The valuation should be based on the Market value method, and appraisers should apply this method wherever possible or acceptable, as it provides the most direct link to actual market transactions analyzed to obtain real estate values. In the case of estimating the value of real estate that generates income, the Income approach can be used. Cost Method should be used only in the case of rarely valued real estate valuation, and lack of activity in that part of the market prevents the use of the Market Method. Group accepts real estate valuations based on the Residual method, but it is important that the valuation itself in these cases contains a satisfactory level of information and documentation on the basis of which the real estate value is calculated.

Subsidiaries ensure regular monitoring of the value and collateral legal certainty at appropriate intervals, depending on the type of collateral.

Regular monitoring of real estate value means checking that the value is based on available data and information, including the use of statistical models. Subsidiary must perform this check at least once a year for commercial real estate, or at least once every three years for residential and other real estate.

The value of collateral is monitored more frequently in the event of significant changes in market conditions relevant to collateral and reviewed whenever there is available information indicating significant decline in the value of collateral.

19.2 Main Types of Collateral Taken by the Group

In accordance with EBA CRR, the following types of collaterals are recognized as credit risk mitigation instruments for RWA calculations:

- Funded Credit Protection instruments,
- Unfunded Credit Protection instruments.

For each collateral type it is defined whether it is eligible to be treated as a mitigation technique or not. Collaterals must fulfill legal and regulatory requirements in order to be accepted as a mitigant factor.

Funded Credit Protection

Funded credit protection means a technique of credit risk mitigation where the reduction of credit risk on the exposure of the subsidiary derives from the right of that subsidiary, in the event of the default of the counterparty or on the occurrence of other specified credit events relating to the counterparty, to perform one of the following:

- to liquidate,
- to obtain transfer or appropriation of,
- to retain certain assets or amounts,
- to reduce the amount of exposure or to replace it with the amount of the difference between the amount of the exposure and the amount of a claim on the subsidiary.

Unfunded Credit Protection

Unfunded credit protection means a technique of credit risk mitigation where the reduction of the credit risk on the exposure of the subsidiary derives from the obligation of a third party to pay an amount in the event of the default of the borrower or the occurrence of other specified credit events.

Below are presented, in general, Instruments of Funded and Unfunded Credit Protection:

Funded Credit Protection	Unfunded Credit Protection
> Immovable properties	
> Movables	> Guarantees
> Cash Assets	> Securities
> Rights and Receivables	> Insurance
> On-balance sheet netting	

In the process of establishing the offered collateral, regardless of the type of collateral, subsidiary, client or third party related to the collateral is obliged to comply with all local legal regulations that define the management, disposal and contracting of collateral.

Collateral may be eligible for evaluation in the credit decision-making process if all necessary legal conditions for establishing collateral are met and if the collateral has legal effect and is enforceable under applicable state regulations in the event of bankruptcy of the borrower or collateral owner.

19.3 Main Types of Guarantors and Credit Derivative Counterparty and Their Creditworthiness

Guarantees or unfunded credit protection is a type of credit risk mitigation where a third person undertakes to pay the owed amount in the event of a default by primary obligor (borrower).

The most important types of suitable guarantors:

- guarantees by multilateral development financial institution,
- guarantees by the central government,
- guarantees by financial institutions.

Majority of guarantees relate to the Multilateral Investment Guarantee Agency (MIGA) structure, which accounts for approximately 88% of the total exposure covered by guarantees for CRR purposes. MIGA, a member of the World Bank Group, has provided a three-year 344.4 mEUR capital optimization guarantee to AikGroup (including AikBank). The guarantee covers mandatory reserves held by AikBank with the National Bank of Serbia and is applied at Group level as of 31 December 2025. Under the CRR framework, the guaranteed portion of the exposure is treated as an exposure to the guarantor, resulting in a 0% risk weight being applied to the covered amount in accordance with the applicable credit risk mitigation rules. As a result, the arrangement reduces risk-weighted assets up to the maximum aggregate liability of 344.4 mEUR, thereby generating regulatory capital relief and improving capital efficiency for the Group.

Remaining portion is covered by sovereign guarantees, mainly by domicile Group entities countries – Serbia, Slovenia, Montenegro, with a smaller share backed by guarantees from financial institutions. Central government units that the Group considers as guarantors when recognizing unfunded credit protections to calculate the capital requirement for credit risk are EU Member State units (and non-EU countries which regulations are aligned with EU regulations) denominated and financed in their domestic currencies, so exposures are assigned a 0% risk weight (in accordance with the CRR regulation). The rest are applied risk weight according to assigned external rating and credit quality step (details in point 11 of this Report).

The Group has no transactions with credit derivatives.

19.4 Information about Market or Credit Risk Concentrations within the Credit Mitigation Taken

The Group avoids concentration risk related to collaterals by diversifying its portfolio per volume, client's segment, geographic region, etc.

In the event of collateral in the form of securities, Group is faced with market risk, or more accurately, the risk of the security prices changing on the capital market. In the event of collateral in the form of guarantees, there is a credit risk of the collateral provider, therefore Group includes the amount of the surety received in the guarantor's upper limit of borrowing.

When approving placement, the counterparty risk in transaction and the assessment of the client's free financial flow are of primary importance, collateral is only a secondary source for paying the

obligations. To avoid the effect of risks that are the result of individual forms of collateral, subsidiaries define minimum ratios between the value of collateral and the loan (LTV).

As part of the Group lending operation, each subsidiary assesses the repayment potential of placements from the borrower's sustainable cash flow, and the primary source of repayment is expected to be future cash flow. The collateral is exclusively a mechanism of credit protection established in order to protect the Group from irregular payments from borrowers and reduce losses in the event of material deterioration of the risk profile or default of the borrower. In the event that the collection of receivables from pledged collateral is necessary, the subsidiary should choose the most effective collection method, based on analysis of the specific case.

Special attention must be given to collateralization of existing loans during a period of borrower's financial crisis. Collaterals established during such a period must be defensible and enforceable according to the respective local legal provisions in the event of subsequent insolvency.

In order to form individual impairments, Group considers the liquidation values of real estate collaterals, which include both the assessed sale timeline as well as additional discounts for the process of a forced sale and incurred costs. Because the assessed liquidation values stem from market values, a significant reduction in the market value would see the Group form additional impairments.

As an eligible collateral for calculating the capital requirement for credit risk, Group uses the following financial collaterals:

- Bank deposits at a member bank or cash-like instruments the member bank holds (it considers deposits maturity of which equals or exceeds the maturity of the credit exposure).
- Debt securities issued by central government or central banks (that have a credit assessment from a suitable ECAI with a credit quality step of at least 4).
- Debt securities issued by institutions (that have a credit assessment from a suitable ECAI with a credit quality step of at least 3).
- Debt securities issued by other entities (that have a credit assessment from a suitable ECAI with a credit quality step of at least 3).
- Debt securities issued with a short-term credit assessment from a suitable ECAI (with a credit quality step of at least 3).
- Equities or main index convertible bonds
- Gold.

Overview of usage of credit risk mitigation techniques is given in the table EU_CR3, presented below.

Table 54: EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

		Unsecured carrying amount	Secured carrying amount			
				Of which **secured by collateral**	Of which **secured by financial guarantees**	Of which **secured by credit derivatives**
		a	b	c	d	e
1	Loans and advances	5,128,106	3,128,987	2,933,040	195,948	35,156
2	Debt securities	1,317,357	12,565	-	12,565	-
3	**Total**	**6,445,463**	**3,141,552**	**2,933,040**	**208,512**	**35,156**
4	*Of which non-performing exposures*	52,174	37,973	35,431	2,542	1,412
EU-5	*Of which defaulted*	52,174	37,973			

There are no significant changes.

The table EU CR4 which shows effects of credit risk mitigation techniques that AikGroup uses (overview of credit risk exposure and CRM effects: EU CR4 – standardized approach – Credit risk exposure and CRM effects) is given in the point 10.2 of this Disclosure Report.

APPENDIX 1 – DISCLOSURE OF NON-PERFORMING AND FORBORNE EXPOSURES

In line with EBA Guideline on disclosure on non-performing and forborne exposures (EBA/GL/2018/10), AikGroup disclosure tables showing volumes and levels of NPEs, FBEs and foreclosed assets in its balance sheet, with the aim of fostering transparency, providing meaningful information to market participants on the quality of assets. Templates applicable to AikGroup are Templates 1, 3, 4 and 9, since its NPL ratio is below 5%, and no additional information is required.

Table 55: Template 1 – Credit quality of forborne exposures

		a	b	c	d	e	f	g	h
		Gross carrying amount/nominal amount of exposures with forbearance measures				Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions		Collateral received and financial guarantees received on forborne exposures	
		Performing forborne	Non-performing forborne			On performing forborne exposures	On non-performing forborne exposures		Of which collateral and financial guarantees received on non-
				Of which defaulted	Of which impaired				
005	Cash balances at central banks and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	164,460	43,066	43,066	43,066	(9,963)	(23,357)	161,347	7,290
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	0.0	-	-	-	-	-	-	-
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	-	152	152	152	-	(33)	119	119
060	*Non-financial corporations*	156,313	29,109	29,109	29,109	(8,523)	(13,368)	157,431	5,452
070	*Households*	8,147	13,804	13,804	13,804	(1,440)	(9,956)	3,797	1,719
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	3,461	0.4	0.4	0.4	89.0	0.2	3,371.9	-
100	Total	167,920	43,066	43,066	43,066	(10,052)	(23,357)	164,719	7,290

Table 56: Template 3 – Credit quality of performing and non-performing exposures by past due days

		a	b	c	d	e	f	g	h	i	j	k	l
		Gross carrying amount/nominal amount											
			Performing exposures		Non-performing exposures								
			Not past due or past due ≤ 30 days	Past due > 30 days ≤ 90 days		Unlikely to pay that are not past due or are past due ≤ 90 days	Past due > 90 days ≤ 180 days	Past due > 180 days ≤ 1 year	Past due > 1 year ≤ 2 years	Past due > 2 years ≤ 5 years	Past due > 5 years ≤ 7 years	Past due > 7 years	Of which defaulted
005	Cash balances at central	1,389,378	1,389,378	0	1,805	1,805	-	-	-	-	-	-	1,805
010	Loans and advances	6,868,894	6,773,638	95,255	176,902	74,816	30,563	33,427	25,880	9,090	742	2,385	176,902
020	*Central banks*	315,325	315,325	-	-	-	-	-	-	-	-	-	-
030	*General governments*	185,845	185,190	655	373	0	0	2	0	2	2	366	373
040	*Credit institutions*	283,281	283,236	45	31	31	-	-	-	-	-	-	31
050	*Other financial corporations*	72,714	72,519	194	199	186	0	3	9	1	0	0	199
060	*Non-financial corporations*	3,627,509	3,566,160	61,349	98,277	39,114	18,443	18,421	14,381	6,899	94	924	98,277
070	*Of which SMEs*	2,195,993	2,145,861	50,132	62,104	17,357	5,355	17,133	14,378	6,867	93	919	62,104
080	*Households*	2,384,221	2,351,208	33,013	78,022	35,485	12,119	15,001	11,490	2,189	645	1,094	78,022
090	Debt securities	1,328,546	1,328,013	533	5,832	4,942	-	890	-	-	-	-	5,832
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	1,233,102	1,233,102	-	890	-	-	890	-	-	-	-	890
120	*Credit institutions*	42,721	42,721	-	-	-	-	-	-	-	-	-	-
130	*Other financial corporations*	7,251	7,251	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	45,472	44,939	533	4,942	4,942	-	-	-	-	-	-	4,942
150	Off-balance-sheet exposures	2,529,221			6,470								6,470
160	*Central banks*	-			-								-
170	*General governments*	11,477			2								2
180	*Credit institutions*	11,853			-								-
190	*Other financial corporations*	13,719			1								1
200	*Non-financial corporations*	2,278,379			5,693								5,693
210	*Households*	213,794			775								775
220	Total	12,116,038.46	9,491,029	95,788	191,009	81,563	30,563	34,317	25,880	9,090	742	2,385	191,009

Table 467: Template 4 – Performing and non-performing exposures and related provisions

		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
		Gross carrying amount/nominal amount						Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions						Accumulated partial write-off	Collateral and financial guarantees received	
		Performing exposures			Non-performing exposures			Performing exposures – accumulated impairment and provisions			Non-performing exposures – accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions				On performing exposures	On non-performing exposures
			Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3		Of which stage 1	Of which stage 2		Of which stage 2	Of which stage 3			
005	Cash balances at central banks and other demand deposits	1,389,378	1,389,378	-	1,805	-	1,805	(165)	(165)	-	(1,805)	-	(1,805)		56,697	-
010	Loans and advances	**6,868,894**	**6,083,811**	**774,445**	**176,902**	**-**	**159,357**	**(87,245)**	**(48,525)**	**(37,633)**	**(90,670)**	**-**	**(79,321)**	**(927)**	**3,091,014**	**37,973**
020	*Central banks*	315,325	315,325	-	-	-	-	(0)	(0)	-	-	-	-	-	-	-
030	*General governments*	185,845	176,952	8,893	373	-	373	(997)	(646)	(351)	(372)	-	(372)	-	3,235	-
040	*Credit institutions*	283,281	283,281	-	31	-	31	(531)	(531)	-	(22)	-	(22)	-	6,642	-
050	*Other financial corporations*	72,714	72,587	127	199	-	199	(635)	(635)	(0)	(64)	-	(63)	-	14,912	129
060	*Non-financial corporations*	3,627,509	3,022,521	604,757	98,277	-	93,829	(53,114)	(24,522)	(28,575)	(42,529)	-	(40,527)	(847)	1,951,401	23,669
070	*Of which SMEs*	2,195,993	1,832,172	363,589	62,104	-	58,248	(36,190)	(18,694)	(17,479)	(34,308)	-	(32,305)	(847)	1,367,823	18,964
080	*Households*	2,384,221	2,213,146	160,669	78,022	-	64,926	(31,968)	(22,190)	(8,707)	(47,684)	-	(38,338)	(80)	1,114,824	14,176
090	Debt securities	**1,328,546**	**1,325,481**	**3,065**	**5,832**	**-**	**5,832**	**(2,540)**	**(2,250)**	**(289)**	**(1,917)**	**-**	**(1,917)**	**-**	**12,565**	**-**
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	1,233,102	1,233,102	-	890	-	890	(1,762)	(1,762)	-	(868)	-	(868)	-	-	-
120	*Credit institutions*	42,721	42,721	-	-	-	-	(99)	(99)	-	-	-	-	-	12,565	-
130	*Other financial corporations*	7,251	7,251	-	-	-	-	(179)	(179)	-	-	-	-	-	-	-
140	*Non-financial corporations*	45,472	42,407	3,065	4,942	-	4,942	(500)	(211)	(289)	(1,049)	-	(1,049)	-	-	-
150	Off-balance-sheet exposures	**2,529,221**	**2,394,372**	**134,269**	**6,470**	**-**	**6,422**	**4,483**	**3,801**	**679**	**1,819**	**-**	**1,806**		**382,341**	**355**
160	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170	*General governments*	11,477	11,090	386	2	-	2	6	6	0	0	-	0		-	-
180	*Credit institutions*	11,853	11,853	-	-	-	-	1	1	-	-	-	-		8,564	-
190	*Other financial corporations*	13,719	13,619	100	1	-	1	63	60	3	0	-	0		35	-
200	*Non-financial corporations*	2,278,379	2,174,330	104,048	5,693	-	5,691	4,203	3,615	588	1,679	-	1,678		362,020	311
210	*Households*	213,794	183,480	29,735	775	-	729	209	119	87	139	-	127		11,721	44
220	Total	12,116,038	11,193,042	911,779	191,009	-	173,416	(94,432)	(54,741)	(38,601)	(96,211)	-	(84,849)	(927)	3,542,617	38,328

Table 58: Template 9 – Collateral obtained by taking possession and execution processes

		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
010	Property, plant and equipment (PP&E)	321	(115)
020	Other than PP&E	48,432	(9,603)
030	*Residential immovable property*	1,796	(78)
040	*Commercial Immovable property*	34,223	(5,970)
050	*Movable property (auto, shipping, etc.)*	2,038	(106)
060	*Equity and debt instruments*	290	-
070	*Other collateral*	10,085	(3,448)
080	Total	48,753	(9,718)

APPENDIX 2 – OVERVIEW OF REGULATORY REQUIRED INFORMATION

AikGroup in this Appendix specifies regulatory required information in line with EBA CRR and following amendments, accompanied with name of uniform tables that have to be used for disclosure of quantitative and qualitative data for certain parts of Disclosure Report.

In the Appendix AikGroup also specifies disclosures that are not applicable for the Group, with reasoning.

Table 59: Regulatory required information in line with EBA CRR

Point in CRR 575/2013 / Name of the table	**Required information**
431-434	**Introduction:** Regulations regarding Pillar 3, obligation of the Group to disclose information, general info
435.1	**Risk Management Objectives and Policies:**
EU_OVA EU_CRA EU_MRA EU_LIQA EU_ORA	For each separate category of risk:
	a) strategies and processes to manage those risks EU_OVA, EU_LIQA, EU_CRA, EU_MRA, EU_ORA
	b) structure and organisation of the relevant risk management function, including information on its hierarchy and status, or other suitable arrangements EU_OVA, EU_LIQA, EU_CRA, EU_MRA, EU_ORA
	c) the scope and nature of risk reporting and measurement systems EU_OVA, EU_LIQA, EU_MRA, EU_ORA
	d) the policies for hedging and mitigating risk, and the strategies and processes for monitoring the continuing effectiveness of hedges and mitigants EU_OVA, EU_LIQA, EU_CRA, EU_MRA, EU_ORA
	e) a declaration approved by the management body on the adequacy of risk management arrangements EU_OVA, EU_LIQA, EU_ORA
	f) a concise risk statement approved by the management body succinctly describing the relevant institution's overall risk profile: (i) key ratios and figures providing external stakeholders with a comprehensive view of the institution's management of risk (ii) information on intragroup transactions and transactions with related parties that may have a material impact on the risk profile of the consolidated group EU_OVA, EU_LIQA EU_CRA, EU_ORA
435.2	**Governance Arrangement:**
EU_OVB	a) the number of directorships held by members of the management body EU_OVB
	b) the recruitment policy for the selection of members of the management body and their actual knowledge, skills and expertise EU_OVB
	c) the policy on diversity with regard to selection of members of the management body, its objectives and any relevant targets set out in that policy, and the extent to which these objectives and targets have been achieved EU_OVB
	d) setting up a separate risk committee and the number of times the risk committee has met EU_OVB
	e) the description of the information flow on risk to the management body EU_OVB
436	**Scope of Application:**
EU_LI1	a) the name of the Group to which the requirements of the regulation apply

Point in CRR 575/2013 / Name of the table	Required information
EU_LI2 EU_LI3 EU_LIA EU_LIB EU_PV1	b) a reconciliation between the consolidated financial statements prepared in accordance with the applicable accounting framework and the consolidated financial statements prepared in accordance with the requirements on regulatory consolidation pursuant to Sections 2 and 3 of Title II of Part One of CRR EU_LI1, EU_LIA,
	c) breakdown of assets and liabilities of the consolidated financial statements prepared in accordance with the requirements on regulatory consolidation pursuant to Sections 2 and 3 of Title II of Part One, broken down by type of risks EU_LI3
	d) reconciliation identifying the main sources of differences between the carrying value amounts in the financial statements under the regulatory scope of consolidation as defined in Sections 2 and 3 of Title II of Part One, and the exposure amount used for regulatory purposes EU_LI2, EU_LIA
	e) or exposures from the trading book and the non-trading book that are adjusted in accordance with Article 34 and Article 105, a breakdown of the amounts of the constituent elements of an institution's prudent valuation adjustment, by type of risks, and the total of constituent elements separately for the trading book and non-trading book positions EU_PV1 Not applicable, AikGroup does not apply core approach for determination of additional valuation adjustment.
	f) any current or foreseen material practical or legal impediment to the prompt transfer of own funds or repayment of liabilities among the parent undertaking and its subsidiaries EU_LIB
	g) the aggregate amount by which the actual own funds are less than required in all subsidiaries not included in the consolidation, and the name or names of such subsidiaries EU_LIB
	h) the circumstances under which use is made of the derogation referred to in Article 7 or the individual consolidation method laid down in Article 9, where applicable EU_LIB
437	**Own Funds:**
EU_CC1 EU_CC2 EU_CCA	a) a full reconciliation of own funds items and filters and deductions applied to own funds and the balance sheet EU_CC1, EU_CC2
	b) a description of the main features of the instruments of individual categories of own funds issued by the Group EU_CCA
	c) the full terms and conditions of all instruments of individual categories of own funds EU_CCA
	d) separate disclosure of the nature and amounts of prudential filters and deductions from own funds EU_CC1
	e) a description of all restrictions applied to the calculation of own funds in accordance with the regulation and the instruments, prudential filters, and deductions to which those restrictions apply EU_CC1
	f) basis on which capital ratios are calculated (if made on a basis other than that laid down in the CRR) EU_CC1 Not applicable, AikGroup calculates capital ratios based on CRR
437a	**Own funds and eligible liabilities**
	1.Subject to Articles 92a or 92b and to the exceptions set out in paragraph 2 of this Article, institutions identified as resolution entities and that are a G-SII or part of a G-SII shall at all times satisfy requirements for own funds and eligible liabilities set in this point Not applicable, AikGroup is not G-SII or part of G-SII

Point in CRR 575/2013 / Name of the table	Required information
438	**Own funds requirements and risk-weighted exposure amounts:**
EU_OV1 EU_KM1 EU_INS1 EU_INS2 EU_OVC EU_CR8 EU_CR10 EU_CCR7 EU_MR2-B EU CMS1 EU CMS2 EU CVA4	a) a summary of the approach to assessing the adequacy of its internal capital to support current and future activities EU_OVC
	b) the amount of the additional own funds requirements based on the supervisory review process EU_KM1
	c) upon demand from the relevant competent authority, the result of the institution's internal capital adequacy assessment process EU OVC Not included, there is no demand from competent authority
	d) the total risk exposure amount as calculated in accordance with Article 92(3) and the corresponding own funds requirements as determined in accordance with Article 92(2), to be broken down by the different risk categories or risk exposure classes, as applicable, set out in Part Three of CRR. EU_OV1 EU_CMS1 - Not applicable, AikGroup does not use IRB approach for calculating Credit risk RWA, EU_CVA4 – Not applicable, AikGroup does not use Standardized approach for CVA
	da) where required to calculate the un-floored total risk exposure amount as calculated in accordance with Article 92(4), and the standardised total risk exposure amount as calculated in accordance with Article 92(5), to be broken down by the different risk categories or risk exposure classes, as applicable, set out in Part Three of CRR EU CMS2 Not applicable, AikGroup does not use IRB approach for calculating Credit risk RWA
	e) the on- and off-balance-sheet exposures, the risk-weighted exposure amounts and associated expected losses for each category of specialised lending referred to Table 1 of Article 153(5) and the on- and off-balance-sheet exposures and risk-weighted exposure amounts for the categories of equity exposures set out in Article 133(3) to (6), and Article 495a(3). EU_CR10 Not applicable, AikGroup does not use simple risk weighted approach
	f) exposure value and the risk-weighted exposure amount of own funds instruments held in any insurance undertaking, reinsurance undertaking or insurance holding company that the institutions do not deduct from their own funds in accordance with Article 49 EU_INS1 Not applicable, AikGroup does not hold insurance or re-insurance undertakings or insurance holding company.
	g) supplementary own funds requirement and the capital adequacy ratio of the financial conglomerate calculated in accordance with Article 6 of Directive 2002/87/EC and Annex I to that Directive where method 1 or 2 set out in that Annex is applied EU INS 2 Not applicable, AikGroup is not part of financial conglomerate
	h) variations in the risk-weighted exposure amounts of the current disclosure period compared to the immediately preceding disclosure period that result from the use of internal models, including an outline of the key drivers explaining those variations EU_CCR7, EU_MR2-B, EU_CR8, EU_CVA4 Not applicable, AikGroup does not apply IRB approach, IMM or IMA
439	**Exposure to Counterparty Credit Risk (CCR)**
EU_CCRA EU_CCR1 EU_CCR3	a) description of the methodology used to assign internal capital and credit limits for counterparty credit exposures, including the methods to assign those limits to exposures to central counterparties EU_CCRA

Point in CRR 575/2013 / Name of the table	Required information
EU_CCR4 EU_CCR5 EU_CCR6 EU_CCR8	b) description of policies related to guarantees and other credit risk mitigants, such as the policies for securing collateral and establishing credit reserves EU_CCRA
	c) description of policies with respect to General Wrong-Way risk and Specific Wrong-Way risk as defined in Article 291 EU_CCRA Not applicable, AikGroup does not define/use General Wrong-Way risk and Specific Wrong-Way risk
	d) amount of collateral the institution would have to provide if its credit rating was downgraded EU_CCRA
	e) amount of segregated and unsegregated collateral received and posted per type of collateral, further broken down between collateral used for derivatives and securities financing transactions EU_CCR5
	f) for derivative transactions, the exposure values before and after the effect of the credit risk mitigation as determined under the methods set out in Sections 3 to 6 of Chapter 6 of Title II of Part Three, whichever method is applicable, and the associated risk exposure amounts broken down by applicable method EU_CCR1
	g) for securities financing transactions, the exposure values before and after the effect of the credit risk mitigation as determined under the methods set out in Chapters 4 and 6 of Title II of Part Three, whichever method is used, and the associated risk exposure amounts broken down by applicable method EU_CCR1
	h) exposure values after credit risk mitigation effects and the associated risk exposures for credit valuation adjustment capital charge, separately for each method as set out in Title VI of Part Three EU_CCR1
	i) exposure value to central counterparties and the associated risk exposures within the scope of Section 9 of Chapter 6 of Title II of Part Three, separately for qualifying and non-qualifying central counterparties, and broken down by types of exposures EU_CCR8 Not applicable, AikGroup does not have any exposure value to central counterparties at reference date
	j) notional amounts and fair value of credit derivative transactions, credit derivative transactions shall be broken down by product type, within each product type, credit derivative transactions shall be broken down further by credit protection bought and credit protection sold EU_CCR6 Not applicable, AikGroup does not have any CDS in its portfolio at reference date
	k) estimate of alpha where the institution has received the permission of the competent authorities to use its own estimate of alpha in accordance with Article 284(9) EU_CCR1 Not applicable, AikGroup does not apply own estimates of scaling factor
	l) the disclosures included in point (e) of Article 444 and point (g) of Article 452 EU CCR3, EU_CCR4 (n/a) - template not applicable, AikGroup does not apply IRB approach
	m) for institutions using the methods set out in Sections 4 to 5 of Chapter 6 of Title II Part Three, the size of their on- and off-balance-sheet derivative business as calculated in accordance with Article 273a(1) or (2), as applicable EU_CCR1
440	**Countercyclical Capital Buffers**

Point in CRR 575/2013 / Name of the table	Required information
EU_CCyB1 EU_CCyB2	a) geographical distribution of the exposure amounts, and risk-weighted exposure amounts of Group's credit exposures used as a basis for the calculation of its countercyclical capital buffer EU CCyB1
	b) amount of Group-specific countercyclical capital buffer EU CCyB2
441	**Indicators of Global Systemic Importance**
	Institutions identified as G-SIIs in accordance with Article 131 of Directive 2013/36/EU shall disclose, on an annual basis, the values of the indicators used for determining the score of the institutions in accordance with the identification methodology referred to in that Article. Not applicable, AikGroup is not G-SII
442	**Exposures to credit risk and dilution risk:**
EU_CRB EU_CQ1 EU_CQ2 EU_CQ3 EU_CQ4 EU_CQ5 EU_CQ6 EU_CQ7 EU_CQ8 EU_CR1 EU_CR1-A EU_CR2 EU_CR2a	a) scope and definitions used for accounting purposes of 'past due' and 'impaired' and the differences, if any, between the definitions of 'past due' and 'default' for accounting and regulatory purposes EU_CRB
	b) a description of the approaches and methods adopted for determining specific and general credit risk adjustments EU_CRB
	c) information on the amount and quality of performing, non-performing and forborne exposures for loans, debt securities and off-balance-sheet exposures, including their related accumulated impairment, provisions, and negative fair value changes due to credit risk and amounts of collateral and financial guarantees received EU_CR1, EU_CR2a, EU_CQ1, EU_CQ2, EU_CQ4, EU_CQ5, EU_CQ6, EU_CQ7, EU_CQ8 EU_CR2a, EU_CQ2, EU_CQ6, EU_CQ8 - Not applicable :if F24.00 (NPL<5%)
	d) ageing analysis of accounting past due exposures EU_CQ3
	e) gross carrying amounts of both defaulted and non-defaulted exposures, the accumulated specific and general credit risk adjustments, the accumulated write-offs taken against those exposures and the net carrying amounts and their distribution by geographical area and industry type and for loans, debt securities and off-balance-sheet EU_CQ4, EU_CQ5
	f) any changes in the gross amount of defaulted on- and off-balance-sheet exposures, including, as a minimum, information on the opening and closing balances of those exposures, the gross amount of any of those exposures reverted to non-defaulted status or subject to a write-off EU CR1, EU CR2, EU CR2a EU_CR2, EU_CR2a- Not applicable if F24.00 (NPL<5%)
	g) breakdown of loans and debt securities by residual maturity EU_CR1-A
443	**Encumbered and Unencumbered Assets**
EU_AE1 EU_AE2 EU_AE3 EU_AE4	- disclose information concerning their encumbered and unencumbered assets
	- use the carrying amount per exposure class broken down by asset quality and the total amount of the carrying amount that is encumbered and unencumbered (shall not reveal emergency liquidity assistance provided by central banks)
	- related liabilities, conditional liabilities or lent securities and assets, collateral held and issued own debt securities, except for covered bonds and collateralised securities that are encumbered
	- information on the meaning of encumbrance:
444	**The Use of the Standardised Approach:**
EU_CRD EU_CR4	a) the names of the nominated external credit assessment institution (ECAIS) or Export Credit Agencies (ECAs) and the reasons for any changes EU_CRD

Point in CRR 575/2013 / Name of the table	Required information
EU_CR5 EU_CC1	b) the exposure classes for which each ECAI or ECA is used EU_CRD
	c) a description of the process used to transfer the issuer and issue credit assessments onto items not included in the trading book EU_CRD
	d) the association of the external rating of each nominated ECAI or ECA with the credit quality steps prescribed in the CRR regulation (Part Three, Title II, Chapter 2), if the association does not comply with the standard association scheme published by EBA (also the Bank of Slovenia) EU_CRD
	e) the exposure values and the exposure values after credit risk mitigation (credit protection) associated with each credit quality step prescribed in Part Three, Title II, Chapter 2 of the CRR regulation as well as those deducted from own funds EU_CR4, EU_CR5, EU_CC1
445	**Exposure to Market Risk under standardised approach**
EU_MR1 EU_MR3	1. Institutions that have not been granted permission by competent authorities to use the alternative internal model approach as set out in Article 325az, and that use the simplified standardised approach in accordance with Article 325a or the alternative standardised approach in accordance with Part Three, Title IV, Chapter 1a, shall disclose an overview of their trading book positions. EU_MR3 Not applicable, AikGroup does not apply IMA approach.
	2. Institutions calculating their own funds requirements in accordance with Part Three, Title IV, Chapter 1a, shall disclose their total own funds requirements, own funds requirements for the sensitivities-based method, default risk charge and own funds requirements for residual risks. The disclosure of own funds requirements for the measures of the sensitivities-based method and for default risk shall be broken down into the following instruments: EU_MR1
	a)financial instruments other than securitisation instruments held in the trading book, with a breakdown by risk class, and a separate identification of the own funds requirements for default risk,
	b) securitisation instruments not held in the ACTP, with a separate identification of the own funds requirements for credit spread risk and of the own funds requirements for default risk,
	c) securitisation instruments held in the ACTP, with a separate identification of the own funds requirements for credit spread risk and of the own funds requirements for default risk.
445a	**Disclosure of credit valuation adjustment risk**
EU CVAA EU CVA1 EU CVAB EU CVA2 EU CVA3	1. Institutions subject to the own funds requirements for CVA risk shall disclose the following information:
	a) an overview of their processes to identify, measure, hedge and monitor their CVA risk EU CVAA
	b) whether institutions meet all of the conditions set out in Article 273a(2), where those conditions are met, whether institutions have chosen to calculate the own funds requirements for CVA risk using the simplified approach set out in Article 385, where institutions have chosen to calculate the own funds requirements for CVA risk using the simplified approach, the own funds requirements for CVA risk in accordance with that approach EU CVAA
	c) the total number of counterparties for which the standardised approach is used, with a breakdown by counterparty types. EU CVA3 Not applicable as AikGroup applies Simplified approach.
	2. Institutions using the standardised approach set out in Article 383 for calculating the own funds requirements for a)CVA risk shall disclose, in addition to the information referred to in paragraph 1 of this Article, the following information EU CVAB Not applicable as AikGroup applies Simplified approach.

Point in CRR 575/2013 / Name of the table	Required information
	b)the structure and the organisation of their internal CVA risk management function and governance
	their total own funds requirements for CVA risk under the standardised approach with a breakdown by risk class EU CVA3 Not applicable as AikGroup applies Simplified approach.
	c)an overview of the eligible hedges used in that calculation, with a breakdown by type of instruments set out in Article 386(2). EU CVA3 Not applicable as AikGroup applies Simplified approach.
	3. Institutions using the basic approach set out in Article 384 for calculating the own funds requirements for CVA risk shall disclose, in addition to the information referred to in paragraph 1 of this Article, the following information:
	a)their total own funds requirements for CVA risk under the basic approach, and the components $BACVA^{total}$ and $BACVAcsr^{-hedged}$, EU CVA1, EU CVA2 Not applicable as AikGroup applies Simplified approach.
	b)an overview of the eligible hedges used in that calculation, with a breakdown by type of instruments set out in Article 386(3). EU CVA2 Not applicable as AikGroup applies Simplified approach.
446	**Operational Risk Management**
EU_ORA EU_OR1 EU_OR2 EU_OR3	1. Group shall disclose the following information:
	a) the main characteristics and elements of their operational risk management framework, EU_ORA
	b) their own funds requirement for operational risk equal to the business indicator component calculated in accordance with Article 313, EU_OR3
	c) the business indicator, calculated in accordance with Article 314(1), and the amounts of each of the business indicator components and their sub-components for each of the three years relevant for the calculation of the business indicator, EU_OR2 Full disclosure under EU OR2 becomes applicable from the reference date of 30 June 2026, i.e. once template C 16.02 becomes mandatory.
	d) the amount of the reduction of the business indicator for each exclusion from the business indicator in accordance with Article 315(2), as well as the corresponding justifications for such exclusions. EU_OR2
	2. Institutions that calculate their annual operational risk losses in accordance with Article 316(1) shall disclose the following information in addition to the information referred to in paragraph 1 of this Article: EU_OR1 Not applicable as AikGroup does not breach threshold set in Article 316 of CRR.
	a) annual operational risk losses for each of the last 10 financial years, calculated in accordance with Article 316(1), if applicable Not applicable as AikGroup does not breach threshold set in Article 316 of CRR.
	b) the number of exceptional operational risk events and the amounts of the corresponding aggregated net operational risk losses that were excluded from the calculation of the annual operational risk loss in accordance with Article 320(1), for each of the last 10 financial years, and the corresponding justifications for those exclusions.', if applicable Not applicable as AikGroup does not breach threshold set in Article 316 of CRR
447	**Disclosure of key metrics**

Point in CRR 575/2013 / Name of the table	Required information
EU_KM1	a) the composition of their own funds and their risk-based capital ratios as calculated in accordance with Article 92(2) EU_KM1
	aa) where applicable, the risk-based capital ratios as calculated in accordance with Article 92(2), by using the un-floored total risk exposure amount instead of the total risk exposure amount, EU_KM1
	b) the total risk exposure amount as calculated in accordance with Article 92(3) and, where applicable, the un-floored total risk exposure amount as calculated in accordance with Article 92(4) EU_KM1
	c) the amount and composition of additional own funds which the institutions are required to hold in accordance with point (a) of Article 104(1) of Directive 2013/36/EU, if applicable EU_KM1
	d) the combined buffer requirement which the institutions are required to hold in accordance with Chapter 4 of Title VII of Directive 2013/36/EU EU_KM1
	e) leverage ratio and the total exposure measure as calculated in accordance with Article 429 EU_KM1
	f) information in relation to their liquidity coverage ratio as calculated in accordance with the delegated act referred to in Article 460(1): i)the average or averages, as applicable, of their liquidity coverage ratio based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period, (ii)the average or averages, as applicable, of total liquid assets, after applying the relevant haircuts, included in the liquidity buffer pursuant to the delegated act referred to in Article 460(1), based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period, (iii)the averages of their liquidity outflows, inflows and net liquidity outflows as calculated pursuant to the delegated act referred to in Article 460(1), based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period EU_KM1
	g) the following information in relation to net stable funding requirement as calculated in accordance with Title IV of Part Six: (i)the net stable funding ratio at the end of each quarter of the relevant disclosure period, (ii)the available stable funding at the end of each quarter of the relevant disclosure period, (iii)the required stable funding at the end of each quarter of the relevant disclosure period EU_KM1
	h) own funds and eligible liabilities ratios and their components, numerator, and denominator, as calculated in accordance with Articles 92a and 92b and broken down at the level of each resolution group, where applicable Not applicable, AikGroup is not G-SII
448	**Exposure to Interest Rate Risk on Positions Not held in the Trading Book**
EU_IRRBBA EU_IRRBB1	a) changes in the economic value of equity calculated under the six supervisory shock scenarios referred to in Article 98(5) of Directive 2013/36/EU for the current and previous disclosure periods EU_IRRBB1
	b) changes in the net interest income calculated under the two supervisory shock scenarios referred to in Article 98(5) of Directive 2013/36/EU for the current and previous disclosure periods EU_IRRBB1
	c) description of key modelling and parametric assumptions, other than those referred to in points (b) and (c) of Article 98(5a) of Directive 2013/36/EU used to calculate changes in the

Point in CRR 575/2013 / Name of the table	Required information
	economic value of equity and in the net interest income required under points (a) and (b) of this paragraph EU_IRRBBA
	d) explanation of the significance of the risk measures disclosed under points (a) and (b) of this paragraph and of any significant variations of those risk measures since the previous disclosure reference date EU_IRRBBA
	e) description of how institutions define, measure, mitigate and control the interest rate risk of their non-trading book activities for the purposes of the competent authorities' review in accordance with Article 84 of Directive 2013/36/EU, including: (i)a description of the specific risk measures that the institutions use to evaluate changes in their economic value of equity and in their net interest income, (ii)a description of the key modelling and parametric assumptions used in the institutions' internal measurement systems that would differ from the common modelling and parametric assumptions referred to in Article 98(5a) of Directive 2013/36/EU for the purpose of calculating changes to the economic value of equity and to the net interest income, including the rationale for those differences, (iii)a description of the interest rate shock scenarios that institutions use to estimate the interest rate risk, (iv)the recognition of the effect of hedges against those interest rate risks, including internal hedges that meet the requirements laid down in Article 106(3), (v)an outline of how often the evaluation of the interest rate risk occurs EU_IRRBBA
	f) description of the overall risk management and mitigation strategies for those risks EU_IRRBBA
	g) average and longest repricing maturity assigned to non-maturity deposits EU_IRRBBA
449	**Exposure to Securitisation Positions**
EU-SECA EU-SEC1 EU-SEC2 EU-SEC3 EU-SEC4 EU-SEC5	Institutions calculating risk-weighted exposure amounts in accordance with Chapter 5 of Title II of Part Three or own funds requirements in accordance with Articles 337 or 338 shall disclose the information separately for their trading book and non-trading book activities where relevant Not applicable, securitization transactions are not in place in AikGroup
449a	**Environmental, social and governance risks (ESG risks)**
Annex 39: Template 1-3: qualitative data on ESG Template 1-10: quantitative data	From 28 June 2022, large institutions which have issued securities that are admitted to trading on a regulated market of any Member State, as defined in point (21) of Article 4(1) of Directive 2014/65/EU, shall disclose information on ESG risks, including physical risks and transition risks, as defined in the report referred to in Article 98(8) of Directive 2013/36/EU. The Group discloses information on ESG risks, including: a) the total amount of exposures to fossil fuel sector entities, b) how Group integrate the identified ESG risks in their business strategy and processes, and governance and risk management. The information referred to in the first paragraph shall be disclosed on an annual basis for the first year and semi-annually thereafter. GAR and Taxonomy Regulation (templates 6 - 10): Disclosure obligations and ad-hoc collection* are suspended until end-2026
449b	**Aggregate exposure to shadow banking entities**
EU SB1	The Group discloses the information concerning their aggregate exposure to shadow banking entities, as referred to in Article 394(2), second subparagraph. EU SB1 Institutions subject to Article 433a of Regulation (EU) No 575/2013 which have issued securities that are admitted to trading on a regulated market of any Member State, as defined in point (21) of Article 4(1) of Directive 2014/65/EU, shall apply Regulation amending the

Point in CRR 575/2013 / Name of the table	Required information
	implementing technical standards laid down in Commission Implementing Regulation (EU) 2024/3172 as regards the disclosure of ..... the information on the aggregate exposure to shadow banking entities .... **starting with the reference date as of 31 December 2026**. Until then, such institutions, shall continue preparing their disclosure requirements in accordance with the Implementing Regulation (EU) 2024/3172 as applicable on 1 January 2025.[2]
450	**Remuneration Policy:**
EU_REMA EU_REM1 EU_REM2 EU_REM3 EU_REM4 EU_REM5	a) information concerning the decision-making process used for determining the remuneration policy as well as the number of meetings held by the main body overseeing remuneration during the financial year, including, where applicable, information about the composition and the mandate of a remuneration committee, the external consultant whose services have been used for the determination of the remuneration policy and the role of the relevant stakeholders EU_REMA
	b) information on link between pay and performance EU_REMA
	c) the most important design characteristics of the remuneration system, including information on the criteria used for performance measurement and risk adjustment, deferral policy and vesting criteria EU_REMA
	d) the ratios between fixed and variable remuneration EU_REMA
	e) information on the performance criteria on which the entitlement to shares, options or variable components of remuneration is based EU_REMA
	f) main parameters and rationale for any variable component scheme and any other non-cash benefits EU_REMA
	g) aggregate quantitative information on remuneration, broken down by business area EU_REM5
	h) aggregate quantitative information on remuneration, broken down by senior management and members of staff whose professional activities have a material impact on the risk profile of the institutions, indicating the following: (i)the amounts of remuneration awarded for the financial year, split into fixed remuneration including a description of the fixed components, and variable remuneration, and the number of beneficiaries, EU_REM1 (ii)the amounts and forms of awarded variable remuneration, split into cash, shares, share-linked instruments and other types separately for the part paid upfront and the deferred part, EU_REM1 (iii)the amounts of deferred remuneration awarded for previous performance periods, split into the amount due to vest in the financial year and the amount due to vest in subsequent years, EU_REM3 (iv)the amount of deferred remuneration due to vest in the financial year that is paid out during the financial year, and that is reduced through performance adjustments, EU_REM3 (v)the guaranteed variable remuneration awards during the financial year, and the number of beneficiaries of those awards, EU_REM2 (vi)the severance payments awarded in previous periods, that have been paid out during the financial year, EU_REM2 (vii)the amounts of severance payments awarded during the financial year, split into paid upfront and deferred, the number of beneficiaries of those payments and highest payment that has been awarded to a single person aggregate quantitative information on remuneration, broken down by senior management and members of staff whose actions have a material impact on the risk profile of the Group EU_REM2

[2] EBA/CP/2025/07 Consultation Paper, Draft ITS amending Commission Implementing Regulation (EU) 2024/3172, as regards the disclosures on ESG risks, equity exposures and the aggregate exposure to shadow banking entities

Point in CRR 575/2013 / Name of the table	Required information
	i) the number of individuals being remunerated 1 million Euros or more per financial year, with remuneration between 1 million and 5 million Euros broken down into pay bands of 500,000 Euros and with remuneration of 5 million Euros and above broken down into pay bands of 1 million Euros EU_REM4
	j) upon demand from the relevant Member State or competent authority, the total remuneration for each member of the management body or senior management EU_REMA
	k) information on whether the bank benefits from a derogation laid down in Article 94(3) of Directive 2013/36/EU EU_REMA
	2. For large institutions, the quantitative information on the remuneration of institutions' collective management body referred to in this Article shall also be made available to the public, differentiating between executive and non-executive members EU_REMA
451	**Leverage ratio**
EU_LR1 EU_LR2 EU_LR3 EU_LRA	a) leverage ratio and how the institutions apply Article 499(2) EU_LR1
	b) breakdown of the total exposure measure referred to in Article 429(4), as well as a reconciliation of the total exposure measure with the relevant information disclosed in published financial statements EU_LR1
	c) where applicable, the amount of exposures calculated in accordance with Articles 429(8) and 429a(1) and the adjusted leverage ratio calculated in accordance with Article 429a(7) EU_LR1
	d) description of the processes used to manage the risk of excessive leverage EU_LRA
	e) description of the factors that had an impact on the leverage ratio during the period to which the disclosed leverage ratio refers EU_LRA
	f) the amount of the additional own funds requirements based on the supervisory review process as referred to in Article 104(1), point (a), of Directive 2013/36/EU to address the risk of excessive leverage and its composition
	2. Credit Institutions as defined in Article 429a(2), shall disclose the leverage ratio without the adjustment to the total exposure measure determined in accordance with point (d) of the first subparagraph of Article 429a(1). EU_LR2
	3. In addition to points (a) and (b) of paragraph 1 of this Article, large institutions shall disclose the leverage ratio and the breakdown of the total exposure measure referred to in Article 429(4) based on averages calculated in accordance with the implementing act referred to in Article 430(7) EU_LR3
451a	**Liquidity Requirements**
EU_LIQA EU_LIQ1 EU_LIQB EU_LIQ2	Institutions that are subject to Part Six shall disclose information on their liquidity coverage ratio, net stable funding ratio and liquidity risk management in accordance with this Article
	2.Information in relation to their liquidity coverage ratio as calculated in accordance with the delegated act referred to in Article 460(1) EU_LIQ1, EU_LIQB
	a) average or averages, as applicable, of their liquidity coverage ratio based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period,
	b) average or averages, as applicable, of total liquid assets, after applying the relevant haircuts, included in the liquidity buffer pursuant to the delegated act referred to in Article 460(1), based

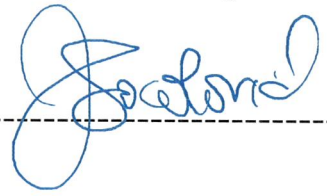
Point in CRR 575/2013 / Name of the table	Required information
	on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period, and a description of the composition of that liquidity buffer,
	c) averages of their liquidity outflows, inflows and net liquidity outflows as calculated in accordance with the delegated act referred to in Article 460(1), based on end-of-the-month observations over the preceding 12 months for each quarter of the relevant disclosure period and the description of their composition
	3. Information in relation to their net stable funding ratio as calculated in accordance with Title IV of Part Six EU_LIQ2
	a) quarter-end figures of their net stable funding ratio calculated in accordance with Chapter 2 of Title IV of Part Six for each quarter of the relevant disclosure period,
	b) an overview of the amount of available stable funding calculated in accordance with Chapter 3 of Title IV of Part Six,
	c)an overview of the amount of required stable funding calculated in accordance with Chapter 4 of Title IV of Part Six
	4. Disclosure of arrangements, systems, processes, and strategies put in place to identify, measure, manage and monitor their liquidity risk in accordance with Article 86 of Directive 2013/36/EU EU_LIQA
451b	**Disclosure of crypto-asset exposures and related activities**
	Institutions shall disclose the following information on crypto-assets and crypto-asset services as well as any other activities related to crypto-assets: (a) the direct and indirect exposure amounts in relation to crypto-assets, including the gross long and short components of net exposures; (b) the total risk exposure amount for operational risk; (c) the accounting classification for crypto-asset exposures; (d) a description of the business activities related to crypto-assets and their impact on the risk profile of the institution; (e) a specific description of their risk management policies related to crypto-asset exposures and crypto-asset services. Not applicable, AikGroup does not have crypto assets.
452	**Use of the IRB Approach to Credit Risk**
EU_CR6 EU_CR6-A EU_CR9 EU_CR9.1 EU_CRE	Institutions calculating the risk-weighted exposure amounts under the IRB Approach shall disclose selected information. Not applicable, AikGroup does not apply IRB approach
453	**Use of Credit Risk Mitigation Techniques**
EU_CRC EU_CR3 EU_CR4 EU_CR7 EU_CR7-A	a) core features of policies and processes for on- and off-balance-sheet netting and an indication of the extent to which institutions make use of balance sheet netting EU_CRC
	b) core features of policies and processes for collateral evaluation and management EU_CRC
	c) a description of the main types of collateral taken by the Group EU_CRC
	d) for guarantees and credit derivatives used as credit protection, the main types of guarantors and credit derivative counterparty and their creditworthiness (credit quality) EU_CRC
	e) information about market or credit risk concentrations within the credit mitigation taken EU_CRC
	f) total exposure value not covered by any eligible credit protection and the total exposure value covered by eligible credit protection after applying volatility adjustments, separately for loans and debt securities and including a breakdown of defaulted exposures

Point in CRR 575/2013 / Name of the table	Required information
	EU_CR3
	g) corresponding conversion factor and the credit risk mitigation associated with the exposure and the incidence of credit risk mitigation techniques with and without substitution effect. EU_CR4 EU_CR7-A (n/a) – template not applicable, AikGroup does not apply IRB approach
	h) on- and off-balance-sheet exposure value by exposure class before and after the application of conversion factors and any associated credit risk mitigation EU_CR4
	i) risk-weighted exposure amount and the ratio between that risk-weighted exposure amount and the exposure value after applying the corresponding conversion factor and the credit risk mitigation associated with the exposure, the disclosure set out in this point shall be made separately for each exposure class EU_CR4
	j) the risk-weighted exposure amount before and after recognition of the credit risk mitigation impact of credit derivatives, where institutions have received permission to use own LGDs and conversion factors for the calculation of risk-weighted exposure amounts, they shall make the disclosure set out in this point separately for the exposure classes subject to that permission EU_CR7 Not applicable, AikGroup does not apply IRB approach
454	**Use of the Advanced Measurement Approaches to Operational Risk**
	The institutions using the Advanced Measurement Approaches set out in Articles 321 to 324 for the calculation of their own funds requirements for operational risk shall disclose a description of their use of insurance and other risk-transfer mechanisms for the purpose of mitigating that risk. Not applicable, AikGroup does not apply advanced measurement approach to operational risk.
455	**Use of Internal Market Risk Models**
EU_MRB EU_MR2	Institutions, using the internal models referred to in Article 325az for the calculation of the own funds requirements for market risk, shall disclose selected information related to model used. Not applicable, AikGroup does not use internal models for capital requirements calculation
473a/ 468-FL	**IFRS 9 transitional arrangements**
IFRS 9/ Article 468-FL	Data related to transitional capital rules applied by institution for introduction of new accounting standard for financial instrument measurement and classification (IFRS 9). Rule is published by EBA as of December 2017 and amended in June 2020: Temporary treatment of unrealised gains and losses measured at fair value through other comprehensive income (CRR, Article 468). Template: IFRS 9/Article 468-FL Not applicable on AikGroup level
501d(2)	**Disclosure of crypto assets**
EU CAE1	By 30 June 2025, the Commission shall, where appropriate, submit a legislative proposal to the European Parliament and to the Council to introduce a dedicated prudential treatment for crypto-asset exposures, taking into account the international standards and Regulation (EU) 2023/1114 Until the date of application of the legislative act referred to in paragraph 1, institutions shall calculate and disclose their own funds requirements for crypto-asset exposure in accordance with this Article. EU CAE1 Not applicable, AikGroup does not have crypto assets.
EBA/GL/2018/10	**Appendix 1** Disclosure of non-performing and forborne exposures

APPENDIX 3 - ATTEST OF DISCLOSURE REPORT 31.12.2025 COMPLIANCE WITH GROUP POLICIES AND SYSTEMS AND CONTROLS

Senior management i.e., Head of Group Functions involved in Disclosure Report 31.12.2025 preparation hereby attest that disclosures required by EBA CRR are made in accordance with the Group policies and internal processes, systems, and controls.

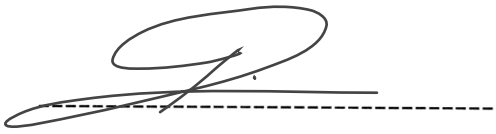
Head of Group Strategic Risk Management Function:



Head of Group Finance Function:



Head of Group HR & Organization Function:



Head of Group Compliance Function:

