PUBLIC

AGRI EUROPE

Disclosure Report 09 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, being large, listed institution, AEC Group discloses certain information more frequently, in accordance with EBA CRR Article 433a (1).

This is quarterly report, with reference date as of **30th of September, 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 requirements and risk weighted exposure amounts

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

2.1. 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%.

[1] *Point (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.*

To calculate the capital requirement for Market risks, Group uses Standardized approach, prescribed by CRR regulation.

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 30.9.2024, capital requirements are broken down into different risk categories.

Table 1_EU OV1 Overview of total risk exposure amounts

000 EUR

		Risk weighted exposure amounts (RWEAs)		Total own funds requirements
		a	b	c
		30.9.2024	30.6.2024	30.9.2024
1	Credit risk (excluding CCR)	5,230,457	5,205,026	418,437
2	Of which the standardised approach	5,230,457	5,205,026	418,437
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	25,796	26,711	2,064
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	7,581	5,440	606
9	Of which other CCR	18,215	21,271	1,457
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)	54,514	17,336	4,361
21	Of which the standardised approach	54,514	17,336	4,361
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)**	**18,643**	**20,718**	**1,491**
25	Not applicable			
26	Not applicable			
27	Not applicable			
28	Not applicable			
29	**Total**	**5,986,047**	**5,924,352**	**478,884**

2.2. 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 30.9.2024, and as of previous disclosure obligation periods 30.6.2024, 31.3.2024, 31.12.2023 and 30.9.2023:

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

Slight decrease in Capital adequacy ratio in Q3 2024 compared to previous quather is related to growth of the portfolio.

Table 2_EU KM1 Key metrics

000 EUR

		a	b	c	d	e
		30.9.2024	30.6.2024	31.3.2024	31.12.2023	30.9.2023
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	1,058,418	1,053,719	1,041,693	1,027,314	915,484
2	Tier 1 capital	1,058,418	1,053,719	1,041,693	1,027,314	915,484
3	Total capital	1,119,381	1,117,928	1,106,219	1,092,055	915,484
	Risk-weighted exposure amounts					
4	Total risk-weighted exposure amount	5,986,047	5,924,352	5,804,016	5,916,120	3,926,208
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	17.68%	17.79%	17.95%	17.36%	23.32%
6	Tier 1 ratio (%)	17.68%	17.79%	17.95%	17.36%	23.32%
7	Total capital ratio (%)	18.70%	18.87%	19.06%	18.46%	23.32%
	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%	3.00%	3.25%	3.25%
EU 7b	of which: to be made up of CET1 capital (percentage points)	1.69%	1.69%	1.69%	1.83%	1.83%
EU 7c	of which: to be made up of Tier 1 capital (percentage points)	2.25%	2.25%	2.25%	2.44%	2.44%
EU 7d	Total SREP own funds requirements (%)	11.00%	11.00%	11.00%	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%	0.17%	0.16%	0.16%	0.03%
EU 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer	-	-	-	-	-
11	Combined buffer requirement (%)	2.67%	2.67%	2.66%	2.66%	2.53%
EU 11a	Overall capital requirements (%)	13.67%	13.67%	13.66%	13.91%	13.78%
12	CET1 available after meeting the total SREP own funds requirements (%)	7.70%	7.87%	8.06%	7.21%	12.07%
	Leverage ratio					
13	Total exposure measure	9,065,105	9,047,159	8,961,934	9,292,112	6,544,084
14	Leverage ratio (%)	11.68%	11.65%	11.62%	11.06%	13.99%
	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)	1,309,550	1,241,461	1,210,203	1,153,020	1,123,929
EU 16a	Cash outflows - Total weighted value	1,354,212	1,284,656	1,201,920	1,079,476	982,691
EU 16b	Cash inflows - Total weighted value	1,122,297	1,120,927	1,037,324	836,113	617,845
16	Total net cash outflows (adjusted value)	365,382	321,164	304,914	326,184	400,820
17	Liquidity coverage ratio (%)	365.1%	390.0%	400.2%	369.5%	319.6%
	Net Stable Funding Ratio					
18	Total available stable funding	6,745,984	6,701,230	6,782,354	6,968,059	4,805,777
19	Total required stable funding	4,430,203	4,505,963	4,424,733	4,447,637	3,026,135
20	NSFR ratio (%)	152.3%	148.7%	153.3%	156.7%	158.8%

3. Liquidity Requirements

(CRR regulation, Article 451a(2))

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.

3.1. 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 September 30, 2024, calculated according to Article 451a(2) CRR, was 365.1%, which is significantly higher than regulatory prescribed minimum of 100%. Movements in LCR during 2023 until Q3 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 September 30, 2024, in amount of 1,309,550 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: October-December in 2023, January-March in 2024, April-June in 2024 and July-September 2024. Those values and figures as the simple averages of month-end observations over the twelve months preceding the end of each quarter.

3.2. Quantative information on LCR

Table 3_EU LIQ1 - Quantitative information of LCR

in 000 EUR		Total unweighted value (average)				Total weighted value (average)			
EU 1a	**Quarter ending on**	**Sep 30, 2024**	**June 30, 2024**	**Mar 30, 2024**	**Dec 31, 2023**	**Sep 30, 2024**	**June 30, 2024**	**Mar 30, 2024**	**Dec 31, 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)					1,309,550	1,241,461	1,210,203	1,153,020
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	4,230,724	3,882,522	3,543,269	3,216,449	327,282	298,558	274,422	249,338
3	*Stable deposits*	2,875,497	2,653,738	2,398,848	2,162,420	143,775	132,687	119,942	108,121
4	*Less stable deposits*	1,332,194	1,207,521	1,124,677	1,034,622	183,507	165,871	154,480	141,215
5	Unsecured wholesale funding	1,808,289	1,760,413	1,691,801	1,533,804	759,861	740,357	713,221	650,125
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	-	-	-	-	-	-	-	-
7	*Non-operational deposits (all counterparties)*	1,808,289	1,760,413	1,691,801	1,533,804	759,861	740,357	713,221	650,125
8	*Unsecured debt*	-	-	-	-	-	-	-	-
9	*Secured wholesale funding*					-	-	-	-
10	Additional requirements	968,318	863,428	763,632	684,930	93,290	84,583	76,000	68,495
11	*Outflows related to derivative exposures and other collateral requirements*	4,320	4,533	4,644	4,351	4,320	4,533	4,644	4,351
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	963,998	858,895	758,988	680,579	88,970	80,050	71,357	64,143
14	Other contractual funding obligations	118,028	111,659	94,774	73,646	107,286	101,236	84,898	64,323
15	Other contingent funding obligations	815,544	745,603	675,967	605,720	66,550	59,962	53,449	47,240
16	TOTAL CASH OUTFLOWS					1,354,212	1,284,656	1,201,920	1,079,476
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	520,545	587,048	591,636	509,985	520,545	587,048	591,636	509,985
18	Inflows from fully performing exposures	678,102	597,461	503,795	376,541	564,164	495,694	413,620	300,767
19	Other cash inflows	37,746	38,326	54,699	46,852	37,746	38,326	36,302	28,461
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	1,236,393	1,222,834	1,150,130	933,378	1,122,297	1,120,927	1,037,324	836,113
EU-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-

in 000 EUR		Total unweighted value (average)				Total weighted value (average)			
EU 1a	**Quarter ending on**	**Sep 30, 2024**	**June 30, 2024**	**Mar 30, 2024**	**Dec 31, 2023**	**Sep 30, 2024**	**June 30, 2024**	**Mar 30, 2024**	**Dec 31, 2023**
EU-20b	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
EU-20c	*Inflows subject to 75% cap*	1,236,236	1,222,693	1,129,032	918,017	1,122,297	1,120,927	1,037,324	836,113
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					1,309,550	1,241,461	1,210,203	1,153,020
22	TOTAL NET CASH OUTFLOWS					365,382	321,164	304,914	326,184
23	**LIQUIDITY COVERAGE RATIO**					**365.1%**	**390.0%**	**400.2%**	**369.5%**

Attest of Disclosure Report 30.9.2024 compliance with Group policies and systems and controls

Senior management i.e., head of Group Risk Function involved in Disclosure Report 30.9.2024 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 Function: