AikGroup

Disclosure Report Q1 2025

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

Table of Contents

1 INTRODUCTION 3
2 OWN FUNDS REQUIREMENTS AND RISK WEIGHTED EXPOSURE AMOUNTS 3
2.1 Risk weighted exposure amounts and minimum capital requirement 3
2.2 Disclosure of key metrics and overview of risk-weighted exposure amounts 4
3 LIQUIDITY REQUIREMENTS 5
3.1 Qualitative information on LCR 6
3.2 Quantitative information on LCR 7

1 INTRODUCTION

AikGroup (CY) Ltd. (AikGroup or Group) consists of the following members:

- AikGroup (CY) Ltd. 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,
- AikBank a.d. Beograd, Serbia as credit institution subsidiary,
- AikLeasing d.o.o. Beograd, Serbia, as a subsidiary.

Disclosure Report of AikGroup (CY) Ltd. provides information in accordance with Article 13 of Regulation No.575/2013 of the European Parliament (Capital Requirements Regulation or CRR). AikGroup Disclosure Report meets disclosure requirements of Part Eight of CRR[1] 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).

AikGroup Disclosure Report compiles with requirements set in the Commission Implementing Regulation (EU) 2024/3172, laying down implementing technical standards for the application of Regulation (EU) No 575/2013 of the European Parliament and of the Council with regard to public disclosures by institutions of the information referred to in Part Eight, Titles II and III, of that Regulation, and repealing Commission Implementing Regulation (EU) 2021/637.

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

This is quarterly report, with reference date as of **31st of March 2025**.

Pursuant to Article 434 (1) CRR, the Group publishes the Reports on the website https://www.aik-group.com/ and https://www.gbkr.si/ . The Group also makes available an archive of Disclosure Reports for previous dates on its website.

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, points (d), (da) and (h) of Article 438)[2]

2.1 Risk weighted exposure amounts and minimum capital requirement

Group calculates risk weighted exposure amount (RWEA or RWA) 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).

Credit risk: Group uses Standardized approach for RWA calculation, as prescribed under CRR. 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 transactions), multiplied by the appropriate credit risk weights, as defined in Article 113 of the CRR. 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 assigned and the level of its credit quality. The capital requirement for credit risk is calculated by multiplying risk weighted exposure amount by 8%.

[1] Capital Requirements Regulation

[2] *Points (da) 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 is not applicable for AikGroup: following templates are not populated: EU CCR7, EU CR8, EU MR2-B, ,EU CMS1, EU CMS2; EU CVA4 is not populated since AikGroup applies simplified and not standardized approach for CVA risk*

Market risk: Group uses Standardized approach, as prescribed under CRR, to calculate the capital requirement for Market risks.

Operational risk: Capital requirement for Operational risk is Business indicator component, as prescribed by CRR.

Credit valuation adjustment risk (CVA risk): Capital requirement for CVA risk is calculated using Simplified approach, as defined under CRR.

In the table *EU OV1 - Overview of total risk exposure amounts*, AikGroup represents overview of risk weighted assets and own funds (capital) requirements calculated in accordance with Article 92 of the CRR as of disclosure reference date, and also on previous disclosure obligation date. As of 31.03.2025, capital requirements are broken down into different risk categories.

Table 1_ EU OV1 – Overview of total risk exposure amounts

000 EUR

		Total risk exposure amounts (TREA)		Total own funds requirements
		a	b	c
		31.03.2025	31.12.2024	31.03.2025
1	Credit risk (excluding CCR)	5,602,489	5,292,596	448,199
2	Of which the standardised approach	5,602,489	5,292,596	448,199
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	15,890	19,707	1,271
7	Of which the standardised approach	-	-	-
8	Of which internal model method (IMM)	-	-	-
EU 8a	Of which exposures to a CCP	-	-	-
9	Of which other CCR	15,890	19,707	1,271
10	Credit valuation adjustments risk - CVA risk	9,015	7,348	721
EU 10a	Of which the standardised approach (SA)	-	7,348	-
EU 10b	Of which the basic approach (F-BA and R-BA)	-	-	-
EU 10c	Of which the simplified approach	9,015	-	721
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% / deduction	-	-	-
20	Position, foreign exchange and commodities risks (Market risk)	61,649	44,269	4,932
21	Of which the Alternative standardised approach (A-SA)	-		-
EU 21a	Of which the Simplified standardised approach (S-SA)	61,649	44,269	4,932
22	Of which Alternative Internal Model Approach (A-IMA)	-	-	-
EU 22a	Large exposures	-	-	-
23	Reclassifications between the trading and non-trading books	-	-	-
24	Operational risk	458,013	744,622	36,641
EU 24a	Exposures to crypto-assets	-	-	-
25	Amounts below the thresholds for deduction (subject to 250% risk weight)	18,585	16,036	
26	Output floor applied (%)	-	-	
27	Floor adjustment (before application of transitional cap)	-	-	
28	Floor adjustment (after application of transitional cap)	-	-	
29	**Total**	**6,147,057**	**6,108,542**	**491,765**

2.2 Disclosure of key metrics and overview of risk-weighted exposure amounts

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

In the table *EU KM1 – Key metrics template* AikGroup shows following items as of 31.03.2025, and as of previous disclosure obligation periods 31.12.2024, 30.09.2024, 30.06.2024 and 31.03.2024:

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

Table 2_ EU KM1 – Key metrics template

000 EUR

		a	b	c	d	e
		31.03.2025	31.12.2024	30.09.2024	30.06.2024	31.03.2024
	Available own funds (amounts)					
1	Common Equity Tier 1 (CET1) capital	1,146,200	1,062,275	1,058,418	1,053,719	1,041,693
2	Tier 1 capital	1,146,200	1,062,275	1,058,418	1,053,719	1,041,693
3	Total capital	1,200,497	1,119,829	1,119,381	1,117,928	1,106,219
	Risk-weighted exposure amounts					
4	Total risk exposure amount	6,147,057	6,108,542	5,986,047	5,924,352	5,804,016
4a	Total risk exposure pre-floor	6,147,057	n/a	n/a	n/a	n/a
	Capital ratios (as a percentage of risk-weighted exposure amount)					
5	Common Equity Tier 1 ratio (%)	18.65%	17.39%	17.68%	17.79%	17.95%
5a	**Not applicable**					
5b	Common Equity Tier 1 ratio considering unfloored TREA (%)	18.65%	n/a	n/a	n/a	n/a
6	Tier 1 ratio (%)	18.65%	17.39%	17.68%	17.79%	17.95%
6a	**Not applicable**					
6b	Tier 1 ratio considering unfloored TREA (%)	18.65%	n/a	n/a	n/a	n/a
7	Total capital ratio (%)	19.53%	18.33%	18.70%	18.87%	19.06%
7a	**Not applicable**					
7b	Total capital ratio considering unfloored TREA (%)	19.53%	n/a	n/a	n/a	n/a
	Additional own funds requirements to address risks other than the risk of excessive leverage (as a percentage of risk-weighted exposure amount)					
EU 7d	Additional own funds requirements to address risks other than the risk of excessive leverage (%)	3.00%	3.00%	3.00%	3.00%	3.00%
EU 7e	of which: to be made up of CET1 capital (percentage points)	1.69%	1.69%	1.69%	1.69%	1.69%
EU 7f	of which: to be made up of Tier 1 capital (percentage points)	2.25%	2.25%	2.25%	2.25%	2.25%
EU 7g	Total SREP own funds requirements (%)	11.00%	11.00%	11.00%	11.00%	11.00%
	Combined buffer and overall capital requirement (as a percentage of risk-weighted exposure amount)					
8	Capital conservation buffer (%)	2.50%	2.50%	2.50%	2.50%	2.50%
EU 8a	Conservation buffer due to macro-prudential or systemic risk identified at the level of a Member State (%)	-	-	-	-	-
9	Institution specific countercyclical capital buffer (%)	0.30%	0.18%	0.17%	0.17%	0.16%
EU 9a	Systemic risk buffer (%)	-	-	-	-	-
10	Global Systemically Important Institution buffer (%)	-	-	-	-	-
EU 10a	Other Systemically Important Institution buffer (%)	-	-	-	-	-
11	Combined buffer requirement (%)	2.80%	2.68%	2.67%	2.67%	2.66%
EU 11a	Overall capital requirements (%)	13.80%	13.68%	13.67%	13.67%	13.66%
12	CET1 available after meeting the total SREP own funds requirements (%)	8.53%	7.33%	7.70%	7.87%	8.06%
	Leverage ratio					
13	Total exposure measure	9,189,455	9,445,811	9,065,105	9,047,159	8,961,934
14	Leverage ratio (%)	12.47%	11.25%	11.68%	11.65%	11.62%
	Additional own funds requirements to address the risk of excessive leverage (as a percentage of total exposure measure)					
EU 14a	Additional own funds requirements to address the risk of excessive leverage (%)	-	-	-	-	-
EU 14b	of which: to be made up of CET1 capital (percentage points)	-	-	-	-	-
EU 14c	Total SREP leverage ratio requirements (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Leverage ratio buffer and overall leverage ratio requirement (as a percentage of total exposure measure)					
EU 14d	Leverage ratio buffer requirement (%)	-	-	-	-	-
EU 14e	Overall leverage ratio requirement (%)	3.00%	3.00%	3.00%	3.00%	3.00%
	Liquidity Coverage Ratio					
15	Total high-quality liquid assets (HQLA) (Weighted value -average)	1,367,042	1,342,824	1,309,550	1,241,461	1,210,203
EU 16a	Cash outflows - Total weighted value	1,337,908	1,361,297	1,354,212	1,284,656	1,201,920
EU 16b	Cash inflows - Total weighted value	957,787	1,063,360	1,122,297	1,120,927	1,037,324
16	Total net cash outflows (adjusted value)	409,273	384,586	365,382	321,164	304,914
17	Liquidity coverage ratio (%)	341.5%	356.6%	365.1%	390.0%	400.2%
	Net Stable Funding Ratio					
18	Total available stable funding	6,800,623	6,921,303	6,745,984	6,701,230	6,782,354
19	Total required stable funding	4,334,299	4,497,302	4,430,203	4,505,963	4,424,733
20	NSFR ratio (%)	156.9%	153.9%	152.3%	148.7%	153.3%

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. The Group Board of Directors, encompassing both Supervisory and Management functions, is ultimately responsible for overseeing liquidity risk management. This includes making critical decisions on liquidity risk, setting guidelines, and defining criteria related to

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

3.1 Qualitative information on LCR

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

LCR as of March 31st, 2025, calculated according to Article 451a(2) CRR, was 341.5%, which is significantly higher than regulatory prescribed minimum of 100%. Movements in LCR during 2024 were primarily driven by changes in the level of HQLA and the volume of reverse repo transactions conducted with the central bank at the subsidiaries operating in the Serbian market. These factors significantly influenced the overall LCR fluctuations. The pattern carried over Q1 2025.

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, most of the funds are in a 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 a monthly basis through the „Concentration of funding by counterparty" indicator. It allows the identification of those sources of wholesale and retail funding of such significance that their withdrawal could trigger liquidity problems (share of top 10 largest deponents in total NBS deposits). Concentration of funding by counterparty is part of additional liquidity monitoring metrics under the CRR. This way regulator can obtain a comprehensive view of bank's liquidity risk profile, proportionate to the nature, scale and complexity of its activities.

Liquidity buffer is composed of cash, central bank balance (excluding obligatory reserve) and internally defined unencumbered high quality liquid assets which can be liquidated via repo or sale without significant value loss. Other unencumbered high liquid assets are other unencumbered securities and unencumbered ECB eligible credit claims maturing beyond 1 month. There must be no legal, regulatory or operational impediments to using these assets. On Group level, high quality liquid asset (HQLA) as of March 31st, 2025, in amount of 1,367,042 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 appetite statement there is prescribed limit for LCR for all currencies (sum of all currencies). Table presented below presents the values and figures for each of the four calendar quarters: March-June in 2024, July-September in 2024, October-December in 2024 and January-March 2025. Those values and figures as the simple averages of month-end observations over the twelve months preceding the end of each quarter.

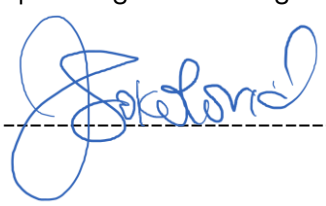
3.2 Quantitative information on LCR

Table 3_ EU LIQ1 - Quantitative information of LCR

000 EUR

		a	b	c	d	e	f	g	h
		Total unweighted value (average)				Total weighted value (average)			
EU 1a	Quarter ending on (DD Month YYY)	31.03.2025	31.12.2024	30.09.2024	30.06.2024	31.03.2025	31.12.2024	30.09.2024	30.06.2024
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)								
CASH - OUTFLOWS									
2	Retail deposits and deposits from small business customers, of which:	4,408,772	4,387,734	4,230,724	3,882,522	341,724	340,565	327,282	298,558
3	*Stable deposits*	2,993,238	2,975,662	2,875,497	2,653,738	149,662	148,783	143,775	132,687
4	*Less stable deposits*	1,392,934	1,388,735	1,332,194	1,207,521	192,062	191,781	183,507	165,871
5	Unsecured wholesale funding	1,726,892	1,779,568	1,808,289	1,760,413	718,945	741,717	759,861	740,357
6	*Operational deposits (all counterparties) and deposits in networks of cooperative banks*	-	-	-	-	-	-	-	-
7	*Non-operational deposits (all counterparties)*	1,724,142	1,776,818	1,808,289	1,760,413	716,195	738,967	759,861	740,357
8	*Unsecured debt*	2,750	2,750	-	-	2,750	2,750	-	-
9	*Secured wholesale funding*					-	-	-	-
10	Additional requirements	1,189,906	1,103,711	968,318	863,428	117,341	106,623	93,290	84,583
11	*Outflows related to derivative exposures and other collateral requirements*	7,594	4,944	4,320	4,533	7,594	4,944	4,320	4,533
12	*Outflows related to loss of funding on debt products*	-	-	-	-	-	-	-	-
13	*Credit and liquidity facilities*	1,182,312	1,098,768	963,998	858,895	109,747	101,679	88,970	80,050
14	Other contractual funding obligations	102,698	115,752	118,028	111,659	92,002	104,904	107,286	101,236
15	Other contingent funding obligations	860,520	855,331	815,544	745,603	70,452	70,068	66,550	59,962
16	TOTAL CASH OUTFLOWS					1,337,908	1,361,297	1,354,212	1,284,656
CASH - INFLOWS									
17	Secured lending (e.g. reverse repos)	374,925	435,533	520,545	587,048	374,925	435,533	520,545	587,048
18	Inflows from fully performing exposures	668,463	710,840	678,102	597,461	552,310	592,614	564,164	495,694
19	Other cash inflows	30,694	35,346	37,746	38,326	30,694	35,346	37,746	38,326
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	1,074,082	1,181,585	1,236,236	1,222,693	957,787	1,063,360	1,122,297	1,120,927
EU-20a	*Fully exempt inflows*	-	-	-	-	-	-	-	-
EU-20b	*Inflows subject to 90% cap*	-	-	-	-	-	-	-	-
EU-20c	*Inflows subject to 75% cap*	1,073,940	1,181,585	1,236,236	1,222,693	957,787	1,063,360	1,122,297	1,120,927
TOTAL ADJUSTED VALUE									
EU-21	LIQUIDITY BUFFER					1,367,042	1,342,824	1,309,550	1,241,461
22	TOTAL NET CASH OUTFLOWS					409,273	384,586	365,382	321,164
23	LIQUIDITY COVERAGE RATIO					341.5%	356.6%	365.1%	390.0%

4 ATTEST OF DISCLOSURE REPORT 31.03.2025 COMPLIANCE WITH GROUP POLICIES AND SYSTEMS AND CONTROLS

Senior management i.e., Head of Group Strategic Risk Management Function involved in Disclosure Report 31.03.2025 preparation hereby attest that disclosures required by EBA CRR are made in accordance with the Group policies and internal processes, systems, and controls.

Head of Group Strategic Risk Management Function: