PUBLIC

AGRI EUROPE

Disclosure Report 06 2024

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

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1. Introduction

Agri Europe Cyprus Limited Group (AEC Group or Group) consists of the following members:

- AGRI EUROPE CYPRUS LIMITED, Cyprus (AEC) as a parent company, and
- NORD AGRI 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,
- AIK BANKA a.d. Beograd, Serbia as credit institution subsidiary,
- AIK Leasing doo Beograd, as a subsidiary,
- EUROBANK DIREKTNA a.d., Beograd as credit institution subsidiary

Disclosure Report of Agri Europe Cyprus Limited Group provides information in accordance with Article 13 of the Regulation No.575/2013 of the European Parliament (Capital Requirements Regulation or CRR).

AEC Group Disclosure Report meets disclosure requirements of Part Eight of CRR and all following amendments (Regulation (EU) 2019/876 (CRR2) of the European Parliament and of the Council of 20 May 2019 amending Regulation (EU) No 575/2013 and other relevant regulations). AEC Group Disclosure Report compiles with requirements set in the Commission Implementing Regulation (EU) 2021/637 laying down implementing technical standards (ITS) with regard to public disclosures by institutions of the information referred to in Part Eight of CRR and all relevant disclosure related guidelines issued by the regulator.

In addition to the main, annual report, the Group also, as a large, listed institution, discloses certain information more frequently, in accordance with EBA CRR Article 433a (1).

This is semi-annual report, with reference date as of **30th of June, 2024**.

Pursuant to Article 434 (1) CRR, the Group publishes the Reports on the website **https://www.agrieurope.com.cy/** and https://www.gbkr.si/ , pursuant to Article 434 (2) of CRR, the Group makes available on its website an archive of Disclosure Reports for previous dates.

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

2. Own Funds

(CRR regulation, point (a) of Article 437)

2.1. Own Funds composition, prudential filters and deduction items

Group`s capital is comprised of elements of the total capital, additionally 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.

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%.

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.

Senior management attest that disclosures required by regulator are in accordance with Group policies and internal processes, systems and controls. Written attestation is integral part of this Report.

Table 1_EU CC1 - Composition of regulatory own funds

000 EUR

		(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	821,345	G
3	Accumulated other comprehensive income (and other reserves)	218,738	H
EU-3a	Funds for general banking risk	-	
4	Amount of qualifying items referred to in Article 484 (3) and the related share premium accounts subject to phase out from CET1	-	
5	Minority interests (amount allowed in consolidated CET1)	-	
EU-5a	Independently reviewed interim profits net of any foreseeable charge or dividend	-	
6	**Common Equity Tier 1 (CET1) capital before regulatory adjustments**	**1,080,084**	**E**
Common Equity Tier 1 (CET1) capital: regulatory adjustments			
7	Additional value adjustments (negative amount)	(686)	A, B
8	Intangible assets (net of related tax liability) (negative amount)	(24,827)	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) are met) (negative amount)	(54)	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 securitised 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 and indirect holdings by an institution of own CET1 instruments (negative amount)	-	
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) are met) (negative amount)	-	
22	Amount exceeding the 17,65% threshold (negative amount)	-	

000 EUR

		(a)	(b)
		Amounts	**Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation**
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 adjusments	(798)	
28	**Total regulatory adjustments to Common Equity Tier 1 (CET1)**	**(26,365)**	
29	**Common Equity Tier 1 (CET1) capital**	**1,053,719**	
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) and the related share premium accounts subject to phase out from AT1	-	
EU-33a	Amount of qualifying items referred to in Article 494a(1) subject to phase out from AT1	-	
EU-33b	Amount of qualifying items referred to in Article 494b(1) 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 and indirect 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)**	**1,053,719**	
Tier 2 (T2) capital: instruments			
46	Capital instruments and the related share premium accounts	64,209	

000 EUR

		(a)	(b)
		Amounts	**Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation**
47	Amount of qualifying items referred to in Article 484 (5) 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) subject to phase out from T2	-	
EU-47b	Amount of qualifying items referred to in Article 494b (2) 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	-	
49	of which: instruments issued by subsidiaries subject to phase out	-	
50	Credit risk adjustments	-	
51	**Tier 2 (T2) capital before regulatory adjustments**	**64,209**	
Tier 2 (T2) capital: regulatory adjustments			
52	Direct and indirect 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 and indirect 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 and indirect 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)	-	
56b	Other regulatory adjusments to T2 capital	-	
57	**Total regulatory adjustments to Tier 2 (T2) capital**	**-**	
58	**Tier 2 (T2) capital**	**64,209**	
59	**Total capital (TC = T1 + T2)**	**1,117,928**	
60	**Total risk exposure amount**	**5,924,352**	
Capital ratios and requirements including buffers			
61	Common Equity Tier 1	17.79%	
62	Tier 1	17.79%	
63	Total capital	18.87%	
64	Institution CET1 overall capital requirements	8.86%	
65	of which: capital conservation buffer requirement	2.50%	
66	of which: countercyclical capital buffer requirement	0.17%	
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**	**7.87%**	
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	Direct and indirect holdings of own funds and eligible liabilities of financial sector entities where the institution does not have a	41,050	

000 EUR

		(a)	(b)
		Amounts	Source based on reference numbers/letters of the balance sheet under the regulatory scope of consolidation
	significant investment in those entities (amount below 10% threshold and net of eligible short positions)		
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)	2,606	
74	Not applicable	n/a	
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) are met)	5,682	
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 1,004,954 thousand EUR (table EU CC2) in the calculation of regulatory Own fuds in table EU CC1 is included 821,345 thousand EUR. The difference represent the rest of consolidated retained earnings for which the exact future usage is not still determined.

Additional value adjustments as of June 30, 2024 in the amount of 686 thousand EUR relate to 0.1% of:

- Receivables under derivatives net amounting to 3,174 thousand EUR, and
- Following types of Securities:
  - equity instruments held for trading amounting to 8,572 thousand EUR,
  - equity instruments non-trading mandatorily at FVtPL amounting to 35,125 thousand EUR,
  - equity instruments FVtOCI amounting to 53,313 thousand EUR,
  - debt instrumets FVtOCI amounting to 578,760 thousand EUR,
- Other assets at Fair value amounting to 7,418 thousand EUR.

Deferred tax assets that rely on future profitability excluding those arising from temporary differences in the amount of 54 thousand EUR fully relate to deffered tax assets on tax loss carryforwards.

"Other regulatory adjustments" amounts 798 thousand EUR as of June 30, 2024 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 current period 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 recognised as such in the profit or loss account are included in the calculation of general and specific credit risk adjustments.

2.2. 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 the 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 2_EU CC2 – Reconciliation of regulatory own funds to balance sheet in the audited financial statements

000 EUR

		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	1,200,221	1,199,870	
2	Receivables under derivatives	1,553	1,552	A
3	Securities	944,998	944,808	B
4	Loans and receivables due from banks and other financial institutions	1,021,493	1,020,939	
5	Loans and receivables due from customers	5,055,247	5,054,344	
6	Investments into subsidiaries	0	2,606	
7	Investments into associates	1,283	1,283	
8	Intangible assets	24,835	24,825	C
9	Property, plant and equipment	131,334	130,991	
10	Investment property	51,742	48,104	
11	Current tax assets	30,443	27,290	
12	Deferred tax assets	5,490	5,735	D
13	Non-current assets held for sale and assets from discontinued operations	2,602	2,602	
14	Other assets	40,979	40,896	
	Total assets	**8,512,220**	**8,505,845**	
Liabilities - *Breakdown by liability clases according to the balance sheet in the published financial statements*				
1	Liabilities under derivatives	1,182	1,182	
2	Deposits and other liabilities due to banks, other financial institutions and the central bank	743,918	743,714	
3	Deposits and other liabilities due to customers	6,229,458	6,228,462	
4	Liabilities under securities	75,619	75,619	
5	Subordinated liabilities	66,515	66,486	
6	Provisions	14,081	14,077	
7	Current tax liabilities	314	314	
8	Deferred tax liabilities	2,695	2,961	
9	Other liabilities	104,723	104,578	
	Total liabilities	**7,238,505**	**7,237,393**	
Shareholders' Equity				
1	Share capital	40,001	40,001	E
2	Retained earnings	941,927	936,631	G
3	Current year profit	71,739	68,323	
4	Reserves	215,720	219,171	H
5	Non controlling interest	4,328	4,326	
	Total equity	**1,273,715**	**1,268,452**	

**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 are provided*

3. Own funds requirements and risk weighted exposure amounts

(CRR regulation, point (d) of Article 438)[1]

3.1. Risk weighted exposure amounts and minimum capital requirement

AEC Group 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, AEC Group uses Standardized approach. Credit risk weighted assets are the sum of relevant exposure of balance sheet assets and off-balance sheet items (calculated by applying regulatory prescribed credit conversion factors (CCFs) to the different types of off-balance transact), 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 each off-balance sheet items is determined on the basis of exposure class to which the exposure is assign to and the level of its credit quality. The capital requirement for credit risk is calculated by multiplying risk weighted exposure amount by 8%.

To calculate the capital requirement for Market risks, Group uses Standardized approach, prescribed by CRR regulation (more on that in point 9 of this Disclosure Report).

Capital requirement for Operational risks are calculated by applying Basic indicator approach, as prescribed by CRR.

Capital requirement for Credit Valuation Adjustment (CVA) risk is calculated using Standardized approach, as defined under CRR.

In the template EU OV1, AEC Group represents overview of risk weighted assets and capital requirements calculated in accordance with the Article 92 of the CRR as of disclosure reference date, and also on previous disclosure obligation date. As of 30.6.2024, capital requirements are broken down into different risk categories.

[1] *Points (e) and (h) of Article 438 of CRR regulation refers to RWEA results from the use of IRB approach and internal models under Pillar 1, which are not applicable on AEC Group. Details are in Appendix 2 of this Report*

Table 3_EU OV1 Overview of total risk exposure amounts

000 EUR

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		a	b	c
		30.6.2024	31.3.2024	30.6.2024
1	Credit risk (excluding CCR)	5,205,026	5,062,133	416,402
2	Of which the standardised approach	5,205,026	5,062,133	416,402
3	Of which the Foundation IRB (F-IRB) approach	-	-	-
4	Of which: slotting approach	-	-	-
EU 4a	Of which: equities under the simple risk weighted approach	-	-	-
5	Of which the Advanced IRB (A-IRB) approach	-	-	-
6	Counterparty credit risk - CCR	26,711	25,909	2,137
7	Of which the standardised approach	-		-
8	Of which internal model method (IMM)	-		-
EU 8a	Of which exposures to a CCP	-		-
EU 8b	Of which credit valuation adjustment - CVA	5,440	6,423	435
9	Of which other CCR	21,271	19,485	1,702
10	Not applicable			
11	Not applicable			
12	Not applicable			
13	Not applicable			
14	Not applicable			
15	Settlement risk	-	-	-
16	Securitisation exposures in the non-trading book (after the cap)	-	-	-
17	Of which SEC-IRBA approach	-	-	-
18	Of which SEC-ERBA (including IAA)	-	-	-
19	Of which SEC-SA approach	-	-	-
EU 19a	Of which 1250%	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	17,336	39,975	1,387
21	Of which the standardised approach	17,336	39,975	1,387
22	Of which IMA	-	-	-
EU 22a	Large exposures	-	-	-
23	Operational risk	675,280	675,280	54,022
EU 23a	Of which basic indicator approach	675,280	675,280	54,022
EU 23b	Of which standardised approach	-	-	-
EU 23c	Of which advanced measurement approach	-	-	-
24	**Amounts below the thresholds for deduction (subject to 250% risk weight) (For information)**	**20,718**	**21,217**	**1,657**
25	Not applicable			
26	Not applicable			
27	Not applicable			
28	Not applicable			
29	**Total**	**5,924,352**	**5,803,297**	**473,948**

3.2. Disclosure of key metrics and overview of risk-weighted exposure amounts

(CRR regulation, key metrics referred to in Article 447)

In the template EU KM1 the Group shows following items as of 30.6.2024, and as of previous disclosure obligation periods, 31.3.2024, 31.12.2023, 30.9.2023 and 30.6.2023:

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

Table 4_EU KM1 Key metrics

000 EUR

		a	b	c	d	e
		30.6.2024	31.3.2024	31.12.2023	30.9.2023	30.6.2023
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	1,053,719	1,041,693	1,027,314	915,484	911,523
2	Tier 1 capital	1,053,719	1,041,693	1,027,314	915,484	911,523
3	Total capital	1,117,928	1,106,219	1,092,055	915,484	911,523
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	5,924,352	5,804,016	5,916,120	3,926,208	3,936,256
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	17.79%	17.95%	17.36%	23.32%	23.16%
6	Tier 1 ratio (%)	17.79%	17.95%	17.36%	23.32%	23.16%
7	Total capital ratio (%)	18.87%	19.06%	18.46%	23.32%	23.16%
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7a	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	3.00%	3.00%	3.25%	3.25%	3.25%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.69%	1.69%	1.83%	1.83%	1.83%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	2.25%	2.25%	2.44%	2.44%	2.44%
EU 7d	Total SREP own funds requirements (%)	11.00%	11.00%	11.25%	11.25%	11.25%
	Combined buffer 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 (%)	0.17%	0.16%	0.16%	0.03%	0.04%
EU 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer	-	-	-	-	-
11	Combined buffer requirement (%)	2.67%	2.66%	2.66%	2.53%	2.54%
EU 11a	Overall capital requirements (%)	13.67%	13.66%	13.91%	13.78%	13.79%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.87%	8.06%	7.21%	12.07%	11.91%
	Leverage ratio					
13	Total exposure measure	9,047,159	8,961,934	9,292,112	6,544,084	6,346,056
14	Leverage ratio (%)	11.65%	11.62%	11.06%	13.99%	14.36%
	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 requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value - average)	1,241,461	1,210,203	1,153,020	1,123,929	1,131,148
EU 16a	Cash outflows - Total weighted value	1,284,656	1,201,920	1,079,476	982,691	944,278
EU 16b	Cash inflows - Total weighted value	1,120,927	1,037,324	836,113	617,845	477,847
16	Total net cash outflows (adjusted value)	321,164	304,914	326,184	400,820	477,468
17	Liquidity coverage ratio (%)	390.0%	400.2%	369.5%	319.6%	262.3%
	Net Stable Funding Ratio					
18	Total available stable funding	6,701,230	6,782,354	6,968,059	4,805,777	4,703,980
19	Total required stable funding	4,505,963	4,424,733	4,447,637	3,026,135	3,020,200
20	NSFR ratio (%)	148.7%	153.3%	156.7%	158.8%	155.8%

4. Exposure to Counterparty Credit Risk

(CRR regulation, points (e) to (l) of Article 439)[2]

Through its internal acts, the Group has established the basic principles, approaches, rules and procedures for counterparty credit risk management.

The counterparty credit risk is assessed as part of the RWA calculation in Pillar 1. AEC Group applies the Original Exposure Method (OEM) calculated in accordance with Article 282 CRR (Chapter 6 of Title II Part Three, Section 5) as alternative approach to the Standardised Approach for counterparty credit

[2] Points (i), (j), (k) and (l) of Article 439 of CRR regulation are not applicable on AEC Group, there are no these kinds of exposures in Group's portfolio, the Group does not use own estimates of scaling factor and does not apply IRB approach. Details are in Appendix 2 of this Report

risk (SA CCR). Netting is not used for regulatory purposes in AEC Group. 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 is presented in the table below (CCR1).

Table 5_ EU CCR1 – Analysis of CCR exposure by approach

000 EUR

		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
EU1	EU - Original Exposure Method (for derivatives)				1.4				
EU2	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)								
5	VaR for SFTs								
6	**Total**								

Related to derivative and securities financing transactions, AEC Group 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.

4.1. Segregated and unsegregated collateral received and posted per type of collateral

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 6_EU CCR5 – Composition of collateral for CCR exposures

000 EUR

		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	-	-	-	449	-	-	-	-
2	Cash – other currencies	-	-	-	-	-	-	-	-
3	Domestic sovereign debt	-	-	-	-	-	225,999	-	-
4	Other sovereign debt	-	-	-	-	-	-	-	-
5	Government agency debt	-	-	-	-	-	-	-	-
6	Corporate bonds	-	-	-	-	-	-	-	-
7	Equity securities	-	-	-	-	-	-	-	-
8	Other collateral	-	-	-	-	-	-	-	-
9	**Total**	**-**	**-**	**-**	**449**	**-**	**225,999**	**-**	**-**

4.2. Transactions subject to own funds requirements for CVA risk

Table EU CCR2 provides an overview of the exposures subject to CVA capital charges in accordance with Part three, Title VI, Article 382 of CRR. Capital requirement are calculated in accordance with Standardized approach.

Table 7_EEU CCR2 – Transactions subject to own funds requirements for CVA risk

000 EUR

		a	b
		Exposure value	**RWEA**
1	Total transactions subject to the Advanced method	-	-
2	(i) VaR component (including the 3× multiplier)		
3	(ii) stressed VaR component (including the 3× multiplier)		
4	Transactions subject to the Standardised method	20,600	5,440
EU4	Transactions subject to the Alternative approach (Based on the Original Exposure Method)	-	-
5	**Total transactions subject to own funds requirements for CVA risk**	**20,600**	**5,440**

4.3. Exposure value to central counterparties and the associated risk exposures

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

4.4. Notional amounts and fair value of credit derivative transaction

AEC Group does not have any single name CDS in the portfolio as of 30.6.2024.

4.5. CCR exposures by regulatory exposure class and risk weights

Table 8_EU CCR3 – Standardised approach – CCR exposures by regulatory exposure class and risk weights

000 EUR

	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	256,376	-	-	-	-	-	-	-	1,494	-	-	257,870
2	Regional government or local authorities	-	-	-	-	-	-	-	-	-	-	-	-
3	Public sector entities	-	-	-	-	-	-	-	-	-	-	-	-
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	274	-	-	-	5,958	3,823	-	-	12,169	-	-	22,224
7	Corporates	-	-	-	-	-	282	-	-	5,100	-	-	5,382
8	Retail	-	-	-	-	-	-	-	-	-	-	-	-
9	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-
10	Other items	256,650	-	-	-	5,958	4,104	-	-	18,764	-	-	285,476
11	**Total exposure value**	**256,650**	**-**	**-**	**-**	**5,958**	**4,104**	**-**	**-**	**18,764**	**-**	**-**	**285,476**

5. Countercyclical capital buffer

(CRR regulation, Article 440)

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 30th June 2024.

Table 9_EU CCyB1 - Geographical distribution of credit exposures relevant for the calculation of the countercyclical buffer in 000 EUR

AGRI EUROPE

			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 (%)	Counter-cyclical 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 non TB	Total			
010		Country:													
020		AL	61	-	-	-	-	61	4	-	-	4	46	0.00%	0.00%
030	x	AT	44,647	-	81	-	-	44,728	3,331	13	-	3,344	41,796	0.90%	0.00%
040	x	AU	5	-	-	-	-	5	0	-	-	0	5	0.00%	1.00%
050	x	AZ	2	-	-	-	-	2	0	-	-	0	1	0.00%	0.00%
060	x	BA	26,024	-	-	-	-	26,024	1,796	-	-	1,796	22,454	0.48%	0.00%
070		BE	10,162	-	-	-	-	10,162	761	-	-	761	9,510	0.20%	0.50%
080		BG	138	-	-	-	-	138	8	-	-	8	104	0.00%	2.00%
090		BR	3	-	-	-	-	3	0	-	-	0	2	0.00%	0.00%
100		BY	1	-	-	-	-	1	0	-	-	0	1	0.00%	0.00%
110	x	DE	18,532	-	1,400	-	-	19,932	1,274	224	-	1,498	18,719	0.40%	0.00%
120		EG	134	-	-	-	-	134	8	-	-	8	101	0.00%	0.00%
130		ES	2,036	-	-	-	-	2,036	137	-	-	137	1,716	0.40%	0.00%
140	x	GB	7,915	-	100	-	-	8,015	574	16	-	590	7,376	0.16%	2.00%
150	x	GI	124	-	-	-	-	124	3	-	-	3	43	0.00%	0.00%
160	x	GR	305	-	-	-	-	305	14	-	-	14	180	0.00%	0.00%
170		HK	7	-	-	-	-	7	0	-	-	0	5	0.00%	0.10%
180	x	HR	71,213	-	-	-	-	71,213	5,747	-	-	5,747	71,837	1.54%	1.50%
190	x	HU	2,344	-	-	-	-	2,344	187	-	-	187	2,335	0.05%	0.00%
200	x	IE	513	-	-	-	-	513	26	-	-	26	328	0.01%	1.50%
210		IL	15	-	-	-	-	15	1	-	-	1	15	0.00%	0.00%
220		IT	23,231	-	-	-	-	23,231	1,717	-	-	1,717	21,465	0.46%	0.00%
230	x	JE	8	-	-	-	-	8	1	-	-	1	8	0.00%	0.00%
240	x	KR	6	-	-	-	-	6	0	-	-	0	6	0.00%	1.00%
250	x	KW	141	-	-	-	-	141	8	-	-	8	106	0.00%	0.00%
260		KY	10	-	-	-	-	10	1	-	-	1	10	0.00%	0.00%
270		LT	68	-	-	-	-	68	4	-	-	4	51	0.00%	1.00%
280	x	LU	19,595	-	-	-	-	19,595	2,342	-	-	2,342	29,271	0.63%	0.50%
290		ME	36,424	-	-	-	-	36,424	3,213	-	-	3,213	40,167	0.86%	0.00%
300		MK	932	-	-	-	-	932	58	-	-	58	721	0.02%	0.00%
310		NL	6,674	-	75	-	-	6,749	367	12	-	379	4,734	0.10%	2.00%
320		NO	165	-	-	-	-	165	10	-	-	10	124	0.00%	2.50%
330	x	PL	2,121	-	-	-	-	2,121	153	-	-	153	1,917	0.04%	0.00%
340	x	RO	2,831	-	-	-	-	2,831	226	-	-	226	2,826	0.06%	1.00%
350	x	RS	4,232,411	-	6,425	-	-	4,238,836	246,401	1,028	-	247,429	3,092,865	66.48%	0.00%
360		RU	275	-	-	-	-	275	17	-	-	17	208	0.00%	0.00%
370	x	SC	104	-	-	-	-	104	7	-	-	7	85	0.00%	0.00%
380	x	SG	7,915	-	100	-	-	8,015	574	16	-	590	7,376	0.16%	0.00%
390		SI	1,946,433	-	190	-	-	1,946,623	96,747	-	-	96,747	1,209,340	26.91%	0.00%
400	x	TH	11	-	-	-	-	11	1	-	-	1	8	0.00%	0.00%
410	x	TN	8	-	-	-	-	8	0	-	-	0	6	0.00%	0.00%
420	x	TR	173	-	-	-	-	173	10	-	-	10	130	0.00%	0.00%
430	x	UA	598	-	-	-	-	598	7	-	-	7	87	0.00%	0.00%
440	x	US	6,849	-	202	-	-	7,051	414	32	-	446	5,576	0.12%	0.00%
450		UZ	743	-	-	-	-	743	89	-	-	89	1,114	0.02%	0.00%
460	x	VG	4	-	-	-	-	4	0	-	-	0	4	0.00%	0.00%
			6,471,911	**-**	**8,572**	**-**	**-**	**6,480,483**	**366,241**	**1,341**	**-**	**367,582**	**4,594,778**	**100%**	

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 as of 30th June 2024 amounts 0.17%.

The table below presents the calculation of the amount of the Group's own countercyclical capital buffer at reference date, 30.6.2024:

Table 10_EU CCy–2 - Amount of institution-specific countercyclical capital buffer

000 EUR

		a
1	Total risk exposure amount	5,924,352
2	Institution specific countercyclical capital buffer rate	0.17%
3	Institution specific countercyclical capital buffer requirement	10,071

6. Exposures to Credit Risk

(CRR regulation, points (c), (e), (f) and (g) of Article 442)

6.1. Information on the amount and quality of performing, non-performing and forborne exposures

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 are shown in the following tables:

Table 11_EU CR1: Performing and non-performing exposures and related provisions

000 EUR

		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	Collaterals 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**	**1,094,654**	**1,093,575**	**1,078**	**1,578**	**-**	**1,578**	**(454)**	**(107)**	**(347)**	**(1,578)**	**-**	**(1,578)**	**-**	**53,334**	**-**
010	**Loans and advances**	**5,950,094**	**5,220,966**	**715,773**	**192,279**	**-**	**152,045**	**(63,963)**	**(32,263)**	**(31,325)**	**(72,267)**	**-**	**(58,806)**	**-**	**1,983,177**	**56,976**
020	*Central banks*	469,976	469,976	-	-	-	-	(4)	(4)	-	-	-	-	-	-	-
030	*General governments*	78,676	78,542	135	475	-	475	(296)	(295)	(1)	(421)	-	(421)	-	89	-
040	*Credit institutions*	400,845	400,845	-	2	-	2	(83)	(83)	-	(2)	-	(2)	-	1,074	-
050	*Other financial corporations*	62,913	59,967	2,947	82	-	82	(1,131)	(758)	(373)	(43)	-	(43)	-	19,353	18
060	*Non-financial corporations*	3,165,595	2,730,221	434,901	109,524	-	101,661	(38,932)	(23,080)	(15,846)	(37,391)	-	(34,408)	-	1,249,935	42,162
070	*Of which: SMEs*	1,621,570	1,381,916	239,387	62,925	-	55,992	(22,688)	(12,974)	(9,714)	(24,845)	-	(22,054)	-	755,431	20,328
080	*Households*	1,772,088	1,481,415	277,790	82,197	-	49,826	(23,518)	(8,044)	(15,105)	(34,410)	-	(23,931)	-	712,726	14,796
090	**Debt Securities**	**872,306**	**869,740**	**2,565**	**-**	**-**	**-**	**(1,111)**	**(963)**	**(148)**	**-**	**-**	**-**	**-**	**13,610**	**-**
100	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
110	*General governments*	835,323	835,323	-	-	-	-	(914)	(914)	-	-	-	-	-	-	-
120	*Credit institutions*	10,948	10,948	-	-	-	-	(5)	(5)	-	-	-	-	-	7,492	-
130	*Other financial corporations*	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
140	*Non-financial corporations*	26,035	23,469	2,565	-	-	-	(192)	(44)	(148)	-	-	-	-	6,118	-
150	**Off-balance sheet exposures**	**2,124,232**	**2,047,249**	**76,969**	**10,330**	**-**	**10,322**	**3,732**	**3,062**	**670**	**1,683**	**-**	**1,680**		**365,766**	**675**
160	*Central banks*	-	-	-	-	-	-	-	-	-	-	-	-		-	-
170	*General governments*	20,846	20,841	5	-	-	-	17	17	0	-	-	-		5	-
180	*Credit institutions*	8,787	8,787	-	-	-	-	9	9	-	-	-	-		7,500	-
190	*Other financial corporations*	4,435	2,318	2,117	1	-	1	22	1	21	-	-	-		3,219	-
200	*Non-financial corporations*	1,917,528	1,847,240	70,288	9,700	-	9,700	3,537	2,947	590	1,622	-	1,622		348,743	661
210	*Households*	172,636	168,062	4,559	629	-	620	148	88	59	61	-	57		6,298	13
220	**Total**	**10,041,285**	**9,231,530**	**796,385**	**204,187**	**-**	**163,945**	**(61,341)**	**(30,165)**	**(30,803)**	**(70,584)**	**-**	**(57,126)**		**2,415,886**	**57,650**

Growth and changes in portfolio structure is mainly result of acquisition of Eurobank Direktna that was realized in 2023.

Template EU CR2: Changes in the stock of non-performing loans and advances is not disclosed, since Group non-performing exposure ratio is below 5%.

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

Table 12_EU CQ1- Credit quality of forborne exposures

000 EUR

		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		Collaterals 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 NPE with forbearance measures
				Of which defaulted	Of which impaired				
005	Cash balances at CBs and other demand deposits	-	-	-	-	-	-	-	-
010	Loans and advances	114,568	39,370	39,370	39,370	(4,021)	(14,172)	54,980	9,904
020	*Central banks*	-	-	-	-	-	-	-	-
030	*General governments*	-	-	-	-	-	-	-	-
040	*Credit institutions*	-	-	-	-	-	-	-	-
050	*Other financial corporations*	-	-	-	-	-	-	-	-
060	*Non-financial corporations*	93,944	20,319	20,319	20,319	(2,527)	(6,722)	51,519	8,799
070	*Households*	20,624	19,051	19,051	19,051	(1,494)	(7,450)	3,462	1,105
080	Debt Securities	-	-	-	-	-	-	-	-
090	Loan commitments given	1	873	537	537	-	0	-	-
100	**Total**	**114,568**	**40,242**	**39,906**	**39,906**	**(4,021)**	**(14,172)**	**54,980**	**9,904**

There are no significant changes, taking into account above mentioned acqusition.

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

Table 13_EU CQ7: Collateral obtained by taking possession and execution processes

000 EUR

		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	Accumulated negative changes
010	Property Plant and Equipment (PP&E)	180	(112)
020	Other than PP&E	68,239	(16,289)
030	*Residential immovable property*	1,583	(111)
040	*Commercial Immovable property*	55,575	(12,522)
050	*Movable property (auto, shipping, etc.)*	1,295	(106)
060	*Equity and debt instruments*	19	-
070	*Other collateral*	9,768	(3,550)
080	**Total**	**136,659**	**(32,690)**

The largest part of collateral obtained by taking possession and execution processes refers to Commercial Immovable property.

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

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%.

6.2. Quality of non-performing exposures by geographical area and industry type

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 14_ EU CQ4: Quality of non-performing exposures by geography

000 EUR

		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**	**7,014,679**	**192,279**	**192,279**	**7,014,679**	**(137,340)**	**-**	**-**
020	RS	4,489,656	151,772	151,772	4,489,656	(104,629)		-
030	SI	1,688,559	36,880	36,880	1,688,559	(27,661)		-
040	AT	163,920	24	24	163,920	(25)		-
050	GR	109,644	0	0	109,644	(2)		-
060	FR	93,020	0	0	93,020	(5)		-
070	IT	80,501	11	11	80,501	(444)		-
080	HR	66,721	80	80	66,721	(458)		-
090	CH	44,264	2	2	44,264	(174)		-
100	ME	37,364	1,772	1,772	37,364	(1,835)		-
110	DE	35,744	0	0	35,744	(75)		-
120	BA	24,373	796	796	24,373	(1,416)		-
130	LU	19,993	-	-	19,993	(398)		-
140	BE	19,462	0	0	19,462	(5)		-
150	ES	13,856	-	-	13,856	(7)		-
160	SK	13,848	0	0	13,848	(9)		-
170	IE	13,180	-	-	13,180	(2)		-
180	GB	12,403	51	51	12,403	(50)		-
190	PL	11,356	-	-	11,356	(3)		-
200	NL	10,447	0	0	10,447	(11)		-
210	PT	10,280	-	-	10,280	(4)		-
220	CZ	8,211	0	0	8,211	(5)		-
230	LT	8,204	-	-	8,204	(2)		-
240	LV	8,020	0	0	8,020	(3)		-
250	RO	7,927	0	0	7,927	(8)		-
260	FI	5,752	-	-	5,752	(1)		-
270	US	5,493	0	0	5,493	(12)		-
280	MK	4,044	49	49	4,044	(27)		-
290	EE	2,983	-	-	2,983	(1)		-
300	HU	1,475	1	1	1,475	(11)		-
310	UZ	762	762	762	762	(19)		-
320	SE	760	-	-	760	(3)		-
330	UA	602	53	53	602	(4)		-
340	CY	301	0	0	301	(0)		-
350	RU	289	18	18	289	(14)		-
360	TR	176	5	5	176	(3)		
370	NO	165	-	-	165	(0)		
380	KW	141	0	0	141	(0)		
390	BG	140	1	1	140	(2)		
400	EG	135	0	0	135	(1)		
410	GI	124	-	-	124	-		
420	SG	109	-	-	109	(1)		
430	Other countries	276	3	3	276	(8)		
440	**Off balance**	**2,134,562**	**10,330**	**10,330**	**-**	**-**	**5,416**	**-**
450	RS	1,524,173	8,841	8,841			3,192	
460	SI	496,027	1,488	1,488			2,016	
470	BA	23,069	-	-			82	
480	IT	22,942	-	-			9	
490	HR	14,561	1	1			55	
500	DE	13,843	-	-			10	
510	CZ	6,314	-	-			3	
520	ME	5,928	-	-			-	
530	PL	5,854	-	-			9	
540	HU	4,412	-	-			3	
550	ES	3,700	-	-			3	
560	GB	2,284	-	-			2	
570	US	2,074	-	-			6	
580	AT	1,772	-	-			0	
590	CH	1,732	-	-			1	
600	SK	1,574	-	-			3	
610	NL	1,272	-	-			14	
620	FR	950	-	-			2	
630	CY	731	-	-			4	
640	RO	515	-	-			0	
650	BE	382	-	-			0	
660	SE	307	-	-			1	
670	Other countries	146	-	-			0	
680	**Total**	**9,149,241**	**202,609**	**202,609**	**7,014,679**	**(137,340)**	**5,416**	**-**

The largest participation refers to domestic countries: Serbia and Slovenia.

Table 15_EU CQ5: Credit quality of loans and advances to non-financial corporations by industry

000 EUR

		a	b	c	d	e	f
		Gross carrying amount				Accumulated impairment	Accumulated negative changes in fair value due to credit risk on non-performing exposures
			of which: non-performing		of which: loans and advances subject to impairment		
				of which: defaulted			
010	Agriculture, forestry and fishing	69,102	1,089	1,089	69,102	(1,879)	-
020	Mining and quarrying	116,798	3	3	116,798	(327)	-
030	Manufacturing	773,362	47,214	47,214	773,362	(24,703)	-
040	Electricity, gas, steam and air conditioning supply	210,083	44	44	210,083	(3,126)	-
050	Water supply	14,548	146	146	14,548	(211)	-
060	Construction	331,089	6,997	6,997	331,089	(7,948)	-
070	Wholesale and retail trade	648,167	14,818	14,818	648,167	(11,763)	-
080	Transport and storage	173,895	18,448	18,448	173,895	(7,187)	-
090	Accommodation and food service activities	167,745	10,642	10,642	167,745	(4,731)	-
100	Information and communication	187,854	944	944	187,854	(1,796)	-
110	Financial and insurance actvities	340,569	237	237	340,569	(5,628)	-
120	Real estate activities	35,357	62	62	35,357	(404)	-
130	Professional, scientific and technical activities	88,094	3,559	3,559	88,094	(2,321)	-
140	Administrative and support service activities	57,323	2,389	2,389	57,323	(1,850)	-
150	Public administration and defense, compulsory social security	128	-	-	128	(2)	-
160	Education	6,260	1,768	1,768	6,260	(698)	-
170	Human health services and social work activities	11,434	242	242	11,434	(121)	-
180	Arts, entertainment and recreation	18,900	4	4	18,900	(705)	-
190	Other services	24,411	916	916	24,411	(922)	-
200	**Total**	**3,275,120**	**109,524**	**109,524**	**3,275,120**	**(76,323)**	**-**

The largest increases in portfolio refer to Manufacturing and Wholesale and Retail trade.

6.3. Breakdown of loans and debt securities by residual maturity

Breakdown of loans and debt securities by residual maturity as of 30.6.2024 is presented in the table below:

Table 16_EU CR1-A: Maturity of exposures

000 EUR

		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	18,440	1,712,550	2,169,914	1,836,043	269,213	6,006,161
2	Debt securities	-	145,621	553,995	152,344	-	851,959
3	**Total**	**18,440**	**1,858,171**	**2,723,909**	**1,988,387**	**269,213**	**6,858,120**

The maturity of exposure to legal entity is up to five years, while maturity of exposure to private individuals is mostly over five years.

7. Use of Standardized Approach

(CRR regulation, point (e) of Article 444)

AEC Group applies Standardized approach for calculation of risk weighted exposure amount for credit risk pursuant to Basel 3 regulation, all 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 ECAI (External Credit Assessment Institution) in accordance with Article 136 of CRR.

7.1. The Exposure Values and the Exposure Values after Credit Risk Mitigation

Exposure values and the exposure values after credit risk mitigation associated with each credit quality step, as well as those deducted from Own funds are presented under this Chapter.

The Group maps the ratings made by external credit assessment institutions to credit quality steps from 1 to 6. It only takes into account the 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 AEC Group uses, as of 30.6.2024:

Table 29_EU CR4 – standardised approach – Credit risk exposure and CRM effects

000 EUR

	Exposure classes	Exposures before CCF and before CRM		Exposures post CCF and post CRM		RWAs and RWAs density	
		On-balance-sheet exposures	Off-balance-sheet exposures	On-balance-sheet exposures	Off-balance-sheet exposures	RWEA	RWEA density (%)
		a	b	c	d	e	f
1	Central governments or central banks	1,404,759	4,235	1,506,282	33,964	473,531	30.74%
2	Regional government or local authorities	28,223	8,704	28,223	1,738	9,343	31.19%
3	Public sector entities	2,122	5,199	2,122	1,318	1,689	49.12%
4	Multilateral development banks	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-
6	Institutions	493,308	8,500	486,678	62	91,887	18.88%
7	Corporates	2,272,256	1,600,961	2,199,792	297,354	2,291,807	91.78%
8	Retail	1,969,194	380,350	1,950,682	94,636	1,426,096	69.72%
9	Secured by mortgages on immovable property	625,052	42,508	625,052	21,103	257,055	39.78%
10	Exposures in default	117,067	8,648	115,383	2,616	132,968	112.69%
11	Exposures associated with particularly high risk	142,811	69,039	140,578	28,817	254,092	150.00%
12	Covered bonds	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-
14	Collective investment undertakings	37,949	586	37,949	586	10,489	27.22%
15	Equity	60,540	-	60,540	-	64,449	106.46%
16	Other items	829,862	1,004	829,862	22	191,621	23.09%
17	**TOTAL**	**7,983,144**	**2,129,732**	**7,983,144**	**482,215**	**5,205,026**	**61.49%**

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 tehniques associated with each credit quality step, broken down by exposure classes.

Breakdown of exposures by asset class and risk weight as of 30.6.2024 is presented in the table EU CR5.

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Table 30_EU CR5 – standardised approach

000 EUR

	Exposure classes	Risk weight															Total	Of which unrated
		0%	2%	4%	10%	20%	35%	50%	70%	75%	100%	150%	250%	370%	1250%	Others		
		a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p	q
1	Central governments or central banks	1,057,507	-	-	-	18,040	-	5,191	-	-	454,294	-	5,214	-	-	-	1,540,246	1,540,246
2	Regional government or local authorities	2	-	-	-	25,769	-	-	-	-	4,190	-	-	-	-	-	29,961	29,961
3	Public sector entities	61	-	-	-	-	-	3,379	-	-	-	-	-	-	-	-	3,440	3,439
4	Multilateral development banks	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
5	International organisations	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
6	Institutions	49,978	-	-	-	427,901	-	6,461	-	-	946	1,453	-	-	-	-	486,740	486,736
7	Corporates	-	-	-	-	3,016	-	3,384	-	-	2,490,744	2	-	-	-	-	2,497,146	2,471,236
8	Retail	-	-	-	-	-	-	-	-	2,045,318	-	-	-	-	-	-	2,045,318	2,041,391
9	Secured by mortgages on immovable property	-	-	-	-	-	288,494	354,139	-	918	2,604	-	-	-	-	-	646,155	646,155
10	Exposures in default	-	-	-	-	-	-	-	-	-	88,062	29,937	-	-	-	-	117,999	117,390
11	Exposures associated with particularly high risk	-	-	-	-	-	-	-	-	-	-	169,394	-	-	-	-	169,394	160,759
12	Covered bonds	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
13	Institutions and corporates with a short-term credit assessment	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
14	Unit or shares in collective investment undertakings	-	-	-	-	11,372	-	-	-	-	9	-	-	-	-	27,154	38,535	38,535
15	Equity	-	-	-	-	-	-	-	-	-	57,935	-	2,606	-	-	-	60,540	60,540
16	Other items	638,205	-	-	-	74	-	-	-	-	191,606	-	-	-	-	-	829,884	829,884
17	**TOTAL**	**1,745,753**	**-**	**-**	**-**	**486,173**	**288,494**	**372,554**	**-**	**2,046,236**	**3,290,389**	**200,787**	**7,819**	**-**	**-**	**27,154**	**8,465,359**	**8,426,274**

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

Counterparty credit risk exposures by regulatory exposure class and risk weights are presented in Table EU CCR3 – Standardised approach. – CCR exposures, under point 4.5 of this Report.

8. Market Risk

(Article 445 of the CRR Regulation)

The businesses of the Group are subject to market risk, which shall imply the possibility of occurrence of adverse effects on the bank's financial result and capital due to changes in the value of balance-sheet positions and off-balance sheet items arising from changes of prices in the market. 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.

8.1. 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 17,144 thousand EUR as of June 30, 2024.

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 192 thousand EUR, as of June 30, 2024.

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). As of June 30, 2024, the sum of overall net fx position is below 2% of Group's own funds.

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

As of June 30, 2024, risk weighted exposure for market risk under standardized approach is 17,336 thousand EUR.

Table 17_EU MR1 - Market risk under the standardised approach

000 EUR

		a
		RWEAs
	Outright products	
1	Interest rate risk (general and specific)	192
2	Equity risk (general and specific)	17,144
3	Foreign exchange risk	
4	Commodity risk	
	Options	
5	Simplified approach	
6	Delta-plus approach	
7	Scenario approach	
8	**Securitisation** (specific risk)	
9	**Total**	**17,336**

9. Exposure to Interest Rate Risk on Positions Not Included in the Trading Book

(CRR regulation, point (a) and (b) of Article 448(1))

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 a significant 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 members of the Group.

9.1. Changes in the economic value of equity and net interest income

Table 18_EU IRRBB1 - Interest rate risks of non-trading book activities

000 EUR

Supervisory shock scenarios		a	b	c	d
		Changes of the economic value of equity		Changes of the net interest income	
		30.06.2024	31.12.2023	30.06.2024	31.12.2023
1	Parallel up	-59,468	-43,348	37,266	40,426
2	Parallel down	9,921	3,370	-37,266	-40,426
3	Steepener	-48,407	-47,498		
4	Flattener	30,018	37,103		
5	Short rates up	-34,299	-17,749		
6	Short rates down	-571	-5,984		

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.

As of June 30, 2024 the worst scenario is in Parallel up, where EVE impact amounts -59,468 thousand EUR. The maximum EVE impact is in Steepener scenario in loss of 47,498 thousand EUR as of December 31, 2023. Net interest income loss as of June 30, 2024 is 37,266 thousand EUR while as of December 31, 2023 is 40,426 thousand EUR in parallel down scenario (+200bp for EUR and +300bp for RSD). The main risk drivers are government bonds, held as liquidity buffer, especially in RSD currency, loans with fixed IR and deposits with fixed IR.

10. Exposure to Securitisation Positions

(CRR regulation, points (j) to (l) of Article 449)

Securitization transactions are not in place in AEC Group, and no data are to be disclosued under this chapter.

11. Environmental, social and governance (ESG) 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.

11.1. Environmental risk

(Table 1 - Qualitative information on Environmental risk)

11.1.1. 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 their 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 on 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 C&E drivers and risks into its **ESG Strategy 2024-2026** 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 C&E risks within its operations. By increasing disclosures, it aims to achieve greater transparency in its business activities and overall operations.

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 2025.

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.

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 2024. The Group green loan definition is aligned with Grean Loan Principles (GLP) published by Loan Market Association (LMA).

After 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 19_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 2025
	Exposures towards sectors with highest CO2 emission- Slovenia	Exposure to NACE Letter C, D and H relation to Loans and Advances by end of 2025
	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.

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. After that, the Group will establish science-based targets in line with the Paris Agreement and Net-Zero Banking Alliance (NZBA). This action will reaffirm Group's commitment to climate action and a sustainable future.

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.

Recognising the importance of investing in the green transition, the Gorenjska bank within AEC Group 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 investments in securities with a sustainable component and currently has EUR 16.1 million of sustainable bonds in its portfolio, representing 5.3% of the Gorenjska bank's debt 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 June 30, 2024, 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 bank 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.

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.

11.1.2. Governance

	Governance
(e)	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
(f)	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
(g)	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
(h)	Lines of reporting and frequency of reporting relating to environmental risk
(i)	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.

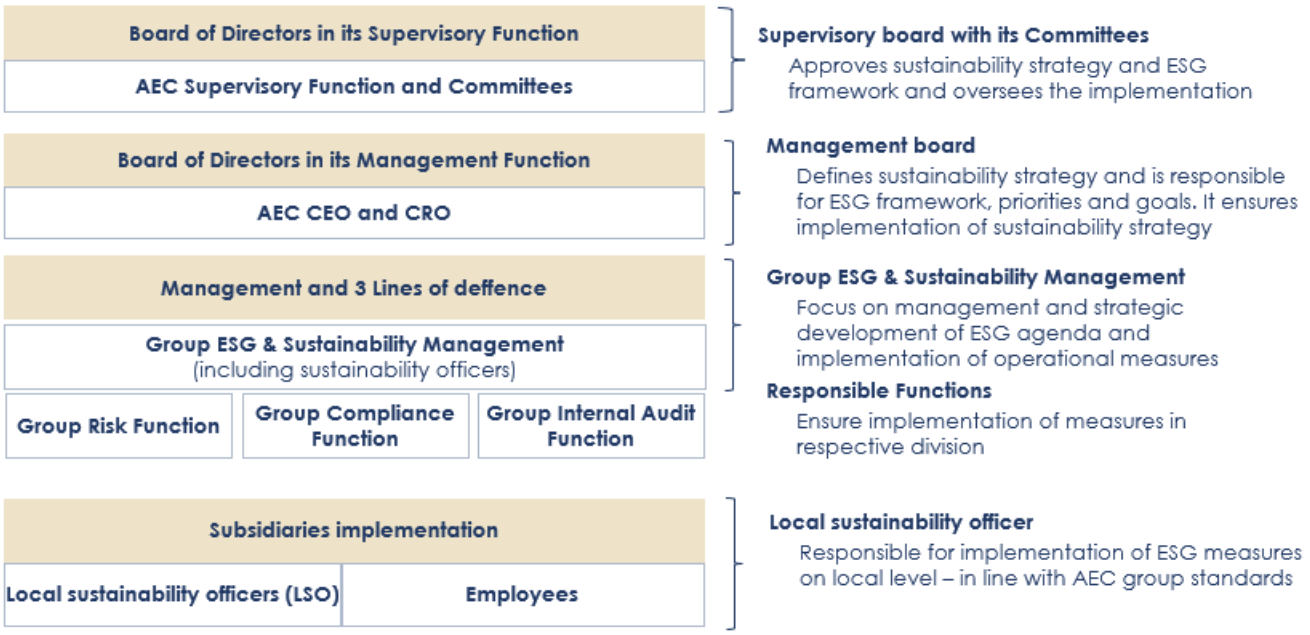


Figure 1_ESG Governance model

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

The Board of Directors in its Supervisory function 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 management body in its management function with 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 AEC BoD in its Management function, Group Risk Committee and AEC BoD in its Supervisory function.

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. **Risk committee** assists Board of Directors in its Supervisory function to oversee implementation of ESG related strategic choices. Risk committee also provides recommendations related to the C&E risk management.

The Board of Directors in its Management function defines sustainability strategy and is responsible for ESG framework, priorities and goals. It ensures implementation of sustainability strategy. Board of Directors in its Management function 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 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 Supervisory function, as a result of materiality assessment. Board of Directors in its Management function 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 function is obliged to comprehensively report, and inform regularly and where necessary without undue delay the Group Supervisory function 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 for 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 C&E risks are duly considered and effectively integrated in all relevant processes. The compliance function advises the management body (in its management and supervisory function) on measures to be taken to ensure compliance with applicable laws, regulations and standards, and assess the possible impact of any changes in the legal or regulatory environment on the institution's activities and compliance framework.

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 has been in place for the purpose of implementing sound remuneration practices which promote both the achievement of the Group goals as well as a prudent approach to

risk management. On a Group level, the Board of Directors, Remuneration and Risk Committee, works closely together to ensure 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, which 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 year. For 2024 performance criteria include ESG targets and are defined in detail in the scorecards of the organization and of the respective executive directors. Some examples of the ESG performance criteria for 2024 are: ensure implementation of Environmental and Climate risk management framework across entities, develop and implement action plan to boost ESG agenda across the Group, increase Green Financing (% of total loan portfolio), increase Employee Engagement & Enablement score, etc. ESG related targets are cascaded through the organization and are also defined in the performance criteria of members of the management body in its management function of Subsidiaries.

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.

11.1.3. Risk Management

	Risk management
(j)	Integration of short-, medium- and long-term effects of environmental factors and risks in the risk framework
(k)	Definitions, methodologies and international standards on which the environmental risk management framework is based
(l)	Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to environmental risks, covering relevant transmission channels
(m)	Activities, commitments and exposures contributing to mitigate environmental risks
(n)	Implementation of tools for identification, measurement and management of environmental risks
(o)	Results and outcome of the risk tools implemented and the estimated impact of environmental risk on capital and liquidity risk profile
(p)	Data availability, quality and accuracy, and efforts to improve these aspects
(q)	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
(r)	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 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, operations (including types of operations and location of facilities) for each subsidiary/market where the Group operates.

Group recognizes C&E risks as risk drivers that materialize in existing risk categories and distinguish between the various drivers of transition and physical risks. Materiality assessment of the impact of C&E 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 were considered in the materiality assessment.

Wide range of **physical risk drivers** were examined. We have 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 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).

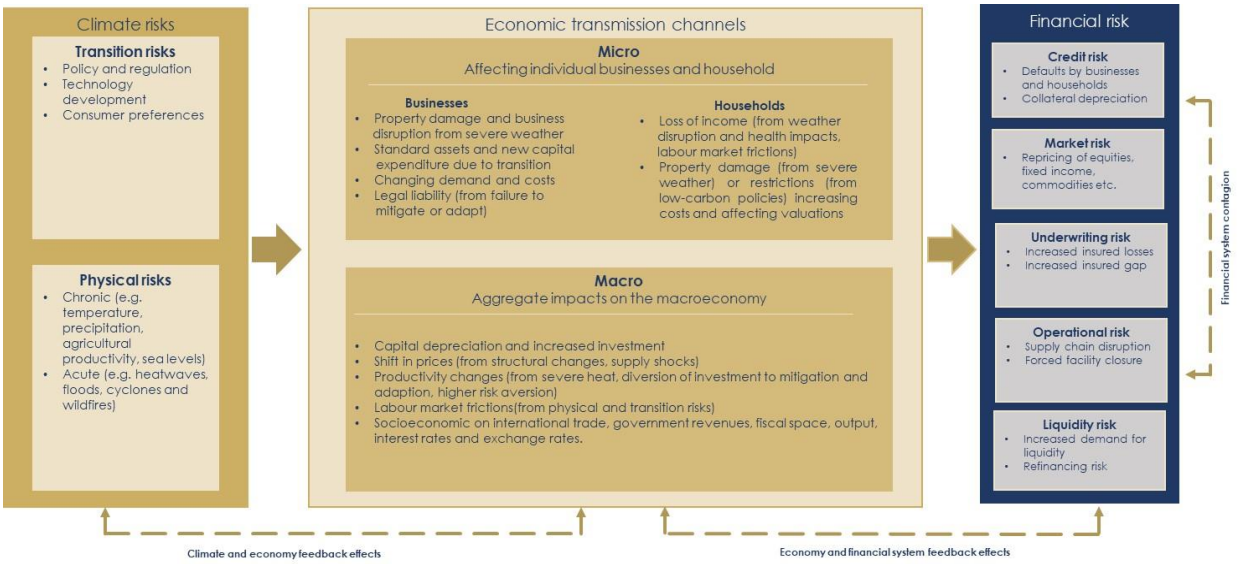
Different modalities of **transition risk drivers**, caused by changes in climate and environmental policies, technological progress or changes in market sentiment and preferences, are considered. Based on the performed analysis, expected changes in regulation and policies are considered as the most 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

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 Micro and Macro environment and further their impacts are reflected on the standard financial risks that the Group is exposed to:

Table 20_ Schematic illustration of transmission from environmental risks to financial risks; Source: NGFS (2020b)



Gathering of the expert assessments

For the purpose of gathering expert opinions several workshops were held. Workshops were organized with representatives of all relevant organizational units in the Group and 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, representatives of the finance department, representatives of the legal department, representatives of the Procurement department, representatives of the HR department and representatives of the marketing and communication department.

Workshops were separately organized for each subsidiary as well as for the representatives of the Group.

The information provided is assessed for its relevance and finally included in the analysis.

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 C&E 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 C&E risks on the Group's business and risk management framework, a bottom-up stress test methodological set-up was used.

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:

- Long-term transition risks' scenarios
  - Orderly scenario (NGFS NetZero 2050)
  - Disorderly (NGFS Delayed transition scenario)
  - Hot-house world (NGFS Current policies scenario)

- Short term transition risks (NGFS Delayed transition scenario)
    - The short-term disorderly transition risk scenario
- Flood risk – 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 C&E 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:

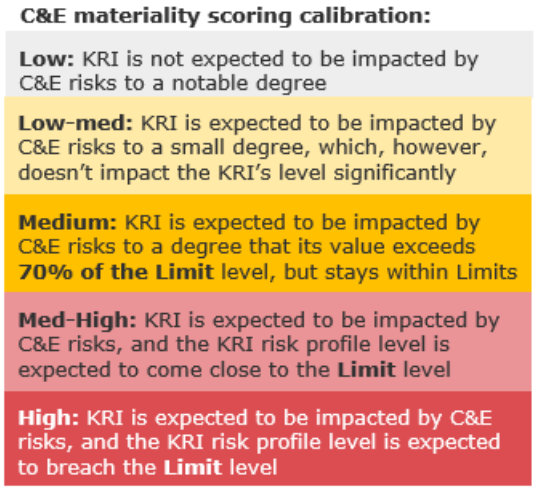


Figure 2_C&E materiality scoring calibration

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 21_ Materiality assessment of C&E risks results

RAS indicators	KRI materiality scoring						Impacted by		
Risk type & Key Risk Indicators	Score ST <1 yrs	Score MT <5 yrs	Score LT >5 yrs	Level ST	Level MT	Level LT	Climate physical	Climate transition	Environ-mental
Capital Risk	**4**	**2**	**2**	**med-high**	**low-med**	**low-med**	**Y**	**Y**	**Y**
CET1 Ratio	4	2	2	med-high	low-med	low-med	Y	Y	Y
T1 Ratio	4	2	2	med-high	low-med	low-med	Y	Y	Y
Total Capital Ratio	4	2	2	med-high	low-med	low-med	Y	Y	Y
Leverage ratio	1	2	2	low	low-med	low-med	Y	Y	Y
RBC	3	2	2	med	low-med	low-med	Y	Y	Y
Liquidity Risk	**4**	**3**	**3**	**low**	**med**	**med**	**Y**	**Y**	**Y**
LCR	1	2	2	low	low-med	low-med	Y	Y	Y
NSFR	1	2	2	low	low-med	low-med	Y	Y	Y
LTD	3	3	3	low	med	med	Y	Y	Y
Survival Horizon	1	2	2	low	low-med	low-med	Y	Y	Y
Interest Rate Risk	**1**	**2**	**2**	**low**	**low-med**	**low-med**	**N**	**Y**	**Y**
EVE/Own Funds (+200 bp)	1	2	2	low	low-med	low-med	N	Y	Y
EVE/Tier 1 in stress scenario	1	2	2	low	low-med	low-med	N	Y	Y
ΔNII/Own Funds	1	2	2	low	low-med	low-med	N	Y	Y
CSRBB	**1**	**2**	**2**	**low**	**low-med**	**low-med**	**N**	**Y**	**Y**
Credit spread risk in Banking book	1	2	2	low	low-med	low-med	N	Y	Y
Credit Risk	**4**	**3**	**3**	**med-high**	**med**	**med**	Y	Y	Y
NPL ratio	1	3	3	low	med	med	Y	Y	Y
NPL coverage ratio	1	1	1	low	low	low	Y	Y	Y
Stage 2 share in Total gross exposure	4	2	2	med-high	low-med	low-med	Y	Y	Y
CoR	4	2	2	med-high	low-med	low-med	Y	Y	Y
Top 10 borrowers concentrations	1	1	1	low	low	low	Y	Y	Y
Single Name Concentration ratio	3	3	3	med	med	med	Y	Y	Y
institutions and Public	3	3	3	med	med	med	Y	Y	Y
Exposure to Group related parties	1	2	2	low	low-med	low-med	Y	Y	Y
Industry concentration ratio	3	3	3	med	med	med	Y	Y	Y
Specialized Lending (IPRE & PF)	1	1	2	low	low	low-med	Y	Y	Y
Leveraged transactions	1	1	2	low	low	low-med	Y	Y	Y
Credit Risk - Non-financial corporation	**4**	**3**	**3**	**med-high**	**med**	**med**	Y	Y	Y
NPL ratio	1	3	3	low	med	med	Y	Y	Y
NPL coverage ratio	1	1	1	low	low	low	Y	Y	Y
Stage 2 share	4	2	2	med-high	low-med	low-med	Y	Y	Y
Credit Risk - Households	**4**	**3**	**3**	**med-high**	**med**	**med**	Y	Y	Y
NPL ratio	1	3	3	low	med	med	Y	Y	Y
NPL coverage ratio	1	1	1	low	low	low	Y	Y	Y
Stage 2 share	4	2	2	med-high	low-med	low-med	Y	Y	Y
Market Risk	**1**	**1**	**1**	**low**	**low**	**low**	Y	N	N
FX Risk Indicator	1	1	1	low	low	low	Y	N	N
Sum of all exposures in trading book	1	1	1	low	low	low	Y	N	N
Operational Risk	**1**	**2**	**2**	**low**	**low-med**	**low-med**	Y	Y	N
Number of internal fraud cases	1	2	2	low	low-med	low-med	Y	Y	N
Operational risk losses ratio	1	2	2	low	low-med	low-med	Y	Y	N
Operational Risk - ICT	**1**	**3**	**3**	**low**	**med**	**med**	Y	Y	N
ICT availability and continuity	1	3	3	low	med	med	Y	Y	N
ICT change-related incidents ratio	1	3	3	low	low-med	low-med	Y	Y	N
Model Risk	**3**	**3**	**2**	**med**	**med**	**low-med**	N	Y	N
Potential loss	3	3	2	med	med	low-med	N	Y	N
Compliance/AML	**1**	**2**	**2**	**low**	**low-med**	**low-med**	N	Y	N
No. of high risk clients	1	1	2	low	low	low-med	N	Y	N
No. of clients from the countries on Restricted list	1	1	2	low	low	low-med	N	Y	N
No. of anonymous accounts, passbooks or safe-deposit boxes	1	1	2	low	low	low-med	N	Y	N
Overdue mitigation actions	1	2	2	low	low-med	low-med	N	Y	N
KYC backlog for High-risk clients	1	1	2	low	low	low-med	N	Y	N
Environmental and Climate Risk	**1**	**2**	**3**	**low**	**low-med**	**med**	**Y**	**Y**	**Y**
Exposure to Electricity, gas, stream and air conditioning supply (NACE 35)	1	2	3	low	low-med	med	Y	Y	Y
Green financing (share in portfolio)	1	2	3	low	low-med	med	Y	Y	Y
Value of collaterals by regions, highly exposed to physical risk	1	2	3	low	low-med	med	Y	Y	Y
Exposures towards sectors with highest CO2 emission- RS	1	2	3	low	low-med	med	Y	Y	Y
Exposures towards sectors with highest CO2 emission-SI	1	3	3	low	low-med	med	Y	Y	Y
YoY change in total FE (per D, B and C NACE code)-RS	N/A	N/A	N/A	N/A	N/A	N/A	Y	Y	Y
YoY change in total FE (per D, B and C NACE code)-SI	N/A	N/A	N/A	N/A	N/A	N/A	Y	Y	Y
YoY change in total FE (per asset class in the scope of PCAF)	N/A	N/A	N/A	N/A	N/A	N/A	Y	Y	Y

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 Capital ratios are the following:

- Corporate and Public Clients
- Coming from Serbia
- Belonging to NACE codes: D - Electricity, gas, steam and air conditioning supply and B - Mining and quarrying

Material impact is recorded due to the drop in capital ratios. The biggest drop in capital ratios is recorded in short-term disorderly scenario.

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 short-term disorderly scenario recorded significant change.

There are no other material impacts of C&E risk that are discovered during the materiality assessment.

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.

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.

C&E risks are identified as material risk, and risk quantification for ICAAP purposes was done based on the results of performed stress testing for materiality assessment purposes.

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 started **ESG due diligence** as part of the regular credit / investment approval process in 2024.

The due diligence process consists of the following steps:

- Credit process (new investment/annual review);
- Verification whether an annual review is necessary (taking into account the amount of the proposed investment and the activity of the client according to the NACE classification);
- ESG questionnaire for customers;
- Due diligence;
- ESG risk assessment.

The Group is in the process of developing own methodologies for stress testing ESG scenarios which is in line with scientific climate change pathways, such as Intergovernmental Panel on Climate Change (IPCC) scenarios like **Network for Greening the Financial System** (NGFS) scenario, which will be included in the ICAAP and ILAAP frameworks.

In 2024, the Group continued to build its ESG data model and digitise ESG data collection. In the area of ESG questionnaire, the Group's subsidiaries are actively involved in the establishment of a single/unified ESG questionnaire platform that would enable and ensure higher quality of data for all banks.

11.2. Social risk

(Table 2 - Qualitative information on Social risk)

11.2.1. 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**. They are also covered 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 to fostering a safe, positive, and inclusive work environment for all employees. These initiatives are designed to promote a culture where every individual feels valued and supported, ensuring their 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, which is ensured by an anonymous group wide annual **Employee Engagement & Enablement Survey**. This helps create sustainable and harmonious employee relations, reinforcing the Group's commitment to building a workplace that thrives on mutual respect, inclusiveness, and long-term commitment. With our CSR initiatives we generate meaningful value by addressing real societal challenges and proactively responding to these through well-structured initiatives within our Group (e.g. donations). These efforts encompass areas such as families, education, as well as support for youth, and various philanthropic endeavors.

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 three main pillars of our CSR are family, environment and community**. We are pursuing effective initiatives throughout the Group, specific to each local community, which are currently centered around children and families, environmental protection, health care, education, financial literacy and support for sports. On local markets, there was a donation for renovation of living units within a student dorm, significantly improving living and studying conditions; the Group continued its Support for Families project to improve the quality of life of future generations;

it also encourages financial literacy to educate the customers about all aspects of a product or service, including potential risks, etc.

The employees of our Group are a cornerstone of our corporate culture. A key aspect of our sustainable human resources strategy is the implementation of robust diversity and inclusion practices. Ensuring the attraction, retention, and engagement of talent is vital to the continued success of the Group. To foster a collaborative environment, we actively involve employees either through representative bodies or surveys, particularly on issues that directly impact them. Additionally, the health and well-being of our employees are paramount, with a strong emphasis placed on supporting a healthy work-life balance to promote overall wellness and productivity.

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 Serian and Slovenian market that Group uses in the collection of ESG data, which includes both social and governance component.

11.2.2. Governance

	Governance
(d)	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:
(i)	Activities towards the community and society
(ii)	Employee relationships and labour standards
(iii)	Customer protection and product responsibility
(iv)	Human rights
(e)	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.
(f)	Lines of reporting and frequency of reporting relating to social risk
(g)	Alignment of the remuneration policy in line with institution's social risk-related objectives

As the highest governance body, the Board of Directors of AEC 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**, which has been thoroughly discussed and formally adopted by the Board of Directors. This strategy 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, 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.

For the year 2024 the goal of an increase in **Employee Engagement and Enablement** has been introduced as a performance criteria according to which members of the management body in its management function and other key managers throughout the Group will be assessed at the end of the year. As a Group, we are not only complying with labor-related regulations; we are dedicated to investing in employee development, fostering a diverse and inclusive workplace, and continually enhancing the employee experience.

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. In order to harmonize the manner in which 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.

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

11.2.3. Risk Management

	Risk management
(h)	Definitions, methodologies and international standards on which the social risk management framework is based
(i)	Processes to identify, measure and monitor activities and exposures (and collateral where applicable) sensitive to social risk, covering relevant transmission channels
(j)	Activities, commitments and assets contributing to mitigate social risk
(k)	Implementation of tools for identification and management of social risk
(l)	Description of setting limits to social risk and cases to trigger escalation and exclusion in the case of breaching these limits
(m)	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 2024-2026** which is included in the overall **Group Banking Strategy 2024-2026** 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 AEC Group 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:

During the last 2 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.

We recognize that promoting financial literacy and ensuring access to banking services for financially underserved communities are powerful ways to create positive societal impact and reduce social vulnerabilities. By empowering these groups, we can help build a more inclusive financial ecosystem while mitigating associated risks. Given the diverse needs and local context across our Group's markets, our initiatives are tailored and managed at a local level to ensure relevance and effectiveness. Through these initiatives, we provide fair access to financial products and financial literacy, fostering sustainable economic growth and social empowerment across the regions we serve.

11.3. Governance risk

(Table 3 - Qualitative information on Governance risk)

11.3.1. 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:
(i)	Ethical considerations
(ii)	Strategy and risk management
(iii)	Inclusiveness
(iv)	Transparency
(v)	Management of conflict of interest
(vi)	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 Serian 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. Having these principels 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.

As the highest management and governance bodies on a group level, the Board of Directors in its supervisory and its management function is responsible for supervising and managing the implementation of governance framework. The Board of Directors in its management function 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 Board of Directors in its management function ensures implementation of the ESG strategy by allocating adequate resources and controls and is periodically informed on the status and milestones achieved. The Board of Directors in its management function and in its Supervisory function was presented with Report on Environmental and Climate related risks on quarterly level.

11.3.2. Risk Management

	Risk management
(d)	Institution's integration in risk management arrangements the governance performance of their counterparties considering:
(i)	Ethical considerations
(ii)	Strategy and risk management
(iii)	Inclusiveness
(iv)	Transparency
(v)	Management of conflict of interest
(vi)	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 22_Template 1: Banking book - Indicators of potential climate change transition risk: Credit quality of exposures by sector, emissions and residual maturity

	Sector/subsector	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
		Gross carrying amount (Mln EUR)					Accumulated impairment, accumulated negative changes in fair value due to credit risk and provisions (Mln EUR)			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					
			Of which exposures towards companies excluded from EU Paris-aligned Benchmarks in accordance with points (d) to (g) of Article 12.1 and in accordance with Article 12.2 of Climate Benchmark Standards Regulation	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***	2,879,523	2,808	0	399,834	100,703	-68,998	-14,479	-34,601	5,085,580	3,727,324	0	2,429,917	311,895	124,878	12,833	3.4
2	A - Agriculture, forestry and fishing	69,102	0	0	8,786	1,089	-1,879	-913	-336	138,227	127,042	0	66,645	2,444	0	13	1.1
3	B - Mining and quarrying	121,601	0	0	4,524	3	-476	-203	-2	393,148	341,143	0	119,271	70	0	2,260	3.3
4	B.05 - Mining of coal and lignite	1	0	0	0	0	-1	0	0	0	0	0	1	0	0	0	0.1
5	B.06 - Extraction of crude petroleum and natural gas	115,305	0	0	0	0	-261	0	0	288,925	251,237	0	113,068	0	0	2,237	2.8
6	B.07 - Mining of metal ores	312	0	0	0	0	0	0	0	0	0	0	312	0	0	0	1.7
7	B.08 - Other mining and quarrying	5,983	0	0	4,524	3	-214	-203	-2	104,223	89,906	0	5,890	70	0	23	2.9
8	B.09 - Mining support service activities	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0.0
9	C - Manufacturing	774,579	2,808	0	123,696	47,214	-24,703	-3,341	-17,141	1,910,210	1,617,487	0	703,336	69,863	0	1,381	1.9
10	C.10 - Manufacture of food products	281,850	0	0	73,915	13,186	-8,295	-1,864	-4,481	895,724	763,687	0	272,067	9,768	0	15	1.1
11	C.11 - Manufacture of beverages	25,772	0	0	70	11,854	-3,308	-5	-3,237	42,807	36,433	0	24,111	1,587	0	73	1.5
12	C.12 - Manufacture of tobacco products	6	0	0	0	0	0	0	0	0	0	0	6	0	0	0	0.0
13	C.13 - Manufacture of textiles	3,068	0	0	292	13	-35	-5	-11	9,393	7,973	0	3,067	0	0	1	1.6
14	C.14 - Manufacture of wearing apparel	2,835	0	0	240	144	-108	-3	-62	8,509	7,218	0	2,800	35	0	0	1.9
15	C.15 - Manufacture of leather and related products	2,001	0	0	35	381	-35	-4	-13	3,780	3,207	0	1,751	249	0	0	2.0
16	C.16 - Manufacture of wood and of products of wood and cork, except furniture; manufacture of articles of straw and plaiting materials	18,831	0	0	3,591	1,540	-537	-47	-387	34,473	28,852	0	13,009	5,811	0	12	3.0
17	C.17 - Manufacture of pulp, paper and paperboard	33,116	0	0	1,584	134	-228	-52	-78	81,676	69,243	0	33,093	18	0	4	1.3
18	C.18 - Printing and service activities related to printing	16,632	0	0	697	417	-261	-14	-180	23,993	20,019	0	13,907	2,721	0	4	2.2
19	C.19 - Manufacture of coke oven products	1,024	0	0	19	619	-130	0	-128	5,364	4,556	0	997	28	0	0	1.8
20	C.20 - Production of chemicals	34,797	2,808	0	149	164	-328	-1	-76	52,506	44,528	0	28,909	5,777	0	110	1.4
21	C.21 - Manufacture of pharmaceutical preparations	10,567	0	0	1,377	6,720	-5,009	-102	-4,898	7,143	6,009	0	9,837	730	0	0	2.1
22	C.22 - Manufacture of rubber products	30,629	0	0	2,708	570	-458	-92	-213	32,832	27,691	0	23,624	6,981	0	24	3.4
23	C.23 - Manufacture of other non-metallic mineral products	11,679	0	0	649	446	-100	-28	-19	33,099	26,501	0	6,974	4,704	0	1	1.6
24	C.24 - Manufacture of basic metals	66,786	0	0	16,809	11	-622	-483	-11	147,749	99,463	0	66,782	0	0	4	1.7
25	C.25 - Manufacture of fabricated metal products, except machinery and equipment	58,699	0	0	5,937	1,834	-1,211	-130	-586	82,684	68,606	0	43,567	14,082	0	1,049	3.3
26	C.26 - Manufacture of computer, electronic and optical products	47,079	0	0	1,019	462	-546	-5	-293	208,420	181,996	0	43,151	3,890	0	37	1.4
27	C.27 - Manufacture of electrical equipment	37,879	0	0	450	7,192	-1,972	-8	-1,863	17,869	14,502	0	35,758	2,110	0	11	0.9
28	C.28 - Manufacture of machinery and equipment n.e.c.	37,127	0	0	8,603	290	-489	-242	-123	104,832	98,619	0	33,383	3,730	0	14	3.9
29	C.29 - Manufacture of motor vehicles, trailers and semi-trailers	12,343	0	0	641	116	-178	-3	-74	9,473	8,374	0	11,996	345	0	1	0.9
30	C.30 - Manufacture of other transport equipment	9,428	0	0	1,098	5	-121	-36	-3	13,999	12,354	0	9,061	358	0	9	0.7
31	C.31 - Manufacture of furniture	7,745	0	0	838	262	-283	-66	-148	19,295	16,910	0	7,423	320	0	2	1.5
32	C.32 - Other manufacturing	17,862	0	0	106	659	-223	-11	-189	50,638	49,116	0	11,769	6,088	0	5	1.6
33	C.33 - Repair and installation of machinery and equipment	6,825	0	0	2,868	193	-227	-141	-69	23,950	21,629	0	6,291	531	0	3	2.9
34	D - Electricity, gas, steam and air conditioning supply	211,447	0	0	70,336	44	-3,126	-1,779	-22	1,835,962	1,020,400	0	165,867	5,816	38,384	1,379	4.2
35	D35.1 - Electric power generation, transmission and distribution	169,202	0	0	68,882	44	-2,900	-1,734	-22	1,419,256	806,495	0	124,330	5,184	38,384	1,304	4.6
36	D35.11 - Production of electricity	124,217	0	0	68,881	44	-2,679	-1,734	-22	788,404	464,783	0	79,562	5,184	38,384	1,086	5.6
37	D35.2 - Manufacture of gas; distribution of gaseous fuels through mains	33,998	0	0	0	0	-143	0	0	373,370	189,935	0	33,924	0	0	73	3.1
38	D35.3 - Steam and air conditioning supply	8,247	0	0	1,454	0	-83	-45	0	43,335	23,971	0	7,613	632	0	1	1.6
39	E - Water supply; sewerage, waste management and remediation activities	14,548	0	0	692	146	-211	-63	-97	2,872	2,126	0	9,484	4,399	653	13	2.9
40	F - Construction	331,313	0	0	39,194	6,997	-7,948	-1,577	-3,194	66,618	53,432	0	295,303	33,904	1,834	272	1.8
41	F.41 - Construction of buildings	222,885	0	0	24,368	2,043	-3,802	-844	-553	29,184	21,414	0	196,466	24,670	1,722	28	1.6
42	F.42 - Civil engineering	57,542	0	0	2,473	1,890	-1,461	-52	-947	21,228	19,141	0	56,865	567	0	110	0.8
43	F.43 - Specialised construction activities	50,886	0	0	12,352	3,064	-2,685	-682	-1,695	16,206	12,877	0	41,972	8,667	112	134	2.7
44	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	648,218	0	0	53,078	14,818	-11,763	-1,566	-6,179	380,528	290,632	0	595,754	51,319	788	357	1.9
45	H - Transportation and storage	183,030	0	0	23,880	18,448	-7,188	-834	-5,019	16,485	4,313	0	163,071	18,920	1,009	31	1.9
46	H.49 - Land transport and transport via pipelines	68,582	0	0	9,933	1,892	-1,582	-438	-850	6,595	1,535	0	57,840	9,825	893	24	2.9
47	H.50 - Water transport	674	0	0	570	5	-12	-4	-4	4	1	0	674	0	0	0	0.4
48	H.51 - Air transport	18,718	0	0	0	16,330	-4,115	0	-4,083	1,066	307	0	18,678	40	0	0	0.2
49	H.52 - Warehousing and support activities for transportation	92,557	0	0	13,307	221	-1,469	-390	-82	8,529	2,417	0	83,459	8,975	116	7	1.8
50	H.53 - Postal and courier activities	2,499	0	0	69	0	-10	-1	0	290	53	0	2,419	80	0	0	0.9
51	I - Accommodation and food service activities	173,332	0	0	31,498	10,642	-4,731	-1,229	-1,493	194,328	189,331	0	101,239	25,726	41,775	4,592	4.8
52	L - Real estate activities	352,351	0	0	44,151	1,301	-6,974	-2,974	-1,118	147,205	81,417	0	209,946	99,435	40,434	2,536	3.3
53	**Exposures towards sectors other than those that highly contribute to climate change***	532,345	0	0	41,310	10,022	-10,152	-1,901	-3,897				474,328	37,638	7,907	12,472	3.4
54	K - Financial and insurance activities	130,924	0	0	3,435	199	-1,702	-375	-81				110,801	4,236	4,278	11,609	2.7
55	Exposures to other sectors (NACE codes J, M - U)	401,421	0	0	37,875	9,823	-8,451	-1,526	-3,816				363,527	33,402	3,629	863	2.5
56	TOTAL	3,411,868	2,808	0	441,144	110,725	-79,151	-16,380	-38,498	5,085,580	3,727,324	0	2,904,245	349,533	132,785	25,305	3.4

* 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 collateralised 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 23_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
	Counterparty sector	**Total gross carrying amount amount (in MEUR)**															
			Level of energy efficiency (EP score in kWh/m² of collateral)						**Level of energy efficiency (EPC label of collateral)**							**Without EPC label of collateral**	
			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**	455,214	109,358	10,458	13,074	620	7,503	9,136	31,563	23,897	9,760	8,129	1,222	334	41	380,268	19.8%
2	Of which Loans collateralised by commercial immovable property	339,783	84,739	9,194	13,063	446	7,503	8,997	26,716	12,415	9,392	5,058	1,071	220	0	284,912	24.2%
3	Of which Loans collateralised by residential immovable property	82,308	24,619	1,264	11	174	0	140	4,847	11,482	368	3,071	151	114	41	62,234	9.9%
4	Of which Collateral obtained by taking possession: residential and commercial immovable properties	33,123	0	0	0	0	0	0	0	0	0	0	0	0	0	33,123	0.0%
5	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	88,429	81,402	835	1,658	374	0	4,160								88,429	100.0%
6	**Total non-EU area**	1,168,217	408,217	30,711	245,448	32,730	52,030	331,280								1,168,217	94.2%
7	Of which Loans collateralised by commercial immovable property	1,101,623	355,306	26,697	239,005	29,503	52,030	331,280								1,101,623	93.8%
8	Of which Loans collateralised by residential immovable property	66,594	52,911	4,014	6,443	3,227	0	0								66,594	100.0%
9	Of which Collateral obtained by taking possession: residential and commercial immovable properties	0	0	0	0	0	0	0								0	
10	Of which Level of energy efficiency (EP score in kWh/m² of collateral) estimated	1,100,415	408,217	30,711	245,448	32,730	52,030	331,280								1,100,415	100.0%

Currently data on EPCs (or Energy passports in Serbia) are very limited. In AIK's portfolio no data on Energy passports is available.

The data in the table above are populated on the best effort basis, using mostly estimated EPCs based on collateral and external local data base.

Gorenjska bank made significant progress in terms of obtaining EPC data. Gorenjska bank also made an effort to develop internal model for estimation of the EPC grade/rating. Following the methodology for internal Arvio EE model, the proxy has been prepared by external provider with certification of model.

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

Table 24_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 (000 EUR)	Alignment metric**	Year of reference	Distance to IEA NZE2050 in % ***	Target (year of reference + 3 years)
1	Power	Please refer to the list below*	*172,495*	*n/a*	*n/a*	*n/a*	*n/a*
2	Fossil fuel combustion		*101,405*	*n/a*	*n/a*	*n/a*	*n/a*
3	Automotive		*22,041*	*n/a*	*n/a*	*n/a*	*n/a*
4	Aviation		*18,822*	*n/a*	*n/a*	*n/a*	*n/a*
5	Maritime transport		*55,691*	*n/a*	*n/a*	*n/a*	*n/a*
6	Cement, clinker and lime production		12,746	*n/a*	*n/a*	*n/a*	*n/a*
7	Iron and steel, coke, and metal ore production		*98,550*	*n/a*	*n/a*	*n/a*	*n/a*
8	Chemicals		*0*	*n/a*	*n/a*	*n/a*	*n/a*
9	… potential additions relavant to the business model of the institution		*0*	*n/a*	*n/a*	*n/a*	*n/a*

The table shows the total balance sheet gross exposure for each sector. The Group is on its way to setting up a decarbonisation strategy, as explained in the Environmental Risk section.

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 25_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	113,104.11	1.39%	0	2.46	1

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** - 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/apps/webappviewer/index.html?id=f89cc3835fcd48b5a980343570e0b64e). User manual can be found following the link:

  Spletna_aplikacija_Geohazard_Navodila_za_uporabnike.pdf (geo-zs.si)

- Slovenian institute for forest and Geohazard provides details about the exposure to the wild forest fires and landslides. (http://prostor.zgs.gov.si/pregledovalnik/ and Pregledovalnik GeoHazard (geo-zs.si).

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 26_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 (Mln EUR)													
		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	66,309	14,784	5,483	0	0	2.9	0	0	20,266	5,370	480	-1,173	-822	-269
2	B - Mining and quarrying	116,921	494	70	0	0	4.1	0	0	563	281	0	-42	-41	0
3	C - Manufacturing	517,426	222,490	84,309	4,910	0	3.0	0	0	311,710	64,559	30,595	-14,199	-1,631	-10,522
4	D - Electricity, gas, steam and air conditioning supply	199,629	13,694	5,521	38,384	0	9.7	0	2,589	55,011	4,015	0	-1,038	-118	0
5	E - Water supply; sewerage, waste management and remediation activiti	6,406	357	0	0	0	2.4	0	0	357	0	0	-1	0	0
6	F - Construction	216,431	59,653	26,082	5,892	0	3.6	0	0	91,627	3,853	3,299	-3,069	-470	-1,411
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	526,965	199,115	25,927	2,485	0	2.3	0	419	227,108	8,902	4,081	-2,726	-290	-1,220
8	H - Transportation and storage	130,260	8,456	48,721	0	0	6.3	0	21	57,155	3,653	78	-1,009	-115	-17
9	L - Real estate activities	267,406	56,125	93,367	86,771	0	8.3	0	0	236,263	26,062	108	-4,452	-2,753	0
10	Loans collateralised by residential immovable property	66,542	53,389	12,595	30	0	2.1	0	34	65,980	3,478	3,757	-1,700	-84	-1,077
11	Loans collateralised by commercial immovable property	1,090,826	610,657	313,179	156,327	0	4.9	0	3,188	1,076,976	124,800	46,668	-30,842	-6,626	-14,647
12	Repossessed colalterals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Other relevant sectors (breakdown below where relevant)	454,727	88,877	36,295	17,915	0	5.0	0	193	142,894	11,582	11,786	-4,832	-469	-2,285

	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	SLOVENIA	Gross carrying amount (Mln EUR)													
		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	2,792	1,545	70	0	0	2.1	0	322	1,293	19	0	-9	0	0
2	B - Mining and quarrying	4,680	0	0	0	0	0.0	0	0	0	0	0	0	0	0
3	C - Manufacturing	257,153	50,051	43,176	0	0	4.6	0	51,737	41,490	14,637	8,357	-2,530	-173	-2,057
4	D - Electricity, gas, steam and air conditioning supply	11,818	824	3,217	0	0	6.5	0	1,934	2,107	2,518	43	-24	-2	-22
5	E - Water supply; sewerage, waste management and remediation activiti	8,142	324	2,806	653	0	7.9	0	0	3,782	0	0	-3	0	0
6	F - Construction	114,883	55,216	4,858	1,389	0	2.3	0	38,352	23,112	11,033	43	-538	-184	-24
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	112,060	20,744	11,965	0	0	4.8	0	11,596	21,113	9,042	253	-95	-57	-19
8	H - Transportation and storage	52,770	2,749	9,507	116	0	5.8	0	4,132	8,241	6,262	0	-260	-241	0
9	L - Real estate activities	77,414	27,756	29,520	6,430	0	5.0	0	37,695	26,010	14,014	0	-131	-3	0
10	Loans collateralised by residential immovable property	82,287	69,338	4,297	4,456	0	2.4	0	50,436	27,655	7,591	176	-611	-132	-28
11	Loans collateralised by commercial immovable property	332,153	125,486	138,245	17,980	0	5.4	0	157,919	123,792	75,501	9,757	-3,802	-640	-2,428
12	Repossessed colalterals	33,123	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Other relevant sectors (breakdown below where relevant)	249,173	35,615	37,424	13,848	0	13.0	0	62,587	24,300	25,566	1,237	-825	-112	-335

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	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o
	OTHER	Gross carrying amount (Mln EUR)													
			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	0	0	0	0	0	0.0	0	0	0	0	0	0	0	0
2	B - Mining and quarrying	0	0	0	0	0	0.0	0	0	0	0	0	0	0	0
3	C - Manufacturing	0	0	0	0	0	0.0	0	0	0	0	0	0	0	0
4	D - Electricity, gas, steam and air conditioning supply	0	0	0	0	0	0.0	0	0	0	0	0	0	0	0
5	E - Water supply; sewerage, waste management and remediation activiti	0	0	0	0	0	0.0	0	0	0	0	0	0	0	0
6	F - Construction	0	0	0	0	0	0.0	0	0	0	0	0	0	0	0
7	G - Wholesale and retail trade; repair of motor vehicles and motorcycles	9,193	7,683	0	0	0	1.5	0	0	7,683	0	0	0	0	0
8	H - Transportation and storage	0	0	0	0	0	0.0	0	0	0	0	0	0	0	0
9	L - Real estate activities	7,531	0	0	0	0	0.0	0	0	0	0	0	0	0	0
10	Loans collateralised by residential immovable property	74	74	0	0	0	2.2	0	0	74	0	0	0	0	0
11	Loans collateralised by commercial immovable property	18,427	9,386	0	0	0	1.2	0	0	9,386	0	1,755	-614	0	-614
12	Repossessed colalterals	0	0	0	0	0	0	0	0	0	0	0	0	0	0
13	Other relevant sectors (breakdown below where relevant)	1,777	1,777	0	0	0	0.0	0	0	1,777	0	1,755	-614	0	-614

Template 6 – Summary of key performance indicators (KPIs) on the Taxonomy-aligned exposures

The EU Taxonomy regulation which presents a classification system that defines criteria for economic activities that are aligned with the EU's environmental goals, requires credit institutions to report on their GAR as a key performance indicator (KPI). The GAR shows the proportion of the credit institution's assets that are financed and invested in taxonomy-aligned economic sectors in relation to total covered assets, excluding exposures to central governments, central banks and supranational issues. To fulfill the regulatory requirements relating to EBA Pillar III on ESG Risk and EU Taxonomy's Annex VI, the Group initiated data collection strategy with an overview of the necessary data perimeter for calculation of the GAR. The calculation of the portion of eligible / aligned exposures to Non-Financial Corporations subject to NFRD which constitute "general purpose" depends on the information about the % of eligibility and alignment of the Non-Financial counterparty to which the Group has the exposure. The calculation of the portion of eligible/aligned exposures to financial corporations is similar to the process described for Non-Financial Corporations, both for the general-purpose portion and for the specialized portion. The calculation of the portion of eligible/aligned exposures for loans on residential real estates or loans for the renovation of residential houses depends on the compliance of the immovable property with the technical screening criteria for buildings set out in Annex I, points 7.2, 7.3, 7.4, 7.5, 7.6 and 7.7, of the Delegated Regulation (EU) 2021/2139. The calculation of the portion of eligible/aligned exposures associated with consumer credit for the purchase of motor vehicles depends on the vehicle's compliance with the technical screening criteria for "Transport by motorbikes, passenger cars and light commercial vehicles" set out in Annex I, point 6.5, of the Delegated Regulation (EU) 2021/2139.

There are several limiting factors related to GAR, and the most important relates to the fact that there is high non-EU share of business activities considering that largest part of the Group operates in Serbian market (64% of the Group's portfolio is coming from Serbia). This significantly restricts the Group of approaching companies that are subject to the NFRD.

The Group expects that data collection and analysis will continuously improve and will show results in the upcoming period. The Group will monitor all developments related to the EU Taxonomy Regulation and take them into account in its sustainability journey.

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Table 27_Template 6: Summary of key performance indicators (KPIs) on the Taxonomy-aligned exposures

	KPI			% coverage (over total assets)*
	Climate change mitigation	Climate change adaptation	Total (Climate change mitigation + Climate change adaptation)	
GAR stock	**0**	**0**	**0**	**22.5%**
GAR flow	**0**	**0**	**0**	**22.5%**

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

Template 7 - Mitigating actions: Assets for the calculation of GAR

Table 28_Template 7: Mitigating actions: Assets for the calculation of GAR

AGRI EUROPE

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000 EUR	a	b	c	d	e	f	g	h	i	j	k	l	m	n	o	p
	Disclosure reference date T															
	Total gross carrying amount	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)				
		Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)					Of which towards taxonomy relevant sectors (Taxonomy-eligible)				
			Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)					Of which environmentally sustainable (Taxonomy-aligned)			
				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/ adaptation	Of which enabling
GAR - Covered assets in both numerator and denominator																
Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	1,888,135	361,405	0	0	0	0	0	0	0	0	0	361,405	0	0	0	0
Financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Credit institutions	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0	0		0	0	0	0		0	0	0	0	0	0	0
Other financial corporations	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
of which investment firms	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0	0		0	0	0	0		0	0	0	0	0	0	0
of which management companies	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0	0		0	0	0	0		0	0	0	0	0	0	0
of which insurance undertakings	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0	0		0	0	0	0		0	0	0	0	0	0	0
Non-financial corporations (subject to NFRD disclosure obligations)	27,902	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Loans and advances	27,902	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Debt securities, including UoP	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Equity instruments	0	0	0		0	0	0	0		0	0	0	0	0	0	0
Households	1,854,283	361,405	0	0	0	0						361,405	0	0	0	0
of which loans collateralised by residential immovable property	361,405	361,405	0	0	0	0						361,405	0	0	0	0
of which building renovation loans	0	0	0	0	0	0						0	0	0	0	0
of which motor vehicle loans	0	0	0	0	0	0						0	0	0	0	0
Local governments financing	5,950	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Housing financing	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Other local governments financing	5,950	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
Collateral obtained by taking possession: residential and commercial immovable properties	57,113	57,113	0	0	0	0	0	0	0	0	0	57,113	0	0	0	0
TOTAL GAR ASSETS	1,945,248	418,518	0	0	0	0	0	0	0	0	0	418,518	0	0	0	0
Assets excluded from the numerator for GAR calculation (covered in the denominator)																
EU Non-financial corporations (not subject to NFRD disclosure obligations)	404,465															
Loans and advances	404,465															
Debt securities	0															
Equity instruments	0															
Non-EU Non-financial corporations (not subject to NFRD disclosure obligations)	1,934,415															
Loans and advances	1,934,365															
Debt securities	0															
Equity instruments	50															
Derivatives	0															
On demand interbank loans	278,131															
Cash and cash-related assets	185,759															
Other assets (e.g. Goodwill, commodities etc.)	1,678,377															
TOTAL ASSETS IN THE DENOMINATOR (GAR)	6,426,394															
Other assets excluded from both the numerator and denominator for GAR calculation																
Sovereigns	920,457															
Central banks exposure	1,288,069															
Trading book	10,344															
TOTAL ASSETS EXCLUDED FROM NUMERATOR AND DENOMINATOR	2,218,870															
TOTAL ASSETS	8,645,265															

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Template 8 - GAR (%)

Table 29_Template 8 - GAR (%)

	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	ab	ac	ad	ae	af
% (compared to total covered assets in the denominator)	Disclosure reference date T: KPIs on stock																Disclosure reference date T: KPIs on flows															
	Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)						Climate Change Mitigation (CCM)					Climate Change Adaptation (CCA)					TOTAL (CCM + CCA)					
	Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of eligible assets funding taxonomy relevant sectors					Proportion of total assets covered	Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of new eligible assets funding taxonomy relevant sectors					Proportion of total new assets covered
		Of which environmentally					Of which environmentally					Of which environmentally						Of which environmentally					Of which environmentally					Of which environmentally				
			Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/adaptation	Of which enabling				Of which specialised lending	Of which transitional	Of which enabling			Of which specialised lending	Of which adaptation	Of which enabling			Of which specialised lending	Of which transitional/adaptation	Of which enabling		
1 GAR	6.51%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.51%	0.00%	0.00%	0.00%	0.00%	22.50%	6.51%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	6.51%	0.00%	0.00%	0.00%	0.00%	22.50%
2 Loans and advances, debt securities and equity instruments not HfT eligible for GAR calculation	5.62%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.62%	0.00%	0.00%	0.00%	0.00%	21.84%	5.62%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	5.62%	0.00%	0.00%	0.00%	0.00%	21.84%
3 Financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
4 Credit institutions	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
5 Other financial corporations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
6 of which investment firms	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
7 of which management companies	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
8 of which insurance undertakings	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
9 Non-financial corporations subject to NFRD disclosure obligations	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.32%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.32%
10 Households	5.62%	0.00%	0.00%	0.00%	0.00%						5.62%	0.00%	0.00%	0.00%	0.00%	21.45%	5.62%	0.00%	0.00%	0.00%	0.00%						5.62%	0.00%	0.00%	0.00%	0.00%	21.45%
11 of which loans collateralised by residential immovable property	5.62%	0.00%	0.00%	0.00%	0.00%						5.62%	0.00%	0.00%	0.00%	0.00%	4.18%	5.62%	0.00%	0.00%	0.00%	0.00%						5.62%	0.00%	0.00%	0.00%	0.00%	4.18%
12 of which building renovation loans	0.00%	0.00%	0.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
13 of which motor vehicle loans	0.00%	0.00%	0.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
14 Local government financing	0.00%	0.00%	0.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	0.07%
15 Housing financing	0.00%	0.00%	0.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%						0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
16 Other local governments financing	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.07%
17 Collateral obtained by taking possession: residential and commercial immovable properties	0.89%	0.00%	0.00%	0.00%	0.00%						0.89%	0.00%	0.00%	0.00%	0.00%	0.66%	0.89%	0.00%	0.00%	0.00%	0.00%						0.89%	0.00%	0.00%	0.00%	0.00%	0.66%

Template 10 - Other climate change mitigating actions that are not covered in the EU Taxonomy

As described under Environmental risk part, there is internal green financing definition, which is aligned with Grean Loan Principles (GLP) published by Loan Market Association (LMA).

Table 30_Template 10 - Other climate change mitigating actions that are not covered in the EU Taxonomy

PUBLIC

	a	b	c	d	e	f
	Type of financial instrument	Type of counterparty	Gross carrying amount (000 EUR)	Type of risk mitigated (Climate change transition risk)	Type of risk mitigated (Climate change physical risk)	Qualitative information on the nature of the mitigating actions
1	Bonds (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	0			Described under Environmental risk part
2		Non-financial corporations	0	Y	N	
3		Of which Loans collateralised by commercial immovable property	0			
4		Households	0			
5		Of which Loans collateralised by residential immovable property	0			
6		Of which building renovation loans	0	Y	N	
7		Other counterparties	16,178	Y	N	
8	Loans (e.g. green, sustainable, sustainability-linked under standards other than the EU standards)	Financial corporations	0	Y	N	
9		Non-financial corporations	136,308	Y	N	
10		Of which Loans collateralised by commercial immovable property	10,099	Y	N	
11		Households	36,590			
12		Of which Loans collateralised by residential immovable property	22,600			
13		Of which building renovation loans	0			
14		Other counterparties	0			

12. Leverage ratio

(CRR regulation, points (a) and (b) of Article 451(1))

The purpose of the 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 on balance sheet 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 emphasised.

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.

The Group regularly assesses the adequacy of the level of the leverage ratio indicator, simultaneously with the assessment of the level of the capital adequacy indicator and other indicators of adequate level of capital, at least on quarterly level.

Table EU_LR1 provides reconciliation of AEC Group financial statements to the leverage ratio exposure as of 30.6.2024:

Table 31_EU –R1 - LRSum: Summary reconciliation of accounting assets and leverage ratio exposures

000 EUR

		a
		Applicable amount
1	Total assets as per published financial statements	8,507,260
2	Adjustment for entities which are consolidated for accounting purposes but are outside the scope of prudential consolidation	(1,414)
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	Adjustments for derivative financial instruments	8,163
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)	556,198
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) 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	(23,047)
13	**Total exposure measure**	**9,047,159**

Leverage Ratio amounts 11.65% on 30.6.2024, well above regulatory minimum of 3%.

Table EU LR2 shows breakdown of total leverage exposure measure into its main parts, as of 30.6.2024 and 31.12.2023, as previous disclosure obligation period:

Table 32_EU LR2 - LRCom: Leverage ratio common disclosure

000 EUR

		CRR leverage ratio exposures	
		30.6.2024	31.12.2023
On-balance sheet exposures (excluding derivatives and SFTs)			
1	On-balance sheet items (excluding derivatives, SFTs, but including collateral)	8,017,961	8,154,977
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)	(26,365)	(39,146)
7	**Total on-balance sheet exposures (excluding derivatives and SFTs)**	**7,991,595**	**8,115,831**
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	15,174	17,298
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**	**15,174**	**17,298**
Securities financing transaction (SFT) exposures			
14	Gross SFT assets (with no recognition of netting), after adjustment for sales accounting transactions	484,192	615,224
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**	**484,192**	**615,224**
Other off-balance sheet exposures			
19	Off-balance sheet exposures at gross notional amount	2,135,148	2,020,013
20	(Adjustments for conversion to credit equivalent amounts)	(1,578,950)	(1,478,166)
21	(General provisions deducted in determining Tier 1 capital and specific provisions associated with off-balance sheet exposures)	-	-
22	**Off-balance sheet exposures**	**556,198**	**541,847**
Excluded exposures			
EU-22a	(Exposures excluded from the total exposure measure in accordance with point (c) 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)	-	-

		CRR leverage ratio exposures	
		30.6.2024	31.12.2023
EU-22d	(Excluded exposures of public development banks (or units) - Promotional loans): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	-	-
EU-22e	(Excluded passing-through promotional loan exposures by non-public development banks (or units)): - Promotional loans granted by a public development credit institution - Promotional loans granted by an entity directly set up by the central government, regional governments or local authorities of a Member State - Promotional loans granted by an entity set up by the central government, regional governments or local authorities of a Member State through an intermediate credit institution)	-	-
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	**(Total exempted exposures)**	**-**	**-**
Capital and total exposure measure			
23	**Tier 1 capital**	**1,053,719**	**1,027,314**
24	**Total exposure measure**	**9,047,159**	**9,290,200**
Leverage ratio			
25	Leverage ratio	11.65%	11.06%
EU-25	Leverage ratio (xcluding the impact of the exemption of public sector investments and promotional loans) (%)	11.65%	11.06%
25a	Leverage ratio (excluding the impact of any applicable temporary exemption of central bank reserves)	11.65%	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 (percentage points)	-	-
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 value of gross SFT assets, after adjustment for sale accounting transactions and netted of amounts of associated cash payables and cash receivables	444,398	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	484,192	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	9,007,365	9,459,113

		CRR leverage ratio exposures	
		30.6.2024	31.12.2023
	accounting transactions and netted of amounts of associated cash payables and cash receivables)		
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)	9,007,365	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)	11.70%	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)	11.70%	10.86%

Table EU LR 3 provides breakdown of on-balance sheet exposures, excluding derivatives, SFTs and exempted exposures, by exposure class as of 30.6.2024:

Table 33_EU LR3 - LRSpl: Split-up of on balance sheet exposures (excluding derivatives, SFTs and exempted exposures)

000 EUR

		a
		CRR leverage ratio exposures
EU-1	**Total on-balance sheet exposures (excluding derivatives, SFTs, and exempted exposures), of which:**	**8,017,961**
EU-2	Trading book exposures	0
EU-3	Banking book exposures, of which:	8,017,961
EU-4	Covered bonds	-
EU-5	Exposures treated as sovereigns	1,472,235
EU-6	Exposures to regional governments, MDB, international organisations and PSE **not** treated as sovereigns	4,320
EU-7	Institutions	486,678
EU-8	Secured by mortgages of immovable properties	625,052
EU-9	Retail exposures	1,964,519
EU-10	Corporates	2,243,830
EU-11	Exposures in default	115,766
EU-12	Other exposures (eg equity, securitisations, and other non-credit obligation assets)	1,105,561

13. Liquidity Requirements

(CRR regulation, Article 451a (2) and (3))

Liquidity risk is organized in a way that responsibilities and roles are divided among different business and organizational units. Overall responsibility for liquidity risk management lies with AEC BoD in its Supervisory and Management Function, in charge for adopting decisions concerning liquidity risk management and provides guidelines, defines structural and income criteria in order to ensure an adequate volume of liquid investments, sets up the basic criteria for the structure of liquidity and funding sources, approves and revises relevant documents from liquidity risk area on Group and solo level. The liquidity management functions are organized in alignment with the three lines of defence. First line of defence are business units, ALM and Treasury, responsible for compliance with risk appetite limits,

monitoring market developments, counterbalacing capacity management, future cash flow projections and liquidity contingency plan. Second line of defence are Risk management and Compliance Unit. Internal Audit presents third line of defence in liqiduity risk management process. 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.

13.1. Qualitative information on LCR

Liquidity coverage ratio (LCR) was introduced by Basel Committee on Banking Supervision set standards. It entered into the 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 its liabilities for the following 30-day period under stringent, stressed situation on financial markets.

LCR as of June 30, 2024, calculated according to Article 451a(2) CRR, was 390.0%, which is significantly higher than regulatory prescribed minimum of 100%. Movements in LCR during 2023 and H1 2024 were mostly triggered by movements in the level of HQLA and amount of reverse repo transactions with central bank at credit institution subsidiaries on Serbian market.

Since tolerance for liquidity risk is low, it 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, the most of the funds are in 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 form of sight deposits that have no remaining maturity. Funding is monitored on monthly basis through ,,Concentration of fundingy 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 EBA. 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 asset (HQLA) as of June 30, 2024, in amount of 1,241,461 thousand EUR was held in Level 1 cash and central bank reserves and level 1 high quality securities.

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 risk appettite statement there is presribed 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: July-September and October-December in 2023 and January-March, April-June in 2024.. Those values and figures as the simple averages of month-end observations over the twelve months preceding the end of each quarter.

13.2. Quantative information on LCR

Table 34_EU LIQ1 - Quantitative information of LCR

PUBLIC

in 000 EUR		Total unweighted value (average)				Total weighted value (average)			
EU 1a	**Quarter ending on**	**June 30, 2024**	**Mar 30, 2024**	**Dec 31, 2023**	**Sep 30, 2023**	**June 30, 2024**	**Mar 30, 2024**	**Dec 31, 2023**	**Sep 30, 2023**
EU 1b	Number of data points used in the calculation of averages	12	12	12	12	12	12	12	12
HIGH-QUALITY LIQUID ASSETS									
1	Total high-quality liquid assets (HQLA)					1,241,461	1,210,203	1,153,020	1,123,929
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	3,882,522	3,543,269	3,216,449	3,019,718	298,558	274,422	249,338	234,850
3	*Stable deposits*	2,653,738	2,398,848	2,162,420	2,013,028	132,687	119,942	108,121	100,651
4	*Less stable deposits*	1,207,521	1,124,677	1,034,622	984,683	165,871	154,480	141,215	134,116
5	Unsecured wholesale funding	1,760,413	1,691,801	1,533,804	1,367,683	740,357	713,221	650,125	585,179
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	-	-	-	-	-	-	-	-
7	*Non-operational deposits (all counterparties)*	1,760,413	1,691,801	1,533,804	1,367,683	740,357	713,221	650,125	585,179
8	*Unsecured debt*	-	-	-	-	-	-	-	-
9	*Secured wholesale funding*					-	-	-	-
10	Additional requirements	863,428	763,632	684,930	652,510	84,583	76,000	68,495	63,990
11	*Outflows related to derivative exposures and other collateral requirements*	4,533	4,644	4,351	4,077	4,533	4,644	4,351	4,077
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	858,895	758,988	680,579	648,433	80,050	71,357	64,143	59,913
14	Other contractual funding obligations	111,659	94,774	73,646	63,359	101,236	84,898	64,323	54,593
15	Other contingent funding obligations	745,603	675,967	605,720	555,523	59,962	53,449	47,240	44,147
16	TOTAL CASH OUTFLOWS					1,284,656	1,201,920	1,079,476	982,691
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	587,048	591,636	509,985	342,787	587,048	591,636	509,985	342,787
18	Inflows from fully performing exposures	597,461	503,795	376,541	319,052	495,694	413,620	300,767	252,046
19	Other cash inflows	38,326	54,699	46,852	43,739	38,326	36,302	28,461	25,344
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	1,222,834	1,150,130	933,378	705,578	1,120,927	1,037,324	836,113	617,845
EU-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-

in 000 EUR		Total unweighted value (average)				Total weighted value (average)			
EU 1a	**Quarter ending on**	**June 30, 2024**	**Mar 30, 2024**	**Dec 31, 2023**	**Sep 30, 2023**	**June 30, 2024**	**Mar 30, 2024**	**Dec 31, 2023**	**Sep 30, 2023**
EU-20b	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
EU-20c	*Inflows subject to 75% cap*	1,222,693	1,129,032	918,017	694,049	1,120,927	1,037,324	836,113	617,845
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					1,241,461	1,210,203	1,153,020	1,123,929
22	TOTAL NET CASH OUTFLOWS					321,164	304,914	326,184	400,820
23	**LIQUIDITY COVERAGE RATIO**					**390.0%**	**400.2%**	**369.5%**	**319.6%**

13.3. Quantative information on NSFR

Net stable funding ratio (NSFR) calculated in accordance with the CRR2 was 148.7% as of June 30, 2024, within regulatory and internally prescribed limits. Overview of NSFR for the last fourth quarters is given in the tables below:

Table 35_EU LIQ2: Net Stable Funding Ratio as of 30.06.2024

in 000 EUR		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	**1,080,084**			**64,196**	**1,144,280**
2	*Own funds*	1,080,084			64,196	1,144,280
3	*Other capital instruments*					
4	Retail deposits		**3,527,405**	**605,814**	**239,479**	**4,100,562**
5	*Stable deposits*		2,462,721	361,004	153,772	2,836,310
6	*Less stable deposits*		1,064,684	244,810	85,707	1,264,252
7	Wholesale funding:		**2,011,836**	**162,176**	**383,392**	**1,375,652**
8	*Operational deposits*					
9	*Other wholesale funding*		2,011,836	162,176	383,392	1,375,652
10	Interdependent liabilities					
11	Other liabilities:	**116**	**228,061**	**20,194**	**70,639**	**80,736**
12	*NSFR derivative liabilities*	116				
13	*All other liabilities and capital instruments not included in the above categories*		228,061	20,194	70,639	80,736
14	**Total available stable funding (ASF)**					**6,701,230**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					**6,786**
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		**20,447**			**10,224**
17	Performing loans and securities:		**1,582,789**	**609,582**	**3,436,609**	**3,904,956**
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*					
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		475,027	7,327	8,627	59,082
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		1,049,785	584,379	2,947,972	3,322,176
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		27,727	12,183	48,114	88,024
22	*Performing residential mortgages, of which:*		13,091	17,876	406,147	437,115
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		9,380	5,819	273,018	288,216
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-*		44,886		73,863	86,583

	in 000 EUR	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
	traded equities and trade finance on-balance sheet products					
25	Interdependent assets					
26	Other assets:		**1,567,927**	**17,586**	**262,979**	**476,095**
27	*Physical traded commodities*					
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*					
29	*NSFR derivative assets*		1,193			1,193
30	*NSFR derivative liabilities before deduction of variation margin posted*		1,066			53
31	*All other assets not included in the above categories*		1,565,668	17,586	262,979	474,849
32	Off-balance sheet items		**763,243**	**535,115**	**511,094**	**107,902**
33	**Total RSF**					**4,505,963**
34	**Net Stable Funding Ratio (%)**					**148.7%**

Table 36_EU LIQ2: Net Stable Funding Ratio as of 31.03.2024

	in 000 EUR	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	**1,073,806**			**64,526**	**1,138,332**
2	*Own funds*	1,073,806			64,526	1,138,332
3	*Other capital instruments*					
4	Retail deposits		**3,214,813**	**889,003**	**243,376**	**4,075,310**
5	*Stable deposits*		2,267,845	502,139	155,194	2,786,679
6	*Less stable deposits*		946,969	386,865	88,182	1,288,632
7	Wholesale funding:		**2,163,493**	**156,910**	**428,230**	**1,506,318**
8	*Operational deposits*					
9	*Other wholesale funding*		2,163,493	156,910	428,230	1,506,318
10	Interdependent liabilities					
11	Other liabilities:	**811**	**230,045**	**17,416**	**53,685**	**62,393**
12	*NSFR derivative liabilities*	811				
13	*All other liabilities and capital instruments not included in the above categories*		230,045	17,416	53,685	62,393
14	**Total available stable funding (ASF)**					**6,782,354**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					**6,748**
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		**21,941**			**10,970**
17	Performing loans and securities:		**1,447,664**	**627,968**	**3,411,925**	**3,796,591**
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*					
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		577,999	8,791	7,582	68,937
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		834,696	593,804	2,923,621	3,215,049
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		23,332	11,302	166,536	201,170
22	*Performing residential mortgages, of which:*		13,117	11,415	401,279	425,812
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		6,411	5,585	265,895	277,891
24	*Other loans and securities that are not in default and do not qualify as HQLA, including exchange-*		21,851	13,957	79,443	86,793

	in 000 EUR	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
	traded equities and trade finance on-balance sheet products					
25	Interdependent assets					
26	Other assets:		**1,651,412**	**18,664**	**320,323**	**507,017**
27	*Physical traded commodities*					
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*					
29	*NSFR derivative assets*		1,675			1,675
30	*NSFR derivative liabilities before deduction of variation margin posted*		1,480			74
31	*All other assets not included in the above categories*		1,648,258	18,664	320,323	505,269
32	Off-balance sheet items		**744,435**	**533,773**	**492,424**	**103,406**
33	**Total RSF**					**4,424,733**
34	**Net Stable Funding Ratio (%)**					**153.3%**

Table 37_EU LIQ2: Net Stable Funding Ratio as of 31.12.2023

	in 000 EUR	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	**1,064,772**			**64,741**	**1,129,513**
2	*Own funds*	1,064,772			64,741	1,129,513
3	*Other capital instruments*					
4	Retail deposits		**3,211,633**	**831,053**	**264,824**	**4,040,304**
5	*Stable deposits*		2,304,406	436,830	171,781	2,775,955
6	*Less stable deposits*		907,227	394,223	93,044	1,264,349
7	Wholesale funding:		**2,290,313**	**162,530**	**593,382**	**1,740,598**
8	*Operational deposits*					
9	*Other wholesale funding*		2,290,313	162,530	593,382	1,740,598
10	Interdependent liabilities					
11	Other liabilities:	**13**	**135,332**	**5,626**	**54,832**	**57,645**
12	*NSFR derivative liabilities*	13				
13	*All other liabilities and capital instruments not included in the above categories*		135,332	5,626	54,832	57,645
14	**Total available stable funding (ASF)**					**6,968,059**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					**10,027**
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		**20,680**			**10,340**
17	Performing loans and securities:		**1,350,286**	**698,298**	**3,381,214**	**3,854,653**
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*					
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		395,350	4,937	4,132	45,516
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		920,540	671,933	2,876,513	3,267,830
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		33,142	36,494	179,095	248,732
22	*Performing residential mortgages, of which:*		20,747	16,492	456,002	493,241
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		11,556	9,148	276,950	297,654
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*		13,649	4,936	44,567	48,066

	in 000 EUR	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
25	Interdependent assets					
26	Other assets:		**1,764,500**	**37,120**	**262,228**	**474,858**
27	*Physical traded commodities*					
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*					
29	*NSFR derivative assets*		2,474			2,474
30	*NSFR derivative liabilities before deduction of variation margin posted*		2,147			107
31	*All other assets not included in the above categories*		1,759,878	37,120	262,228	472,276
32	Off-balance sheet items		**721,940**	**498,208**	**457,192**	**97,759**
33	**Total RSF**					**4,447,637**
34	**Net Stable Funding Ratio (%)**					**156.7%**

Table 38_EU LIQ2: Net Stable Funding Ratio as of 30.09.2023

	in 000 EUR	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	**927,490**				**927,490**
2	*Own funds*	927,490				927,490
3	*Other capital instruments*					
4	Retail deposits		**2,408,993**	**371,526**	**238,368**	**2,838,978**
5	*Stable deposits*		1,777,511	185,364	145,328	2,010,059
6	*Less stable deposits*		631,482	186,162	93,039	828,919
7	Wholesale funding:		**1,657,394**	**92,754**	**154,501**	**984,244**
8	*Operational deposits*					
9	*Other wholesale funding*		1,657,394	92,754	154,501	984,244
10	Interdependent liabilities					
11	Other liabilities:	**106**	**75,962**	**2,879**	**53,625**	**55,065**
12	*NSFR derivative liabilities*	106				
13	*All other liabilities and capital instruments not included in the above categories*		75,962	2,879	53,625	55,065
14	**Total available stable funding (ASF)**					**4,805,777**
Required stable funding (RSF) Items						
15	Total high-quality liquid assets (HQLA)					**9,882**
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		**3,411**			**1,706**
17	Performing loans and securities:		**743,508**	**465,716**	**2,398,004**	**2,627,638**
18	*Performing securities financing transactions with financial customers collateralised by Level 1 HQLA subject to 0% haircut*					
19	*Performing securities financing transactions with financial customer collateralised by other assets and loans and advances to financial institutions*		181,394	191		17,590
20	*Performing loans to non- financial corporate clients, loans to retail and small business customers, and loans to sovereigns, and PSEs, of which:*		529,262	451,108	2,032,670	2,209,752
21	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		14,431	10,554	39,158	64,143
22	*Performing residential mortgages, of which:*		20,369	14,418	316,665	351,452
23	*With a risk weight of less than or equal to 35% under the Basel II Standardised Approach for credit risk*		11,597	9,912	183,799	205,308
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*		12,483		48,668	48,845
25	Interdependent assets					
26	Other assets:		**1,282,881**	**21,394**	**181,996**	**315,792**
27	*Physical traded commodities*					
28	*Assets posted as initial margin for derivative contracts and contributions to default funds of CCPs*					
29	*NSFR derivative assets*		97			97

	in 000 EUR	Unweighted value by residual maturity				Weighted value
		No maturity	< 6 months	6 months to < 1yr	≥ 1yr	
30	*NSFR derivative liabilities before deduction of variation margin posted*					
31	*All other assets not included in the above categories*		1,282,785	21,394	181,996	315,695
32	Off-balance sheet items		**569,819**	**423,700**	**273,019**	**71,117**
33	**Total RSF**					**3,026,135**
34	**Net Stable Funding Ratio (%)**					**158.8%**

Net stable funding ratio (NSFR) shall be equal to the ratio of the institution's available stable funding to the required stable funding according to CRR2. The objective of this ratio is to provide greater control over (mis)matched maturities, covering on and off-balance sheet items over medium and long-term period.

14. Use of the IRB Approach to credit risk

(CRR regulation, point (g) of Article 452)

The Group does not use IRB approach for Pillar 1 risks, so the Article is not applicable for disclosure reporting.

15. Use of Credit Risk Mitigation Techniques

(CRR Regulation, points (f) to (j) of Article 453)

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 the 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.

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 of the market value would see Group form additional impairments.

As eligible collateral for calculating the capital requirement for credit risk, Group uses the following financial collaterals:

- bank deposits at the a member bank or cash-like instruments the member bank holds (it takes into account 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 technique, i.e. total exposure value not covered by any eligible credit protection and the total exposure value covered by eligible credit protection after applying volatility adjustments, for loans and debt securities and including a breakdown of defaulted exposures is given in the table EU_CR3, presented below:

Table 39_EU CR3 – CRM techniques overview: Disclosure of the use of credit risk mitigation techniques

000 EUR

		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	5,060,190	2,040,153	1,812,975	227,177	38,054
2	Debt securities	857,585	13,610	-	13,610	-
3	**Total**	**5,917,775**	**2,053,762**	**1,812,975**	**240,787**	**38,054**
4	*Of which non-performing exposures*	63,037	56,976	51,413	5,563	-
EU-5	*Of which defaulted*	63,037	56,976	51,413	5,563	-

Overview of on- and off-balance sheet exposure value by exposure class before and after the application of conversion factors, corresponding conversion factor and any associated credit risk mitigation associated with the exposure, 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 is presented in the table *EU CR4 – standardised approach – Credit risk exposure and CRM effects*, under point 7.1 of this Disclosure Report.

16. Use of internal market risk models

(CRR Regulation, points (d), (e) and (g) of Article 455)

The Group does not use internal models for Pillar 1 market risks, so the Article is not applicable for disclosure reporting.

17. 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), AEC Group 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 AEC Group are Templates 1, 3, 4 and 9, since its NPL ratio is below 5%, and no additional information is required.

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Table 40_Template 1: Credit quality of forborne exposures

000 EUR

		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-performing exposures with forbearance measures
				Of which defaulted	Of which impaired				
005	**Cash balances at central banks and other demand deposits**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
010	**Loans and advances**	**126,646**	**40,751**	**40,751**	**40,751**	**-5,072**	**-13,921**	**52,067**	**9,026**
020	*Central banks*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
030	*General governments*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
040	*Credit institutions*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
050	*Other financial corporations*	*0*	*0*	*0*	*0*	*0*	*0*	*0*	*0*
060	*Non-financial corporations*	*104,204*	*18,210*	*15,353*	*2,857*	*-3,442*	*-5,988*	*47,506*	*7,298*
070	*Households*	*22,442*	*22,541*	*22,541*	*22,541*	*-1,630*	*-7,934*	*4,561*	*1,728*
080	**Debt Securities**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
090	**Loan commitments given**	**1**	**527**	**517**	**517**	**0**	**0**	**0**	**0**
100	**Total**	**126,647**	**41,278**	**41,269**	**41,269**	**-5,072**	**-13,921**	**52,067**	**9,026**

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Table 41_Template 3: Credit quality of performing and non-performing exposures by past due days

000 EUR

		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 banks and other demand deposits**	**1,503,835**	**1,503,835**	**0**	**1,575**	**1,575**	**0**	**0**	**0**	**0**	**0**	**0**	**1,575**
010	**Loans and advances**	**5,901,807**	**5,823,198**	**78,609**	**170,661**	**96,024**	**19,642**	**22,617**	**19,028**	**8,558**	**738**	**4,055**	**170,661**
020	*Central banks*	603,107	603,107	0	0	0	0	0	0	0	0	0	0
030	*General governments*	45,026	45,026	0	496	51	64	3	1	7	0	370	496
040	*Credit institutions*	261,326	261,248	79	794	762	0	5	18	1	0	7	794
050	*Other financial corporations*	52,953	52,822	131	33	32	0	0	0	1	0	0	33
060	*Non-financial corporations*	3,249,106	3,203,578	45,528	76,706	46,877	6,994	9,524	9,065	2,027	209	2,010	76,706
070	*Of which SMEs*	*1,590,492*	*1,570,486*	*20,006*	*40,769*	*20,135*	*6,392*	*6,046*	*4,881*	*1,873*	*108*	*1,334*	*40,769*
080	*Households*	1,690,288	1,657,417	32,871	92,633	48,302	12,584	13,084	9,945	6,522	529	1,668	92,633
090	**Debt securities**	**847,190**	**847,190**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
100	*Central banks*	0	0	0	0	0	0	0	0	0	0	0	0
110	*General governments*	809,795	809,795	0	0	0	0	0	0	0	0	0	0
120	*Credit institutions*	20,823	20,823	0	0	0	0	0	0	0	0	0	0
130	*Other financial corporations*	0	0	0	0	0	0	0	0	0	0	0	0
140	*Non-financial corporations*	16,571	16,571	0	0	0	0	0	0	0	0	0	0
150	**Off-balance-sheet exposures**	**2,001,515**			**8,995**								**8,995**
160	*Central banks*	0			0								0
170	*General governments*	14,086			0								0
180	*Credit institutions*	2,472			62								62
190	*Other financial corporations*	7,235			0								0
200	*Non-financial corporations*	1,806,289			8,133								8,133
210	*Households*	171,433			799								799
220	**Total**	**8,750,512**	**6,670,388**	**78,609**	**179,656**	**96,024**	**19,642**	**22,617**	**19,028**	**8,558**	**738**	**4,055**	**179,656**

Table 42_Template 4: Performing and non-performing exposures and related provisions

000 EUR

		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**	**1,503,835**	**1,500,671**	**3,164**	**1,575**	**0**	**1,575**	**(1,108)**	**(130)**	**(979)**	**(1,575)**	**0**	**(1,575)**	**0**	**0**	**0**
010	**Loans and advances**	**5,901,807**	**5,107,553**	**789,528**	**170,661**	**0**	**108,432**	**(66,480)**	**(29,527)**	**(36,821)**	**(52,826)**	**0**	**(38,790)**	**(229)**	**1,991,095**	**56,029**
020	*Central banks*	603,107	603,107	0	0	0	0	(4)	(4)	0	0	0	0	0	0	0
030	*General governments*	45,026	45,026	0	496	0	496	(201)	(201)	(0)	(431)	0	(431)	0	182	0
040	*Credit institutions*	261,326	261,322	4	794	0	794	(68)	(67)	(1)	(76)	0	(76)	0	1,719	0
050	*Other financial corporations*	52,953	52,494	459	33	0	33	(744)	(737)	(7)	(15)	0	(15)	0	13,422	18
060	*Non-financial corporations*	3,249,106	2,712,248	536,597	76,706	0	65,313	(43,034)	(20,281)	(22,748)	(20,048)	0	(16,856)	(170)	1,282,389	39,148
070	*Of which SMEs*	*1,590,492*	*1,300,571*	*289,877*	*40,769*	*0*	*31,070*	*(23,936)*	*(10,237)*	*(13,698)*	*(9,740)*	*0*	*(7,436)*	*(168)*	*757,242*	*19,563*
080	*Households*	1,690,288	1,433,355	252,468	92,633	0	41,796	(22,429)	(8,237)	(14,064)	(32,256)	0	(21,413)	(60)	693,382	16,864
090	**Debt securities**	**847,190**	**844,658**	**2,532**	**0**	**0**	**0**	**(1,238)**	**(1,072)**	**(166)**	**0**	**0**	**0**	**0**	**13,440**	**0**
100	*Central banks*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
110	*General governments*	809,795	809,795	0	0	0	0	(1,005)	(1,005)	0	0	0	0	0	0	0
120	*Credit institutions*	20,823	20,823	0	0	0	0	(18)	(18)	0	0	0	0	0	7,480	0
130	*Other financial corporations*	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0
140	*Non-financial corporations*	16,571	14,040	2,532	0	0	0	(215)	(49)	(166)	0	0	0	0	5,960	0
150	**Off-balance-sheet exposures**	**2,001,515**	**1,884,661**	**116,843**	**8,995**	**0**	**8,995**	**3,578**	**2,727**	**851**	**2,409**	**0**	**2,407**		**338,462**	**115**
160	*Central banks*	0	0	0	0	0	0	0	0	0	0	0	0		0	0
170	*General governments*	14,086	14,076	10	0	0	0	9	9	0	0	0	0		5	0
180	*Credit institutions*	2,472	2,436	36	62	0	62	2	2	0	12	0	12		400	0
190	*Other financial corporations*	7,235	7,227	8	0	0	0	18	18	0	0	0	0		3,054	0
200	*Non-financial corporations*	1,806,289	1,696,976	109,313	8,133	0	8,133	3,382	2,616	766	2,341	0	2,341		329,990	80
210	*Households*	171,433	163,946	7,476	799	0	799	167	83	85	56	0	54		5,013	35
220	**Total**	**8,750,512**	**7,836,873**	**908,902**	**179,656**	**0**	**117,426**	**(64,141)**	**(27,872)**	**(36,137)**	**(50,416)**	**0**	**(36,383)**	**(229)**	**2,342,997**	**56,144**

Table 43_Template 9: Collateral obtained by taking possession and execution processes

000 EUR

		a	b
		Collateral obtained by taking possession	
		Value at initial recognition	**Accumulated negative changes**
1	Property, plant and equipment (PP&E)	180	(112)
2	Other than PP&E	74,143	(16,270)
3	*Residential immovable property*	*706*	*(79)*
4	*Commercial Immovable property*	*62,877*	*(12,525)*
5	*Movable property (auto, shipping, etc.)*	*813*	*(106)*
6	*Equity and debt instruments*	*0*	*0*
7	*Other*	*9,747*	*(3,559)*
8	**Total**	**74,323**	**(16,382)**

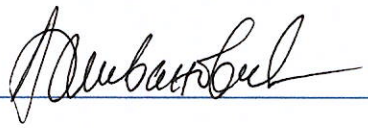
AGRI EUROPE

Attest of compliance with the Disclosure Report 30.06.2024 with Group policies and systems and controls

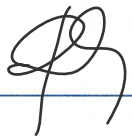
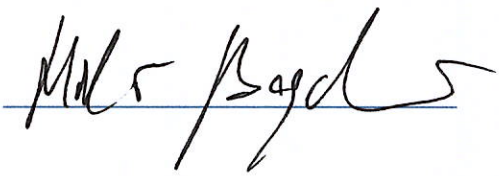
Senior management i.e., heads of Group functions involved in Disclosure Report 30.06.2024 preparation hereby attest that disclosures required by EBA CRR are made in accordance with the Group policies and internal processes, systems, and controls.

Head of Risk Management:

Head of Finance:



Head of HR & Organization:



Head of Compliance: