

Annual report 2025

Gorenjska banka d. d., Kranj and
the Gorenjska banka Kranj Group



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Definitions and Glossary

Bank	Gorenjska banka d.d., Kranj
CAR	Capital adequacy ratio
CAEIR	Credit-adjusted effective interest rate applied on initial recognition
CB	Central Bank
CCF	Credit conversion factor
CET1	Common Equity Tier 1
CoR	Cost of risk
CRM	Customer relationship management
EAD	Exposure at default
ECB	European Central Bank
ESG	Environmental, social and governance
FVTOCI	Fair value through other comprehensive income
FVTPL	Fair value through profit or loss
GDP	Gross domestic product
Group	Gorenjska banka Kranj Group
IFRS	International accounting standard
ICAAP	Internal Capital Adequacy Assessment Process
ILAAP	Internal liquidity adequacy assessment process
IVS	International Valuation Standards
LCR	Liquidity Coverage Ratio
LGD	Loss given default
LTD	Loan to deposit
LTV	Loan to value
MREL	Minimum requirement for own funds and eligible liabilities
NPE	Non-performing exposures
NPL	Non-performing loans
NSFR	Net stable funding ratio
OCI	Other comprehensive income
PD	Probability of default
PELTRO	Pandemic emergency longer-term refinancing operation
POCI	Purchased or originated credit-impaired financial assets
RUS	Right-of-use assets
SME	Small and medium enterprises
SPPI	Solely payments of principal and interest on the principal amount outstanding
TLTRO	Targeted longer-term refinancing operation



Management report



Key Financial Data

in thousands of EUR

	Bank			Group ¹		
	2025	2024	2023	2025	2024	2023
STATEMENT OF FINANCIAL POSITION, as at 31 December						
Total assets	2,760,677	2,528,704	2,435,107	2,764,741	2,534,920	2,441,636
Total deposits from the non-banking sector, amortised cost:	2,186,564	2,008,715	1,948,781	2,185,283	2,007,953	1,947,819
> corporates and other entities engaged in the activity	670,712	555,787	561,793	669,431	555,025	560,831
> individual clients	1,515,852	1,452,928	1,386,988	1,515,852	1,452,928	1,386,988
Total amount of loans to the non-banking sector:	1,930,478	1,690,338	1,594,066	1,918,399	1,677,790	1,581,891
> corporates and other entities engaged in the activity	1,131,944	1,010,070	984,485	1,119,865	997,521	972,310
> individual clients	798,534	680,268	609,582	798,534	680,268	609,582
Total equity	312,346	295,742	283,499	313,029	298,111	285,727
Value adjustments and provisions for credit losses	(31,573)	(33,570)	(28,615)	(31,590)	(33,771)	(28,606)
Total off-balance sheet operations	795,608	693,608	544,472	786,667	685,157	542,721
INCOME STATEMENT						
Net interest income	76,275	89,799	89,781	75,770	89,446	89,672
Net non-interest income	30,478	27,046	22,901	37,375	32,796	27,511
Net revenue	134,753	144,647	127,296	143,207	150,059	132,531
Labour costs, general and administrative costs	(61,738)	(57,348)	(46,937)	(62,809)	(58,401)	(47,791)
Depreciation	(2,896)	(2,404)	(2,811)	(7,723)	(6,374)	(5,902)
Impairment and provisioning	1,805	(5,161)	(5,107)	1,775	(5,400)	(5,155)
Profit before income tax	43,923	51,931	57,828	44,388	52,068	58,334
Tax related to profit/loss	(1,420)	(5,650)	(7,433)	(1,509)	(5,653)	(7,493)
STATEMENT OF COMPREHENSIVE INCOME						
Other comprehensive income before tax	3,051	1,168	1,587	3,060	1,176	1,587
Tax related to other comprehensive income before tax	(669)	(204)	(281)	(669)	(204)	(281)
NUMBER OF BRANCHES, as at 31 December	18	20	20	23	25	20
NUMBER OF EMPLOYEES, as at 31 December	437	440	417	535	537	506
SHARES						
Number of shareholders	2	2	2	2	2	2
Number of shares	387,938	387,938	387,938	387,938	387,938	387,938
Nominal share value or an amount belonging to non-par						
> share in registered capital (in EUR)	42	42	42	42	42	42
Book value per non-par share (in EUR) ²	878	831	797	880	838	803

RATIOS (in %), transitional arrangements in accordance with the applicable acts of the European Union have not been applied:	Bank			Group ¹		
	2025	2024	2023	2025	2024	2023
Capital:						
> CET1 Capital ratio	14.08	15.55*	15.36	14.10	15.54*	15.29
> T1 Capital ratio	14.08	15.55*	15.36	14.10	15.54*	15.29
> Total Capital ratio	17.30	18.52*	18.52	17.33	18.50*	18.43
Assets quality:						
> Non-performing exposures / exposures classified	1.45	1.45	1.24	1.46	1.46	1.25
> NPL and other financial assets / loans and other financial assets classified (without CB and B) ³	2.41	2.58	2.03	2.41	2.58	2.03
> NPL and other financial assets / loans and other financial assets classified (with CB and B) ³	2.04	2.14	1.69	2.05	2.16	1.70
> Value adjustments for credit losses / NPL and other financial assets (without CB and B) ³	33.29	36.61	32.50	33.29	36.61	32.50
> Value adjustments for credit losses / NPL and other financial assets (with CB in B) ³	33.29	36.61	32.50	33.29	36.61	32.50
> Insurance received / NPL and other financial assets	45.18	59.62	58.16	45.18	59.62	58.16
Profitability:						
> Interest margin (net interest income to total assets)	2.91	3.66	3.90	2.89	3.64	3.89
> Financial mediation margin (net interest income and net non-interest income to total assets)	4.08	4.77	4.89	4.32	4.98	5.08
> Return on assets – before tax	1.68	2.12	2.51	1.69	2.12	2.53
> Return on assets – after tax	1.62	1.89	2.19	1.64	1.89	2.20
> Return on equity – before tax	14.88	18.62	21.56	15.02	18.59	21.66
> Return on equity – after tax	14.40	16.60	18.79	14.51	16.57	18.88
Operational costs:						
> Operational costs / average assets	2.47	2.44	2.16	2.69	2.64	2.33
> Operational costs / income	60.55	51.14	44.15	62.34	52.99	45.82
Liquidity and leverage:						
> Liquidity coverage ratio	211.71	268.74	229.55	213.09	267.26	229.55
> Net stable funding ratio	139.28	146.94*	145.35	138.07	145.49*	144.38
> Leverage ratio	8.65	9.78*	8.92	8.64	9.78*	8.91

¹ The capital, liquidity and leverage ratios for the Group are calculated on the basis of prudential consolidation.

² In the calculation of the book value per non-par share, treasury shares are not considered.

³ CB in B = balances on accounts with central banks and demand deposits with banks.

* Data adjustment for the year 2024 due to the inclusion of profit in regulatory capital as of 31/12/2024 – resolution of the General Meeting on 17/3/2025.

Report of the President of the Management Board of Gorenjska banka d.d., Kranj



The year 2025 was marked by stable operations and strengthening of trust in Gorenjska Banka. On our 70th anniversary, we introduced a new visual identity reflecting our evolution into a modern, digital, and customer-oriented bank.

Dear Stakeholders,

the year 2025 marked significant progress, stable operations and the further strengthening of trust among our customers and other stakeholders. In a dynamic financial market environment, we remained focused on meeting customer needs, advancing digital development and maintaining responsible business practices, while consistently pursuing our strategic objectives. The results achieved reflect our commitment to creating long-term value, promoting sustainable development and supporting the communities in which we operate.

2025 also held a symbolic significance for our Bank, as we celebrated our 70th anniversary. On this important milestone, we opened a new chapter by introducing our renewed visual identity that symbolises our evolution into a modern, digital and customer-centric bank. The new visual identity represents an important milestone on Gorenjska banka's strategic journey. It places innovation, digital solutions and an excellent customer experience at the forefront, while preserving the strength of tradition and decades of trust. Elements of the new visual identity will be gradually introduced and updated across all touchpoints with our customers and other stakeholders.

In 2025, we further strengthened our role as a reliable partner to customers, the economy and the wider community. We achieved above-average growth in financing retail customers, as well as small and medium-sized enterprises, and enhanced our position in the leasing segment through the expansion of our product offering and business development. We maintained and reinforced our leading position in factoring and project finance, where our expertise and tailored solutions make a significant contribution to the development of the Slovenian economy.

We continued the intensive digital transformation of the Bank. We upgraded our digital banking channels for both retail and corporate clients, enabling simpler and more modern ways of banking and payments. We optimised business processes and increased the level of automation, resulting in faster, more efficient and higher-quality services.

A major milestone in 2025 was the strengthening of the Bank's capital structure. In October, we successfully issued EUR 60 million of subordinated bonds on the international market. The successful international issuance confirms strong confidence among institutional investors in Gorenjska banka's long-term strategy, business growth and development. In 2025, the credit rating agency S&P Global Ratings reaffirmed Gorenjska banka's financial strength rating and issuer credit rating of "BB+" with a stable medium-term outlook.

In 2025, we continued the renovation of our branch network. This project is part of our long-term strategy to enhance customer experience and create modern and stimulating working conditions for employees. With refurbished branches in Ljubljana, Kranj and Škofja Loka, we have created a comfortable, modern and energy-efficient banking environment, clearly demonstrating our commitment to service quality and responsible operations. We are proud that the renovated branch in Škofja Loka has also been nominated for the prestigious European Union Prize for Contemporary Architecture – the Mies van der Rohe Award (EUnies 2026), which recognises and promotes the best architectural achievements in Europe.

Sustainable development and social responsibility remain key guiding principles of our operations. We once again obtained the Green Star certificate with four stars and retained the advanced Socially Responsible Employer certificate, confirming our long-term commitment to environmental, social and governance (ESG) standards.

In 2025, we continued to promote financial literacy among our customers and supported them in acquiring knowledge in the areas of financial management and digital banking. For the second consecutive year, we successfully implemented the donation project "Srce za velike zgodbe", through which we allocated donor funds to more than thirty projects supporting initiatives that improve the quality of life in local communities, foster inclusion and promote a responsible attitude towards the environment and society.

At the end of the year, we traditionally carried out corporate volunteering initiatives, within which we supported humanitarian associations and organisations selected by employees through donation funds. Employees also contributed personally to these initiatives by dedicating their time and good deeds.

Gorenjska banka remains a strong and responsible partner to its employees. We recognise that a strong organisational culture is key to the Bank's long-term success; therefore, we systematically invest in its development, employee education and talent development. We care for employee well-being, encourage work-life balance and implement activities aimed at strengthening employee resilience.

Our operations continue to be guided by the core values of responsibility, trust, excellence, commitment and innovation, through which we build long-term partnerships and sustainably create value for all stakeholders.

I would like to extend my sincere thanks to our employees, customers, shareholders and partners for their trust, cooperation and support.

Mario Henjak

President of the Management Board



Report of the Supervisory Board of Gorenjska banka d.d., Kranj

The Supervisory Board Structure in 2025

At the end of 2025, the Supervisory Board of Gorenjska banka d.d., Kranj operated with seven members: President Mrs Jelena Galić, Deputy President Mr Jurij Bajec, and members Mr Bojan Pavlović, Mr Tim Umberger, Mr Aleksander Milostnik, Mrs Aleksandra Babić and Mrs Ana Živanović.

In 2025, four committees operated in order to ensure more detailed and in-depth supervision over individual business areas: the Audit Committee, the Risk Monitoring Committee, the Nomination Committee and the Remuneration Committee, all of which have, in accordance with their authorities, been preparing professional bases and resolution proposals for the Supervisory Board.

In 2025, the Audit Committee had seven regular sessions and one correspondence meeting, the Risk Monitoring Committee had six regular sessions, the Nomination Committee had six regular sessions and one correspondence meeting, and the Remuneration Committee had four regular sessions and one correspondence session.

Overview of Supervisory Board Activities in 2025

In 2025, the Supervisory Board held seven regular sessions and nine correspondence sessions. It monitored and supervised the Bank's operations and the Management Board's work in line with the powers, competences and duties laid down in Slovenian and European legislation and in internal acts of Gorenjska banka d.d., Kranj. The Bank's Management Board informed the members of the Supervisory Board in due time, consistently and accurately about the results achieved and of all events related to the Bank's operation, strategy and risk management.

The Supervisory Board of Gorenjska banka d.d., Kranj actively participated in control over the operations of the Management Board and of the Bank. Based on our know-how and understanding of the business, of the financial data of the Bank, and of the goals, strategies and policies

of the Bank, and by considering the regulations and requirements of the Bank of Slovenia, the Supervisory Board discussed, reviewed and adopted regular reports and documents that were submitted for discussion.

The business plan of Gorenjska banka for the 2026-2028 period was adopted in 2025. Moreover, in 2025, the Risk Management Strategy, the Risk Appetite Statement and a framework for determining risk appetite were adopted. Gorenjska banka is a step closer to fully realising its growth potential, supported by a suitable infrastructure and investments in successful, sustainable operations.

With the desire to pursue more modern forms of operation and to achieve high levels of competitiveness, the Bank further improved its processes and their automation.

The Supervisory Board also adopted the audited Annual Report of the Bank and of the Group for 2024, as well as the reports of the authorised auditor, the quarterly reports of the internal audit and risk, and the quarterly compliance reports. It familiarised itself with and consented to transactions that present high exposure or transactions with related persons, and transactions with persons in a special relationship with the Bank, and it also performed a self-assessment of the work and efficiency of the Supervisory Board. The main priority of the Supervisory Board was the monitoring of the regular reports on the Bank's operations and risk management.

The Supervisory Board carried out a review of the ICAAP and ILAAP. Based on the technical standards set by the Bank of Slovenia, the Bank appropriately reported on the performance of the ICAAP and ILAAP, considering individual EBA guidelines. In 2025, Gorenjska banka continued with ICAAP and ILAAP implementation on the basis of the consolidated position of its parent holding, Agri Europe Cyprus. The Supervisory Board is aware of the importance of respecting ICAAP and ILAAP reporting, which is why it will continue to make its processes compliant with all the requirements of the regulator. The Supervisory Board also placed a strong emphasis on the monitoring and oversight of the process for implementing environmental and climate risks, as well as on monitoring the preparation and audit (review) of the sustainability report of Gorenjska bank.

In 2025, the Supervisory Board reviewed and adopted key internal acts and policies in the areas of corporate governance, compliance and the human resources framework. Among others, a new version of the Code of Business Ethics, the Conflict of Interest Management Policy, the Remuneration Policy, and the Internal Governance Policy were approved, and existing Supervisory Board consents for the conclusion of individual transactions exceeding 10% of the share capital were also reviewed. Furthermore, the Policy on the Assessment of the Suitability of Members of the Management Body and Key Function Holders, the Diversity Policy and the Non-Discrimination Policy were adopted, while the Investment Policy and the Methodology for the Creation and Valuation of Collateral were updated. The Supervisory Board carried out the regular annual self-assessment of the performance and composition of the Management Board and the Supervisory Board, and monitored the implementation of environmental risks.

In addition, the Supervisory Board considered and approved important strategic and regulatory matters related to risk management, resilience and supervisory review processes. The Risk Appetite Statement (RAS) was approved, and the Supervisory Board also confirmed the training programme for members of the GBK Supervisory Board. The Supervisory Board of Banka d.d., Kranj was informed of the work programme in the area of resolution, as well as quarterly reports and information on ongoing resolution-related activities of GB. Activities related to the annual Supervisory Review and Evaluation Process (SREP), DORA and the recovery plan were carried out, alongside the regular review of quarterly reports of internal control functions, the adoption of the annual report, and the acknowledgement of GB disclosures for the 2024 financial year. Furthermore, the Supervisory Board adopted the ICT Risk Strategy and the BCM Strategy, within which it also considered the proposal to adopt the Business Continuity Plan and the new Crisis Management Plan, the proposal to adopt the Disaster Recovery Plan (DRP), the ICT Risk Management Policy, and the Business Continuity Policy.

The Supervisory Board monitored the work of the Internal Audit Department on the basis of quarterly reports. Based on the internal audit report for 2025, it found that the Service acted independently and in line with the adopted programme of work and the internal audit rules of procedure. Within the framework of its tasks, the Supervisory Board gave its consent to the GBKR 2025 recovery plan on the consolidated level of the AIK financial holding.

In 2025, the Supervisory Board devoted significant attention to monitoring the Bank's operations in an environment of moderate domestic economic activity and uneven global growth, amid heightened uncertainty regarding trade policies and persistent geopolitical risks. Against a backdrop of gradually easing inflationary pressures and the continued easing of monetary policy, including further reductions in key interest rates, the Supervisory Board assessed the implications for the net interest margin, valuations, financing demand and the cost of risk. Oversight remained focused on maintaining a stable risk profile, particularly in the management of credit, interest rate and liquidity risks, ensuring an adequate capital position, and strengthening operational and cyber resilience, while also further embedding environmental and climate risks into the Bank's risk management processes. Despite the volatile conditions, the Bank continued to execute its business strategy, achieving balanced portfolio growth while maintaining a conservative approach to risk-taking.

The sessions were held undisturbed and in line with the annual plan.

Within the framework of their tasks, the members of the Supervisory Board assessed their work and efficiency. Based on the range of successful activities inspected, on the implementation of guidelines for the work of the Supervisory Board, and on the self-assessment process, the Supervisory Board of Gorenjska banka d.d. considered that the work of the Supervisory Board was carried out professionally and productively, and that there were no discrepancies from best practice. The work of the Supervisory Board in individual areas has been, and will continue to be, at an optimal or higher quality level in accordance with the criteria set.

Cooperation and communication between the Supervisory Board and the Management Board of the Bank were on the highest professional level, by pursuing the goal of having the best possible operating results in Gorenjska banka d.d., Kranj. The Supervisory Board gave its constructive opinions, efficiently monitored the decisions of the Management Board and effectively realised its role in adopting the policies and decisions in the framework of its powers.

The Operation of Gorenjska banka in 2025

In 2025, the uncertain geopolitical and security conditions continued globally, while the Slovenian economic environment faced additional pressure from changing regulations and tax burdens. This was reflected in a slowdown in GDP growth, which, according to the initial estimates, stood at 1.1%, the lowest level since 2020.

The reduction of key interest rates in the euro area came to a halt in mid-2025. The Bank successfully managed and mitigated the aforementioned factors and risks. The net interest income was 15.1 percent lower than the previous year, amounting to €76.3 million (2024: €89.8 million). The net non-interest income was 12.7 percent higher, totalling €30.5 million (2024: €27.0 million). The bank generated higher income primarily from fee and commission revenues.

The total operating expenses amounted to EUR 64.6 million, representing an increase of 8.2% compared to 2024. Cost efficiency, measured by the cost-to-income ratio, stood at 60.5% and increased compared to the previous year.

The Bank is currently in an extensive investment cycle, investing in digitalisation, information security and business process optimisation, thereby enhancing its competitiveness and reducing risks associated with digital operations.

In 2025, the Bank generated a profit before impairments and taxes in the amount of EUR 42.1 million. Considering the net allocated impairments and provisions in the amount of EUR 1.8 million and tax, the Bank realised a net profit of EUR 42.5 million. The return on equity after tax was 14.4 %.

Net interest income

76.3

in EUR million

Net profit

42.5

in EUR million

Non-interest income

30.5

in EUR million

12.7% ↑

At the end of 2025, the Bank's capital adequacy amounted to 17.30 %, and decreased by 1.22 percentage points compared to 2024.

Information on the Approval and Adoption of the 2025 Annual Report

The Bank's Management submitted the 2025 Annual Report to the Audit Committee, which gave a positive opinion thereon. The Management Board submitted the audited 2025 Annual Report to the Supervisory Board for verification within the statutory deadline, along with the audited financial statements of the Bank and Group and the certified auditor's reports prepared by the audit firm BDO Revizija d.o.o.

Based on the performed audit of the non-consolidated financial statements of Gorenjska banka d.d., Kranj (the Bank) and the consolidated financial statements of Gorenjska banka d.d., Kranj and its subsidiaries (the Group) as of 31 December 2025, which include the balance sheet, income statement, statement of comprehensive income, statement of changes in equity, cash flow statement and a summary of the significant accounting policies and other

notes, the auditing firm issued opinions (separately for the non-consolidated and consolidated statements) stating that the financial statements presented a true and fair view of the financial standings of the Bank and Group as of 31 December 2025, as well as their profit or loss and cash flows for the then-finished year pursuant to the international financial reporting standards as adopted by the EU. The reports made by the auditing firm also include a positive opinion on the compliance of indications in the business report with the audited financial statements.

The Supervisory Board believes that the Bank's Management and Supervisory Boards met all the legal requirements in the 2025 financial year.

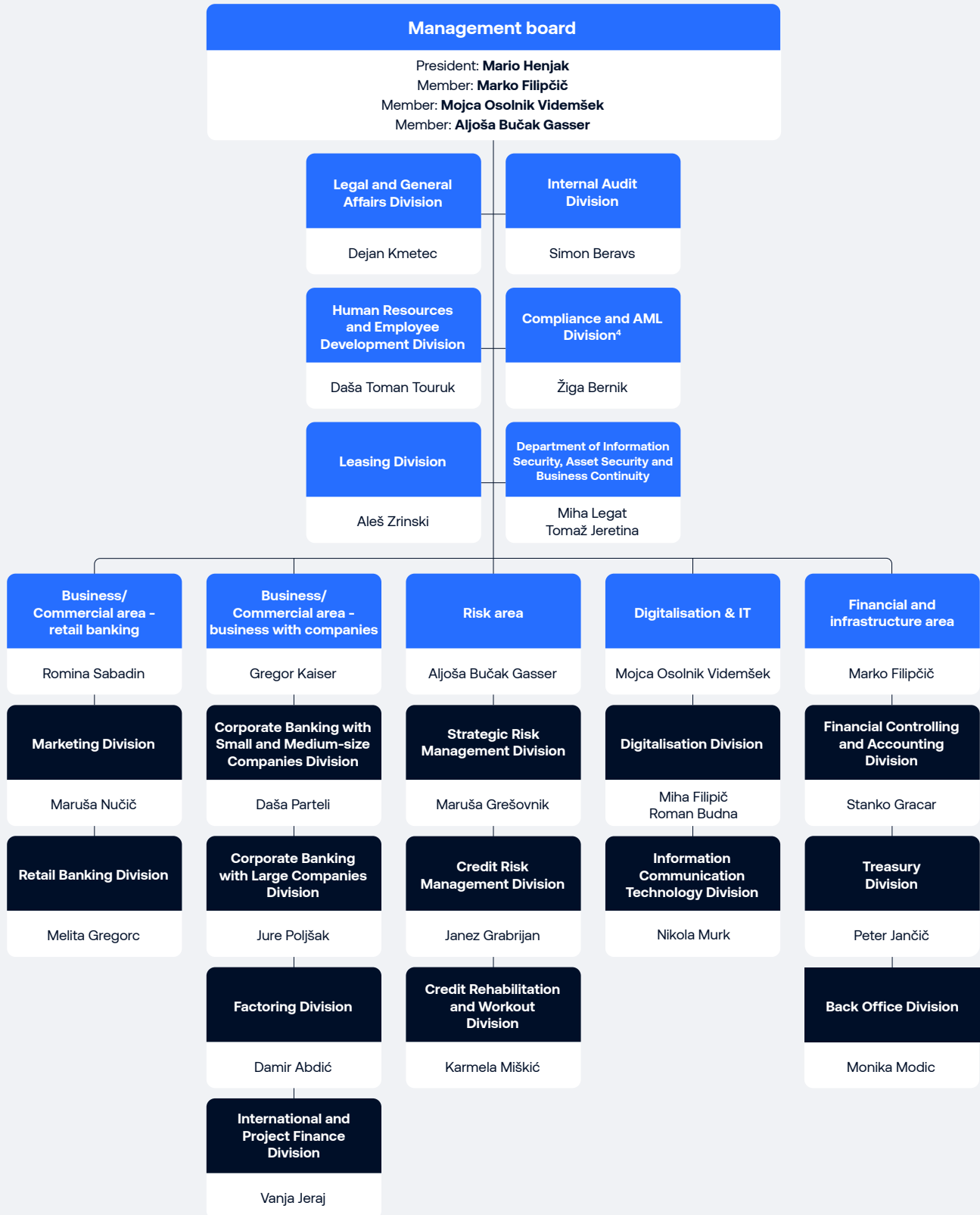
Based on the above, the Supervisory Board approved and adopted the Annual Report of Gorenjska banka d.d., Kranj and the Gorenjska banka Kranj Group for 2025, and adopted and agreed with the reports of the certified auditor for the 2025 financial year.

Jelena Galić

Supervisory Board Chairwoman



Organisational Chart of the Bank



4 Compliance and AML Division = Compliance and Anti-Money-Laundering Division.

Organisational Chart of the Group

Gorenjska banka d.d., Kranj

100%

**Imobilia-GBK, d.o.o.,
Kranj**

Subsidiaries

100%

**GB Leasing, d.o.o.,
Ljubljana**

Subsidiaries

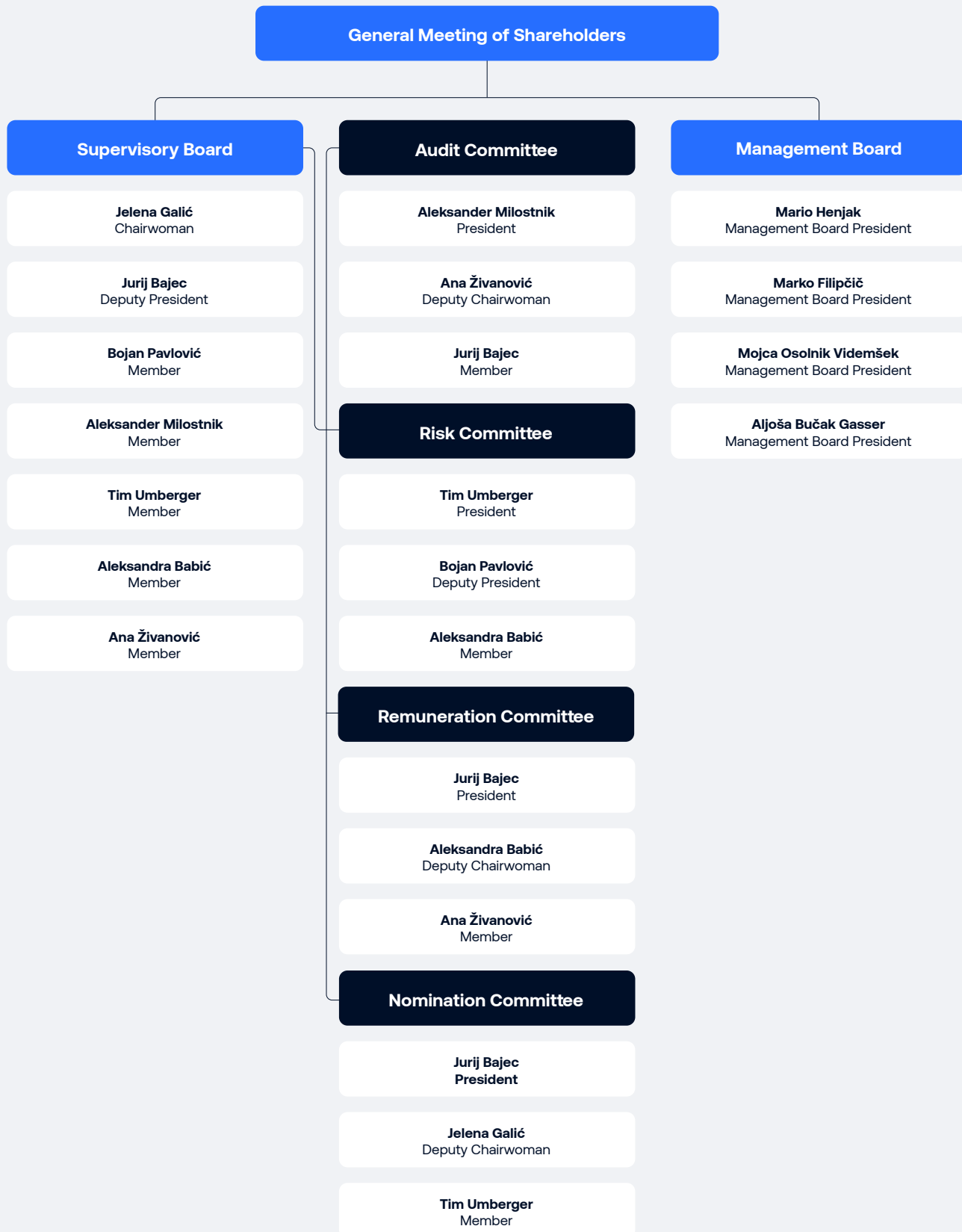
100%

**Filira, poslovne storitve,
d.o.o., Ljubljana**

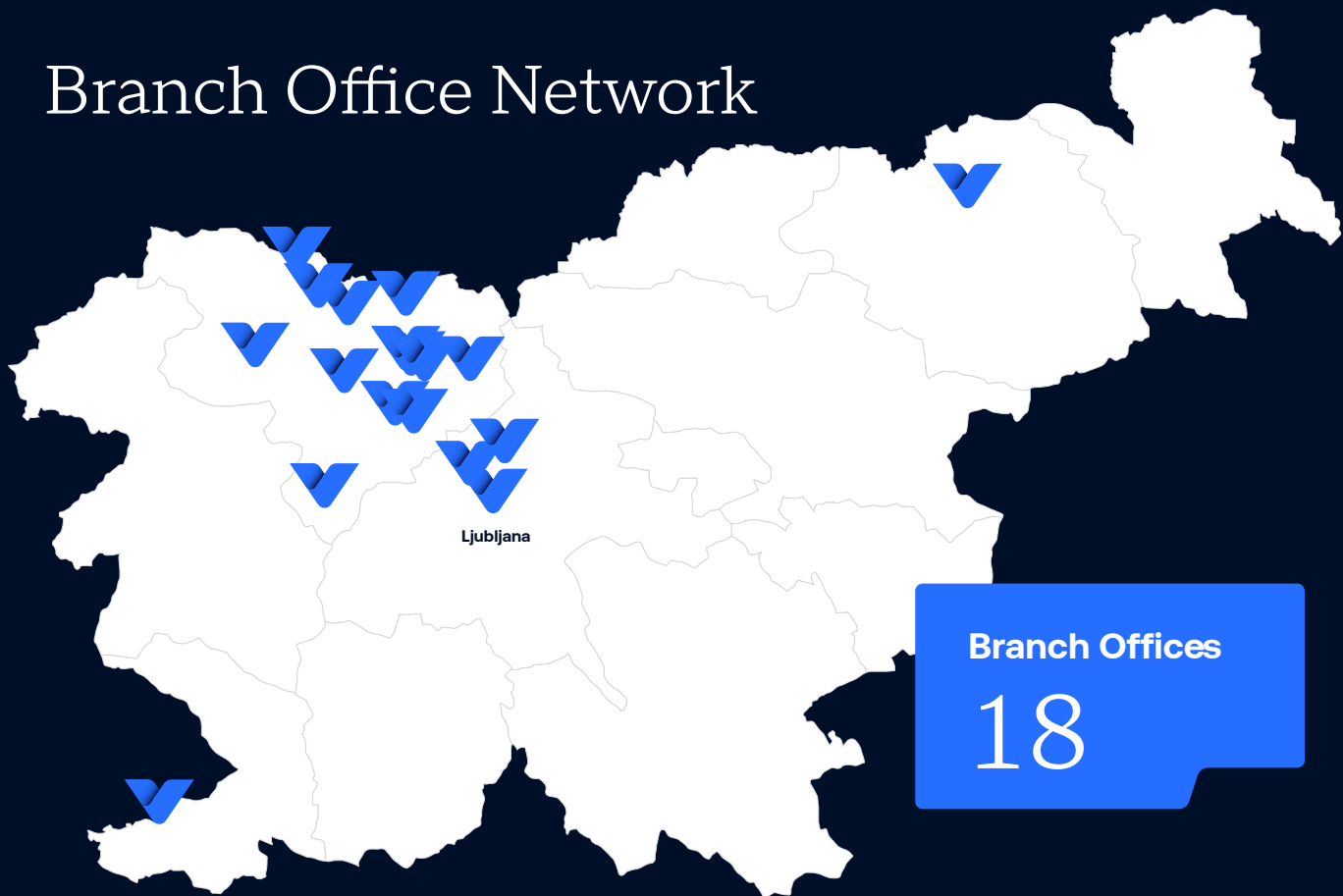
Subsidiaries



Top Management Structure



Branch Office Network



Branch Office Kranj

Bleivsisova cesta 1, Kranj
> +386 4 208 41 01

Branch Office Bled

Kajuhova cesta 1, Bled
> +386 4 208 46 76

Branch Office Škofja Loka

Kapucinski trg 7, Škofja Loka
> +386 4 208 41 47

Branch Office Primskovo

Cesta Staneta Žagarja 69, Kranj
> +386 4 208 45 16

Branch Office Bohinjska Bistrica

Trg svobode 2b, Bohinjska Bistrica
> +386 4 208 46 83

Branch Office Grenc

Grenc 54, Škofja Loka
> +386 4 208 41 81

Branch Office Šenčur

Kranjska cesta 4, Šenčur
> +386 4 208 45 07

Branch Office Jesenice

Cesta maršala Tita 8, Jesenice
> +386 4 208 46 08

Branch Office Železniki

Na Kresu 26, Železniki
> +386 4 208 41 63

Branch Office Cerklje

Trg Davorina Jenka 13, Cerklje
> +386 4 208 45 10

Branch Office Ljubljana – Dunajska vertikala

Dunajska cesta 152, Ljubljana
> +386 4 208 45 55

Branch Office Žiri

Trg svobode 1, Žiri
> +386 4 208 41 65

Branch Office Tržič

Trg svobode 1, Tržič
> +386 4 208 45 28

Branch Office Ljubljana – Center

Dalmatinova ulica 4, Ljubljana
> +386 4 208 45 45

Branch Office Koper

Cesta Zore Perello – Godina 2, Koper
> +386 4 208 45 01

Branch Office Radovljica

Gorenjska cesta 16, Radovljica
> +386 4 208 46 57

Branch Office Ljubljana – Šiška

Celovška cesta 268, Ljubljana
> +386 4 208 45 52

Branch Office Maribor

Ulica kneza Koclja 22, Maribor
> +386 4 208 45 04

Ratings

S&P Global Ratings

Long-Term Issuer Default Rating

BB+

Outlook

Stable

The Economic Environment and the Banking Sector

2025 was a year of modest euro area economic growth, weak demand, record high employment and gradually moderating inflation, with the ECB normalising monetary policy. Against this background, the banking system in Slovenia maintained positive dynamics in 2025 and remained stable.

Macro Environment

Global economic growth, driven largely by the services sector, is expected to reach 3.3% in 2025 and to slightly slow to 3.2% in 2026. Despite persistent uncertainties related to trade policy, the risks have eased compared to the previous period, mainly due to agreements concluded between the United States and its key trading partners.

Moderate but stable economic growth continued in the euro area in 2025. According to preliminary estimates, growth in 2025 reached 1.5%, and is expected to slow slightly to 1.2% in 2026. Economic activity was primarily supported by the strengthening of household purchasing power, a gradual reduction in uncertainty, and increased public spending, particularly in defence and infrastructure projects.

Similar trends were observed in the Slovenian economy. Economic growth in 2025 was relatively weak, lower than previous forecasts and below the euro area average. According to the initial estimates from the Statistical Office, growth in 2025 stood at 1.1%.

Despite robust domestic and government demand, economic activity was constrained by weaker export dynamics and delayed corporate investment activity, particularly in the first half of the year. Growth is expected to gradually strengthen in the coming years; in 2026, it is projected at around 2% according to Bank of Slovenia forecasts, supported largely by government spending, and from 2027 onwards, growth is expected to become more balanced and sustainable in the long term.

The stable outlooks and confidence in the resilience of the Slovenian economy were also reflected internationally. Credit rating agencies upgraded Slovenia's sovereign rating, confirming the expectations of moderate but stable growth over the next two years.

Inflation in Slovenia remained elevated in 2025, above the euro area average. With the gradual moderation of wage growth and a simultaneous increase in productivity, it is expected to decline towards the 2% target in the coming years. The labour market remains tight, unemployment remains below the long-term average, and wage growth is still relatively high. Similar trends are expected to continue.

Monetary policy in the euro area in 2025 was focused on gradually easing restrictive conditions. The European Central Bank (ECB) reduced all three key interest rates at four meetings in the first half of the year and kept them unchanged in the second half. As a result, the deposit rate stood at 2.00% at the end of the year, contributing to the stabilisation of financial conditions and supporting economic activity.

Forecasts of Key Macroeconomic Indicators in Slovenia

	2024	2025	2026	2027
Gross Domestic Product (GDP; real growth in %)	1.7	(N) 1.0	(N) 2.2	(N) 2.4
Private consumption (v %)	3.8	(N) 1.5	(N) 3.0	(N) 2.5
Labour productivity (GDP per employee; in %)	1.3	(N) 1.5	(N) 2.0	(N) 1.9
Net exports (contribution to real GDP growth; in %)	(1.3)	(N) (0.7)	(N) (0.7)	(N) 0.6
Unemployment rate (survey-based; in %)	3.7	(N) 3.7	(N) 3.6	(N) 3.5
Inflation rate (HICP, annual average; in %)	2.0	(N) 2.5	(N) 2.3	(N) 2.2
Current account (as % of GDP)	4.5	(N) 4.4	(N) 4.1	(N) 4.6

(N) - forecast

Source: Bank of Slovenia, forecasts of macroeconomic trends in Slovenia, December 2025

Banking System

The banking system maintained positive momentum in 2025 and remained robust and stable.

Despite numerous uncertainties, the Slovenian banking system operated successfully in 2025. The overall level of risks to financial stability in Slovenia remained low, while the resilience to various risks was high and stable. Key performance indicators remained favourable throughout the year, despite uncertainties stemming predominantly from the external international environment.

Slovenian banks remained highly liquid and systemically stable in 2025. Deposits from the non-bank sector continued to be a stable source of funding for Slovenian banks, with household deposits representing the most important source. The share of deposits increased in 2025, mainly from households, while deposits from non-financial corporations also grew due to uncertain international conditions. The proportion of demand deposits in Slovenian banks remained well above the long-term average and higher than in the euro area.

Lending activity by Slovenian banks remained solid in 2025. Banks expanded lending to households, with growth in both mortgage and consumer loans. The main drivers of the increased demand for housing loans were lower interest rates, favourable prospects in the housing market, and, to a lesser extent, higher consumer confidence. Lending to non-financial corporations remained weak, although it strengthened slightly in 2025.

The capital resilience of the banking system remained high in 2025, supported by favourable solvency and profitability indicators, with stable prospects. Slovenian banks operated profitably, maintaining the return on capital above the long-term average. Return on equity in Slovenia remained high and above the euro area average.

The banking system's favourable solvency was maintained in 2025, confirming its high resilience and stability. The total capital adequacy ratio reached 19.6% at the end of the third quarter, while the CET1 ratio stood at 17.5%.

The banking system is expected to remain stable in 2026 and continue supporting the Slovenian economy.

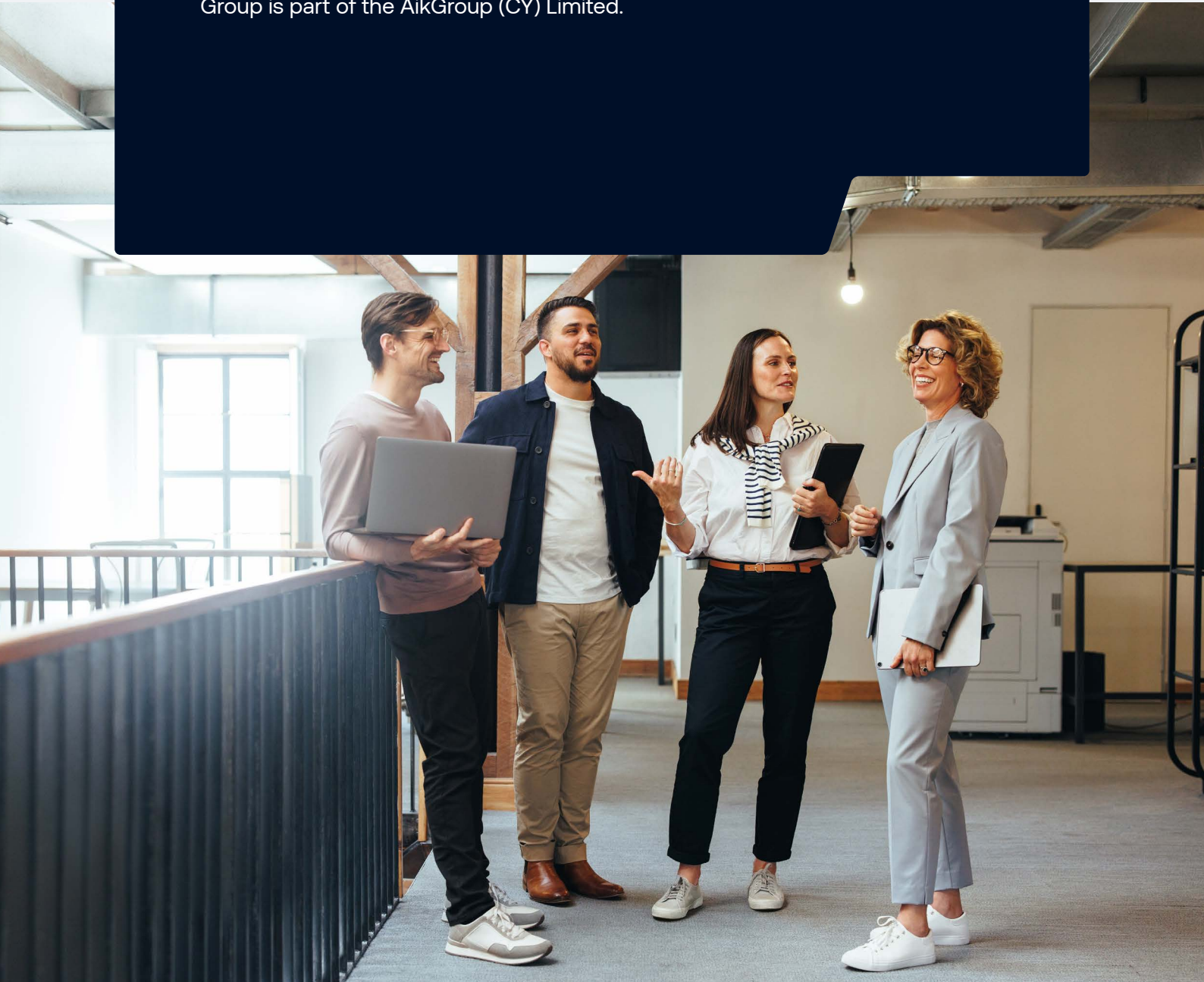
Despite challenging international conditions and ongoing uncertainties regarding future prospects, the banking environment in Europe and Slovenia is expected to remain stable in 2026. With a neutral and predictable monetary policy by the European Central Bank and the anticipated stable and gradual strengthening of economic activity in Slovenia amid a still-tight labour market, the resilience of the banking system is expected to remain high. Such an environment will support the liquidity and solvency of banks, which are expected to remain above the long-term average, allowing banks to adequately mitigate potential external shocks. The quality of banking assets is expected to remain stable, and credit risk management will continue to be a key focus of the banks' business policies. Interest rates, expected to remain stable and relatively low in 2026, will favourably affect profitability and enhance the predictability of banking system operations. This environment will support bank lending activity, particularly to households and businesses, contributing to further support for economic growth.

About the Gorenjska banka Group

> Composition of the Group

The Gorenjska banka Group (hereinafter “Group”) includes Gorenjska banka d.d., Kranj and its subsidiaries: Imobilia-GBK d.o.o., Kranj, GB Leasing d.o.o., Ljubljana, and Filira, poslovne storitve d.o.o., Ljubljana.

Pursuant to the provisions of the IFRS 10, Gorenjska banka d.d., Kranj has a controlling company, namely AikGroup (CY) Limited, and the Gorenjska banka Group is part of the AikGroup (CY) Limited.



Organisational structure of Gorenjska banka Group as at 31 December 2025

Imobilia-GBK, d.o.o., Kranj

Equity holdings

100%

(in %)

Nominal amounts

4,589

(in thousands of EUR)

GB Leasing, d.o.o., Ljubljana

Equity holdings

100%

(in %)

Nominal amounts

3,800

(in thousands of EUR)

Filira, poslovne storitve, d.o.o., Ljubljana

Equity holdings

100%

(in %)

Nominal amounts

8

(in thousands of EUR)

Presentation of the Bank

Gorenjska banka d.d., Kranj (hereinafter: “Bank”) is an independent public limited company with its head office in Kranj at the address Bleiweisova cesta 1 (registration number: 5103061000, tax number SI42780071, share capital EUR 16,188,366.33).

The Bank’s roots stretch back to the 19th century, when the first seeds of organised banking were formed in the Gorenjska region. On 25/05/1955, the first municipal bank in the Gorenjska region was formed in Kranj, followed by a bank in Škofja Loka and banks in Radovljica, Tržič and Bled the year after. Eventually, a joint bank was formed and joined the Ljubljanska banka system in 1972, first as a subsidiary and later, as of 27/12/1989, as a limited company within the system of the sister banks of Ljubljanska banka with capital links with one another.

In 1994, the separation process from the Ljubljanska banka system was initiated, namely with the purchase of shares that Nova Ljubljanska banka d.d., Ljubljana had in Gorenjska banka d.d., Kranj. The process was concluded in 1996, when the bank cancelled the shares.

Gorenjska banka d.d., Kranj has the authorisation to perform banking services as per Article 5 of the Banking Act (Official Gazette of RS No. 29/21, with Amendments; hereinafter: ZBan-3). Banking services are services of accepting deposits and other repayable funds from the general public, as well as granting credits on its own account.

The Bank has authorisation to perform mutually-recognised and additional financial services.

The Bank may perform the following mutually-recognised financial services, pursuant to Article 5 of the ZBan-3:

1. Receiving deposits and other repayable funds;
2. Granting of loans, including: consumer loans, mortgage loans, the purchase of receivables with or without recourse (factoring), financing of commercial transactions, including export financing based on the purchase of non-current non-past-due receivables at a discount and without recourse, secured by financial instruments (forfeiting);
3. Financial leasing;
4. Payment services;
5. Issuance and management of other payment instruments (i.e. travellers’ cheques and bankers’ drafts) to the extent this service is not included in the service of point 4;
6. Issuing of guarantees and other commitments;
7. Trading for its own account or for the account of customers in foreign exchange, including exchange transactions; trading for its own account in money market instruments, financial futures and options, exchange and interest rate instruments, and transferable securities;
8. Other services related to the safekeeping of securities;
9. Renting out safe deposit boxes.

The Bank may also carry out additional financial services as per Article 6 of the ZBan-3, which include the sale of insurance policies as per the law governing the insurance market and the marketing units of investment funds.

In the period for which the respective business report has been drafted, the Bank performed the banking services and additional financial services for which it has received authorisation from the Bank of Slovenia.



Presentation of Subsidiaries

Imobilia-GBK, d.o.o., Kranj

Gorenjska banka d.d., Kranj holds a 100% stake in this subsidiary company. Imobilia-GBK, promet z nepremičninami in hipotekarnimi posli d.o.o., Kranj, with its head office in Kranj at Koroška cesta 4. The core business of Imobilia-GBK is the management of the real estate portfolio and the execution of market procedures for the brokerage of the founder's real estate on the basis of a Cooperation Agreement.

Imobilia-GBK manages its own investment property, investment property owned by the Bank, and real estate used by the Bank in which the Bank performs operations and that constitutes its fixed assets. It also provides other contracted services, such as developing sales strategies for individual processes, producing IREO (Investment Real Estate Opinion) analyses, and developing and updating comprehensive management plans.

In 2025, Imobilia-GBK carried out real estate brokerage activities, real estate investment and investment maintenance activities, real estate management activities and the ongoing maintenance of facilities and equipment on all properties.

GB Leasing, d.o.o., Ljubljana

Gorenjska banka d.d., Kranj holds a 100% stake in the subsidiary company GB Leasing, d.o.o., Ljubljana. The company is operating at the address Dunajska cesta 152, 1000 Ljubljana, with affiliates in Koper, Maribor and Novo Mesto.

The company carries out non-financial maintenance services for the Bank in the area of the financial leasing of movables. It began operating in 2016 when the Bank received a consensus from the Bank of Slovenia for financial leasing operations.

Filira, poslovne storitve, d.o.o., Ljubljana

Gorenjska banka is the 100% owner of the subsidiary Filira d.o.o., Ljubljana, with which the former parent company Hypo Alpe-Adria-Leasing, družba za financiranje, d.o.o. was merged in 2023.

Filira d.o.o. has no employees, is non-operational and will be liquidated upon the completion of all lease agreements.

Key Financial Data of Subsidiaries

in thousands of EUR			
2025	GB Leasing	Imobilia-GBK	Filira
Assets	21,226	5,371	94
Liabilities	17,013	538	2
Equity	4,213	4,833	92
Loss/Profit	249	163	-

in thousands of EUR			
2024	GB Leasing	Imobilia-GBK	Filira
Assets	21,958	4,881	105
Liabilities	18,003	212	13
Equity	3,955	4,669	92
Loss/Profit	(145)	307	-

Shareholder Information

At the end of 2025, the **Bank's capital stock** was distributed to 387,938 ordinary shares. As at 31/12/2025, AIKGROUP (CY) Limited and Gorenjska banka were registered in the Bank's share register with a fund of own shares (31/12/2024: AIKGROUP (CY) Limited, and Gorenjska banka with a fund of own shares). AIKGROUP (CY) Limited had 91.7% of the registered share capital of the Bank.

The net profit in 2025, achieved through the income statement, amounts to EUR 42,503 thousand and comprehensive income to EUR 44,885 thousand.

Retained earnings, which in addition to the net profit in 2025, includes retained earnings from previous years in the amount of EUR 79,801 thousand, amounts to EUR 122,304 thousand.

Shareholders of Gorenjska banka d.d., Kranj, as at 31 December 2025

Name of shareholder	Število navadnih delnic	Delež v kapitalu, v %	Delež glasovalnih pravic, v %
AIKGROUP (CY) Limited	355,723	91.7	100.0
Gorenjska banka d.d., Kranj – own shares	32,215	8.3	0.0
TOTAL	387,938	100.0	100.0



Strategic Directions of the Bank and the Group

> The Bank's Values

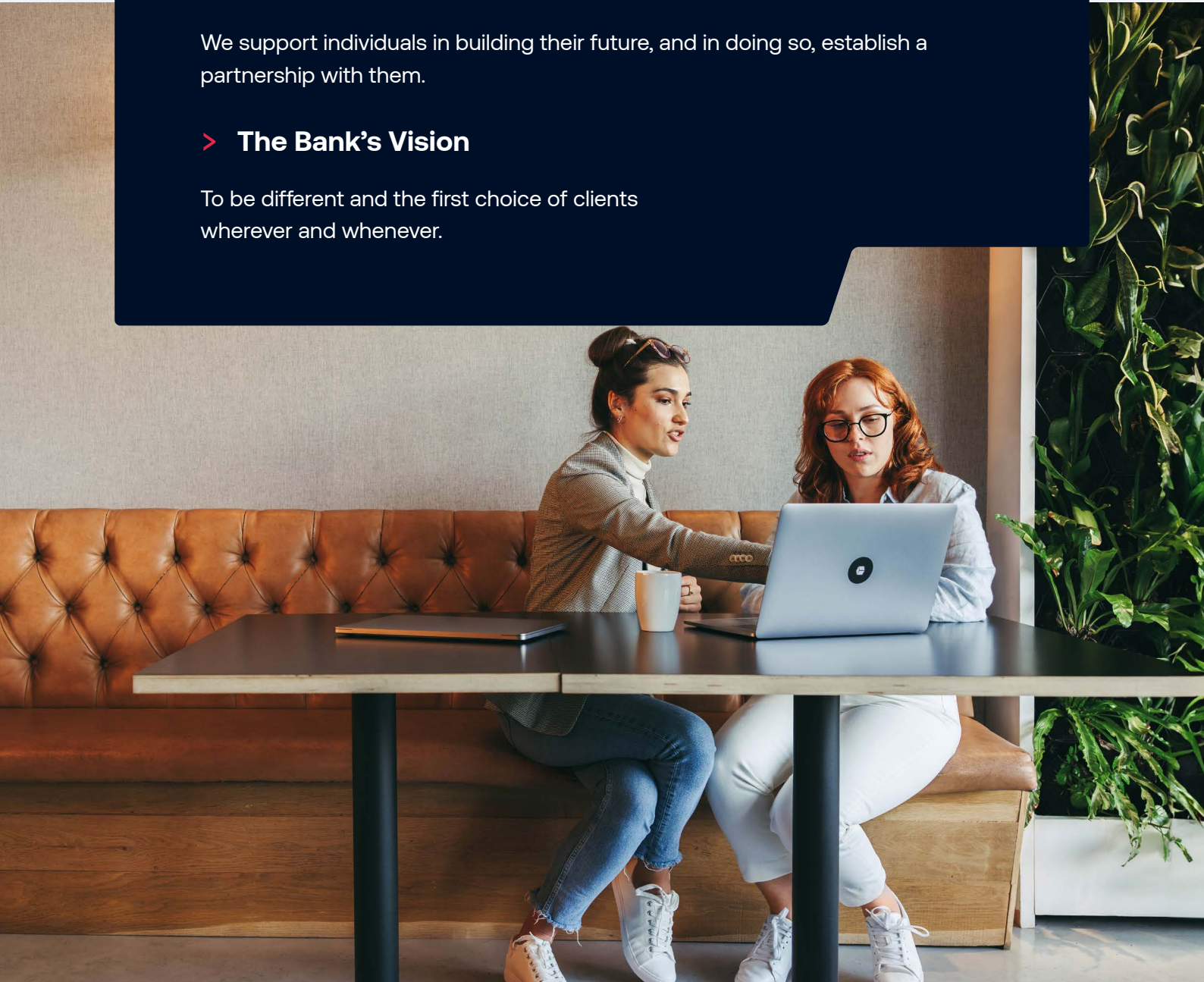
The Bank fulfils the expectations of customers, business partners and shareholders through motivated employees, while adhering to fundamental legal and ethical principles of the society. The Bank's core values are: Responsibility, Innovation, Excellence, Commitment, Trust.

> The Bank's Mission

We support individuals in building their future, and in doing so, establish a partnership with them.

> The Bank's Vision

To be different and the first choice of clients wherever and whenever.





Strategic Objectives of the Bank

In the upcoming strategic period, the Bank will focus on increasing its market share in retail banking and leasing. At the same time, it aims to become the first choice for key corporate segments, particularly micro, small and medium-sized enterprises, as well as in factoring and project finance. The achievement of these objectives and the fulfilment of customer requirements and expectations will be supported by tailored products and excellent services, underpinned primarily by efficient digital processes and by motivated, innovative and loyal employees.



Sustainable Development

The Bank has made a strategic commitment to balancing financial performance with environmental, social and governance (ESG) considerations. Through its ESG strategy, the Bank takes an ambitious approach to responsibility for its environmental impact and strives to deliver the best long-term solutions for individuals and the economy, society and nature. An interdisciplinary Sustainable Development Committee operates within the Bank, bringing together experts from various fields and focusing on the implementation of ESG principles across all aspects of the Bank's operations.



Environmental Responsibility

The Bank contributes to the transition to a low-carbon economy and society by reducing its direct environmental footprint through energy-efficient operations and by reducing water and paper consumption, which it promotes through the introduction of paperless internal and external communication. The Bank holds the »Voda iz pipe« certificate, encouraging stakeholders and the wider community to protect water resources and care for the environment. The Bank also reduces its indirect environmental footprint through the development of innovative business solutions that support its sustainability commitments. In 2025, the Bank once again received the sustainable business and climate action certificate Green Star – green leader with four stars, thereby maintaining its position among the advanced companies that strongly integrate sustainability principles into their business strategies and models and actively contribute to climate neutrality.



Social Responsibility

Gorenjska banka was the first bank in Slovenia to obtain the Socially Responsible Employer certificate in 2021, confirming its commitment to creating a high-quality, inclusive and safe working environment, strengthening organisational culture, employer reputation and responsible conduct in society. In 2025, the Bank further reinforced this commitment by successfully obtaining the Advanced Level 2 certificate, reflecting systematic progress, a higher level of maturity and a strategic approach to social responsibility and sustainable development.

The Bank's social responsibility primarily relates to its commitments to employees, customers and the local community. In relation to employees, the Bank strives to provide decent, safe and inclusive jobs based on gender equality, social security, open social dialogue and transparent, fair HR practices. Emphasis is placed on professional and personal development and on creating conditions that enable long-term career growth.

The Bank continuously upgrades and implements its employee policies, reflected in measures such as flexible working hours, time bonus schemes, childcare and caregiving time bonuses, and remote working options. Employees are offered a wide range of training programmes, systematic talent and key personnel management, job rotations and various forms of mentoring, strengthening knowledge, competencies and innovative thinking.

Health promotion is also an important element of social responsibility, enabling employees to better understand and manage health risks and encouraging initiatives that improve workplace well-being. In this way, the Bank fosters a culture of prevention, well-being and long-term workforce sustainability.

Through the enhancement of Socially Responsible Employer certification and the further development of measures, Gorenjska banka strengthens its role as a socially responsible employer that attracts, develops and retains high-quality talent and contributes to the sustainable development of the local and wider communities.

In its relationship with customers, the Bank strives to build responsible, long-term and professional relationships, foster trust, data protection and transparent communication. By presenting products transparently and communicating clearly, the Bank supports customers in making informed financial decisions. To promote financial literacy, the Bank organised events such as Investment Days, Insurance Days and Digital Banking Days, sharing its expertise and experience with customers.

In relation to the local community, the Bank proactively implements its donation and sponsorship policy to improve the quality of life in local and wider communities, while reinforcing its core mission, values and ethical commitments. The Bank focuses on environmental protection, support for families and financially vulnerable individuals, and the promotion of sports.

In 2025, the Bank once again carried out the »Srce za velike zgodbe« donation project, allocating more than 80,000 EUR to over thirty initiatives that improve the quality of life in local communities, promote inclusion and encourage responsible practices towards the environment and society. At the end of 2025, the Bank traditionally contributed donations to families and individuals in need as part of the humanitarian initiative »V Kranju dobro v srcu mislimo« and supported the Pomagajmo slovenskim otrokom and Palčica Pomagalčica associations through donations and corporate volunteering activities. The Bank continued its long-standing tradition of supporting local sporting events, clubs and associations that promote physical activity, active lifestyles and the development of sport at both the local and national levels.



Corporate Governance

The Bank systematically integrates environmental, social and governance factors into its business strategy, thereby laying the foundations for the Bank's ESG transformation.



Customer at the Centre

The Bank's operations are based on trust, adaptability and innovation, enabling a modern banking experience. As a universal bank, it offers customers a comprehensive range of financial solutions tailored to their individual needs and preferences. Each customer is approached personally, ensuring high-quality advisory services and financial solutions for every life stage.

In 2025, the Bank continued the renovation of its branch network, providing customers with a more intuitive, transparent and efficient banking experience. Branch refurbishment is based on modern customer journey design approaches, with a particular emphasis on personal interaction, in-depth advisory services, the use of advanced digital solutions, adherence to sustainability principles and ensuring accessibility. Improvements in accessibility included, among others, tactile markings, induction loops, adjusted counter heights, contrast signages and accessible typography. Renovated branches also introduced Park&Bank zones for the secure parking and charging of electric bicycles and scooters, encouraging sustainable mobility. Through spatial and functional redesign, the Bank creates a pleasant and discreet environment that enables both high-quality responses to complex customer needs and faster execution of simple banking services.

Effective communication with customers is essential for building long-term relationships and trust. The Bank therefore develops a multi-channel approach, including in-branch personal contact, telephone communication via the contact centre, and communication through digital platforms and other digital channels. By focusing on transparency and individual needs, the Bank provides timely and relevant information and continuously improves its services through systematic feedback monitoring.



Digitalisation of Banking

Investment in digitalisation remains one of the Bank's key priorities, enabling seamless and tailored banking experiences for its customers regardless of location or service channel. The Bank continues its digital transformation by:

- > digitalising internal processes and introducing new decision-making and reporting systems that reduce error risk and improve cost efficiency;
- > leveraging digital IT architecture to establish new partnerships with fintech companies;
- > placing customers at the centre of operations and ensuring a simple, high-quality user experience;
- > actively involving customers in digital processes, educating them and achieving higher satisfaction and engagement through rapid responsiveness.



Key Sales Segments

Satisfied customers are essential for long-term successful operations, requiring the Bank to offer products and services tailored to customer needs in a modern and innovative manner. In retail banking, the Bank continues to pursue its goal of becoming a nationwide bank, offering its customers modern and competitive products with an excellent user experience. In corporate banking, particular emphasis is placed on small and medium-sized enterprises, with special attention to micro enterprises. At the same time, the Bank is strengthening its presence in factoring and project finance.



Financial Objectives

Key performance indicators guiding operations are defined for profitability, funding and liquidity stability, cost efficiency and asset quality.

The Bank's key strategic financial objectives are to:

- > maintain adequate capital adequacy;
- > ensure adequate return on equity;
- > ensure funding and liquidity stability through an adequate loan-to-deposit ratio and the moderate growth of stable funding sources;
- > improve cost efficiency through optimisation and digitalisation processes;
- > maintain a strong investment structure reflected in a low level of non-performing assets.



Subsidiary Directions

The subsidiary Imobilia-GBK, d.o.o., Kranj will manage real estate acquired from insolvent debtors in the settlement of obligations to the Bank in its own name and for its own account, adhering to the principle of efficiency and pursuing the objective of maximising Group profitability, including maintaining or increasing property values.

The subsidiary GB Leasing, d.o.o., Ljubljana is among the key players in the financial leasing market, particularly in the used vehicle segment. It will continue to strengthen its market position, optimise cost and process efficiency and further digitalise its operations.

The subsidiary Filira, poslovne storitve, d.o.o., which is also the legal successor of Hypo Alpe-Adria-Leasing, družba za financiranje, d.o.o., is not operational.

Business Performance in 2025

The euro area experienced moderate and stable economic growth of 1.5% in 2025, driven primarily by private consumption and increased public spending. Euro area inflation gradually eased during the year, approaching the 2% target, which allowed for the further normalisation of the European Central Bank’s monetary policy. The ECB cut key interest rates four times in the first half of the year, and the deposit rate stood at 2.00% at the end of 2025.

In Slovenia, economic growth in 2025 was 1.1%, with inflation at 2.5%. The labour market remained tight, and the unemployment rate hovered at around 3.7%.

Lower interest rates put moderate pressure on net interest income while simultaneously stimulating lending activity, particularly in mortgage and consumer loans. The stable macroeconomic and banking environment positively supported the quality of the loan portfolio, as well as the Bank’s capital and liquidity positions.

Financial Operations

In 2025, the Gorenjska banka Group disclosed EUR 42,879 thousand net profit, which is 0.9% higher than the profit of the Bank. Because there are no other major differences between the Bank and the Group, the indication below is focused only on the Bank.

In 2025, the Bank disclosed a profit before tax amounting to EUR 43,923 thousand (2024: EUR 51,932 thousand). It achieved an 14.88 % return on equity before tax and a 1.68 % return on assets before tax.

The table below shows the key elements of the Bank and the Group’s income statements.

	in thousands of EUR			
	Bank		Group	
	2025	2024	2025	2024
Net interest income	76,275	89,799	75,770	89,446
Net non-interest income	30,478	27,047	37,375	32,797
Total income	106,753	116,846	113,145	122,243
Labour costs, general and administrative costs	(58,558)	(54,937)	(59,629)	(55,989)
Cash contributions to resolution funds and deposit guarantee schemes	(3,180)	(2,412)	(3,180)	(2,412)
Depreciation	(2,896)	(2,404)	(7,723)	(6,374)
Total operational cost	(64,634)	(59,753)	(70,532)	(64,775)
Impairment and provisioning	1,804	(5,161)	1,775	(5,400)
Profit before income tax	43,923	51,932	44,388	52,068
Tax related to profit	(1,420)	(5,650)	(1,509)	(5,653)
Net profit	42,503	46,282	42,879	46,415

The net interest income amounted to EUR 76,275 thousand, which is 15.06% lower than in 2024 and 16.96% below the planned level, considering the earlier expected reductions in the key interest rates and higher interest expenses related to MREL obligations.

Net interest

76,275

in thousands of EUR

The non-interest income amounted to EUR 30,478 thousand, an increase of 12.7% compared to 2024. The most significant component of non-interest income for the Bank is fees and commissions. The net fees and commissions reached EUR 22,477 thousand, up 17.6% from 2024. The highest growth in fees came from income related to loan origination, card services, guarantees provided, and revenues from other banking services (insurance policies, etc.).

Non-interest income

30,478

in thousands of EUR

12.7% ↑

Total operating expenses amounted to EUR 64,634 thousand, an increase of 8.17% compared to 2024. Of these, the largest share of 47.9% relates to material and service costs, 42.7% to personnel expenses, 4.9% to contributions to the resolution fund and the deposit guarantee system, and 4.5% to depreciation. Personnel expenses increased by 6.5% compared to 2024, material and service costs by 6.8%, contributions to the resolution fund by 31.8%, and depreciation expenses by 20.5%.

Total operating costs

64,634

in thousands of EUR

8.17% ↑

Income from the formation of provisions and impairments of the loan portfolio and securities exceeded expenses from the reversal of provisions and the write-off of impairments of the loan portfolio and securities by EUR 1,804 thousand in 2025 (2024: EUR 5,161 thousand of expenses for the formation of provisions and impairments of the loan portfolio and securities).

Comprehensive income, i.e. net profit and other comprehensive income after tax, amounted to a profit of EUR 44,885 thousand in 2025 (2024: EUR 47,246 thousand). This includes EUR 42,503 thousand of net profit (2024: EUR 46,282 thousand), a EUR 119 thousand loss related to the financial investments in debt instruments (2024: EUR 1,834 thousand gain), EUR 10 thousand of actuarial net

gains (2024: EUR 56 thousand), EUR 3,160 thousand gains related to changes in the fair value of equity investments (2024: EUR 722 thousand losses), and EUR 669 thousand of tax liabilities (2024: EUR 204 thousand of tax liabilities).

The Bank's balance sheet total increased by EUR 231,973 thousand or 9.2 % in 2025, and amounted to EUR 2,760,677 thousand at the end of 2025. The main drivers of the balance sheet growth are the increase in loans to the non-bank sector, the growth of deposits from the non-bank sector, and issued MREL bonds.

The table below shows the key elements of the Bank's and the Group's statements of financial position.

	in thousands of EUR			
	Bank		Group	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Cash, balances at CB and other demand deposits at banks	386,584	386,281	386,584	386,281
Loans to banks	11,189	18,645	11,189	18,645
Investments in securities	358,878	374,661	358,878	374,661
Loans to non-banking sector	1,930,478	1,690,338	1,918,399	1,677,790
Fixed assets	26,594	16,865	46,181	37,110
Investment property	22,097	22,944	22,797	26,704
Investments in subsidiaries	8,478	6,406	-	0
Other assets	16,379	12,564	20,713	13,729
Total assets	2,760,677	2,528,704	2,764,741	2,534,920
Due to non-banking sector	2,186,564	2,008,715	2,185,283	2,007,953
Borrowings from banks and central banks	72,229	94,820	72,229	94,820
Other liabilities	312,347	295,742	313,029	298,111
Equity	189,537	129,427	194,200	134,036
Total liabilities and equity	2,760,677	2,528,704	2,764,741	2,534,920

Placement of Funds

Cash, balances at CB and other demand deposits at banks decreased by EUR 303 thousand or 0.1 %. Their share in assets stood at 14.0% at the end of 2025.

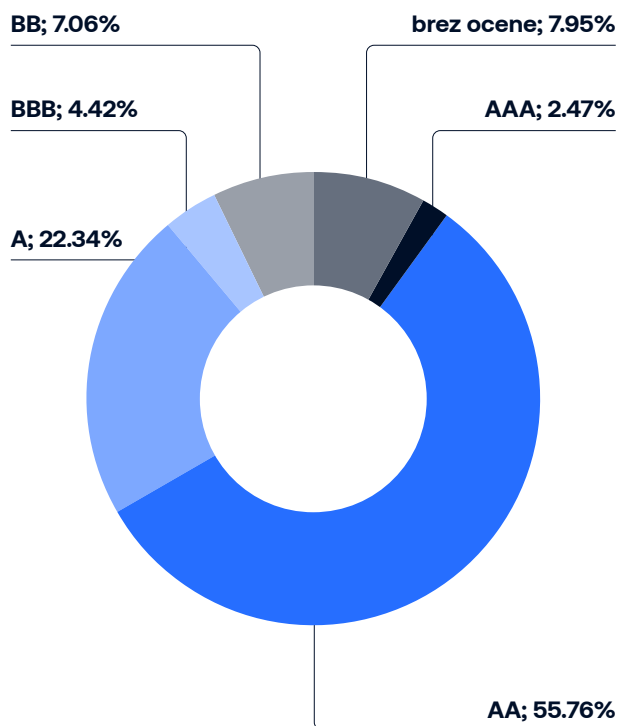
Loans to banks, which include deposits at banks, decreased by EUR -7,456 thousand or 40 %. At the end of December 2025, their share in assets amounted to 0.4%.

The total value of the bank's securities portfolio amounted to EUR 358.9 million at the end of 2025, representing a decrease of EUR 15.8 million compared to the end of 2024, when it amounted to EUR 374.7 million. The majority of investments in securities (EUR 287.8 million) are classified as ECB-eligible financial assets.

Investments in the equity of subsidiaries amounted to EUR 8,478 thousand at the end of 2025, compared to EUR 6,406 thousand at the end of 2024.

At the end of 2025, the Bank participated in the capital of ten companies. In addition to investments in subsidiaries, these are mostly investments that the Bank acquired in the process of resolving non-performing loans, or rather investments related to the performance of the Bank's activities (SWIFT, Single Resolution Fund).

The image below shows the credit rating structure of investments in debt securities (credit rating scale of Fitch Rating Ltd).



Participation in capital, 31 December 2025

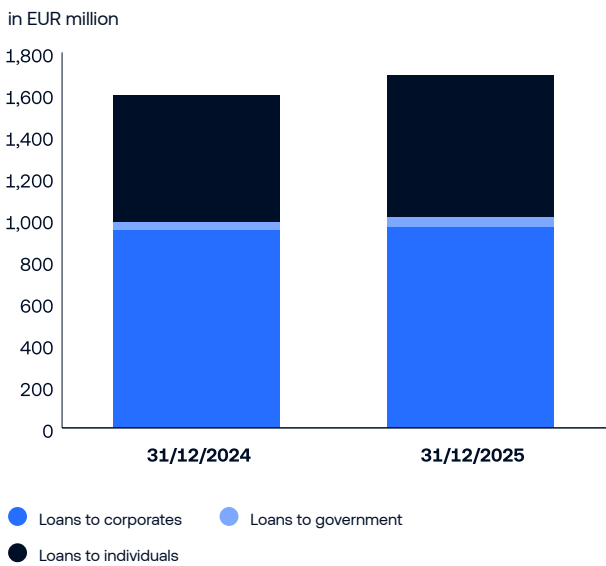
Company	% in equity
GB Leasing, d.o.o., Ljubljana	100.0000
Imobilia-GBK, d.o.o., Kranj	100.0000
Filira, d.o.o.	100.0000
Addiko bank AG	5.1900
Eurofond-1, d. d., Tuzla	5.1119
Sklad za reševanje bank	3.5300
SAVA Turizem, d.d.	2.7290
Bernardin Arkade, d.d., Portorož – redne delnice	0.5860
Bernardin Arkade, d.d., Portorož – prednostne delnice	0.5860
SWIFT, La Hulpe, Belgija	0.0036

Loans to non-bank clients increased by

14.2%

Loans to non-bank clients increased by EUR 240,140 thousand or 14.2 %. Their share in the Bank's assets amounted to 69.9%

The image below shows the structure of loans to non-bank clients by segment.

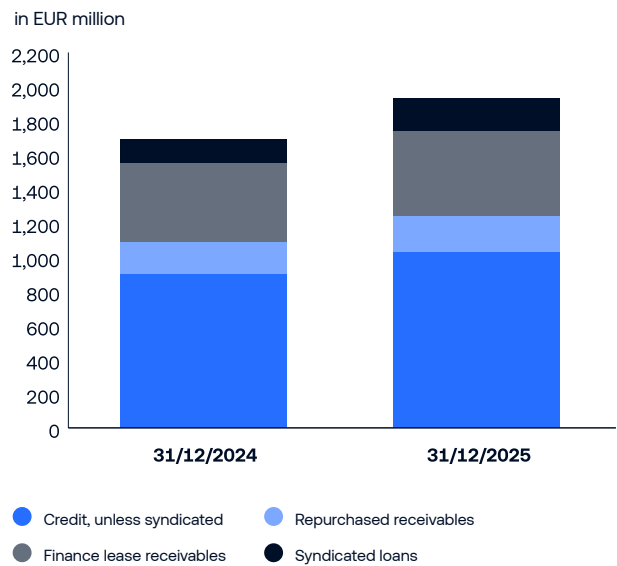


The gross loan portfolio increased by

13.2%

The gross loan portfolio increased by 13.2 % in 2025 to EUR 1,969.3 million, of which gross loans to the non-banking sector increased by 13.7 % to EUR 1,958.1 million.

The image below shows the structure of loans to non-bank clients by credit type.



The market share of Gorenjska banka in loans to the non-bank sector increased by 0.28 percentage points in 2025, reaching 6.21%. Within this, the market share in the corporate segment amounted to 6.64%. In line with its strategy, the Bank remains primarily focused on the micro, small and medium-sized enterprise segment, as well as on factoring and specialised financing, with the objective of reducing concentration risk and ensuring the broad diversification of credit risk. In the area of specialised financing, the Bank mainly focuses on financing residential construction projects, which are technically managed through a combination of external reference experts, while sales activities promote synergies with housing loans.

The market share of Gorenjska banka in non-banking loans

6.64%

A trend of growth in gross retail loans (excluding leasing) continued, with the Bank recording a 25.8 % growth in 2025 compared to the previous year. In addition to the competitive conditions, the partnerships concluded with complementary service providers, the introduction of new and more effective communication and marketing channels, and the continued professional training of loan advisers contributed significantly to this growth.

The gross retail loans reached 25.8 percent growth

Gorenjska banka continued to increase the volume of its leasing portfolio in 2025, particularly due to a widespread and well-organised brokerage or partner network, through which it effectively responded to demand. Compared to 2024, it achieved 5.5 % growth in this area.

At the end of 2025, the Bank disclosed EUR 22,097 thousand in investment property and EUR 22,797 thousand at the Group level. This includes real estate that the Bank acquired in the process of acquiring collateral for non-performing loans.

EUR 22,097 thousand in investment property

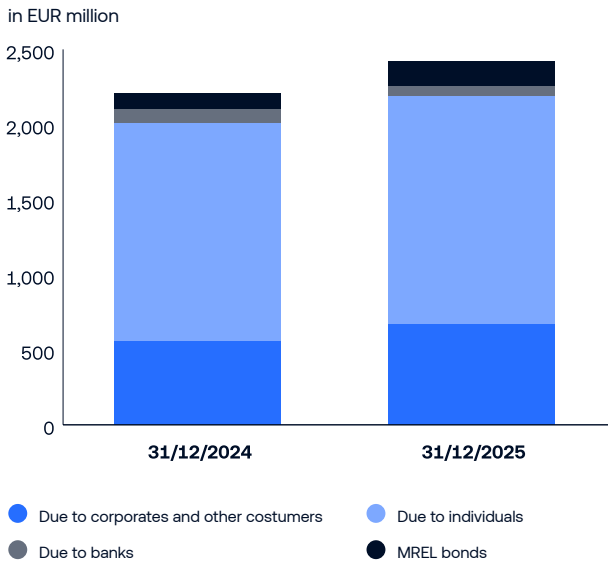
Liabilities

Liabilities to non-bank clients increased by EUR 177,849 thousand or 8.9%. Their share in liabilities amounted to 79.2% as at the end of 2025.

Deposits of the non-bank sector predominantly consist of retail deposits, which increased by EUR 62,924 thousand or 4.3%. They represent 54.9 % of liabilities.

Liabilities to non-banking legal entities accounted for 24.3% of total funding sources at the end of December 2025 and were EUR 114,925 thousand, or 20.7%, higher compared to the end of the previous year.

The image below shows the structure of what is due to customers.



Liabilities to banks, which include deposits and loans from commercial banks, as well as liabilities to the central bank, decreased by EUR 22,590 thousand, or 23.8%. At the end of 2025, their share in the total liabilities amounted to 2.6%.

Long-term borrowings from commercial banks amounted to EUR 29.9 million. The subordinated debt of EUR 50 million was repaid to AIK Banka, and only liabilities to other banks remained outstanding.

MREL Bonds and Subordinated Bonds

On 22 November 2023, with the aim of fulfilling the MREL requirement, Gorenjska banka successfully concluded an issue of bonds, in the total amount of EUR 72.6 million, offered to well-informed investors at home and abroad. On 22.11.2024, Gorenjska banka issued an additional quantity of MREL bonds with the code GB02 in the amount of EUR 27.4 million. As at 31.12.2025, the bank has issued a total of EUR 100 million of MREL bonds.

An issue of MREL bonds in the amount of

100

in EUR million

The bonds mature on 22.11.2027 with an early call option after 22.11.2026. Principal interest will be set at the interest rate of 9.25% p.a.

Based on the criteria of the European Central Bank (ECB), Gorenjska banka has been one of the most significant banks in Slovenia under the direct control of the ECB since 2021. The Bank is therefore also committed to meeting the capital amounts and eligible liabilities (MREL) set by the regulator in advance, in order to enhance the protection of the Bank's customers and the stability of the banking system.

Gorenjska banka, d.d. issued subordinated bonds with the designation GBT01 on the international market on 16 October 2025, with a nominal value of EUR 60 million.

The bonds mature on 16 October 2035, with an option for early redemption after 16 October 2030. Interest on the principal is calculated at an annual interest rate of 6.75%.

Capital and Capital Adequacy

The total capital amounts to EUR 312,347 in 2025, having increased by EUR 16,605 thousand or 5.6%. Specifically, it increased due to the current profit (EUR 42,503 thousand), to the payment of dividends (EUR 28,280 thousand), and to the negative OCI impact. The book value of a share, calculated from the total capital of the Bank, amounted to EUR 878.06 at the end of 2025 (2024: EUR 831.38).

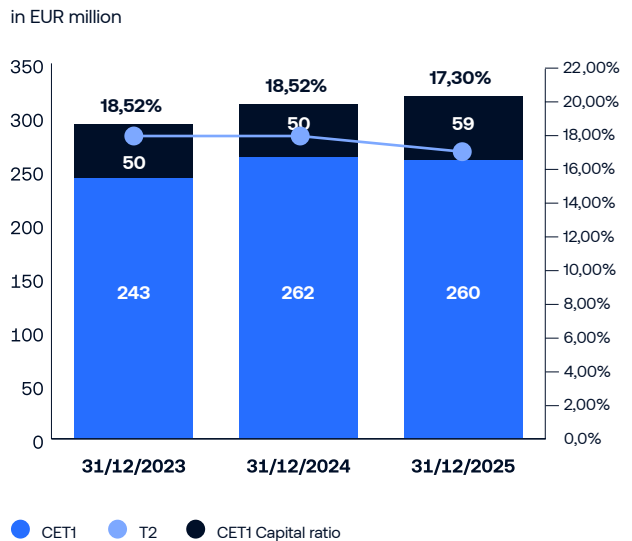
As at 31 December 2025, **own funds** amounted to EUR 319,682 thousand (2024: EUR 312,318 thousand), consisting of common equity tier 1 capital (CET1) and tier 2 capital (T2).

In 2025 own funds amounted to
319,682
in thousands of EUR

The **capital adequacy ratio** for the total capital decreased in 2025 by 1.22 bps and amounted to 17.30% as at the end of December 2025 (2024 : 18.52%); the capital adequacy ratio for common capital amounted to 14.08%. The Bank uses the standardised approach to calculate capital requirements for credit risks and the simple approach to calculate the capital requirement for operational risks. More about capital adequacy can be found in the financial section of the Annual Report (note 7.5).

The capital adequacy ratio of the total capital amounted to 17.30%

The image below shows the trends of the bank's capital adequacy ratios.



Risk Management

The Bank pays a great deal of attention to understanding, monitoring, identifying, measuring and managing risks as required by developments in the wider economic environment, by the financial system, and by the Bank's intention to pursue and include new development aspects in its risk management system, as brought by the good business practice of banks and the changing regulatory environment. The risk management system remains an important element of the Bank's strategy and performance. The goal of the Bank in risk management on a long-term basis, as well as the Bank's attitude towards risk, is to also take into account the risk from the macroeconomic environment in which the Bank operates.

One of the key principles of managing risk defines that all assumed risk must be assessed and included in the profitability measures set. This principle is realised by including the "ex-ante" costs in the structure of interest rate surcharges (credit calculator). Risk-adjusted profitability is an integral part of the Business Strategy and of new investments.

The bases and basic principles of the risk management system are defined in more detail in the Risk Management Strategy and Risk Appetite Statement, which represent the umbrella documents of a comprehensive risk management system. The Risk Management Strategy lays down the goals of the Bank in managing risks on a long-term basis and the Bank's attitude to the risks it is exposed to or could be exposed to, considering the risks from the macroeconomic environment in which the Bank operates and the strategic objectives defined in the current Business Strategy. The Bank complies with the local regulatory requirements in the field of risk management, and is also aligned with the requirements of the banking group.

The Bank's Risk Appetite Statement defines at the highest level the types of risks and the tolerance towards individual types of risk that the Bank is willing and able to assume in order to achieve the objectives set, and constitutes the incentives and restrictions in the process of making business decisions at the Bank. In addition to qualitative orientations in the most important areas, the Bank also defines its risk appetite in a quantitative manner through a set of key and supporting risk indicators. The definitions and key indicators defined in the Risk Management Strategy and the Risk Appetite Statement (RAS) also provide a basis for defining the internal policies and methodologies, and for the monitoring of individual risk types, as well as the basis for setting up a more detailed limit system in all risk segments.

The goal of limit management is to ensure complete control over the risk profile and reliable implementation of the Risk Management Strategy, including the appropriate monitoring and escalation of activities that can significantly affect the Bank's risk profile.

Capital management is the process of regularly determining and maintaining a sufficient amount and quality of capital according to both the first (regulatory) pillar and the second pillar (internal approach – ICAAP). The Bank has a capital management system as defined in the Bank's Capital Management Policy. The purpose of capital management is to achieve the efficient spending of available capital, ensuring:

- > the safety and profitability of operations at the level of the Bank,
- > a high degree of trust among all stakeholders,
- > the fulfilment of the regulatory requirements concerning capital adequacy,
- > maintaining a strong capital base to support business development,
- > the ability to continue providing appropriate returns and benefits to shareholders,
- > attaining proper capital adequacy via the ICAAP.

For the optimal achievement of its strategic goals, the Bank also uses the capital management system to establish bases for the transparent and optimal economic allocation of capital to individual business areas based on risk-weighted profitability criteria.

Furthermore, the goal of capital management is to ensure a long-term, stable return on the owners' investment through dividend payments based on pre-defined criteria for the dividend policy, which allows the Bank to operate, grow and achieve strategic goals in a sustainable manner and in the long term, along with the satisfaction of all stakeholders and a stable ownership structure for the Bank.

In addition to capital management, the Bank also has a liquidity risk management process in place, where the Bank defines and implements preventive measures to reduce liquidity risk through liquidity gaps, stress testing, survival horizons and monitoring of regulatory and structural indicators to reduce liquidity risk and future exposure.

By comprehensively addressing risks and their potential impacts on the Bank's operations within the scope of the ICAAP (internal capital adequacy assessment process) and the ILAAP (internal liquidity adequacy assessment process), and through the performance of stress tests, the Bank also provides bases for the timely adoption of proper business decisions at all levels of decision-making. It needs to be pointed out that testing exceptional situations is not a tool for forecasting, but rather a tool for managing operations, which helps the Bank manage the relationship between risk and profitability and offers a future-oriented view of the risk management profile in accordance with the risk appetite and risk management strategy.

Below is a detailed description of the key elements of exposure and the management of the Bank's credit, market and liquidity risks in 2025. Detailed information on the Bank's risk management and on its exposure to individual risks is disclosed in the financial reports of the Bank and the Group (chapter 7), and a separate document entitled "Disclosures of additional information for 2025", which contains disclosures pursuant to Part 8 of Regulation EU 575/2013, to the provisions of the Banking Act, and to the requirements of the IFRS 9.

Credit Risks

Credit risk is the risk of financial loss incurred as a result of the debtor's inability to fulfil its financial or contractual obligation to the Bank, in part or in full, for any reason. Credit risk management is essential for the safe operation of the Bank. Prudent credit risk management includes the control and mitigation of credit risk through various aspects, such as the quality and structure of investments, concentration, investment security, maturity, currency, type of credit, country risk and other risks.

The goal of credit risk management at the Bank is to achieve and maintain the quality and diversity of the credit portfolio, ensuring stable operations and the prudent management of the relationship between risk and return.

The Bank responded to the continued uncertainty in the macroeconomic environment this year by conducting an in-depth identification of increased credit risk. In addition to geopolitical risks, the Bank recognised the slowdown in economic growth and risks in the automotive and steel industries as key challenges. For this purpose, the bank has created three additional watch lists, the so-called automotive industry, steel industry and US trade watch lists.

In 2025, the Bank updated its IFRS 9 methodology, both in terms of the regular calibration of credit risk parameters (PD, LGD, CCF and SICR) and in the update of the LGD pa-

rameter, where separate values for the Specialised Lending RRE portfolio and for the portfolio of unsecured exposures to individuals with significant payment delays longer than two years were introduced. The Bank recognised additional impairments through a proportional increase in the probability of default across the entire portfolio. In 2025, the Bank also implemented a new credit rating model for private individuals, which determines the credit rating at the client level rather than at the individual facility level, as was the case under the previous model, while at the same time providing a more appropriate differentiation of credit risk across clients.

Pursuant to the Risk Management Strategy of Gorenjska banka d.d., Kranj and the Risk Appetite Statement of Gorenjska banka d.d., Kranj, the Bank defines its appetite for credit risk with key and supporting matrices and indicators of the quality and structure of the investment portfolio.

In 2025, as part of the ICAAP (internal capital adequacy assessment process), the Bank continued to enhance its risk identification process by compiling a comprehensive Risk Inventory and assessing the materiality of all the identified risks using standardised methodologies at the Group level. A key step in last year's ICAAP upgrade was aligning the normative and economic perspectives, with risk-weighted asset calculations based on the IRB approach.

From an economic perspective, internal capital (capital for risk coverage) was calculated to account for potential hidden losses, incorporating all material risks identified in the risk materiality assessment process. The economic perspective also considers specific vulnerabilities requiring a tailored approach, namely the Specialised Lending portfolio and the Leasing portfolio.

Similar to the previous year, the Bank applied the Supervisory Slotting Criteria Approach for the Specialised Lending portfolio, which is used when an institution cannot reliably assess the probability of default (PD) or when its PD estimates do not meet regulatory assessment requirements. In such cases, the CRR prescribes a set of risk weights based on classification into five categories, considering both the underlying credit risk and residual maturity. The Bank opted to approximate this approach within the economic perspective of ICAAP, as it represents the most comprehensive and practical method for the Specialised Lending portfolio.

Additionally, in collaboration with the Group, the Bank enhanced its stress testing framework, validating stress testing assumptions with a particular focus on the integration of stress testing with the capital plan. This alignment ensures consistency between ICAAP and ILAAP.

The table below shows the key credit risk indicators at the Bank.

	in thousands of EUR			
	Change in the year			
	31/12/2025	31/12/2024	In EUR thousands	As % p.p.
Gross loan portfolio ¹	2,331,937	2,102,213	229,724	10.9 %
Loans to non-banking sector	1,962,016	1,725,116	236,900	13.7 %
Non-performing loans (NPL) ²	47,511	44,930	2,581	5.7 %
Portfolio coverage by impairments and provisions	1.4 %	1.8 %		(0.4) o. t.
Share of non-performing loans (NPL) ³	2.0 %	2.1 %		(0.1) o. t.
Coverage rate of non-performing loans (NPL) ⁴	32.8 %	37.0 %		(4.2) o. t.

p.p. – Percentage point.

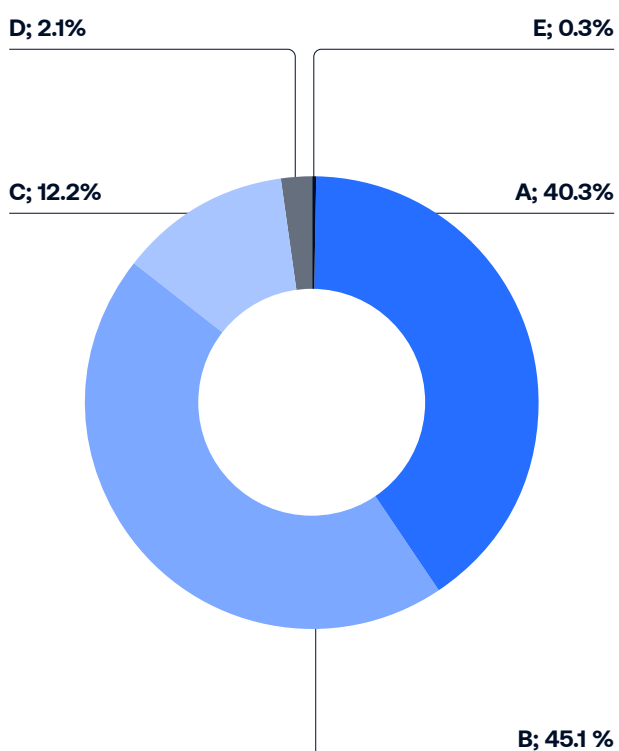
¹ gross credit portfolio (balance sheet exposure): gross credits of banks and non-bank clients, and other financial assets and deposits with banks and CB

² gross non-performing credits (balance sheet exposure) and other financial assets

³ the basis for the calculation of the NPL share is the exposure under the EBA definition Risk Dashboard (the balance sheet exposure of non-performing loans/balance sheet exposure of the portfolio of loans and other financial assets and deposits with banks and central banks)

⁴ balance of impairments for NPEs compared to the NPEs themselves.

The figure below shows the credit rating structure of loans to non-bank clients as at 31 December 2025.



Liquidity Risks

Liquidity risk management enables the Bank to meet its due obligations, minimise the costs of maintaining liquidity, anticipate exceptional liquidity situations and timely implement measures to restore an adequate liquidity position.

In addition to aligning, monitoring and measuring cash flows arising from the Bank's operations and those of its clients, liquidity risk management also includes ensuring an appropriate volume and structure of funding sources and liquidity reserves. In 2025, the structure of the Bank's funding sources continued to have a significant impact on its liquidity position. The share of non-banking sector deposits decreased by 0.7 percentage points compared to the end of 2024 and amounted to 89.3% of the Bank's total liabilities, while representing 79.2% of the total funding sources. Within the total deposits as a share of funding sources, sight deposits continued to account for the majority, at 69.7%. Compared to the end of 2024, the share of sight deposits increased by 1.2 percentage points. The increase in demand deposits was mainly attributable to changes in the maturity structure of retail clients' deposits, due to lower interest rates on term deposits with maturities over one year.

The Bank's funding sources are diversified and predominantly originate from non-banking sector deposits, which ensures a stable financial position, enhances the reliability of the Bank's business model, and enables the long-term growth of the Bank's loan portfolio.

In 2025, the Bank aligned its liquidity risk management documentation with AikGroup. It adopted the Group Framework on Liquidity Risk Management and Liquidity Stress Testing, the Group Policy on Stress Testing, and the Group Framework on the Liquidity Contingency Plan (LCP). Within the framework of these documents, the Bank updated its annual exposure limits for individual sub-types of liquidity risk and formally adopted a new LCR forecast indicator, representing the projected LCR ratio for the upcoming month-end.

Throughout 2025, the Bank maintained a sufficient volume and appropriate structure of secondary liquidity and complied with the survival period requirement, as well as the liquidity position (CBC). In addition to maintaining adequate liquidity reserves, the Bank performs monthly reverse stress tests of liquidity indicators (Liquidity Coverage Ratio – LCR, Net Stable Funding Ratio – NSFR, and the Loan-to-Deposit Ratio – LTD). As part of risk monitoring, the Bank reports daily to AikGroup on the daily LCR and NSFR ratios and on exposures to banks.

Excess short-term liquidity was primarily managed through the granting of short-term liquidity loans on the inter-bank money market, placing EUR 285.9 million in the ECB overnight deposit facility, maintaining high balances in accounts, and investing in securities. Due to excess liquidity throughout the year, the Bank did not borrow on the short-term interbank money market outside the Group in 2025. During 2025, the Bank regularly placed overnight funds with the ECB (deposit facility).

In 2025, the Bank did not obtain new funding through the ECB's TLTRO III (Targeted Longer-Term Refinancing Operations), under which it may obtain funding secured by eligible financial assets to align the maturity structure of its balance sheet. At the end of 2025, the Bank had no outstanding liabilities to the ECB.

Following the issuance of MREL bonds in 2023 and 2024 in the total nominal amount of EUR 100 million, the Bank issued new subordinated bonds in October 2025 in the nominal amount of EUR 60 million, intended to qualify as additional capital of the Bank. The bonds, maturing on 16 October 2035, include a call option exercisable five years after the issuance date. For the first five years, the principal will bear a fixed interest rate of 6.75% per annum, after which the interest rate will reset in line with the prevailing market conditions. The bonds will be listed on the MTF market of the Luxembourg Stock Exchange. With the issuance of the subordinated bond, the Bank repaid subordinated debt in the amount of EUR 50 million to AikBanka.

The Bank regularly calculates and monitors the regulatory liquidity ratios – the Liquidity Coverage Ratio (LCR) and the Net Stable Funding Ratio (NSFR). The Bank calculates the LCR on a monthly basis and the NSFR on a quarterly basis, as at the last day of each month. In addition to monthly monitoring, the Bank calculates and monitors both liquidity ratios (LCR and NSFR) on a daily basis and reports them daily to the Group. During 2025, both ratios remained above the regulatory and internal limits.

Market Risks

Among the market risks, interest rate risk remains the most significant for the Bank. The Bank monitors and manages its exposure to interest rate risk based on the interest rate gap methodology and stress testing of exceptional scenarios, assessing the impact of various interest rate movement scenarios on the net interest income and on the Bank's economic value of equity.

In 2025, the Bank's sensitivity to changes in interest rate levels and the impact of stress scenarios on net interest income decreased compared to the level at the end of 2024 (by EUR 7 million). However, the impact on the Bank's economic value of equity increased in 2025 compared to 2024 (by EUR 4.7 million), based on the most adverse scenario. The deterioration, i.e. the increase in the impact on the economic value of equity, was mainly attributable to the higher origination of long-term fixed-rate products, particularly housing loans, the replacement of subordinated debt with a subordinated bond, and the approaching maturity of the issued MREL bond.

The Bank's exposure to foreign exchange risk is minimal. The nature of its operations allows for low exposure limits per individual foreign currency, as well as for the overall open position. The Bank monitors and manages its positions and reports to the banking group daily. From the perspective of its impact on the Bank's operations, foreign exchange risk is therefore not material. Nevertheless, the Bank has defined a limit for the total foreign exchange risk (FX risk indicator), as well as individual limits per currency, which were updated in December 2025.

In January 2026, in accordance with the Group policy, the Bank adopted an updated Market Risk Management Policy. The Bank is only exposed to foreign exchange risk and is not exposed to market risk arising from the trading book, as it did not hold any trading positions in 2025.

Operational Risks

The operational risk management system and associated processes are based on an internally established methodology, and take into account the Bank's characteristics as a whole, as well as its size, organisation and scope of operations. In 2025, the Bank provided internal training and monitored entries into the Bank system in the management of operational risks, thus raising the awareness, understanding and quality of the detection and reporting of potential operational risks or losses. The Bank's Operational Risk Management System sets out the responsibilities and key processes for identifying, monitoring, assessing, managing, controlling and reporting operational risks at the Bank and its subsidiaries, as well as to regulators. Within the framework of the Operational Risk Management Policy, the Bank has also defined a subordinate document entitled External Contractor Assessment Module, which defines the procedure for assessing the risk level of an external contractor, the responsibilities by individual sector, and the structure of the assessment itself, as well as the definition of the final risk assessment of all external contractors and the necessary additional capital requirement.

The operational risks management process comprises two core processes:

- > the process of identifying and managing potential operational risks in order to detect them in due time and assess possible effects, while defining the method of managing potential operational risks (self-assessment and the proactive operation of the Bank) and
- > the process of managing loss events, complaints and incidents deriving from realised operational risks, which enables the detection, reporting and assessment of the loss incurred by realised operational risks. The core of the process is to report them in the uniform database of loss events (reactive operation of the Bank).

This process is integrated into all the business functions and major processes of the Bank and covers all employees.

In 2025, the Bank carried out the described system for the identification of potential operational risks in practice by monitoring the set of key operational risk indicators that indicate a possible increase in operational risks in the Bank's operations, and by monitoring publicly available information on operational risks and loss events that have occurred, affecting institutions in the financial sector or related activities, and that could pose a risk for the Bank's operations. Key indicators and self-assessment are monitored by the Bank on an annual basis, and information on their trends is included in reports submitted to the competent management bodies.

An enhancement of the operational risk management process is the establishment of an internal control system, which the bank introduced by adopting a Group-wide internal controls procedure. As part of this process, the bank documented its processes and identified control points, which demonstrated that the internal controls in place are adequate.

The established operational risk management system ensures that the Bank's realised net loss in 2025 represents less than 7.0% of the capital requirement for operational risks, which is calculated by the Bank using the simple approach pursuant to the provisions of the CRR Regulation. The 2.6% increase in the share of net losses in the capital requirement compared to 2024 is mainly due to the increase in loss events in the controlled company, GB Leasing (the misappropriation of vehicles purchased on lease by customers). However, the Bank promptly and responsibly responds by filing criminal charges with the relevant legal authorities. Consequently, the Bank expects that in the final phase, it will not suffer a net loss due to these loss events. Nevertheless, court proceedings are rather long-lasting.

Development Projects

In 2025, the bank continued its digitalisation projects in all areas of banking operations. In its solutions, the bank strives to deliver modern and secure products and services, with a strong focus on providing the best possible user experience for its clients.

In the retail banking segment, we made an important step forward in the development of digital services this year. With upgrades to the Link online solution and the Link m mobile application, we further improved the user experience and enabled clients to conduct their banking even more easily and quickly. In the mobile bank, we now offer clients a fast and simple loan application with a digital signature, as well as transparent control over Mastercard credit card instalments.

Throughout 2025, the bank devoted significant attention to reviewing existing processes, optimising them and preparing plans for further digitalisation – all with the goal of improving the user experience.

In the corporate segment, as part of the planned digitalisation of processes, 2025 saw the upgrade of the credit process for approving loans to micro, small and medium-sized enterprises, including the successful integration of guarantee business approvals.

In the last quarter of the year, the bank carried out a full migration of corporate clients from Link C to the newer Halcom MultiPay and HAL E-Bank solutions, which provide an improved user experience, enhanced security and modern functionalities for more efficient operations.

In 2026, the bank plans to replace the central corporate banking application with a unified platform for the entire bank, which is why the majority of development activities were dedicated to this project.

As one of the leading factoring providers in the Slovenian market, Gorenjska banka continued its efforts in 2025 to further enhance the digital E-factoring platform, which has enabled clients to conduct fast and secure paperless transactions for many years.

In the card services area, we introduced modern payment solutions Google Pay and Garmin Pay, and in 2026, the offering will be expanded with Apple Pay. At the same time, we are preparing innovative wearable solutions that will allow clients to make contactless payments using smart rings and bracelets.

For merchants who accept card payments through our bank, we also introduced a new POS portal that provides a simple and transparent overview of card transactions and more efficient business management.

In 2025, in accordance with legislative requirements, the bank introduced instant payments and adapted its services to the requirements of the Accessibility of Products and Services for Persons with Disabilities Act (ZDPSI). In response to increased demand from potential clients, the bank expanded its safe deposit box offering, which is now available in four ranches: Ljubljana–Dunajska, Kranj–Bleisova, Škofja Loka and Radovljica.

As part of its efforts to deliver the best possible user experience, Gorenjska banka also revamped the process for handling customer complaints and improved the operation of its internal contact centre during the year.

Information and Communication Technology (ICT)

In 2025, the bank continued to implement its ICT strategy for the 2024–2026 period, aimed at providing stable, secure and efficient support for business processes, the further digitisation of services and a gradual reduction of ICT environment complexity. Special emphasis was placed on consolidating information systems and eliminating individual legacy systems that no longer adequately support modern business and regulatory requirements.

The central strategic project in the ICT area is the NextCore Project, which was one of the bank's most extensive transformation initiatives in 2025. The project involves migrating the core banking system for corporate clients and the payment system to the Hibis platform already in use by the bank, requiring intensive collaboration across nearly all organisational units. The project is focused on long-term solution consolidation, reducing the ICT environment complexity and phasing out individual legacy systems that are no longer suitable for future business development.

On the development and upgrade side, in February 2025, the bank launched a new automated scoring application for factoring, contributing to greater automation and efficiency in decision-making processes. Modernisation of payment systems also continued, with the migration of existing systems from legacy environments to more modern platforms.

Special attention was given to the instant payments project, which, after extensive preparations and testing, was successfully launched into production on 9 October 2025. The transition to the production environment proceeded without major issues, demonstrating appropriate technical readiness and effective coordination among all stakeholders involved.

In terms of digitisation and business process support, the first phase of the Atlas – Corporate Quick Loans (BPM) solution was put into production, including an automated guarantee process. The bank also continued the digitalisation of card services, introducing Google Pay and Garmin Pay in 2025. At the end of the year, the bank piloted a new online and mobile banking solution for retail clients, based on a modern digital platform. This new solution provides the foundation for the rapid further development of digital services and an improved customer experience.

Data management and analytics were also a key focus. The bank continued the development of the group data warehouse and began intensive work on implementing a formal data governance policy.

As part of strengthening operational resilience and meeting regulatory expectations, the bank carried out activities in 2025 to close the ECB recommendations issued in the context of ICT and cybersecurity stress tests. By 30 September 2025, a central ICT asset register (CMDB) was established as a unified source of ICT asset information, and the bank further enhanced its protection against ransomware attacks.

In December 2025, new Business Impact Analyses (BIA) were conducted, and the Disaster Recovery Plans (DRP) and business continuity procedures were updated. The updated procedures will be subject to regular testing in 2026 to further improve the bank's preparedness for potential operational disruptions.

Through these activities, the bank further strengthened the stability, resilience, and long-term sustainability of its ICT environment, ensuring appropriate support for business objectives and regulatory compliance.

Organisational and HR Changes

Organisational Interventions

In 2025, Gorenjska Banka continued implementing planned organisational adjustments arising from strategic priorities, regulatory requirements and the need for greater efficiency and operational resilience. The changes focused on further strengthening the management of non financial risks, optimising support and organisational functions, improving project management and ensuring an appropriate level of information and operational security. Their purpose was to provide clearer delineation of responsibilities, stronger process integration and the more effective execution of tasks in an increasingly demanding business and regulatory environment.

Based on a review of responsibilities within the Strategic Risk Management Division, a reorganisation was carried out whereby the operational risk management activities were transferred from the Non Credit Risk Controlling Department to the former Sustainability Department, which was renamed the Non Financial Risk Department.

The objective of this change was to ensure the more comprehensive and integrated management of operational risks, including business continuity, internal controls, management of losses from operational events, and

compliance with sustainability and corporate governance requirements. The transfer of responsibilities enables the closer alignment of operational risks with environmental, social and governance (ESG) risks, a unified approach within the internal control system, and the more effective coordination of reporting and implementation of measures in line with regulatory and Group requirements.

The establishment of an integrated non financial risk function has strengthened the transparency and effectiveness of the Bank's risk management system and improved its ability to report comprehensively on non financial risks.

In 2025, Gorenjska banka also reorganised the area of organisation and project management. The Project Management Office (PMO) was merged with the Organisation Department, and the entire function was transferred from the Human Resources and Employee Development Division to the Legal Affairs Division, which was renamed the Legal and General Affairs Division. Within the new division, three departments were established:

- > Legal Affairs Department
- > Procurement, General services and Real Estate Management Department
- > Organisation, Processes and PMO Department

The purpose of the change was to optimise work, strengthen the substantive integration of organisational, process and project activities, and enhance support for the Bank's business and development initiatives. The new structure enables greater transparency of responsibilities, improved coordination of projects and process improvements, and more effective support for strategic changes.

The Financial Leasing Division became an independent business area, enabling greater focus on the specifics of its business model and the further development of this segment.

In the area of security, the Bank further strengthened its organisational framework in 2025. A reorganisation was carried out whereby the existing Information Security Management function was renamed the Department of Information Security, Asset Protection and Business Continuity and placed directly under the Management Board. This change further emphasises the strategic importance of information security, cyber resilience and business continuity.

The new structure enables the better coordination of security measures and stronger alignment with regulatory requirements and Group guidelines. The reorganisation contributes to greater resilience to security threats and stable operations in an increasingly digitalised environment.

All the organisational changes in 2025 were implemented thoughtfully, gradually and in line with the Bank's strategic objectives. They contribute to greater efficiency, stronger process integration, clearer accountability and enhanced risk and security management. With these adjustments, the Bank has further strengthened its organisational foundations for sustainable growth, regulatory compliance and successful navigation of future business challenges.

Social Responsibility and Employee Satisfaction

Gorenjska banka was the first bank in Slovenia to obtain the Socially Responsible Employer certificate in 2021 and has since upgraded it to the advanced level. In 2025, we further strengthened our commitment to social responsibility and obtained the Advanced Level 2 certificate, confirming our dedication to continuously improving the working environment, employee inclusion and sustainable practices. Within the Green Star certification system, the Bank progressed from three to four stars in 2025, reflecting advancements in sustainable management, environmental standards and responsible business practices.

Green Star is an independent sustainability assessment system based on the evaluation of environmental, social and governance (ESG) practices and their integration into the business model.

Four stars indicate a high level of maturity in sustainability management. The advancement confirms that the Bank not only meets the minimum requirements but treats sustainability as an integral part of its business model and long term strategy. The certificate strengthens stakeholder trust, supports transparency and confirms our commitment to responsible, stable and long term sustainable operations.

As part of the measures to improve working conditions and support employees, we expanded the range of employee benefits in 2025, including an additional day of leave for each employment anniversary, paid leave for parents of second grade pupils on the first day of school, and a paid day of leave for accompanying a child to secondary school information days.

These measures continue our commitment to social responsibility and sustainable development, with a particular focus on supporting employees and enabling a healthy work life balance. Our cooperation with Korn Ferry, a leading global firm in employee engagement and organisational effectiveness, was further strengthened in 2025. In addition to the annual employee engagement survey, we conducted our first mid year survey, enabling the ongoing monitoring of progress, faster identification of trends and timely adjustment of measures. Regular engagement measurement is becoming an important part of our human capital management.

In 2025, we continued developing internal programmes that strengthen knowledge, collaboration and organisational culture. The mentoring programme, established in previous years, remains an important part of employee development, while the internal knowledge sharing platform supports the broader exchange of expertise. Town Hall meetings were developed into a regular form of open communication between the Management Board and employees, further strengthening a culture of collaboration, transparency and mutual trust.

Among the Bank's key strengths remain the high level of employee expertise, adequate resources and a clear, forward looking strategic direction, all of which support stable growth and long term organisational development.

Number of employees

437

The average age of employees is 43.3 years

Number and Structure of Employees

At the end of 2025, Gorenjska Bank employed 437 employees, representing a 0.7% decrease compared to the end of 2024. The gender structure of employees comprised 66.6% women and 33.4% men. The human resources area was marked by pronounced dynamics, as organisational, economic and technological changes significantly influenced employment and workforce mobility.

In 2025, 37 new employees joined the bank, while 40 employees ended their employment. Recruitment was primarily focused on replacing long-term absences, including maternity leave and reorganisations, thereby ensuring uninterrupted and efficient operations.

Personnel changes affected the age and educational structure of employees. The average age of employees as of the last day of 2025 was 43.3 years, representing a slight increase compared to the end of the previous year, when it stood at 43.0 years. The educational structure of employees remains at a high level, as the share of employees with at least a Level VI formal education amounts to 71.2%, which is slightly lower than at the end of 2024, when it was 72.3%.

These changes are the result of strategic human resources planning that combines adaptation to new workplace requirements with efforts to enhance the professional skills and competencies of employees, thereby ensuring the successful achievement of the bank’s business objectives.

Structure of employees by attained level of formal education:

Level of education	VIII.	VII.	VI.	V.	IV.	Total
Number of employees on 31.12.2025	14	254	43	121	5	437
Number of employees on 31.12.2024	15	258	45	117	5	440
Number of employees on 31.12.2023	14	245	41	113	4	417

Employee Training and Development

At Gorenjska banka, employee training and development are understood as key enablers of safe, stable and responsible banking operations, as well as important levers for implementing the Bank's strategy, vision and values. Employees, through their knowledge, professionalism and responsible conduct, significantly contribute to customer trust and the Bank's long term success, which is why we systematically invest in their continuous professional and personal growth.

Training activities in the reporting year focused on strengthening competencies that directly support the Bank's core business while enabling adaptation to changes in the regulatory, technological and market environment. Special emphasis was placed on training in banking regulation, risk management, compliance and the prevention of money laundering and terrorist financing, thereby reinforcing a culture of lawful, transparent and ethical conduct.

In line with our value of responsibility to customers and society, employees enhanced their knowledge of personal data protection, cyber and information security, business continuity and the accessibility of banking services for persons with disabilities. These competencies are essential for ensuring safe, inclusive and reliable services and maintaining a high level of trust in banking operations.

A significant part of training activities was dedicated to developing the professional knowledge required for high quality customer service and responsible business decision making. Training in financial analysis, lending, payment services, treasury, accounting, auditing, legal matters and corporate governance supports the Bank's strategic focus on prudent risk management and long term financial sustainability.

As part of efforts to enhance efficiency and modernise operations, we also invested in the development of digital and technological competencies, including the use of advanced IT tools and generative artificial intelligence. These skills contribute to process optimisation, greater internal efficiency and improved support for employees in their daily work.

Gorenjska banka also places strong emphasis on developing leadership and communication competencies, recognising that collaboration, professionalism and mutual trust form the foundation of a strong organisational culture. Through support for further education and certification, we encourage the professional development of talents and key staff, contributing to the growth of our employees' potential.

The average number of training hours per employee amounted to 37 hours in 2024 and 27 hours in 2025, representing a decrease of approximately 27%. The decline is directly linked to the exceptionally intensive project year of 2025, during which extensive project activities temporarily limited the employees' availability for additional training.

The Bank currently covers most training needs through external providers; however, by increasingly investing in employee development through mentoring and internal knowledge transfer, we are strengthening our internal knowledge base, enhancing adaptability, and creating long term value for employees, customers and the broader community.

Statement on Internal Governance Arrangements

According to paragraphs 6 and 7 of Article 70 of the Companies Act, Gorenjska banka d.d., Kranj provides a **Statement on internal governance arrangements**, which is the scope of the business section of its Annual Report.

Gorenjska banka d.d., Kranj realises internal governance arrangements, including corporate governance, in line with the legislation applicable in the Republic of Slovenia, while observing its internal acts, especially **the Code of Ethics of Gorenjska banka d.d., Kranj and the Policy of internal governance at Gorenjska banka d.d., Kranj**. In doing so, Gorenjska banka d.d., Kranj fully observes the acts from paragraph 2 of **Article 9 of the Banking Act**.⁵

In order to strengthen the internal governance arrangements, the Bank observes in particular:

1. the provisions of the valid **Companies Act (ZGD-1)**,
2. the provisions of the applicable **Banking Act (Zban-3)** laying down internal governance arrangements, particularly the provisions of chapter 3.4 (Bank governance system) and chapter 6 (Internal governance arrangements and adequate internal capital), specifically the part of the requirements applicable to the bank or to members of the management body,
3. **the Decision on internal governance arrangements, the management body, and the internal capital adequacy assessment process for banks and savings banks**,⁶ and
4. **the EBA guidelines regulating internal governance, assessment of the suitability of members of the management body and key function holders, and remuneration policy and practice** based on the relevant decisions adopted by the Bank of Slovenia on the use of the guidelines.⁷

At the same time, we strive as much as possible to follow the recommendations of the regulator issued in the process of the regular supervisory review and risk assessment of credit institutions in 2025.

Significant Direct and Indirect Holdings of Securities by the Bank

The significant direct and indirect ownership of the Bank's securities in the sense of achieving a qualified share as defined by the law governing takeovers (5% of voting rights), was held in 2025 by AIKGROUP (CY) Limited, which owned 355,723 shares of Gorenjska banka d.d., Kranj, designated GBKR, representing 91.7% of all shares and 100% of the shares carrying voting rights in the Bank's share capital.

During the reporting period, the parent financial holding company Agri Europe Cyprus Ltd. changed its name to AIKGROUP (CY) Limited and renewed the Group's visual identity. As part of the banking group, Gorenjska banka follows the Group's vision and values and implements its business strategy and objectives. Under the name Gorenjska banka, the Bank continues its 70-year tradition of building customer trust and supporting individuals, the economy and the local community.

Share Capital Structure

The Bank's share capital comprises 387,938 ordinary shares (2024: 387,938). Ordinary shares confer voting rights, whereby each share confers one vote at the general meeting of shareholders. Shareholders exercise their voting rights at the Bank's general meeting of shareholders with respect to the proportion of their shares within the share capital and with respect to the type of shares, and in accordance with the Bank's articles of association. Treasury shares have no voting rights.

Gorenjska banka d.d., Kranj is a privately held joint-stock company whose shares are not traded on an organised market and whose total equity exceeds EUR 4 million; accordingly, it is subject to the legislation governing takeovers.

⁵ The Banking Act (Zban-3), Official Gazette of the Republic of Slovenia, No. 92/2021 and 123/21 – ZBNIP;

⁶ The Bank of Slovenia's Decision on internal governance arrangements, the management body and internal capital adequacy assessment process for banks and savings banks, Official Gazette of the Republic of Slovenia, No. 115/2021 and 11/25;

⁷ <https://www.bsi.si/en/financial-stability/regulation/seznam-predpisov/licensing>.

Restrictions on Share Transfers

Bank shares are transferable in accordance with the regulations that govern dematerialised securities. Current shareholders have pre-emptive rights to new share issues corresponding to the proportion of the share capital they hold. The Bank has no other restrictions on shareholding, while approval from the Bank of Slovenia is required for the acquisition of a qualifying holding. There is no requirement for obtaining the consent of the Bank or of other shareholders for the transfer of shares.

Restrictions on Voting Rights

The rules on restrictions on the voting rights of shares are stated in the currently valid Articles of Association of Gorenjska banka d.d., Kranj.

Bank Rules on the Appointment and Replacement of Members of the Management and Supervisory Bodies and on Amendments to the Articles of Association

The Bank's rules on the appointment and replacement of members of the management and supervisory bodies and on amendments to the articles of association are defined in the articles of association of Gorenjska banka d.d., Kranj.

The Supervisory board appoints and recalls members of the Bank's general meeting of shareholders. Persons who do not fulfil the conditions for membership of the Bank's Supervisory board pursuant to the Companies Act or the Banking Act may not be appointed to the Supervisory board. Members of the Supervisory board are appointed for a five-year term and may be reappointed. Members of the Supervisory board may terminate their terms early through recall or on the basis of a written resignation from the member.

The president and members of the Bank's management board appoint and discharge or recall the Supervisory board. Only persons who fulfil the conditions for appointment pursuant to the Companies Act or the Banking Act may be appointed president of the Bank's management board. The president of the management board and the members of the Management board are appointed for a five-year term and may be reappointed.

The articles of association may be amended through a resolution of the Bank's general meeting of shareholders. The Bank's general meeting of shareholders may authorise

the Supervisory board to make amendments to the articles of association, which comprise the harmonisation of the wording with the currently adopted resolutions.

Management Authorisations

The Management Board manages the Bank independently and on its own responsibility in such a way as to enable the efficient and prudent management of the Bank based on clear definitions of responsibilities and authorities, as well as on policies and measures geared towards preventing conflicts of interest. The Management Board requires the consent of the Supervisory Board in cases specified in the Companies Act, the Banking Act and the Articles of Association. In 2025, the Management Board did not have the authority of the General Meeting of Shareholders to purchase and sell its own shares, and, therefore, these activities were not carried out.

Pursuit of the Principle of Diversity in the Management and Supervisory Bodies

In accordance with the Internal Diversity, Equity, Inclusion and Belonging Policy of Gorenjska banka d.d., Kranj and the Internal Governance Policy of Gorenjska banka d.d., Kranj, the Bank follows the principle of balanced gender representation, whereby the underrepresented gender is represented by at least 33% of the members of the management and supervisory bodies. The composition of the Bank's management body demonstrates a high level of balance and reflects diversity among its members in terms of knowledge, experience, age, nationality, gender and other personal circumstances, in line with the applicable Internal Diversity, Equity, Inclusion and Belonging Policy of Gorenjska banka d.d., Kranj.

The ability of members of the management body to act independently and to perform their duties autonomously, impartially and free from undue influence applies to both dependent and independent members of the management body. The management body as a whole is committed to complying with and acting in accordance with the Conflict of Interest Management Policy of Gorenjska banka d.d., Kranj.

The Bank's management pursues the principles of diversity as set out in the Diversity, Equity, Inclusion and Belonging Policy, which include respect for all individuals, equal opportunities, the creation of an inclusive environment, the principle of belonging and continuous learning.

The Policy on the Assessment of the Suitability of Members of the Management Body and Key Function Holders promotes diversity within the management body, in particular with regard to gender, education, professional background, experience and geographical origin. The pursuit of diversity must not replace the requirement for the individual or collective suitability of members of the Management Board and the Supervisory Board. The Bank conducts suitability assessments of members of the management body prior to appointment, after appointment whenever circumstances arise that require reassessment, and at least once a year. Through these assessments, the Bank verifies whether each member of the management body is continuing to meet the requirements relating to knowledge, experience, reputation, integrity, independence and time commitment, in accordance with the Policy on the Assessment of the Suitability of Members of the Management Body and Key Function Holders and applicable legislation.

In assessing the collective suitability of the members of the management body, the Bank pursues the principle of diversity and considers the provisions of the Diversity, Equity, Inclusion and Belonging Policy, as well as the statutory threshold for the representation of the underrepresented gender. The Bank conducts the candidate selection process in a manner that ensures diversity within the candidate pool and comparability of candidates, thereby enabling an objective and professional selection of the most suitable individuals. The Bank assesses an appropriate balance of knowledge, skills, experience and reputation, as well as the collective suitability of the management body as a whole, in accordance with its internal acts.

Significant Events After the Date of the Statement of Financial Position

There were no other significant events after the balance sheet date.

Other Explanations

Shareholders in Gorenjska banka d.d., Kranj, do not have any special controlling rights.

The Bank has agreements among the Bank, the management board and Bank employees that foresee compensation if they are dismissed without grounds or if their employment relations are terminated because of a bid as defined by the law that governs acquisitions. In the event of a recall or termination of the employment contract

without good reason, the management board, executive directors and directors are entitled to severance pay. If the term of office of the President of the management board terminates on his/her request (resignation), the severance pay can be paid based on a positive assessment of his/her work by the Supervisory Board.

As part of its regular capital management activities, Gorenjska banka issued EUR 60 million of subordinated bonds in October 2025, with a maturity of ten years and an option for early redemption on the fifth anniversary of the bond's issue date. The bond is admitted for trading on the MTF market of the Luxembourg Stock Exchange. At the end of October 2025, the Bank obtained approval from the ECB for the inclusion of the newly issued bonds in the calculation of the Bank's regulatory capital. Based on the approval received, the Bank repaid subordinated loans in the amount of EUR 50 million early at the end of October. The subordinated loans in the amounts of EUR 20 million and EUR 30 million, with original maturities of 28 February 2030 and 14 December 2032, respectively, had been recognised as additional capital instruments of the Bank.

The early repayment of subordinated loans and the inclusion of the subordinated bond in the calculation of the Bank's capital represent an optimisation of the capital structure and a strengthening of capital adequacy to support the further growth and the long-term stability of the Bank.

In the area of meeting the MREL requirement, the Bank carried out activities in 2025 aimed at raising new MREL-eligible deposits by increasing subordinated liabilities through the replacement of subordinated loans with a subordinated bond.

As a privately held joint-stock company whose shares are not traded on an organised market, the Bank does not apply the provisions of the applicable Corporate Governance Code for Listed Companies in the conduct of its business. The same applies to companies within the Gorenjska banka Group. The Bank's management body publishes a condensed Statement on the Adequacy of the Risk Management Framework in the Annual Report. The Code of Ethics of Gorenjska banka d.d., Kranj is in force at the Bank and, in our relations with employees, partners and clients, sets out a set of fundamental values and principles that guide our conduct. The Code is publicly available on the Bank's website at: <http://Code-of-Ethics-Gorenjska-banka.pdf>

Internal Controls Mechanism

The Bank provides appropriate internal control mechanisms. Internal control mechanisms are established in such a way that the rules and supervision over the implementation of the organisational, business and operational procedures of banks are independently and qualitatively determined and are consistently implemented. The system provides systematic control over all the significant risks of the Bank, implemented on the basis of the Bank's strategy, policies, processes and measures. Within the internal control mechanisms, the Bank has also established and organised internal control functions and organisational sectors. These provide an independent and objective assessment of the effectiveness and coherence of the Bank's internal governance arrangements based on the review and assessment of the relevant strategies, processes, procedures and methodologies of the risk management of the Bank.

Gorenjska banka has established independent control functions: Internal Audit Division, Compliance and AML Division, Credit Risk Management Division, Strategic Risk Management Division and Distressed Asset Recovery Division.

The Bank provides a description of the main characteristics of the internal control and risk management systems at the Bank, data on the activities of the General Meeting, management and supervisory bodies and their committees in **additional disclosures pursuant to part 8 of Regulation 575/2013 (EBA/GL/2016/11 dated 4 August 2017) and Article 104 of the Banking Act** available on the Bank's website.

Internal Controls and Risk Management in Financial Reporting

Gorenjska banka manages the risks related to bookkeeping and financial reporting by means of appropriately defined internal acts adapted to the applicable legislation on an ongoing basis, and by implementing internal controls based on these acts. The purpose of internal controls is to ensure the completeness and timeliness of the collection of data on business events and the preparation of financial statements that are a true and fair presentation of the financial position statement, income statement, cash flows and changes in equity, and that are in accordance with the applicable regulations. Internal controls therefore include control over the reality of events and over the completeness of data coverage and their equality with the actual situation, as well as over the information systems used in this area, including the audit trail and the authorisation control systems.

By signing this Statement, we also undertake to proactively strengthen and promote suitable internal governance arrangements and corporate integrity among the wider expert, financial, economic and other public.

Kranj, 27 February 2026

Mojca Osolnik Videmšek

Management Board
Member



Marko Filipčič

Management Board
Member



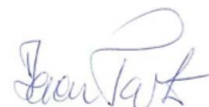
Mario Henjak

Management Board
President



Jelena Galić

Supervisory Board
Chairwoman



Aljoša Bučak Gasser

Management
Board Member



A Concise Risk Statement Approved by the Management Body

In accordance with Article 17 of the Regulation on Internal Governance Arrangements, the Management Body and the Internal Capital Adequacy Assessment Process for Banks and Saving Banks (Official Gazette of the Republic of Slovenia, No. 73/15 and 49/16, 68/17, 33/18, 81/18, 45/19, 92/21 – Zban-3 in 115/21) and Article 435.1 f of Regulation (EU) 575/2013 and 876/2019, the Management Board and the Supervisory Board of Gorenjska banka d.d., Kranj provide the following

Statement on the management of risk

Due to the development and characteristics of the financial system and to significant changes in the economy and the environment, the determination, take-over, measurement and management of risk have become an important element of the Bank's strategy and performance.

The Bank focuses on continuously strengthening risk management practices, establishing an appropriate risk culture and strong corporate governance arrangements, while ensuring that it achieves its key business and strategic objectives. Risk management is conducted within the context of the Bank's return policy, via a controlled and systematic approach, and only to the extent necessary to achieve the Bank's business and strategic objectives.

The primary objectives pursued by the Bank in the context of the risk management system are:

- > Taking risks that we can manage;
- > Establishing clear rules and supporting procedures to manage each type of risk, with clearly defined objectives;
- > Making business decisions based on qualitative and/or quantitative analysis of risk parameters to detect changes in the risk profile in time;
- > Collecting complete and accurate data relevant to risk management and ensuring an appropriate technical infrastructure for data storage and data processing;
- > Taking a precautionary approach to risk management, with continuous monitoring and control of exposure to certain types of risks, and through compliance with a limit system;

- > Using multiple methods to identify and measure risk;
- > Using past experience to avoid future mistakes.

In accordance with the strategy and policies of the Bank's operation, risk management is a key component in business decision-making. Risk management is integrated into all of the Bank's business processes and its entire culture. The risk management culture consistently supports appropriate risk awareness, risk-taking behaviour and risk-taking judgement within the risk management framework. The risk management culture strengthens effective risk management, encourages informed risk-taking, and ensures that emerging risks or risk-taking activities that go beyond the Bank's risk-taking propensity are identified, assessed, escalated and addressed in good time.

In so doing, the Bank pursues the following principles:

- > In its supervisory role, the Board sets an example of thoughtful risk management and the establishment of values and expectations,
- > Employees at all levels accept and understand the Bank's core values and its approach to risk, and are aware that they are responsible for their actions in relation to the Bank's risk-taking,
- > The Bank promotes an environment of open communication in decision-making processes, encourages positive, critical relationships between employees, and supports an environment of open and constructive cooperation,
- > Financial and non-financial incentives support the fundamental values and risk management culture at all levels of the Bank.

The principles of the Bank's risk culture, defined above, are reflected in three pillars:

1. Risk Management Framework
2. Risk propensity (risk profile of the bank)
3. The reward system

Risk management framework

- > The important role of supervisory and management functions
- > Risk management policies, procedures and methodologies
- > Three pillars of defence are established and operational

The roles and responsibilities of the three Pillars of Defence are listed in the table below:

Defence line – taking risk and risk ownership	Defence line – risk management	Defence line – monitoring and control
1	2	3
<p>Sales units</p> <ul style="list-style-type: none"> > Compliance with RAS limits > Implementing risk management principles > Risk management procedures embedded in business processes are applied with purpose and without exception > Business units take risks using appropriate instruments to implement risk management > Decision-making takes into account risk reduction compared to profit 	<p>Risk management</p> <ul style="list-style-type: none"> > Development of processes, models and tools > Determining and allocating limits > Suggesting strategies > Ensuring that internal policies, methodologies and procedures are properly documented and fully justified > Internal validation framework: content and frequency of validation tasks > Evaluating the use of models, their correct application in practice, and the reliability of input data > Ensuring business compliance 	<p>Internal audit and compliance</p> <ul style="list-style-type: none"> > Support for proper tracking and compliance with regulatory requirements > Reviewing and monitoring regulatory changes that the bank needs to take into account > Verifying compliance with regulatory expectations > Monitoring the effectiveness of internal controls and risk management systems, and the reliability of the reporting process > Overall risk assessment in all aspects > Internal audit workplan

The Bank’s Risk Profile

The Bank has established a modern and transparent risk measurement and risk profile monitoring system. Based on the defined risk appetite and internal limit system, the Bank has defined a set of key indicators for each type of risk and limit values for the review of the risk assessment and its importance for each one.

All key risk indicators are defined in the Bank’s Risk Appetite Statement. The values of all the defined metrics and their trends are reflected in the Bank’s Risk Dashboard, which the Bank updates on a monthly basis.

The risk assessment is an output based on the analysed trends of key indicators, carried out by the Strategic Policy Division.

The end result of the risk importance analysis is an overall “score” for each risk type, and their importance is assessed on a rating scale. The importance rating should take into account the current risk exposure and future trends (one-year period), as shown in the table below:

Risk	Low	Moderate	Elevated	High	Trend of change
Resilience	High	Medium	Low	Very Low	
Systemic risks					
Risk inherent in the real estate market		▼			Increased
Funding risk in the banking system		▼			Stable
Interest rate risk in the banking system		▼			Stable
Credit risk in the banking system	▼				Increased
Income risk in the banking system	▼				Increased
Risk inherent in leasing companies	▼				Increased
Resilience to systemic risks					
Solvency and profitability of the banking system	▼				Stable
Liquidity of the banking system	▼				Stable
Other risks					
Cyber risk			▼		Stable
Climate risk		▼			Stable

No significant changes were observed in the risk profile of Gorenjska banka d.d., Kranj in 2025. The exception is climate and environmental risk, which the Bank actively integrates into both its risk management processes and other banking operations through a project for the implementation of environmental and climate risk considerations.

In 2025, the Bank continued to assess changes and trends in its risk profile in the context of macroeconomic conditions and developments in the business environment. These remained unfavourable both in Slovenia and globally, primarily due to geopolitical tensions and declining economic activity.

The Bank believes that:

- > Credit risk has been increased due to the volatile macroeconomic conditions.
- > Increased interest rate risk is due to interest rate volatility and changes in monetary policy.
- > Operational risk has increased due to the increased cyber risk.

The Bank also measures the risk profile through the exposure to risk, measured using the capital demand for individual risk types, and internally sets methodologies and indicators for monitoring and measuring risk.

The total capital requirement of the Bank amounted to EUR 147.86 million at the end of 2025, an increase of EUR 12.94 million compared to the previous year. This increase is the result of the capital requirement for credit risk increasing by EUR 18.17 million. The increase in the capital requirement for credit risk derives mainly from the larger volume of retail banking. The capital requirement for operational risk is lower by EUR 5.23 million, primarily due to the introduction of the CRR3 regulatory framework, which brought a revised methodology for calculating capital requirements.

The table below shows the Bank’s position as at 31 December 2025 compared to the previous period.

	in thousands of EUR				
	31 Dec . 2025	Structure 2025	31 Dec . 2024	Structure 2024	Change
Credit risk	138,106	93%	119,935	90%	18.171
Market risk	-	0%	-	0%	-
Operational risk	9,754	7%	14,987	10%	(5.233)
Total capital requirements	147,860	100%	134,922	100%	12.937

The Bank is carefully monitoring and managing other risks as well, namely those originating from the Bank’s operations and from the dynamic business environment, e.g. compliance risk, reputational risk and strategic risk. For all of the listed risk types, the Bank has defined internal approaches to promptly detect and measure them, and to prepare measures for their management and control.

Readiness to Assume Risk and the Capability of Assuming Risks

Risk appetite is the level of risk that the Bank is willing to assume for the sake of realising its strategic/business goals.

In determining the risk appetite and risk tolerance, the Bank considers risk-taking capacity, which is reflected in the amount of internal capital available to the Bank. The Bank’s strategic objective is to maintain a capital adequacy ratio above the minimum set by the SREP process.

The risk appetite is determined by the Bank’s Business Strategy and Risk Management Strategy. The risks to which the Bank is exposed are further specified in the Bank’s Risk Management Strategy.

The Bank is strategically focused on maintaining credit, interest and model risk at a medium level, and liquidity, currency and operational risk at a low level.

In addition to risk, the Bank defines the level of tolerance for accepting risk through set internal limits, which enable the Bank to keep its risk profile compliant with the Risk Appetite Statement. The Bank’s risk profile is an assessment of the Bank’s exposure to risk, expressed using numerous indicators and qualitative statements.

Date	Common Equity Tier 1 (CET1)	Tier 1 ratio (T1)	Total Capital ratio (TCR)	Risk-bearing capacity (RBC)	Leverage ratio (LR)	MREL TREA	MREL LRE
31/12/2024*	15.6 %	15.6 %	18.5 %	73.2 %	9.8 %	25.5 %	16.1 %
31/12/2025	14.1 %	14.1 %	17.3 %	–	8.7 %	23.8 %	14.9 %
Limit	> 12.1 %	> 14.1 %	> 16.6 %	< 90 %	> 4 %	> 23.7 %	> 7.0 %

Date	LCR	LTD gross	Survival Horizon	NSFR
31/12/2024*	246.7 %	85.9 %	200 dni	146.9 %
31/12/2025	171.5 %	89.7 %	157 dni	139.3 %
Limit	> 130 %	< 100 %	> 45 dni	> 115 %

* Adjustment of the 2024 figures to include profit in regulatory capital as of 31.12.2024 - Resolution of the Annual General Meeting 17.3.2025

In 2025, the values of the aforementioned indicators were within normal limits and reached levels that do not exceed the set target or limit values at the end of the year.

Pursuant to Article 545 of the Companies Act (ZGD-1), we declare that the Bank, under the circumstances known to it at the time, for legal transactions performed or acts that were committed or omitted, received an appropriate refund for each legal transaction and/or was not disadvantaged by the fact that the act was committed or omitted.

Kranj, 27 February 2026

Mojca Osolnik Videmšek

Management Board Member

Marko Filipčič

Management Board Member

Mario Henjak

Management Board President

Jelena Galić

Supervisory Board Chairwoman

Aljoša Bučak Gasser

Management Board Member

Consolidated Sustainability Statement

Gorenjska Banka d.d., Kranj and
Gorenjska Banka Group



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I. General Disclosures [ESRS 2]

BP-1, BP-2 – General Basis and Special Circumstances

[BP-1] The Sustainability Statement of Gorenjska banka Group (hereinafter: GB Group) has been prepared in line with the European sustainability reporting standards (ESRS), whereby the full set of sustainability topics has been prudently evaluated based on the double importance. Our report has been prepared on a consolidated basis, together with its subsidiary companies Imobilia-GBK, d.o.o., GB Leasing, d.o.o., and Filira, poslovne storitve, d.o.o., in line with the scope of our financial statements. Even though all the subsidiary companies are part of the reporting, we are not disclosing sustainability data and information for the company Filira because it has no employees. Reporting on the value chain scope, whereby we are focusing on our own activities and portfolio, which are the key segments of the value chain. The GB Group did not leave out specific information concerning intellectual property, professional know-how or results of innovations or matters in negotiations.

[BP-2] The GB Group is listing special circumstances that have a significant impact on the reporting content and procedures on its own activities and the value chain. Our short-term (up to 1 year), mid-term (from 1 to 5 years) and long-term (over 5 years) periods are compliant with the recommendations of the ESRS standards. Data from the value chain (i.e. from customers) is being collected from internal and external sources, such as publicly available data (e.g. annual reports, sustainability reports and media publications), databases (e.g. national and international agencies, ministries, statistical services), and directly from customers (e.g. ESG questionnaire, energy performance certificates).

The metrics we used for the assessment and analysis of the portfolio included the following:

- > Analysis of exposure to SKD/NACE activities A–H and M in the credit portfolio, and to the shorter list of environmentally exposed sectors that was prepared as part of the impact analysis;
- > Analysis of data on the energy efficiency of buildings financed through mortgage loans;
- > Analysis of financed emissions under the PCAF method;⁸
- > Analysis of physical risks;
- > Analysis of received ESG questionnaires.

The average emission factors for Slovenia were used in the calculation of GHG emissions. The factors and information are defined in more detail in the verified GHG emissions report (Bureau Veritas d.o.o. certification authority) for scopes 1 and 2 for the year 2024 (link: <https://www.gbkr.si/trajnostni-razvoj-in-esg/>). The GB Group carried out the calculation of scope 1 and 2 for the year 2021, which represents the base year for monitoring the decarbonisation of its own activities.

The GB Group only calculates GHG emissions for scope 3 for category 15 (investments), which is the most important part of operations, i.e. portfolio. The calculation was performed for the first time for the year 2023, whereas the current Sustainability Statement provides data for the year 2025 as well. Calculations for scope 3 have not been verified. Financed emissions 3 are calculated on the basis of the PCAF standard, where we are using the average of the sectoral data, while the calculation is based on using the factors of emission intensity (in tCO₂e per EUR revenue). The data has a score of 4, which is the highest level of uncertainty on the scale of 1 to 5. The smaller scope of data is included in the calculation from the actual reported data, which has a score of 1 or 2, a very low uncertainty level. It is important to note that the calculation is based on the most up-to-date data. By implementing the regulatory requirements, we expect many more customers to calculate their carbon footprint, which will lead to better quality data over the years.

In the coming period, we will focus on establishing a more up-to-date system for obtaining data to calculate GHG emissions in scopes 1 & 2 and on calculating GHG emissions for additional Scope 3 categories. We will also focus on obtaining data directly from customers. We expect to mostly use public databases for analysis purposes because the implementation of regulatory requirements will ensure a better quality and quantity of data.

⁸ PCAF emissions estimation 30.06.2025.excel

Table 1: Resources and Level of Measurement Uncertainty

Disclosure e1-6	Standard used	Data quality	Resources of assessment uncertainty
GHG emissions – scope 1, scope 2 (location, market method)	GHG Protocol: A Corporate Accounting and Reporting Standard (hereinafter: GHG protocol)	good	±4.8%
GHG emissions – scope 3 Category 15: In vestments	Standard Partnership for Carbon Accounting Financials (PCAF (2022), The Global GHG Accounting and Reporting Standard Part A: Financed Emissions, Second Edition (hereinafter: PCAF standard)	From 1 (very low uncertainty) to 4 (higher uncertainty)	On the uncertainty scale from 1 (lo w) to 5 (high) Lesser share: score 1 or 2 Higher share: score 4

The presentation of sustainability information in this report has been prepared in accordance with the EU “quick-fix” Delegated Regulation dated 11 July 2025, so the report is prepared on the same scope and basis as for 2024, only without the calculation of the GAR (Green Asset Ratio) and the supporting tables. The GB Group already applied the ESRS standards in the 2024 Sustainability Report, ensuring comparability. We also did not find any material errors due to which the information would need to be corrected. The GB Group discloses or refers to the data from Pillar 3 and the GHG emissions calculation, which has been prepared in line with the GHG protocol and the PCAF standard. More on this in Table 37: The list of data points from intersectoral and topic standards stemming from other EU legislations.

Table 2: References Outside the Sustainability Statement

Disclosures/data points	Location	Page/link
Verified GHG emissions calculation (scope 1 and 2)	Website	https://www.gbkr.si/trajnostni-razvoj-in-esg/
Information on the business model of the GB Group	Annual report 2025	21
Information on subsidiaries of the GB Group	Annual report 2025	19-22
Data on the net revenue of the GB Group	Annual report 2025	29

Table 3: Important Topics with the Gradual Introduction of Reporting

Sustainability topic or subtopic	Start of reporting	How the topic is considered in the strategy and the business model?	Time-limited aims
E1- SBM-3, E1-1, E1-4: Transition plan	We will take into account legislative changes that are currently in progress (Omnibus package)	It expands the set of sustainable financial products and changes the methodology for assessing the risk of customers by including the ESG	2030 – decarbonisation of own activities, 2050 – decarbonisation of the portfolio
E1-9 Predicted financial impacts of important physical and transition risks/opportunities		The physical climate and transition risks or opportunities are changing the model for calculating credit ratings, which includes both financial and ESG indicators	/
E2 (pollution), E3 (water and marine resources), E4 (biodiversity), E5 (circular economy)		The environmental topics E2-E5 are important for the value chain, comprising, in the GB Group, customers who are operating in various sectors and areas	2050 - decarbonisation of the portfolio
S1-16 Remunerations metrics		Our own employees are the key stakeholders who have an important role in introducing changes and generating added value	/
S4 (consumers and end buyers)		The Bank is building responsible and long-term relationships with customers, who are at the heart of its business model and strategy, and it is helping them in adopting financial decisions by communicating transparently and providing financial literacy	/

The decarbonisation strategy, with its commitment to decarbonise our own activities by 2030 and portfolio by 2050, will serve as the basis for future environmental policies because it will include all the environmental standards. The measures and objectives of E1 (climate changes), which include our own activities and portfolio, will improve the energy efficiency and sustainable mobility in our own activities (e.g. bigger electric fleet) and expand the set of financial products for sustainable financing, aiming at climate change mitigation and adaptation. The topical standards E2 (Pollution), E3 (Water and Marine Resources), E4 (Biodiversity) and E5 (Circular Economy) primarily relate to the management of clients within our portfolio, and therefore the collection of data such as on waste, water consumption, the circularity of resources and biodiversity conservation will be aimed at designing measures and targets to promote sustainable investments and operations.

GOV-1 – The Role of the Management Board and the Supervisory Board

The Management Board and Supervisory Board are being informed of key sustainability topics such as the strategies and methodology for identifying and assessing double materiality. The Supervisory Board conducts quarterly reviews to ascertain and guide the strategic focus of the GB Group while ensuring that sustainability is embedded in processes, internal documents and the risk management system.

Gorenjska banka operates a two-tier system, consisting of a Supervisory Board with 7 non-executive members and a Management Board with 4 executive members. The momentary composition of the (four-member) Management Board reflects a high level of management skills; all members have many years of experience in banking and management, whereby banking and finance experience prevail. The Management Board collectively represents all areas of the know-how needed for the institution's operations, with suitable professional knowledge and experience divided among their members.

Both the Management Board and the Supervisory Board meet all the eligibility requirements for the management functions (sufficient experience and education, track record, reputation and time availability). The Bank assesses both the collective and individual eligibility of the members of the Supervisory Board and the Management Board on an annual basis.

Table 4: Governance, Independence and Diversity

Management bodies	Total	M (no./%)	F (no./%)	Independence of board members*	Diversity of nationalities
Management Board – executive members	4	3 (75%)	1 (25%)	3 or 43% independent members	3 Slovenian nationals 1 Croatian national
Supervisory Board – non-executive members	7	4 (57%)	3 (43%)		3 Slovenian nationals 4 Serbian nationals

* The proportion of independent members of the Board of Directors of Gorenjska banka, which has a two-tier board system, corresponds to the proportion of independent members of the Supervisory Board.

The gender ratio on the Board of Directors is 0.33 or 1:3. The governing bodies are also diverse in terms of nationality, with one representative of the Croatian nationality and four representatives of the Serbian nationality on the Supervisory Board. The Supervisory Board has three or 43% independent members, which also represents the percentage of independent members in the Bank with two-tier governance. The Bank’s goal is to maintain a team that reflects the principles of diversity, particularly in terms of skills and experience, and to ensure the representation of underrepresented genders. The Bank is committed to adhering to the EBA Guidelines on Internal Governance and has integrated them into its internal legal framework. The governing bodies acknowledge the distinction between independence of conduct and the principle of independence of position and are dedicated to independent conduct.

There are no employee representatives on the Management Board of Gorenjska banka. The Gorenjska banka Trade Union, which falls under the jurisdiction of the GB Group, is dedicated to safeguarding and advocating for employees’ rights. It is open to all employees, who are free to become members. The Union is committed to keeping wages in line with living costs. Each year, the Management Board and the trade union co-organise the Bank Games and the New Year’s Gift Giving Event for Children.

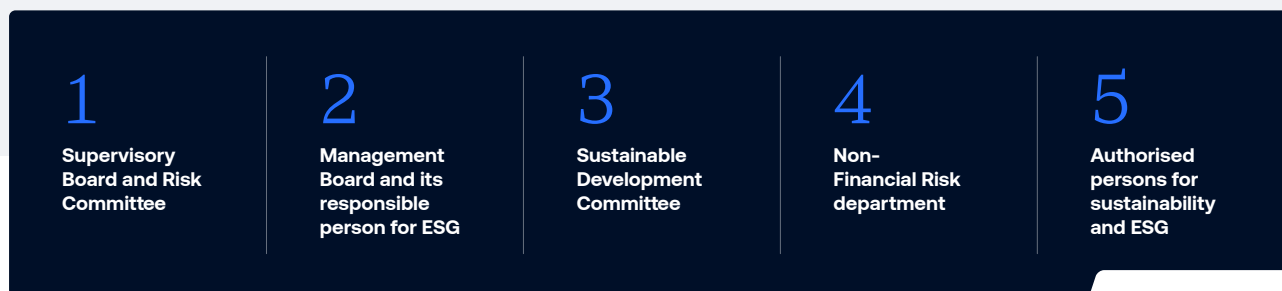
The Sustainability Management Model

The GB Group has established a comprehensive 5-level sustainable development management structure. The Management Board and the Supervisory Board are responsible for the approval, strategic supervision and efficient implementation of content related to sustainability. The Sustainable Development Committee and the Risk Committee support the Management Board and the Supervisory Board in the sustainable development process.

- The Supervisory Board and the Risk Committee** approve the business strategy of the Bank and the ESG and Sustainable Development Strategy, and regularly monitor the implementation of the activities in the ESG area through reports of the Management Board.
- The Management Board** and its responsible person for ESG are tasked with confirming and implementing the ESG and Sustainable Development Strategy, establishing sustainable culture and business processes that conform to the strategy, approving decisions and operational plans for sustainable development, to ensure the establishment of an efficient ESG risk management and internal controls management mechanism, and to ensure transparency in reporting in line with the regulations and standards.
- The Sustainable Development Committee** discusses topics related to sustainable development in each business area; it forms the ESG and Sustainable Development Strategy and proposals for action; it monitors the implementation of the Strategy, action plans and the achievement of the sustainability goals; it prepares proposals and supplements to the Strategy (annual overview), and it prepares reports for the Management Board.
- The Non-Financial Risk department** is a linking element between the Sustainable Development Committee, the members of the Management Board and authorised persons for sustainability in each area; it coordinates and harmonises the activities on each level of management and in each commercial area.
- Authorised persons for sustainability and ESG monitor** and implement activities in each business area (risk management, financial management and reporting, corporate operations, retail operations, product and process development, marketing and public relations, staff management, legal affairs, compliance, health and safety at work, real estate management, operations of subsidiaries in the Group).

With its multilevel management of sustainable operations, the GB Group is making sure that the sustainable development and ESG areas are seen as an important area for the highest decision-making bodies and are proactively included in the everyday activities of departments that are linked with ESG and sustainability the most.

Chart 1: The Sustainable Operations Management Structure of the Bank



The Sustainable Development Committee in the GB Group is responsible for the preparation, implementation and monitoring of the implementation of the action plan, which allows for the implementation of strategic commitments and goals concerning sustainable development. The management structure of Gorenjska banka is also part of the AIKGroup structure, which connects local sustainable development leaders. They are responsible for the implementation of the ESG management model and measures on the local level in line with the Group standards, and operate as a horizontal contact point in order to ensure that climate and environmental risks are duly incorporated into the risk management framework of the GB Group. The Sustainable Development Committee, comprising 10 members and 6 deputies from key areas of the Bank and its subsidiaries, is chaired and overseen by Board Member Mojca Osolnik Videmšek, responsible for IT and digitalisation, ESG and anti-money laundering and counter-terrorism financing. The Committee convenes regularly on a monthly basis, monitors the performance of action plans on a quarterly basis, and reports regularly to the Management Board at Board meetings. The Supervisory Board is briefed on environmental and climate activities on a quarterly basis.

ESG Competencies

The adequacy of the skills and knowledge in the area of sustainability is assessed at least annually by the governing and management bodies, through a process of assessing the individual and collective suitability of the Management Board and the Supervisory Board (both the body and each of its members). This ensures the regular monitoring of experience and representation of all disciplines relevant to the Bank's operations. Additional training in all relevant areas of banking, including sustainability, is provided to members of the Management and Supervisory Boards.

In addition, the Bank has adopted Rules of Procedure for the training of members of the SB, which define three different types of training: initial, regular and special. Each year, the Bank prepares an annual training plan for supervisory staff to attend training courses organised by various professional institutions (e.g. the Association of Banks of Slovenia (ZBS), the Association of Supervisors of Slovenia (ZNS), etc.), as well as training courses organised by Gorenjska banka, which are also attended by members of the Management Board. In 2025, a training session was conducted by Deloitte for members of the Supervisory Board. The following topics were addressed:

- > DORA and Cybersecurity
- > Macroprudential Supervision and interest rate risk in the banking book (IRRBB) (Supervisory priorities and EBA dashboard and IRRBB)
- > Anti-bribery
- > Antitrust (competition law)
- > Artificial intelligence governance – competence development for supervisors

Internal controls and internal control mechanisms ensure systematic control over all the relevant risks of the Bank. The Bank has established rules and controls over the implementation of the Bank's organisational, business and work procedures in accordance with the legislation. The internal control functions cover the areas of compliance, risk and internal audit activity. The functions are independent, have permanent and unlimited access to the governing body and sufficient financial resources to maintain a high quality of internal control. Internal control functions are a key part of the Bank's overall risk management framework, and the responsibilities and tasks of the control functions in the area of sustainability reporting are expected to expand in the coming years.

GOV-2 – Information for the Management Board and the Supervisory Board

The Division for Strategic Risk Management reports quarterly to the Supervisory Board on the progress of the environmental risk implementation project. In 2025, the Sustainable Development Committee reported to the Management Board, the Supervisory Board and the Risk Committee (which is part of the Supervisory Board) on:

- > The CER issuance and renewal process
- > GB Group's key issues (material impacts, risks and opportunities)
- > The process of integrating ESG into the Bank's credit process
- > Adopting internal policies that promote diversity, inclusion and equal pay
- > Various ESG-related KPIs and information regarding regulatory reporting
- > ESG questionnaires for clients
- > The pricing framework of the Bank's Product Pricing Policy, which will also take into account ESG factors
- > The Climate and environmental risk report (C&E risk report)
- > Anti-Money Laundering (AML) as part of quarterly compliance reporting
- > Implementation of EBA guidelines on ESG risk management

The Supervisory Board and the Management Board are provided with vital information to monitor the implementation of the company's strategy, risk management process and compliance with regulatory requirements.

The Management Board and the Supervisory Board ensure that an appropriate mechanism is established within the GB Group for implementing sustainability topics into the bank's own operations, which is managed by the Organisation and Human Resources Sector for the internal workforce, by the Compliance Sector mainly for the management area, and by the subsidiary Imobilia for the environmental area and the calculation of GHG emissions from the perspective of the GB Group's own operations. Gorenjska banka monitors the implementation of the Sustainability Action Plan on a quarterly basis at the Sustainable Development Committee. Any material impacts, risks and opportunities arising from the double materiality relevance assessment process have already been incorporated into the 2025 ESG Action Plan. In the coming years, we will continue to develop and refine our performance monitoring processes, tools and control mechanisms.

GOV-3 – Integrating Sustainability Performance into Incentive Schemes

Once per year, the members of the Supervisory Board carry out a self-assessment of the performance of their work and a self-assessment of collective suitability in terms of composition diversity and adopt a series of measures to improve the performance of their work. This is also prepared for the Management Board of the Bank, and the basis for the assessment is the annual report of the Bank, which will now include a sustainability statement.

Collective and individual assessments of the eligibility of the members of the Management Board and the Supervisory Board are carried out once a year. The collective suitability assessment process assesses whether all the relevant areas necessary for the successful operation of the bank are represented within the established European and Slovenian regulatory framework. Among the skills/areas that need to be represented on the board are ESG and sustainability reporting.

Variable Remuneration Elements and ESG Criteria

The GB Group offers an incentive scheme for the Management Board, the B-1 Directors, the Head of Information Security, the Data Protection Officer and the AML/CFT Officer. The variable part of remunerations refers to the payments that depend on the achieved results directly related to the achievement of the goals in the company as a whole, the goals of the individual organisational unit, and the goals of the individual, and are given and paid in the form of cash and/or instruments. These goals are meant to ensure the sustainable development of GB Group companies. The ESG criteria are as follows:

- > ensuring the development of human resources,
- > strategic projects,
- > performing in line with company values,
- > operating in the framework of a socially responsible employer.

The performance of the members of the management and governing bodies is also assessed by means of sustainability targets in line with the annual short-term incentive plan, based on the annual setting of KPIs and the annual (periodic) assessment of the performance of the institution, the function (team) and the individual performance of employees with a specific job description. The objectives relating to sustainability are:

- > increasing green financing
- > improving employee engagement and empowerment
- > implementing CSR projects and initiatives
- > establishing of a client ESG risk assessment procedure
- > increasing staff retention rates

The performance measures are part of the remuneration policy and are determined by means of weights within the overall set of criteria, which together contribute to the variable part of the remuneration. The percentage of variable compensation linked to sustainability targets and/or impacts is estimated at 10-20%.

At present, the GB Group does not take into account the performance of members of its management, executive and supervisory bodies against greenhouse gas (GHG) emission reduction targets, nor does it have detailed performance indicators defined in relation to climate objectives. In parallel with the development of the comprehensive transition plan [E1-1], the roadmap foresees the definition and adoption of more detailed indicators for both the Management Board and the B-1 level directors, which will be used as benchmarks for ESG performance and whose responsibility and role is to support the implementation of the strategy and the effective delivery of actions.

GOV-4 – Due Diligence Statement

The GB Group has outlined five key elements of due diligence within our Sustainability Management Framework, reflecting our commitment to identifying, assessing and managing sustainability impacts. Due diligence ensures responsiveness or triggers changes in the company’s strategy, business model, activities, business relationships and operating context as an iterative process and ongoing practice involving stakeholder engagement, impact assessment, corrective action and performance monitoring. Each step of our due diligence process is linked to the relevant sections of the Sustainability Report, ensuring transparency and accountability in our sustainability practices.

Table 5: Due Diligence Statement

Key Elements Of Due Diligence [GOV-4]	Paragraphs
(a) Integration of due diligence with governance, strategy and business model	GOV-2; GOV-3; SBM-3
(b) Engagement with affected stakeholders at all key stages of due diligence	GOV-2; SBM-2; IRO-1; MDR-P
(c) Definition and assessment of adverse impacts	IRO-1; SBM-3
(d) Adoption of measures to address these adverse impacts	MDR-A, topical ESRS
(e) Monitoring and communicating the effectiveness of these efforts	MDR-A, MDR-T, topical ESRS

GOV-5 – Risk Management and Internal Controls Concerning Reports

Gorenjska banka maintains a comprehensive risk management system for the identification and management of climate and environmental risks that has been updated at least annually from 2023 onwards. The methodology for the assessment of climate and environmental risks has been adopted and standardised at the level of the AikGroup (CY) Limited (hereinafter: AikGroup), the holding company for the financial institutions that include Gorenjska banka.

The Bank therefore included climate and environmental risks into its risk management framework. The Risk Management Strategy's risk register has been updated to include climate and environmental risks, with two key drivers identified:

- > **physical risk**, which refers to the financial impact of a changing climate, including more frequent adverse weather events and gradual changes in climate, as well as environmental degradation, such as air, water and land pollution, water stress, floods, landslides, fires, biodiversity loss and deforestation; and
- > **transition risk**, which refers to financial losses of an institution that occur directly and indirectly due to adjustments to a low-carbon and more sustainable economy, and they may be triggered by factors such as the relative sudden introduction of climate and environmental policies, technological advances, mood changes on markets or changes in market choices.

The Risk Appetite Statement includes metrics for measuring climate and environmental risks, as well as their short- and medium-term target values. The statement is prepared monthly and reported to the bank's management board and the AikGroup management board.

The Bank periodically conducts a materiality assessment with which it established the methodology and a structured approach to the materiality assessment of the various climate and environmental risks. A detailed analysis of all the physical and transitional risks has been carried out for Slovenia, whereby the **main physical risks in connection with floods, avalanches and fires had been identified**. The Bank is using the results of the materiality assessment to establish further measures and future strategic challenges with the aim of better managing and mitigating the impact of climate and environmental risks on its financing. The strategy for mitigating the risks identified is based on assessments that update risk management methods and enable us to adjust credit policies, invest in more resilient projects, and promote sustainable practices with our clients.

Physical risk and transition risk are factors that drive the existing risks, primarily credit and operational risk. This means that the climate and environmental risks have the most impact on multiple categories and sub-categories of existing risks. As an economic operator, the GB Group will implement activities that will reduce its negative impacts on the environment and contribute to the reduction of environmental degradation. As a legal entity offering financial services to the population and households, the GB Group will support the transition to a sustainable economy and a low-carbon society by linking its financing needs with financing sources.

The Bank integrates the results of risk assessments into relevant internal functions such as Strategic Risk Management, Compliance, Credit Risk Management, etc. and into its work processes. As a result, in 2025, the Bank continued with the establishment of the ESG data model and the digitalisation of collecting ESG data. It also collected data on its clients using an ESG questionnaire, which was enhanced within the framework of a working group of the Bank Association of Slovenia, in which the Bank actively participates. This working group collaborates with the Bank of Slovenia in establishing a unified platform for collecting ESG data within the SISBIZ framework. For this purpose, the Bank uses its website, which allows customers to simply submit the completed questionnaire, and the Bank may verify and centralise the collected ESG data in its data warehouse. In addition, the Bank pays special attention to the energy performance certificates of buildings. The Bank also participated in the amendment of the summary of the appraisal report on the level of the Bank Association of Slovenia, which has been amended with the data concerning transitional and physical risk.

The Bank is continuing with the implementation of climate and environmental risks in the governance risk processes, taking into account the EBA guidelines on ESG risk management, whereby it is especially focusing on the further inclusion of climate and environmental risks in the loan approval and monitoring process. For this purpose, the Bank continues to collect ESG data, using a newer, enhanced version of the ESG questionnaire.

For the purpose of collecting further information on real estate, the Bank is cooperating with an external adviser who has prepared a basis for the assessment of physical risks and an assessment of energy efficiency on the basis of publicly available data from the energy certificate register and provided data on physical risks (fire, creeping risk or floods) for real estate in the collaterals portfolio that does not have an official energy certificate.

For the purpose of including climate and environmental risks in the process of approving and monitoring loans, the Bank uses an ESG due diligence tool for clients, which is based on the collected data from the ESG questionnaire, customer and industry data in which the client operates, as well as the location and energy efficiency of the real estate. In addition, the Bank also implemented the methodology to calculate the assessment of financed TGP emissions, which is based on the publicly available data on the average TGP emissions on the basis of the industry in which the customer operates. The Bank’s long-term goal is to gradually replace the assessment of financed TGP emissions with the actual and verified actual assessments of TGP emissions, which customers will provide in the ESG questionnaire or report in their sustainability reports.

Methodologies and International Standards for Environmental Risk Management

The Bank’s approach to environmental and climate risks follows the ECB’s Guide to Climate and Environmental Risks, the EBA Guidelines on ESG Risk Management, the LMA/ICMA Principles, and seeks to follow regulations and guidelines that are consistent with the EU taxonomy. For more on risk management, see Risk management (page 37).

SBM-1 – Strategy, Business Model and Value Chain

[SBM-1] The GB Group integrates its ESG strategy into its business strategy, thereby strengthening its commitment to decarbonising operations and the portfolio. In 2026, in collaboration with AikGroup, we will prepare a more detailed transition plan [E1-1, E1-3 and E1-4]. In addition, an action plan for the implementation of ESG-wide measures is drawn up each year. To more effectively identify, assess, monitor, report and manage ESG risks, we will continue to implement internal policies, processes and technology solutions. The activities pursued by the GB Group are set in such a way that they will successfully achieve the ultimate goal of a carbon-neutral economy. Through a change in its business model and sustainable financing products, the Group aims to facilitate the transition to a low-carbon society and serve as a role model for the circular economy and green economy. The key sectors for the GB Group are banking, investments and funds, leasing services and real estate. Gorenjska banka is a modern universal bank that provides a wide range of banking, financial and investment services for individuals and businesses. Our business model is based on stability, responsible financing and sustainable development, supporting the local economy and the long-term financial well-being of our clients.

Figure 1: Key Building Blocks of a ESG Strategy



As the first bank in Slovenia to be certified as a socially responsible employer, we have been developing social responsibility and sustainable development, which we embed in our sustainable management through 51 measures.

A description of the key financial products and services of the GB Group, its markets, customer segments and the number of employees is provided on pages 21, 22 and 45 of this Annual Report.

GB has set ambitious ESG targets for the medium to long term, the details of which can be found in Table 6.

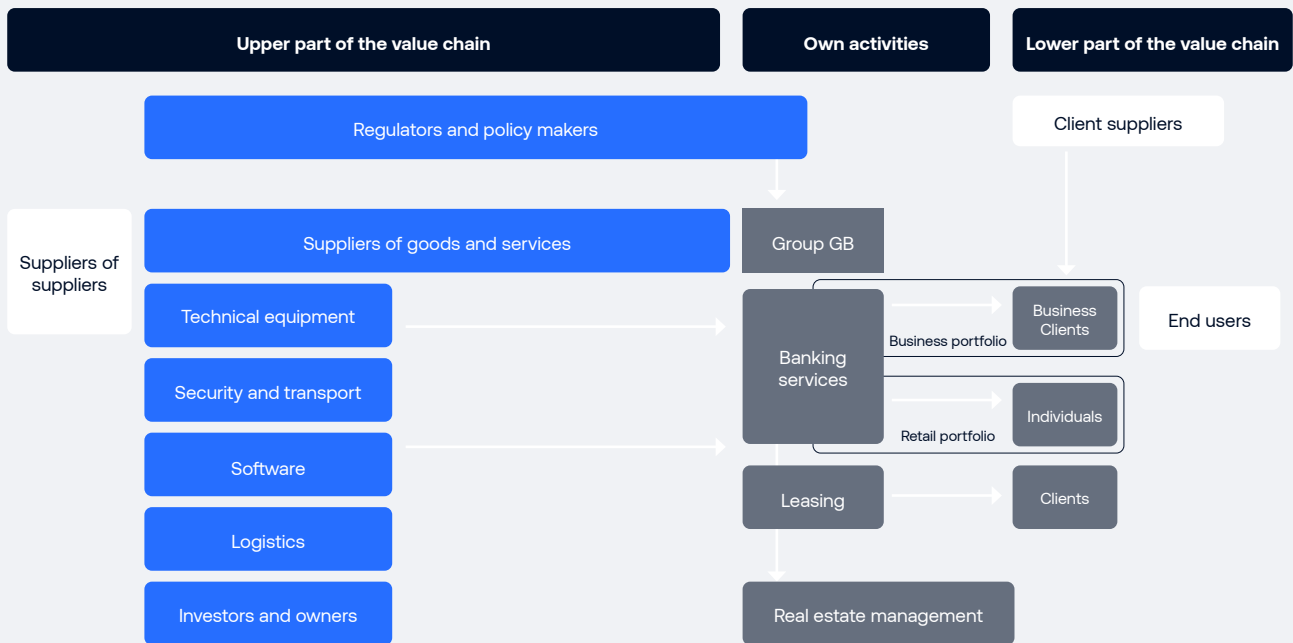
Table 6: Medium- and Long-Term ESG Targets

Environmental objectives
Year 2027: 15% share of green mortgages
Year 2050: Net-Zero Portfolio
Year 2030: Net-Zero Operations
Year 2027: 100% of electricity purchased from zero-carbon energy sources
Year 2027: Exceed 12% green financing of the credit portfolio
Year 2027: Less than 15% exposure towards sector with highest CO ₂ emissions
Year 2027: Less than 14% of collateral value exposed to high physical risks
Year 2027: Less than 3% exposure to the electricity, gas, steam and air conditioning sector from non-renewable sources
Social objectives
Expansion of the regional programme "Podpora družinam": > EUR 0.5m annually
Equal working conditions for all diverse groups
Commitment to supporting families and affordable housing
Governance objectives
Update of the consumer protection policy in line with changes in the EU regulatory framework
Upgrade of the internal Enhancement of the internal management policy and the introduction of new Supervisory Board committee charters
Succession plan
Updating the Code of Business Ethics
Training for various levels of employees in 2025 on topics such as the prevention of bribery and corruption, competition law violations, fraud, etc.
Promotion of the whistleblowing tool
New initiatives arising from the Group compliance culture policy (e.g. "Tone from the Top" messages for all employees)

Value Chain

The GB Group has an upstream value chain that includes regulators, policymakers and suppliers of goods and services, and a downstream value chain that focuses on the business and retail portfolio. The downstream part of the chain is also the link between the business customers' suppliers and the end-users. The GB Group uses portfolio management to identify the biggest impacts in the value chain for more sustainable operations.

Figure 2: Representation of the GB Group Value Chain



Our core project team carried out an inventory of the value chain in terms of upstream, downstream and own activities, and analysed the portfolio in terms of exposure, high-emission sectors and data on the energy performance of buildings. Within each link or actor in the value chain, key sustainability topics have been identified and assessed.

SBM-2 – Stakeholder Engagement in the Strategy

As the cornerstone of our sustainability strategy, stakeholder engagement has been and will continue to be an area of increasing focus for the GB Group. Through regular and structured dialogue, we aim to ensure that our business model and sustainability initiatives reflect the expectations of our key stakeholders. In 2024, the impact assessment included an online questionnaire with the owner, employees, management, supervisory board and subsidiaries GB Leasing d.o.o. and Imobilia-GBK d.o.o. In 2025, clients and business partners (suppliers) were also included in the impact assessment during the double materiality analysis. Stakeholders gave the highest scores (12 points out of a possible 16) for impacts in topical standards S1 (Own Workforce), 11.9 points for G1 (Business Conduct), 11.5 points for S4 (Customers and end-users) and 8.4 points for the group of impacts from E1-E5 (Environmental topics).

Table 7: Map of Stakeholders

	Stakeholder Group	Subgroup	Key Stakeholders	Type	Engagement / Method
Upstream	The regulator and policy makers	EU	European Central Bank	User of sustainability statements	NO
		-	European Banking Association	-	NO
		-	ESMA	-	NO
		National	Bank of Slovenia	User of sustainability statements	NO
			Ministry of Finance		NO
	Suppliers of goods and services (major groups)	Technical banking equipment	-	Affected stakeholder	YES, questionnaire
		Security and transportation of money	-	Affected stakeholder	YES, questionnaire
		Construction/renovation equipment and services	-	Affected stakeholder	YES, questionnaire
		Hired vehicles	-	Affected stakeholder	YES, questionnaire
	Investors	Owner	AikGroup Ltd.	Both	YES, questionnaire
Other		-	Both	NO	
Own activity	Gorenjska banka d.d.	Owner	AikGroup Ltd.	Both	YES, questionnaire
		Supervisory Board	-	Both	YES, questionnaire
		Management Board	-	Both	YES, questionnaire
		Employees	Workers union	Affected stakeholder	YES, questionnaire
	GB Leasing d.o.o.	Management and employees	-	Affected stakeholder	YES, questionnaire
Imobilija d.o.o.	Management and employees	-	Affected stakeholder	YES, questionnaire	
Downstream	Customers and end-users – retail clients	Recipients of loans	-	Affected stakeholder	YES, questionnaire
		Users of other banking services (payments, trading, deposits, etc.)	-	Affected stakeholder	NO
		Leasing clients	-	Affected stakeholder	YES, questionnaire
	Business clients	Recipients of loans	-	Affected stakeholder	YES, questionnaire
		Client stakeholders	Client employees	Affected stakeholder	NO
		-	Affected client communities	Affected stakeholder	NO
		-	End clients and customers	Affected stakeholder	NO
		Recipients of capital investments	-	Affected stakeholder	NO
		Users of other banking services (payments, trading, deposits, etc.)	-	Affected stakeholder	NO
		Leasing	-	Affected stakeholder	YES, questionnaire

The weight of the stakeholders in the overall evaluation is a weight of 0.5, or 50% of the final score. The Management Board and the Supervisory Board were briefed on the final results of the assessment of impacts and stakeholder engagement.

In general, the views and interests of these groups align well with the current ESG strategy and business models of the GB Group. The method of stakeholder engagement is set out in more detail in the Double Materiality Analysis Methodology document.

SBM-3 – Important Impacts, Risks and Opportunities, and Their Interrelationship With the Strategy and the Business Model

Using the 92 sustainability topics in ESRS Table 1 AR 16 and an additional 4 organisational sustainability topics, the GB Group identified a broad list of impacts, risks and opportunities. Following an assessment and application of the materiality threshold, the Group has identified 22 material impacts, 11 risks and 8 opportunities, relating to both the portfolio and its own business. These findings indicate the presence of impacts, risks and opportunities on the Group’s business relationship with its clients. A resilience analysis was conducted since climate, physical and transition risks were identified and their importance assessed through a double materiality approach. With plans underway to develop financial products that support sustainable financing and the decarbonisation of the economy, the impacts, risks and opportunities are also reflected in the strategy and adaptation of the business model.

Table 8: Description of Material GB Group Impacts

ESRS	Description of impacts	IRO TYPE	Current/ Potential	Value chain	Time horizon
E1	Greenhouse gas emissions from investment and financing	Negative impact	Current	Portfolio	Medium-term
E1	Greenhouse gas emissions from own operations	Negative impact	Current	Own activity	Short-term
E1	Energy consumption from operations	Negative impact	Current	Own activity	Short-term
E1	Energy consumption from investment and financing	Negative impact	Current	Portfolio	Medium-term
E2	Air, water and soil pollution from investment and financing	Negative impact	Current	Portfolio	Medium-term
E3	Water consumption from investment and financing	Negative impact	Current	Portfolio	Medium-term
E4	Negative impact on biodiversity from investment and financing	Negative impact	Current	Portfolio	Medium-term
E5	Waste generation from investment and financing	Negative impact	Current	Portfolio	Medium-term
E5	Consumption of resources from investment and financing	Negative impact	Current	Portfolio	Medium-term
E1, E2, E3, E4, E5	* Financing the green transition of companies and the public	Positive impact	Current	Portfolio	Long-term
S1	Safety, health, well-being and quality working conditions for employees	Positive impact	Current	Own activity	Short-term
S1	Fair pay and rewards for employees	Positive impact	Current	Own activity	Short-term
S1	Developing staff skills and competences	Positive impact	Current	Own activity	Medium-term
S1	Treating all employees equally and preventing discrimination and violence	Positive impact	Current	Own activity	Short-term
S4	* Financing with a positive social impact	Positive impact	Current	Portfolio	Long-term
S4	Consumer safety and information	Positive impact	Current	Own activity	Medium-term
S4	* Digitalisation of processes for clients	Positive impact	Current	Own activity	Long-term
G1	Ethical business culture	Positive impact	Current	Own activity	Long-term
G1	* Prevention of money laundering, terrorist financing and other unethical activities	Positive impact	Current	Portfolio	Long-term
G1	Whistleblower protection	Positive impact	Current	Own activity	Long-term
G1	Prevention and detection of corruption	Positive impact	Current	Own activity	Long-term
S4	* Financial literacy	Positive impact	Current	Portfolio	Medium-term

* Key: Highlighted in blue – organisation-specific impacts.

The GB Group has considered all the material impacts according to the time horizon, where short, medium and long-term indicate the expected duration of the impact. About half of the impacts arise from own operations, while the remaining half comes from the portfolio. In 2025, an additional significant impact was added in the supply chain.

The GB Group has also reassessed the time horizon of risks and opportunities, where short, medium and long-term indicate the expected duration of the risk or opportunity. We have also reassessed whether the trend is constant, increasing or decreasing (see Table 9).

Table 9: Description of the GB Group’s Material Risks and Opportunities

ESRS	Description of impacts	IRO TYPE	Value chain	Time horizon
E1	Sustainability products for businesses	Opportunity	Portfolio	Long-term
E1	* Sustainable project financing	Opportunity	Portfolio	Long-term
E1	Reducing the exposure to climate change through portfolio management	Opportunity	Portfolio	Medium-term
E1	Physical climate risks associated with investing in businesses	Risk	Portfolio	Long-term
E1	Physical climate risks associated with investing in households (mortgage loans)	Risk	Portfolio	Long-term
E1	Physical climate risks associated with investing in the leasing portfolio	Risk	Portfolio	Long-term
E1	Transitional climate risks associated with investing in businesses	Risk	Portfolio	Medium-term
E1	Physical climate risks associated with business operations and own real estate	Risk	Own activity	Long-term
E1	Transitional climate risks associated with investing in the leasing portfolio	Risk	Portfolio	Long-term
E1	Transitional climate risks associated with investing in households (mortgage loans)	Risk	Portfolio	Long-term
E1, S4	* Sustainable products for the population	Opportunity	Portfolio	Long-term
E1	* Lower financing costs through green refinancing	Opportunity	Upstream	Long-term
S1	Attracting talent and retaining employees	Opportunity	Own activity	Long-term
S1	Increased staff turnover	Risk	Own activity	Long-term
S4	External fraud affecting customers	Risk	Portfolio	Long-term
S4	* Loans with a positive social impact	Opportunity	Portfolio	Long-term
G1, S1, S4, E1, E2, E3, E4, E5	* Non-compliance with ESG legislation	Risk	Own activity	Medium-term
S4	* Digitalisation of processes	Opportunity	Own activity	Long-term
G1	Outsourcing risk, including ESG aspects	Risk	Upstream	Long-term

* Highlighted in blue – organisation-specific risks and opportunities.

The development of new rating models to gradually shift the investment portfolio towards low-carbon projects, the due diligence of customers and suppliers through ESG questionnaires, the adaptation of internal processes and training employees to better understand sustainable banking practices are all part of the GB Group’s response to the current impacts, risks and opportunities. In the medium and long term, the impact, risks and opportunities are expected to increase the exposure of investments and financing to physical and transitory risks. We expect to see growing interest in green financial products and greater availability of higher-quality ESG data in the future.

Positive impacts refer to creating green sustainable financing, while negative impacts refer to the environmental effects of these investments. The principal risks and opportunities in 2025 did not have a material impact on the GB Group’s financial results, financial position or cash flows, and there are no known projections or estimates of the future financial impact.

IRO-1 – Procedure for Defining and Assessing Important Impacts, Risks and Opportunities

A comprehensive eight-step process with clear objectives and key deliverables has been designed to assess the GB Group’s material impacts, risks and opportunities, as required by the CSRD to determine the scope of reporting (Figure 3). It is a due diligence-based process for identifying, assessing and analysing double materiality that is carefully mapped and replicable, while open to future refinement in light of new knowledge and practice. In 2025, we improved the process, upgraded it and addressed the shortcomings of the previous year. The identification of material impacts, risks and opportunities is based on desk analysis, internal analysis, research, science-based external data and value chain due diligence. The next step was to assess the broad range of impacts, risks and opportunities identified, taking into account the interests and views of stakeholders through consultations, and in 2025, we further expanded these consultations to include a group of customers and suppliers. We have therefore produced a final analysis of the material sustainability issues that outline the scope of the Sustainability Statement, using the rating scales and materiality thresholds.

Figure 3: Overview of the GB Group’s Approach to Double Materiality Analysis



Implementation of Double Materiality

In developing our methodology, we have considered the requirements of the ESRB standards and the prescribed parameters for assessing the effects, risks and opportunities, together with available guidance from the EFRAG group and the assistance of external specialists. The experience from the first double materiality assessment has helped us further refine the management model and build on the wider use of quantitative data.

Scope of the Double Materiality Analysis

The GB Group's double materiality analysis in 2025 included all three operating companies within the Group: Gorenjska banka d.d., GB Leasing d.o.o. and IMOBILIA-GBK, d.o.o., Kranj. The double materiality analysis was carried out on a top-down basis by the parent company GB d.d., while both subsidiaries were directly involved in the analysis through stakeholder consultations. The analysis took into account the specific aspects of both companies and recorded them in the identification of impacts, risks and opportunities.

Description of the Methodology and Process

Impacts, risks and opportunities have been the subject of joint workshops with the participation of senior management. We assessed impacts, risks and opportunities within our own operations, upstream and downstream, and across the GB Group's most relevant portfolio. The assessment used the available internal data, analysis, internal knowledge and business and public experience. In 2025, we identified several new impacts and risks. We established the process steps to carry out a DMA for impact materiality and financial materiality. Our starting point was the ESRS 1 AR16 table, which covers a wide range of 92 sustainability topics. From the original set of organisation-specific topics, we removed Governance, Transparency and Compliance, Ethical Corporate Culture and Strategic Management of ESG Risks, as these topics are already covered in the ESRS2 and G1 chapters.

In addition to the mandatory set, we have added 4 organisation-specific topics that have reached the materiality threshold:

- > Sustainable financing (environmental and social aspect)
- > Digitalisation
- > Prevention of money laundering, terrorist financing, the use of counterfeit banknotes, and other unethical activities
- > Financial literacy

The Sustainable Financing topic covers both environmental and social aspects. The GB Group is developing policies, actions, targets and metrics in this area, following the legislative changes currently underway (Omnibus Package). We anticipate completing the development by the end of 2026, depending on the timeline of legislative changes. Therefore, the GB Group has decided not to present this information in this report. Nevertheless, the topic is briefly mentioned in the "EU taxonomy" chapter.

Digitalisation and Financial literacy are among the set of impacts, risks and opportunities (IRO) under "S4 Consumers and end-users" and are presented in Chapter S4-6 Digitalisation and financial literacy.

The Prevention of money laundering, terrorist financing, the use of counterfeit banknotes and other unethical activities is presented in Chapter G1- 8 Preventing Money Laundering, Terrorist Financing, the Use of Counterfeit Banknotes and Other Unethical Practices.

We have identified the impacts, risks and opportunities for the GB Group across a wide range of issues. In order to assess the risks, we have also assessed the physical and transition risks. These have been included in the overall set of risks and opportunities.

Impact Materiality

In the impact materiality assessment, we assessed both positive and negative impacts in terms of priority, as well as actual and potential impacts along with their time scale, using the maximum likelihood method. This approach is based on the premise that the severity of the impact is determined by the greatest magnitude of the impact, whether in terms of strength, scale or irreversibility of the damage. Prior to the assessment, we established a scale (1–4) to rate the severity of the impact, added a probability rating (1–4) to the potential impacts, and calculated the impact using the formula: severity x probability. The impact on human rights has not been taken into account due to the geographical specificity of the GB Group's business, which, due to the location of its own activities and portfolio, is linked to the EU area, where systematic human rights violations are not expected. On this basis, we have identified a total of 21 material impacts, which are set out in Table 8.

Financial Materiality – Risks

Risks were based on the results of existing risk analyses, in particular the results of the assessment of the materiality of environmental and climate risks, and the operational risk register. The rating scales have been aligned with the existing methodology of the GB Group and AIGroup for the assessment of relevant risks. Additional risks were added where appropriate by comparing the list of risks identified with the list of sustainability issues in the impact shortlist, including those relevant for 2025. The baseline list was developed by a core project team of ESG and operational risk experts.

The risks were recorded in a list, together with an indication of whether the risk was related to the portfolio or to the bank's own activities, or both. In addition, time horizons have been set, which are also in line with those of the existing ESG risk analyses.

It was found that the different types of risk could not be compared due to the different dimensions of impact (e.g. credit risk vs. operational risk) and the different approaches already in place. As there was no quantitative assessment of the double materiality of opportunities prior to the analysis, there was no qualitative data available to do so. As a result, it was decided to use a qualitative scale for the assessment of the opportunities and two different scales for the assessment of the environmental and social risks;

- > For environmental risks, a scale for rating climate and environmental risks (1–5)
- > For social and governance risks – a probability scale with ratings from 1 to 5 and a scale for the magnitude of the financial impacts with ratings from 1 to 9
- > For external suppliers, we applied the external contractor risk assessment methodology and rating scales to assess probability and quality on a scale from 1 to 5, which was converted for ESG assessment purposes into values of up to a maximum of 16.

Financial Materiality – Opportunities

Opportunities were identified based on business, ESG and investment strategies. The baseline list was developed by a core project team and finalised in a workshop involving internal experts in financial products, sales and business development.

Opportunities: A qualitative scale was used; a scale of 1 to 5 for the probability rating and a scale of 1 to 5 for the magnitude of the financial impact rating.

Materiality Threshold

The threshold was determined on the basis of the professional assessment of a core project group, whereby the analysis of approaches of other banks was considered, which was limited during the analysis preparation due to the small number of published analysis results of double importance, as well as the directions from the materiality assessment of climate and environmental risks (where the threshold has been set at the medium-high risk assessment), and the general good practice to set the threshold between 50% and 75% of the highest assessed value. The highest impact, risk or opportunity score for an issue is 16, according to the GB Group methodology. In 2024, the threshold was set at 10 or 62.5% of the maximum value.

Stakeholder Engagement

We have compiled a list of stakeholders and categorised them according to whether they are affected stakeholders, sustainability statement users (ESRS 1 categories), or both. The aim was to identify stakeholders who are directly (negatively) affected by the company's activities in the following 3 steps:

1. **Stakeholder materiality assessment:** In this step, the following parameters were considered: stakeholder's power; ability to influence the stakeholder. Both parameters were rated on a scale of 1–3. The stakeholder assessment was carried out in a workshop with a larger project team.
2. **Identification of stakeholders key to due diligence:** We have identified stakeholder groups that are essential to understanding the impact of the GB Group. The selection was based on the evaluations made in step 2 and the expert judgement of the core team, based on the time and human resources available.
3. **Selection of consultation methods:** A stakeholder engagement plan, including stakeholder consultations and a recommended methodology, was developed for the selected stakeholders. In 2024, some stakeholders were directly involved in the consultations (the management and employees of GB d.d., GB Leasing and Imobilia-GBK d.o.o.), while others were indirectly involved (the regulator through the analysis of documents during the preparation phase of the long list of sustainability topics, and customers through "proxy representatives" from GB's internal sales departments). In 2025, the GB Group included a group of external stakeholders – comprising customers and suppliers – in direct consultations and incorporated their assessments into the overall impact ratings.

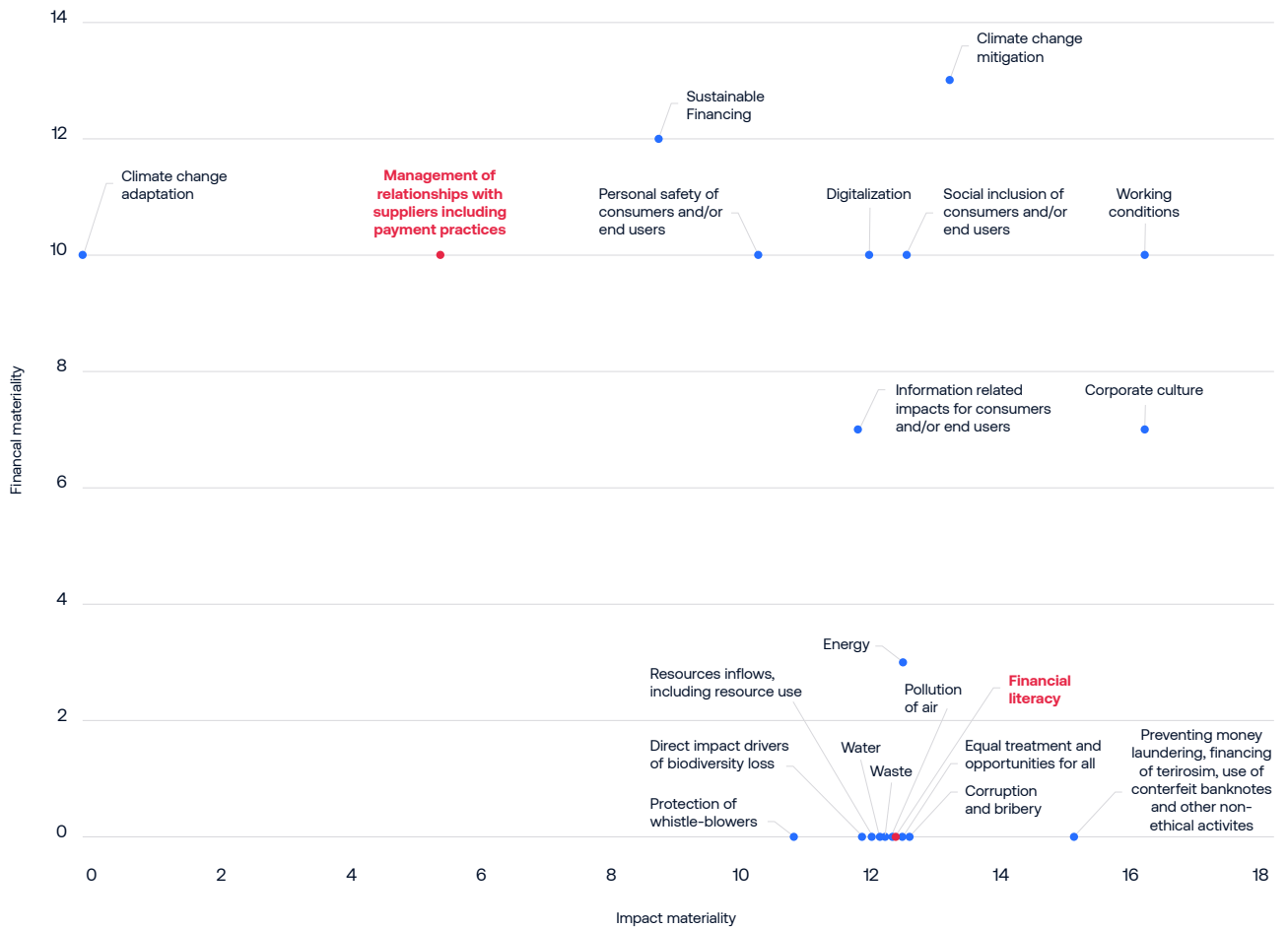
Their interest and opinions were given a weighting of 0.5, or they contributed half of the total score.

The identification, assessment and management of impacts, risks and opportunities is embedded in the management cycle through due diligence, and is the responsibility of the Management Board and the Sustainable Development Commission.

Double Materiality Matrix

The double materiality matrix shows all the important sustainability topics through impact materiality and financial materiality. The results of the double materiality analysis were also presented to and approved by the Sustainability Development Committee. The two additional sustainability topics are highlighted in red: Management of relationships with suppliers, including payment practices and Financial literacy. Other impacts, risks and opportunities have values similar to those of the previous year.

Chart 2: Double Materiality Matrix



IRO-2 – List of Disclosure Requirements

Our Sustainability Statement details the disclosure requirements that have been met, based on the results of a comprehensive double materiality assessment. In order to ensure stakeholder confidence in the disclosures, a Table of Contents is provided at the beginning of this report that lists the page numbers for each requirement considered. A separate table at the end of the report (Table 37) indexes the data requirements from the ESRS with other EU legislation acts, aiming at maximum clarity and accessibility in line with the IRO-2.

Table 10: Explanation of Negative Materiality Assessments

Topical ESRS /IRO		Explanation
S2	Workers in the value chain	Based on the materiality analysis performed, the GB Group has determined that topic S2 – Workers in the value chain is not material to its business as it is not exposed to risks related to workers in the value chain. In the agricultural sector, child labour is a global issue, but it is not relevant for the GB Group, which is exposed to the impacts in the Slovenian environment, and therefore the negative impacts on child labour are not taken into account.
S3	Affected communities / Financing with a positive social impact	Based on the materiality analysis conducted, the GB Group assessed that within S3, only the topic “Financing with a positive social impact” is material. It is related to the issue of developing financial products for young people, which are customer-facing products, and we have therefore moved this important issue to S4 “Consumers and end-users”; Access to Products.

MDR-P;-A;-M;-T – Minimum Disclosure Requirements

The Sustainability Statement discloses the GB Group’s existing policies and internal documents relating to its own employees, customers and business conduct. The adoption of the decarbonisation strategy will be followed by an environmental policy. Efforts in the first year focused on designing the governance model, engaging stakeholders, developing relevant themes, changing and adapting reporting processes and preparing to collect new types of data. Existing actions with targets, which have been under the scrutiny of the Sustainable Development Committee since 2023 and from which sustainable progress has been measured, were more fully aligned in 2025 with all relevant impacts, risks and opportunities. The effectiveness of policies and actions will continue to be monitored through the reporting process at the quarterly meetings of the Sustainable Development Committee.

Table 11: List of Material Topical Standards in the Disclosures

Topical Standards		Disclosures	Additional information
E1	Climate change	E1-1, E1-2, E1-3, E1-4, E1-5, E1-6	
E2	Pollution	To be determined following the adoption of the Omnibus package	Transitional provision for disclosures from the lower end of the value chain, the client portfolio
E3	Water and marine resources		
E4	Biodiversity		
E5	Circular economy		
S1	Own workforce	S1-1, S1-2, S1-3, S1-4, S1-5, S1-6, S1-8, S1-9, S1-10, S1-11, S1-12, S1-13, S1-14, S1-15, S1-17	
S4	Consumers and end customers	Organisation-specific: S4-6	
G1	Business conduct	G1-1, G1-2, G1-3, G1-4, Organisation-specific: G1-7, G1-8, G1-9	

II. Environment

EU Taxonomy

In accordance with the European Commission’s delegated regulation 2026/73 of 4 July 2025, the GB Group makes the following statement:

No activities are claimed as being associated with economic activities that qualify as environmentally sustainable under Articles 3 and 9 of Regulation (EU) 2020/852 (Taxonomy Regulation).

The GB Group has established an internal investment labelling methodology, which is based on sustainable economic activities; however, it does not encompass the full assessment as required by the Taxonomy Regulation. For example, the bank offers retail clients a “green loan” with a detailed description of the investments that can be financed with this loan, in order to avoid “greenwashing”.

E1 Climate Change

The GB Group already incorporates sustainability performance into its management incentive systems and plans to further refine this in the future. For more details, refer to the ESRS 2, section GOV-3.

E1-1 – Transition Plan for Climate Change Mitigation

The GB Group, in collaboration with AikGroup, will prepare a transition plan in 2026 (originally planned for 2025). In addition, in line with its ESG Strategy, the GB Group aims to achieve net-zero greenhouse gas (GHG) emissions for its own operations (Scope 1 and 2) by 2030. By 2050, it will follow the target of net-zero GHG emissions for its entire portfolio, which includes Scope 3 emissions associated with financed activities.

To achieve net-zero emissions for its own operations, the GB Group is pursuing objectives that will shape the key levers for decarbonisation, which will be part of the transition plan:

- > increasing energy efficiency,
- > increasing the share of renewable energy use,
- > increasing the production of its own electricity from renewable energy sources,
- > reducing the consumption of fossil fuels,
- > reducing the use of refrigerants and other sources of fugitive emissions.

For its portfolio, the bank aims to achieve an annual reduction of up to 5% in the total financed emissions at the level of individual sectors, classified according to the SKD classification: C (Manufacturing), D (Energy) and I (Accommodation and Food Services) in Slovenia. Additionally, the bank aims to reduce the total financed emissions across all asset classes covered by the PCAF (Partnership for Carbon Accounting Financials) methodology by 5% annually. The bank regularly monitors portfolio emissions and compares emissions by asset class against the previous observation period (quarterly or annually).

The bank will also collaborate with companies in its financed sectors to provide support in achieving their emission reduction targets and implementing their transition plans. This will include access to financial products with lower interest rates for companies with clear emission reduction plans.

In the retail banking sector, the bank will promote investments in low-energy buildings (including renovations) and sustainable mobility.

Additionally, the bank will ensure compliance with internationally recognised standards, such as PCAF for carbon accounting.

In preparing the financial and other reports for 2025, the GB Group takes into account climate assumptions and climate scenarios as part of the stress tests, within ICAAP (Internal Capital Adequacy Assessment Process), and in the rating model (impairment formulation).

In accordance with Commission Delegated Regulation (EU) 2020/1818, Article 12, companies within the GB Group are not excluded from the EU Climate Transition Benchmarks and EU Paris-aligned Benchmarks.

SBM-3 – Important Impacts, Risks and Opportunities, and Their Interrelationship With the Strategy and the Business Model

The AIKGroup, to which the GB Group belongs, accepted the methodology in 2023, based on this, conducts an annual resilience analysis to assess the materiality of climate risks, which is based on quantitative and qualitative methods to determine the impact of physical climate risks (e.g. floods, avalanches and fires) and transitory risks (e.g. changes in the legislation or technological changes) to financial risks in the GB Group's portfolio (e.g. credit risk or operational risk). The resilience analysis was conducted using a methodology that incorporates data from external and internal sources (geo-location, GHG emissions and macroeconomic indicators). It defines transmission channels through which climate risks impact traditional risks, analyses the portfolio, and employs scenario analysis (e.g. "Orderly", "Disorderly", "Hot-house world", Flood scenario, etc.) using ECB stress-test models. The analysis identifies material risks by segment (geographic and sectoral) and includes expert assessments of impacts on key risk indicators. The risk assessment is prepared based on adjusted macroeconomic indicators and their impact on the creditworthiness of clients. It considers short-term (up to 1 year), medium-term (1–5 years), and long-term periods (over 5 years), with simulations for the years 2030, 2040 and 2050. The scope of the materiality assessment must, according to the methodology, cover at least 95% of the total credit exposure for the geographic area of Slovenia. The resilience analysis was not conducted for the upstream value chain (supply chain), but only for the downstream value chain (portfolio).

The results of the resilience analysis indicate that climate risk has a significant impact on the financial stability of the AIK-Group, particularly in scenarios without mitigation measures. Resilience measures include portfolio restructuring (reducing the exposure to high-risk investments), collaboration with external experts, regular portfolio reviews and transitioning to low-carbon alternatives.

The strategy and business model of the GB Group will be adapted in the future by gradually reducing the exposure to high-risk investments and embracing new opportunities for sustainable financing brought about by the 1.5°C scenario, with the aim of strengthening resilience. Climate scenarios are not directly linked to items in the financial statements.

IRO-1 – Description of the Procedures for Identifying and Assessing Significant Climate-Related Impacts, Risks and Opportunities

To identify and assess significant climate-related impacts, risks and opportunities in its own operations and portfolio, both internal data (portfolio exposure based on SKD/NACE codes) and external databases on sectoral impacts (UNEP FI – Sector Impact Map, IFRS SASB Materiality Finder) are used. Physical climate risks relate to investments in companies, leasing portfolio investments, and household investments (mortgage loans). These risks were assessed based on magnitude, likelihood and time horizon. Physical climate risks within the portfolio were also evaluated and verified using the Flood Risk Scenario, which is based on geographic areas at the NUTS 3 level (regional level) in Slovenia. The average assessment of flood risk in this scenario was above 3 (on a scale of 1 to 5). The findings from these scenarios formed the basis for the final assessment of impacts, risks and opportunities.

Transition risks also relate to investments in companies, leasing portfolio investments, and household investments (mortgage loans), as well as activities associated with operations and owned real estate. These risks were assessed based on magnitude, likelihood and time horizon. The GB Group used four scenarios to evaluate and verify how the portfolio is exposed to transition risks and how sensitive the bank's balance sheets are to different scenarios:

- > Transition Risk Scenario with Short-Term Disruptions
- > Orderly Transition Scenario
- > Disorderly Transition Scenario
- > "Hot-House World" Scenario

The climate goals of the GB Group are significant, as they have a systemic and transformative impact on the economy and support businesses in transitioning to a climate-neutral economy.

The GB Group integrates ESG risks into its processes through ESG assessments in its rating model and through ESG due diligence reviews. The results of both are incorporated into the credit rating of clients, meaning that the assessment of these risks directly influences the formation of impairments.

E1-2 – Policies Related to Climate Change Mitigation and Adaptation

The plan includes the preparation of an environmental policy, which will be designed following the adoption of the Transition plan. It will encompass all the relevant environmental sustainability topics that are significant for both the Group's own operations and its portfolio. For more details, refer to ESRS 2, MDR.

E1-3; E1-4 – Goals, Measures and Resources Related to Climate Change Policies

The table below outlines the goals and measures implemented by the bank as part of the 2025 Action Plan under the ESG framework, specifically within the "Environment" pillar.

Table 12: Objectives and Activities Related to E1 Climate Change in the Bank's 2025 Action Plan

Data Request	Objective/Commitment	Activities/Measures	IRO	Achieved In 2025
E1-1/ E1-3/ E1-4/ E1-6/ E1-7/ E1-8	Preparation of a Transition Plan (at the AikGroup level) Decarbonisation of own operations by 2030 Decarbonisation of the portfolio by 2050	Preparation of a Transition Plan (at the AikGroup level).	Strategic management of ESG risks / Non-compliance with ESG legislation / Greenhouse gas emissions from investments, financing and own operations.	The GB Group, in collaboration with AikGroup, will prepare a transition plan in 2026 (originally planned for 2025). The ESG strategy of Gorenjska banka includes targets for decarbonising its own operations by 2030 and decarbonising its portfolio by 2050.
E1-2	Preparation of a comprehensive ESG policy for GBK	The ESG policy of GBK will include information on the policies the company has established to manage its material impacts, risks and opportunities (IRO) related to all ESG themes in accordance with the ESRS 2 MDR-P (Policies adopted to manage material sustainability matters) and provisions from MDR-T (Metrics and targets).	Strategic management of ESG risks / Non-compliance with ESG legislation / Energy consumption from investments and financing / Air, water, and soil pollution from investments and financing / Water consumption from investments and financing / Negative impact on biodiversity from investments and financing / Waste generation from investments and financing / Resource consumption from investments and financing.	Collection of topics and data. Policy preparation ongoing.
E1-5	Preparation of tables on energy consumption and different energy sources for own operations within one month after the end of each month	Upgrade of processes and internal applications for posting invoices in this area, including agreements with energy suppliers to ensure timely data provision. Preparation of an internal document describing the methodology.	Energy consumption from operations.	In 2025, coordination took place with the programme administrator for invoice settlement with the aim of establishing the possibility of automatic invoice importing or enabling direct access to received invoices. Within this framework, various solutions and alternative implementation options were evaluated. Activities are still ongoing.
E1-5	Electricity consumption for own operations is expected to remain within the range of: > ±7% absolute electricity consumption (in kWh) > ±2% electricity consumption per m ² of usable area compared to the previous year	Energy renovation of the Škofja Loka branch. Over the next five years, energy renovations of business premises will be carried out under the P-ONE-HOME project (replacement of windows, additional thermal insulation, LED lighting, CNS). Heat pumps will be installed based on assessment of their economic feasibility.	Energy consumption from own operations.	In 2025, a reduction in electricity consumption by 8.7 % (per m ² 15.3 %) compared to 2024 was achieved. The reduction was supported by the optimisation of heating in the BLW 1 building (combination of a heat pump and a gas boiler), management of devices via a central control system, and energy renovations of buildings. Renovations were carried out at the Kapucinski trg, Škofja Loka, Primskovo, Kranj branches, and BLW 1, Kranj. In 2025, new metering points (Dunajska Vertikala, Ljubljana and Globus, Kranj) were added, and the total building area increased by approximately 1,000 m ² , which affects the calculation of consumption per m ² .
E1-5	Heat energy consumption for own operations is expected to remain within the range of: > ±7% absolute energy consumption (in kWh) > ±2% energy consumption per m ² of usable area compared to the previous year	Installation of thermal insulation and the replacement of more energy-efficient windows at the BLW 1 branch in Kranj and the Škofja Loka branch.	Energy consumption from own operations.	In 2025 heat energy consumption increased by 7.1%; however, since the total usable floor area increased by more than 1,000 m ² , energy consumption per m ² decreased by 0.5% compared to 2024. The reduction was further influenced by the weather conditions, as well as upgrades and improved heating management via the CMS system. An impact was also achieved through the energy refurbishment of the BLW 1 branch, where windows were replaced with triple-glazing. Energy renovations were also carried out at the Kapucinski trg, Škofja Loka and Primskovo, Kranj branches.
E1-5	Use of 100% renewable electricity	Sign a contract with the electricity supplier for the provision of 100% renewable electricity for all GB Group's own metering points.	Energy consumption from own operations.	For 2025 and 2026, 100% green electricity has been procured for all own metering points.
E1-5	Reporting on electricity generation from renewable sources	Reporting on energy production at the GB Group level.	Electricity Production from Renewable Sources.	Group production taken into account: SE Imobilia, Jesenice and Škofja Loka. Renewable energy production is presented in Chapter E1-5.
E1-6	Reduction of the carbon footprint from own operations (Scopes 1 & 2) by at least 1%. Reduction of fossil fuel consumption in the vehicle fleet by 2% compared to the previous year.	Energy renovations of business premises, as described above. Vehicle procurement plan for alternative fuels: replace all company vehicles by 2030, with 1 vehicle planned for 2025. Fossil fuel consumption for heating may change based on an economic feasibility analysis.	Greenhouse gas emissions from own operations.	GHG footprint of Scope 1 and 2 emissions (location-based) in 2025 amounted to 509.3 tCO ₂ e, which represents a 5.1% reduction compared to 2024. In 2025 cumulative consumption of fossil fuel in the vehicle fleet was almost equal to 2024 (0.27 % decrease). The deviation in the targeted reduction of fossil fuel consumption in the vehicle fleet is significantly influenced by the use of the protocol vehicle, which accounts for approximately 38 % of the total vehicle fuel consumption and is typically used for long-distance trips within Slovenia and abroad. In 2025 two new electric vehicles were purchased with delivery in 2026 (extended delivery time).
E1-6	Supplementing Scope 3 emissions calculations – other categories	(1) Identify other Scope 3 categories related to own operations, (2) develop the calculation methodology and (3) upgrade internal applications and processes to enable data collection for the calculation.	Greenhouse gas emissions from own operations.	Collaboration with an external consultant is ongoing, with completion expected in the first half of 2026.

* The table presents short-term objectives and activities (for the reporting year) for the material topics, excluding policies and medium- or long-term objectives, which will be included in the transition plan once it is prepared.

The GB Group has set a target to reduce the carbon footprint of the portfolio (financed emissions, Scope 3 meaning, Category 15) by up to 5% per year. The achievement of the target is evident from Table 14 in the chapter "E1-6 – Gross GHG emissions of Scopes 1, 2 and 3 and total GHG emissions". The GB Group is still developing the methodology for calculating the Scope 3 carbon footprint for categories other than category 15 (which is already calculated). We also intend to prepare a transition plan/decarbonisation strategy, which will also include information on significant investment (CapEx) and operational (OpEx) costs to achieve the decarbonisation goals.

The table below shows the reduction of GHG emissions by the end of 2025 compared to the baseline year (2021 for Scopes 1 and 2 and 2023 for Scope 3, Category 15).

Table 13: Overview of GHG Emission Reductions by 2025 (As of the Emissions in the Base Year)

	Absolute value of total GHG emissions reduction (in tCO ₂ e)	Percentage of total GHG emissions reduction
Scope 1	-39.6	-18.9 %
Scope 2 – location-based method	-191.6	-36.1 %
Scope 2 – market-based method	-1.135,3	-90.5 %
Scope 3 – category 15: In vestments	-222.284,6	-20.0 %

* Baseline year for Scope 1 and 2 is 2021, for Scope 3 is 2023.

E1-5 – Energy Consumption and Energy Mix

In 2025, the GB Group consumed 2.116 MWh of energy from both fossil and renewable sources. The total energy consumption from renewable sources amounted to 1.139 MWh. The GB Group generated 409 MWh of energy through its solar power plants, of which 378 MWh was fed into the electricity grid and 30 MWh were used in own operations of GB Group.

The data for 2025 is based on actual data.

Table 14: GB Group’s Energy Consumption and Energy Mix

Energy consumption and energy mix	Baseline year 2021	Year 2024	Year 2025
(1) Fuel consumption from coal and coal products (in MWh)	-	-	-
(2) Fuel consumption from crude oil and petroleum products (in MWh)	30	28	36
(3) Fuel consumption from natural gas (in MWh)	756	573	631
(4) Fuel consumption from other fossil sources (in MWh)	-	-	-
(5) Consumption of purchased or acquired electricity, heat, steam and cooling from fossil sources (in MWh)	1.705	393	317
(6) Total energy consumption from fossil sources (in MWh) (sum of rows 1 to 5)	2.491	994	984
Share of fossil sources in total energy consumption (%)	100 %	45.3 %	47.1 %
(7) Consumption from nuclear sources (in MWh)	-	-	-
Share of nuclear sources in total energy consumption (%)	-	-	-
(8) Fuel consumption from renewable sources, including biomass (e.g. industrial and municipal waste of biological origin, biogas, hydrogen from renewable sources, etc.) (in MWh)	-	-	-
(9) Consumption of purchased or acquired electricity, heat, steam, and cooling from renewable sources (in MWh)	-	1.200	1.075
(10) Consumption of self-generated energy from non-fuel renewable sources (in MWh)	-	-	30
(11) Total energy consumption from renewable sources (in MWh) (sum of rows 8 to 10)	-	1.200	1.106
Share of renewable sources in total energy consumption (%)	-	54.7 %	52.9 %
Total Energy Consumption (in MWh) (calculated as the sum of rows 6, 7 and 11)	2.491	2.194	2.089

The total energy consumption in 2025 decreased by 4.8% compared to the previous year and by 16.1% compared to the baseline year (2021). At the same time, the total usable floor area of the GB Group’s business premises increased by 7.7% in 2025, resulting in an 11.6% decrease in energy consumption per m² compared to 2024.

The higher consumption of natural gas is primarily due to the increase in usable floor area and partly to the heating policy (switching between the heat pump and gas boilers depending on the outdoor temperatures). In 2025, we installed solar power plants in Škofja Loka and Jesenice, which is reflected in the consumption of self-generated energy from non-combustible renewable sources. The cumulative reduction in energy consumption is the result of energy-efficient renovations of business premises and upgrades to the central building management system (CMS).

The GB Group is not part of the industrial sectors that are required to report under E1-5, chapters 40 to 43.

E1-6 – Gross GHG Emissions for Scopes 1, 2 and 3 and Total GHG Emissions

Table 15: Greenhouse Gas Emissions (GHG) in Tonnes of CO₂ Equivalent

Scope 1	Year 2021	Year 2023	Year 2024	Year 2025	2025/2024 change in %	2025/Baseline year change in %
Gross GHG emissions for Scope 1 (in tonnes of CO ₂ equivalent)	209.6	134.8	175.5	170.0	-3.1%	-18.9%
Scope 2						
Gross location-based GHG emissions for Scope 2 (in tonnes of CO ₂ equivalent)	530.9	500.0	361.1	339.3	-6.0%	-36.1%
Gross market-based GHG emissions for Scope 2 (in tonnes of CO ₂ equivalent)	1,254.5	93.5	108.8	119.2	7.4%	-90.7%
Significant Scope 3 emissions						
Category 15: In vestments	-	1,111,723	993,015	889,438.4	-10.4%	-20.0%
Total GHG emissions						
Total GHG emissions (location-based) (in tonnes of CO ₂ equivalent)	-	1,112,358	993,551.6	889,947.7	-10.4%	-20.0%
Total GHG emissions (market-based) (in tonnes of CO ₂ equivalent)	-	1,111,951	993,299.3	889,727.6	-10.4%	-20.0%

* The baseline year for Scope 1 and 2 is 2021, for Scope 3 is 2023.

Neither Gorenjska banka nor the GB Group has operational control over other companies, therefore paragraph 50 of the data requirement E1-6 is not relevant.

The GB Group does not produce biogenic CO₂ emissions from the combustion or biodegradation of biomass.

Additional explanations regarding the carbon footprint calculation methodology are included in the ESRS 2, BP-2.

The GB Group verifies the calculation of the carbon footprint for Scopes 1 and 2 each year (by an authorised organisation); however, this can only be carried out after the final version of the calculation is prepared. The verification for 2025 is scheduled for Q2 2026. In the first quarter of 2026, the acquisition of a green energy certificate from the supplier ECE is planned, with whom we have signed a contract for the purchase of green electricity, which amounted to 1,139 MWh in 2025 and accounts for approximately 93% of all the electricity consumed by the GB Group. The carbon footprint calculation for Scope 2 using the market-based method will be credible once the certificate is obtained.

The reduction in Scope 3, Category 15 emissions is primarily the result of lower emission factors used in the calculation.

Table 16: Greenhouse Gas (GHG) Emission Intensity

GHG Intensity per Net Revenue	Baseline Year 2021	Year 2025	% changes
Total GHG Emissions (location-based) per net revenue (in tonnes of CO ₂ equivalent/million EUR)	10.2	4.5	-55.7%
Total GHG Emissions (market-based) per net revenue (in tonnes of CO ₂ equivalent/million EUR)	20.1	2.6	-87.3%

In the above table, the numerator includes the total GHG emissions for Scopes 1 and 2, excluding Scope 3, due to the specific nature of the banking sector. For net revenues used to calculate GHG emission intensity in 2025, we refer to the disclosure in the financial statements for the GB Group on page 29 (Chapter in the Annual report: Operation in 2025).

E1-7 and E1-8 – Carbon Offsetting and Emission Reduction Projects Financed by Carbon Credits and Internal Carbon Pricing

Currently, we do not use carbon offsetting mechanisms, as the GB Group is not a taxpayer under the carbon tax, nor are we involved in carbon credit projects, emissions trading systems (ETS), or direct CO₂ removal from the atmosphere. Therefore, the GB Group does not have an internal carbon pricing scheme in place. However, we recognise that achieving net-zero emissions will, in the long term, require involvement in carbon credit systems, ETS, or carbon capture and storage (CCS) technologies to offset residual emissions that cannot be fully eliminated through internal emission reduction measures.

E2, E3, E4, E5 Environmental Impacts in the Value Chain (Portfolio)

In the process of assessing impacts, risks and opportunities, we have identified significant negative and positive impacts arising from pollution (E2), water and marine resource consumption (E3), biodiversity (E4) and the circular economy (E5) due to the financing that is part of our “upstream/downstream” value chain. The positive and negative environmental impacts of the portfolio are disclosed in more detail in ESRS Subchapter 2, IRO-1 (Tables 8 and 9).

We will integrate the impacts, risks and opportunities arising from the value chain for environmental policies, actions and targets in a comprehensive way after 3 years at the latest. This will be the basis for the value chain information we are obliged to disclose in the Sustainability Statement after 3 years of reporting. Activities to set up a system to capture data from our clients are underway. In 2024, we began sector analysis, and at the Association of Banks level, we coordinated the ESG questionnaire in 2025, which we send to our clients and serves as a key tool for collecting ESG data from customers.

In the coming years, we will focus on designing ESG policies that also include the value chain or financing. At the same time, we will set targets, metrics and action measures to promote sustainable investment performance among clients in the sectors identified as priorities.

III. Social

S1 Own Workforce

ESRS 2 SBM-3 – Significant Impacts, Risks and Opportunities and Their Relationship to the Strategy and Business Model

The GB Group regularly integrates sustainable practices and ESG principles into its human resources management and organisational structures. In line with the labour regulations and with a focus on investing in employee development, we strive to create a diverse and inclusive work environment and improve the overall employee experience. Over the years, we have put in place a range of internal documents, policies, procedures, initiatives and practices to address HR risks and opportunities, and to enable effective human resources management and human capital development. The key document in this area is the Human Resources Strategy (HR Strategy), which sets out the basic areas and activities in the field of human resources, training and development. The Bank has put in place a number of policies, regulations and programmes that focus on key risks and opportunities, such as talent management and retention, training and education, prevention of harassment and bullying, promotion of diversity, corporate social responsibility, and rewards and other relevant activities.

Our strategy on employee relations and labour standards is a key part of our long-term sustainability strategy, as we believe that only by building a strong and inclusive work culture can we achieve success at all levels of our business.

At the GB Group, caring for the employee, their needs and their professional development is a key priority. We actively engage our stakeholders, especially employees and the trade union, and regularly work with external partners and regulators to ensure that policies and strategies are aligned with the legislation and market best practice. GB has no employees in its own workforce, therefore the reporting scope refers to all employees in its own workforce. Negative impacts have not been identified; positive impacts relate to:

- > safety, health, well-being and quality working conditions for employees
- > fair pay and rewards for employees
- > equal treatment of all employees and the prevention of discrimination and violence
- > developing staff skills and competences
- > ensuring equal treatment for all employees and preventing discrimination and violence

Significant impacts and risks relate to employees in the direct workforce, represented by employees of the companies within the GB Group. Among the programmes that enhance the positive impacts on employees are the Workplace Health Promotion Programme (Vital Company, active breaks, flu vaccination, blood donation campaigns, various sports activities, yoga, stress management workshops, bank games, etc.), employee engagement and empowerment measurement (Pulse@Work), skill development programmes (mentorship programme, leadership skills development and lifelong learning), and the adoption of the Diversity, Equity, Inclusion and Belonging (DEIB) Policy. Identified risks include increased turnover, while an opportunity lies in attracting talent.

Table 17: Significant Impacts, Risks and Opportunities in Relation to Own Workforce

IRO	IRO type	Current/ Potential	Value chain	Time horizon
Safety, health, well-being and quality working conditions for employees	Positive impact	Current	Own activities	Short-term
Fair pay and rewards for employees	Positive impact	Current	Own activities	Short-term
Treating all employees equally and preventing discrimination and violence	Positive impact	Current	Own activities	Short-term
Developing staff skills and competences	Positive impact	Current	Own activities	Short-term
Attracting talent and retaining employees	Opportunity	/	Own activities	Short-term
Increased staff turnover	Risk	/	Own activities	Short-term

We are committed to creating a diverse and inclusive culture that reduces turnover, attracts and promotes talent, and provides opportunities for sustainable growth and human capital development. We are working to further strengthen the positive impacts in areas such as health, well-being and quality working conditions for our employees. The impacts on own workforce of the green and climate-neutral business transition plan point to an increased need for skills, competences, the introduction of new regulatory requirements and digital business support, customer data capture and digitised business analytics.

S1-1 – Policies Related to Own Workforce

We recognise that quality relations with employees and adherence to working standards are key to successful business operations and maintaining a positive organisational culture. In this area, we rely on two fundamental documents: The Collective Agreement of the Banking Industry and the Collective Agreement of Gorenjska banka, which set out the rights and obligations of both employees and employers. The Banking Sector Collective Agreement ensures compliance with the rules and regulations governing labour and employment in the banking sector, while setting minimum standards that we, as employers, are obliged to comply with. Gorenjska banka’s Collective Agreement further sets out rights and obligations tailored to the specific needs of our bank, ensuring a high level of protection and satisfaction for our employees. Our HR policy is based on equality, respect, fairness and transparency. We are committed to providing a safe and healthy working environment and to creating conditions where employees feel valued, motivated and engaged. We also pay particular attention to promoting diversity and inclusion, preventing bullying and harassment, and setting up effective mechanisms to resolve any problems or conflicts in the workplace. To achieve these objectives, we are introducing various programmes, which we disclose in section S1-4.

Table 18: Own Workforce Policies

Policies	Training	Communication on policies and contact for complaints	Trafficking, forced labour and child labour are addressed	Consistency with intern. Instruments (OECD, ILO, UN)
DEIB Policy (Diversity, Equity, Inclusion and Belonging Policy)	annually	On training	No	Yes
Anti-discrimination and anti-harassment policy	annually	On training	No	Yes
Code of Business Ethics	annually	On training	No	Yes

The Diversity, Equity, Inclusion and Belonging (DEIB) Policy specifically addresses various categories of discrimination:

- > **Racial Diversity:** Differences in race, ethnicity and cultural background.
- > **Age and Gender Diversity:** Differences in gender and age, recognising the value of all genders and both experienced and younger team members.
- > **Sexual Orientation and Gender Identity:** Acknowledging and respecting all sexual orientations and gender identities.
- > **Disability:** Recognising physical and cognitive differences and providing reasonable accommodations.
- > **Diversity in Religion and Beliefs:** Embracing various belief systems and practices.
- > **Nationality:** Recognising employees of different national origins.
- > **Socio-Economic Status:** Acknowledging differences in economic backgrounds and ensuring equal opportunities for advancement.

In line with its Internal Governance Policy, Compliance Culture Policy, Code of Business Ethics and the pursuit of good banking practice, the Bank has a system of principles and values in place that provide the basis for monitoring and correcting any problems that may arise. Regular training and the promotion of a positive organisational culture in line with the Compliance Culture Policy are an integral part of the prevention processes.

Procedure for dealing with cases of infringement:

1. **Receipt of the application** – The panel registers the application, informs the members and starts the verification process.
2. **Investigation** – The Commission, composed of at least 2 members, conducts separate interviews with the alleged offender and the alleged victim within 15 working days and obtains additional evidence (witnesses and video surveillance) if necessary.
3. **Report and actions** – The Commission analyses the data collected, prepares a report on its findings and proposes appropriate actions to the Managing Authority within 10 working days of receipt of all the documents.
4. **Final decision** – The Management Authority shall take a final decision on possible sanctions within 8 working days and inform the Panel, the notifier (if known) and the person responsible.

GB is committed to its responsibility to respect human rights as defined in the **United Nations Universal Declaration of Human Rights** and other internationally recognised standards, including the principles set out in the OECD Guidelines for Multinational Enterprises and the standards of the International Labour Organisation (ILO). Our approach is based on transparency, accountability and continuous improvement.

The general approach to respect for human rights for own workforce relates to the following measures:

- > **Code of Conduct:** Our Code of Conduct clearly sets out the expected behaviour, including respect for human rights. The Code is accessible to all employees and partners.
- > **Education and awareness-raising:** All employees receive regular training on human rights, ethical business conduct and workers' rights.
- > **Mechanisms for reporting infringements:** We have introduced an anonymous reporting channel to ensure whistleblowers are protected and action is taken.

Employee Participation and Involvement

The Bank is committed to promoting the participation and involvement of all employees. Employees are regularly informed about important events, changes and business objectives through various communication channels and initiatives to encourage open dialogue between management and employees, feedback and participation in surveys.

Adaptations to the working environment to ensure the health and safety of employees, customers and other visitors with disabilities.

The Bank has put in place mechanisms to adapt the working environment to ensure the health and safety of everyone, including workers, customers and visitors with disabilities. Key measures include making offices accessible to people with disabilities, making work spaces accessible and adapting work tasks to individual needs. In addition, employees receive regular training in occupational safety and health, which contributes to creating a safe and inclusive working environment.

Gorenjska banka has a management system in place for Safety and Health in the Workplace, within the framework of the Socially Responsible Employer certificate, which includes 9 measures aimed at preventing accidents and maintaining health in the workplace.

Opportunities for Promotion

The Bank keeps comprehensive records on the recruitment, training and promotion of its staff. This information is included in the annual development plans and supported by digital tools. The record provides insight into past and current career development opportunities, performance evaluations and succession planning. This allows for transparency in decision-making and fosters the growth of employees within the organisation.

Skills Development Programmes

The Bank runs a wide range of skill development programmes, covering both technical and soft skills. Regular in-house and external training and development programmes, such as:

1. **Mentorship programme**
2. **Leadership Development Workshops** and
3. **Specialised training for specific professional functions**
4. **Promoting lifelong learning** by providing access to e-learning and certified courses and licences, contributing to the long-term success of employees and the organisation.

The own workforce policies that have been presented need to be adapted according to the results of the identified significant impacts, risks and opportunities. They are also not yet fully aligned with the MDR-P minimum standards. The plan is for the policies to be more comprehensively aligned and established no later than in 2026.

S1-2 – Procedures for Engagement With Own Workforce and Workers' Representatives on Impacts

At Gorenjska banka, we understand that quality relations with employees and adherence to working standards are key to successful business operations and maintaining a positive organisational culture. In this area, we rely on two fundamental documents: The Collective Agreement of the Banking Industry and the Collective Agreement of Gorenjska banka, which set out the rights and obligations of both employees and employers. The Banking Sector Collective Agreement ensures compliance with the rules and regulations governing labour and employment in the banking sector, while setting minimum standards that we as employers must comply with. Gorenjska banka's Collective Agreement further sets out rights and obligations tailored to the specific needs of our bank, ensuring a high level of protection and satisfaction for our employees. Our HR policy is based on equality, respect, fairness and transparency. We are committed to providing a safe and healthy working environment and to creating conditions where employees feel valued, motivated and engaged. We also pay particular attention to promoting diversity and inclusion, preventing bullying and harassment, and setting up effective mechanisms to resolve any problems or conflicts in the workplace. To achieve these objectives, we are introducing various programmes, which we outline in Sections S1-4 and S1-5.

The Bank ensures a high level of participation, inclusion and social dialogue with employee representatives (trade union). Minority or particularly vulnerable groups of employees are not identified and defined. We organise regular meetings and communicate with all levels of staff, who access participation channels through invitations and notifications received through internal communication processes:

Tabela 19: Načini sodelovanja z zaposlenimi

Ways/channels of engagement with employees and their representatives	Frequency of participation	Measuring the effectiveness of cooperation	A function with operational responsibility for cooperation
Regular annual meetings	1–2 per year	Number of participants; survey	Management Board
Satisfaction survey	1 y early	No of employees who participated in the survey; action plan for improvement	Director of Organisation and Personnel
Intranet communication	3 per week	Number of views	Head of Corporate Communications
Negotiations with the trade union	On the basis of an initiative	Number of agreements concluded	Director of Organisation and Personnel and Administration
Town hall meetings with management	2-3 per year	Number of participants; survey	Head of Corporate Communications

At the GB Group, we are committed to ensuring that employees are always kept informed in a timely and clear manner about key information, strategies and activities that affect their work and the wider work environment. Effective communication with employees is central to creating a transparent and inclusive organisational culture where all information is understandable and accessible to everyone.

Information is provided to employees through a multi-channel system that includes an intranet, emails, Town Hall meetings and internal events. The Intranet is a central platform for publishing key information such as news, policies, regulations, sustainability initiatives and ESG initiatives. These tools allow employees to access the information they need at any time, supporting their autonomy and information.

In addition to the intranet, direct communication channels such as email are used to distribute important notices, event announcements and updates. Email ensures fast and targeted communication, allowing employees to be informed of important news in a timely manner.

Special attention is also paid to the organisation of internal meetings, such as Town Hall meetings, where the Bank’s management addresses employees directly, presenting the strategic orientations, key achievements and current projects. These meetings allow for an interactive exchange of questions, opinions and feedback, which builds trust and employee engagement. In addition, we organise various internal events to inform, network and strengthen the organisational culture.

Using these communication channels, we ensure that staff are kept informed about all relevant matters in a way that is understandable and accessible. This not only strengthens the cohesion and loyalty of employees, but also contributes to greater transparency and the achievement of the Bank’s strategic objectives.

We adapt the working conditions to enable people to carry out their work tasks smoothly and support their integration into the work environment. We work together with our staff and their managers, and with external experts where necessary. Our goal is to create a work environment where all employees feel accepted, supported and equally included.

We measure the success of our engagement with our employees primarily through their satisfaction, productivity and length of service with our organisation. We believe that this approach not only contributes to greater inclusiveness, but also to strengthening our organisational culture, which is based on respect, diversity and inclusion. The Sustainability Committee includes employees with a wide range of expertise, ensures the involvement of other employees on decarbonisation topics, and supports employees in the transition to sustainable business practices and living.

Respect for the Human Rights of all Stakeholders Involved

Gorenjska banka Group is committed to respecting the human rights of all stakeholders, with a particular focus on creating an inclusive, fair and safe environment for its employees, customers and the wider community. This commitment is reflected in the design and implementation of policies that promote the diversity, equality, inclusion and the well-being of all employees.

Key documents supporting this commitment include:

- > Collective agreement for the banking sector,
- > Collective agreement of Gorenjska banka,
- > Diversity, Equity, Inclusion and Belonging (DEIB) policy,
- > Anti-discrimination and anti-harassment policy,
- > Policy on the prevention of harassment and ill-treatment in the workplace,
- > Code of Business Ethics for Gorenjska banka employees,
- > Policy on internal governance; and
- > Whistle Blowing Rules.

These documents provide clear guidelines and procedures for creating an ethical and inclusive working environment and for preventing any form of discrimination, harassment or ill-treatment. They ensure that all employees are treated with respect, fairness and high ethical standards.

In addition, the Bank has put in place mechanisms to report and address potential breaches and provide appropriate channels to promote dialogue and transparency. These measures reflect our commitment to human rights and sustainable development.

S1-3 – Procedures for Corrective Action on Negative Impacts and Channels for Members of Own Workforce to Raise Concerns

The process for addressing negative impacts on employees includes a system for reporting and handling complaints, a mechanism for ensuring fair remedy, damage assessment and preventing future negative impacts.

Procedures have been established to enable open communication with employees and unhindered access to channels (for all other stakeholders, they can be found under G1 content) for reporting any issues or concerns. All matters are approached with principles of transparency and employee protection.

Table 20: Mechanisms through which employees may raise concerns

Topics for expressing concerns and the name of the regulation	Channels for employees	Ensuring channel availability and efficiency
Preventing discrimination and harassment at work	Internal channel: prijava-krsitev@gbkr.si or by phone 04 208 44 73	Via e-learning
Preventing bribery and corruption	Interne prijave, periodična usposabljanja vseh zaposlenih: prijava-krsitev@gbkr.si ali po telefonu 04 208 44 73	Via e-learning
Complaints mechanism for whistleblowers	Channel for applicants of Gorenjska banka prijava-krsitev@gbkr.si or by phone 04 208 44 73 Register with BS: https://vsebina.bsi.si/prod/brm/Obrazec.aspx?tip_prijave=NS	Via e-learning
Preventing internal and external fraud	Email, regular mail, telephone communication	Via e-learning
Protection of personal data	dpo@gbkr.si	Via e-learning
Certificate of Corporate Social Responsibility (CDOD)	https://certifikatdod.si/kontakt/	By informing and participating in the actions of the certificate

The general approach to monitoring and corrective actions includes preventive activities carried out through training, awareness-raising via internal communication channels, fair treatment, protection against retaliatory actions (included in the protocol for activities in case of suspected fraud reports), and ensuring anonymity within these channels, which is crucial for building a high level of trust in the channels. The availability of these channels is ensured through training processes and internal communications.

S1-4 and S1-5 – Taking Actions and Targets in Relation to Significant Impacts on Own Workforce and Approaches to Managing Significant Risks and Seizing Significant Opportunities in Relation to Own Workforce and the Effectiveness of Those Actions

We focus on reducing risks related to workplace stress and turnover, strengthening organisational culture and caring for our employees. Significant impacts and risks are managed through various action measures and programmes, which are presented in Table 5. We have not identified any negative impacts during the double materiality assessment. We prevent them through proactive actions and monitoring the effectiveness of action measures.

Table 21: Objectives and Activities Related to S1 Own Workforce in the Bank's 2025 Action Plan

Data request	Objective/commitment	Activities/measures	IRO	Achieved in 2025
S1-3/ S1-17	1. Publication of information on how to report negative impacts (incidents – discrimination, including harassment, complaints and serious human rights impacts) in the workplace on the Intranet under the “For Employees” section. 2. Zero violations and reports in this area.	1. Continuous publication: explanation of procedures and names of trusted contacts for employees, with a link to the online reporting system. 2. Monitoring the number of reports and their handling status.	Equal treatment of all employees and the prevention of discrimination and violence / Safety, health, well-being and quality working conditions for employees / Whistleblower protection / Prevention and detection of corruption / Ethical business culture.	In 2025, a news article was published on the intranet about creating an inclusive, safe and respectful work environment. A link to the reporting form for suspected misconduct and the updated Code of Ethics is available on TeamLink. Employees have continuous access to information on reporting procedures, the names of trusted contacts, and online reporting options.
S1-13/ S1-14	Regular workplace health promotion through the Vital Company project. Statistical evaluation of workplace health promotion.	Organisation and communication of events related to health promotion (lectures, exercise, Vital Company, etc.). The bank conducts an employee health analysis and develops health promotion programmes. These programmes are regularly monitored for participation and effectiveness, and are adjusted based on the achievement of their set objectives.	Safety, health, well-being and quality working conditions for employees.	In 2025, the Vitaino podjetje programme was used by 321 employees, representing an almost 15 % increase compared to 2024. Usage of the services consistently grew throughout the year, reflecting the programme's increasing popularity and its important role in supporting employees and promoting their health and well-being.
S1-13/ S1-14	Employee awareness on personal health improvement – at least 5 posts per year.	1. Implementation of internal communication (employees are regularly informed via the portal about a healthy lifestyle, the importance of regular exercise and healthy nutrition, and motivated to engage in sports activities through the Vital Company portal). 2. Conduct at least one seminar on workplace well-being/stress management.	Safety, health, well-being and quality working conditions for employees.	In 2025, five posts were published on the topics of water consumption, first aid and health promotion. Activities included yoga invitations, encouragement to take active breaks, flu vaccinations and a motivational lecture/seminar, further supporting the employees' contribution to a healthy and safe work environment.
S1-14	Absenteeism up to 5%.	> To maintain and reduce absenteeism, measures are implemented such as workplace health promotion, remote work and other initiatives under the Socially Responsible Employer certificate. > Analyse the reasons for absenteeism and take targeted actions if necessary. > Monitor absenteeism rates.	Safety, health, well-being and quality working conditions for employees.	In 2025, overall absenteeism increased to 5.28 % (2024: 4.67 %). The rise in absenteeism and leave highlights the need for the continued monitoring of employee health and providing support to reduce lost working days.
S1-15	Work-life balance: Increase the amount of hybrid work and the use of remote workdays, from 5 to 10 days per month. Limit availability outside working hours to a maximum of 1 hour after 5:00 p.m.	Implementation of remote work (ROW), hybrid or other work models that allow employees to perform their tasks outside the Gorenjska Bank Group's offices. Limiting availability outside of working hours.	Safety, health, well-being and quality working conditions for employees.	In 2025, an average of 48 % of all employees made use of the option to work from home, compared to 43 % in 2024. In April 2025, a decision was made allowing employees to work from home up to 7 days per month, which contributed to greater popularity and flexibility of work and promoted a better work-life balance. A Right to Disconnect Policy is also in place to define employees' availability outside of working hours.
S1-4 S1-6	Unwanted turnover up to 10%.	Monitoring: 1. Desired turnover 2. Unwanted turnover > To reduce voluntary turnover, an in-depth exit interview is conducted with each departing employee to identify common reasons and find solutions to mitigate or eliminate them. > Employee satisfaction and engagement surveys (Pulse@work), measuring employee engagement, empowerment and intention to stay with the company. > Mentorship programme.	Increased employee turnover.	In 2025, the overall turnover amounted to 9.12 %, with unwanted turnover at 6.50 % for women and 8.22 % for men. In May 2025, an interim survey on employee satisfaction and engagement was conducted, enabling the monitoring of trends and the planning of measures to increase retention and employee satisfaction. In addition, the bank runs a mentorship programme that supports employees' professional development, strengthens collaboration and contributes to greater engagement and the empowerment of the team.
S1-1	Attracting and retaining talent.	GECKO annual reviews, succession planning, measurement of employee satisfaction and engagement, preparation of an action plan to improve Pulse@Work survey results. Promotion of the employer brand (“Employee branding”), participation in career fairs, advertising job opportunities on the Moje Delo portal, onboarding programme, DOD certificate.	Attracting and retaining talent.	In 2025, the bank carried out a variety of activities to attract and retain talent. In March, a Recruitment Café was held at the Šolski Centre Kranj, and the annual GECKO development interviews took place from March to June. At the same time, the annual succession review was conducted, with the plan for 2025/2026 approved by the Supervisory Board in October 2025. To strengthen the employer brand, the bank undertakes activities such as participation in career fairs, advertising job opportunities on the Moje delo portal, implementing the onboarding programme and obtaining the DOD certificate. In addition, the bank conducts employee satisfaction and engagement surveys and prepares an action plan to improve Pulse@Work survey results, supporting employee development, motivation and talent retention.
S1-13	Increase the number of training hours for all employees. Each individual completes at least 30 training hours per year.	1. Promote lifelong learning by providing access to e-learning, Moje Delo Academy and certified courses and licences. 2. Workshops for the development of leadership skills. 3. Specialised training for specific professional roles.	Development of employee knowledge and competencies.	In 2025, the average number of training hours per employee in the GB Group was 23.7 hours. The bank aims to ensure that each employee has the opportunity to complete at least 30 hours of training annually, promoting lifelong learning. Employees have access to the Moje delo Academy, certified courses and licences. Additionally, workshops for developing leadership skills and specialised training for specific professional roles are conducted, contributing to the enhancement of professional competencies, improved efficiency and the career development of employees.

* The table presents long-term objectives and activities for the material topics that we monitor on yearly basis.

The action measures and targets in the above Table were aligned in 2025 with the impacts, risks and opportunities identified in the double materiality assessment.

An important part of our strategy is to regularly gather employee feedback through annual satisfaction and engagement surveys and questionnaires, which serve as a basis for adjustments and the introduction of new measures. Feedback helps us to identify key challenges and opportunities, ensure that the actions taken are aligned with the real needs of our employees and are directly involved in tracking the success of these actions. We also ensure the fair treatment of all employees through programmes to promote diversity, inclusion and anti-discrimination, and create conditions to prevent harassment and violence in the workplace.

The effectiveness of these measures is regularly monitored through performance indicators such as turnover rates, employee satisfaction and participation in health and well-being programmes. Annual reports and impact analyses of the actions implemented provide a detailed insight into the results achieved and further improvements. Employees are actively involved in designing and adapting programmes, which makes the actions more effective and aligned with organisational objectives.

Employee involvement in setting objectives

At Gorenjska banka, we recognise that employees are key stakeholders in the formulation and achievement of strategic objectives, especially those that address material impacts, risks and opportunities. They are involved at every stage, from setting targets, monitoring performance and implementing improvements.

We actively involve employees in setting our goals through annual satisfaction and engagement surveys and the participation of their representatives in committees addressing health, safety, training and development. The results of these initiatives serve as a basis for the formulation of specific objectives related to improving working conditions and organisational culture.

Progress towards the targets is monitored through regular feedback and bi-annual meetings between staff and management. The use of digital tools such as intranets allows transparent performance tracking and encourages interaction. Employees are also actively involved in identifying improvements, notably through post-implementation analyses and discussions after the completion of key projects, where they share their experiences and suggest optimisations.

Our targets are based on clearly defined criteria and methodologies that ensure stability and comparability over time. In addition, we draw on commitments and standards such as ESG principles, diversity and inclusion policies and collective agreements to develop our targets. This integrated approach ensures proactive risk management, fosters collaboration and promotes a sustainable, inclusive and productive work environment.

S1-6 – Characteristics of the Undertaking’s Employees

GB distinguishes between different categories of employees, from full-time regular staff to trainees. Diversity and flexibility are important factors in our HR strategy.

Table 22: GB Group Employee Characteristics

Year	Co	Per 31.12.	Average number of employees	Type of employment		Turnover rate in %*	No of employees who have left the company	No part-time employees
				indefinite	a fixed time			
2024	F	365	359.33	343	22	12.3	40	15
	M	172	161.25	163	9	13.3	20	0
	TOTAL	537	520.58	506	31	11.6	60	15
2025	F	363	367	344	19	7.90	29	15
	M	171	172	166	6	11.63	20	1
	TOTAL	535	539	510	25	9.09	49	16

* The methodology for calculating turnover follows the formula: turnover = (employees who left during the reporting period / (starting number of employees + ending number of employees) / 2) * 100. This methodology was also applied to subsidiaries. The data presented is the consolidated data of all companies within the GB Group.

The number of employees is consistent with the notes on the financial statements, Key business data and performance indicators.

The GB Group does not have 50 or more employees who represent at least 10% of the total number of employees in other countries.

S1-8 – Collective Bargaining Coverage and Social Dialogue

The GB Group has 95% of its employees included in collective agreements. The GB Group does not have an agreement with its employees regarding representation in the European Works Council (EWC), the employees’ council of Societas Europaea (SE), or the employees’ council of Societas Cooperativa Europaea (SCE).

S1-9 – Diversity Metrics

Average age, gender representation and diversity in management are important diversity indicators that help us track the DEIB policy objectives.

Table 23: Women in Leadership Positions

Družba	Women		Men		% of women	
	2024	2025	2024	2025	2024	2025
GB	12	11	14	19	46	37
GBL	7	7	5	5	58	58
Imobilija	0	0	1	1	0	0
TOTAL	19	18	20	25	49	42

The management of the GB Group consists of the governing body and individuals who hold executive functions within the bank and are responsible to the governing body for the day-to-day management of the bank. The leadership group includes the management board, assistant board members, directors of subsidiary companies and division directors.

Table 24: Diversity of GB Group Employees Per 31.12.

Družba	Women		Men		Total	
	2024	2025	2024	2025	2024	2025
Up to 30 years	38	37	13	13	51	50
30 to 50 years	234	232	111	106	345	338
Over 50 years	93	94	48	53	141	147
TOTAL	365	363	172	172	537	535

S1-10 – Adequate Wages

GB is committed to providing decent wages and social security for all employees. Decent wages are defined as wages that meet or exceed the legal minimum wage, where this is necessary to cover the basic living costs of employees and their families and to ensure a decent standard of living. All staff receive decent wages.

S1-11 – Social Protection

At the GB Group, we ensure comprehensive social protection for all our employees through a range of programmes and benefits, in line with the legislation and internal policies.

Our employees are socially protected against loss of income due to the following circumstances:

- > **Diseases:** Employees are entitled to sick pay in accordance with the law and collective agreements. In addition, we offer access to supplementary health insurance, which includes cover for specialist services.
- > **Unemployment:** Under the law, our employees are covered by a compulsory social insurance scheme that gives them access to unemployment benefits in the event of unemployment.
- > **Occupational injuries and disabilities:** Employees are protected by compulsory insurance against occupational injury or disease. In addition, we offer collective accident insurance to further support employees in the event of disability.
- > **Parental/maternity leave:** The Bank respects employees’ legal rights to parental and maternity leave and allows them to return to work on equal terms, while actively supporting work-life balance.
- > **Retirement:** In addition to compulsory pension insurance, we offer employees the opportunity to join a voluntary supplementary pension scheme that contributes to a secure and dignified old age.

All of these protections apply to all GB Group employees, without exception, and are an important part of our commitment to providing a safe, fair and supportive working environment.

GB Group companies also provide additional benefits to their employees, which also include additional social protection, better work-life balance and encouragement to a healthy lifestyle.

Table 25: Employee Benefits

Benefits for GB Group employees	
1	16 hours credited for seeking medical help for yourself or a family member
2	Joining a collective pension scheme
3	Top package for employees when opening an account
4	Giving gifts to children
5	Collective accident insurance for employees and family members (reduced premiums)
6	Collective accident insurance for children up to 14 years of age
7	Collective insurance Specialists +
8	A gift at the birth of a child
9	An extra day of leave to celebrate round anniversaries
10	Additional day of leave for accompanying a child on the first day of school in 2nd grade
11	Additional day of leave for accompanying a child to the 9th-grade information day
12	Support for a family on the birth of a child in the current calendar year
13	Co-financing sports activities and health promotion for employees (Vital Company, sports hall rental, organised sports activities)
14	Flexible working hours for all employees
15	Work from home up to 7 days per month, if the work process allows it

S1-12 – Persons with disabilities

GB promotes the inclusion of people with disabilities and adapts the workplace to enable their full participation. We comply with all the legal provisions in this area, while going beyond the minimum legal requirements with additional measures that promote equality and equal opportunities for all employees. Workplace adaptations are a key part of our commitment to ensure that we meet the individual needs of people with disabilities:

- > adapting workplaces and equipment,
- > flexible working hours,
- > accessibility of the physical environment (e.g. lifts, disabled parking spaces),
- > use of appropriate communication tools and technical solutions.

Our commitment extends beyond the legislation to advice and support, encouraging an open dialogue with people with disabilities to find together the best solutions for their inclusion. We also raise awareness of the importance of an inclusive working environment and the elimination of possible prejudices, which has a positive impact on the organisational culture.

Table 26: Share of disabled people in the GB group

	No of persons with disabilities		% of all employees	
	2024	2025	2024	2025
Women	2	2	0.55	0.55
Men	3	3	1.74	1.74
TOTAL	5	5	0.97	0.93

We believe that the inclusion of people with disabilities and the creation of a flexible working environment is not only a legal obligation, but also an opportunity to strengthen diversity, collaboration and innovation within our Group.

S1-13 – Training and Skills Development Metrics

Mandatory training programmes are available to all employees via the “teamlink” web portal, as shown in Table below.

Table 27: Mandatory Training for Employees

Training for Employees
Fire protection
Safety and health at work
Data confidentiality and information security
Privacy and protection of personal data
Risk management strategy
Operational risk
Code of Business Ethics
Corporate Communications Policy
Fight against bribery and corruption
Prevention of money laundering and terrorist financing
Financial sanctions
Operational risk
Internal control system
Protection of personal data
Safety and health at work
Description of mechanisms for identifying, reporting and investigating concerns
Training for professional licences

Table 28: Average Number of Training Hours Per Employee in the Companies of the GB Group

	2023	2024	2025		TOTAL
			M	F	
Average number of training hours per GB employee*	17	32	22	23	23

* Disclosure of the number of training hours by gender for previous years could not be provided, as different channels for collecting training data were not available. Gender-specific data is available starting from 2025.

100% of employees were involved in the development plans.

S1-14 – Health and Safety Metrics

Sickness absence rates and participation in health and safety programmes are important indicators of employee well-being.

Table 29: Health and Safety at Work in the GB Group

	% Employees involved	No deaths from work-related injuries	No occupational accidents recorded	% of occupational injuries recorded	No of days lost due to injuries and deaths caused by accidents	No of cases of work-related health problems
2024	100	0	2	0.37	86	0
2025	100	0	0	0	0	0

S1-15 – Work-Life Balance Metrics

Work-life balance is key to the satisfaction, productivity and long-term well-being of our employees. A balanced work environment benefits not only employees but also the organisation as a whole, leading to the greater commitment, motivation and long-term stability of the team. As a socially responsible employer, we strive to create a work environment that enables flexibility, healthy lifestyles and well-being for everyone. As part of the umbrella certificate, the GB Group has adopted and is implementing 11 measures in the area of work-life balance, such as: Flexible working hours, Time account, Children’s time bonus, Care time bonus, Annual leave planning, Additional days of absence with salary compensation due to family emergencies, etc. Information on upcoming changes relevant to employees, Taking social competences into account in the selection and promotion of managers, Planning and implementation of training programmes mainly during working hours, Endowment for employees’ children and the TOP package – offer for family members and retired employees.

Table 30: Family-Related Leave

Percentage of entitled employees that took family-related leave	% women	% men	% total
2024	28.8	31.4	30.5
2025	28.7	29.2	28.6

* All employees of the GB Group are entitled to family-related leave.

In the numerator of the indicator, the following types of leave are included (in accordance with the Employment Relationships Act, the Collective Agreement for the Banking Sector, and internal DOD measures):

- parental leave (maternity, paternity),
- extraordinary paid leave for 1st and 2nd grade of elementary school and for the information day for 9th grade, wedding, relocation, death of a family member and cases of domestic violence, and an additional day of leave granted for a milestone anniversary.

The denominator represents the total average number of employees in a given year, disaggregated by gender.

S1-17 – Incidents, complaints and serious human rights impacts

At GB Group, we receive and address all complaints made by employees about working conditions and human rights. An effective incident handling procedure is in place, including support for and the protection of employees’ rights. In 2025, there were no cases of discrimination and human rights violations in the GB Group.

Table 31: Discrimination and human rights violations in the GB group

	No of cases of human rights violations	No of employee complaints via the complaints channels	Status of complaints	No of complaints lodged through national points of contact (NOCs)	Fines for human rights violations in EUR	Number of serious infringements (non-compliance with international guidelines)
2024	0	0	/	0	0	0
2025	0	0	/	0	0	0

S4 – Consumers and End-Users

In “Table 3: Material Topics with Phased-in Reporting”, we reference topic S4. Nevertheless, below we present an organisation-specific topic that was identified through the double materiality assessment process.

S4-6 – Digitalisation and financial literacy

The GB Group recognises the digitalisation and financial literacy of customers as important factors in ensuring responsible treatment of consumers and creating long-term societal value. This is an organisation-specific topic that is not explicitly covered by the ESRS. In this area, we follow the principles of the inclusive, secure and accessible use of digital solutions and of strengthening the understanding of financial products and services among different customer groups.

At the policy level, we have established internal rules and guidelines governing the development and use of digital services, consumer protection, transparent communication and the promotion of financial literacy. Responsible persons have been appointed to implement and oversee these policies, working in cooperation with relevant internal functions and external stakeholders.

Measures in the area of digitalisation include the development of user-friendly digital channels adapted to different levels of digital skills, as well as the regular involvement of internal and external stakeholders (e.g. customers, experts and partners) in the design and improvement of digital solutions. In the area of financial literacy, we carry out informational and educational activities that enable customers to better understand financial decisions and the risks and the benefits of individual products.

Progress is monitored using appropriate metrics, such as the level of use of digital services, the accessibility and user experience of digital channels, the number of educational activities carried out, and customer feedback and satisfaction. Based on this data, we regularly assess the effectiveness of the measures implemented.

Our objectives in this area include the continued development of secure and inclusive digital solutions, improved accessibility of information and the long-term strengthening of customers’ financial literacy, thereby contributing to the responsible use of financial services and to consumer trust.

Tabela 32: Cilji in ukrepi s področja S4 – Digitalizacija in finančna pismenost v Akcijskem načrtu banke 2025

Data Request	Objective/Commitment	Activities/Measures	IRO	Achieved In 2025
S4-4/S4-5	Redirect customers to non-branch channels – reduction of transactions carried out at GB counters that could be performed via non-branch channels.	<p>Development and upgrades of digital processes for the remote conclusion of banking products, enabling customers to access an increasing range of services digitally, e.g. an online instant loan in the mobile banking application in 2025.</p> <p>CRM marketing campaigns to encourage customers to use online and mobile banking and digital channels when performing services.</p>	Digitalisation of customer processes.	<p>In 2025, the ratio between transactions conducted at bank counters and those carried out through digital channels remained largely unchanged.</p> <p>In the retail banking segment, the share of cash withdrawal transactions from consumer accounts (cash withdrawals, card payments) at bank counters on an annual basis was 1.2%, while the share of payment transactions conducted at bank counters was 1.7%. This demonstrates that consumers rarely choose to use bank counters for their transactions. Counter services are typically used for larger cash withdrawals and deposits or for executing larger payments, and this choice is also more common among customers less familiar with digital channels. In the last quarter of 2025, a new channel for approving quick consumer loans via mobile banking was launched. Since its introduction, both the number and volume of such loans have been growing, with the share of quick consumer loans approved via mobile banking reaching 27% in December (or 18% of the total volume of approved quick consumer loans).</p> <p>In the corporate banking segment, the share of outgoing transactions from accounts was 1.3%, while the volume of payment transactions conducted at counters was 0.6%.</p> <p>This data confirms the successful shift of customers to non-branch channels and the use of digital processes for executing banking services such as online and mobile banking. The bank will continue to develop and enhance digital processes to provide even more efficient and secure digital services, expand the range of services that are accessible remotely, and consequently reduce the need for customers to visit branches.</p>
S4-4/S4-5	Improving customers' financial literacy.	<p>The Bank promotes the financial and digital literacy of its customers by regularly providing them with new knowledge related to financial management, digital banking and secure banking operations.</p> <p>> Number of events / Communication with customers in the field of financial literacy.</p>	Financial literacy.	<p>With the aim of improving customers' financial literacy, the bank organised Insurance and Investment Days in 2025, during which it shared its professional knowledge and experience. Through informative content and interactive tools gathered on the digital platform Fit Finance, it encouraged customers to acquire new knowledge in the areas of financial management and banking. Furthermore, the bank provided daily support to customers in using digital banking solutions through branch visits and via the call centre.</p>
S4-4	Continuous improvement of customer satisfaction with services, access channels and banking professionals, based on customer satisfaction surveys.	<p>The Bank plans marketing research activities enabling the continuous monitoring of customer satisfaction and trust levels. For this purpose, the Marketing Division plans to monitor the results of a multifunctional solution based on the continuous monitoring of retail banking customers.</p> <p>In addition, the Marketing Division plans to conduct relevant marketing research among the Bank's customers (NPS, satisfaction with access channels, etc.). Through marketing research conducted via CRM tools and the collection of consumer data from an external agency, the Bank has already set certain objectives, with the further development of new objectives envisaged.</p>	Consumer protection and information / Digitalisation of customer processes / Ethical business conduct / High standards of corporate governance, compliance and transparency.	<p>With the aim of continuously improving the customer experience, service quality and the overall customer journey with the bank, the bank consistently conducted NPS analyses in 2025 and monitored customer satisfaction with services provided in branches. As part of the dialogue with stakeholders, direct communication was also carried out through a questionnaire prepared for the purposes of CSRD reporting, which included the bank's key stakeholders.</p> <p>These activities contribute to customer safety and awareness, the maintenance of high standards of corporate governance, compliance and transparency, and the continuous enhancement of the customer experience.</p>

* The table presents long-term objectives and activities for the material topics we monitor on a yearly basis.

IV. Governance

G1 – Business Conduct

GOV-1 The role of the administrative, management and supervisory bodies in business conduct is linked to the adoption of codes, strategies and policies, their implementation and the monitoring of their effectiveness, which is continuously upgraded by expertise. Disclosures on the role and expertise of the administrative, management and supervisory bodies are available in ESRS 2, GOV-1 and GOV-3.

G1-1 – Business Conduct Policies and Corporate Culture

The GB Group has established the following policies, which will be fully aligned with the MDR-P requirements by 2026, to manage significant impacts, risks and opportunities:

- > Internal governance policy
- > Whistleblowing policy
- > Anti-Money Laundering and Countering the Financing of Terrorism Policy
- > Financial sanctions policy
- > Antitrust Policy
- > Fraud prevention policy
- > Anti-Bribery and Corruption Policy
- > Policy on consumer protection and unfair commercial practices
- > Code of Business Ethics
- > GBKR Fraud Risk Management Strategy

The GB Group establishes its corporate culture on the basis of core values and ethical principles, which are part of the Code of Conduct, the most important internal corporate culture document. It develops and promotes corporate culture through internal employee training on ethical behaviour, fraud prevention and communication channels for the anonymous reporting of misconduct and open and inclusive communication. Through continuous improvement, the GB Group ensures that its corporate culture supports its long-term goals and enhances the performance and satisfaction of all stakeholders.

The GB Group has adopted a Group Code of Conduct (Code of Conduct), which is derived from and follows the EBA Guidelines on Internal Governance. The Group has adopted the Code to ensure a consistent approach to addressing ethics and integrity and all AIKGroup companies are committed to adhering to the Code. It must be respected by all Gorenjska banka employees, control functions and the governing body. The Code helps to promote a corporate culture that sets a strong framework of compliance rules and ethical professional standards for the Group. The Group's mission is to build partnerships in a way that supports people and creates their future. The Group aims to be the first choice for all stakeholders. The values are: trust, excellence, innovation, responsibility and commitment. The main themes of the Code of Conduct are:

- > Values (trust, excellence, innovation, responsibility and commitment),
- > Whistleblowing,
- > GDPR confidentiality and data protection,
- > Working environment (safe environment, equal opportunities, non-discrimination, relationships built on respect, without harassment, mobbing or other forms of harassment – sexual),
- > E and S accountability (the group is aware of its responsibility towards the wider community, committed to the objectives defined in the ESG strategy). The Group is aware of its social environment and aims to provide support for the establishment of sustainable financing where it is needed, especially in relation to the Green Agenda, wellness, health, financial education, innovation, etc.),
- > Respect for GB Group's intellectual and material property and prohibition of misuse,

- > Relations with competent authorities – transparency, honesty, accuracy of information,
- > Conflicts of interest,
- > Looking after customers’ interests,
- > Market transparency,
- > Antitrust,
- > Preventing corruption,
- > Fraud prevention,
- > Anti-Money Laundering (AML) and Countering the Financing of Terrorism.

The effectiveness of the corporate culture is verified by monitoring breaches of the Code, which are reported by employees or external parties anonymously or publicly by emailing **prijava-krsitev@gbkr.si** or calling 04 208 4473 or the Compliance Consultant by ordinary mail (Gorenjska banka d.d., Kranj, Compliance and AML/CFT Division, Bleiweisova cesta 1, 4000 Kranj). Violations of the Code may be of a general, operational or financial nature and may include, but are not limited to, instances of dishonesty, fraud, deceit, theft, extortion, illegality, neglect of business activities, improper conduct towards another person, indecency, impropriety, dishonesty, unethical behaviour, etc.

The Compliance Department and AML are responsible for raising awareness of the importance of the Code among employees through the Bank’s internal communication channels and involving them in periodic training. In 2025, we delivered many e-learning sessions to all bank employees. The Code of Ethics is also part of the mandatory training programmes for all new recruits. Mandatory training also applies to the Corporate Communications Policy, which also draws on the content of the Code of Business Ethics. Mandatory training for all staff outlines mechanisms for identifying, reporting and investigating concerns, to train staff to detect potentially illegal practices and behaviours more effectively.

The GB Group strives to comply with the United Nations Convention through its internal rules on anti-corruption, fraud, code of ethics and AML regulations.

Table 33: Description of Mechanisms for Identifying, Reporting and Investigating Concerns About Illegal Conduct

Mechanisms	Communication channels*	Response strategy	Responsibility for action
Preventing discrimination and harassment at work	Internal channel: prijava-krsitev@gbkr.si or by phone 04 208 4473 , registration via postal mail	Zero tolerance	5-member Committee on Prevention of Discrimination and Harassment
Preventing bribery and corruption	Internal channel: prijava-krsitev@gbkr.si or by phone 04 208 4473 , registration via postal mail Apply to BS: (external channel) https://vsebina.bsi.si/prod/brm/Obrazec.aspx?tip_prijave=NS	Zero tolerance, regular level 1 and level 2 controls	The Anti-Bribery and Corruption Commissioner reports quarterly
Complaints mechanism for whistleblowers	Internal channel: prijava-krsitev@gbkr.si or by phone 04 208 4473 , registration via postal mail Apply to BS: (external channel) https://vsebina.bsi.si/prod/brm/Obrazec.aspx?tip_prijave=NS ;	Establishing corrective measures for substantiated reports	Confidential person (under the Whistleblower Protection Act)
Preventing internal and external fraud	Internal channel: prijava-krsitev@gbkr.si or by phone 04 208 4473 , registration via postal mail Apply to BS: (external channel) https://vsebina.bsi.si/prod/brm/Obrazec.aspx?tip_prijave=NS	Zero tolerance: prevention, detection, investigation and remediation	Fraud Risk Management Team and Officer

* Communication channels are both internal and external in nature, which can also be used by external stakeholders.

The Bank has in place policies on anti-corruption, anti-bribery, whistleblower protection and compliance with the law, which are in no way inconsistent with the United Nations Convention against Corruption. Through internal rules on anti-corruption, fraud, the code of ethics and AML regulations, the policies are already partially aligned with the UN Convention. We conducted a more detailed review of the requirements in 2025 and use the findings to update the Anti-corruption and Anti-bribery Policy that is consistent with the UN Convention against Corruption.

Whistleblower Protection

GB Group companies have in place the Rulebook on reporting information on violations and the protection of the whistleblower, which implements the current Whistleblower Protection Act (ZZPri) (Official Gazette of the Republic of Slovenia, No 16/23), which transposes Directive (EU) 2019/1937. The rulebook specifies internal reporting channels for reporting violations. Anonymous whistleblower channels are available for employees. A company confidant was selected and an internal circular was issued to inform employees about the confidant, the internal and external whistleblowing channels, procedures, whistleblowing rights and protection against retaliation. Information is always available on the companies' intranets.



Anyone can report suspected unauthorised activity at Gorenjska Bank d.d. by emailing **prijava-krsitev@gbkr.si** or calling **04 208 4473**.

Violations can also be reported to the Bank of Slovenia **at the following link:** https://vsebina.bsi.si/prod/brm/Obrazec.aspx?tip_prijave=NS.

GB has established procedures for the prompt, independent and objective investigation of incidents of business conduct, including incidents of corruption and bribery. These procedures go beyond the standard measures for dealing with whistleblowing under the current legislation transposing Directive (EU) 2019/1937 on whistleblower protection.

In 2025, we have/had 0 (substantiated) incidents of corruption and bribery.

The functions most exposed to the risk of corruption and bribery are the management, governance and oversight functions.

G1-2 – Management of Relationships With Suppliers

In its business relations with its suppliers, Gorenjska banka complies with the Slovenian legislation and follows the principles of good business practice. The Bank's payment practice is to set clear payment terms in accordance with the contractual terms, taking into account both local and international legislation. Our payment practices are fully aligned with the current industry standards, ensuring fairness and transparency. There are no late payments, reflecting our commitment to responsible and reliable business.

G1-3 – Prevention and Detection of Corruption and Bribery

GB Group companies have procedures in place to prevent, detect and address corruption, which are implemented through the following activities:

1. **Assessing the risks** of fraud/anti-corruption/bribery/discrimination/harassment.
2. **Prevention** – Management plays an important role in the prevention of internal anti-corruption fraud/bribery/discrimination/harassment by promoting the values defined in the Employee Code of Business Ethics and the principles and strategic objectives defined in the Development Strategy and relevant Group and GBKR policies.
3. **Dealing with perceived fraud/anti-corruption/bribery/discrimination/harassment:** banking of prescribed preventive measures, detection measures and protocols for dealing with perceived breaches, with defined responsible persons, warnings of potential/actual breaches, and mitigating measures.
4. **Investigation and consequence management** in the event of breaches.
5. **Reporting:** The Compliance function ensures that all control and other functions involved (e.g. operational risk-averse events) and the responsible authorities are properly informed.
6. **Monitoring the general trends** and emerging forms of fraud in the financial industry and the business world in general, and providing information on effective preventive mechanisms to prevent it.
7. **Contact details for applications.**
 - > Business compliance (Sašo Rakovec, saso.rakovec@gbkr.si, 041 541 473)
 - > Link on the website to the login platform – internal or external BS login
 - > Committee on Prevention of Discrimination and Harassment
 - > Prevention of Corruption Commissioner

Investigations are carried out independently of the management structure in charge of day-to-day operations, ensuring the impartiality and confidentiality of the proceedings. Investigations are carried out under the responsibility of a specialised internal function, the Commissioner or Committee, which informs the governing bodies of the findings of the investigations.

Table 34: Training on preventing corruption and bribery

Anti-corruption and anti-bribery training Participation in e-learning	Higher risk functions			All GB Group employees
	Supervisory Board, Management Board and GB Group Directors	GB Management Board	GB Group Directors	
2024	70%	100%	87%	92%
2025	88%	75%	86%	99%

Anti-corruption and anti-bribery training is mandatory internal training for all GB Group employees, which takes place annually as part of the Code of Conduct training, in electronic format, and can be completed at any time up to the deadline. The average time to complete the training, which includes a final assessment, is 30 minutes.

G1-4 – Incidents of Corruption or Bribery

Action plans and resources within the GB Group were more fully aligned in 2025 with all the significant topics and reporting requirements under the ESRS standards, as presented in the Table below.

Table 35: Objectives and activities related to g1 business conduct in the bank's 2025 action plan

Data Request	Objective/Commitment	Activities/Measures	IRO	Achieved In 2025
G1-1	Supplementing existing internal acts by incorporating provisions on corporate culture.	Development of an internal document (policy) or the inclusion of corporate culture provisions in an existing internal act, covering: <ul style="list-style-type: none"> > Establishment procedure, > Evaluation procedure, > Procedure for promoting corporate culture. 	Ethical business culture / High standards of corporate governance, compliance and transparency.	Updated Code of Ethics, updated Internal Management Policy.
G1-1/ G1-3/ G1-4	Supplementing the Anti-Bribery and Anti-Corruption Policy (PR 0085) in accordance with the ESRS requirements.	Select the most appropriate internal act in which GBK identifies the functions within the company where the risk of corruption and bribery is highest. The Anti-Bribery and Anti-Corruption Policy must also include: <ul style="list-style-type: none"> > Identification of such functions within the company, > Description of established procedures for preventing, detecting and handling allegations of corruption and bribery or incidents of corruption and bribery, > Information on whether investigators or the investigative committee are independent from the management chain involved in the matter, > Procedure for reporting results to administrative, executive and supervisory bodies, if such a procedure exists. 	Prevention and detection of corruption.	Anti-Bribery and Anti-Corruption Policy updated.
G1-2	Promoting sustainable procurement: Integrating the ESG factors into supplier selection.	Reporting on the integration of ESG aspects in supplier selection in accordance with the GB Centralised Procurement Rules (PR 0081): <ul style="list-style-type: none"> > Percentage of completed ESG questionnaires by suppliers, > Cost impact resulting from selection based on ESG factors and, consequently, the selection of a more expensive supplier. 	Non-compliance with ESG legislation / High standards of corporate governance, compliance and transparency.	In 2025, ESG aspects were considered in the selection of suppliers in accordance with the GB Centralised Procurement Rules. For one tender, three ESG questionnaires were completed for the suppliers, and the supplier with the highest ESG score was selected. There was no cost impact resulting from the selection based on ESG factors.
G1-3	Integrity and transparency, Anti-corruption practices, AML.	Conduct training with knowledge assessments for all new employees, regular training for existing employees (at least once a year), and regular and ad hoc inspections (internal and at the regulator's request) with a minimum of 6 inspections.	Prevention and detection of corruption / High standards of corporate governance, compliance and transparency / Prevention of money laundering, terrorist financing and other unethical activities.	In 2025, four training sessions were conducted with 100% employee participation (e-learning for new employees on Anti-Bribery & Anti-Corruption, on AML/KYC, targeted training for branches and key functions). In addition, the ABC training of the AIGroup and the Anti-Bribery & Anti-Corruption training were successfully completed.
G1-1	Information security, personal data protection and ensuring business continuity.	Conduct training with knowledge assessments for all new employees, regular training for existing employees (at least once a year), and regular and ad hoc inspections (internal and at the regulator's request), with a minimum of six inspections.	Information Security, Business Continuity, Personal Data Protection, Safety and Health.	In 2025, training sessions and workshops were conducted for all employees in the Retail segment, while other employees accessed the content via the Intranet and e-learning. Overall employee participation in the training amounted to 95%.
G1-1	Business and customer ethics, Code of Business Ethics / Whistleblower protection.	Conduct training with knowledge assessments for all new employees, regular training for existing employees (every two years), and regular and ad hoc inspections (internal and at the regulator's request), with a minimum of six inspections.	Ethical business culture / Whistleblower protection.	In 2025, training on the Code of Business Ethics was conducted for new employees. The training was carried out as part of the ongoing onboarding programme.

* The table presents long-term objectives and activities for the material topics which we monitor on a yearly basis.

Confirmed Incidents of Corruption or Bribery

GB Group has no (confirmed) incidents of corruption or bribery in 2025. Globality is not defined in internal documents, and the GB Group has a zero-tolerance approach to corruption and bribery. Sanctions and disciplinary measures shall be implemented in accordance with the applicable rules.

G1-7 – Governance, Transparency and Compliance

The Gorenjska banka Group's business story is based on a long tradition of integrity and commitment to the highest ethical standards, which is what makes it so successful. We pursue our objectives in compliance with the applicable laws and regulations and the recommendations of external institutions, and we always follow good business practices and the Bank's internal policies, while being committed to moral principles.

In relation to our colleagues, partners and clients, the Code of Business Ethics for Gorenjska banka Group employees is a set of values and principles that guide our conduct in pursuit of standards of integrity and professional ethics. As such, they help us to make decisions and carry out our daily work responsibilities based on the independence, transparency and accountability of the company's employees.

The core principles of the business are:

- > protecting the Bank's reputation and integrity,
- > protect the rights and interests of the client,
- > constructive internal relations,
- > avoiding conflicts of interest,
- > preventing money laundering and terrorist financing,
- > protecting people and property,
- > protecting professional secrecy, information and personal data,
- > coherent business operations,
- > high working standards,
- > prohibiting bribery and restricting the acceptance and giving of gifts,
- > preventing internal fraud, and
- > social and environmental responsibility.

The core values that are shared by all employees and consistently adhered to contribute to the consolidation of an organisational culture that puts integrity first and recognises that the GB Group can only be successful in the long term by adhering to high professional and ethical standards of business conduct.

Employees of the Gorenjska banka Group are committed to the following core values:

> Responsibility

We are ready to take responsibility for our decisions, actions and results time and time again. We work to find the best solutions for individuals, society and nature.

> Excellence

We have a passion for our mission, so we inspire others with our dedication. Excellence is driven by meeting and exceeding expectations.

> Innovation

User experience is at the core of our interest. Because we know that this is the only way to integrate innovation into the search for advanced solutions and further development.

> Dedication

We feel committed to anyone who finds us a reliable partner. To this end, we maintain a space where respect, trust, encouragement and open communication prevail.

> Trust

We put trust at the heart of everything we do. Because we are willing to listen to both our customers and our employees, because we believe that the key to success is working together.

Protecting the Bank's Reputation and Integrity

We comply with the applicable regulations and contracts with our customers. We act in accordance with our principles and values, strategy, business objectives and commitments to the Bank. We do not damage the Bank's reputation through our actions and behaviour.

Protecting the Rights and Interests of the Client

We protect the rights and interests of our clients. We will refrain from actions that could cause harm to our clients.

Constructive Internal Relations

Internal relations are based on mutual trust, respect and support. We are respectful, friendly and fair to our colleagues. We resolve differences of opinion and any disagreements in a tolerant and constructive manner. We reject all forms of physical or psychological harassment or ill-treatment.

Managing Conflicts of Interest

We avoid circumstances where our interests may conflict with those of the Bank. If they are detected, they are brought to the attention of your superiors and appropriate follow-up action is taken.

G1-8 – Prevention of Money Laundering, Terrorist Financing, Use of Counterfeit Notes and Other Unethical Practices

Preventing money laundering, terrorist financing, the use of counterfeit banknotes and other unethical practices is important for the Bank's operations, as it ensures regulatory compliance, builds customer and stakeholder confidence and protects the integrity of the financial system. The Bank has systems in place to monitor transactions, identify suspicious activity and verify customers, while training staff to detect risks. This reduces the legal and financial risks, preserves reputation and supports sustainable development and social responsibility. The area is regulated by several internal acts, which define the legal requirements in this area and in the area of restrictive measures. The bank has a special department that manages risks and performs advisory, supervisory and educational functions in this area. Employees are responsible for implementing legal requirements, in accordance with the provisions of the internal acts. The implementation of legal requirements is supported by applications and is constantly being upgraded. The GB Group has set monitoring metrics, which are reported quarterly to the management and the AikGroup, and annually to the Bank of Slovenia and the Anti-Money Laundering Office of Republic of Slovenia. The GB Group pays special attention to the implementation of the customer acceptance policy, which prescribes the criteria to enter into a business relationship with clients from the perspective of managing the risks of AML/CFT and restrictive measures. The GB Group is obliged to monitor the business activities of customers and, if it detects reasons for suspicion of money laundering or terrorist financing, forwards a suspicious customer report to the Anti-Money Laundering Office of the Republic of Slovenia. Details from this area are not disclosed in this report, as they are confidential.

Table 36: Prevention of Money Laundering, Terrorist Financing, Use of Counterfeit Banknotes and Other Unethical Practices in the GB Group

Subject	Action measures	Metrics	2025	2030 target	Policy
Prevention of money laundering and terrorist financing	Staff training	% of staff participating in training	100% new employees, 100% existing employees	100%	Anti-Money Laundering and Countering the Financing of Terrorism Policy
Counterfeit banknotes and other unethical practices	Staff training	% of staff participating in training	86% of employees	100 %	Fraud prevention policy GBKR Fraud Risk Management Strategy

Table 37: List of Data Points from Cross-Cutting and Thematic Standards Derived from Other EU Legislation

Disclosure request	Data point	Description	Link to SFDR ⁸	Reference to pillar 3 ⁹	Reference to the Benchmark Regulation ¹⁰	Reference to EU sub-regulations ¹¹
ESRS 2 GOV-1	21(d)	Gender representation on committees	Indicator No 13 of Annex I, Table 1		Commission Delegated Regulation (EU) 2020/1816, ¹² Annex II	-
ESRS 2 GOV-1	21(e)	Proportion of independent board members			Delegated Regulation (EU) 2020/1816, Annex II	-
ESRS 2 GOV-4	30	Due diligence statement	Indicator No 10 of Annex I, Table 3			-
ESRS 2 SBM-1	40(d)(i)	Participation in fossil fuel-related activities	Indicator No 4 of Table 1 Annexes I	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, ¹³ Table 1 Qualitative information on environmental risk and Table 2 Qualitative information on social risk	Delegated Regulation (EU) 2020/1816, Annex II	-
ESRS 2 SBM-1	40(d)(ii)	Participation in activities related to the production of chemicals	Indicator No 9 of Annex I, Table 2		Delegated Regulation (EU) 2020/1816, Annex II	-
ESRS 2 SBM-1	40(d)(iii)	Participation in activities related to controversial weapons	Indicator No 14 of Annex I, Table 1		Delegated Regulation (EU) 2020/1818, ¹⁴ Article 12(1) of Delegated Regulation (EU) 2020/1816, Annex II	-
ESRS 2 SBM-1	40(d)(iv)	Participation in activities related to tobacco growing and production	-		Delegated Regulation (EU) 2020/1818, Article 12(1), Delegated Regulation (EU) 2020/1816, Annex II	-
ESRS E1-1	14	Roadmap to climate neutrality by 2050	-	-	-	Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-1	16(g)	Enterprises excluded from benchmarks aligned with the Paris Agreement, paragraph	-	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Non-trading book – Climate change transition risk: credit quality of exposures by sector, issue and residual maturity	Delegated Regulation (EU) 2020/1818, Article 12(1), points (d) to (g), and Article 12(2)	-
ESRS E1-4	34	GHG emission reduction targets	Indicator No 4 of Annex I, Table 2	Article 449a Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Non-trading Paper – Climate change transition risk: measures of compliance	Delegated Regulation (EU) 2020/1818, Article 6	-
ESRS E1-5	38	Energy consumption from fossil fuels, broken down by source (high environmental impact sectors only)	Indicator No 5 of Table 1 and Indicator No 5 of Table 2 of Annex I	-	-	-
ESRS E1-5	37	Consumption of energy and mix of energy sources	Indicator No 5 of Annex I, Table 1	-	-	-
ESRS E1-5	40 to 43	Energy intensity, related to activities in the climate sectors with high impact	Indicator No 6 of Annex I, Table 1	-	-	-
ESRS E1-6	44	Scope 1, 2 and 3 gross GHG emissions and total emissions TGP	Indicators 1 and 2 of Table 1 of Annex I	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 1: Non-trading book – Climate change transition risk: credit quality of exposures by sector, issue and residual maturity	Delegated Regulation (EU) 2020/1818, Articles 5(1), 6 and 8(1)	-
ESRS E1-6	53 to 55	Gross emission intensity TGP	Indicator 3 of Table 1 Annexes I	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, Template 3: Non-trading Paper – Climate change transition risk: measures of compliance	Delegated Regulation (EU) 2020/1818, Article 8(1)	-
ESRS E1-7	56	GHG removals and carbon credits	-	-	-	Regulation (EU) 2021/1119, Article 2(1)
ESRS E1-9	66	Exposure of the benchmark portfolio to climate-related physical risks	-	-	Delegated Regulation (EU) 2020/1818, Annex II; Delegated Regulation (EU) 2020/1816, Annex II	-

Disclosure request	Data point	Description	Link to SFDR ⁸	Reference to pillar 3 ⁹	Reference to the Benchmark Regulation ¹⁰	Reference to EU sub-regulations ¹¹
ESRS E1-9	66(a)	Breakdown of the cash amounts by acute and chronic physical risks	-	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47; Template 5: Non-trading book – Physical risk related to climate change: exposures subject to physical risk	-	-
ESRS E1-9	66(c)	Location of significant assets for which there is a significant physical risk	-	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraphs 46 and 47; Template 5: Non-trading book – Physical risk related to climate change: exposures subject to physical risk	-	-
ESRS E1-9	67(c)	Breakdown of the book value of its real estate assets by energy class	-	Article 449a of Regulation (EU) No 575/2013; Commission Implementing Regulation (EU) 2022/2453, paragraph 34; Template 2: Non-trading Paper – Transition risk related to climate change: real estate secured lending – energy efficiency of collateral	-	-
ESRS E1-9	69	Portfolio exposure to climate opportunities	-	-	Delegated Regulation (EU) 2020/1818, Annex II	-
ESRS E2-4	28	The quantity of each pollutant listed in Annex II to the Regulation on the European Pollutant Release and Transfer Register (European Pollutant Release and Transfer Register) discharged into the air, water and land	Indicator No 8 in Annex I, Table 1, Indicator No 2 in Annex I, Table 2, Indicator No 1 in Annex I, Table 2, Indicator No 3 in Annex I, Table 2	-	-	-
ESRS E3-1	9	Water and marine resources	Indicator No 7 of Annex I, Table 2	-	-	-
ESRS E3-1	13	Dedicated policy	Indicator No 8 of Annex I, Table 2	-	-	-
ESRS E3-1	14	Sustainable oceans and seas	Indicator No 12 of Annex I, Table 2	-	-	-
ESRS E3-4	28(c)	Total amount of water recycled and reused	Indicator No 6.2 of Annex I, Table 2	-	-	-
ESRS E3-4	29	Total water consumption in m ³ per net revenue from own activities	Indicator No 6.1 of Annex I, Table 2	-	-	-
ESRS 2 – IRO-1 – E4	16(a)(i)	-	Indicator No 7 of Annex I, Table 1	-	-	-
ESRS 2 – IRO-1 – E4	16(b)	-	Indicator No 10 of Annex I, Table 2	-	-	-
ESRS 2 – IRO-1 – E4	16(c)	-	Indicator No 14 of Annex I, Table 2	-	-	-
ESRS E4-2	24(b)	Sustainable land/agriculture practices or policies	Indicator No 11 of Annex I, Table 2	-	-	-
ESRS E4-2	24(c)	Sustainable practices or policies related to oceans/seas	Indicator No 12 of Annex I, Table 2	-	-	-
ESRS E4-2	24(d)	Policies to address deforestation	Indicator No 15 of Annex I, Table 2	-	-	-
ESRS E5-5	37(d)	Non-recycled waste	Indicator No 13 of Annex I, Table 2	-	-	-
ESRS E5-5	39	Hazardous waste and radioactive waste	Indicator No 9 of Annex I, Table 1	-	-	-
ESRS 2 – SBM-3 – S1	14(f)	Risk of forced labour incidents	Indicator No 13 of Annex I, Table 3	-	-	-
ESRS 2 – SBM-3 – S1	14(g)	Risk of child labour incidents	Indicator No 12 of Annex I, Table 3	-	-	-
ESRS S1-1	20	Human rights policy commitments	Indicator No 9 of Table 3 and Indicator No 11 of Table 1 of Annex I	-	-	-
ESRS S1-1	21	Due diligence policies on issues covered by ILO Core Conventions 1 to 8	-	-	Delegated Regulation (EU) 2020/1816, Annex II	-
ESRS S1-1	22	Procedures and measures to prevent trafficking in human beings	Indicator No 11 of Annex I, Table 3	-	-	-
ESRS S1-3	23	A policy or management system to prevent workplace accidents	Indicator No 1 of Annex I, Table 3	-	-	-

Disclosure request	Data point	Description	Link to SFDR ⁹	Reference to pillar 3 ⁹	Reference to the Benchmark Regulation ¹⁰	Reference to EU sub-regulations ¹¹
ESRS S1-14	32(c)	Complaints handling mechanisms	Indicator No 5 of Annex I, Table 3	-	-	-
ESRS S1-14	88(b) and (c)	Number of fatalities and number and rate of work-related accidents	Indicator No 2 of Table 3 of Annex I	-	-	-
ESRS S1-16	88(e)	Number of days lost due to injury, accident, death or illness	Indicator No 3 of Annex I, Table 3	-	-	-
ESRS S1-16	97(a)	Unadjusted pay gap	Indicator No 12 of Annex I, Table 1	-	-	-
ESRS S1-17	97(b)	Excessive salary for the CEO	Indicator No 8 of Annex I, Table 3	-	-	-
ESRS S1-17	103(a)	Incidents of discrimination	Indicator No 7 of Annex I, Table 3	-	-	-
ESRS 2 – SBM-3 – S2	104(a)	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD	Indicator No 10 of Table 1 and Indicator No 14 of Table 3 of Annex I	-	-	-
ESRS S2-1	11(b)	High risk of child labour or forced labour in the value chain	Indicators 12 and 13 of Table 3 of Annex I	-	-	-
ESRS S2-1	17	Human rights policy commitments	Indicator No 9 of Table 3 and Indicator No 11 of Table 1 of Annex I	-	-	-
ESRS S2-1	18	Policies concerning workers in the value chain	Indicators Nos 11 and 4 of Table 3 of Annex I	-	-	-
ESRS S2-1	19	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines	Indicator No 10 of Annex I, Table 1	-	-	-
ESRS S2-1	19	Due diligence policies on issues covered by the ILO Core Conventions 1 to 8	-	-	-	-
ESRS S2-4	36	Human rights problems and incidents related to the upstream and downstream parts of its value chain	Indicator No 14 of Annex I, Table 3	-	-	-
ESRS S3-1	16	Human rights policy commitments	Indicator No 9 of Annex I, Table 3 and Indicator No 11 of Annex I, Table 1	-	-	-
ESRS S3-1	17	Failure to comply with the UN Guiding Principles on Business and Human Rights, ILO Principles and/or OECD Guidelines	Indicator No 10 of Annex I, Table 1	-	Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818, Article 12(1)	-
ESRS S3-4	36	Human rights problems and incidents	Indicator No 14 of Annex I, Table 3	-	-	-
ESRS S4-1	16	Policies relating to consumers and end-users	Indicator No 9 of Table 3 and Indicator No 11 of Table 1 of Annex I	-	-	-
ESRS S4-1	17	Failure to comply with the UN Guiding Principles on Business and Human Rights and the OECD Guidelines	Indicator No 10 of Annex I, Table 1	-	Delegated Regulation (EU) 2020/1816, Annex II; Delegated Regulation (EU) 2020/1818, Article 12(1)	-
ESRS S4-4	35	Human rights problems and incidents	Indicator No 14 of Annex I, Table 3	-	-	-
ESRS G1-1	10(b)	United Nations Convention against Corruption	Indicator No 15 of Annex I, Table 3	-	-	-
ESRS G1-1	10(d)	Whistleblower protection	Indicator No 6 of Annex I, Table 3	-	-	-
ESRS G1-4	24(a)	Financial penalties for breaches of corruption and bribery laws	Indicator No 17 of Annex I, Table 3	-	Delegated Regulation (EU) 2020/1816, Annex II	-
ESRS G1-4	24(b)	Standards to fight corruption and bribery	Indicator No 16 of Annex I, Table 3	-	-	-

⁹ Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector (the Sustainability Disclosures Regulation) (OJ L 317, 09/12/2019, p. 1).

¹⁰ Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June 2013 on prudential requirements for credit institutions and investment firms and amending Regulation (EU) No 648/2012 (Capital Requirements Regulation) (OJ L 176, 27/06/2013, p. 1).

¹¹ Regulation (EU) 2016/1011 of the European Parliament and of the Council of 8 June 2016 on indices used as benchmarks in financial instruments and financial contracts or to measure the performance of investment funds and amending Directives 2008/48/EC and 2014/17/EU and Regulation (EU) No 596/2014 (OJ L 171, 29/06/2016, p. 1).

¹² Regulation (EU) 2021/1119 of the European Parliament and of the Council of 30 June 2021 establishing a framework for achieving climate neutrality and amending Regulations (EC) No 401/2009 and (EU) 2018/1999 (European Climate Rules) (OJ L 243, 09/07/2021, p. 1).

¹³ Commission Delegated Regulation (EU) 2020/1816 of 17 July 2020 amending Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards the clarification in the benchmark statement of how environmental, social and governance factors are reflected in each benchmark provided and published (OJ L 406, 03/12/2020, p. 1).

¹⁴ Commission Implementing Regulation (EU) 2022/2453 of 30 November 2022 amending the implementing technical standards laid down in Implementing Regulation (EU) 2021/637 as regards disclosure of environmental, social and governance risks (OJ L 324, 19/12/2022, p. 1).

¹⁵ Commission Delegated Regulation (EU) 2020/1818 of 17 July 2020 amending Regulation (EU) 2016/1011 of the European Parliament and of the Council as regards minimum standards for EU climate transition benchmarks and EU benchmarks aligned with the Paris Agreement (OJ L 406, 03/12/2020, p. 1).

Independent Auditor's Report





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INDEPENDENT AUDITOR'S REPORT
To the owner of GORENJSKA BANKA d.d., KRANJ
 (Translation from the original in Slovene language)

REPORT ON THE AUDIT OF FINANCIAL STATEMENTS

Opinion

We have audited the separate financial statements of GORENJSKA BANKA d.d., KRANJ ("the Company") and the consolidated financial statements of GORENJSKA BANKA d.d., KRANJ and its subsidiaries (the "Group"), which comprise the separate and consolidated statement of financial position as at 31 December, 2025, the separate and consolidated income statement, the separate and consolidated statement of comprehensive income, the separate and consolidated statement of changes in equity and the separate and consolidated cash flow statement for the year then ended, and notes to the separate and consolidated financial statements, including material accounting policy information.

In our opinion, the accompanying separate and consolidated financial statements present fairly, in all material respects, the financial position of the Company and the Group as at 31 December, 2025 and their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union ("IFRS as adopted by the EU").

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing ("ISAs") and Regulation (EU) No 537/2014 of the European Parliament and of the Council dated 16 April, 2014 on specific requirements regarding statutory audit of public-interest entities ("the Regulation"). Our responsibilities under these standards are further described in the *Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements* section of the report. In accordance with the International Code of Ethics for Accounting Professionals (including International Independence Standards) issued by the International Ethics Standards Board for Accounting Professionals (the "IESBA Code") and the ethical requirements applicable to the audit of financial statements of public interest entities in Slovenia, we confirm our independence from the Company and the Group and that we have complied with all other ethical requirements in accordance with those requirements and the IESBA Code.

We believe that the audit evidence obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the separate and consolidated financial statements of current period. These matters were addressed in the context of our audit of the separate and consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Impairment of loans to non-bank customers (expected credit losses) in the separate and consolidated financial statements

In the separate financial statements, loans to non-bank customers amount to EUR 1.930.478 thousand at 31 December, 2025 (31 December, 2024: EUR 1.690.338 thousand) and in the consolidated financial statements to EUR 1.918.399 thousand (31 December, 2024: EUR 1.677.790 thousand), of which the gross amount of loans at 31 December, 2025 amounts to EUR 1.958.093 thousand (31 December, 2024: EUR 1.721.405 thousand) in the separate financial statements and EUR 1.945.995 thousand (31 December, 2024: EUR 1.708.829 thousand) in the consolidated financial statements. The total expected credit loss as at 31 December, 2025 amounts to EUR 27.615 thousand in the separate financial statements (2024: EUR 31.067 thousand) and EUR 27.596 thousand in the consolidated financial statements (2024: EUR 31.039 thousand).

<u>Key audit matter</u>	<u>How the matter was addressed in our audit</u>
Credit risk represents one of the most important types of financial risks to which the Group is exposed to. Determining appropriate methods and models by the	In order to address the risk associated with impairment allowances for expected credit losses on loans from non-bank customers, identified as key audit matter, we have designed audit procedures that allowed us to obtain sufficient and



Management to measure and manage credit risk is therefore one of the most important areas in safeguarding the Company's and the Group's capital. As part of the credit risk management process, appropriate determination of impairment allowances for expected credit losses on loans and receivables from customers represent key considerations for the Company's and the Group's Management. Credit impairment is an accounting estimate, where the assumptions used in the impairment model are primarily subject to a subjective assessment of the management. Due to the above and the fact that loans to customers other than banks are important from the point of view of the financial statements, and that impairments are based on a complex model, we determined the impairments of loans to non-bank customers, on collective and individual basis, as a key audit matter.

In determining both the timing and the amount of impairment allowances for expected credit losses on loans and receivables from customers, the Management exercises significant judgement in relation to the following areas:

- use of historic data in the process of determining risk parameters;
- estimation of the credit risk related to the exposure;
- assessment on the significance of subsequent changes in credit risk of an exposure for the purposes of identifying whether significant increase in credit risk has occurred, leading to changes in stage allocation and the required measurement of lifetime expected credit losses;
- expected future cash flows from operations;
- valuation of collateral and assessment of realization period on individually assessed credit-impaired exposures.

Management has provided additional information on credit impairments in notes to the financial statements 2.2.5 - Impairment of financial instruments, 5.6 - Loans to non-bank customers measured at amortised cost, 4.15 - Impairments and 7.1 - Credit risk.

appropriate audit evidence for our conclusion. In doing so, we also relied on general controls in the information system, which we checked with the help of experts - auditors of information systems.

We performed following audit procedures with respect to area of loans:

- reviewed the Company's and the Group's methodology for recognizing provisions for expected credit losses and comparing the reviewed methodology against the requirements of IFRS 9;
- obtained the basis and arguments for adjustments of the assumptions, taken into consideration by the Company and the Group in current year in light of current macroeconomic conditions, novel risks and forecasts and assessing if these are sufficient and justified;
- obtained understanding of control environment and internal controls implemented by the Management within the process of measuring impairment allowance for expected credit losses;
- evaluated design and implementation of identified internal controls that are relevant to the process of measuring impairment allowance for expected credit losses;
- tested the implementation and operation of the identified significant internal controls in the area of impairment measurement, in particular inter-group transfers and the assignment of credit ratings to natural persons;
- assessed quality of historical data used in determination of risk parameters;
- disaggregated loans account balance based on stage allocation for the purposes of sample selection (based on Stages from Stage 1 to Stage 3). In Stage 3, individually assessed loans are classified, the criteria for selection included, but was not limited to: client's credit risk assessment, industry risk, days past due and other criteria;
- checked the mathematical accuracy of the calculation of group impairments;
- checked the completeness of the data entering into the group impairment calculation;
- tested a sample of loans for compliance of the credit rating with the Company's internal rules and for a significant increase in credit risk;
- tested the appropriateness of the assumptions, including forward-looking information, used in the calculation of group impairments;
- performing substantive tests over recognition and measurement of impairment allowance for expected credit losses on sample of individually assessed non-performing loans allocated to Stage 3, which included:
 - i. assessment of borrower's financial position and performance following latest credit reports and available information
 - ii. critical assessment of judgements and assumptions applied in the calculation and measurement of expected future cash flows from operations taking into consideration borrower's financial status and performance
 - iii. reviewing and critically assessing estimated value of collateral and estimated realization period as well as associated legal agreements and supporting documentation to assess the legal right to and existence of collateral
 - iv. critical assessment of discount rates used in the



estimation of the expected cash flows from operations and/or collateral
 v. re-performing calculation of expected credit losses by applying parameters that were subject to review
 Reviewed disclosures in annual report in connection with loans and impairments, especially based on requirements of IFRS 7 - Financial instruments: disclosures.

Interest income on loans measured at amortised cost in the separate and consolidated financial statements

Interest income in the separate financial statements in the year 2025 amounted to EUR 101.938 thousand (2024: EUR 115.174 thousand), of which interest income on loans measured at amortised cost amounted to EUR 97.912 thousand (2024: EUR 109.598 thousand). Interest income in the consolidated financial statements for 2025 amounts to EUR 101.481 thousand (2024: EUR 114.833 thousand), of which interest income on loans EUR 97.455 thousand (2024: EUR 109.257 thousand).

Key audit matter

How the matter was addresses in our audit

Interest income on loans measured at amortised cost is a key item in the income statement. Their recognition, and consequently the accuracy, existence and completeness of the amounts reported, depends to a large extent on the overall controls in place and operating in the IT system, both in terms of authorisation management and change management. The functioning of the general controls in the information system and other internal controls put in place to ensure the accuracy and completeness of the input data are the basis for the correct recognition of interest income.

Due to the significance of the amount and the risks related to the non-operation of general controls in the IT system, we have highlighted interest recognition as a key audit matter.

Management has provided additional information on the recognition of interest income in notes to the financial statements 2.6 - Interest income and expense and 4.1 - Net interest.

To manage the risks associated with the recognition of interest income, which is identified as a key audit matter, we have developed the following audit procedures to obtain sufficient appropriate audit evidence for our conclusion. During the audit, we wanted to obtain a high level of assurance in implemented internal controls in the field of interest income recognition as well as the information system (software support) used by the Group in the process of generating interest income. A part of our procedures was performed by auditors of financial statements, while as a part, related to the audit information system, was performed by our auditor's expert - the auditor of information systems.

We performed the following audit procedures:

- got acquainted with the control environment and with the existing controls introduced in the process of recognizing interest income and assessed their design;
- tested the design and effectiveness of the established controls in the areas of change management and access management in information systems, used in the process of recognizing interest income. We checked whether only certain users can create, change or delete user accounts and how access control is established, as well as whether changes to software solutions are properly planned, approved and implemented;
- on the basis of the findings related to the above procedures, we tested the application controls, which ensure the accuracy of the calculated interest on loans;
- on the basis on the findings related to the operation of general controls in the IT systems, we tested the control to ensure the completeness of interest accrued on loans;
- tested internal controls to confirm that the correct interest rates were used on a sample of loans to individuals, corporate entities and leasing contracts;
- on a sample of Group 3 credits we checked the correctness of the interest calculation, and for Group 1 and 2 credits we checked the applied control related to the method of interest calculation;
- we performed analytical procedures to confirm the accuracy, completeness and existence of the interest recognised on the loans;
- we have verified the disclosures in the annual report required by the relevant accounting standards in relation to interest income on loans.



Fee income from own account trading in the separate and consolidated accounts

Fee income from own account transactions in the separate financial statements for 2025 amounts to EUR 23.247 thousand EUR (2024: EUR 19.950 thousand). Fee income from own transactions in the consolidated financial statements for 2025 amounts to EUR 23.766 thousand (2024: EUR 20.042 thousand).

Key audit matter

How the matter was addresses in our audit

Fee income from own account trading is one of the key items in the income statement. Incorrectly entered tariffs can have a significant impact on the Company's and Group's financial statements and there are an extremely large number of transactions with small amounts. Their recognition, and consequently the accuracy, existence and completeness of the amounts reported, depends to a large extent on the overall controls in place and functioning in the IT system, both in terms of authorisation management and change management. The functioning of the general controls in the information system and other internal controls put in place to ensure the accuracy and completeness of the input data are the basis for the correct recognition of the fee income.

Due to the significance of the amount and the risks related to the non-operation of general controls in the IT system, we have highlighted the recognition of fee income related to proprietary transactions as a key audit matter.

Management has provided additional information on the recognition of interest income in notes to the financial statements 2.7 - Fee income and expense and 4.3 - Net fee income.

To address the risks related to the recognition of fee income, which is identified as a key audit matter, we have designed the audit procedures described below to obtain sufficient and appropriate audit evidence to support our conclusion. In doing so, we sought to obtain a high level of assurance about the operation of internal controls over the recognition of fee income as well as the information system or software support used by the Company and the Group in the fee income recognition process. Thus, part of the procedures were performed by our auditors of the financial statements and part of the procedures, the general controls in the information system, were performed by our skilled auditors of the information systems.

We performed the following audit procedures:

- we have familiarised ourselves with the control environment and the controls implemented in the revenue recognition process and assessed their design;
- we tested the design and operating effectiveness of controls in place in the areas of change management and mandate management in the information systems implemented in the revenue recognition process. This included verifying that only specific users can create, modify or delete user accounts, that access controls are in place and that changes to software solutions are properly planned, authorised and implemented;
- Based on the findings related to the above procedures, we have tested an application control to ensure the accuracy of the completeness of the bank-account fees charged to natural persons;
- We verified that the changes in tariffs for legal and natural persons in 2025 were correctly entered in the IT system;
- We tested a sample of internal controls to verify that the monthly invoicing of fees to legal persons was accurate and complete;
- We performed analytical procedures to confirm the accuracy, completeness and existence of the recognised fee income;
- We performed a sample test of the fee income data to confirm the accuracy and existence of the fee income recognised;
- We have verified the disclosures in the annual report required by the relevant accounting standards in relation to fee income on loans.

Other

Management is responsible for the other information. The other information comprises the information included in Management report as a part of Annual report, other than the separate and consolidated financial statements and our auditor's report thereon. Other information was obtained prior to the date of auditor's report except the report of supervisory board, which will be available later.

Our opinion on the separate and consolidated financial statements does not cover the other information and we express no assurance thereon.

In connection with our audit of the separate and the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the separate and the consolidated financial statements, regulatory requirements or our knowledge obtained



in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

In this respect, on the basis of the procedures described above, we report that:

- the other information is consistent in all material respects with the audited separate and consolidated financial statements;
- the information, other than the consolidated sustainability report on which we issued a separate limited assurance report on 27 February 2026, is prepared in accordance with applicable laws and regulations; and
- based on our knowledge and understanding of the Company and the Group and their environment obtained during the audit, we have not identified any material misstatements in relation to the other information.

Responsibilities of Management and Supervisory board for the Separate and Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these separate and consolidated financial statements in accordance with IFRS as adopted by the European Union and for such internal control as management determines is necessary to enable the preparation of separate and consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate and consolidated financial statements of the Company and the Group, management is responsible for assessing the Company's and the Group's ability to continue as a going concern, for disclosing matters related to going concern and for using the going concern basis of accounting unless management intends to liquidate the Company or the Group or to discontinue operations, or has no alternative but to do one or the other

Supervisory Board is responsible for overseeing the Company's and the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Separate and Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the separate and the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these separate and consolidated financial statements.

We use professional judgement and maintain professional discretion when carrying out an audit in accordance with IAS. We also:

- Identify and assess the risks of material misstatement of the separate and the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit of separate and consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's and the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's and the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate and the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the organization to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the separate and the consolidated financial statements, including the disclosures, and whether the separate and consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.



- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have met the relevant ethical requirements for independence and discuss with them any relationships and other requirements that may reasonably be thought to affect our independence and, where appropriate, the steps taken to address the risks or safeguards in place.

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of the separate and the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON THE LEGAL AND REGULATORY REQUIREMENTS

Confirmation to the Audit Committee

We confirm that the auditor's opinion included in this auditor's report is consistent with the additional report to the Audit Committee.

Provision of Non-audit Services

We confirm that we have not performed the services referred to in Article 5(1)(5) of Regulation 537/2014 for GORENJSKA BANKA d.d., KRANJ and its subsidiaries, and that the audit firm has complied with the independence requirements for the audit.

Other services

Apart from the audit of the financial statements and the consolidated sustainability report, the audit firm did not provide any other services to GORENJSKA BANKA d.d., KRANJ and its subsidiaries other than those disclosed in the annual report.

Appointment of the auditor, duration of the engagement and the certified auditor responsible

The audit firm BDO Revizija d.o.o. was appointed at the General Meeting of GORENJSKA BANKA d.d., KRANJ on 26 October, 2023 and the audit contract was signed by the Chairperson of the Supervisory Board on 10 November, 2023. The contract is concluded for a period of 3 years. The statutory audit of the Company's financial statements is being carried out on a continuous basis from 31 July, 2020.

Engagement partner responsible for the audit on behalf of BDO Revizija d.o.o. is Maruša Hauptman, certified auditor.

Ljubljana, 27 February 2026

BDO Revizija d.o.o.
Road to Mestni log 1, Ljubljana

Maruša Hauptman,
certified auditor
(signature on original Slovene version)

03

Independent Auditor's Report on Sustainability Report





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 1000 Ljubljana, Slovenia

THE INDEPENDENT AUDITOR'S LIMITED ASSURANCE REPORT ON THE CONSOLIDATED SUSTAINABILITY REPORT

(Translation from the original in Slovene language)

To the shareholder of GORENJSKA BANKA d.d., Kranj

We have conducted a limited assurance engagement on the Consolidated Sustainability Report of the GORENJSKA BANKA d.d., Kranj Group (the "Group") included in the Group's business report for the year ended 31 December 2025 and for the period from 1 January 2025 to 31 December 2025 (the "Consolidated Sustainability Report").

Definition of the criteria used

The consolidated sustainability report has been prepared by the Group's management in order to comply with the requirements of Articles 70c and 70c of the Companies Act (CGD-1), which implements Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (ESRS) introduced by Commission Delegated Regulation (EU) 2023/2772 of 31 July 2023 supplementing Directive 2013/34/EU of the European Parliament and of the Council with regard to sustainability reporting standards (ESRB), including that the process undertaken by the Group to identify the information reported in the Consolidated Sustainability Report (the "Process") is as described in the General Disclosures (ESRS 2) - IRO-1 note;
- the compliance of the disclosures in the EU Taxonomy chapter of the environmental section of the Consolidated Sustainability Report with Article 8 of EU Regulation 2020/852 (the Taxonomy Regulation); and
- compliance with the requirements for the preparation of the Consolidated Sustainability Report pursuant to Article 58 of the ZGD-1, which requires the Group to prepare the Consolidated Sustainability Report in a single electronic format as set out in Article 3 of Commission Delegated Regulation (EU) 2018/815 of 17 December 2018 supplementing Directive 2004/109/EC of the European Parliament and of the Council with regard to regulatory technical standards for establishing a single electronic reporting format (the "ESEF Regulation").

Responsibility of the Management and those charged with governance for the Consolidated Sustainability Report

Management is responsible for designing and implementing the procedures for identifying the information presented in the Consolidated Sustainability Report in accordance with the ESRS and for disclosing this Procedure in the General Disclosures (ESRS 2) - IRO-1 note to the Consolidated Sustainability Report. This responsibility includes:

- understanding the context in which the Group's activities and business relationships take place and gaining an understanding of the stakeholders involved;
- identify actual and potential impacts (both negative and positive) related to sustainability matters and the risks and opportunities that affect, or could reasonably be expected to affect, the Group's financial position, financial performance, cash flows, access to finance or cost of capital in the short, medium or long term;
- assessing the significance of identified impacts, risks and opportunities related to sustainability issues by selecting and applying appropriate thresholds; and
- using assumptions that are reasonable in the circumstances.

Management is further responsible for the preparation of the Consolidated Sustainability Report in accordance with Article 70c and 70c of the ZGD-1, which implements Article 29(a) of EU Directive 2013/34/EU, including:



- ESRS compliance;
- the preparation of disclosures in the Taxonomy section of the environmental section of the Consolidated Sustainability Report in accordance with Article 8 of the European Union Regulation 2020/852 (the "Taxonomy Regulation");
- designing, implementing and maintaining such internal control as management determines is necessary to enable the preparation of a Consolidated Sustainability Report that is free from material misstatement, whether due to fraud or error; and
- selecting and applying appropriate sustainability reporting methods and using assumptions and estimates for individual sustainability disclosures that are reasonable in the circumstances.

The Group's management is also responsible for the preparation of the Consolidated Sustainability Report in accordance with the technical requirements related to the single electronic format as set out in Article 58 of the ZGD-1 and Article 3 of the ESEF Regulation. This responsibility includes the design, establishment and maintenance of internal controls that enable the preparation of a Consolidated Sustainability Report that is not materially inconsistent with the requirements of Article 58 of the CGD-1 and Article 3 of the ESEF Regulation.

The management are responsible for overseeing the Group's sustainability reporting process.

The auditor's responsibility for the limited assurance engagement

Our responsibility is to plan and perform the assurance engagement to obtain limited assurance about whether the Consolidated Sustainability Report is free from material misstatement, whether due to fraud or error, and to issue a limited assurance report that includes our conclusion. Misstatements can arise from fraud or error and are considered material if they can reasonably be expected, individually or in combination, to influence the decisions of users taken on the basis of the Consolidated Sustainability Report taken as a whole.

As part of a limited assurance engagement under ISA 3000 (revised), we exercise professional judgement and maintain professional suspicion throughout the engagement.

Our responsibilities in relation to the Consolidated Sustainability Report in connection with the Procedure include:

- to gain an understanding of the Procedure, but not for the purpose of drawing a conclusion about the effectiveness of the Procedure, including its outcome;
- designing and performing procedures to evaluate whether the Process is consistent with the description of the Group's Process set out in the General Disclosures (ESRS 2) - IRO-1.

Our other responsibilities in relation to the Consolidated Sustainability Report include:

- obtaining an understanding of the Group's control environment, processes and information systems relevant to the preparation of the Consolidated Sustainability Report, but without assessing the design of individual control activities, obtaining evidence of their establishment or testing their effectiveness;
- identifying disclosures where material misstatements are likely to occur, whether due to fraud or error;
- designing and implementing procedures to respond to cases where material misstatements in the Consolidated Sustainability Report may have occurred. The risk of not detecting a material misstatement resulting from fraud is higher than the risk resulting from error, as fraud may involve collusion, forgery, deliberate omissions, misrepresentations or the override of internal control; and
- an assessment of whether the Consolidated Sustainability Report is prepared in all material respects in the format required by Article 58 of the CGD-1 and Article 3 of the ESEF Regulation.

Our independence and quality management

We have complied with the independence and ethical requirements of EU Regulation 537/2014 and the International Code of Ethics for Accounting Professionals (including the International Standards on Independence) issued by the Committee on International Standards of Ethics for Accounting Professionals. The Code is based on the fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional conduct.



Our audit firm operates in accordance with International Standard on Quality Management (ISQM) 1 - Quality Management in Firms Engaged in Financial Statement Audits and Investigations and Other Assurance and Related Engagements and maintains a comprehensive quality management system, including documented policies and procedures for compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Inherent limitations in the preparation of the Consolidated Sustainability Report

The criteria, the nature of the Consolidated Sustainability Report and the absence of long-established professional guidelines, standard reporting uses and practices allow for the adoption of different but acceptable measurement methodologies, which may lead to differences between organisations. The measurement methodologies adopted may also affect the comparability of sustainability issues reported by different organisations and from year to year within an organisation as methodologies evolve.

In reporting forward-looking information in accordance with IASB, management is required to prepare forward-looking information based on disclosed assumptions about events that may occur in the future and possible future actions of the Group. Actual results are likely to differ as anticipated events often do not occur as expected.

In determining the disclosures in the Consolidated Sustainability Report, the Group's management interprets undefined legal and other terms. Undefined legal and other terms are subject to varying interpretations, including the legal consistency of their interpretation, and are therefore subject to uncertainty.

References to external sources or websites in the Consolidated Sustainability Report are not included in our review procedures for the Consolidated Sustainability Report. Therefore, we do not provide any assurance on them.

We draw attention to the following specific constraints addressed in the Consolidated Sustainability Report:

- The emissions metrics reported in the Consolidated Sustainability Report may include information provided by suppliers or third parties. Our procedures did not include obtaining assurance on information provided by suppliers or third parties.
- The consolidated sustainability report may include metrics derived from reported events related to employees and subcontractors. Our testing may therefore not reveal completeness misstatements, for example in cases where events may have occurred but were not reported.

Summary of work done

A limited assurance engagement involves performing procedures to obtain evidence on the Consolidated Sustainability Report.

The nature, timing and extent of the procedures selected will depend on professional judgement, including the identification of disclosures in the Consolidated Sustainability Report where material misstatements are likely to occur, whether due to fraud or error.

In carrying out our limited assurance engagement in relation to the Procedure, we:

- gain an understanding of the Procedure by:
 - making enquiries to gain an understanding of the sources of information used by management (e.g. stakeholder engagement, business plans and strategy documents); and
 - reviewing the Group's internal documentation on their Process; and
- evaluated whether the evidence obtained from our procedures in relation to the Group's process was consistent with the description of the process in the General Disclosures (ESRS 2) - IRO-1.

In carrying out our limited assurance engagement on the Consolidated Sustainability Report, we:

- obtain an understanding of the Group's reporting processes relevant to the preparation of the Consolidated Sustainability Report by making enquiries to obtain an understanding of the Group's control environment,



processes and information systems relevant to the preparation of the Consolidated Sustainability Report, but not for the purpose of providing an opinion on the effectiveness of the Group's internal control.

- evaluate whether the relevant information identified by the Procedure is included in the Consolidated Sustainability Report;
- evaluate whether the structure and presentation of the Consolidated Sustainability Report is in line with the ESRB;
- performed staff enquiries and analytical procedures on selected information in the Consolidated Sustainability Report;
- perform audit procedures on selected information in the Consolidated Sustainability Report on a sample basis;
- where and when appropriate, reconcile the disclosures in the Consolidated Sustainability Report to the corresponding disclosures in the financial statements;
- obtain evidence on the methods and processes used to generate meaningful estimates and forward-looking information, and how these methods have been applied;
- gain an understanding of the Group's process for identifying economic activities that are acceptable for the taxonomy and economic activities that are aligned with the taxonomy and the relevant disclosures in the Consolidated Sustainability Report;
- Obtained the information and basis for the amounts disclosed in the taxonomy section of the Consolidated Sustainability Report;
- Assess whether the Consolidated Sustainability Report is prepared in the format required by Article 58 of the ZGD-1 and Article 3 of the ESEF Regulation.

Limited Assurance Decision

We have conducted a limited assurance engagement on the Consolidated Sustainability Report of the GORENJSKA BANKA d.d., Kranj Group (the "Group") included in the Group's financial statements for the year ended 31 December 2025 and for the period from 1 January 2025 to 31 December 2025 (the "Consolidated Sustainability Report").

Based on the procedures performed and the evidence obtained, nothing has come to our attention that causes us to believe that the Consolidated Sustainability Report is not prepared in all material respects in accordance with Articles 70c and 70c of the Companies Act (ZGD-1), which transposes Article 29(a) of EU Directive 2013/34/EU, including:

- compliance with the European Sustainability Reporting Standards (ESRS), including that the Group's process for identifying the information reported in the Consolidated Sustainability Report (the "Process") is consistent with that described in the General Disclosures (ESRS 2) - IRO-1;
- the compliance of the disclosures in the Taxonomy chapter within the environmental section of the Consolidated Sustainability Report with Article 8 of European Union Regulation 2020/852 (the "Taxonomy Regulation"); and
- compliance with the requirements for the preparation of the Consolidated Sustainability Report in electronic XHTML format as set out in Article 58 of the CGD-1 and Article 3 of Commission Delegated Regulation (EU) 2019/815

Basis for conclusion

We conducted our limited assurance engagement in accordance with International Standard on Assurance Engagements (ISA) 3000 (revised), *Assurance Engagements Other than Audits or Investigations of Historical Financial Information* ("ISA 3000 (revised)") issued by the International Auditing and Assurance Standards Board.

The procedures carried out in a limited assurance engagement are different in nature and timing and are less extensive than in an acceptance engagement. As a result, significantly less assurance is obtained in a limited assurance engagement than would have been obtained in an acceptance engagement.



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Our responsibilities under this standard are described in more detail in the *Auditor's Responsibility for the Limited Assurance Engagement* section of our report.

We believe that the evidence obtained is sufficient and appropriate to support our conclusion.

Ljubljana, 27 February 2026

BDO Revizija d.o.o.
Road to Mestni log 1, Ljubljana

Maruša Hauptman,
Key Sustainability Partner
Certified auditor
(signature on original Slovene version)

Financial Report of the Bank and the Group



Statement of the Management’s Responsibilities

The Management Board of the Bank hereby confirms the Financial Statements of Gorenjska banka d.d., Kranj and the Gorenjska banka Group for the year ending on 31 December 2025, as well as the accounting policies applied and the Notes on the Financial Statements.

The Management Board is responsible for preparing the Annual Report in such a way that it presents a true and fair view of the Bank’s and the Group’s financial position and operating results for the year ending on 31 December 2025.

The Management Board hereby confirms that they have consistently applied the accounting policies and made accounting estimates according to the principles of prudence and due diligence. The Management Board also confirms that the Financial Statements have been prepared on the basis of the assumption of the going concern of the company and in line with applicable legislation, as well as with the International Financial Reporting Standards adopted by the EU.

The Management Board is also responsible for the appropriate keeping of accounting records, the implementation of suitable measures for the protection of assets, and for the prevention and detection of abuse and other irregularities or illegal acts.

The Tax Office may review the books of accounts of Group companies at any time within the period of five years from the day the tax needed to be levied, which can subsequently cause the imposition of an additional tax liability or penalty. The Bank’s Management Board is not aware of any fact or circumstance that could cause significant liabilities of this type.

Kranj, 27 February 2026

Mojca Osolnik Videmšek

Management Board
Member



Marko Filipčič

Management Board
Member



Mario Henjak

Management Board
President



Jelena Galić

Supervisory Board
Chairwoman



Aljoša Bučak Gasser

Management
Board Member



Income Statement

in thousands of EUR

	Notes	Bank		Group	
		2025	2024	2025	2024
1	Interest income	101,938	115,174	101,481	114,833
2	Interest expenses	25,663	25,375	25,711	25,387
3	Net interest income (1-2)	76,275	89,799	75,770	89,446
4	Dividend income	347	900	347	900
5	Fee and commission income	23,247	19,950	23,766	20,042
6	Fee and commission expenses	770	834	774	815
7	Net fee and commission income (5-6)	22,477	19,116	22,992	19,227
8	Gains less losses on financial assets and liabilities not measured at fair value through profit or loss	494	297	494	297
9	Gains less losses on financial assets and liabilities held for trading	272	327	272	327
10	Gains less losses on non-trading financial assets mandatorily at fair value through profit or loss	290	339	290	339
11	Exchange differences	47	(6)	48	(6)
12	Gains less losses on derecognition of non-financial assets	990	2,451	(1,996)	1,833
13a	Other operating income	7,113	5,181	16,583	11,459
13b	Other operating expenses	(1,567)	(1,586)	(1,670)	(1,607)
14	Administration costs	(58,558)	(54,937)	(59,629)	(55,989)
15	Cash contributions to resolution funds and deposit guarantee schemes	(3,180)	(2,412)	(3,180)	(2,412)
16	Depreciation	(2,896)	(2,404)	(7,723)	(6,374)
17	Net gains/losses on modification of financial assets	15	28	15	28
18	Provisions	(946)	475	(959)	437
19	Impairment	2,750	(5,636)	2,734	(5,837)
20	PROFIT BEFORE TAX FROM CONTINUING OPERATIONS (3+4+7 to 20)	43,923	51,932	44,388	52,068
21	Income tax on profit from ordinary activities	(1,420)	(5,650)	(1,509)	(5,653)
22	PROFIT AFTER TAX FROM CONTINUING OPERATIONS (21+22)	42,503	46,282	42,879	46,415
23	PROFIT FOR THE YEAR (23)	42,503	46,282	42,879	46,415

Statement of Comprehensive Income

in thousands of EUR

	Bank		Group	
	2025	2024	2025	2024
1 Profit for the year after tax	42,503	46,282	42,879	46,415
2 Other comprehensive income after tax (3 + 4)	2,382	964	2,391	972
3 items that will not be reclassified to profit or loss	2,475	(507)	2,484	(499)
3.1 Actuarial gains on defined benefit pension plans	10	56	19	64
3.2 Fair value changes of equity instruments measured at fair value through other comprehensive income	3,160	(722)	3,160	(722)
3.3 Income tax relating to items that will not be reclassified to profit or loss	(695)	159	(695)	159
4 Items that may be reclassified subsequently to profit or loss	(93)	1,471	(93)	1,471
4.1 Debt instruments measured at fair value through other comprehensive income	(119)	1,834	(119)	1,834
4.1.1 Valuation gains/(losses) taken to equity	(940)	1,523	(940)	1,523
4.1.2 Transferred to profit or loss	821	311	821	311
4.2 Income tax relating to items that may be reclassified to profit or loss	26	(363)	26	(363)
5 Total comprehensive income for the year after tax (1 + 2)	44,885	47,246	45,270	47,387

The notes are an integral part of these financial statements.

Statement of Financial Position

in thousands of EUR

	Notes	Bank		Group	
		31/12/2025	31/12/2024	31/12/2025	31/12/2024
1	5.1	386,584	386,281	386,584	386,281
2	5.2	7,648	7,358	7,648	7,358
3	5.3	119,136	115,815	119,136	115,815
4		2,177,569	1,964,042	2,165,627	1,951,710
>	5.4	232,094	251,488	232,094	251,488
>	5.5	11,189	18,645	11,189	18,645
>	5.6	1,930,478	1,690,338	1,918,399	1,677,790
>	5.7	3,808	3,571	3,945	3,787
5	5.8	8,478	6,406	-	-
6		43,347	37,554	63,497	61,468
>	5.9	21,250	14,610	40,700	34,764
>	5.10	22,097	22,944	22,797	26,704
7	5.11	5,344	2,255	5,481	2,346
8	5.19	5,118	2,329	5,206	2,430
>		919	311	935	353
>		4,199	2,018	4,271	2,077
9	5.12	6,809	6,562	7,045	6,718
10	5.13	644	102	4,517	794
11		2,760,677	2,528,704	2,764,741	2,534,920
12		2,433,273	2,217,460	2,434,695	2,218,829
>	5.15	3,448	6,198	3,448	6,198
>	5.14	2,186,564	2,008,715	2,185,283	2,007,953
>	5.15	68,781	88,622	68,781	88,622
>	5.16	162,100	102,176	162,100	102,176
>	5.17	12,380	11,749	15,083	13,880
13	5.18	4,752	4,487	4,963	4,694
14	5.19	-	-	86	5
>		-	-	86	5
>		-	-	-	-
15	5.20	10,305	11,015	11,968	13,281
16		2,448,330	2,232,962	2,451,712	2,236,809
17		16,188	16,188	16,188	16,188
18		20,023	20,023	20,023	20,023
19		2,418	60	2,436	69
20		177,421	177,421	177,448	177,439
21		(26,007)	(26,007)	(26,007)	(26,007)
22		122,304	108,057	122,941	110,399
23	5.21	312,347	295,742	313,029	298,111
24		2,760,677	2,528,704	2,764,741	2,534,920

The notes are an integral part of these financial statements.

Statement of Changes in Equity

in thousands of EUR

Bank	Notes	Paid-up capital	Share premium	Accumulated other comprehensive income (financial assets at fair value)	Accumulated other comprehensive income (actuarial gains on pension schemes)	Reserves from profit	Retained earnings (including net profit for the financial year)	Treasury shares	Total equity
1	1 January y 2024	16,188	20,023	(1,090)	207	177,421	96,757	(26,007)	283,499
2	Total comprehensive income for the year 2024	-	-	908	56	-	46,282	-	47,246
3	Payment (accounting) of dividends	-	-	-	-	-	(35,003)	-	(35,003)
4	Actuarial gains	-	-	-	(21)	-	21	-	-
5	31 December 2024	16,188	20,023	(182)	242	177,421	108,057	(26,007)	295,742
6	Profit for appropriation for the year ending 31 December 2024	-	-	-	-	-	108,057	-	108,057
1	1 January y 2025	16,188	20,023	(182)	242	177,421	108,057	(26,007)	295,742
2	Total comprehensive income for the year 2025	-	-	2,372	10	-	42,503	-	44,885
3	Payment (accounting) of dividends	-	-	-	-	-	(28,280)	-	(28,280)
4	Actuarial gains	-	-	-	(24)	-	24	-	-
5	31 December 2025	16,188	20,023	2,190	228	177,421	122,304	(26,007)	312,347
6	Profit for appropriation for the year ending 31 December 2025	-	-	-	-	-	122,304	-	122,304

The notes are an integral part of these financial statements.

Statement of Changes in Equity

in thousands of EUR

Group	Notes	Paid-up capital	Share premium	Accumulated other comprehensive income (financial assets at fair value)	Accumulated other comprehensive income (actuarial gains on pension schemes)	Reserves from profit	Retained earnings (including net profit for the financial year)	Treasury shares	Total equity	
1	1 Januar y 2024	16,188	20,023	(1,090)	208	177,435	98,969	(26,007)	285,726	
2	Total comprehensive income for the year 2024	-	-	908	64	-	46,416	-	47,388	
3	Payment (accounting) of dividends	-	-	-	-	-	(35,003)	-	(35,003)	
4	Actuarial gains	-	-	-	-	4	(4)	-	-	
5	31 December 2024	-	-	-	(21)	-	21	-	-	
6	Profit for appropriation for the year ending 31 December 2024	5.21	16,188	20,023	(182)	251	177,439	110,399	(26,007)	298,111
1	1 Januar y 2025	16,188	20,023	(182)	251	177,439	110,399	(26,007)	298,111	
2	Total comprehensive income for the year 2025	-	-	2,372	20	-	42,879	-	45,271	
3	Payment (accounting) of dividends	-	-	-	-	-	(28,280)	-	(28,280)	
4	Actuarial gains	-	-	-	-	8	(8)	-	-	
5	31 December 2025	-	-	-	(24)	-	24	-	-	
6	Profit for appropriation for the year ending 31 December 2025	-	-	-	-	-	(2,073)	-	(2,073)	
7	31. december 2025	5.21	16,188	20,023	2,190	247	177,447	122,941	(26,007)	313,029

The notes are an integral part of these financial statements.

Cash Flow Statement

in thousands of EUR

	Notes	Bank		Group	
		2025	2024	2025	2024
A Operating activities					
a) Prejete obresti		101,938	115,174	101,481	114,833
Interest paid		(25,663)	(25,375)	(25,711)	(25,388)
Dividend received	4.2	347	900	347	900
Fee and commission receipts		23,247	19,950	23,766	20,042
Fee and commission paid	4.3	(770)	(834)	(774)	(815)
Realised gains on financial assets not measured at fair value through profit or loss	4.4	–	3	–	3
Realised losses on financial assets not measured at fair value through profit or loss		–	(4)	–	(4)
Net trading incomes		272	327	272	327
Cash payments to employees and suppliers	4.11	(58,558)	(54,937)	(59,629)	(55,989)
Other incomes		6,847	6,331	16,214	12,588
Other expenses		(4,770)	(3,972)	(4,769)	(4,590)
Cash flows from operating profits before changes in operating assets and liabilities (a)		42,890	57,563	51,197	61,907
b) (Increase)/decrease in operating assets		(239,146)	(130,311)	(243,059)	(128,389)
Net (increase)/decrease in non-trading financial assets mandatorily at fair value through profit or loss		–	(369)	–	(369)
Net (increase)/decrease in financial assets measured at fair value through other comprehensive income		560	(29,759)	560	(29,760)
Net increase in loans and receivables measured at amortised cost		(239,189)	(99,750)	(239,596)	(99,835)
Net (increase)/decrease in non-current assets held for sale		(542)	4,005	(3,724)	5,743
Net decrease in other assets		25	(4,438)	(299)	(4,168)
c) Increase/(decrease) in operating liabilities		216,934	83,820	216,386	83,385
Increase in deposits and borrowed funds, measured at amortised cost		157,722	49,991	157,775	49,412
Net decrease in debt securities issued measured at amortised cost		59,923	28,840	59,923	28,840
Decrease in other liabilities		(711)	4,989	(1,312)	5,133
č) Cash flow from operating activities (a + b + c)		20,678	11,072	24,524	16,903
d) Income tax refund		(4,682)	(8,094)	(4,575)	(8,186)
e) Net cash flow from operating activities (č + d)		15,996	2,978	19,949	8,717

in thousands of EUR

	Notes	Bank		Group	
		2025	2024	2025	2024
B	Investing activities				
a)	Cash receipts related to investing activities	25,268	60,909	42,770	68,870
	Cash receipts from the sale of tangible assets	2,195	12,134	19,697	20,095
	Cash receipts from the disposal of investments in debt securities measured at amortised cost	23,073	48,775	23,073	48,775
b)	Cash payments related to investing activities	(17,817)	(5,265)	(39,433)	(18,665)
	Cash payments to acquire property and equipment	(8,871)	(4,539)	(30,410)	(17,909)
	Cash payments to acquire intangible assets	(3,946)	(726)	(4,023)	(756)
	Cash payments to acquire debt securities measured at amortised cost	(5,000)	0	(5,000)	0
c)	Net cash flow from investing activities (a-b)	7,451	55,644	3,337	50,205
C	Financing activities				
a)	Cash proceeds related to financing activities	-	-	-	-
b)	Cash payments related to financing activities	(29,011)	(35,639)	(28,850)	(35,939)
	Paid dividend	(28,280)	(35,003)	(28,280)	(35,003)
	Expenditure on leases	(731)	(636)	(570)	(936)
c)	Net cash flow from financial activities (a-b)	(29,011)	(35,639)	(28,850)	(35,939)
D	Effect of exchange rate changes on cash and cash equivalents	(1,669)	608	(1,669)	608
E	Net increase / (decrease) in cash and cash equivalents (Ae+Bc+Cc)	(5,564)	22,983	(5,564)	22,983
F	Cash and cash equivalents at beginning of the year	400,708	377,117	400,708	377,117
G	Cash and cash equivalents at end of the year (D+E+F)	393,475	400,708	393,475	400,708

Loans to banks with an original maturity of less than 90 days are considered as cash equivalents in the amount of EUR 6,877 thousand (2024: EUR 14,409 thousand) in the cash flow statement.

The notes are an integral part of these financial statements.

Notes on the Financial Statements

1. General Information

Gorenjska banka d.d., Kranj (hereinafter: “Bank”) is a Slovenian privately-owned public limited company that performs universal banking transactions. The Gorenjska banka Group (hereinafter: “Group”) is composed of the Bank, the subsidiary Imobilia-GBK, d.o.o., the subsidiary GB Leasing, d.o.o., Ljubljana, and the subsidiary Filira, poslovne storitve, d.o.o., Ljubljana.

On 21 May 2024, Gorenjska banka admitted the Bank’s MREL bonds, code GB02, to the Ljubljana Stock Exchange organised market. The Bank’s business address is: Gorenjska banka d.d., Kranj, Bleiweisova cesta 1, 4000 Kranj, Slovenia.

Imobilia-GB, d.o.o., Kranj was registered in the register of companies in 1991, but only became active in 2012. It is wholly owned by the Bank. The company performs services (real estate management) that rank it among the companies offering ancillary services.

In 2016, the Bank established the company GB Leasing d.o.o., Ljubljana. The company, which is fully owned by the Bank, has the role of a service company marketing and rendering financial leasing services on behalf of and for the account of the Bank. In 2017, it acquired a 100% shareholding in the company Hypo Alpe-Adria-Leasing, d.o.o., Ljubljana. In 2022, Hypo Alpe-Adria-Leasing, d.o.o., Ljubljana acquired 100% of Filira, poslovne storitve, d.o.o., Ljubljana. In 2023, the subsidiary Hypo Alpe-Adria-Leasing d.o.o. was merged with its subsidiary Filira d.o.o., Filira d.o.o. thus became a direct subsidiary of Gorenjska banka d.d., Kranj.

The Bank is committed to meeting the credit rating requirements on a consolidated basis as the parent bank in the Republic of Slovenia in accordance with Article 133, paragraph two of the ZBan-3, which, as of 31 July 2019, includes its own subsidiary, GB Leasing, d.o.o., Ljubljana, in the scope of credit rating consolidation. Gorenjska banka d.d., Kranj, which is included in the consolidated position of the EU parent financial holding AikGroup (CY) Limited, together with its subsidiary company GB Leasing d.o.o., Ljubljana.

Pursuant to the provisions of the IFRS 10, Gorenjska banka d.d., Kranj has a controlling company, i.e. AikGroup (CY) Limited, which prepares the consolidated annual report for the group companies, which includes the Gorenjska banka Kranj Group. The consolidated annual report is publicly available.

Notes on the Financial Statements relating to the Bank and the Group.

The Financial Statements of Gorenjska banka d.d., Kranj are confirmed by the Management Board on 27 February 2026.

2. Summary of Significant Accounting Policy Information

The principal accounting policies applied in the preparation of these financial statements are set out below. The Bank applied the same accounting policies for the preparation of the financial statements for 2025 as for the compilation of the financial statements for 2024, except for the accounting standards and other changes that were confirmed by the EU and were applicable as of and including 1 January 2025.

2.1 Basis of Preparation

The Bank's financial statements for the year 2025 have been prepared in accordance with the International Financial Reporting Standards adopted by the EU (IFRS) and under the assumption of a going concern. Additional information required by national regulations is included where appropriate.

If appropriate, additional information required by national regulations is considered.

The financial statements comprise the income statement and statement of other comprehensive income (shown as two statements), the statement of financial positions, the statement of changes in equity, the cash flow statement and the notes.

The financial statements are presented in euros, which is the Bank's functional and presentational currency. The figures shown in the financial statements are stated in thousands of euros.

Rounding may result in rounding differences.

Management of the risks to which the Bank is exposed in its business is presented in Note 7.

The preparation of the financial statements in conformity with the IFRS requires the use of certain critical accounting estimates. These required financial statements have been compiled to comply with the legal requirements. According to the law, the Bank is obliged to have these financial statements audited by an independent auditor. The audit is limited to the required financial statements for general purposes, so that the legal requirement of auditing the required financial statements is met. The audit covers the required financial statements as a whole and gives no assurance as to individual line items, accounts or transactions. The audited financial statements are not intended to be used by any party for deciding on ownership, financing or any specific transactions referring to the Bank. As a result, users of the required financial statements may not rely solely on the financial statements, and are obliged to conduct other appropriate procedures before adopting decisions.

It also requires the management to exercise its judgement in the process of applying accounting policies. Changes in assumptions may have a significant impact on the financial statements in the period during which the assumptions changed. The Management believes that the underlying assumptions are appropriate, and that the Bank's financial statements therefore present the financial position and results fairly. Areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in Note 3.

2.1.1 Initial Usage of the New Amendments to Existing Standards Applicable in Current Financial Year

The following amendments to the existing standards issued by the International Accounting Standards Board (IASB) and adopted by the EU are effective for the current period:

- > Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability'. These introduce requirements for assessing whether a currency can be exchanged for another and, if not, why not. They require an entity to estimate the spot exchange rate when concluding that a currency is not exchangeable.

Adopting these amendments to the existing standards and interpretations did not result in any significant changes to the company/group's financial statements.

2.1.2 Standards and Changes to Existing Standards Issued by the IASB and Adopted by the EU, but Not Yet in Force

At the time these financial statements were approved, the IASB had issued new standards and amendments to existing standards that had been adopted by the EU, but which were not yet effective. These amendments will be effective for the annual period beginning on 1 January 2026:

- > Amendments to the classification and measurement of financial instruments (amendments to the IFRS 9 and IFRS 7). The amendments change the following requirements in the IFRS 7 and IFRS 9:
 - > Derecognition of financial liabilities: derecognition of financial liabilities settled through electronic transfers;
 - > Classification of financial assets: interest elements in basic lending arrangements (assessment of payments of solely principal and interest (the "SPPI test")); contractual terms that change the timing or amount of contractual cash flows; non-recourse financial assets; investments in contractually linked instruments;
- > Disclosures: investments in equity instruments measured at fair value through other comprehensive income; contractual terms that could change the timing or amount of contractual cash flows.

The amendments may significantly impact how entities account for the derecognition of financial liabilities and how they classify financial assets. They allow entities to adopt the changes related to the classification of financial assets and the related disclosures early, while applying the remaining amendments at a later date. This would be particularly beneficial for entities wishing to adopt the amendments early for financial instruments with environmental, social and governance (ESG) or similar features.

- > Annual Improvements to the IFRS Accounting Standards. Annual Improvements are limited to amendments that either clarify the wording of an IFRS Accounting Standard or correct relatively minor unintended consequences, oversights or conflicts between the requirements of the IFRS Accounting Standards. The proposed improvements are collected in a single document. The Annual Improvements cycle addresses the following:
 - > Hedge accounting by a first-time adopter (amendments to the IFRS 1 First-time Adoption of International Financial Reporting Standards);
 - > Disclosure of deferred differences between fair value and transaction price (amendments to the Implementation Guidance to the IFRS 7);
 - > Gain or loss on derecognition (amendments to the IFRS 7);
 - > Introduction and credit risk disclosures (amendments to the Implementation Guidance to the IFRS 7);
 - > Derecognition of lease liabilities (amendments to the IFRS 9);
 - > Transaction price (amendments to the IFRS 9);
 - > Determination of a "de facto agent" (amendments to the IFRS 10);
 - > Cost method (amendments to the IAS 7).

- > Amendments to the IFRS 9 and IFRS 7 relating to nature-dependent electricity contracts (formerly known as Power Purchase Agreements). The IASB has issued amendments to improve the way companies report the financial effects of nature-dependent electricity supply contracts, which are often structured as PPAs. These contracts help entities to secure electricity generated from wind and solar sources. However, as the quantity of electricity produced under these contracts can vary due to uncontrollable weather-related factors, the existing accounting requirements may not accurately reflect the impact of these contracts on an entity's performance. In response, the IASB developed targeted amendments to the IFRS 9 Financial Instruments and IFRS 7 Financial Instruments. Disclosures, to improve disclosure of these contracts in financial statements. The amendments include:
 - > Clarification of the application of the "own use" requirements;
 - > Permission to apply hedge accounting when these contracts are used as hedging instruments; and
 - > The addition of new disclosure requirements enabling investors to understand the impact of these contracts on an entity's financial performance and cash flows.

Adopting these amendments to the existing standards and interpretations did not result in any significant changes to the company/group's financial statements. The amendments to the IFRS 9 and IFRS 7, which are due to come into effect on 1 January 2026, primarily concern the classification of financial assets, the measurement of certain financial instruments and disclosures. According to the bank's current assessment, other amendments to standards and annual improvements to the IFRS will not have a significant impact on the financial statements.

2.1.3 New Standards and Amendments to Existing Standards Issued by the IASB but Not Yet Adopted by the EU

Currently, the IFRS accounting standards adopted by the EU do not differ significantly from those issued by the International Accounting Standards Board (IASB). However, there are new standards and amendments to existing standards that will become effective for reporting periods beginning on 1 January 2027. These have not yet been adopted by the EU:

- > IFRS 18 Presentation and Disclosure in Financial Statements, IFRS 18 introduces significant new requirements regarding the presentation of financial statements, with a particular focus on:
 - > Statement of profit or loss, including requirements for mandatory subtotals to be presented, IFRS 18 introduces requirements to classify income and expenses into one of five categories in the statement of profit or loss. As a result of this classification, certain subtotals must be presented, such as the total of all income and expenses in the operating category, which constitutes a new mandatory subtotal "operating profit";
 - > Aggregation and disaggregation of information, including the introduction of general principles for aggregating and disaggregating information in the financial statements;
 - > Razkritjih v zvezi z merami uspešnosti, ki jih določi posloводство (MPM). To so mere finančne uspešnosti na podlagi skupne ali vmesne vsote, ki jih zahtevajo računovodski standardi MSRP, z opravljenimi prilagoditvami (npr. »prilagojeni poslovni izid«). Družbe bodo morale razkriti MPM v računovodskih izkazih z razkritji, vključno z uskladitvami MPM z najbližjo skupno ali vmesno vsoto, izračunano z računovodskimi standardi MSRP.
- > Disclosures related to management performance measures (MPMs), which are measures of financial performance based on totals or subtotals required by the IFRS Accounting Standards, adjusted by management (e.g. "adjusted operating profit"). Entities will be required to disclose MPMs in the financial statements together with related disclosures, including reconciliations of MPMs to the closest total or subtotal calculated in accordance with IFRS Accounting Standards.
- > IFRS 19: Subsidiaries without public accountability: Disclosures. The IASB issued the IFRS 19, Subsidiaries without Public Accountability: Disclosures. Stakeholders requested that subsidiaries reporting to a parent company preparing IFRS-compliant consolidated financial statements be allowed to apply IFRS accounting standards with reduced disclosure requirements in their own financial statements. In response to this feedback, the IASB added a project to its research agenda to provide these subsidiaries with reduced disclosure requirements. This resulted in the issuance of the IFRS 19, which permits eligible subsidiaries to apply reduced disclosure requirements while applying the recognition, measurement and presentation requirements of IFRS accounting standards. The eligibility criteria for applying the IFRS 19 are:

- > The entity is a subsidiary as defined in Appendix A of IFRS 10 Consolidated Financial Statements;
- > The entity does not have public accountability (an entity has public accountability if its debt or equity instruments are traded in a public market or it is in the process of issuing such instruments, or if it holds assets in a fiduciary capacity for a broad group of outsiders as one of its primary businesses); and
- > The entity has an ultimate or intermediate parent that prepares consolidated financial statements available for public use that comply with IFRS Accounting Standards.
- > Amendments to the IFRS 19 Subsidiaries without Public Accountability: Disclosures. The IASB issued amendments to the IFRS 19 Subsidiaries without Public Accountability: Disclosures. The updated standard reduces the disclosure requirements for subsidiaries in relation to the IFRS 18, IFRS 7, IFRS 9, amended IAS 12 and IAS 21.
- > Amendments to IAS 21 – The Effects of Changes in Foreign Exchange Rates – Translation into a Hyperinflationary Currency. The amendments only apply to entities whose presentation currency is the currency of a hyperinflationary economy and require that all items from the functional currency of a non-hyperinflationary economy be translated into the presentation currency of a hyperinflationary economy, including comparative amounts, using the closing rate at the reporting date, and specify additional disclosure requirements.

The new standards and amendments to the IFRS standards, which will take effect on 1 January 2027 and have not yet been adopted by the EU, primarily concern the presentation of financial statements and disclosure requirements. They will not affect the recognition or measurement of items in the bank's financial statements, but will mainly affect the presentation and scope of disclosures.

2.2 MSRP 9

In July 2014, the International Financial Reporting Interpretations Committee issued the **IFRS 9 Financial Instruments**, which replaced the IAS 39 Financial Instruments: Recognition and Measurement. The IFRS 9 introduced a new approach regarding the classification and measurement of financial instruments and a new model for expected losses, which is more forward-looking and changes the requirements for hedge accounting.

The Bank uses a simplified approach for trade receivables due from buyers and for loan receivables. Lifetime expected credit losses are being assessed based on historical experience.

In October 2017, an amendment to the IFRS 9 was issued: Prepayment Features with Negative Compensation, which became applicable on 1 January 2019. The amendment ensures that certain financial assets containing the possibility of early repayment for a reasonably negative compensation are measured at amortised cost or fair value through other comprehensive income if the prepayment amount solely represents the payment of an outstanding principal and interest and reasonable compensation. Reasonable compensation may be positive or negative. Prior to the amendment, financial assets with negative compensation for early repayment would not pass the criteria of solely the payment of principal and interest (SPPI test), and would have to be measured at fair value through profit or loss. The amendment did not have any impact on the financial statements of the Gorenjska banka Group at the time of implementation, nor does it currently have any impact on the financial statements of the Gorenjska banka Group.

2.2.1 Classification of Financial Assets Pursuant to the IFRS 9

The IFRS 9 defines three categories for classifying financial assets:

- > at amortised cost,
- > at fair value through other comprehensive income,
- > at fair value through profit or loss,

The classification of financial assets upon initial recognition depends on the business model and contractual characteristics of cash flows. During classification, the Bank takes into account the rules described below.

At amortised cost

This category includes all loans to legal entities and natural persons, investments on the interbank market, investments in debt securities and other investments. A condition for classification in this category is a successfully passed cash flow test.

At fair value through other comprehensive income

The Bank classifies debt securities within the scope defined in the liquidity risk management policy in this category, as well as equities that constitute strategic investments.

At fair value through profit or loss

This category includes financial instruments that fail the cash flow test, non-strategic investments in equities, and instruments containing one or more integrated financial derivatives that may have an important impact on the cash flows of the basic host instrument.

Financial derivatives are always classified in the category of financial instruments at fair value through profit or loss.

The Group applies no hedge accounting.

The classification of individual debt securities is proposed by the Treasury Sector based on the above rules for classification. The classification is confirmed by the Bank's Credit Board via a resolution, except in the case of the classification of equity instruments in subsidiaries, associates and jointly controlled companies, which is confirmed by the Bank's Management Board via a resolution.

2.2.2 Business Model

The business model is determined with respect to the way the company manages a group of financial assets in order to achieve its business goals. The basis for the determination of business models is the Bank's development and investment strategy, along with its risk profile.

According to the IFRS 9, the Bank has defined the following business models:

Model 1 – held for cash flows

The basic goal of the investment: to obtain cash flows (principals and interest). Sales are not part of the business model, but are possible in the following cases:

- > The reason for the sale includes factors that were not expected upon the conclusion of a transaction (stress conditions in liquidity, claims by third parties, etc.);
- > The investment is nearing its maturity date (2 months before contract maturity for long-term assets);
- > Sale due to increased credit risk (downgraded credit rating, EWS parameters indicate increased risks).

Main risks: the principal risk to which the Bank is exposed in such investments is credit risk, which is why it uses various techniques to reduce this (collateral, etc.).

Performance criterion: the attainment of the set cash flows and the adequate mitigation of credit risks.

Model 2 – held for cash flows and sales

The basic goal of the investment: to obtain cash flows and/or sales – regardless of the frequency, amount or reason. In principle, this segment includes investments that the Bank pursues in order to ensure liquidity. To achieve the goal in liquidity, the Bank uses cash flows deriving from principals and interest and from the sale of investments. There are no limitations on the sale or fulfilment of the conditions for classification in this portfolio. Furthermore, it is irrelevant whether the sale is subject to a decision made by the Bank's management or whether the sale is made at the request of a third party (regulator). The Bank also classifies strategic investments in equities in this category.

Main risks: the principal risk to which the Bank is exposed in such investments is credit risk, which is why it uses various techniques to reduce this (securities, etc.). While maintaining an investment, the Bank is also exposed to market risks (the risks of interest rate variability) and to the risk of price changes on the real estate market.

Performance criterion: the attainment of the set cash flows and adequate mitigation of credit risks.

Model 3 – at fair value through profit or loss

Model 3 basically includes assets held for sale (trading book), non-strategic investments in equities and financial derivatives that are not intended for hedging positions. The Bank does not pursue securities trading transactions or IFI, which is why it does not apply model 3 in principle, although assets may be classified in this category, but only when investments fail to meet the conditions for classification into model 1 or 2 upon approval, and are beyond the Bank's control (syndicated loans or umbrella restructuring agreements).

Based on the business model and strategic policies, business models 1 and 2 are key to the Bank's operations. A business model is always assessed at the investment level upon its occurrence, and the basic criteria are the Bank's motives for the approval of an investment.

2.2.3 Cash Flow Test

Pursuant to the IFRS 9, the condition for the classification of financial instruments in the categories "at amortised cost" and "at fair value through comprehensive income" is a successful cash flow test. A cash flow test is passed if date-specific cash flows that are solely payments of principal and interest on outstanding principal derive from the contractual provisions.

A cash flow test is conducted upon the occurrence of an investment. The procedures and verification rules are defined in more detail in the bank's internal policies.

Cases where investments still meet the criteria of model 1:

- > variable interest rates with limits (caps and floors),
- > the risk of interest rate variability is insured by derivatives,
- > the client is in arrears with the payment of the agreed cash flows and the Bank has initiated recovery procedures or expects no further cash flows (assessment upon incurrence is vital),
- > the possibility of early repayment if the right to repayment does not depend or is not conditional upon future events (free will or the debtor's decision),
- > the Bank requests early repayment because the debtor fails to achieve certain indicators in the event of indicators showing an increased credit risk (e.g. debt/EBITDA, TIE, etc.),
- > in the event of repayment, the Bank charges compensation.

2.2.4 Measurement and Recognition of Financial Assets

Financial assets classified at fair value through profit or loss are initially recognised at fair value, while transaction costs are recognised in the income statement. For other financial assets, costs are attributed to the initial value.

Purchases and sales of financial instruments at fair value through profit or loss, at fair value through other comprehensive income, and at amortised cost are recognised as at the date of the transaction. Loans and receivables due from clients are recognised when the clients are provided with funds.

Financial assets at fair value through profit or loss and financial assets at fair value through other comprehensive income are measured at fair value. Gains and losses in financial assets measured at fair value through profit or loss are recognised in the income statement for the period in which they are incurred. In financial assets valued through other comprehensive income, gains and losses due to revaluation at fair value are disclosed in other comprehensive income. Interest calculated using the effective interest rate method, foreign exchange gains and losses deriving from cash items, and impairments of instruments classified in the group of financial assets valued through other comprehensive income are recognised directly in the income statement. Interest calculated according to the effective interest rate method and exchange rate differences arising from cash items are recognised directly in the income statement. Dividends arising from equities are recognised in the income statement when the Bank's right to the receipt of a disbursement is enforced. Impairments of debt securities classified through other comprehensive income are recognised in other comprehensive income.

Loans and receivables at amortised cost are measured at amortised cost using the effective interest rate method. If there are objective signs indicating impairment, loans and receivables are impaired. Detailed criteria and the classification of receivables and loans into categories are laid down in the "Rules on the classification of receivables and the creation of impairments".

Gains or losses upon initial recognition: the best evidence of fair value upon initial recognition is the transaction price, which represents the fair value of the given or received compensation, unless fair value can be proven using other comparable market transactions or using a valuation technique that is based solely on market assumptions.

Reclassification of financial instruments between categories is only permitted in the event of a change of business model and not in any other case.

Financial derivatives are initially recognised in the statement of financial position at fair value through profit or loss. Financial derivatives are forward transactions (forward purchases and sales of foreign currencies or securities), options and swap transactions (currency and interest rate swaps), and other financial derivatives. Financial derivatives are measured at fair value, which is suitably determined on the basis of the published market price or using the cash flow discounting method. Fair values are disclosed in the statement of financial position under assets when their value is positive, or under liabilities when their value is negative. Gains and losses deriving from changes in fair value are recognised in profit or loss. Nominal values of financial derivatives are recognised in off-balance-sheet records.

The Group applies no hedge accounting.

2.2.5 Impairment of Financial Instruments

Pursuant to the IFRS 9, the Bank has a concept of expected credit losses, which provides impartial and weighted credit risk loss assessments by taking into account various macroeconomic scenarios. That way, the Bank also recognises losses that are expected to be incurred in the future from its portfolio of financial instruments at the balance sheet date. Allowance for expected credit losses is recognised by the Bank for all loans and other debt financial instruments that are not measured at fair value through the income statement, which includes provisions made for contingent liabilities arising from undisbursed loans and financial guarantee contracts.

The allowance is based on expected credit losses arising from the classification of assets into a specific group, the estimated probability of default (PD) in the following 12 months and throughout the term of the instrument for those where the credit risk has increased significantly since initial recognition. The Bank has criteria for a significant increase in the lifelong probability of default, defined by segment on the basis of qualitative and quantitative information and on analyses made on the basis of past information, experience and expert credit assessments, and of forward-looking information.

The process and rules of classification are regularly monitored. The key criteria for classification derive from the applicable regulatory requirements and from the IFRS 9. Receivables are classified into individual stages; i.e. stages 1 and 2 for performing receivables, and stage 3 for non-performing receivables. The classification criteria are defined in the Bank's internal acts. The same criteria are applied to the classification of all financial assets into stages. The classification takes place in several steps, whereby individual criteria are checked at every step. In step 1, it is checked whether a financial asset was bought or originally impaired. In step 2, the Bank checks whether a default has occurred in a financial asset, in which case the asset is allocated to stage 3. In step 3, three criteria for increased credit risk are checked, whereby the fulfilment of any of them implies the classification of the asset as stage 2. In step 4, it is checked whether an asset belongs to a low credit risk category and meets the conditions for classification as stage 1. In step 5, the Bank also checks the increase in the lifelong probability of default from the point of asset recognition to the reporting date, whereby an increase above the defined limit requires the classification of the asset as stage 2. The criteria of a significant increase in the lifelong probability of default from asset recognition to the reporting date have been laid down by the Bank based on available statistical analyses, and differ with respect to the segment of clients.

When assessing expected credit losses, the Bank is required to take into account the longest contractual period in which it is exposed to credit risk. For transactions with specific features and without maturity, the Bank has defined principles for taking into account their maturity by observing the nature of the transactions and the available information about them.

When calculating the values of credit risk parameters, the Bank includes information that derives from previous credit risk matrices and forward-looking expectations, and from available information such as macroeconomic scenarios involving major credit risk factors.

Using the Z-shift method, it incorporates the link between the country's macroeconomic situation and the default rates in the Bank's loan portfolio into the calculations of credit risk parameters. For the purposes of calculating impairments in accordance with the IFRS 9, the Bank has defined various macroeconomic scenarios, each with its own GDP/inflation forecast, and this year the Bank has again increased the default probabilities for the entire portfolio by 9% due to so-called new risks, which is reflected in additional impairments and provisions amounting to EUR 1,199,02 thousand. The so-called new risks or "overlays" consist of the following components: supply chain risk, energy supply risk, inflation risk (only for legal entities), interest rate risk, geopolitical risk and environmental risk (only for natural persons).

The Bank applies the following probabilities to individual scenarios:

- > realistic scenario: 60%
- > optimistic scenario: 10%
- > pessimistic scenario: 30%

Scenarios for future values of real GDP growth in Slovenia are used for the portfolio of companies, sole proprietors, individuals, banks, sovereigns and government institutions. The Bank also estimates the probability of default for entities belonging to the portfolio with a low default rate (banks, sovereigns and government institutions).

In calculating the loss rate, the Bank uses data on the proportion of losses from individual cases weighted by the amount of exposure of each obligor at the time of the transition to default. The recommended regulatory LGD is applied in segments for which the bank is unable to calculate a loss ratio for various reasons. For the following reason, the Bank applies the regulatory LGD in the central government and central bank and institutions segments.

We model the Bank's exposure at default (EAD) by adjusting the existing exposure for the contractually agreed future cash flows, ignoring future contractually agreed cash flows in the three months prior to default. For exposures where there are no contractual future cash flows, full repayment at maturity is taken as the cash flow. If the exposure has no maturity, the maturity date shall be assumed to be one year, and full repayment at that new maturity shall be considered as the cash flow. The EAD takes into account the off-balance sheet exposure multiplied by the CCF values.

All risk parameters are calculated once a year, or more frequently if the economic forecasts change substantially compared to previous forecasts; in this case, the parameters are recalculated with respect to new forecasts.

The validation of all risk parameters is conducted once a year.

2.3 Associates and Subsidiaries

The bank owned three subsidiaries at the end of 2025, the same as in 2024.

Subsidiaries are Group companies in which the bank holds – either directly or indirectly – more than half of the voting rights. Associated companies are Group companies in which the bank holds a dominant influence, which generally means that it either directly or indirectly holds between 20% and 50% of the voting rights. In the separate financial statements, investments in subsidiaries and associates are accounted for using the cost method; that is, at cost less impairment. In the consolidated financial statements, investments in associates are accounted for using the equity method of accounting.

Subsidiaries are included in the consolidated financial statements using the full consolidation method. The accounting policies of subsidiaries are adjusted appropriately to the Bank's policies. Cumulative changes after the acquisition of an asset are reflected in the value of the asset. Mutual transactions, balances and unrealised gains and losses in intra-Group transactions are excluded.

Equity investments in subsidiaries are presented in Note 5.9.

2.4 Foreign Currency Conversion

2.4.1 Functional and Presentation Currency

Items of assets and liabilities denominated in foreign currencies are measured in the individual and group financial statements in the currency of the primary economic environment in which the companies operate (functional currency). The effects of foreign currency conversion are shown in the income statement as a net result of foreign currency conversion.

The financial statements are presented in euros, which is the Bank's functional and presentation currency.

2.4.2 Transactions and Balances

Foreign currency transactions are converted into the functional currency using the exchange rates prevailing on the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions, as well as from translation at the year-end exchange rates of monetary assets and liabilities denominated in foreign currencies, are recognised in the income statement.

Translation differences on non-monetary items, such as equities held at fair value through profit or loss, are reported as part of the fair value gain or loss. Translation differences on non-monetary items classified as financial instruments at fair value through other comprehensive income are presented in the statement of other comprehensive income under the appropriate heading.

Income and costs denominated in foreign currency are converted into euros using the exchange rate as of the date of the transaction. Gains and losses arising from the purchase and sale of foreign currency are included in the income statement of the current year, in the net gains less losses on financial assets and liabilities held for trading.

2.5 Offsetting

Financial assets and liabilities are offset in the Statement of Financial Position where a legal right for this exists, as well as a purpose for the netting or simultaneous realisation of assets and settling of liabilities.

2.6 Interest Income and Expenses

Interest income and expenses for all interest-bearing financial instruments in the income statement are recognised under interest income or interest expenses at the contractual interest rate with the corresponding management fee, which replaces the usage of the effective interest rate method. Interest income includes interest on investments with a fixed rate of return, interest from securities at fair value through profit or loss, and other comprehensive income, as well as the accounted discounts and premiums on bonds and other "discounted" financial instruments.

The effective interest method is a method of calculating the amortised cost of an asset or liability and of allocating interest income or interest expenses over the relevant period. The effective interest rate is the discount rate that equalises all flows associated with an individual financial instrument. The effective interest rate calculation includes all contractual flows, including all fees, transaction costs, premiums and discounts, while future loan losses are not included.

Except for POCI instruments – which have the so-called CAEIR – the credit-adjusted effective interest rate is applied on initial recognition.

After the impairment of a financial asset or a group of similar financial assets, interest income is recognised by applying the interest rate that was applied for discounting future cash flows when estimating the required impairment. Interest income is no longer recognised when a financial asset meets certain conditions and repayment can no longer be expected.

2.7 Fee Income and Expenses

Fees are, as a rule, recognised in the profit and loss account once the service has been rendered. Fee income mainly includes fees received from the performance of payment transactions, card and ATM operations, customer transaction accounts and guarantees. Fees included in the effective interest rate calculation are disclosed among interest income or expenses. Fees for the undrawn part of approved loans that will probably be drawn are deferred (including direct costs), and are recognised as an adjustment of the effective interest rate on the loan.

Fees that are not an integral part of the effective interest rate of a financial instrument are accounted for in accordance with the IFRS 15, and are recognised in proceeds from credit operations.

2.8 Dividend Income

Dividends are recognised in the income statement when the Bank's right to receive payment is established.

2.9 Intangible Assets

Intangible assets mainly include software and the licences for its use, and are recognised in the Statement of Financial Position at cost less amortisation and impairments.

The amortisation of intangible assets is accounted using the straight-line depreciation method. The amortisation period for software is the same as its useful life, usually five years but no longer than ten years. The amortisation of intangible assets begins when they are available for use. The amortisation period and method are verified for intangible long-term assets with a finite useful life at the end of each financial year.

2.10 Accounting for Leases

2.10.1 Where the Group is the Lessee

All leases where the Group acts as the lessee are business leases. In accordance with the IFRS 16, leases of properties and tangible fixed assets concluded for a period longer than one year, where the value of the asset surpasses EUR 5,000 must be recorded among the appropriate fixed assets as right-of-use assets. The Group does not record intangible fixed assets, short-term leases, and leases with a value less than EUR 5,000 under the IFRS 16, as these are expensed as incurred.

The rights from leases are recorded as of 1 January 2019 under the discounted value of future rents, for which long-term liabilities are formed to the lessor based on the contract duration period and the interest rate amount. For contracts concluded for an indefinite period, the possibility of their termination and the business strategy of the Group are considered. Interest rates for loans from the credit calculator are used for calculations based on maturity, Interest is recorded among the financial expenses. The Group uses the purchase value model for right-of-use assets; it measures them at their purchase value reduced by amortisation/depreciation. The Group reassesses lease liabilities in the event of changes if the rent or other rent conditions are changed, in accordance with the new contract or annex. Rent payments reduce the lease liabilities, whereas value-added tax increases other expenses for taxes.

Contracts on the basis of business leases that are not recognised among fixed assets as right-of-use assets are proportionally included in the profit or loss statement based on the contract duration period and are shown in other operational costs. When a business lease is terminated prematurely, all the payments requested by the lessor are recognised as costs in the period of contract termination.

2.10.2 Where the Group is the Lessor

Payments under operating leases are recognised as income on a straight-line basis over the period of the lease. Assets leased under operating leases are presented in the statement of financial position as investment property or as property and equipment.

When assets are leased under a finance lease, the present value of the lease payments is recognised as a receivable. Income from finance lease transactions is amortised over the lifetime of the lease using the effective interest rate method. Finance lease receivables are recognised at an amount equal to the net investment in the lease, including the unguaranteed residual value.

2.11 Property and Equipment

Property and equipment are initially recognised at their purchase value. For property, their fair value is assessed on the basis of the appraisal of an independent appraiser. If the assessed fair value is lower than the book value, then the book value of the asset is impaired to the assessed value. In the event of a lower book value than the assessed fair value, the value of fixed assets does not change.

Items of property and equipment are recognised as assets if it is probable that future economic benefits associated with an item will flow to the Group and if the cost of the item can be measured reliably.

Depreciation is calculated on a straight-line basis at rates designed to write off the cost or valuation of buildings and equipment over their estimated useful lives, as follows:

Bank and Group	2025	2024
Buildings	33 years	33 years
Computers	5 years	5 years
Equipment	5 years	5 years
Motor vehicles	5 years	5 years
Investment in foreign real estate	10 y ears	10 y ears

Land is not depreciated. Assets in the course of transfer or construction are not depreciated until they are brought into use.

Gains and losses on the disposal of property and equipment are determined by reference to their carrying amount and are taken into account when determining operating profit. Maintenance and repairs are charged to the income statement during the financial period in which they are incurred.

2.12 Investment Property

Investment property is an item of property or equipment that the Bank does not use directly for the performance of its activities but holds for letting and, in the case of investment property acquired for the realisation of collateral from lending operations, also for completion or sale in order to increase the value of the investment property.

Investment property comprises leased apartments and business premises that have a surface area greater than 60% of the total floor area, and that are leased under long-term agreements.

Investment properties are shown at their fair value on the basis of the annual assessment of an independent appraiser, Profit and loss from valuation according to fair value are included in the Income statement.

2.13 Cash and Cash Equivalents

The following are disclosed in the cash flow statement as cash and cash equivalents: cash in hand and balances on accounts with the central bank, loans to banks, and other highly liquid (readily convertible to cash) short-term investments with an original maturity of less than 90 days from the date of acquisition.

Cash and cash equivalents are impaired as required by the IFRS 9. However, the management did not recognise impairment, as it is deemed immaterial.

2.14 Provisions for Liabilities and Costs

Provisions for liabilities and costs are recognised if the Group has a current (legal or direct) obligation resulting from a past event, if it is probable that the settlement of the obligation will result in an outflow of resources embodying economic benefits, and if the said amount can be reliably estimated.

2.15 Employee Benefits

Employee benefits include long-service bonuses, severance pay on retirement and other long-term benefits. Provisions for employee benefits are calculated by an independent actuary (more under note 5.18). The Group pays contributions for pension insurance in accordance with the law (8.85% of the gross wage) as of 01.07.2025, as well as contributions for long-term care. The Group has no other obligations in addition to the payment of contributions. Contributions represent costs in the period they relate to and are disclosed in the income statement under labour cost.

2.16 Financial Guarantee Contracts

Financial guarantees are contracts that require their issuer (guarantor) to pay an agreed sum to the beneficiary for the coverage of loss suffered by the beneficiary in the event of a default on the part of the debtor. Financial guarantees are issued by the Group to other banks, financial institutions and other parties as security for loans, overdraft facilities and other banking services.

Financial guarantees are recognised in the off-balance-sheet books of account upon issue as potential liabilities. Commissions received are recognised in the income statement throughout the term of a contract using the straight-line depreciation method. Issued guarantees are disclosed in the balance sheet in the amount of the estimated expenses required to settle liabilities under the contract.

An increase in liabilities associated with financial guarantees is reflected in the Income statement under operating expenses. In accordance with the IFRS 9, the loss allowance for financial guarantee contracts is recognised as a provision.

2.17 Taxes

Income tax for the current financial year is disclosed in accordance with the Slovenian legislation. Pursuant to Article 60 of the Income Tax Act (ZDDPO-2), the tax is payable at a rate of 19% of the tax base. Notwithstanding the above, pursuant to Article 64 of the Law on Reconstruction, Development and the Provision of Financial Resources (LRDPF), the tax for the years 2024, 2025, 2026, 2027 and 2028 is payable at a rate of 22% of the tax base. Tax expenses in the income statement are composed of current taxes and deferred taxes.

Deferred taxes are accounted for all temporary differences between the value of assets and the tax liability and their carrying amount. Deferred taxes are accounted at the tax rate applicable in the year following the end of the financial year.

A deferred tax asset is recognised for all deductible temporary differences if it is probable that taxable profit will be available, against which the deductible temporary differences can be utilised. Deferred tax associated with the valuation of available-for-sale financial assets measured at fair value over other comprehensive income is disclosed directly in other comprehensive income, and later transferred to profit or loss together with the gains or losses from valuation.

In 2013, the tax on financial services was introduced in Slovenia, which is a levy on compensation paid for the prescribed financial services rendered. The tax rate is 8.5% and the tax is paid monthly. The financial services tax reduces the fee and commission income (Note 4.3).

The tax on the balance sheet total of banks and savings banks was introduced by the Law on Reconstruction, Development and the Provision of Financial Resources (LORDFR) and applies for the 2024–2028 period. The tax base is the average value of all assets in the taxpayer's balance sheet as of the last day of each month of the tax period. The tax rate is 0.2% of this base. It is important to note that the tax liability may not exceed 30% of the profit from ordinary activities before the recognition of the expense relating to this tax for the tax period.

2.18 Share Capital

2.18.1 Share Issue Costs

Incremental costs directly attributable to the issue of new shares or options, or to the acquisition of a business, are shown in equity as a deduction, net of tax, from the proceeds.

2.18.2 Dividends on Ordinary Shares

Dividends on ordinary shares are recognised in equity for the period in which they are approved by the Bank's shareholders.

2.18.3 Treasury Shares

Where the Group purchases the Bank's shares, the consideration paid is deducted from the total shareholders' equity as treasury shares until they are cancelled. When such shares are subsequently sold, any consideration received is included in the shareholders' equity.

2.19 Received Loans, Received Deposits and Issued Debt Securities

Loans and deposits raised and debt securities issued are initially recognised at fair value, which usually equals the historical cost less transaction costs. Upon subsequent measurement, they are measured at amortised cost, while the difference between the value upon initial recognition and amortised cost is recognised in profit or loss under interest expenses using the effective interest rate.

2.20 Transactions on Behalf of and for the Account of Others

Gorenjska banka d.d. also offers asset management services to its customers. These assets are not included in the Group's Statement of Financial Position. A fee is charged to customers for the aforementioned services, which is broken down by the items referred to in Note 4.3.2. Details on transactions on behalf of and for the account of others are presented in Note 6.9, in accordance with the Slovenian legislation. Note 6.9 breaks down the data on the claims and liabilities of accounts on which the Group keeps customers' financial assets from brokerage operations, whereby this data relates to services for customers involving the reception and brokering of orders, the execution of orders and the management and custody of financial instruments.

2.21 Data in the Financial Statements and Notes on the Financial Statements

Disclosures of data in the financial statements and notes on the financial statements are shown for the Bank and the Group separately. In cases where the data and information for the bank and the Group are identical, such data and information is shown only for the Group, or the wording "Bank and Group" is added. Comparative information is disclosed in the manner described in Note 2.23.

3. Critical Accounting Estimates and Judgments

In accordance with the IFRS, all of the policies and estimates used are the best estimates performed in accordance with the valid standards. Estimates and assumptions are based on the going concern principle, on past experience, and on other factors, including expectations regarding future events.

3.1 Impairments of Loans and Claims

The Bank used the concept of expected losses, which provides impartial, weighted credit risk loss assessments by taking into account various macroeconomic scenarios. These scenarios and their probabilities are determined through the statistical analysis of the economic forecasts of various external agencies. In this way, the Bank recognises losses that are expected to be incurred in future.

The allowance is based on expected credit losses arising from the classification of assets into specific groups. The grouping of the assets, for the purpose of determining the probability of default, is performed on the basis of both the quantitative and qualitative criteria contained in the internal rating models. For the purpose of stage allocation, the bank uses various qualitative criteria prescribed by the regulator, and quantitative criteria based on the change in the lifetime probability of default since the initial recognition.

All internal rating models are regularly validated. All other models and expert and management judgements used in the calculation of expected losses are subject to regular backtesting.

For all significant exposures on the client level, the Bank regularly assesses whether the conditions are met for each individual impairment of resources and/or for the scope of the necessary provisions for off-balance-sheet assumed obligations. The impairment of a financial asset is the difference between the carrying amount and the recoverable amount. The IFRS defines the recoverable amount as the current value (discounted value) of the expected future cash flows with the use of the original effective interest rate. When calculating the impairment of a financial asset or provision for the assumed obligations under off-balance-sheet items, the expected cash flows from the realisation of collateral (appropriate collateral with the pledge of movable or immovable property) are also taken into account and are assessed by taking into account the time of realisation of an individual form of collateral and the expected costs of realisation, Disclosed in Note 7.1.1.

3.2 Fair Value of Financial Instruments

The fair value of financial instruments traded on an active market is determined based on the quoted market price as at the reporting date, i.e. the price that represents the best bid for financial assets.

The fair value of financial assets traded on an active market is determined using valuation models. Valuation models for the determination of fair value are regularly reviewed independently. All of the models used are verified to ensure that the results reflect the market conditions. The models are based on market data as much as possible. However, estimates must nevertheless be used for the determination of market risk, volatility and correlation. Changes in the estimates of these factors can affect the reported fair value of financial instruments.

The financial instrument hierarchy in terms of the determination of fair value is disclosed in Note 7.4.3.

3.3 Impairments of Equity Investments in Subsidiaries

When assessing the impairments of equity investments in subsidiaries, the Group takes into account objective evidence and indications showing that an equity investment in a subsidiary might be impaired. If such evidence and indications exist, the Group calculates the amount of the impairment as the difference between the carrying amount of the investment and its recoverable amount. An investment's recoverable amount is the higher of the following two values: the fair value or current value of expected future cash flows, discounted according to the market rate of return of similar financial assets.

If one of these amounts exceeds the carrying amount of the investment, impairment is not necessary. If expected future cash flows cannot be assessed, the Group calculates the necessary impairments as the difference between the book value of a financial asset and the book value of the capital of the company in which the Group holds an investment, i.e. in a proportionate share with respect to equity participation.

3.4 Provisions for Off-Balance Sheet Risk

Provisions for off-balance-sheet risks were made for financial guarantees, securities, bad letters of credit and transactions with similar risks that may incur a liability for the Group. The Group takes into account the financial conditions, payment discipline and eventual collateral received when setting aside provisions for off-balance sheet risk, which is disclosed in Note 6.1.1.

3.5 Provisions for Legal Cases

Provisions for pending litigation, if any, are made on the basis of an estimate of the probable adverse outcome of the litigation as disclosed in Note 6.1.2.

3.6 Provisions for Long-Term Employee Benefits

Employee benefit obligations are calculated by an independent actuary. The assumptions used in the actuarial calculation and the provisions for retirement indemnity bonuses and jubilee benefits formed on the basis of the actuarial calculation are disclosed in Note 5.18.

4 Notes on the Income Statement

4.1 Net Interest Income

	in thousands of EUR			
	Bank		Group	
	2025	2024	2025	2024
Interest income				
Financial assets measured at amortised cost				
Debt securities	1,260	1,905	1,260	1,905
Loans and receivables	97,912	109,598	97,455	109,257
Loans mandatorily at FVTPL	–	–	–	–
Securities measured at FVTOCI	2,663	3,511	2,663	3,511
Financial liabilities – negative interest rate	–	–	–	–
Other assets	103	160	103	160
Total	101,938	115,174	101,481	114,833
Interest expenses				
Financial liabilities measured at amortised cost				
Due	12,463	13,418	12,463	13,418
Borrowings	3,461	5,016	3,461	5,016
Bonds issued	9,696	6,923	9,696	6,923
Other liabilities	25	18	73	30
Financial assets – negative interest rate	18	–	18	–
Total	25,663	25,375	25,711	25,387
Net interest income	76,275	89,799	75,770	89,446

In 2025, interest income on the credit-impaired assets at the Bank and in the Group totalled EUR 2,196 thousand (2024: EUR 1,882 thousand).

4.2 Dividend Income

	in thousands of EUR	
Bank and Group	2025	2024
Dividend income from financial assets measured at FVTOCI	–	–
Dividend income from financial assets mandatorily at FVTPL	347	900
Total	347	900

4.3 Net Fee and Commission Income

4.3.1 Fee and Commission Income and Expenses Relating to the Activities of the Bank and the Group

	in thousands of EUR			
	Bank		Group	
	2025	2024	2025	2024
Fee and commission income				
Credit related fees and commissions	3,903	3,350	4,277	3,315
Guarantee-related fees and commissions	1,867	1,393	1,867	1,393
Payment service-related fees and commissions				
Keeping current accounts	5,738	5,239	5,738	5,239
Debit and credit payments	4,432	4,172	4,520	4,231
Cash withdrawals at ATMs	2,340	2,155	2,340	2,155
Card transactions	2,302	1,548	2,302	1,548
Other services relating to payment	130	137	130	137
Other fees and commissions	2,535	1,956	2,592	2,024
Fee and commission income	23,247	19,950	23,766	20,042
Fee and commission expense				
Payment service-related fees and commissions	480	513	480	513
Other fees and commissions	290	321	294	302
Total	770	834	774	815
Net Fee and Commission Income	22,477	19,116	22,992	19,227

4.3.2 Fee and Commission Income and Expenses Relating to Fiduciary Activities

	in thousands of EUR	
Bank and Group	2025	2024
Fee and commission income related to fiduciary activities		
Receiving, processing and execution of orders	1,836	1,270
Total	1,836	1,270
Fee and commission expenses related to fiduciary activities; Fee and commission expenses related to the Central Securities Clearing		
Corporation and similar organisations	60	55
Total	60	55
Net fee and commission income relating to fiduciary activities	1,776	1,215

4.4 Gains Less Losses on Financial Assets and Liabilities not Measured at FVTPL

	in thousands of EUR	
Bank and Group	2025	2024
Gains from financial assets measured at amortised cost	–	49
Losses from financial assets measured at amortised cost	–	(1)
Losses from financial liabilities measured at amortised cost	–	(1)
Gains from financial assets measured at FVTOCI	494	252
Losses from financial assets measured at FVTOCI	–	(2)
Total	494	297

In 2025, the Bank generated a profit from the sale of foreign government bonds.

4.5 Gains Less Losses on Financial Assets and Liabilities Held for Trading

	in thousands of EUR	
Bank and Group	2025	2024
Net gains from dealing in foreign currencies	272	327
Net gains/(losses) from derivatives	–	–
Total	272	327

4.6 Gains less losses on non-trading financial assets mandatorily at FVTPL

	in thousands of EUR	
Bank and Group	2025	2024
Gains less losses from the revaluation of equity securities (Note 5.2)	290	339
Gains less losses from disposal of equity securities	–	–
Gains less losses from the revaluation of loans (Note 5.2)	–	–
Total	290	339

4.7 Exchange Differences

in thousands of EUR				
	Bank		Group	
	2025	2024	2025	2024
Gains on exchange differences	9,371	6,706	9,372	6,706
Losses on exchange differences	(9,324)	(6,712)	(9,324)	(6,712)
Total	47	2,451	48	(6)

4.8 Gains Less Losses on the Derecognition of Non-Financial Assets

in thousands of EUR				
	Bank		Group	
	2025	2024	2025	2024
Gains on disposal of property and equipment	529	93	604	139
Gains on disposal of investment property	483	2,362	483	2,362
Losses on disposal of property and equipment	(5)	(4)	(3,066)	(668)
Losses on disposal of investment property	(17)	–	(17)	–
Total	990	2,451	(1,996)	1,833

4.9 Other Operating Gains Less Losses

in thousands of EUR				
	Bank		Group	
	2025	2024	2025	2024
Rental income	1,580	2,061	10,397	7,954
Valuation of investment property and equipment to fair value	1,215	368	1,495	537
Other operating income	4,318	2,722	4,691	2,937
Other operating expenses	(1,567)	(1,567)	(1,670)	(1,576)
Total	5,546	3,595	14,913	9,852

4.10 Administration Costs

in thousands of EUR

	Bank		Group	
	2025	2024	2025	2024
Staff costs				
Gross salaries	22,053	20,872	25,901	24,338
Social security costs	1,470	1,272	1,658	1,458
State pension contribution	1,788	1,657	2,197	2,066
Other costs related to gross salaries	108	100	764	689
Other employee costs	2,149	1,987	2,474	2,320
Total	27,568	25,888	32,994	30,871

in thousands of EUR

	Bank		Group	
	2025	2024	2025	2024
Costs of materials and services				
Other professional services	10,834	9,526	11,707	10,335
Advisory services and other non-audit-related services	2,195	2,387	2,379	2,520
Repairs and maintenance expenses	816	600	991	732
Tax	4,737	5,061	4,737	5,061
Contributions	179	183	201	205
Membership fees and similar costs	115	101	136	121
Other costs of services	10,980	10,129	5,128	4,909
Costs of materials	1,134	1,062	1,356	1,235
Total	30,990	29,049	26,635	25,118
Administration costs	58,558	54,937	59,629	55,989

The auditing expenditure for the audit of the consolidated annual report for 2025 is EUR 162.1 thousand (2024: EUR 125.2 thousand), and EUR 25.9 thousand (2024: EUR 22.8 thousand) for other auditing services. There were no expenses for tax advisory services.

As at 31 December 2025, the Bank had 437 employees (2024: 440) and the Group had 535 employees (2024: 538), with the average number of employees across the Group through 2025 being 442. Other administrative expenses include travel, marketing, royalties, insurance, legal and administrative fees, and leasing costs.

The Bank recognises short-term leases and leases with a smaller value as an expense rather than as a lease liability. In 2025, the Bank paid a total of EUR 812 thousand for all lease payments (2024: EUR 614 thousand) and the Group paid EUR 763 thousand (2024: EUR 1,017 thousand).

in thousands of EUR

	Bank		Group	
	2025	2024	2025	2024
Costs relating to lease payments				
Short-term leases	17	–	17	–
Leases of low value assets	467	405	428	368
Variable lease payments	1	–	1	–
Total	485	405	446	368

4.11 Cash Contributions to Resolution Funds and Deposit Guarantee Schemes

in thousands of EUR

Bank and Group	2025	2024
Guarantee Fund	3,180	2,412
Bank Resolution Fund	–	–
Total	3,180	2,412

4.12 Depreciation

in thousands of EUR

	Bank		Group	
	2025	2024	2025	2024
Depreciation for property and equipment				
Tangible assets representing RUA (Note 5.9.1)	367	354	385	302
Tangible assets that do not represent RUA (Note 5.9.2)	1,669	1,221	6,448	5,212
Amortisation for intangible assets (note 5.11)	860	829	890	860
Total	2,896	2,404	7,723	6,374

4.13 Modification Gains/(Losses)

in thousands of EUR

Bank and Group	2025	2024
Gains from financial assets measured at amortised cost	15	28
Losses from financial assets measured at amortised cost (note 7.1.4.4)	–	–
Total	15	28

4.14 Provisions

in thousands of EUR				
	Bank		Group	
	2025	2024	2025	2024
Provisions for guarantees and commitments (Note 5.18)	756	(937)	751	(945)
Provisions for retirement indemnity bonuses and jubilee benefits (Note 5.18)	190	245	208	291
Provisions for reorganisation (Note 5.18)	–	200	–	200
Provisions for legal issues (Note 5.18)	–	17	–	17
Total	946	(475)	959	(437)

4.15 Impairment

in thousands of EUR				
	Bank		Group	
	2025	2024	2025	2024
Impairment/(reversal of impairment):				
Cash, balances at CB and other demand deposits at banks (Note 5.1.2)	(4)	1	(4)	1
Debt securities measured at FVTOCI (Note 5.3.3)	820	311	820	311
Debt securities measured at amortised cost (Note 5.4.3)	(69)	(52)	(69)	(52)
Loans and receivables to banks measured at amortised cost (Note 5.5.2)	–	(2)	–	(2)
Loans and receivables to customers measured at amortised cost (Note 5.6.3)	(1,371)	5,333	(1,362)	5,396
Other financial assets measured at amortised cost (Note 5.7.2)	(26)	14	(19)	152
Property and equipment (Note 5.9)	(4)	3	(4)	3
Other assets (Note 5.12)	(23)	28	(23)	28
Capital investments in subsidiaries	(2,073)	–	(2,073)	–
Total	(2,750)	5,636	(2,734)	5,837

4.16 Tax

in thousands of EUR				
	Bank		Group	
	2025	2024	2025	2024
Current tax	4,270	5,436	4,371	5,469
Deferred tax	(2,850)	214	(2,862)	184
Total	1,420	5,650	1,509	5,653

Income tax differs from the amount of tax determined by applying the Slovenian statutory tax rate as follows:

in thousands of EUR				
	Bank		Group	
	2025	2024	2025	2024
Profit before tax	43,923	51,931	44,388	52,068
Tax calculated at prescribed rate 22%	9,663	11,425	9,765	11,455
Tax for non-tax deductible expenses	196	216	211	227
Tax for exempt income – dividends	(76)	(198)	(76)	(198)
Tax for temporary differences – impairment of bonds	220	102	220	102
Tax for temporarily differences – reversal of bond impairments	(235)	(116)	(235)	(116)
Tax for temporary differences – increase/reversal of provisions	(10)	11	(7)	46
Tax loss coverage	(7,639)	(5,470)	(7,672)	(5,499)
Other tax effects	–	–	8	(19)
Tax relief	(699)	(320)	(705)	(345)
Total	1,420	5,650	1,509	5,653
Effective tax rate, in %	3.2	10.9	3.4	10.9

The Bank does not have deferred tax assets in respect of unrecognised impairments of securities, tax loss carry-forwards and other provisions. It only recognises deferred tax assets to the extent that they can be offset against expected taxable profits through 2027. The difference to the total amount of deferred taxes that the Bank will be able to take into account in future years amounts to EUR 9,581 thousand (2024: EUR 17,511 thousand).

The effect of the calculated tax on the operating result for 2025 amounts to EUR 4,270 thousand (2024: EUR 5,436 thousand), while the Group's income tax expense amounts to EUR 4,371 thousand (2024: EUR 5,469 thousand).

The effective tax rate for 2025 amounts to 3.2% for the Bank and 3.4% for the Group (2024: 10.9% for the Bank and 10.9% for the Group).

The deferred tax asset in 2025 amounts to EUR 2,850 thousand (2024: deferred tax liability of EUR 214 thousand), and for the Group EUR 2,862 thousand (2024: deferred tax liability of EUR 184 thousand).

5 Notes on the Statement of Financial Position

The movement of value adjustments by stage for all items in the statement of financial position is disclosed in Note 7:1.4.3

5.1 Cash, Balances at Central Banks, and Other Demand Deposits at Banks

5.1.1 Breakdown of Financial Instruments by Type

	in thousands of EUR			
	Bank		Group	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Cash in hand	27,320	27,851	27,320	27,851
Balances at central banks	337,770	335,221	337,770	335,221
Demand deposits at banks	21,508	23,227	21,508	23,227
Cash and cash equivalents (Note 6.2)	386,598	386,299	386,598	386,299
Impairment	(14)	(18)	(14)	(18)
Total	386,584	386,281	386,584	386,281

5.1.2 Movements in Provisions for the Impairment of Balances at Central Banks and Other Demand Deposits at Banks

	in thousands of EUR	
Bank and Group	2025	2024
Balance at 1 January	18	17
Impairment of balances at central banks (Note 4.15)	(4)	1
Balance at 31 December	14	18

5.2 Non-Trading Financial Assets Mandatorily at Fair Value Through Profit or Loss

	in thousands of EUR	
Bank and Group	31/12/2025	31/12/2024
Equity instruments	7,648	7,358
Loans and receivables	–	–
Total	7,648	7,358

The assumptions used in the measurement of financial assets mandatorily measured at FVTPL are disclosed in Note 7.4.3.1.

Movements of non-trading financial assets mandatorily at fair value through profit or loss

	in thousands of EUR	
Bank and Group	2025	2024
Balance at 1 January	7,358	6,650
Revaluation of equity instruments (Note 4.6)	290	339
Revaluation of loans and receivables (Note 4.6)	–	–
Additions of equity instruments	–	586
Disposals of equity instruments	–	(217)
Repayment of loans and receivables	–	–
Balance at 31 December	7,648	7,358

5.3 Financial Assets Measured at FVTOCI

5.3.1 Breakdown of Financial Instruments Measured at FVTOCI by Type

	in thousands of EUR	
Bank and Group	31/12/2025	31/12/2024
Equity instruments		
Bank Resolution Fund	7,123	6,954
SWIFT, La Hulpe, Belgium	37	32
Addiko Bank AG Vienna	22,260	19,275
Debt instruments		
Bonds issued by the government	78,459	60,838
Bonds issued by other issuers	12,452	7,191
Treasury bills	–	21,900
Gross amount	120,331	116,190
Impairment	(1,195)	(375)
Total	119,136	115,815

The Bank's interest in Addiko Bank AG Vienna is measured at fair value through other comprehensive income in accordance with the Group's policy.

5.3.2 Movements of Financial Assets Measured at FVTOCI

	in thousands of EUR	
Bank and Group	2025	2024
Balance at 1 January y	115,815	82,505
Additions	69,757	102,454
Disposals	(70,317)	(72,694)
Interest accrual	(1)	(40)
Losses from changes in fair value	4,702	3,901
Impairment (Note 4.15)	(820)	(311)
Balance at 31 December	119,136	115,815

5.3.3 Movements in Provisions for the Impairment of Financial Assets Measured at FVTOCI

	in thousands of EUR	
Bank and Group	2025	2024
Balance at 1 January y	375	64
Impairment of debt securities (Note 4.15)	820	311
Balance at 31 December	1,195	375

5.3.4 Accumulated Other Comprehensive Income Related to Financial Assets Measured at FVTOCI

	in thousands of EUR	
Bank and Group	2025	2024
Balance at 1 January y	(182)	(1,090)
Losses due to changes in fair value (debt instruments)	(119)	1,834
Losses due to changes in fair value (equity instruments)	3,159	(722)
Deferred tax	(669)	(204)
Balance at 31 December	2,189	(182)

5.4 Debt Securities Measured at Amortised Cost

5.4.1 Breakdown of Debt Securities Measured at Amortised Cost by Type

	in thousands of EUR	
Bank and Group	31/12/2025	31/12/2024
Bonds issued by the government	212,037	236,581
Bonds issued by banks	14,597	9,518
Bonds issued by other issuers	5,592	5,591
Treasury bills	-	-
Gross amount	232,226	251,690
Impairment	(132)	(202)
Total	232,094	251,488

5.4.2 Movements of Debt Securities Measured at Amortised Cost

	in thousands of EUR	
Bank and Group	2025	2024
Balance at 1 January	251,488	301,842
Additions	5,000	-
Disposals	(23,000)	(47,756)
Interest accrual	(73)	(1,020)
Exchange differences	-	-
Transfer of the discount to profit or loss	(1,390)	(1,630)
Impairment (Note 4.15)	69	52
Balance at 31 December	232,094	251,488

5.4.3 Movements in the Provisions for the Impairment of Debt Securities Measured at Amortised Cost.

	in thousands of EUR	
Bank and Group	2025	2024
Balance at 1 January y	202	254
Impairment of debt securities measured at amortised cost (Note 4.15)	(70)	(52)
Balance at 31 December	132	202

5.5 Loans and Receivables to Banks Measured at Amortised Cost

5.5.1 Breakdown by Type of Loans and Receivables to Banks

	in thousands of EUR	
Bank and Group	31/12/2025	31/12/2024
Bound deposits	10,228	16,599
Purchased receivables	963	2,047
Gross amount	11,191	18,646
Impairment	(2)	(1)
Total	11,189	18,645

In the years 2025 and 2024, the Bank did not pledge any deposits. At the end of 2025, loans to banks included EUR 5,915 thousand (2024: EUR 14,409 thousand) in cash equivalents, i.e. loans with an original maturity of less than 90 days from the acquisition date.

5.5.2 Movements in the Provisions for the Impairment of Loans and Receivables to Banks Measured at Amortised Cost

	in thousands of EUR	
Bank and Group	2025	2024
Balance at 1 January y	1	3
Impairment of loans and receivables to banks (Note 4.15)	1	(2)
Balance at 31 December	2	1

5.6 Loans and Receivables to Customers Measured at Amortised Cost

5.6.1 Breakdown of Loans and Receivables to Customers and by Types of Borrowers by Type

in thousands of EUR

	Bank		Group	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Individual clients:				
> Overdrafts	15,770	16,191	15,770	16,191
> Housing loans	323,945	260,426	323,945	260,426
> Consumer and other loans	469,599	415,766	469,599	415,766
Corporates and sole proprietors:				
> Corporates	313,230	241,333	313,230	241,333
> Small and medium enterprises	800,160	739,936	788,062	727,360
> Government	35,389	47,753	35,389	47,753
Gross loans and receivables	1,958,093	1,721,405	1,945,995	1,708,829
Impairment	(27,615)	(31,067)	(27,596)	(31,039)
Total	1,930,478	1,690,338	1,918,399	1,677,790

5.6.2 Breakdown of Loans and Receivables to Customers by Type

in thousands of EUR

	Bank		Group	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Purchased receivables	218,865	190,584	218,865	190,584
Finance lease receivables	506,189	479,575	506,189	479,575
Loans	1,233,015	1,051,246	1,220,917	1,038,670
Called guarantees	24	–	24	–
Gross loans and receivables	1,958,093	1,721,405	1,945,995	1,708,829
Impairment	(27,615)	(31,067)	(27,596)	(31,039)
Total	1,930,478	1,690,338	1,918,399	1,677,790

5.6.3 Movements in the Provisions for the Impairment of Loans and Receivables to Customers Measured at Amortised Cost

in thousands of EUR

	Bank		Group	
	2025	2024	2025	2024
Balance at 1 January y	31,067	25,475	31,039	25,385
Impairment (Note 4.15)	(1,371)	5,333	(1,362)	5,395
Write-off	(3,584)	(2,061)	(3,584)	(2,061)
Other	1,503	2,320	1,503	2,320
Balance at 31 December	27,615	31,067	27,596	31,039

5.7 Other Financial Assets Measured at Amortised Cost

5.7.1 Breakdown of Other Financial Assets Measured at Amortised Cost by Type

in thousands of EUR

	Bank		Group	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Items in the course of collection	22	15	22	15
Commissions	570	532	570	532
Receivables	1,654	1,542	1,821	1,809
Receivables for received payments deriving from portfolio management	1	11	1	11
Other assets	1,676	1,611	1,715	1,625
Gross other financial assets	3,923	3,711	4,129	3,992
Impairment	(115)	(140)	(184)	(205)
Total	3,808	3,571	3,945	3,787

5.7.2 Movements in the Provisions for the Impairment of Other Financial Assets Measured at Amortised Cost

in thousands of EUR

	Bank		Group	
	2025	2024	2025	2024
Balance at 1 January y	140	126	205	376
Reversal of impairment (Note 4.15)	(25)	14	(21)	(171)
Other	–	–	–	–
Balance at 31 December	115	140	184	205

5.8 Investments in Subsidiaries

5.8.1 Key Data of Investments in Subsidiaries

in thousands of EUR						
	Assets	Liabilities	Equity	Loss/Profit	Revenue	interest held, %
2025						
Imobilia-GBK, d. o. o., Kranj	5,371	538	4,833	163	834	100
GB Leasing, d. o. o., Ljubljana	21,226	17,013	4,213	249	15,833	100
Filira, d. o. o., Ljubljana	94	2	92	–	–	100
2024						
Imobilia-GBK, d. o. o., Kranj	4,881	212	4,669	307	949	100
GB Leasing, d. o. o., Ljubljana	21,958	18,003	3,955	(145)	11,561	100
Filira, d. o. o., Ljubljana	105	13	92	–	–	100

5.8.2 Investments in Subsidiaries

At the end of 2025, investments in the equity of subsidiaries amounting to EUR 8,478.3 thousand were recognised in the statement of financial position. The investment in the equity of Imobilia-GBK, d.o.o., Kranj was recorded at EUR 4,594.0 thousand, the investment in the equity of GB Leasing, d.o.o., Ljubljana at EUR 3,800.0 thousand, and the investment in the equity of Filira, d.o.o., Ljubljana at EUR 84.3 thousand (2024: EUR 6,405.6 thousand, of which Imobilia-GBK, d.o.o., Kranj EUR 2,521.3 thousand, GB Leasing, d.o.o., Ljubljana EUR 3,800 thousand, and Filira, d.o.o., Ljubljana EUR 84.3 thousand).

In 2025, the impairment loss on the investment in Imobilio was reversed.

5.9 Property and Equipment

in thousands of EUR				
	Bank		Group	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Property and equipment that represent RUA	1,149	835	1,136	951
Property and equipment that do not represent RUA	20,101	13,775	39,564	33,813
Total property and equipment	21,250	14,610	40,700	34,764

5.9.1 Property and Equipment that Represent Right-of-Use Assets (RUA)

in thousands of EUR			
Bank	RUA – buildings	RUA – vehicles	Total
1 Januar y 2024			
Cost	1,012	479	1,491
Accumulated depreciation	(687)	(198)	(885)
Net book amount	325	281	606
Year ending December 2024			
Opening net book value	325	281	606
Additions	397	239	636
Disposals	–	–	–
Exclusions	–	(52)	(52)
Depreciation charge	(214)	(141)	(355)
31 December 2024	508	327	835
31 December 2024			
Cost	1,313	557	1,870
Accumulated depreciation	(805)	(230)	(1,035)
Net book amount	508	327	835

in thousands of EUR			
Bank	RUA – buildings	RUA – vehicles	Total
Year ending December 2025			
Opening net book value	1,012	479	1,491
Additions	(687)	(198)	(885)
Disposals	325	281	606
Exclusions	1,012	479	1,491
Depreciation charge	(687)	(198)	(885)
31 December 2025	325	281	606
31 December 2025			
Cost	1,315	586	1,937
Accumulated depreciation	(553)	(235)	(788)
Net book amount	798	351	1,149

5.9.1 Property and Equipment that Represent Right-of-Use Assets (RUA)

in thousands of EUR			
Group	RUA – buildings	RUA – vehicles	Total
1 January 2024			
Cost	1,351	586	1,937
Accumulated depreciation	(553)	(235)	(788)
Net book amount	798	351	1,149
Year ending December 2024			
Opening net book value	346	10	356
Additions	923	13	936
Disposals	(1,061)	–	(1,061)
Exclusions	1,061	(38)	1,023
Depreciation charge	(318)	15	(303)
31 December 2024	951	–	951
31 December 2024			
Cost	1,838	–	1,838
Accumulated depreciation	(887)	–	(887)
Net book amount	951	–	951
in thousands of EUR			
Group	RUA – buildings	RUA – vehicles	Total
Year ending December 2025			
Opening net book value	951	–	951
Reclassification	–	33	33
Additions	534	36	570
Disposals	–	–	–
Exclusions	–	(33)	(33)
Depreciation charge	(349)	(36)	(385)
31 December 2025	1,136	–	1,136
31 December 2025			
Cost	1,876	–	1,876
Accumulated depreciation	(740)	–	(740)
Net book amount	1,136	–	1,136

5.9.2 Property and Equipment that Do Not Represent Right-of-Use Assets (RUA)

in thousands of EUR					
Bank	Land & buildings	Computers	Motor vehicles and other equipment	Assets under construction	Total
1 January 2024					
Cost	21,406	7,664	5,273	41	34,384
Accumulated depreciation	(13,537)	(6,063)	(4,570)	–	(24,170)
Net book amount	7,869	1,601	703	41	10,214
Year ending December 2024					
Opening net book value	7,869	1,601	703	41	10,214
Additions	–	–	–	4,303	4,303
Transfer to investment property	–	–	–	620	620
Transfer to/from assets under construction	1,194	542	810	(2,546)	–
Disposals	(96)	–	(50)	–	(146)
Impairment	–	–	–	–	–
Exclusions	2	1	1	–	5
Depreciation charge	(398)	(549)	(274)	–	(1,221)
31 December 2024	8,571	1,595	1,190	2,418	13,775
31 December 2024					
Cost	22,478	8,035	5,942	2,418	38,874
Accumulated depreciation	(13,907)	(6,440)	(4,752)	–	(25,099)
Net book amount	8,571	1,595	1,190	2,418	13,775
Year ending December 2025					
Opening net book value	8,571	1,595	1,190	2,418	13,775
Additions	–	–	–	8,065	8,065
Transfer to assets held for sale	(27)	–	–	–	(27)
Transfer to investment property	–	–	–	–	–
Transfer to/from assets under construction	6,972	977	2,104	(10,053)	–
Disposals	–	(23)	(35)	–	(58)
Impairment	–	–	–	–	–
Exclusions	12	1	2	–	15
Depreciation charge	(567)	(617)	(485)	–	(1,669)
31 December 2025	14,961	1,933	2,776	430	20,101
31 December 2025					
Cost	29,273	7,047	7,866	430	44,617
Accumulated depreciation	(14,312)	(5,114)	(5,090)	–	(24,516)
Net book amount	14,961	1,933	2,776	430	20,101

All property, plant and equipment are free of encumbrances (in 2024 and 2025). They were financed from the Bank's own funds.

5.9.2 Property and Equipment that Do Not Represent Right-of-Use Assets (RUA)

in thousands of EUR					
Group	Land & buildings	Computers	Motor vehicles and other equipment	Assets under construction	Total
1 January 2024					
Cost	21,406	7,908	28,757	41	58,112
Accumulated depreciation	(13,537)	(6,256)	(9,600)		(29,393)
Net book amount	7,869	1,652	19,157	41	28,719
Year ending December 2024					
Opening net book value	7,869	1,652	19,157	41	28,718
Additions	–	37	11,261	4,303	15,602
Transfer to investment property	–	–	–	620	620
Transfer to/from assets under construction	1,194	542	810	(2,546)	–
Disposals	(96)	–	(7,855)	–	(7,951)
Impairment	–	–	–	–	–
Exclusions	2	1	2,033	–	2,036
Depreciation charge	(398)	(589)	(4,224)	–	(5,211)
31 December 2024	8,571	1,644	21,180	2,418	33,813
31 December 2024					
Cost	22,478	8,316	32,882	2,418	66,094
Accumulated depreciation	(13,907)	(6,672)	(11,702)	–	(32,281)
Net book amount	8,571	1,644	21,180	2,418	33,813
Year ending December 2025					
Opening net book value	8,571	1,644	21,180	2,418	33,813
Additions	–	21	18,595	8,066	26,681
Transfer to assets held for sale	(27)	–	(331)	–	(358)
Transfer to investment property	–	–	–	–	–
Transfer to/from assets under construction	6,972	977	2,104	(10,053)	–
Disposals	–	(32)	(18,421)	–	(18,453)
Impairment	–	–	–	–	–
Exclusions	12	11	4,307	–	4,330
Depreciation charge	(567)	(655)	(5,226)	–	(6,448)
31 December 2025	14,961	1,966	22,208	430	39,564
31 December 2025					
Cost	29,273	7,341	34,683	430	71,727
Accumulated depreciation	(14,312)	(5,375)	(12,476)	–	(32,163)
Net book amount	14,961	1,966	22,208	430	39,564

5.9.3 Property, Plant and Equipment Leased Out

in thousands of EUR

	Bank			Group	
	Land and buildings leased out	Total leased-out assets	Land and buildings leased out	Vehicles and other equipment leased out	Total leased-out property, plant and equipment
1 January 2024					
Cost	2,461	2,461	2,461	21,169	23,630
Accumulated depreciation	(1,838)	(1,838)	(1,838)	(4,634)	(6,472)
Neodpisana vrednost	623	623	623	16,535	17,158
Year ending December 2024					
Opening net book value	623	623	623	16,535	17,158
Additions	243	243	243	9,988	10,231
Disposals	-	-	-	(6,606)	(6,606)
Impairment	-	-	-	-	-
Exclusions	-	-	-	1,841	1,841
Depreciation charge	(41)	(41)	(41)	(3,697)	(3,737)
31 December 2024	825	825	825	18,061	18,887
31 December 2024					
Cost	2,704	2,704	2,704	24,551	27,255
Accumulated depreciation	(1,879)	(1,879)	(1,879)	(6,489)	(8,368)
Net book amount	825	825	825	18,061	18,887
Year ending December 2025					
Opening net book value	825	825	825	18,061	18,887
Additions	13	13	13	18,316	18,329
Transfer to assets held for sale	(6)	(6)	(6)	-	-
Disposals	-	-	-	(17,312)	(17,312)
Impairment	-	-	-	-	-
Disposals	-	-	-	4,134	4,134
Depreciation charge	(48)	(48)	(48)	(4,570)	(4,618)
31 December 2025	784	784	784	18,628	19,412
31 December 2025					
Cost	2,677	2,677	2,677	25,554	28,231
Accumulated depreciation	(1,893)	(1,893)	(1,893)	(6,926)	(8,819)
Net book amount	784	784	784	18,628	19,412

Most of the contracts in which the Group acts as a lessor relate to finance and operating leases of vehicles and operating leases of business premises.

The largest portion of the lease contracts in which the Group acts as a lessor are finance lease agreements. Most finance lease contracts are concluded for an irrevocable period of 48 to 60 months. Upon the payment of the final lease instalment at the end of the contract, the leased asset becomes the property of the lessee. Finance lease receivables are secured by the leased asset.

	in thousands of EUR	
	31/12/2025	31/12/2024
Finance lease income		
Receivables in arrears	–	–
Expected flows in 2025	–	202,661
Expected flows in 2026	175,195	106,744
Expected flows in 2027	122,717	80,327
Expected flows in 2028	98,292	60,142
Expected flows in 2029	74,364	41,396
Expected flows in 2030	50,977	45,403
Expected cash flows in 2031 and beyond	56,643	–
Total	578,188	536,673

Properties are leased to tenants under operating lease agreements with monthly lease payments.

The table presents an analysis of the maturity of operating lease receivables – undiscounted lease payments to be received after the reporting date.

	in thousands of EUR	
	31/12/2025	31/12/2024
Operating lease income		
Receivables in arrears	–	–
Expected flows in 2025	–	3,338
Expected flows in 2026	3,784	2,149
Expected flows in 2027	2,993	1,441
Expected flows in 2028	2,242	822
Expected flows in 2029	1,490	289
Expected flows in 2030	868	86
Expected cash flows in 2031 and beyond	81	–
Total	11,459	8,125

5.10 Investment Property

in thousands of EUR					
Bank	Apartments	Buildings	Land	Assets under construction	Total
Year ending December 2024					
Opening value	120	33,955	873	–	34,948
Purchases	–	–	–	236	236
Transfer to/from property, plant and equipment	–	(620)	–	–	(620)
Transfer from/to property and equipment	–	236	–	(236)	–
Transfer to/from assets under construction (Note 5.13)	–	–	–	–	–
Revaluation to fair value (Note 4.9)	10	348	10	–	368
Disposals	–	(11,988)	–	–	(11,988)
31 December 2024	130	21,931	883	–	22,944
Year ending December 2025					
Opening value	130	21,931	883	–	22,944
Purchases	–	–	–	74	74
Transfer to/from property, plant and equipment	–	–	–	–	–
Transfer from/to property and equipment	–	70	–	(70)	–
Transfer to/from assets under construction (Note 5.13)	–	(1,485)	–	–	–
Revaluation to fair value (Note 4.9)	–	1,213	2	–	1,215
Disposals	–	(485)	(167)	–	(2,137)
31 December 2025	130	21,245	718	4	22,097

Investment properties are valued under fair value, which is determined on the basis of appraisal reports prepared by independent appraisers who perform appraisals in accordance with the International Valuation Standards (level 2) and the assessments of the management (level 3).

in thousands of EUR				
	Level 1	Level 2	Level 3	Total
31 December 2025	–	22,096	–	22,096
31 December 2024	–	22,944	–	22,944

In 2025, rental income of EUR 1,578 thousand was generated (2024: EUR 1,997 thousand). In 2025, investment property maintenance and management costs amounted to EUR 450 thousand (2024: EUR 548 thousand).

Rental income from investment property leased	31/12/ 2025	31/12/ 2024
Receivables in arrears	-	-
Expected flows in 2025	-	1,220
Expected flows in 2026	815	964
Expected flows in 2027	763	868
Expected flows in 2028	179	868
Expected flows in 2029	178	868
Expected flows in 2030	177	868
Expected cash flows in 2031 and beyond	175	-
Total	2,287	5,656

At the beginning of 2025, the Bank owned 21 investment properties, of which 14 were buildings and 7 were plots of land. During 2025, two investment properties were sold: TUŠ (TUŠ Market MB Gregorčičeva and TUŠ Market Lesce), as well as the investment property Hiša Žiri and the Perina complex, where the last parking space was also sold. In 2025, a portion of the Radvanje land (TUŠ) was sold under two sales contracts. The unsold part of the land remains our investment property. Thus, at the end of 2025, as of 31 December 2025, the Bank owned 17 investment properties, of which 10 were buildings and 7 were plots of land.

5.10 Investment Property

in thousands of EUR					
Group	Apartments	Buildings	Land	Assets under construction	Total
Year ending December 2024					
Opening net book value	120	36,852	1,606	-	38,578
Purchases	-	-	-	236	236
Transfer to/from property, plant and equipment	-	(620)	-	-	(620)
Transfer from/to property and equipment	-	236	-	(236)	-
Transfer to/from assets under construction (Note 5.13)	-	-	-	-	-
Revaluation to fair value (Note 4.9)	10	507	10	-	527
Disposals	-	(12,017)	-	-	(12,017)
31 December 2024	130	24,958	1,616	-	26,704
Year ending December 2025					
Opening net book value	130	24,958	1,616	-	26,704
Purchases	-	-	-	74	74
Transfer to/from property, plant and equipment	-	-	-	-	-
Transfer from/to property and equipment	-	70	-	(70)	-
Transfer to/from assets under construction (Note 5.13)	-	(4,093)	(733)	-	(3,341)
Revaluation to fair value (Note 4.9)	-	1,494	2	-	1,496
Disposals	-	(485)	(167)	-	(2,137)
31 December 2025	130	21,945	718	4	22,797

5.11 Intangible assets

In 2024 and 2025, the Bank financed the purchases of intangible assets from its own resources and not by borrowing.

in thousands of EUR			
Banka	Software licences and property rights	Assets under construction	Total
1 Januar y 2024			
Cost	13,247	13	13,260
Accumulated amortisation	(10,903)	–	(10,903)
Net book amount	2,344	13	2,357
Year ending December 2024			
Opening net book value	2,344	13	2,357
Additions	–	726	726
Transfer	581	(581)	–
Disposals	1	–	1
Amortisation charge	(829)	–	(829)
31 December 2024	2,097	158	2,255
31 December 2024			
Cost	13,829	158	13,987
Accumulated amortisation	(11,732)	–	(11,732)
Net book amount	2,097	158	2,255
Year ending December 2025			
Opening net book value	2,097	158	2,255
Additions	–	3,946	3,946
Transfer	1,989	(1,989)	–
Disposals	1	–	1
Amortisation charge	(860)	–	(860)
31 December 2025	3,229	2,115	5,344
31 December 2025			
Cost	15,533	2,115	17,648
Accumulated amortisation	(12,304)	–	(12,304)
Net book amount	3,229	2,115	5,344

in thousands of EUR

Group	Software licences and property rights	Assets under construction	Total
1. januar 2024			
Cost	13,851	13	13,864
Accumulated amortisation	(11,415)	–	(11,415)
Net book amount	2,436	13	2,449
Year ending December 2024			
Opening net book value	2,436	13	2,449
Additions	30	726	756
Transfer	581	(581)	–
Disposals	1	–	1
Amortisation charge	(860)	–	(860)
31 December 2024	2,188	158	2,346
31 December 2024			
Cost	14,463	158	14,621
Accumulated amortisation	(12,275)	–	(12,275)
Net book amount	2,188	158	2,346
Year ending December 2025			
Opening net book value	2,188	158	2,346
Additions	77	3,946	4,023
Transfer	1,989	(1,989)	–
Disposals	1	–	1
Amortisation charge	(890)	–	(890)
31 December 2025	3,367	2,115	5,482
31 December 2025			
Cost	16,243	2,115	18,358
Accumulated amortisation	(12,877)	–	(12,877)
Net book amount	3,367	2,115	5,481

5.12 Other Assets

	in thousands of EUR			
	Bank		Group	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Prepaid and deferred expenses or costs	1,079	655	1,231	780
Stock	1,869	1,180	1,902	1,180
Prepayments	3,518	4,183	3,558	4,185
Claim for taxes	355	579	366	608
Gross other assets	6,821	6,597	7,057	6,753
Impairment	(12)	(35)	(12)	(35)
Total	6,809	6,562	7,045	6,718

Movements in provisions for impairment

	in thousands of EUR	
	2025	2024
Bank and Group		
Balance at 1 January	35	7
Impairment (Note 4.15)	(23)	28
Balance at 31 December	12	35

5.13 Non-Current Assets Held for Sale

	in thousands of EUR			
	Bank		Group	
	2025	2024	2025	2024
Balance at 1 January	102	4,107	794	6,536
Transfer to/from investment property (Note 5.10)	1,900	–	5,489	–
Transfer to property and equipment	547	–	547	–
Additions	–	–	2,922	2,072
Disposals	(1,905)	(4,005)	(5,235)	(7,814)
Balance at 31 December	644	102	4,517	794

Non-current assets held for sale are measured at fair value, so no material additional gains or losses are expected from these transactions. In the second quarter of 2025, EUR 1,900 thousand was transferred to assets held for sale – the sale of the TUŠ Lesce investment property, which was completed in the third quarter. As of 31 December 2025, the balance of EUR 644 thousand partly relates to the property building Kr. Gora, amounting to EUR 547 thousand; this building is expected to be finally sold in 2026. The remaining EUR 97 thousand relates to a property being paid for in monthly instalments, with the final sale expected over a longer period; in 2025, EUR 5 thousand was repaid in instalments. In the group of assets held for sale are passenger vehicles that the company intends to sell within one year, as well as the building where the company Šešir Škofja Loka once operated.

5.14 Due to Customers

in thousands of EUR				
	Bank		Group	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Corporates and other entities				
> Current/settlement accounts	503,464	415,073	502,183	414,311
> Term deposits	167,248	140,714	167,248	140,714
Individual clients				
> Current/demand accounts	1,204,290	1,103,205	1,204,290	1,103,205
> Term deposits	311,562	349,723	311,562	349,723
Total	2,186,564	2,008,715	2,185,283	2,007,953

5.15 Borrowings from Banks and Central Banks

in thousands of EUR			
Bank and Group	31/12/2025	31/12/2024	
Due to banks	3,448	6,198	
Borrowings from banks	68,781	88,622	
> of which subordinated debt	–	50,000	
Total	72,229	94,820	

5.16 Debt Securities

in thousands of EUR			
Bank and Group	31/12/2025	31/12/2024	
Debt securities issued			
> MREL bonds	162,100	102,176	
Total	162,100	102,176	

5.17 Other Financial Liabilities

	in thousands of EUR			
	Bank		Group	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Due to suppliers	3,925	4,409	4,597	4,879
Obligations under card operations	3,668	3,636	3,668	3,636
Accrued expenses	1,712	2,122	1,817	2,129
Unexecuted obligations for payment	554	69	554	69
Lease liabilities				
Current lease liabilities	353	318	335	290
Non-current lease liabilities	889	549	925	687
Other financial liabilities	1,279	646	3,187	2,190
Total	12,380	11,749	15,083	13,880

The table below shows the maturity of undiscounted contractual lease payments.

	in thousands of EUR			
	Bank		Group	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Less than one year	322	299	422	278
One to five years	640	527	1062	672
More than five years	-	-	-	-
Total	962	826	1484	950

5.18 Provisions

	in thousands of EUR			
	Bank		Group	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Provisions for retirement indemnity bonuses	1,104	1,034	1,286	1,214
Provisions for jubilee benefits	223	219	266	255
Provisions for guarantees and commitments (Note 6.1.1)	2,488	1,732	2,474	1,723
Provisions for deferred variable remuneration	280	828	280	828
Provisions for reorganisation	657	657	657	657
Provisions for legal issues	-	17	-	17
Total	4,752	4,487	4,963	4,694

At the time of retirement, a retiring employee who has fulfilled certain conditions is entitled to a lump sum. After each ten-year period that an employee has worked for the Bank, the employee is entitled to an award. Provisions for severance and jubilee benefits were established on the basis of an actuarial calculation using the following assumptions:

- > nominal long-term interest rate of 3.50% (2024: 3.15%);
- > expected long-term growth in the amount of jubilee benefits and non-taxable amounts in the calculation is estimated at 3.5% (2024: 3.5%);
- > the expected mortality of employees according to the 2007 Slovenian mortality tables has been considered;
- > provisions are only calculated for full-time employees;
- > it is assumed that employees will exercise the right to retirement upon reaching retirement age;
- > it is assumed that the Bank will continue its operations in the foreseeable future.

Sensitivity Analysis

in thousands of EUR

Parameters	Provisions for retirement indemnity bonuses	Provisions for jubilee benefits
Decrease in the discount interest rate by 0.5%	54	8
Increase in the discount interest rate by 0.5%	(50)	(7)
Increase wage growth by 0.5% yearly	54	8
Decrease wage growth by 0.5% yearly	(50)	(7)

Movement in the provision for jubilee and retirement benefits

in thousands of EUR

	Provisions for retirement gratuities	Provisions for jubilee gratuities	Total
Balance 31/12/2024	1,034	219	1,253
Interest expense (P&L)	30	6	36
Past service cost (P&L)	-	-	-
Current service cost (P&L)	129	27	156
Benefit payments (-)	(79)	(27)	(106)
Actuarial profits/losses (P&L)	-	(2)	(2)
Actuarial profits/losses	(10)	-	(10)
Balance 31/12/2025	1,104	223	1,327

Gibanje rezervacij:

in thousands of EUR

Bank	Provisions for retirement indemnity bonuses and jubilee benefits	Provisions for guarantees and commitments	Provisions for deferred variable remuneration	Provisions for reorganisation	Provisions for legal issues	Total
Balance at 1 Januar y 2024	1,132	2,669	710	600	–	5,111
Utilised during year (payments)	(67)	–	(703)	(143)	–	(913)
Decrease in provision through OCI	(56)	–	–	–	–	(56)
Additional provisions – staff costs	–	–	820	–	–	820
Additional provisions (Note 4.14)	245	4,688	–	200	17	5,150
Provisions realised (Note 4.14)	–	(5,625)	–	–	–	(5,625)
Balance at 31 December 2024	1,254	1,732	827	657	17	4,487
Balance at 1 Januar y 2025	1,253	1,732	828	657	17	4,487
Utilised during year (payments)	(106)	–	(828)	–	(17)	(951)
Decrease in provision through OCI	(10)	–	–	–	–	(10)
Additional provisions – staff costs	–	–	280	–	–	280
Additional provisions (Note 4.14)	190	4,912	–	–	–	5,102
Provisions realised (Note 4.14)	–	(4,156)	–	–	–	(4,156)
Balance at 31 December 2025	1,327	2,488	280	657	–	4,752

in thousands of EUR

Group	Provisions for retirement indemnity bonuses and jubilee benefits	Provisions for guarantees and commitments	Provisions for deferred variable remuneration	Provisions for reorganisation	Provisions for legal issues	Total
Stanje 1. januarja 2024	1,311	2,668	710	600	–	5,289
Utilised during year (payments)	(67)	–	(703)	(143)	–	(913)
Decrease in provision through OCI	(59)	–	–	–	–	(59)
Additional provisions – staff costs	–	–	820	–	–	820
Additional provisions (Note 4.14)	284	4,645	–	200	17	5,146
Provisions realised (Note 4.14)	–	(5,589)	–	–	–	(5,589)
Balance at 31 December 2024	1,469	1,724	827	657	17	4,694
Balance at 1 Januar y 2025	1,469	1,723	828	657	17	4,694
Utilised during year (payments)	(106)	–	(828)	–	(17)	(951)
Decrease in provision through OCI	(14)	–	–	–	–	(14)
Additional provisions – staff costs	–	–	280	–	–	280
Additional provisions (Note 4.14)	203	4,863	–	–	1	5,066
Provisions realised (Note 4.14)	–	(4,112)	–	–	–	(4,112)
Balance at 31 December 2025	1,552	2,474	280	657	–	4,963

5.19 Income taxes

5.19.1 Current Income Tax Assets

in thousands of EUR

	Bank		Group	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Current income tax assets	919	311	935	353
Total	919	311	935	353

5.19.2 Current Income Tax Liabilities

in thousands of EUR

	Bank		Group	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Current income tax liabilities	–	–	86	5
Total	–	–	86	5

5.19.3 Deferred Income Taxes

in thousands of EUR

	Bank		Group	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Employee benefit provisions	78	92	90	122
Financial assets measured at FVTOCI	(617)	52	(617)	52
Tax loss	4,738	1,874	4,798	1,903
Total	4,199	2,018	4,271	2,077

5.19.4 Temporary Differences From Which Deferred Taxes are Formed

in thousands of EUR				
Bank	31/12/2024	Impact on profit or loss	Impact on equity	31/12/2025
Employee benefit provisions	92	(14)	–	78
Financial assets measured at FVTOCI	52	–	(669)	(617)
Tax loss	1,874	2,864	–	4,738
Total	2,018	2,850	(669)	4,199

in thousands of EUR				
Group	31/12/2024	Impact on profit or loss	Impact on equity	31/12/2025
Employee benefit provisions	122	(32)	–	90
Financial assets measured at FVTOCI	52	–	(669)	(617)
Tax loss	1,903	2,895	–	4,798
Total	2,077	2,863	(669)	4,271

5.19.5 Analysis by Type of Deferred Income Taxes

in thousands of EUR				
	Bank		Group	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Deferred income tax liabilities				
Financial assets measured at FVTOCI	(798)	(108)	(798)	(108)
Coverage of losses of subsidiaries	–	–	–	–
Total	(798)	(108)	(798)	(108)
Deferred income tax assets				
Employee benefit provisions	78	92	90	122
Financial assets measured at FVTOCI	181	160	181	160
Unrecognised impairment of assets measured at FVTPL	–	–	–	–
Unrecognised impairment of assets measured at amortised cost	–	–	–	–
Tax loss	4,738	1,874	4,798	1,903
Total	4,997	2,126	5,069	2,185
Net deferred income tax assets	4,199	2,018	4,271	2,077

5.20 Other Liabilities

	in thousands of EUR			
	Bank		Group	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Prepaid and deferred income	764	869	1,899	2,284
Liabilities for taxes, contributions and other benefits	5,541	5,904	5,756	6,441
Advances received	2,257	2,490	2,570	2,804
Salaries and other employee obligations	1,743	1,752	1,743	1,752
Total	10,305	11,015	11,968	13,281

5.21 Equity

5.21.1 Share Capital and Capital Reserves

	in thousands of EUR	
	Bank	Group
	31/12/2025	31/12/2024
Share capital	16,188	16,188
Capital reserves	20,023	20,023
Total	36,211	36,211

All shares are of the same class (ordinary) and have no restrictions in management.

As at 31 December 2025, 387,938 non-par shares have been authorised (2024: 387,938 shares).

In 2024 and 2025, the number of own shares did not change. On 31 December 2025, the Bank had 32,215 treasury shares (2024: 32,215 treasury shares). The acquisition of treasury shares is consistent with Article 247 of the Companies Act. The total number of treasury shares held by the Bank shall not exceed 10% of the share capital.

The nominal share value, or the amount belonging to a non-par share in registered capital, amounted to EUR 41,73.

5.21.2 Reserves and Retained Earnings

in thousands of EUR

	Bank		Group	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Statutory reserves	86,061	86,061	86,061	86,061
Reserves for treasury shares	26,007	26,007	26,007	26,007
Legal reserves	64,872	64,872	64,899	64,890
Other reserves	481	481	481	481
Treasury shares	(26,007)	(26,007)	(26,007)	(26,007)
Retained earnings (including income from the current year)	122,304	108,057	122,941	110,399
Total	273,718	259,471	274,382	261,831

Legal reserves can only be used under the circumstances and for the purposes stated in the Companies Act.

Statutory reserves can be used for reserves for treasury shares, for covering loss, for an increase in the share capital, for legal reserves and for covering other risks.

Other reserves can be used for reserves for treasury shares, for covering of loss, for an increase in the share capital, for earnings payout to shareholders, employees, the management board and/or Supervisory board, as insurance for other risks, for legal and/or statutory reserves, and for other purposes in line with the policy of the Bank.

in thousands of EUR

Movements in reserves and Retained Earnings:	Bank		Group	
	2025	2024	2025	2024
Statutory reserves				
Balance at 1 Januar y	86,061	86,061	86,061	86,061
Allocation of net profit	-	-	-	-
Balance at 31 December	86,061	86,061	86,061	86,061
Legal reserves				
Balance at 1 Januar y	64,872	64,872	64,890	64,887
Allocation of net profit	-	-	9	3
Balance at 31 December	64,872	64,872	64,899	64,890
Other reserves				
Balance at 1 Januar y	481	481	481	481
Balance at 31 December	481	481	481	481
Treasury shares				
Balance at 1 Januar y	(26,007)	(26,007)	(26,007)	(26,007)
Balance at 31 December	(26,007)	(26,007)	(26,007)	(26,007)
Retained earnings (including income from the current year)				
Balance at 1 Januar y	108,057	96,757	110,399	98,969
Net profit for the year	42,502	46,282	42,879	46,415
Transfer to legal reserves	-	-	(9)	(3)
Profit from the sale of investments in equity instruments measured at FVTOCI	-	-	-	-
Reversal of impairment of investment in a subsidiary	-	-	(2,073)	-
Transfer of actuarial losses to retained earnings	24	21	24	21
Appropriation of dividends	(28,280)	(35,003)	(28,280)	(35,003)
Rounding	-	-	1	-
Balance at 31 December	122,304	108,057	122,941	110,399

5.21.3 Accumulated Other Comprehensive Income

Accumulated other comprehensive income, which is a component of equity, amounted to EUR 2,418 thousand at the end of 2025 (2024: EUR 60 thousand). In accumulated other comprehensive income, the Bank recognises the revaluation of financial assets measured at FVTOCI and actuarial gains on termination benefits.

Changes in accumulated other comprehensive income are shown in the statement of comprehensive income.

6 Other Notes on the Financial Statements

6.1 Off-Balance Sheet Business

6.1.1 Contingent Liabilities and Commitments

The following table indicates the contractual amounts of the Bank's off-balance sheet financial instruments that commit it to extend credit to customers.

	in thousands of EUR			
	Bank		Group	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Guarantees	297,976	244,828	297,976	244,828
Commitments to extend credit	494,029	444,991	485,088	436,540
Letters of credit and other transactions	3,400	3,400	3,400	3,400
Spot transactions	203	389	203	389
Total	795,608	693,608	786,667	685,157
Provisions for guarantees and commitments (Note 5.18)	(2,487)	(1,732)	(2,473)	(1,723)
Total	793,121	691,876	784,194	683,434

6.1.2 Court Proceedings

In 2024 and 2025, the Bank is involved in a number of legal proceedings from which it does not expect to incur significant losses.

Among the legal proceedings in which the Bank was a defendant in 2024 and 2025, the most noteworthy in terms of the substance and value of the litigation is a collective action brought by the Collective 99 Institute against several Slovenian banks on behalf of consumers who had concluded a variable-rate consumer or housing loan agreement with the Bank, seeking compensation for the alleged disadvantage suffered by the borrowers as a result of the failure to take into account negative Euribor values when calculating the interest rate. With the present action, the applicant seeks a declaration that the floor practice (failure to take into account negative Euribor values without any basis in the credit agreement) and the floor clause (invalidity of the provision in the credit agreement according to which, in the event of a negative Euribor value, the value of the Euribor is deemed to be zero, or a comparable provision with the same effect) are void. The Bank did not apply the floor practice. With regard to the alleged nullity of the floor clause, the Bank will argue and prove in the litigation that such a provision is not null and void, as it does not constitute an unfair contractual term, but a valid agreement between the parties on the price of the money lent. The bank's position is supported by the legal opinion of leading civil law experts.

The Bank received the complaint in May 2022 and responded within the deadline. Collective redress is a two-stage procedure. First, the court decides on the admissibility of the action and the representativeness of the plaintiff (eligibility to represent consumers) and, if the action is admissible, on the merits of the claim. In an identical case against another bank, the case was dismissed on admissibility and the decision is not yet final.

Taking into account all the arguments presented, the Bank does not expect any negative financial impact.

For legally unresolved proceedings in 2025, the bank did not make any provisions.

6.2 Cash and Cash Equivalents

	in thousands of EUR			
	Bank		Group	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Cash and balances at central banks (Note 5.1)	365,090	363,072	365,090	363,072
Demand deposits at banks (Note 5.1)	21,508	23,227	21,508	23,227
Loans and receivables to banks (Note 5.5)	6,877	14,409	6,877	14,409
Total	393,475	400,708	393,475	400,708

For the purposes of the cash flow statement, cash and cash equivalents comprise the following balances with less than 90 days' maturity. The amount of the obligatory reserves is available daily for the Bank's liquidity needs, and is therefore considered a cash equivalent.

6.3 Related Party Transactions

Related parties are persons who are related in such a way that one person has an interest in the management, control or capital of another person.

The Group's related parties include key management personnel (the Bank's Management Board, members of the Bank's Supervisory Board, members of the management boards of subsidiaries, close family members of the aforementioned, employees under individual contracts, individual companies over which all of them have a strong influence, members of management bodies in the banking group related to the parent company), companies with a significant influence over the Bank (shareholders with more than a 20% stake in the Bank and their related companies) and, in addition to the aforementioned, the Bank's subsidiaries.

The Bank has three subsidiaries. Contracts are concluded on the same terms as with third parties.

The parent company and its related parties have no outstanding liabilities to the Bank.

The Bank issued MREL bonds in 2023 and one of the Group's related parties has a receivable from the Bank in respect of the issued bonds of EUR 1,010,000 at 31 December 2025, the same as at 31 December 2024.

The members of the Board of Directors and the Supervisory Board, as well as their close family members, have only deposit agreements in accordance with the market conditions prevailing at the time of conclusion. In 2025, deposit agreements were concluded with interest rates between 1.5 and 2.8 percent (2024: between 0.7 and 2.8 percent). In 2025, the bank granted a long-term loan with an interest rate of 4.95 percent.

For individual employees, loan and deposit agreements are concluded in accordance with the market conditions prevailing at the time of conclusion. In 2025, new long-term deposits were contracted at interest rates between 1.3% and 2.4% (2024: between 2% and 2.6%). In 2025, the Bank granted long-term loans to employees under individual contracts at interest rates between 2.3 and 4.95 percent (2024: between 3 and 5.25 percent).

None of the transactions include special terms. Liabilities are usually settled by transfers from current or personal accounts.

in thousands of EUR

	Key management personnel		Parent company		Other related companies		Subsidiaries	
	2025	2024	2025	2024	2025	2024	2025	2024
Loans and deposits given								
Balance at 1 Januar y	1,148	1,381	–	–	471	2,501	12,577	12,265
Loans/deposits issued	48	126	–	–	342	467	–	312
Changes in membership	(157)	(239)	–	–	–	–	–	–
Loan repayments	(173)	(120)	–	–	(451)	(2,497)	(479)	–
Balance at 31 December	866	1,148	–	–	362	471	12,098	12,577
Impairment	–	–	–	–	–	–	19	28
Interest income earned	23	25	–	–	139	112	457	340
Deposits and loans received								
Balance at 1 Januar y	3,233	3,700	–	–	59,005	61,618	762	962
Deposits received	590	1,652	–	–	40,002	49	519	–
Changes in membership	(27)	(175)	–	–	53	307	–	–
Deposits repaid	(497)	(1,945)	–	–	(53,381)	(2,969)	–	(200)
Balance at 31 December	3,299	3,233	–	–	45,679	59,005	1,281	762
Interest expense on deposits	35	34	–	–	3,202	4,193	8	9
Other revenue – fee income	2	3	–	–	31	51	46	48
Other revenue – fee expense	–	–	–	–	–	–	–	69
Other operating income	–	–	1,832	2,274	4	6	138	138
Other operating loss	–	–	–	–	–	–	–	–
Costs of services	–	–	966	902	6	13	6,408	5,778

6.4 Management, supervisor, committee and key management personnel gross remuneration

in thousands of EUR

In the year ending on 31 December 2025	Fixed income	Variable income	Cost reimbursements	Insurance premiums	Other benefits	Total
Management:						
Mario Henjak	315,1	52,6	1,6	7,6	57,3	434,2
Aljoša Bučak Gasser	214,7	48,6	1,6	5,9	10,5	281,3
Marko Filipčič	200,1	52,0	1,7	12,7	15,0	281,6
Mojca Osolnik Videmšek	215,7	52,0	1,8	6,1	7,5	283,1
Supervisors and Committees members:						
Jelena Galič	33,8	–	–	0,6	–	34,4
Jurij Bajec	29,2	–	–	0,6	–	29,8
Tim Umberger	28,8	–	–	0,6	–	29,4
Bojan Pavlovič	–	–	–	0,6	–	0,6
Aleksandra Babič	–	–	–	0,6	–	0,6
Ana Živanović	–	–	–	0,6	–	0,6
Aleksander Milostnik	28,8	–	0,9	0,6	–	30,3
Other staff on individual contract (28 beneficiaries)	2,894,6	642,2	83,3	87,9	92,7	3,800,7
Total	3,960,8	847,4	90,9	124,4	183	5,206,5

in thousands of EUR

Gorenjska banka Group 2025	Fixed income	Variable income	Cost reimbursements	Insurance premiums	Other benefits	Total
Management	945,6	205,3	6,7	32,2	90,3	1,280,1
Supervisors and members	120,7	–	0,9	4,0	–	125,6
Other staff on individual contract (29 beneficiaries)	3,011,3	668,8	85,1	90,7	101,6	3,957,5
Total	4,077,6	874,1	92,6	126,9	191,9	5,363,2

in thousands of EUR						
In the year ending on 31 December 2024	Fixed income	Variable income	Cost reimbursements	Insurance premiums	Other benefits	Total
Management:						
Mario Henjak	313,8	49,2	1,5	3,5	56,1	424,1
Marko Filipčič	200,3	40,8	1,7	10,0	4,9	257,7
Mojca Osolnik Videmšek	214,8	40,8	1,6	3,5	8,5	269,2
Supervisors and Committees members:						
Jelena Galić	33,3	–	1,2	0,3	–	34,8
Jurij Bajec	28,5	–	–	0,3	–	28,9
Tim Umberger	27,4	–	–	0,3	–	27,8
Bojan Pavlović	2,1	–	–	–	–	2,1
Aleksandra Babić	2,1	–	–	–	–	2,1
Ana Živanović	2,1	–	–	–	–	2,1
Aleksander Milostnik	28,1	–	1,1	0,3	–	29,6
Other staff on individual contract (33 beneficiaries)	2,973,5	626,1	79,6	87,3	124,0	3,890,5
Total	3,826,3	756,9	86,7	105,7	193,5	4,969,2

in thousands of EUR						
Gorenjska banka Group 2024	Fiksni prejemki	Variabilni prejemki	Povračila stroškov	Zavarovalne premije	Druga plačila	Skupaj
Management	729,0	130,7	4,9	17,0	69,5	951,1
Supervisors and members	123,9	–	2,3	1,4	–	127,6
Other staff on individual contract (34 beneficiaries)	3,067,9	642,5	81,3	90,1	131,8	4,013,6
Total	3,920,8	773,2	88,5	108,5	201,3	5,092,3

Fixed remuneration includes gross wages and salaries, as well as reimbursements. Reimbursement of expenses includes allowances for meals at work, transport to and from work, and reimbursement for the use of personal vehicles. Insurance premiums include voluntary supplementary pension, accident and life insurance. Other remuneration includes bonuses, jubilee benefits, and termination benefits in accordance with the Labour Code.

Variable remuneration, in addition to performance-related pay and severance payments by agreement, includes payments made in 2025 that relate to performance in 2024. For members of the Management Board, the first tranche of deferred awarded variable remuneration for 2023 was also paid in 2025 with the consent of the Supervisory Board; 50% of this amount was paid in cash, while for the remaining 50% a non-cash financial instrument with a two-year retention period was issued. Provisions for variable remuneration for 2025 are recognised in section 5.18.

Compensation of other employees under individual contracts includes the remuneration of all employees who had an individual contract at any point during the year (28 employees in the bank and 29 employees in the group). Of these, four individuals are employed by Gorenjska Banka but perform work for the parent company AikGroup. As at 31 December 2025, there were 25 other employees with individual contracts (or 26 in the group).

Remuneration is described in more detail in the Additional Information Disclosures (Remuneration Policy section) and in the Additional Disclosures published on the Bank's website.

6.5 Significant Events After the Date of the Statement of Financial Position

There were no significant events after the balance sheet date.

6.6 Changes in Equity

Changes in items of equity in 2025 are a consequence of:

- a) profit for the current year in the amount of EUR 42,503 thousand;
- b) Decrease in accumulated other comprehensive income related to financial assets measured at FVTOCI by EUR 2,371 thousand;
- c) Increase in fair value reserves related to actuarial gains by EUR 10 thousand.

Changes in the items of consolidated equity, in addition to the changes mentioned above, include current-year profit of EUR 376 thousand arising from consolidation, and an increase of EUR 9 thousand in fair value reserves from actuarial gains.

6.7 Profit/Loss for Appropriation

Under the Companies Act (the “Companies Act”), the balance sheet profit or loss is the sum of the profit or loss brought forward and the net profit less any additional provision for profit or loss.

	in thousands of EUR
a) Retained earnings	108,057
b) Profit for the year 2025	42,503
c) Dividend	(28,280)
d) Transfer of actuarial losses to retained earnings	24
e) Profit for appropriation for the year 2025 (a + b + c + d)	122,304

The Bank’s balance sheet profit for 2025 amounts to EUR 122,304 thousand. It includes net profit for the year of EUR 42,503 thousand and retained earnings of EUR 108,057 thousand, with dividends of EUR 28,280 thousand.

6.8 The Classification of Securities According to the Listing

in thousands of EUR

As at 31 December 2025; Bank and Group	Listed		Unlisted	Total
	Ljubljana Stock Exchange	Other stock exchange		
Equity securities measured mandatorily at FVTPL	–	32	7,616	7,648
Equity securities measured at FVTOCI	–	22,260	7,161	29,421
Debt securities measured at FVTOCI	–	85,942	3,773	89,715
Debt securities measured at amortised cost	–	229,638	2,456	232,094
Total	–	337,872	21,006	358,878

in thousands of EUR

As at 31 December 2024; Bank and Group	Listed		Unlisted	Total
	Ljubljana Stock Exchange	Other stock exchange		
Equity securities measured mandatorily at FVTPL	–	35	7,323	7,358
Equity securities measured at FVTOCI	–	19,275	6,986	26,261
Debt securities measured at FVTOCI	1,460	88,094	–	89,554
Debt securities measured at amortised cost	–	249,083	2,405	251,488
Total	1,460	356,487	16,714	374,661

6.9 Funds Managed on Behalf of Third Parties

In 2024 and 2025, the Bank did not carry out any transactions in a foreign name or for a foreign account.

7 Risk Management

In risk management, the Bank’s goal is to establish a balance in managing the relationship between risk and profitability, with the aim of ensuring long-term sustainable growth and achieving an adequate return on capital. The purpose of risk management is to only assume risks that arise in the context of the business strategy, so that they are identified at an early stage and properly managed. The Bank achieves this by integrating the risk management function with daily business activities and strategic planning, and by consistently implementing its business strategy within a defined risk appetite.

Disclosures regarding risk management are prepared in detail at the level of the Bank, since the difference between the assets of the Bank and the Group is mostly found in the investment property of subsidiaries, the financing sources for which are fully provided by the Bank, making the difference in risks at the level of the Bank and at the consolidated level insignificant.

In its operations, the Bank assumes various risks, the amount of which, on the one hand, depends on its strategic definitions regarding the willingness to assume risk and, on the other hand, on the limits presented by the available capital within the scope of which the Bank is able to assume risks. According to the business model of a universal commercial bank, the risks to which the Bank is exposed are primarily traditional bank risks. The Bank is in line with the Group’s Risk Management Strategy, with the Group’s Risk Appetite Statement (RAS), as well as the annual strategic planning process, to ensure that the objectives of risk management, capital, liquidity and profitability are properly aligned. Risk management sets long-term goals and the Bank’s attitude to the risks to which it is exposed, or may be exposed, by taking into account the risks from the macroeconomic environment in which the Bank operates and by regularly reporting on risk management. In order to ensure the proper harmonisation of objectives in terms of risk, capital, liquidity and profitability, the Bank has the following business vision in the process of annual strategic planning:



In the Risk Management Strategy and the Statement of Risk Appetite, the Bank defined the types of significant risks and tolerance to individual types of risks that the Bank is willing and able to take in order to achieve the goals set and to represent incentives and limitations in business decisions.

The most important is credit risk, followed by liquidity risk, while the other types of risk are lower.

A key element of the Bank's business activities is therefore reflected in its loan portfolio. The Bank manages credit risk both at the level of the individual customer or individual transaction, and at the level of the portfolio as a whole, as effective, comprehensive credit risk management is a key in taking a comprehensive approach to managing banking risks and ensuring the long-term success of the Bank's business. In a high-interest-rate environment, the Bank continued to pay particular attention to monitoring and controlling the interest rate risk in 2025, preparing interest rate shock scenarios to measure the impact of stress scenarios on net interest income and the impact of stress scenarios on the economic value of capital. Foreign exchange risk is kept at a low level, and any exposure deriving from regular operations is promptly managed by the Bank.

The Bank supports its focus on active, prudent risk management with an appropriate organisational structure that ensures a safe and impartial approach to risk management. The Bank is organised in such a way that the process of performing its business functions ensures the efficient use of all types of assets and resources, and the provision of reliable, timely, complete and up-to-date information in support of the Bank's decision-making, execution and information functions, and consequently, risk-taking. The organisation of the Bank also provides a basis for the establishment of a system of internal controls, which the Bank's Management Board continuously monitors, upgrades and adapts to changes in the Bank's business, so as to ensure that risks are adequately managed. The basis for the organisation of risk management is the delineation of responsibilities, which minimises errors, misappropriations and irregularities, and eliminates conflicts of interest. In all its activities, the Bank shall ensure the separation of the commercial function, or the units that transact business and take risks (front office), from the back office, which monitors and manages business (back office) and the monitoring and risk management functions.

7.1 Credit Risk

The strategy, business model and current risk profile arising from mostly traditional banking operations show that the most important risk for the Bank, and therefore the one to which the Bank pays the most attention, is credit risk. Credit risk is the risk or probability that a client will not, for any reason, settle its obligations in full and within the agreed period.

The Bank is exposed to credit risk deriving from its credit portfolio, including balance sheet receivables (loans, investments in securities, capital investments, etc.) and off-balance sheet liabilities (guarantees, letters of credit, framework loans, etc.) to companies, banks, the public sector, sole proprietors, citizens and other clients.

The Bank manages credit risk at the level of individual clients or of a group of related parties, at the level of individual transactions, and at the level of the entire portfolio, since effective and comprehensive credit risk management is the key element in taking a comprehensive approach to the management of banking risks and the provision of the long-term performance of the Bank. For the purposes of credit risk management, the Bank has established a system corresponding to its size and internal organisation, as well as to the nature, volume and complexity of the business model, activities and portfolios of the Bank. In order to ensure the timely identification of increased credit risk, the Bank takes into account forward-looking information, including macroeconomic factors.

To achieve the strategic goals defined in the Bank's Business Strategy and umbrella documents concerning risk management, the Risk Management Strategy and the Risk Appetite Statement, the Bank also defines the objectives and limits regarding the quality of investments and the structure of the credit portfolio. Limits regulate the concentration and structure of the credit portfolio and the quality of investments.

The Bank has established a credit process that includes processes for credit approval, for monitoring, for the early detection of increased credit risk, and for the classification of debtors and/or exposures, and a process to assess the losses incurred through credit risks.

The Bank has provided a clear delineation of competences and tasks between divisions in the key account, SME and retail segments, the Factoring Division, the Financial Leasing Division, the International and Project Finance Division, and the Treasury Division on one side, and the Financial Controlling and Accounting Division, the Credit Risk Management Division, the Division for Strategic Risk Management, the Division for the Resolution of Problematic Investments, and the Division for Support for Banking Transactions on the other side, whereby the commercial function has been separated from the transaction monitoring and risk management function.

The Bank manages credit risk at the level of an individual client or group of related parties, at the level of an individual transaction, and at the level of the entire portfolio. In credit risk management, the Bank takes into account several aspects, such as:

- > the quality of investments (client's credit rating, classification of receivables and impairments);
- > concentration (large exposure to a particular client and groups of related parties, to an industry sector, region or the state);
- > currency (foreign exchange risks, portfolio classification by currency and monitoring compliance with sources);
- > method of remuneration (type and period for resetting interest rates);
- > maturity date (portfolio classification by maturity and monitoring compliance with sources);
- > security (ensuring, evaluating and monitoring the adequacy of the collateral amount and quality);
- > type of product (framework loans, short-term loans, long-term loans, factoring, financial lease and project financing).

Existing and potential credit risk are monitored throughout the period of the business relationship with the client, which is from the receipt of an application and other documentation for loan approval, to approval and final loan repayment.

The Bank has organised its credit function into marketing units within the corporate and retail segments, including factoring and leasing products, while it is also exposed to credit risk in certain transactions that fall within the competence of the Treasury Division. The Bank has also organised the Division for the Resolution of Problematic Investments, the competences of which include the recovery and restructuring of distressed investments. Such organisational units are responsible and competent for concluding transactions based on the preparation of credit proposals pursuant to the authorisations and internal acts detailing the relevant area.

The Financial Controlling and Accounting Division and the Back Office Support Division are responsible for managing transactions, accounting and other tasks that fall within the competence of the support function. The Credit Risk Management Division performs credit risk assessments and credit ratings of clients and individual investments, while the Division for Strategic Risk Management monitors the Bank's exposure to credit risk at the portfolio level, proposes credit risk appetite criteria and restrictions in the form of a limit system, and defines the risk parameters for the calculation of the necessary impairments in cases of consolidated exposure assessment. The Division for Strategic Risk Management provides various reviews and reports on credit risk exposure and management to the Bank's management and authorised persons.

7.1.1 Credit Risk Measurement System

The Bank has established a credit approval system within the scope of which it assesses and analyses all the relevant factors affecting the risk assessment of the debtor or group of related parties and/or exposure prior to the approval of a loan. The Bank has defined criteria for credit approval separately for loans to legal entities and to sole proprietors, and separately for retail loans and the approval of financial leasing transactions. Furthermore, the Bank assumes credit risk in investments in debt securities.

For credit risk assessment, the Bank has established a classification system for debtors into credit grades and classification categories.

The process of classification into credit grades is based on quantitative and qualitative criteria, and takes into account the essential characteristics of a particular debtor.

The criteria for classifying companies, cooperatives and associations provides a clear classification of risks into suitable credit grades and/or groups based on the operations and financial stability of the client and the resulting probability of default. A client's credit score comprises the financial and non-financial credit scores.

The financial indicators used by the Bank in a credit rating assessment with regard to a client classified as a company, cooperative or association are:

- > investment indicators,
- > financing structure indicators (capital strength and indebtedness),
- > liquidity and solvency indicators,
- > asset management and economic efficiency indicators,
- > other indicators.

To determine a clients' credit rating, an important part of the total score includes financial indicators and non-financial factors (product quality, the company's power and market share, dependency on suppliers and customers, the future of the industry, risks related to the environment and technological development, the long-term strategy of the company, the organisation and quality of management, and the company's relations with the Bank), which are important particularly in the assessment of the company's development capacity and its future performance. The credit rating assessment process also incorporates an ESG evaluation.

In the segment of companies, cooperatives and associations, the Bank uses 26 credit rating grades, 25 of which are performing and one non-performing, as shown below.

R1-R10	Very Low Risk
R11-R13	Low Risk
R14	Moderate Risk
R15-R16	Acceptable Risk
R17	Manageable Risk
R18	Higher Risk
R19-R20	High Risk
R21-R25	Very High Risk
R26	Unacceptable Risk

The criteria for classifying sole proprietors provide a clear classification of the risks into suitable credit grades and/or groups, based on the operations and financial stability of the client and the resulting probability of default. The client rating consists of a financial rating. However, if the value of the calculated financial credit points is within two percent of the value of the individual grade margin, non-financial credit points should also be calculated. The non-financial rating of a sole proprietor is calculated in the same way as for companies, cooperatives and associations. The rating scale for sole proprietors is the same as for companies, cooperatives and associations.

To identify the credit rating of banks and savings banks at home and abroad, the Bank primarily uses the credit ratings of ECAs (external credit assessment institutions for the Eurosystem): Fitch, Moody’s and S&P. For credit rating purposes, in cases where the credit ratings from External Credit Assessment Institutions (ECAs) differ, Moody’s credit rating is utilised. Through a translation matrix, the bank converts the credit rating into its own internal credit rating. When an external credit rating is not available, the Bank takes into account the financial and non-financial operational parameters of the respective bank/savings bank within the framework of the Internal Credit Rating Model. The Bank has developed no statistical credit rating model for receivables due from public law entities, private law entities, insurance companies and other public law bodies, which is why experts make credit assessments for such clients.

When determining the ratings for clients from other countries, the risk posed by the client’s country is also taken into account. This risk is assessed according to the difference between the ratings of Slovenia and of the client’s country, and is considered when determining the final rating of the client.

Receivables due from citizens are classified with respect to operations and other significant criteria that show credit quality.

The indicators used by the Bank in the assessment of an investment’s credit rating are:

- > indebtedness indicators,
- > payment discipline indicators,
- > income indicators,
- > demographic characteristics,
- > other indicators.

In the segment of natural persons, the Bank uses 26 credit rating grades, 25 of which are performing and one non-performing, as shown below.

R1-R3	Very Low Risk
R4-R6	Low Risk
R7-R8	Moderate Risk
R9-R11	Acceptable Risk
R12-R15	Manageable Risk
R16-R18	Higher Risk
R19-R20	High Risk
R21-R23	Very High Risk
R24-R25	Extremely High Risk
R26	Unacceptable Risk

The process and rules of classification are regularly monitored. The key criteria for classification derive from the applicable regulatory requirements and from the IFRS 9. Receivables are classified into individual stages; i.e. stages 1 and 2 for performing receivables, and stage 3 for non-performing receivables. The classification criteria are defined in the Bank's internal acts. The same criteria are applied to the classification of all financial assets into stages. Classification takes place in several steps, whereby individual criteria are checked at every step. In step 1, it is checked whether a financial asset was bought or originally impaired. In step 2, the Bank checks whether a default has occurred in a financial asset, in which case the asset is allocated to stage 3. In step 3, three criteria for increased credit risk are checked, whereby the fulfilment of any of them implies the classification of the asset as stage 2. In step 4, it is checked whether an asset belongs to a low credit risk category and meets the conditions for classification as stage 1. In step 5, the Bank also checks the increase in the lifelong probability of default from the point of asset recognition to the reporting date, whereby an increase above the defined limit requires classification of the asset as stage 2. The criteria of a significant increase in the lifelong probability of default from asset recognition to the reporting date have been laid down by the Bank based on available statistical analyses, and differ with respect to the segment of clients. The criteria include an absolute threshold of 7.5 percentage points. In addition to the absolute threshold, a relative threshold of 200% is also considered.

When assessing group impairments, the Bank also uses available forward-looking information. By applying the Z-shift method, the Bank includes the relationship between the macroeconomic conditions in the country and the shares of default in the Bank's credit portfolio in calculations of credit risk parameters. For the purposes of calculating impairments as per the IFRS 9, the Bank has defined various macroeconomic scenarios (future values of selected macroeconomic indicators) and their probability of realisation by applying the error distribution method.

The Bank applies the following probabilities of individual scenarios:

- > realistic scenario: 60%
- > optimistic scenario: 10%
- > pessimistic scenario: 30%

The scenarios for the future values of real GDP growth in Slovenia are used for the portfolio of companies, banks, governments and state institutions, as well as for the portfolio of sole proprietors, and are based on the autumn UMAR forecast for 2025. For the portfolio of natural persons, GDP is likewise used in the scenario for future values, but at a quarterly level. The values provided under year > 2031 apply to all subsequent years:

GDP	2026	2027	2028	2029	2030	> 2031
Realistic scenario	1.232	1.535	1.621	1.663	1.710	1.710
Optimistic scenario	4.380	6.289	3.997	2.852	1.710	1.710
Pessimistic scenario	(0.055)	(0.410)	0.648	1.177	1.710	1.710

The Bank also assesses the probability of default for entities that fall within the low default share portfolio (banks, countries and government institutions).

In general, the LGD indicates the proportion (percentage) of the exposure on default (EAD) that will be lost, while the recovery rate indicates the proportion (percentage) of the exposure that will be recovered. For valuation purposes, the recovery rate can be defined as the ratio of the (discounted) cash flows received after the date of default to the exposure at default (EAD), and the loss (LGD) is simply the difference between 1 and the recovery rate. The calculation is done at the individual, cohort and portfolio levels.

The uninsured LGD parameter is only calculated from the recovery rate curve for investments with a default status, and represents the share (percentage) of loss based on the uninsured EAD.

An individual LGD depends on the date of default, and especially on the time period of the recovery following the default. Thus, the division of the portfolio into groups is used on the basis of the date of default and the number of months after the occurrence of the default. It is further presumed that loans that defaulted in a certain time period could be treated similarly due to similar reasons/conditions, and therefore belong in the same group (the so-called cohort; a group of loans/investments that were transferred to default in the same month). The uninsured LGD is then calculated for each cohort separately.

The calculation of a balanced LGD on cohorts in a certain portfolio is calculated as a portfolio LGD. With the balanced LGD, the approximation with the function of logistical growth is performed in each period separately for each cohort. The entire uninsured LGD curve is calculated as an uninsured EAD, which is a balanced average of the cohort LGD curves.

In order to consider information directed at the future in determining future cash flows from insurance, the Bank uses the link between the value of the insurance and macroeconomic indicators. Due to the specific properties of certain insurance types, the Bank has restricted the analysis to the link between macroeconomic indicators and the value of residential properties. Based on past data and using linear regression, the Bank determines which macroeconomic variables are most related to the real estate price index.

Exposure at default (EAD) is modelled at the Bank to adjust the existing exposure to contractual future cash flows, where future contractual cash flows are not taken into account during the period three months before default. In calculating the expected cash flows, the Bank is also considering certain types of insurance, which it weighs, discounts and adequately allocates to individual transactions, with the discount factor determined on the basis of the annual average interest rate of non-performing exposures weighted with the EAD share. For exposures where there are no contractually agreed future cash flows, the entire repayment at maturity is considered as the cash flow. If the exposure does not have a maturity date, the maturity date is set to one year, and the entire repayment at this new maturity date is considered as the cash flow.

The EAD takes into account off-balance sheet exposure multiplied by CCF values. The Bank calculates the actual conversion factor if it has a sufficient number of drawdowns under the off-balance sheet exposures and representative data for individual types of off-balance sheet items. Based on a sufficiently large sample, starting from 2024, the Bank uses its own CCF for the entire portfolio.

Within the scope of the early warning system for increased credit risk, the Bank draws up a report; the so-called “watch list”. The early warning system for increased credit risk is the central part of the monitoring process at the Bank, and is intended for the efficient detection of increased credit risk indicators, and consequently for early action and for the prevention of the transfer of performing clients to the segment of non-performing clients. The entire early warning system is supported by IT and implemented on a monthly basis through steps covering the preparation of a “watch list”, the acquisition of additional information, an analysis of proposals and measures, the preparation of reports and decision-making by the Committee for Investment Monitoring.

The adequacy of the operation of implemented classification and of the early warning systems is regularly checked by the Bank in cooperation with external associates or with own resources, and the findings and recommendations are taken into account in system upgrades when they take place.

Pursuant to the classification rules for receivables and impairments, the entire credit portfolio is checked on a monthly basis using logical controls or validations, and any necessary changes in impairments and/or provisions are put forth.

The protection of loans and guarantees is checked throughout the repayment period or the validity of the guarantee, with the Bank having upgraded the technological support for monitoring all types of collateral in 2019. The Bank regularly checks the quality of collateral and assesses whether it is adequate. In the event of inadequate collateral, measures to arrange additional collateral and/or to eliminate deficiencies related to the fulfilment of adequacy conditions are put forth.

The Division for Strategic Risk Management, in cooperation with the Credit Risk Management Division and market units, monitors the credit portfolio as a whole and performs analyses of the credit portfolio. Furthermore, it regularly checks the concentration of the credit portfolio. For the appropriate management and monitoring of concentration risks, the Bank actively manages its credit portfolio, primarily by changing and adapting the credit policy and defining internal limits derived from the Risk Appetite Statement and laid down in the Credit Risk Management Policy.

The Bank applies various methods and policies to reduce credit risks. The most common is the use of collateral. The Bank has developed a policy on collateral acceptance, under which the most common collateral includes:

- > the pledge of residential and commercial real estate;
- > the pledge of business assets, such as equipment, inventories and receivables;
- > collateral at an insurance company;
- > sureties and guarantees.

Collateral assessments are based on available data and adequate bases for valuation, i.e. independent appraisals for real estate and other adequate bases for other types of collateral, pursuant to the Resolution on credit risk management at banks and savings banks. The Bank monitors the market values of collateral and liquidation values for the purposes of risk management. The latter are applied primarily in the assessment of non-performing loan restructuring and management. Changes in economic conditions, in the specific conditions of individual clients, and in collateral may have an impact on the future values of collateral.

The Bank requests additional collateral from borrowers in the event of their deteriorated financial position. The type of collateral depends on the type of business and activities of the borrower. The Bank as a rule receives no collateral for transactions other than loans and guarantees. Such transactions include bonds, treasury bills and similar.

Pursuant to the collateral collection and recovery policy, the Bank immediately accedes to restructuring in case of default (if necessary), or to the recovery and collection of collateral, whereby it takes into account several scenarios for the possibility of repayment in its decisions.

7.1.2 Maximum Exposure to Credit Risk

The table below shows the maximum exposure to credit risk with the observed revaluation and without taking account of eventual collateralisation with the property held by the Bank or of other improvements in credit quality.

	in thousands of EUR	
	31/12/2025	31/12/2024
Credit risk exposures relating to on-balance sheet assets:		
Cash, balances at CB and other demand deposits at banks	359,264	358,430
Financial assets mandatorily at FVTPL	-	-
Financial assets measured at FVTOCI	89,715	89,554
Debt securities measured at amortised cost	232,094	251,488
Loans and receivables to banks measured at amortised cost	11,189	18,645
Loans and receivables to customers measured at amortised cost		
Loans and receivables to corporates and sole proprietors measured at amortised cost		
Corporates	307,011	237,390
Small and medium enterprises (SME)	577,584	529,649
Government	34,138	46,190
Loans to individual clients measured at amortised cost		
Overdrafts	15,691	16,086
Housing loans	323,474	259,887
Consumer and other loans	176,531	133,340
Receivables of leasing	496,048	467,796
Other financial assets measured at amortised cost	3,808	3,571
	2,626,548	2,412,026
Credit risk exposures relating to off-balance sheet items are as follows:		
Guarantees	297,272	244,159
Commitments to extend credit	492,264	443,947
Letters of credit	3,382	3,381
	792,918	691,487
Total exposure	3,419,466	3,103,513

	in thousands of EUR	
	31/12/2025	31/12/2024
Lease receivables are allocated based on expected cash flows		
Leasing receivables		
Receivables in arrears	12,544	10,683
Expected flows in 2025	–	138,735
Expected flows in 2026	150,550	111,974
Expected flows in 2027	115,942	95,916
Expected flows in 2028	97,807	76,149
Expected flows in 2029	77,641	55,634
Expected flows in 2030	54,940	34,999
Expected flows in 2031	62,028	27,396
Total	571,452	551,486
Lease receivables	496,048	467,796
Unearned financial income	75,404	83,690

As evident from the table above, 56.6% of the exposure of risk-bearing assets as at 31 December 2025 derived from loans to non-bank clients (31 December 2024: 54.6%), 6.8% derived from debt securities measured at amortised cost (31 December 2024: 8.1%), and 2.6% derived from financial assets measured at fair value through other comprehensive income (31 December 2024: 2.9%).

The classification of companies by size takes into account the definition laid down in the Companies Act. Small and medium enterprises include sole proprietors.

Through the active management of non-performing receivables and the responsible implementation of investment policy and of successful credit risk management in 2025, the Bank achieved the following:

- > the share of loan impairments for non-bank clients amounted to 1.4% with respect to the volume of loans in 2024 (31 December 2024: 1.8%);
- > 1.2% of loans to non-bank clients have, as a result, been impaired (31 December 2024: 1.2%);
- > the share of overdue loans among loans to non-bank clients has decreased to 5.5% (31 December 2024: 4.8%).

7.1.3 Fair Value of the Collateral Received

The types of collateral accepted by the Bank, upon fulfilled adequacy conditions, as adequate for credit risk management are:

- > immovable property that is valued at market or some other value estimated by an independent appraiser pursuant to the International Valuation Standards, EVS or RICS;
- > movable property that is valued at market or some other value estimated by an independent appraiser pursuant to the International Valuation Standards, or at cost if there is a demonstrably active market for such movable property;
- > collateral at insurance companies with an adequate credit rating amounting to the nominal value of the insured sum;
- > bank deposits and financial assets;
- > securities valued at market value pursuant to published market values or suitable market value assessment;
- > assignment of receivables amounting to the nominal value of assigned receivables;
- > sureties, bank guarantees and accretion to the obligation of an adequate credit rating of the guarantor or acquirer.

In the credit process and for the purposes of risk management, the Bank uses weighted values pursuant to the internal methodology of the Bank.

The table below shows the fair value of received collateral. It takes into account appropriate forms of collateral that the Bank uses to manage credit risks. It includes the collateral received for balance sheet receivables and assumed liabilities. Inadequate collateral and securities investment collateral are not included.

	in thousands of EUR	
	31/12/2025	31/12/2024
Real estate	1,546,337	1,302,205
Movable property	568,613	521,376
Deposits	22,096	22,204
Securities and business share	–	–
Insurance companies	121,292	181,231
Assigned receivables	46,098	46,048
Sovereign guarantees	32,255	31,895
Other collateral	89,808	15,586
Total	2,426,499	2,120,544

The amount of received collateral for the credit portfolio compared to the gross value of loans is shown in the table below. Other financial assets and assumed liabilities are not included.

	in thousands of EUR			
	Fully/over collateralised loans		Under-collateralised loans	
As at 31 December 2025	Gross value of loans	Fair value of collateral	Gross value of loans	Fair value of collateral
Loans to corporates	62,812	278,032	249,160	89,335
Loans to small and medium enterprises	340,753	822,359	242,761	57,648
Loans to government	3,194	3,270	31,163	–
Loans to individuals				
Overdrafts	6,684	14,377	9,086	–
Housing loans	280,363	542,007	43,582	18,392
Consumer loans	23,249	30,413	159,097	615
Leasing	237,489	344,763	268,700	210,894
Total	954,544	2,035,221	1,003,549	376,884

in thousands of EUR

As at 31 December 2025	Fully/over collateralised loans		Under-collateralised loans	
	Gross value of loans	Fair value of collateral	Gross value of loans	Fair value of collateral
Loans to corporates	65,842	239,066	175,026	55,142
Loans to small and medium enterprises	307,172	735,362	232,113	57,047
Loans to government	-	-	46,559	3,274
Loans to individuals				
Overdrafts	4,394	8,965	11,797	5
Housing loans	222,483	427,002	37,943	17,292
Consumer loans	26,013	33,340	112,488	602
Leasing	239,491	345,958	240,084	189,992
Total	865,395	1,789,693	856,010	323,354

The table below shows the relationship between loans and collateral value for the credit portfolio, broken down into the gross value of loans and assumed liabilities.

in thousands of EUR

LTV – loans	31/12/2025		31/12/2024	
	Gross carrying amount	Impairment	Gross carrying amount	Impairment
<50%	276,441	(350)	230,421	(551)
51-70%	232,665	(467)	255,888	(580)
71-100%	409,272	(2,858)	351,324	(2,995)
101-150%	795,741	(13,461)	697,595	(13,889)
>150%	41,856	(2,504)	42,434	(6,282)
Other	544,778	(7,988)	498,480	(6,786)
Total	2,300,753	(27,628)	2,076,142	(31,083)

in thousands of EUR

LTV – commitments	31/12/2025		31/12/2024	
	Nominal amount	Provisions	Nominal amount	Provisions
<50%	10,867	(6)	10,660	(14)
51-70%	7,498	(22)	5,309	(8)
71-100%	38,477	(106)	73,716	(42)
101-150%	56,030	(16)	53,239	(24)
>150%	107,420	(485)	101,110	(381)
Other	575,114	(1,853)	449,184	(1,264)
Total	795,406	(2,488)	693,219	(1,732)

The fair value of the collateral equals:

- > The market or estimated values (according to the model) of financial assets received as collateral;
- > The amount of the secured receivable upon taking over the debt received as collateral (only if the transferee meets the criteria);
- > 100% value of collateral from insurance companies, bank guarantees, and state and municipal guarantees (if the criteria are met);
- > Value of residential and commercial real estate – these are equal to market values based on:
 - > Value obtained through the assessment of an independent external appraiser, who performs the valuation in accordance with MSOV, EVS, and RICS (with the confirmation of an internal appraiser).

In 2025, the Bank redeemed EUR 607 thousand (2024: EUR 426 thousand) of the total EUR 51,349 thousand (2024: EUR 46,033 thousand) of the insurance of claims on the general public with Zavarovalnica Triglav, d.d, Ljubljana.

In 2025, the Bank realised EUR 726 thousand (2024: EUR 531 thousand) of collateral for outstanding loans to non-bank customers. Collateral real estate pledges amounting to EUR 85 thousand (2024: EUR 124 thousand), guarantees and accession to debt amounting to EUR 108 thousand (2024: EUR 198 thousand), with the Triglav Insurance Company amounting to EUR 45 thousand (2024: EUR 23 thousand) and other collateral amounting to EUR 487 thousand (2024: EUR 183 thousand) were realised.

7.1.4 Loans

In notes 7.1.4.1., 7.1.4.2 and 7.1.4.3., individual sets of exposures and allowances are classified in individual stages:

- > stage 1 – financial assets without an increased credit risk since initial recognition; impairments are calculated by taking into account possible losses that are expected in the period of 12 months;
- > stage 2 – financial assets with an increased credit risk since initial recognition, but no downgraded credit quality; impairments are calculated by taking into account all possible losses that are expected throughout the life span of a financial asset;
- > stage 3 – financial assets with downgraded credit quality; impairments are calculated by taking into account all possible losses that are expected throughout the life span of a financial asset.

Since 2022, the Bank has not had any purchased or originated credit-impaired financial assets (POCI).

7.1.4.1 Credit rating structure

The table below shows the credit rating structure of the Bank, grouped by stages, as at 31 December 2025.

	in thousands of EUR			
	Stage 1	Stage 2	Stage 3	Total 31/12/2025
Debt securities measured at FVTOCI				
Group A	82,241	–	–	82,241
Group B	–	–	–	–
Group C	2,403	–	–	2,403
Group D	–	–	6,266	6,266
Group E	–	–	–	–
Gross amount	84,644	–	6,266	90,910
Impairment	(146)	–	(1,049)	(1,195)
Total	84,498	–	5,217	89,715
Debt securities measured at amortised cost				
Group A	229,695	–	–	229,695
Group B	–	2,532	–	2,532
Group C	–	–	–	–
Group D	–	–	–	–
Group E	–	–	–	–
Gross amount	229,695	2,532	–	232,227
Impairment	(57)	(76)	–	(133)
Total	229,638	2,456	–	232,094
Loans to banks measured at amortised cost				
Group A	11,191	–	–	11,191
Group B	–	–	–	–
Group C	–	–	–	–
Group D	–	–	–	–
Group E	–	–	–	–
Gross amount	11,191	–	–	11,191
Impairment	(2)	–	–	(2)
Total	11,189	–	–	11,189

	in thousands of EUR			
	Stage 1	Stage 2	Stage 3	Total 31/12/2025
Loans to customers and other financial assets measured at amortised cost				
Group A	773,149	17,169	–	790,318
Group B	784,607	100,384	–	884,991
Group C	119,483	119,712	–	239,195
Group D	–	–	40,674	40,674
Group E	–	–	6,837	6,837
Gross amount	1,677,239	237,265	47,511	1,962,015
Impairment	(6,751)	(5,162)	(15,816)	(27,729)
Total	1,670,488	232,103	31,695	1,934,286
Credit risk exposures relating to off-balance sheet items				
Group A	419,621	46,692	–	466,313
Group B	277,906	25,505	–	303,411
Group C	18,380	4,717	–	23,097
Group D	–	–	2,519	2,519
Group E	–	–	66	66
Gross amount	715,907	76,914	2,585	795,406
Impairment	(1,677)	(180)	(631)	(2,488)
Total	714,230	76,734	1,954	792,918

7.1.4.1 Credit rating structure

The table below shows the credit rating structure of the Bank, grouped by stages, as at 31 December 2024.

	in thousands of EUR			
	Stage 1	Stage 2	Stage 3	Total 31/12/2024
Debt securities measured at FVTOCI				
Group A	82,738	–	–	82,738
Group B	–	1,460	–	1,460
Group C	–	5,731	–	5,731
Group D	–	–	–	–
Group E	–	–	–	–
Gross amount	82,738	7,191	–	89,929
Impairment	(24)	(351)	–	(375)
Total	82,714	6,840	–	89,554

in thousands of EUR

	Stage 1	Stage 2	Stage 3	Total 31/12/2024
Debt securities measured at amortised cost				
Group A	249,158	–	–	249,158
Group B	–	2,532	–	2,532
Group C	–	–	–	–
Group D	–	–	–	–
Group E	–	–	–	–
Gross amount	249,158	2,532	–	251,690
Impairment	(75)	(127)	–	(202)
Total	249,083	2,405	–	251,488
Loans to banks measured at amortised cost				
Group A	18,646	–	–	18,646
Group B	–	–	–	–
Group C	–	–	–	–
Group D	–	–	–	–
Group E	–	–	–	–
Gross amount	18,646	–	–	18,646
Impairment	(1)	–	–	(1)
Total	18,645	–	–	18,645
Loans to customers and other financial assets measured at amortised cost				
Group A	546,814	30,382	–	577,196
Group B	683,028	106,419	–	789,447
Group C	134,416	179,127	–	313,543
Group D	–	–	39,532	39,532
Group E	–	–	5,398	5,398
Gross amount	1,364,528	315,928	44,930	1,725,116
Impairment	(5,935)	(8,824)	(16,448)	(31,207)
Total	1,358,323	307,104	28,482	1,693,909
Credit risk exposures relating to off-balance sheet items				
Group A	358,126	23,921	–	382,047
Group B	267,215	15,996	–	283,211
Group C	21,266	6,113	–	27,379
Group D	–	–	568	568
Group E	–	–	14	14
Gross amount	646,607	46,030	582	693,219
Impairment	(1,200)	(151)	(381)	(1,732)
Total	645,407	45,879	201	691,487

7.1.4.2 Movement of the Gross Carrying Amount

The table below shows the movement of the gross carrying amount of the Bank in the year 2025.

	in thousands of EUR			
	Stage 1	Stage 2	Stage 3	Total
Debt securities measured at FVTOCI				
Gross carrying amount as at 31/12/2024	82,738	7,191	-	89,929
Changes in the gross carrying amount				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	(5,730)	5,730	-
Change due to modification	-	-	-	-
New financial assets	63,005	-	-	63,005
Financial assets that have been derecognised	(61,100)	(1,460)	536	(62,024)
Rounding	1	-1	-	-
Gross carrying amount as at 31/12/2025	84,644	-	6,266	90,910
Loss allowance as at 31/12/2025	146	-	1,049	1,195
Debt securities measured at amortised cost				
Gross carrying amount as at 31/12/2024	249,158	2,532	-	251,690
Changes in the gross carrying amount				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Change due to modification	-	-	-	-
New financial assets	5,150	-	-	5,150
Financial assets that have been derecognised	(24,614)	-	-	(24,614)
Rounding	1	-	-	1
Gross carrying amount as at 31/12/2025	229,695	2,532	-	232,227
Loss allowance as at 31/12/2025	57	76	-	133
Loans to banks measured at amortised cost				
Gross carrying amount as at 31/12/2024	18,646	-	-	18,646
Changes in the gross carrying amount				
Transfer to stage 1	-	-	-	-
Transfer to stage 2	-	-	-	-
Transfer to stage 3	-	-	-	-
Change due to modification	-	-	-	-
New financial assets	6,946	-	-	6,946
Financial assets that have been derecognised	(14,401)	-	-	(14,401)
Gross carrying amount as at 31/12/2025	11,191	-	-	11,191
Loss allowance as at 31/12/2025	2	-	-	2

in thousands of EUR

	Stage 1	Stage 2	Stage 3	Total
Loans to customers and other financial assets measured at amortised cost				
Gross carrying amount as at 31/12/2024	1,364,258	315,927	44,930	1,725,115
Changes in the gross carrying amount				
Transfer to stage 1	131,154	(129,418)	(1,736)	–
Transfer to stage 2	(116,825)	128,386	(11,561)	–
Transfer to stage 3	(13,693)	(17,141)	30,834	–
Change due to modification	–	–	–	–
New financial assets	845,286	43,769	8,385	897,440
Financial assets that have been derecognised	(532,622)	(103,824)	(20,511)	(656,955)
Write-offs	(319)	(436)	(2,830)	(3,585)
Rounding	–	–	–	–
Gross carrying amount as at 31/12/2025	1,677,239	237,265	47,511	1,962,015
Loss allowance as at 31/12/2025	6,750	5,162	15,815	27,727
Credit risk exposures relating to off-balance sheet items				
Nominal amount as at 31/12/2024	646,607	46,029	582	693,218
Changes in the nominal amount				
Transfer to stage 1	8,877	(8,859)	(18)	–
Transfer to stage 2	(45,974)	46,079	(105)	–
Transfer to stage 3	(421)	(1,446)	1,867	–
Change due to modification	–	–	–	–
New off-balance sheet items	390,552	53,846	2,384	446,782
Reduction of off-balance sheet items	(283,733)	(58,736)	(2,126)	(344,595)
Rounding	–	–	–	–
Nominal amount as at 31/12/2025	715,908	76,914	2,584	795,406
Provisions as at 31/12/2025	1,678	181	630	2,489

7.1.4.2 Movement of the Gross Carrying Amount

The table below shows the movement of the gross carrying amount of the Bank in the year 2024.

	in thousands of EUR			
	Stage 1	Stage 2	Stage 3	Total
Debt securities measured at FVTOCI				
Gross carrying amount as at 31/12/2023	75,822	–	–	75,822
Changes in the gross carrying amount				
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
Change due to modification	–	–	–	–
New financial assets	64,650	7,191	–	71,841
Financial assets that have been derecognised	(57,734)	–	–	(57,734)
Gross carrying amount as at 31/12/2024	82,738	7,191	–	89,929
Loss allowance as at 31/12/2024	24	351	–	375
Debt securities measured at amortised cost				
Gross carrying amount as at 31/12/2023	299,563	2,532	–	302,095
Changes in the gross carrying amount				
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
Change due to modification	–	–	–	–
New financial assets	83	–	–	83
Financial assets that have been derecognised	(50,488)	–	–	(50,488)
Gross carrying amount as at 31/12/2024	249,158	2,532	–	251,690
Loss allowance as at 31/12/2024	75	127	–	202
Loans to banks measured at amortised cost				
Gross carrying amount as at 31/12/2023	23,442	–	–	23,442
Changes in the gross carrying amount				
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
Change due to modification	–	–	–	–
New financial assets	18,537	–	–	18,537
Financial assets that have been derecognised	(23,333)	–	–	(23,333)
Gross carrying amount as at 31/12/2024	18,646	–	–	18,646
Loss allowance as at 31/12/2024	1	–	–	1

in thousands of EUR

	Stage 1	Stage 2	Stage 3	Total
Loans to customers and other financial assets measured at amortised cost				
Gross carrying amount as at 31/12/2023	1,258,357	333,351	33,410	1,625,117
Changes in the gross carrying amount				
Prehodi v skupino 1	71,048	(70,599)	(448)	-
Prehodi v skupino 2	(131,942)	135,908	(3,967)	-
Prehodi v skupino 3	(6,731)	(18,502)	25,234	-
Change due to modification	-	-	-	-
New financial assets	633,328	62,205	10,348	705,881
Financial assets that have been derecognised	(459,225)	(126,370)	(18,227)	(603,822)
Write-offs	(577)	(65)	(1,419)	(2,061)
Rounding	-	-	-	-
Gross carrying amount as at 31/12/2024	1,364,258	315,927	44,931	1,725,116
Loss allowance as at 31/12/2024	5,935	8,824	16,448	31,207
Credit risk exposures relating to off-balance sheet items				
Nominal amount as at 31/12/2023	508,346	32,475	2,534	543,355
Changes in the nominal amount	-	-	-	-
Transfer to stage 1	21,789	(21,784)	(5)	-
Transfer to stage 2	(46,847)	46,851	(4)	-
Transfer to stage 3	(21)	(54)	74	-
Change due to modification	-	-	-	-
New off-balance sheet items	397,126	43,286	134	311,857
Reduction of off-balance sheet items	(233,786)	(54,745)	(2,151)	(290,682)
Rounding	-	-	-	-
Nominal amount as at 31/12/2024	646,607	46,029	582	693,218
Provisions as at 31/12/2024	1,200	151	381	1,732

7.1.4.3 Movement of Loss Allowance

The table below shows the movement of the loss allowance for the Bank in the year 2025.

	in thousands of EUR			
	Stage 1	Stage 2	Stage 3	Total
Debt securities measured at FVTOCI				
Loss allowance as at 31/12/2024	24	351	–	375
Changes in the loss allowance	–	–	–	–
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	(351)	–	(351)
Increase due to a change in credit risk	1	–	1,049	1,049
Decrease due to a change in credit risk	(11)	–	–	(11)
Change in methodology	8	–	–	8
New financial assets	139	–	–	139
Financial assets that have been derecognised	(14)	–	–	(14)
Loss allowance as at 31/12/2025	147	0	1,049	1,195
Debt securities measured at amortised cost				
Loss allowance as at 31/12/2024	75	127	–	202
Changes in the loss allowance	–	–	–	–
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
Increase due to a change in credit risk	2	–	–	2
Decrease due to a change in credit risk	(22)	(55)	–	(77)
Change in methodology	5	5	–	10
New financial assets	1	–	–	1
Financial assets that have been derecognised	(4)	–	–	(4)
Loss allowance as at 31/12/2025	58	76	–	134
Loans to banks measured at amortised cost				
Loss allowance as at 31/12/2024	1	–	–	1
Changes in the loss allowance	–	–	–	–
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
Decrease due to a change in credit risk	(1)	–	–	(1)
Change in methodology	1	–	–	1
New financial assets	1	–	–	1
Financial assets that have been derecognised	–	–	–	–
Loss allowance as at 31/12/2025	2	–	–	2

in thousands of EUR

	Stage 1	Stage 2	Stage 3	Total
Loans to customers and other financial assets measured at amortised cost				
Loss allowance as at 31/12/2024	5,935	8,824	16,448	31,207
Changes in the loss allowance				
Transfer to stage 1	3,005	(2,557)	(448)	-
Transfer to stage 2	(585)	3,759	(3,174)	-
Transfer to stage 3	(205)	(1,275)	1,480	-
Increase due to a change in credit risk	1,193	2,032	7,133	10,358
Decrease due to a change in credit risk	(4,533)	(1,435)	(1,629)	(7,597)
Write-offs	(319)	(436)	(2,830)	(3,585)
Change in methodology	(92)	(2,686)	285	(2,493)
New financial assets	3,895	1,200	2,348	7,443
Financial assets that have been derecognised	(1,543)	(2,264)	(3,798)	(7,605)
Rounding	-	-	-	-
Loss allowance as at 31/12/2025	6,750	5,162	15,815	27,727
Credit risk exposures relating to off-balance sheet items				
Provisions as at 31/12/2024	1,200	151	381	1,732
Changes in the provisions				
Transfer to stage 1	20	(17)	(2)	-
Transfer to stage 2	(36)	72	(36)	-
Transfer to stage 3	(3)	(7)	10	-
Increase due to a change in credit risk	144	136	501	781
Decrease due to a change in credit risk	(681)	(114)	(114)	(909)
Change in methodology	285	19	1	305
New off-balance sheet items	981	14	1	996
Reduction of off-balance sheet items	(232)	(72)	(112)	(416)
Rounding	-	-	-	-
Provisions as at 31/12/2025	1,678	181	630	2,489

7.1.4.3 Movement of Loss Allowance

The table below shows the movement of the loss allowance for the Bank in the year 2024.

	in thousands of EUR			
	Stage 1	Stage 2	Stage 3	Total
Debt securities measured at FVTOCI				
Loss allowance as at 31/12/2023	64	–	–	64
Changes in the loss allowance				
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
Decrease due to a change in credit risk	2			2
Change in methodology	(16)	–	–	(16)
New financial assets	16	–	–	16
Financial assets that have been derecognised	14	351	–	365
Loss allowance as at 31/12/2024	24	351	–	375
Debt securities measured at amortised cost				
Loss allowance as at 31/12/2023	87	166	–	253
Changes in the loss allowance				
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
Increase due to a change in credit risk	2	–	–	2
Decrease due to a change in credit risk	(7)	(46)	–	(53)
Change in methodology	10	6	–	16
New financial assets	–	–	–	–
Financial assets that have been derecognised	(17)	–	–	(17)
Loss allowance as at 31/12/2024	75	127	–	202
Loans to banks measured at amortised cost				
Loss allowance as at 31/12/2023	3	–	–	3
Changes in the loss allowance				
Transfer to stage 1	–	–	–	–
Transfer to stage 2	–	–	–	–
Transfer to stage 3	–	–	–	–
Decrease due to a change in credit risk	–	–	–	–
Change in methodology	–	–	–	–
New financial assets	1	–	–	1
Financial assets that have been derecognised	(3)	–	–	(3)
Loss allowance as at 31/12/2024	1	–	–	1

in thousands of EUR

	Stage 1	Stage 2	Stage 3	Total
Loans to customers and other financial assets measured at amortised cost				
Loss allowance as at 31/12/2023	5,585	9,159	10,857	25,601
Changes in the loss allowance				
Transfer to stage 1	1,808	(1,651)	(157)	-
Transfer to stage 2	(840)	1,824	(984)	-
Transfer to stage 3	(100)	(992)	1,092	-
Increase due to a change in credit risk	1,324	3,244	9,571	14,139
Decrease due to a change in credit risk	(2,788)	(2,124)	(230)	(5,142)
Write-offs	(577)	(65)	(1,419)	(2,061)
Change in methodology	(174)	(1,204)	(772)	(2,150)
New financial assets	2,804	2,372	1,320	6,496
Financial assets that have been derecognised	(1,107)	(1,738)	(2,831)	(5,676)
Rounding	-	(1)	1	-
Loss allowance as at 31/12/2024	5,935	8,824	16,448	31,207
Credit risk exposures relating to off-balance sheet items				
Provisions as at 31/12/2023	1,282	199	1,188	2,669
Changes in the provisions				
Transfer to stage 1	80	(79)	(1)	-
Transfer to stage 2	(118)	119	(1)	-
Transfer to stage 3	-	-	-	-
Increase due to a change in credit risk	129	57	106	292
Decrease due to a change in credit risk	(340)	(138)	(636)	(1,114)
Change in methodology	(255)	15	(7)	(247)
New off-balance sheet items	698	68	62	828
Reduction of off-balance sheet items	(276)	(90)	(329)	(695)
Rounding	-	-	-	-
Provisions as at 31/12/2024	1,200	151	381	1,732

7.1.4.4 Modification of Contractual Cash Flows from Financial Assets that did Not Result in Derecognition

Financial assets (with a loss allowance based on the lifetime expected credit losses) modified during the year

	in thousands of EUR	
	2025	2024
Gross carrying amount before modification	19	–
Loss allowance before modification	(16)	–
Net amortised cost before modification	3	–
Net modification loss (Note 4.13)	–	–
Net amortised cost after modification	3	–

Modification loss was recognised in cases of changed cash flows due in the event of the insolvency of customers.

The effect is not material and is not disclosed.

7.1.4.5 Financial Assets Measured at Amortised Cost According to Delay and Due Amounts

The table below shows exposures deriving from loans to non-bank clients and other financial assets measured at amortised cost, by individual pockets of delay.

	in thousands of EUR					
	Gross value			Impairment		
Na dan 31/12/2025	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
0-29 days	1,677,234	224,820	23,328	(6,750)	(4,571)	(5,603)
30-59 days	4	7,432	1,855	(1)	(354)	(578)
60-89 days	1	4,797	2,497	–	(225)	(528)
90-180 da ys	–	191	5,378	–	(13)	(1,939)
More than 181 da ys	–	25	14,455	–	–	(7,167)
Total	1,677,239	237,265	47,511	(6,751)	(5,162)	(15,816)

	in thousands of EUR					
	Gross value			Impairment		
Na dan 31/12/2024	Stage 1	Stage 2	Stage 3	Stage 1	Stage 2	Stage 3
0-29 days	1,364,254	302,753	25,882	(5,934)	(7,131)	(12,402)
30-59 days	2	9,249	3,875	–	(1,222)	(793)
60-89 days	2	3,905	1,311	–	(470)	(438)
90-180 da ys	–	21	8,385	–	(1)	(941)
More than 181 da ys	–	–	5,478	–	–	(1,874)
Total	1,364,258	315,928	44,930	(5,934)	(8,824)	(16,448)

The table below shows past-due loans to non-bank clients and other financial assets measured at amortised cost, by individual pockets of delay.

in thousands of EUR				
	31/12/2025		31/12/2024	
	Gross value	Impairment	Gross value	Impairment
0-29 days	70,652	(2,579)	51,294	(2,420)
30-59 days	9,291	(932)	13,125	(2,015)
60-89 days	7,295	(754)	5,219	(908)
90-180 days	5,569	(1,953)	8,405	(942)
More than 181 days	14,479	(7,168)	5,478	(1,874)
Total	107,287	(13,385)	83,522	(8,160)

The amount of due receivables reached EUR 107,287 thousand as at 31 December 2025 (31 December 2024: EUR 83,522 thousand). Among the due amounts, the gross amount of everything that is overdue for a significant period of time is taken into account.

7.1.4.6 Loans and Receivables Individually Impaired

in thousands of EUR				
As at 31 December 2025	Loans to corporates and sole proprietors		Other financial assets	Total
	Loans to corporates	Loans to SME		
Gross	15,995	7,234	16	23,245
Less: allowance for impairment	(3,398)	(1,458)	(8)	(4,864)
Net	12,597	5,776	8	18,381
Fair value of the collateral	4,892	13,221	-	18,113

in thousands of EUR				
As at 31 December 2024	Loans to corporates and sole proprietors		Other financial assets	Total
	Loans to corporates	Loans to SME		
Gross	7,081	14,300	29	21,410
Less: allowance for impairment	(2,260)	(5,487)	(24)	(7,772)
Net	4,820	8,812	5	13,638
Fair value of the collateral	6,361	24,934	-	31,295

On 31 December 2025, the share of individually impaired loans to non-bank clients amounted to 1.2% (31 December 2024: 1.2%), the coverage thereof with corrections amounted to 20.9% (31 December 2024: 36.3%). All individually impaired loans are in stage 3.

7.1.5 Concentration of Risks of Financial Assets with Credit Risk Exposure

7.1.5.1 Geographical Structure Geographical structure

The following table breaks down credit exposure categorised by geographical region. For this table, the Bank has allocated exposures to regions based on the country of domicile of our counterparties.

	in thousands of EUR			
	Slovenia	Other EU countries	Other countries	Total
Financial assets measured at FVTOCI	10,963	78,752	–	89,715
Financial assets measured at amortised cost				
Debt securities	151,434	77,581	3,079	232,094
Loans and receivables to banks	10	6,011	5,168	11,189
Loans and receivables to corporates and sole proprietors				
Corporates	203,443	45,234	58,334	307,011
Small and medium enterprises (SME)	461,302	62,227	54,055	577,584
Government	34,138	–	–	34,138
Loans and receivables to individual clients				
Overdrafts	15,409	14	268	15,691
Housing loans	320,826	2,415	233	323,474
Consumer and other loans	176,471	19	41	176,531
Leasing	484,744	1,298	10,006	496,048
Other financial assets	2,244	523	1,041	3,808
As at 31 December 2025	1,860,984	274,074	132,225	2,267,283
As at 31 December 2024	1,667,850	288,883	96,863	2,053,596

The Bank conducts the majority of its business with clients in the Republic of Slovenia.

7.1.5.2 Industry Sectors

The following table breaks down the Bank's main credit exposures at their carrying amounts, as categorised by the industry sectors of our counterparties.

	in thousands of EUR							
	Public administration, Defence, Social security	Financial inter-mediation	Manufacturing	Real estate, Renting	Wholesale, Retail	Other sectors	Individuals	Total
Financial assets measured at FVTOCI	78,434	2,290	-	-	-	8,991	-	89,715
Financial assets measured at amortised cost								
Debt securities	211,983	14,595	-	-	-	5,516	-	232,094
Loans and receivables to banks		10,226	-	-	-	963	-	11,189
Loans and receivables to corporates and sole proprietors								
Corporates	-	-	161,349	-	83,954	61,708	-	307,011
Small and medium enterprises (SME)	77	27,028	91,786	158,341	68,434	231,918	-	577,584
Government	28,998	3,194	-	-	-	1,946	-	34,138
Loans and receivables to individual clients	-	-	-	-	-	-	-	-
Overdrafts	-	-	-	-	-	-	15,691	15,691
Housing loans	-	-	-	-	-	-	323,474	323,474
Consumer and other loans	-	-	-	-	-	-	176,531	176,531
Leasing	143	880	26,448	4,212	39,567	141,960	282,838	496,048
Other financial assets	210	907	137	46	251	1,130	1,127	3,808
As at 31 December 2025	319,845	59,120	279,720	162,599	192,206	454,132	799,661	2,267,283
As at 31 December 2024	359,518	61,809	275,947	90,685	131,832	425,167	681,341	2,053,596

7.1.6 Debt Securities

The table below presents an analysis of debt securities by agency rating, based on Fitch Ratings, Standard & Poor’s, and Moody’s Investor Service. In the case of two or three credit ratings, the second-best rating is selected.

in thousands of EUR

As at 31 December 2025	Financial assets measured at FVTOCI	Financial assets measured at amortised cost	Total
AAA to AA+	20,396	13,013	33,409
AA to AA-	18,517	157,037	175,554
A+ to A-	28,705	51,453	80,158
Lower than A-	10,816	8,135	18,951
Unrated	11,281	2,456	13,737
Total	89,715	232,094	321,809

in thousands of EUR

As at 31 December 2024	Financial assets measured at FVTOCI	Financial assets measured at amortised cost	Total
AAA to AA+	20,824	13,003	33,827
AA to AA-	27,802	178,104	205,905
A+ to A-	21,691	44,737	66,428
Lower than A-	12,398	13,239	25,637
Unrated	6,840	2,405	9,245
Total	89,554	251,488	341,042

7.2 Market Risk

The Bank is exposed to market risks in its operations, which are the risks of changes in the fair value of financial instruments due to fluctuations in market prices. Market risk refers to the risk of losses arising from unexpected and adverse changes in market price factors that are fully exposed to general and specific market movements, such as changes in interest rates, foreign exchange rates, and prices of financial instruments. Market risk affects all on-balance-sheet and off-balance-sheet items in both the trading and banking books of the Bank.

The Bank has established a methodology for assessing exposure to market risks and estimating expected potential losses, based on various assumptions and scenarios. The Bank monitors its exposure to foreign exchange risk on a daily basis. In 2025, exposure to foreign currencies was low and within the established limits. The Bank manages foreign exchange risk in accordance with the Policy on Market Risk Management, aligned with the Group’s regulations. The Bank does not identify exposure to position risk in debt and equity securities based on the value of positions in the trading book, which are typically monitored daily (changes in their current market prices – “mark-to-market” or in accordance with appropriate valuation models – “mark-to-model”). The Bank is not exposed to market risk arising from the trading book, as it did not hold any trading positions in 2025.

The Bank’s management of interest rate risk is fully aligned with the AikGroup, and it is managed through policies unified at both the Group and Bank levels, based on general Basel standards for the management of interest rate risk in the banking book (IRRBB) and EBA guidelines on the management of interest rate risk arising from non-trading activities. In its operations, the Bank focuses on protecting net interest income and the impact on the economic value of capital. In managing interest rate risk, the Bank also considers behavioural options, taking into account the possibility of early loan repayments and potential early withdrawals of term deposits by clients when monitoring and measuring risk.

Operational management of market risks is the responsibility of the Treasury Division, while the preparation of reports and analyses reviewed by the Asset and Liability Management Committee is carried out by the Strategic Risk Management Division.

7.2.1 Currency Risk

The table below summarises the Bank's exposure to currency risk as at 31 December. Included in the table are the Bank's financial instruments at carrying value, categorised by currency.

	in thousands of EUR			
	USD	Other	EUR	Total
31 December 2025				
Assets				
Cash, balances at central banks and other demand deposits at banks	9,561	9,457	367,566	386,584
Financial assets mandatorily at FVTPL	–	32	7,616	7,648
Financial assets measured at FVTOCI	–	–	119,136	119,136
Debt securities measured at amortised cost	–	–	232,094	232,094
Loans and receivables to banks	–	5,905	5,284	11,189
Loans and receivables to customers	–	–	1,930,478	1,930,478
Other financial assets	–	–	3,808	3,808
Other assets	–	–	6,809	6,809
Total assets	9,561	15,394	2,672,791	2,697,746
Liabilities				
Due to banks	–	–	3,448	3,448
Due to customers	9,352	14,402	2,162,810	2,186,564
Borrowings from banks	–	–	68,781	68,781
Other financial liabilities	596	28	11,756	12,380
Debt securities (issued)	–	–	162,100	162,100
Other liabilities	–	–	10,305	10,305
Total liabilities	9,948	14,430	2,419,200	2,443,578
Net on-balance sheet financial position	(387)	964	253,591	254,168
Credit commitments	2,308	3,408	787,202	792,918

in thousands of EUR

	USD	Other	EUR	Total
31 December 2024				
Assets				
Cash, balances at central banks and other demand deposits at banks	13,974	7,968	364,340	386,282
Financial assets mandatorily at FVTPL	–	35	7,323	7,358
Financial assets measured at FVTOCI	–	–	115,815	115,815
Debt securities measured at amortised cost	–	–	251,488	251,488
Loans and receivables to banks	3,854	8,500	6,291	18,645
Loans and receivables to customers	–	–	1,690,338	1,690,338
Other financial assets	–	–	3,570	3,570
Other assets	–	–	6,562	6,562
Total assets	17,828	16,503	2,445,727	2,480,058
Liabilities				
Due to banks	–	–	6,198	6,198
Due to customers	17,659	16,101	1,974,955	2,008,715
Borrowings from banks	–	–	88,622	88,622
Other financial liabilities	6	10	11,733	11,749
DDebt securities (issued)	–	–	102,176	102,176
Other liabilities	–	–	11,015	11,015
Total liabilities	17,665	16,111	2,194,699	2,228,475
Net on-balance sheet financial position	163	392	251,028	251,583
Credit commitments	3,351	901	687,234	691,486

The Bank's financial position and cash flows are exposed to the effects of foreign exchange rate volatility. The Bank monitors and manages foreign exchange risk on a daily basis. It applies a conservative foreign exchange risk management policy by minimising currency risk through the daily closing of its open foreign exchange position. Limits on permissible exposures by individual currency are monitored daily and reported to the Group.

The Bank has established an absolute limit for foreign exchange risk exposure, with defined limits for individual and total net open foreign exchange positions, the latter being equal to the sum of the absolute values of open positions in individual currencies. Long and short positions include on-balance sheet items at gross amounts, reduced by impairments expected to result in losses for the Bank, as well as off-balance sheet items representing potential obligations that the Bank will actually be required to settle, including items arising from derivative instruments.

With respect to foreign exchange risk, the Bank is only exposed to the EUR, while other currencies are not material, as the net open foreign exchange position amounts to only 0.33% of the Bank's own funds (end-December 2024: 0.20%). Consequently, the Bank does not calculate an additional capital requirement for foreign exchange risk.

7.2.2 Interest Rate Risk

Interest rate risk in the Bank is reflected as the risk of changes in interest rates affecting the Bank's interest income and expenses, as well as the risk of changes in interest rates affecting the value of the balance sheet. Changes in interest rates also affect the economic value of the Bank's equity, as they alter the present value of future cash flows arising from banking assets, liabilities to funding sources and off-balance-sheet positions.

Interest rate risk arises from interest rate-sensitive assets that have different maturities and different repricing dynamics of variable interest rates compared to liabilities to funding sources. The Bank monitors and manages its exposure to interest rate risk based on the repricing gap methodology and stress testing under various interest rate movement scenarios.

The Bank has established a system for monitoring interest rate risk to ensure an adequate level of net interest income and an adequate level of capital in an environment of changing interest rates. The Bank's policy is to regularly monitor and control its exposure to interest rate risk, to develop interest rate scenarios, and to prepare measures for scenarios that could have a materially adverse impact on net interest income and the economic value of equity. On this basis, the Bank has also implemented an early warning system. The objective of interest rate risk management is to minimise fluctuations in net interest income and the economic value of the Bank's equity resulting from interest rate volatility in the market.

The Bank monitors and analyses interest rate sensitivity by individual time buckets, which include interest rate-sensitive on-balance-sheet and off-balance-sheet items by type of interest rate and time bucket. In its monitoring, the Bank also incorporates behavioural options (based on models of early loan repayments and the early termination of term deposits) according to their residual maturity or next repricing date.

For the purpose of testing the impact of interest rate shock scenarios on the net interest income, the Bank uses as a measure the ratio of the change in net interest income resulting from a 200 basis point shift to own funds.

When assessing the impact on the Bank's capital, the most adverse yield curve shift among the six prescribed stress scenarios is taken into account.

	in thousands of EUR	
	31/12/2025	31/12/2024
	Impact on net interest income	Impact on net interest income
+100 basis points	411	382
-100 basis points	(821)	(765)
+200 basis points	821	765
-200 basis points	(1,642)	(1,530)

	in thousands of EUR	
	31/12/2025	31/12/2024
	Impact on the economic value of capital	Impact on the economic value of capital
+200 basis points	(22,094)	(12,901)
-200 basis points	(7,723)	(15,420)
Steeper	(22,914)	(17,991)
Flatter	13,046	10,770
Short rates shock up	(19,048)	(12,907)
Short rates shock down	3,370	811

As part of the calculation of interest rate risk indicator scenarios, significant methodological changes were implemented in 2025 in the areas of the allocation of sight deposits, the application of the prepayment parameter, and the calculation of the net interest income (NII) shock. These changes were aligned with the AikGroup methodology.

The 2024 Annual Report presented figures based on the methodology applicable at the time of its preparation. As the new methodology differs materially from the previous one in terms of the resulting indicators (particularly the NII indicator), for the sake of year-on-year comparability, the Report includes figures for both 2024 and 2025 calculated using the new methodology. Consequently, the 2024 figures presented herein do not correspond to the figures reported in the Annual Report 2024.

The Assets and Liabilities Committee (hereinafter “ALCO”) is responsible for monitoring the realisation of the interest rate risk management policies. In addition to decision-making, the tasks of ALCO related to interest rate risk are:

- > to consider reports and approve interest rate risk measures,
- > to consider the balances and forecasts of interest rate movements,
- > to consider interest rate risk at the Bank (the risk of interest rate variability),
- > to propose guidelines for setting interest rate limits,
- > to develop guidelines for preparing proposals for measures to reduce the exposure to risks,
- > to develop proposals for interest rate and market policies.

The Assets and Liabilities Committee (ALCO) and the CRO Forum are responsible for monitoring decisions and dealing with interest rate risk management. In addition to decision-making, the tasks of the CRO Forum are:

- > decision-making with regard to risk profile,
- > regulatory framework consideration,
- > consideration of internal acts with regard to risk management at the level of the parent bank/group,
- > consideration of the Bank’s internal framework in risk management,
- > discussion and adoption of key strategic documents in risk management.

Interest rate risk management is based on a system of exposure limits. At the highest level, both at the Bank and at the Group level, the Bank has defined a limit for exposure to interest rate risk in its Risk Appetite Statement, where it has identified the impact of changes in interest rates on the Bank’s capital as one of the key indicators. The threshold for this indicator, reflecting the impact of the most adverse of the six prescribed scenarios, has been set at 14% of the capital (Tier 1).

The Treasury Department is responsible for the operational implementation of measures to manage interest rate risk within the established limits, as proposed by the Strategic Risk Management Department and the Group, and for the execution of ALCO decisions, in accordance with the Bank’s Interest Rate Risk Management Policy.

The Strategic Risk Management Department prepares a monthly report on interest rate risk exposure and submits it for review to ALCO, the CRO Forum and the Group. The table below summarises the Bank's exposure to interest rate risk. Financial instruments are included at their carrying amounts, and only those items that are interest-rate-sensitive are considered. They are allocated to time buckets according to the date of the next repricing or maturity, with behavioural options incorporated, and sight deposits are allocated into stable and non-stable portions using the VaR method (calculated based on a Monte Carlo model).

The actual maturity dates do not differ from the contractual dates, other than in the event of the maturity of a liability of up to one month, some two-thirds of which are sight deposits amounting to EUR 1,707,679 thousand (2024: EUR 1,518,278 thousand). The Bank allocates these deposits between an unstable portion (O/N, included in the time bucket up to one month) and stable deposits, which are allocated in accordance with the deposit allocation model.

	in thousands of EUR						
	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Non-interest bearing	Total
31 December 2025							
Assets							
Cash, balances at central banks and other demand deposits at banks	327,531	-	-	-	-	59,053	386,584
Financial assets mandatorily at FVTPL	-	-	-	-	-	7,648	7,648
Financial assets measured at FVTOCI	9	7,765	11,470	66,066	5,235	28,591	119,136
Debt securities measured at amortised cost	-	21,114	24,615	139,005	45,838	1,522	232,094
Loans and receivables to banks	5,922	962	-	-	-	4,305	11,189
Loans and receivables to customers	380,975	530,581	445,857	341,679	227,585	3,801	1,930,478
Other financial assets	-	-	-	-	-	3,808	3,808
Other assets	-	-	-	-	-	6,809	6,809
Total assets	714,437	560,422	481,942	546,750	278,658	115,537	2,697,746
Liabilities							
Due to banks	2,342	-	-	1,000	-	106	3,448
Due to customers	536,031	191,836	460,781	994,129	148	3,639	2,186,564
Borrowings from banks and central banks	40,000	158	5,854	4,090	18,213	466	68,781
Debt securities issued	59	118	529	100,326	59,504	1,564	162,100
Other financial liabilities	-	-	-	489	329	11,562	12,380
Other liabilities	-	-	-	-	-	10,305	10,305
Total liabilities	578,432	192,112	467,164	1,100,034	78,194	27,642	2,443,578
Interest sensitivity gap	136,005	368,310	14,778	(553,284)	200,464	-	-
31 December 2024							
Total assets	649,910	135,604	350,556	837,445	408,715	97,828	2,480,058
Total liabilities	434,093	177,321	466,421	1,051,728	69,799	29,113	2,228,475
Interest sensitivity gap	215,817	(41,717)	(115,865)	(214,283)	338,916	-	-

The Bank allocates sight deposits in accordance with the applicable methodology and the IRRBB Guidelines. The methodology for allocating sight deposits distinguishes between stable and non-stable deposits, as well as between core and non-core deposits. The Bank has aligned its system for monitoring and measuring interest rate risk accordingly.

In monitoring interest rate risk, the Bank not only includes on-balance-sheet items but also off-balance-sheet items based on a defined model for loans and contingent exposures (such as limits, revolving loans, etc.). In addition to incorporating off-balance-sheet items in the measurement of interest rate risk, the Bank also takes into account behavioural options (based on models of early loan repayments and the early termination of term deposits derived from historical data).

7.2.3 Market Risk from Trading Equity Instruments

The risk deriving from trading in the equities of the trading portfolio is shown at the Bank as the risk of changes in the market rates of equities in the trading portfolio affecting the Bank's operating results. In 2025, the Bank was not exposed to risk deriving from trading in the equity securities of the trading portfolio.

7.3 Liquidity Risk

Within its liquidity risk management framework, the Bank primarily ensures the alignment of cash flows arising from the Bank's operations and those of its clients, an adequate volume, structure and stability of funding sources, and an appropriate level and quality of liquidity reserves. The sound management of assets and their funding sources forms the basis of the Bank's safe operations. Accordingly, the Bank pursues the objectives of being able to meet all its due obligations, minimising the costs of maintaining liquidity, anticipating extraordinary liquidity circumstances and implementing timely measures to restore an adequate liquidity position.

The Bank's ability to settle its current liabilities on a regular basis is ensured. Any potential mismatches between inflows and outflows are managed without difficulty through the use of liquidity reserves and central bank instruments.

The Bank measures and monitors liquidity risk using regulatory-prescribed and internally defined indicators of structural and operational liquidity. The assumption of liquidity risk is limited by means of limits derived from the Risk Appetite Statement and the Liquidity Risk Management Policy.

In 2025, the overall inflation amounted to 2.6%, which was 0.6 percentage points lower than in 2024. Service prices were on average 3.5% higher than in January of the previous year, while goods prices increased by 2.1%. Prices of non-durable goods rose by 2.8% and semi-durable goods by 2.0%, whereas durable goods prices decreased by 0.1%. The largest contribution to annual inflation (0.8 percentage points) came from higher prices of food and non-alcoholic beverages (up 4.2%). This was followed by housing, water, electricity, gas and other fuels (up 4.6%), contributing 0.6 percentage points. Alcoholic beverages and tobacco (up 5.5%) and health (up 6.3%) each contributed 0.3 percentage points. Conversely, prices in the transport category declined by 2.0%, reducing inflation by 0.3 percentage points.

In November 2025, the Bank issued new subordinated bonds in a nominal amount of EUR 60.0 million (ISIN XS3200137803), issued on 16 October 2025 and maturing on 16 October 2035. For the first five years, the principal bears a fixed interest rate of 6.75% per annum; thereafter, the interest rate will be reset based on then-prevailing market conditions. The bonds are listed on the MTF market of the Luxembourg Stock Exchange. The successful international issuance confirms the strong confidence of institutional investors in the long-term strategy, business growth and development of Gorenjska banka. Based on approval received from the European Central Bank, Gorenjska banka included the subordinated bonds in its regulatory capital and, on 29 October 2025, repaid early the principal amounts of two subordinated loans in a total amount of EUR 50 million, together with accrued interest. The subordinated loans in the amounts of EUR 20 million and EUR 30 million, with original maturities of 28 February 2030 and 14 December 2032, respectively, had qualified as additional capital instruments of the Bank.

The short-term maturity mismatch of the Bank's balance sheet remains within acceptable limits, and deposits from the non-banking sector increased significantly in 2025. The Bank closely monitored changes in the balance sheet structure and regularly performed liquidity stress testing, covering two scenarios (adverse and extreme) across three levels of severity. The stress scenarios assume that all types of stress affect both cash outflows and inflows and simultaneously reduce secondary liquidity and liquidity reserves. Under stress scenarios, the Bank also performs reverse stress tests for liquidity indicators (LCR, NSFR and LTD) over time horizons of one, three and six months. The methodology also includes criteria for assessing the minimum and optimal level of liquidity reserves, according to which the Bank must maintain sufficient liquidity reserves to cover at least the third level (combined adverse level) of stress over a 45-day period, and optimally the third level of stress over a three-month period.

The Bank determines its liquidity risk profile in accordance with the ICAAP and ILAAP frameworks. At the end of November 2025, the Bank again participated in a weekly liquidity exercise relating to liquidity monitoring and data provision at both the Bank and the wider Group level. The daily (weekly) liquidity exercise has been conducted annually since 2022. In addition, since September 2023, the Bank has submitted weekly regulatory liquidity reports at the Group level as prescribed by the supervisor. In October 2025, the Bank also carried out a weekly dry run of the recovery plan, testing its comprehensive response to extraordinary liquidity circumstances.

Liquidity management and the liquidity management programme are incorporated into the Bank's annual business plan. The annual business plan sets out the fundamental guidelines for liquidity management, which are embedded in the monthly liquidity plan and daily operational liquidity management. The plan also specifies the techniques and procedures for monitoring and controlling liquidity. All significant changes in planned inflows and outflows of funds and investments are updated in a revised version of the liquidity plan for the current and remaining months of the year.

In accordance with the internal regulations, the Treasury Department monitors the financial flows on a daily basis, which are reviewed by the Liquidity Committee. It decides on proposed projections and prepares possible scenarios depending on the probability of anticipated events.

To ensure adequate liquidity, the Bank closely and regularly monitors:

- > the timing of current and forthcoming cash flows on the asset and liability sides;
- > the coverage of potential cash outflows with cash inflows from maturing or readily marketable assets over a specified period;
- > the volume of potential cash outflows that can be covered by borrowing on the interbank market;
- > access to other funding sources based on secondary liquidity reserves;
- > the level and maintenance of required liquidity as defined by the regulations.

In its Risk Appetite Statement, the Bank includes several liquidity risk indicators: LCR and NSFR as key metrics, and the gross loan-to-deposit ratio (LTD) and survival period as supporting metrics. Based on the Risk Appetite Statement, the Strategic Risk Management Department proposes additional restrictions and internal limits for structural and operational liquidity, monitors compliance, and prepares analyses of the Bank's liquidity position and guidelines for liquidity risk management as a basis for decision-making. In addition to monthly measurement and monitoring, the Bank monitors on a daily basis the LCR and NSFR ratios, interbank exposures, foreign exchange risk exposure and the daily liquidity position, for which a minimum daily amount (limit) is defined.

The Bank ensures and manages its liquidity by:

- > borrowing required liquid funds on the interbank money market in the Republic of Slovenia and from foreign banks within the Eurosystem in the form of unsecured interbank loans;
- > drawing on credit lines with other banks;
- > obtaining funds from the ECB through Eurosystem monetary policy operations (TLTROs, longer-term and shorter-term tenders);
- > drawing on the credit line and marginal lending facility with Banka Slovenije;
- > intensifying the collection of term deposits from legal entities or individuals under favourable conditions for clients; and
- > selling debt securities held in its portfolio.

The Bank maintains a pool of eligible financial assets (with maximum registered pledges over securities included on the ECB's single list of eligible collateral, held with KDD and foreign national central banks in favour of Banka Slovenije) as a basis for access to ECB instruments (monetary policy operations and the credit line and marginal lending facility). The Bank additionally holds a sufficient amount of securities eligible for ECB operations that may be added to the pool of eligible assets, thereby increasing its access to liquidity in the event of stressed conditions. With the approval of Banka Slovenije, the Bank may also include eligible bank loans in the pool of eligible financial assets.

7.3.1 Non-Derivative Financial Liabilities and Assets Held for Managing Liquidity Risk

The table below presents the cash flows payable by the Bank under non-derivative financial liabilities and assets held for managing liquidity risk by the remaining contractual maturities at the date of the statement of financial position. The amounts disclosed in the table are the contractual undiscounted cash flows. The amounts disclosed differ from the amounts included in the statement of financial position because they are based on discounted cash flows.

	in thousands of EUR					
	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
31 December 2025						
Liabilities						
Due to banks	2,342	-	-	1,244	-	3,586
Due to customers	536,527	192,797	465,358	998,708	149	2,193,539
Borrowings from banks and central banks	40,159	159	2,958	7,413	18,888	69,577
Borrowings from customers	-	-	-	-	-	-
Debt securities	-	-	1,832	117,511	99,679	219,022
Lease liabilities	29	84	283	490	356	1,242
Other liabilities	8,863	425	1,850	-	-	11,138
Total liabilities (expected maturity dates)	587,920	193,465	472,281	1,125,366	119,072	2,498,104
Assets held for managing liquidity risk (expected maturity dates)	541,026	170,545	411,816	1,175,284	599,275	2,897,946
Liquidity gap	46,894	22,920	60,465	(49,918)	(480,203)	-

in thousands of EUR

	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
31 December 2024						
Liabilities						
Due to banks	5,175	–	–	1,241	–	6,416
Due to customers	423,895	178,469	463,966	952,697	3,413	2,022,440
Borrowings from banks and central banks	6,001	–	7,721	24,527	75,474	113,723
Borrowings from customers	–	–	–	–	–	–
Debt securities	–	–	9,250	118,500	–	127,750
Lease liabilities	26	53	238	549	–	866
Other liabilities	7,795	963	2,125	–	–	10,883
Total liabilities (expected maturity dates)	442,892	179,485	483,300	1,097,514	78,887	2,282,078
Assets held for managing liquidity risk (expected maturity dates)	524,478	134,636	400,169	1,050,946	569,395	2,679,624
Liquidity gap	(81,586)	44,849	83,131	46,568	(490,508)	–

The Bank has a diversified portfolio of quality highly-rated and liquid securities eligible for providing assets to settle liabilities and contingent liabilities. The Bank's liquidity reserves intended for liquidity risk management include cash and account balances with the Central Bank, government bonds, other securities suitable for repurchase contracts with the Central Bank, and other secondary liquidity sources in the form of highly liquid securities in the Bank's portfolio.

In liquidity risk management, the Bank also takes into account other financial assets that are expected to generate cash flows in order to settle the foreseen cash outflows for financial liabilities.

7.3.2 Commitments and Contingencies

The bank manages the liquidity risk associated with loan commitments and financial guarantees on the basis of expected cash outflows. These outflows, disclosed in the time bands when the Bank expects the loan commitments to be drawn, are summarised in the table below. Guarantees and commercial letters of credit are also included in the table below, based on the earliest contractual maturity date.

	in thousands of EUR					
	Up to 1 month	1-3 months	3-12 months	1-5 years	Over 5 years	Total
31 December 2025						
Commitments to extend credit	202,289	39,636	203,917	46,422	–	492,264
Guarantees	300,654	–	–	–	–	300,654
Total off-balance sheet items	502,943	39,636	203,917	46,422	–	792,918
31 December 2024						
Commitments to extend credit	170,900	41,052	161,833	70,163	–	443,948
Guarantees	247,540	–	–	–	–	247,540
Total off-balance sheet items	418,440	41,052	161,833	70,163	–	691,488

7.4 Estimated Fair Value of Financial Assets and Liabilities

7.4.1 Financial Instruments Not Measured at Fair Value

The following table summarises the carrying amounts and fair values of the financial assets and liabilities not presented in the Bank's statement of financial position at their fair value:

	in thousands of EUR			
	Carrying value		Fair value	
	31/12/2025	31/12/2024	31/12/2025	31/12/2024
Financial assets				
Cash, balances at central banks and other demand deposits at banks	386,584	386,281	386,584	386,281
Financial assets measured at amortised cost				
Debt securities measured at amortised cost	232,094	251,488	218,861	233,440
Loans and receivables to banks	11,189	18,645	11,154	18,522
Loans and receivables to customers	1,930,478	1,690,338	1,948,346	1,693,708
Other financial assets	3,808	3,570	3,808	3,570
Total financial assets	2,564,152	2,350,323	2,568,753	2,335,521
Financial liabilities				
Due to banks	3,448	6,198	3,560	6,279
Due to customers	2,186,564	2,008,715	2,189,666	2,010,848
Borrowings from banks and from other customers	68,781	88,622	64,275	84,633
Other financial liabilities	12,380	11,749	12,380	11,749
Debt securities	162,100	102,176	162,100	102,176
Total financial liabilities	2,433,273	2,217,460	2,431,981	2,215,686

The following table summarises the fair value hierarchy:

	in thousands of EUR			
	Level 1	Level 2	Level 3	Total
31. december 2025				
Financial assets				
Cash, balances at central banks and other demand deposits at banks	386,584	–	–	386,584
Debt securities	–	216,329	2,532	218,861
Loans and receivables to banks	–	11,154	–	11,154
Loans and receivables to customers	–	–	1,948,346	1,948,346
Other financial assets	–	3,808	–	3,808
Total financial assets	386,584	231,291	1,950,878	2,568,753
Financial liabilities				
Due to banks	–	3,560	–	3,560
Due to customers	–	2,189,666	–	2,189,666
Borrowings from banks and from other customers	–	64,275	–	64,275
Other financial liabilities	–	12,380	–	12,380
Debt securities	–	162,100	–	162,100
Total financial liabilities	–	2,431,981	–	2,431,981

	in thousands of EUR			
	Level 1	Level 2	Level 3	Total
31 December 2024				
Financial assets				
Cash, balances at central banks and other demand deposits at banks	386,281	–	–	386,281
Debt securities	–	230,908	2,532	233,440
Loans and receivables to banks	–	18,522	–	18,522
Loans and receivables to customers	–	–	1,693,708	1,693,708
Other financial assets	–	3,570	–	3,570
Total financial assets	386,281	253,000	1,696,239	2,335,521
Financial liabilities				
Due to banks	–	6,279	–	6,279
Due to customers	–	2,010,848	–	2,010,848
Borrowings from banks and from other customers	–	84,633	–	84,633
Other financial liabilities	–	11,749	–	11,749
Debt securities	–	102,176	–	102,176
Total financial liabilities	–	2,215,686	–	2,215,686

Level 1 comprises financial assets for which fair value was measured by the direct observation of prices on markets for the same financial assets; level 2 comprises financial assets and financial liabilities for which fair value was measured by the direct observation of prices on markets for similar financial assets; level 3 comprises financial assets for which fair value was measured using non-observational input data that included assumptions and forecasts.

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments.

7.4.1.1 Loans and Advances

The fair value of loans and advances is calculated based on discounted expected future principal and interest cash flows. For loans that do not have fixed repayment dates or that are subject to prepayment risk, repayments are estimated based on experience in previous periods when interest rates were at levels similar to the current levels, adjusted for any differences in interest rate outlook. Expected future cash flows are estimated by considering credit risk and any indication of impairment.

Expected future cash flows for homogeneous categories of loans are estimated on a portfolio basis. The estimated fair values of loans reflect changes in credit status since the loans were made, and changes in interest rates in the case of fixed-rate loans. As the Bank has a very limited portfolio of loans and advances with a fixed rate, the fair value of loans and advances is not significantly different from their carrying value.

7.4.1.2 Bank and Customer Deposits

For demand deposits and deposits with no defined maturity, fair value is taken to be the amount payable on demand at the reporting date. The estimated fair value of other deposits is based on discounted cash flows using interest rates for new deposits with similar remaining maturity. The value of long-term relationships with depositors is not taken into account in estimating fair values. As most of the Bank's deposits are either short-term with rates that are almost equal to the market rate, or have a variable rate (i.e. the market rate), there is no significant difference between the fair value of these deposits and their carrying value.

7.4.1.3 Borrowings

Most of the Bank's long-term debt has no quoted market prices, and fair value is estimated as the present value of future cash flows, discounted at interest rates available on the reporting date to the Bank for new debts of a similar type and remaining maturity. Again, as the majority of the Bank's long-term debt is with variable interest rates, there is no significant difference between its carrying and fair value.

7.4.2 Financial Instruments Measured at Fair Value

Financial instruments held for trading, financial instruments measured at fair value through profit or loss, and financial instruments measured at fair value through other comprehensive income are measured at fair value. Their measurement and recognition are disclosed in note 2.2.4.

7.4.3 Fair Value Hierarchy

The IFRS 7 specifies a hierarchy of valuation techniques based on whether the inputs to those valuation techniques are observable or unobservable. Observable inputs include market data obtained from independent sources, while unobservable inputs include the Bank's market assumptions. These two types of inputs have created the following fair value hierarchy:

- > Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities. This level includes listed equity securities, debt instruments on exchanges and exchange-traded derivatives such as futures.
- > Level 2 – Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices). This level includes the majority of the OTC derivative contracts, traded loans, issued structured debt and equity investments. The sources of input parameters like the LIBOR, the EURIBOR yield curve or counterparty credit risk are Bloomberg and Reuters. Fair value is also determined on the basis of information obtained on the last available transaction.
- > Level 3 – Inputs for the asset or liability that are not based on observable market data (unobservable inputs). This level includes equity investments, debt instruments and loans, the value of which can be determined using theoretical inputs.

This hierarchy requires the use of observable market data when available. The Bank considers relevant and observable market prices in its valuations where possible.

7.4.3.1 Assets and Liabilities Measured at Fair Value

	in thousands of EUR			
	Level 1	Level 2	Level 3	Total
31 December 2025				
Financial assets measured at FVTOCI				
> bonds	–	83,652	6,063	89,715
> equity	22,260	–	7,161	29,421
Financial assets mandatorily at FVTPL				
> equity	32	–	7,616	7,648
Total	22,292	83,652	20,840	126,784
Financial liabilities designated at FVTPL				
Total liabilities	–	–	–	–

	in thousands of EUR			
	Level 1	Level 2	Level 3	Total
31 December 2024				
Financial assets measured at FVTOCI				
> bonds	1,460	88,094	–	89,554
> equity	19,275	–	6,986	26,261
Financial assets mandatorily at FVTPL				
> equity	35	–	7,323	7,358
Total	20,770	88,094	14,309	123,173
Financial liabilities designated at FVTPL				
Total liabilities	–	–	–	–

At the end of 2025, the Bank owned a 2.73% share of the equity capital of the company Sava Turizem, d.d. The company is a closed company and is not listed on a stock market. The market value of the company's equity capital was determined for 2025 using the method of the current value of expected discounted cash flows (DCF).

To measure the fair value of the share in Sava Turizem d.d.'s equity capital, the Bank used the price of EUR 2.64 per share as at 31 December 2025 (2024: EUR 2.44), which falls in the range of EUR 2.37 to EUR 2.96 per share (2024: EUR 2.13 to EUR 2.80). The book value of the investment amounted to EUR 4,075 thousand at the price of EUR 2.64 per share (2024: EUR 3,759 thousand at the price of EUR 2.44 per share).

The basis for the method of the current value of discounted cash flows for 2025:

- > The assessed value for the equity share in Sava Turizem d.d. has been prepared by a minority owner,
- > The method of determining the current value of expected discounted cash flows is based on the assumption of an active company, i.e. a company that is focused on maximising value and that will continue to operate in the foreseeable future,
- > The company value has been assessed based on a value assessment focused on yield,
- > The discounted rate has been defined as the WACC (Weighted Average Costs of Capital) and has been assessed in the period of 2025-2029 in the amount of 8.6-8.7% (2024: 8.2%) and the long-term WACC in the amount of 8.6% (2024: 7.7%).

There were no transfers between levels in the aforementioned assets during the year.

Movements in Financial Assets at FV level 3

	in thousands of EUR			
	Equity measured at FVTOCI	Equity mandatorily at FVTPL	Bonds mandatorily at FVTOCI	Total
Balance at 1 Januar y 2025	6,986	7,323	–	14,309
Gains recognised in the income statement	–	293	215	508
Gains recognised in OCI	175	–	(184)	(9)
Additions	–	–	6,273	6,273
Disposals	–	–	(241)	(241)
Balance at 31 December 2025	7,161	7,616	6,063	20,840

7.5 Capital Management

Capital management is a continuous process involving the determination and maintenance of a sufficient scope and quality of capital. As part of the capital management policy, the Bank must ensure that it always has at its disposal adequate capital with respect to the volume and type of services that it performs, as well as to the risk it is exposed to when performing such services (capital adequacy).

The Bank must operate in such a way that the risk it is exposed to in respect of individual types or all types of transactions that it performs never exceeds the restrictions.


The table below summarises the capital components, capital requirements and capital ratios.

	in thousands of EUR	
	31/12/2025	31/12/2024
Paid-up capital instruments	16,188	16,188
Share premium	20,023	20,023
Own CET1 instruments	(26,007)	(26,007)
Previous years retained earnings	79,801	79,777
Accumulated other comprehensive income	2,189	(182)
Other reserves	177,421	177,421
Adjustments to CET1 due to prudential filters	(129)	(125)
Intangible assets	(5,344)	(2,255)
Deferred tax assets	(3,940)	(1,792)
Other CET1 capital deductions	–	–
Other adaptations	(11)	(730)
Common equity Tier 1 capital	260,191	262,318
Tier 1 capital	260,191	262,318
Subordinated loans	–	–
Tier 2 capital	59,491	50,000
Total capital (own funds)	319,682	312,318
Capital requirement for credit risk and counterparty credit risk	138,106	119,935
Of which capital requirements by exposure classes		
> Central governments or central banks	663	664
> Regional governments or local authorities	496	538
> Public sector entities	208	228
> Institutions	662	925
> Corporates	35,726	38,436
> Retail	48,463	42,853
> Secured by mortgages on immovable property	39,761	9,334
> Exposures in default	3,503	2,492
> Items associated with a particularly high risk	0	18,084
> Collective investment undertakings (CIU)	408	399
> Subordinated debt	242	–
> Equity	3,970	2,823
> Other items	4,004	3,159
Capital requirement for market risk	–	–
Capital requirement for operational risk	9,754	14,987
Total capital requirement	147,860	134,922
CET 1 capital ratio	14,08%	15,55%*
T1 capital ratio	14,08%	15,55%*
Total capital ratio	17,30%	18,52%*

* Correction of data for 2024 due to the inclusion of profit in the regulatory capital as at 31 December 2024 – resolution of the General Meeting on 17 March 2025

The Bank's capital structure in 2024 also included subordinated debt, issued separately under two agreements in the amounts of EUR 20 million and EUR 30 million, which formed part of the Bank's additional capital. In 2025, these funds were repaid and the capital structure was strengthened through the issuance of a subordinated bond on the international market with a nominal value of EUR 60 million. The bond matures on 16 October 2035, with a call option exercisable after 16 October 2030. Interest on the principal accrues at a fixed annual rate of 6.75%.

The Bank has no outstanding transactions in the trading book or the banking book and therefore does not calculate a capital requirement for settlement risk. It does not hold commodities for trading purposes and therefore does not calculate a capital requirement for commodity price risk. As the total net foreign currency position does not exceed 2% of the Bank's capital, the Bank is not required to calculate a capital requirement for foreign exchange risk. The Bank also has no capital requirements for large exposures exceeding the limits set out in Articles 395 to 401 of the Capital Requirements Regulation.



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